



Board's Report

Dear Members,

The Board of Directors are pleased to present the 79th Integrated Annual Report of the Company along with the audited financial statements for the financial year ended 31st March 2025.

Financial Results and State of Company Affairs

The Company's financial performance (standalone and consolidated) for the year ended 31st March 2025 is summarised below:

Particulars						
	Standalone			Consolidated		
	2024-25	2023-24 ¹	Growth (%)	2024-25	2023-24	Growth (%)
Revenue from sales and other operating income	29,552.65	31,226.98	(5.4)	33,905.62	35,494.73	(4.5)
Earnings before Interest, Taxes, Depreciation, and Amortisation	6,322.43	7,865.74	(19.6)	6,578.82	8,272.94	(20.5)
Less: Finance Costs	143.77	124.09		227.02	205.17	
Less: Depreciation and Amortisation Expense	901.85	742.93		1,026.34	853.00	
Profit for the period before share of profit in associate	5,276.81	6,998.72	(24.6)	5,325.46	7,214.77	(26.2)
Share of profit of associate	-	-		140.71	133.00	
Profit before exceptional items & tax	5,276.81	6,998.72	(24.6)	5,466.17	7,347.77	(25.6)
Exceptional Items ^{2 & 3}	379.63	-		363.10	-	
Profit before Tax	4,897.18	6,998.72	(30.0)	5,103.07	7,347.77	(30.5)
Less: Tax Expense	1,312.30	1,683.71		1,393.36	1,790.08	
Profit for the period	3,584.88	5,315.01	(32.6)	3,709.71	5,557.69	(33.3)
Attributable to:						
Shareholders of the Company	3,584.88	5,315.01	(32.6)	3,667.23	5,460.23	(32.8)
Non-Controlling Interest	-	-		42.48	97.46	
Other Comprehensive Income (net of tax)	233.50	27.45		114.56	31.96	
Total Comprehensive Income	3,818.38	5,342.46	(28.5)	3824.27	5,589.65	(31.6)
Attributable to:						
Shareholders of the Company	3,818.38	5,342.46	(28.5)	3,820.48	5,502.37	(30.6)
Non-Controlling Interest	-	-		3.79	87.28	
Opening balance in Retained Earnings⁴	13,828.77	11,040.29		14,018.63	11,340.92	
Amount available for Appropriation⁴	17,414.00	16,361.18		17,683.66	16,807.82	
Dividend						
Interim - FY 2024-25	407.71	-		407.71	-	
Interim - FY 2023-24	-	494.04		-	494.04	
Final - FY 2023-24	2,700.20	-		2,700.20	-	
Final - FY 2022-23	-	2,038.34		-	2,038.34	
Gross obligation towards further acquisition in subsidiary	-	-		241.76	256.78	
Transfer to other Reserves	-	-		-	-	
ESOP exercised during the year	0.80	0.03		0.80	0.03	
Closing balance in Retained Earnings⁴	14,305.29	13,828.77		14,574.95	14,018.63	

1. Figures for the financial year 2023-24 have been restated to give impact of amalgamation of Maxbhumi Developers Limited and Sleek International Private Limited, wholly owned subsidiaries of the Company, with the Company, effective from 1st March 2025. There is no material impact on the financials.

Board's Report (Contd.)

2. For Standalone financial results, exceptional items for the FY 2024-25 consists of (a) impairment provision towards investment in Obgenix Software Private Limited ("White Teak") and Weatherseal Fenestration Private Limited ("Weatherseal") of ₹ 188.88 crores and ₹ 12.96 crores, respectively and (b) fair valuation loss towards derivative contract for future stake purchase in White Teak and Weatherseal of ₹ 167.76 crores and ₹ 10.03 crores, respectively.
3. For Consolidated financial results, exceptional items for the FY 2024-25 consists of (a) foreign exchange loss of ₹ 56.14 crores of Kadisco Paint and Adhesive Industry Share Company on account of currency devaluation in Ethiopia; (b) impairment provision towards 'Goodwill on Consolidation' pertaining to Causeway Paints Lanka (Pvt) Ltd of ₹ 21.47 crores and impairment provision towards 'Goodwill on Consolidation' and 'Intangibles' pertaining to White Teak of ₹ 77.78 crores and (c) Loss of ₹ 83.71 crores pursuant to divestment of stake by Asian Paints International Private Limited, Singapore ("APIPL"), wholly owned subsidiary of the Company, in PT Asian Paints Indonesia & PT Asian Paints Color Indonesia, wholly owned subsidiaries of APIPL.
4. Includes re-measurement of defined benefit plans.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") gives details, *inter alia*, about the performance of the Decorative business, Décor business and various services, and Industrial businesses of the Company in India and International operations, important changes in these businesses, supply chain, internal control system & their adequacy, external environment, and economic outlook and forms an integral part of this Integrated Annual Report.

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

Confirmations

- a. There were no revisions to the financial statements and the Board's Report of the Company during the year under review; and
- b. There were no material changes and commitments that affect the financial position of the Company which have occurred between the end of the financial year 2024-25 and the date of this Report.

Financial Saliency

The Company's principal sources of liquidity are cash and cash equivalents, liquid investments, and the cash flow that the Company generates from its operations. The Company continued to be debt-free and maintained sufficient cash to meet its strategic and operational requirements.

Cash and cash equivalents and other balances with Banks (excluding earmarked balances), current/non-current term deposits as disclosed in other financial assets, investments in debentures or bonds (including interest accrued on the same) and mutual funds on a standalone basis as of 31st March 2025, stood at ₹ 4,478.65 crores as against ₹ 5,091.46 crores in the previous financial year. Cash and investments, on both standalone and consolidated basis, include deposits with banks and financial institutions with high credit ratings by international and domestic credit rating agencies. As a result, liquidity risk towards such balances is limited. The ratings are monitored periodically.

The Company's working capital management is robust and involves a well-organised process, which facilitates continuous monitoring and control over receivables, inventories, and other parameters.

Capital Expenditure

During the year under review, the Company on a standalone basis spent ₹ 1,048.25 crores towards capital expenditure against ₹ 1,986.45 crores in the previous financial year. This mainly comprises of spends for capacity expansion for paint business, regular capital expenditure at various plant locations and other Company offices/ warehouses, technological advancements, safety and ESG expenditure, backward integration projects, and general maintenance.

Expansion of installed production capacity Mysuru Plant

During the year under review, the Company has increased the installed production capacity at the Mysuru plant from 3,00,000 KL per annum to 6,00,000 KL per annum, at an investment of ₹ 1,164.30 crores, to meet the medium-term capacity requirements of the Company.

Registered Office

During the year under review, the Company has changed its registered office address to '6A & 6B, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India', to include the premises in addition and adjacent to its existing Registered Office.

Transfer to Reserves

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

Dividend

The Board of Directors of the Company have recommended payment of ₹ 20.55 (2055%) per equity share of ₹ 1 each fully paid-up as final dividend for the

financial year 2024-25. The record date for payment of final dividend is 10th June 2025. The final dividend, subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM") of the Company, will be paid on or after 30th June 2025. During the year under review, the Company also paid an interim dividend for the financial year 2024-25 of ₹ 4.25 (425%) per equity share of ₹ 1 each to the shareholders on 28th November 2024.

The total dividend for the financial year 2024-25, including the proposed final dividend, amounts to ₹ 24.80 per equity share of ₹ 1 each, and would involve a total outflow of ₹ 2,378.86 crores translating into a dividend payout of 60% (as against ₹ 33.30 per equity share of ₹ 1 each with a total outflow of ₹ 3,194.12 crores in the financial year 2023-24 resulting in a dividend pay-out ratio of 60%) of the standalone profits of the Company.

As per the Income-Tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. Accordingly, the Company makes the payment of the dividend after deduction of tax at source ("TDS").

Details of the dividend paid by the Company during the financial year 2024-25 are stated below:

Particulars	(₹ in Crores)		
	Gross amount of dividend*	Tax deducted at source	Net amount of dividend
Final Dividend FY 2023-24	2,700.20	279.32	2,420.88
Interim Dividend FY 2024-25	407.71	41.67	366.04
Total	3,107.91	320.99	2,786.92

*Includes excess funding made to the dividend account owing to rounding up of gross dividend and TDS.

The aforesaid dividend are being paid by the Company from its profits for the respective financial years.

The dividend recommended is in accordance with the Dividend Distribution Policy ("DD Policy") of the Company. The DD Policy, in terms of Regulation 43A of the Listing Regulations, is available on the Company's website at <https://www.asianpaints.com/DDPolicy.html>.

Asian Paints Group

The Company has 25 subsidiary companies (19 international subsidiary companies), and 2 joint venture companies as on 31st March 2025.

There has been no change in the nature of the business of the subsidiary companies and joint venture companies, during the year under review.

International Business

Outside India, the Company has operations in 13 countries across four regions of the world – Asia (Bangladesh, Nepal, and Sri Lanka), the Middle East (Oman, Bahrain, United Arab Emirates (UAE), and Qatar), Africa (Egypt and Ethiopia), and South Pacific (Fiji, Solomon Islands, Samoa, and Vanuatu).

Financial Performance

A list of bodies corporates that are subsidiaries/joint ventures of the Company is provided as part of the notes to Consolidated Financial Statements ("CFS"). The financial performance of the Company's select subsidiary and joint venture companies for the financial year 2024-25 is provided below:

i. Asian Paints International Private Limited

Asian Paints International Private Limited ("APIPL"), Singapore, is a wholly owned subsidiary of the Company and is the holding company for all of the subsidiary companies carrying out operations overseas, except Asian Paints (Nepal) Private Limited, Nepal and Asian White Cement Holding Limited, Dubai International Financial Centre, UAE. The principal activities of APIPL are those of investment holding and management.

On a consolidated basis, the revenue of APIPL was ₹ 2,678.20 crores (growth of 1.4% year-on-year) with a net loss of ₹ 20.11 crores (against net profit of ₹ 68.37 crores in the previous year).

ii. Asian Paints (Nepal) Private Limited

Asian Paints (Nepal) Private Limited ("AP Nepal"), Nepal, is a subsidiary of the Company. Its principal business is manufacturing and selling of paint products in Nepal.

The revenue of AP Nepal was ₹ 340.91 crores (growth of 1.8% year-on-year) with a net profit of ₹ 41.10 crores (growth of 2.2% year-on-year).

iii. Obgenix Software Private Limited

Obgenix Software Private Limited (popularly known by the brand name "White Teak") is a subsidiary of the Company. White Teak is engaged in the business of decorative lighting products, fans and other décor accessories.

The revenue of White Teak was ₹ 106.84 crores (de-growth of 19.9% year-on-year) with a net loss of ₹ 45.09 crores (against net profit of ₹ 2.37 crores in the previous year).

Board's Report (Contd.)

iv. Asian Paints PPG Private Limited

Asian Paints PPG Private Limited ("APPPG") is a joint venture company between the Company and PPG Industries Securities LLC. APPPG is engaged in the business of manufacturing, selling, and distributing protective coatings, powder coatings, road markings, floor coatings and providing related services.

The revenue of APPPG was ₹ 1,193.14 crores (growth of 4.1% year-on-year) with a net profit of ₹ 75.27 crores (de-growth of 24.9% year-on-year).

v. PPG Asian Paints Private Limited

PPG Asian Paints Private Limited ("PPGAP") is a joint venture company between the Company and PPG Industries Securities LLC. PPGAP is engaged in the business of manufacturing, selling, and distributing of paints and coatings for automotive, original equipment manufacturers, packaging, refinishing, marine, and other industries.

On a consolidated basis, the revenue of PPGAP was ₹ 2,136.52 crores (growth of 6.0% year-on-year) with a net profit of ₹ 281.41 crores (growth of 6.2% year-on-year).

During the year, PPGAP paid final dividend of ₹ 42.78 crores for the financial year 2023-24 and interim dividend of ₹ 72.72 crores for the financial year 2024-25.

vi. Weatherseal Fenestration Private Limited

Weatherseal Fenestration Private Limited ("Weatherseal") is a subsidiary of the Company. Weatherseal is engaged in the business of uPVC windows and doors.

The revenue of Weatherseal was ₹ 52.62 crores (growth of 1.8% year-on-year) with a net loss of ₹ 23.17 crores (against net loss of ₹ 18.41 crores in the previous year).

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

The Company does not have a material subsidiary as per the Listing Regulations.

The Company's Policy for determining material subsidiaries is available on the Company's

website at <https://www.asianpaints.com/PolicyforMaterialSubsidiaries.html>.

Changes in the Group Companies

i. Scheme of Amalgamation of Maxbhum Developers Limited and Sleek International Private Limited with the Company

During the year under review, the Mumbai Bench of the Hon'ble National Company Law Tribunal vide its Order dated 24th January 2025, sanctioned the Scheme of Amalgamation of Maxbhum Developers Limited ("MDL") and Sleek International Private Limited ("Sleek"), wholly owned subsidiaries of the Company with the Company ("the Scheme"). Pursuant to necessary filings with the Registrar of Companies, Maharashtra at Mumbai, the Scheme became effective from 1st March 2025, with the appointed date of 1st April 2024 and all the shares issued by MDL and Sleek stand cancelled and extinguished.

ii. Investment in Asian Paints International Private Limited

During the year under review, the Company invested ₹ 197.94 crores (SGD 32.1 million) in APIPL, a wholly owned subsidiary, by way of subscription of 4,79,00,000 equity shares. As on 31st March 2025, the total investment of the Company in APIPL stands at ₹ 904.38 crores.

iii. Investment in Asian Paints (Polymers) Private Limited

The Company currently imports Vinyl Acetate Ethylene Emulsion ("VAE") and Vinyl Acetate Monomer ("VAM") for its internal consumption. VAE is a key raw material for the Company. VAM is a key input for manufacturing VAE. VAE is considered to be the emulsion of the future and the key constituent for manufacturing environment friendly paints. VAE offers better paint properties and can significantly improve paint performance in customer facing attributes.

Asian Paints (Polymers) Private Limited ("APPPL"), wholly owned subsidiary of the Company, was incorporated for the purpose of setting up an in-house manufacturing facility for manufacturing of VAE and VAM in Dahej, Gujarat. In house manufacturing of VAE and VAM by APPPL would provide substantial sustainable cost efficiencies and will substitute the Company's dependence on imports.



During the year under review, the Board of Directors of the Company approved an additional capex cost of ₹ 690 crores on account of pre-operative expenses and certain escalations in project costs. The aggregate project cost now stands at ₹ 3,250 crores to be funded through a combination of equity funding by the Company and external debt financing.

In line with the capex proposal, the Company invested ₹ 500 crores in APPPL during the financial year 2024-25 and further invested ₹ 100 crores in APPPL after the end of the said financial year and upto the date of this Report. At present, the paid-up share capital of APPPL stands at ₹ 900 crores divided into 90,00,00,000 equity shares of ₹ 10 each.

iv. Increase in stake in SCIB Chemicals S.A.E.

During the year under review, APIPL, acquired further stake of 24.3% from the minority shareholders of its subsidiary SCIB Chemicals S.A.E., Egypt ("SCIB"), for a consideration of ₹ 34.46 crores (USD 4.1 million) resulting in its holding in SCIB increasing from 61.3% to 85.6%.

v. Voluntary Liquidation of A P International Doha Trading W.L.L.

During the year under review, A P International Doha Trading W.L.L., Qatar, a wholly owned subsidiary of APIPL, was voluntarily liquidated with effect from 26th November 2024 and consequently ceased to be a subsidiary of APIPL. Further, APIPL continues to operate in Qatar through its wholly owned subsidiary, Asian Paints Doha Trading W.L.L.

vi. Divestment of the Indonesia business

During the year under review, APIPL divested its entire stake in the subsidiary companies, PT Asian Paints Indonesia and PT Asian Paints Color Indonesia, to a Singapore based entity Berger Paints Singapore Pte Limited, subsidiary of Omega Property Investments Pty Ltd., Australia, for a consideration of ₹ 43.16 crores (SGD 6.7 million).

Consolidated Financial Statements

The said statement provides the details of the performance and financial position of each subsidiary and joint venture companies and their contributions to the overall performance of the Company.

In accordance with the provisions of the Act, Regulation 33 of the Listing Regulations, and applicable Indian Accounting Standards ("Ind AS"), the audited CFS of the Company for

the financial year 2024-25, together with the Auditor's Report forms part of this Integrated Annual Report.

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

Directors and Key Managerial Personnel

Board of Directors

As of 31st March 2025, the Board of Directors comprised of 12 Directors, 6 of which are Independent Director(s) (including a woman Independent Director), 5 Non-Executive Director(s) [Promoter(s) & Promoter(s) Group] and a Managing Director & CEO.

Change in Directorate

i. Appointment of Directors Independent Director

The Board of Directors of the Company at their meetings held on 28th March 2024 and 10th September 2024, based on the recommendations of the Nomination and Remuneration Committee, *inter alia*, approved the following appointments, respectively, to the Board of Directors of the Company, subject to the approval of the shareholders of the Company:

- Appointment of Dr. Gopichand Katragadda (DIN: 02475721) as an Additional and Independent Director of the Company for a period of five years with effect from 1st April 2024 to 31st March 2029.
- Appointment of Mr. Varun Berry (DIN: 05208062) as an Independent Director of the Company for a period of five years with effect from 23rd October 2024 to 22nd October 2029.

In the opinion of the Board, Dr. Gopichand Katragadda and Mr. Varun Berry bring on board the required experience, integrity, expertise, and relevant proficiency which will add tremendous value to the Board in exercising their role effectively.

The requisite declarations and eligibility confirmations under the provisions of the Act and SEBI Regulations were received from Dr. Gopichand Katragadda and Mr. Varun Berry for considering their appointment as Independent Directors.

Board's Report (Contd.)

The brief profiles of Dr. Gopichand Katragadda and Mr. Varun Berry are given in the Board of Directors section forming part of this Integrated Annual Report and are also available on the Company's website at <https://www.asianpaints.com/GovernanceStructure.html>.

The appointment of Dr. Gopichand Katragadda and Mr. Varun Berry as the Independent Directors of the Company for the term as mentioned above was subsequently approved by the shareholders of the Company through special resolution passed with the requisite majority by way of postal ballot via remote e-voting on 8th May 2024 and 16th October 2024, respectively. Further details of the same are provided in the Report of Corporate Governance, forming part of this Integrated Annual Report.

Non-Executive Director

The Board of Directors at their meetings held on 9th May 2024 and 27th March 2025, based on the recommendations of the Nomination and Remuneration Committee, *inter alia* approved the following appointments, respectively, to the Board of Directors of the Company, subject to the approval of the shareholders of the Company:

- a. Appointment of Ms. Nehal Vakil (DIN: 00165627) as a Non-Executive Director of the Company, who was holding office in casual vacancy up to the date of the 78th AGM of the Company held on 25th June 2024, was appointed as a Non-Executive Director of the Company, liable to retire by rotation with effect from the said date.
- b. Appointment of Mr. Ashish Choksi (DIN:00059132) as an Additional and Non-Executive Director of the Company with effect from 1st April 2025.

The brief profiles of Ms. Nehal Vakil and Mr. Ashish Choksi are given in the Board of Directors section forming part of this Integrated Annual Report and are also available on the Company's website at <https://www.asianpaints.com/GovernanceStructure.html>.

The appointment of Ms. Nehal Vakil as a Non-Executive Director of the Company liable to retire by rotation was subsequently approved by the shareholders of the Company at the 78th AGM held on 25th June 2024.

Further, the Resolution for the appointment of Mr. Ashish Choksi as a Non-Executive Director is being placed for the approval of the shareholders of the Company at the ensuing AGM, whose office shall be liable to retire by rotation in terms of

Section 152 of the Act. Details with respect to his experience, attributes, skills, disclosure of relationship between directors *inter-se*, directorships held in other companies, and committee memberships, etc., as stipulated under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("ICSI"), have been disclosed in the Annexure to the Notice of the AGM.

ii. Resignation by Non-Executive Director

During the year under review, Mr. Jigish Choksi (DIN: 08093304), Non-Executive Director of the Company, had tendered his resignation to the Board of Directors of the Company, with effect from the close of business hours on 31st March 2025, to pursue his family business and other related interests.

The Board places on record sincere appreciation for his contribution towards the success of the Company, during his tenure as a Non-Executive Director on the Board of the Company.

iii. Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act and the Articles of Association of the Company, Mr. Malav Dani (DIN: 01184336), Non-Executive Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment.

Based on performance evaluation and recommendations of the Nomination and Remuneration Committee, the Board of Directors recommend his re-appointment as a Non-Executive Director of the Company, liable to retire by rotation.

The brief profile of Mr. Malav Dani is given in the Board of Directors section forming part of this Integrated Annual Report and is also available on the Company's website at <https://www.asianpaints.com/GovernanceStructure.html>.

The resolution for the re-appointment of Mr. Malav Dani is being placed for the approval of the shareholders of the Company at the ensuing AGM. The required information as stipulated under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by ICSI, has been disclosed in the Annexure to the Notice of the AGM.

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



During the year under review, none of the Directors of the Company is appointed as a Director on the Board of the subsidiaries.

Key Managerial Personnel

Mr. Amit Syngle, Managing Director & CEO, and Mr. R J Jeyamurugan, CFO, Company Secretary & Compliance Officer, are the Key Managerial Personnel ("KMP") of the Company in accordance with the provision of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review, there were no changes in the KMP of the Company.

Directors' Responsibility Statement

Pursuant to Section 134 of the Act (including any statutory modification(s) and/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 2025, the applicable Accounting Standards 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 2025 and of the profits of the Company for the financial year ended 31st March 2025;
- 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 are 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.

The aforesaid statement has also been reviewed and confirmed by the Audit Committee of the Board of Directors of the Company.

Declaration from Directors

The Company has, *inter alia*, received the following declarations from all the Independent Directors confirming that:

- a. they meet the criteria of independence as prescribed under the provisions of the Act, read with Schedule IV and Rules issued thereunder, and the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
- b. they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and
- c. they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs and have qualified the online proficiency self-assessment test or are exempted from passing the test as required in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

The Board of Directors of the Company have taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 or are debarred or disqualified by the Securities and Exchange Board of India ("SEBI"), Ministry of Corporate Affairs ("MCA") or any other such statutory authority.

All members of the Board and the Senior Management Personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the financial year 2024-25.

The Company had sought the following certificates from independent and reputed Practicing Company Secretaries confirming that:

- a. none of the Directors on the Board of the Company have been debarred or disqualified from being appointed and/or continuing as Directors by the SEBI/MCA or any other such statutory authority.
- b. independence of the Directors of the Company in terms of the provisions of the Act, read with Schedule IV and Rules issued thereunder and the Listing Regulations.

Board's Report (Contd.)

Number of Meetings of the Board

During the year under review, 10 meetings of the Board of Directors were held. The details of the meetings of the Board of Directors of the Company held and attended by the Directors during the financial year 2024-25 are given in the Report on Corporate Governance forming part of this Integrated Annual Report.

The maximum interval between any 2 meetings did not exceed 120 days, as prescribed by the Act and the Listing Regulations.

Familiarisation Programme for Independent Directors

All Independent Directors are familiarised with the operations and functioning of the Company at the time of their appointment and on an ongoing basis.

During the year under review, the Nomination and Remuneration Committee further strengthened and formalised the induction plan & familiarisation programme for the board members by ensuring organised exposure to the incoming Directors, adding structure, laying down clear accountability, ensuring internal and external interactions, complete access to any information relating to the Company, thereby ensuring holistic perspective of the Company's operations to enable the Non-Executive Directors to be in a position to take well informed decisions.

The details of the training and familiarisation programme are given in the Report of Corporate Governance forming part of this Integrated Annual Report and are also available on the Company's website at <https://www.asianpaints.com/FamiliarisationProgramme.html>.

Committees

As of 31st March 2025, the Board has 6 Committees: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders Relationship Committee, and Investment Committee.

During the year, all recommendations of the Committees were approved by the Board.

A detailed note on the composition of the Board and its Committees, governance of committees including its terms of reference, number of committee meetings held during the financial year 2024-25, and attendance of the members, is provided in the Report of Corporate Governance forming part of this Integrated Annual Report. The composition and terms of reference of all the

Committees of the Board of Directors of the Company are in line with the provisions of the Act and the Listing Regulations.

Auditors and Auditor's Report

Statutory Auditors

Deloitte Haskins & Sells LLP ("DHS"), Chartered Accountants (Firm's Registration No. 117366W/W-100018), are the Statutory Auditors of the Company and hold office till the conclusion of the 80th AGM for the financial year 2025-26.

DHS has confirmed that they are not disqualified from continuing as the Statutory Auditors of the Company and satisfy the prescribed eligibility criteria.

The profile of the Statutory Auditors is available on the Company's website at <https://www.asianpaints.com/Auditors.html>.

The Statutory Auditors have issued an unmodified opinion on the financial statements for the financial year 2024-25 and the Statutory Auditor's Report forming part of this Integrated Annual Report.

Secretarial Auditors

The Board of Directors of the Company, on the recommendation made by the Audit Committee, had appointed Dr. K. R. Chandratre, Practicing Company Secretary (FCS No.: 1370; CP No.: 5144 & Peer Review Certificate No.: 1206/2021), as the Secretarial Auditors of the Company for the financial year 2024-25.

The details of the reports and certificate received from Dr. K. R. Chandratre, for the financial year 2024-25, are as under:

- Secretarial Audit Report under Section 204 of the Act read with Rules made thereunder and Regulation 24A of the Listing Regulations, is set out in Annexure (A-1) to this Report.
- Secretarial Compliance Report in relation to compliance with all applicable SEBI Regulations/ Circulars/Guidelines issued thereunder, Secretarial Standards issued by the ICSI, pursuant to requirement of Regulation 24A of the Listing Regulations, is set out in Annexure (A-2) to this Report. The Secretarial Compliance Report has been voluntarily enclosed as a good disclosure practice.
- Auditor's Certificate on Corporate Governance is annexed to the Report on Corporate Governance forming part of this Integrated Annual Report as required by Schedule V of the Listing Regulations.



The Secretarial Audit Report and Secretarial Compliance Report for the financial year 2024-25, does not contain any qualification, reservation, or adverse remark.

The Board of Directors of the Company, based on the recommendation made by the Audit Committee, and subject to the approval of the shareholders of the Company at the ensuing AGM, have approved the re-appointment of Dr. K. R. Chandratre, as the Secretarial Auditors of the Company to conduct the audit of the secretarial records for a period of five consecutive years from the financial year 2025-26 to the financial year 2029-30, in terms of provisions of Regulation 24A of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated 31st December 2024 and the Act.

Dr. K. R. Chandratre has given his consent and confirmed that he is not disqualified from being appointed as the Secretarial Auditor of the Company and satisfies the eligibility criteria.

The profile of the Secretarial Auditor is available on the Company's website at <https://www.asianpaints.com/Auditors.html>.

Cost Auditors

The Company has maintained cost records for certain products as specified by the Central Government under Section 148(1) of the Act. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 000240), the Cost Auditors, are in the process of carrying out the cost audit for applicable products during the financial year 2024-25.

The profile of the Cost Auditors is available on the Company's website at <https://www.asianpaints.com/Auditors.html>.

The Board of Directors of the Company, on the recommendation made by the Audit Committee, re-appointed Joshi Apte & Associates, as the Cost Auditors of the Company to conduct the audit of cost records of applicable products for the financial year 2025-26 at a remuneration of ₹ 10,50,000 plus applicable taxes and reimbursement of out-of-pocket expenses at actuals. Joshi Apte & Associates, being eligible, have consented to act as the Cost Auditors of the Company for the financial year 2025-26 and have confirmed that they are not disqualified to be appointed as such.

The resolution for ratification of the proposed remuneration payable to Joshi Apte & Associates to audit the cost records of the Company for the financial year ending 31st March 2026, is being placed for the approval of the shareholders of the Company at the ensuing AGM.

The Cost Audit Report for the financial year 2023-24 does not contain any qualification, reservation, or adverse remark. The Cost Audit Report for the financial year 2024-25 will be submitted to the Central Government within the prescribed timelines.

Policy

During the year under review, the Board of Directors of the Company based on the recommendation of the Audit Committee, had, *inter alia*, approved the extension of the Policy on engagement of Statutory Auditors to the Secretarial Auditors and Cost Auditors.

Accordingly, the nomenclature of the Policy from the existing "Policy on engagement of Statutory Auditors of the Company" was revised to "Policy on engagement of Auditors of the Company".

The Policy on engagement of Auditors of the Company is available on the Company's website at <https://www.asianpaints.com/AuditorsEngagementPolicy.html>.

Internal Auditors

The Company has in place a robust Internal Audit function empowered by team of Chartered Accountants, Certified Internal Auditors, ISO-certified audit professionals, and Engineer. The Internal Audit function also collaborates with professional firms specializing in information technology audits, field audits, fraud risk assessment, and other specific areas of expertise. Risk based Internal Audit plan is approved and periodically reviewed by the Audit Committee. These internal audits follow a risk and control-based methodology and include the review of internal controls and governance processes, adherence to management policies, underlying system controls and statutory compliances.

The Chief Internal Auditor reports functionally to the Audit Committee and administratively to the Managing Director & CEO of the Company. The Chief Internal Auditor participates in the meetings of the Audit Committee and the Risk Management Committee. During the year, the Audit Committee met with the Internal Auditor without the presence of other management members.

The Internal Audit team utilizes cutting-edge technology for conducting audits, data analysis, fraud-risk analysis, and managing audits. The Chief Internal Auditor periodically shares findings on financial, safety, information security, compliance, reporting risks, and other critical risks with the Audit Committee, along with corrective and preventive action plans to arrest the underlying risks.

Board's Report (Contd.)

The Company has a well-established Internal Audit Charter to enhance the governance mechanism, elaborate the scope of work of the internal audit function, specify the reporting structure of the Chief Internal Auditor, and outline the authority and responsibilities of the Chief Internal Auditor. An abridged version of the Internal Audit Charter is available on the Company's website at <https://www.asianpaints.com/AbridgedIACCharter.html>.

Reporting of Frauds by Auditors

None of the Auditors of the Company has identified and reported any fraud as specified under the second proviso of Section 143(12) of the Act.

Related Party Transactions

Related party transactions at Asian Paints

The Company has been entering into transactions with related parties, including entities directly and/or indirectly controlled by members of the Promoter(s) & Promoter(s) Group, for its business purposes for more than three decades. These transactions primarily include transactions relating to the purchase of raw materials, packing materials, intermediaries, and such other transactions permissible and provided for under the provisions of the Act, the Listing Regulations, and the Income-Tax laws.

The related parties with which the Company contracts:

- a. primarily supply their products to the Company;
- b. bring in advanced and innovative technology for the benefit of the Company;
- c. customise their products to suit the Company's specific requirements; and
- d. help in enhancing the Company's purchase cycles and assure just in time supply with resultant benefits – notably on working capital.

All of the aforementioned benefits provide the Company a competitive and cost advantage in the market, without compromising on the quality/service levels and based on sound commercial judgement.

The Company follows robust internal processes before entering into transactions with related parties and the considerations which govern the transactions with related parties are the same as those applicable for other vendors of the Company. All the transactions are undertaken for the benefit of the Company and in compliance with the applicable laws. None of the transactions are prejudicial to the interest of the Company.

In order to ensure transparency and arm's length pricing for such supplies by related parties, the Company seeks multiple quotes from related parties and unrelated parties of equal standing and appoints a related party only if such party offers competitive terms, including pricing, as compared to unrelated parties. Along with pricing, manufacturing capabilities to effectively serve the Company's requirements and quality parameters are primary factors taken into consideration.

Further, the Audit Committee seeks advice from external consultants and experts on determining, as and when required, whether a particular transaction which is being considered by the Audit Committee would be regarded on an arm's length basis or otherwise.

As a part of the Company's annual planning process, before the beginning of a financial year, details of all the transactions proposed to be executed with related parties, including the estimated amount of transactions to be executed, manner of determination of pricing and commercial terms, etc. are presented to the Audit Committee for its consideration and approval. The details of said transactions are also placed before the Board of Directors for their information. The Director, if interested in a transaction, does not participate in the meeting during the discussions relating to that transaction.

Further approval is sought during the year for any new transaction/modification to the previously approved limits/terms of contracts with the related parties. This is followed by a quarterly review of the related party transactions by the Audit Committee.

Policy

During the year under review, the Board of Directors based on recommendations of the Audit Committee approved and took note of the revision to the Policy on dealing with and materiality of Related Party Transactions and framework for transaction with related parties of the Company to incorporate the following changes in terms of amendments to the law and further enhance the governance mechanism:

- Enhancing the list of information to be provided at the time of seeking approval of the Audit Committee and/or Board of Directors, and the Shareholders of the Company, as the case maybe.
- Including norms with respect to ratification of related party transactions.



- Addition/Deletion/Modification to the list of nature of transactions forming part of the framework for determination of arm's length price for transactions with related parties.
- Other cosmetic changes, as may be necessary.

The Company's Policy on dealing with and materiality of related party transactions is available on its website at <https://www.asianpaints.com/RPTPolicy.html>.

Review

All transactions with related parties were reviewed and approved by the Audit Committee and were in accordance with the Policy on dealing with and materiality of related party transactions.

There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

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

Statutory Disclosures

The details of the related party transactions as per Ind AS-24 on Related Party Disclosures are set out in Note no. 37 to the standalone financial statements of the Company.

The Company in terms of Regulation 23 of the Listing Regulations submits on the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions, in the format specified by the SEBI. The said disclosures are available on the Company's website at <https://www.asianpaints.com/StatutoryFilings.html>.

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

Internal Controls

The Company has established robust internal control systems that are well-suited to the nature, size, scale, and complexity of its operations. These systems are implemented across all processes, units, and functions. The internal control framework, comprising policies, procedures and applications, is designed to ensure

effective management of the Company's operations, safeguard its assets, optimize resource utilization, ensure the reliability of financial information, and ensure compliance with relevant regulations.

In line with dynamic business requirement of growing size and complexity of the Company's operations, these systems and procedures are periodically reviewed and updated. The Audit Committee also regularly assesses the adequacy and effectiveness of the internal control systems and provides guidance for further enhancements. The Company ensures timely implementation of additional measures to enhance the internal controls.

Internal Financial Controls related to Financial Statements

The Company has implemented a comprehensive Internal Financial Controls System over financial reporting to ensure that all transactions are authorized, recorded, and reported accurately and promptly. This system provides reasonable assurance regarding the integrity and reliability of the Company's financial statements.

Detailed work instructions, standard operating procedures, policies, processes, and manuals have been established to delineate roles, responsibilities, and required actions. Functional heads are accountable for ensuring compliance with all laws and regulations, as well as with the policies and procedures set forth by management.

The Company's Enterprise Resource Planning ("ERP") system SAP-RISE is effectively leveraged and implemented for day-to-day transaction accounting and financial reporting. This ERP system, along with allied information technology solutions, provides a robust technology architecture for financial reporting controls. The Company's investment in advanced automation systems has enabled automated accounting and financial closing procedures, resulting in improved accuracy and faster financial reporting with minimal manual intervention. The preparation of financial statements has been automated to ensure end-to-end system-driven reporting across the Group, thereby reducing the potential for manual errors.

The Company's Shared Services Centre has advanced the digitalization journey, achieving aggressive targets for on-time payment processing with near zero errors. Efforts towards digital processing, touchless processing, the use of virtual assistants, on-the-fly intelligence tools, optical character recognition technology, and mobile apps for employee reimbursements, car hire, hotel, and

Board's Report (Contd.)

travel booking have significantly enhanced stakeholder satisfaction and process efficiency. The Company continues to invest in new technology to enable smoother and error-free processes.

The Company actively monitors changes to Accounting Standards, the Act, and other applicable regulations, making necessary adjustments to underlying systems, processes, and financial controls to ensure compliance. With increasing business complexities, detailed accounting and financial treatments are determined for new products, services, assets, commitments, contracts, and arrangements. All resultant policy changes and their financial impacts are disclosed to the Audit Committee after validation with the Statutory Auditors.

The Company has refreshed the Risk Assessment and Control Matrix for all processes involved in financial reporting and periodically tests them for design and operational effectiveness. The results of these tests are reported to the Audit Committee. The Company has further strengthened its controls by identifying areas of improvement and implementing actions through automation and enhanced data analysis.

The Company's standalone financial results are audited quarterly by its Statutory Auditors. Uniform accounting policies are followed by subsidiary companies, and international subsidiaries provide the necessary information for account consolidation in the prescribed format. The accounts of subsidiary and joint venture companies are audited and certified by their respective Statutory Auditors for consolidation. Additionally, the Company has implemented an audit trail on the books of accounts.

Vigil Mechanism

The Company promotes ethical behaviour in all its business activities and is in line with the best governance practices. The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by the 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 to manage the "Ethics Hotline" which can be used to, *inter alia*, anonymously report any instances of financial irregularities, breach of code of conduct, abuse of authority, disclosure of financial/unpublished price sensitive information other than for legitimate purposes, unethical/unfair actions concerning Company vendors/suppliers, malafide manipulation of Company records, discrimination to the Code of Conduct in an anonymous manner.

The Policy also provides adequate protection to all its stakeholders who report unethical practices and irregularities.

Any incidents that are reported are investigated and suitable action is taken in line with the Company's Whistle Blower Policy. No person is denied access to the Audit Committee.

The Whistle Blower Policy aims to:

- a. allow and encourage stakeholders to bring to the management's notice concerns about unethical behaviour;
- b. provide protection against victimisation;
- c. access to the higher levels of supervisors and/or to the Chairman of the Audit Committee, in appropriate or exceptional cases;
- d. ensure timely and consistent organisational response; and
- e. build and strengthen a culture of transparency and trust.

The Whistle Blower Policy has been appropriately communicated within the Company and its Group and is also available on the Company's website at <https://www.asianpaints.com/WBPolicy.html>.

Compliance Management

The Company has implemented a robust digital platform for end-to-end legal compliance management, ensuring adherence to all applicable laws across its operations. This system provides automated alerts to compliance owners for timely action on statutory obligations and features a dedicated license management module to track renewals across locations, with renewal alerts aligned to regulatory timelines.

The compliance owners are required to certify the status of their respective obligations, which is then reviewed by designated approvers. A consolidated compliance dashboard is shared with functional heads and the Compliance Officer. A quarterly compliance certificate, incorporating any corrective or preventive actions taken, is presented to the Audit Committee and the Board of Directors.

During the year, the system was extended to cover our International Units, enhancing global compliance oversight. Additionally, the Company engaged an expert to revamp the compliance checklist, enabling more granular tracking of compliance requirements.

The Company also operates a centralized automated tool for managing regulatory communications, including show cause notices, inspection and visit reports, and



correspondence from statutory authorities. This tool issues alerts to Central Functions and Business Heads upon receipt of any notice, facilitates review and input on draft responses, tracks notice resolution status across locations, links related notices from the same authority, and generates customized dashboards and reports to support informed decision-making and oversight.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company, *inter alia*, provides that the Nomination and Remuneration Committee shall: (i) formulate the criteria for Board membership, including the appropriate mix of Executive & Non-Executive Directors; (ii) lay down the criteria for appointment in Senior Management positions; (iii) approve and recommend compensation packages and policies for Directors and Senior Management; (iv) lay down the process for the effective manner of performance evaluation of the Board, its Committees and the Directors; and (v) play the role of Compensation Committee in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and administer the Asian Paints Employee Stock Option Plan 2021.

During the year under review, the Nomination and Remuneration Policy was revised, *inter alia*, to bring it in line with the recent amendments to law.

The salient features of the Nomination and Remuneration Policy of the Company are outlined in the Report of Corporate Governance forming part of this Integrated Annual Report. The Policy is also available on the Company's website at <https://www.asianpaints.com/NRCPolicy.html>.

Remuneration of Directors, Key Managerial Personnel and Senior Management

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 read with Schedule II of the Listing Regulations. Details on the same are given in the Report of Corporate Governance forming part of this Integrated Annual Report.

Mr. Amit Syngle, Managing Director & CEO of the Company, has not received any remuneration or commission from any of the subsidiary companies.

Further, the Company does not have any holding company, hence, a circumstance of any remuneration or commission from a holding company does not arise.

The information required under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of

Directors and employees of the Company is set out in Annexure (C) to this Report.

Board Evaluation

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

The detailed process of evaluation and the outcomes thereto are set out in the Report of Corporate Governance forming part of this Integrated Annual Report.

Asian Paints Employee Stock Option Plan 2021 ("2021 Plan")

The Asian Paints Employee Stock Option Plan 2021 ("2021 Plan") as approved by the shareholders of the Company was introduced to incentivise, retain, and attract key talent through a performance-based stock option grant program and consequently enhance shareholder value. The 2021 Plan aims to create a sense of ownership among the eligible employees of the Company and its subsidiaries and to align their medium and long-term compensation with the Company's performance.

The vesting criteria are primarily based on the achievement of annual performance parameters by the eligible employees, number of years of service, and such other criteria as may be prescribed by the Nomination and Remuneration Committee i.e., the Administrator, from time to time.

The details of the stock options granted under the 2021 Plan and the disclosures in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") are set out in Annexure (D) and are available on the Company's website at <https://www.asianpaints.com/AnnualReports.html>.

The 2021 Plan is being implemented in accordance with the provisions of the Act and the SEBI SBEB Regulations, and is available on the Company's website at <https://www.asianpaints.com/ESOPplan.html>.

The certificate from the Secretarial Auditor on the implementation of the 2021 Plan in accordance with Regulation 13 of the SEBI SBEB Regulations, has been uploaded on the Company's website at <https://www.asianpaints.com/AnnualReports.html>. The certificate will also be available for electronic inspection by the members during the AGM of the Company.

Board's Report (Contd.)

Corporate Social Responsibility ("CSR")

During the financial year 2024-25, the Company has spent ₹ 109.26 crores towards CSR expenditure, including set-off of excess CSR spends of ₹ 0.45 crore made by the Company in the previous financial years, in terms of the CSR annual action plan approved by the CSR Committee and the Board of Directors, from time to time. The CSR initiatives of the Company were under the thrust area of health & hygiene, enhancing vocational skills and water stewardship.

The CSR annual action plan of the Company for the financial years 2024-25 and 2025-26 is available on the Company's website at <https://www.asianpaints.com/about-us.html>.

The CSR Committee confirms that the implementation and monitoring of the CSR Policy was done in compliance with the CSR objectives and policy of the Company.

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March 2025, in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") is set out in Annexure (E) to this Report. During the year, no revision was made to the CSR Policy of the Company.

A synopsis of the report of the independent agency for the CSR projects, to which impact assessment is applicable in terms of the provisions of Section 135 of the Act read with the CSR Rules, has been provided as part of the said annual report on CSR activities. The detailed report is available on the Company's website at <https://www.asianpaints.com/about-us.html>.

Risk Management

The Company acknowledges that risk is a fundamental aspect of business and is committed to managing risks proactively and efficiently. Success as an organisation relies on the ability to identify opportunities and manage risks. The Company employs a disciplined process for continuously assessing risks in both internal and external environments while minimising their impact.

This includes regularly conducting risk assessments to identify potential threats and opportunities that could impact the Company's objectives. The Company employs a structured approach to risk management, which encompasses risk identification, risk evaluation, risk mitigation, and risk monitoring.

The Company regularly identifies 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 plans. The Company incorporates these risk mitigation steps in its strategy and operating plans, ensuring that all identified risks are adequately addressed. This involves developing action plans to reduce the likelihood and impact of risks occurring, as well as contingency plans to manage risks if they do materialise.

Through continuous monitoring and review, the Company ensures that its risk management practices remain effective and responsive to the changing business environment. This ongoing process helps to enhance the Company's resilience and ability to achieve sustainable growth.

The Company's Risk Management process aims to create value in uncertainty, ensure good governance, meet stakeholder expectations, and enhance resilience and sustainable growth.

The Company has in place a Risk Management Policy which articulates the approach to address the uncertainties in its endeavour to achieve its stated and implicit objectives. 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 to ensure that all short-term and long-term implications of key strategic and business risks are identified and addressed by the management. The Audit Committee takes the mantle of reviewing the risk management systems of the Company.

The Company periodically reviews and improves the adequacy and effectiveness of its risk management systems considering the rapidly changing business environment and evolving complexities. The Company, through the risk management process, aims to contain the risk within the risk appetite.

There are no risks which in the opinion of the Board threaten the existence of the Company. Further, some of the risks that may pose challenges and strategies to mitigate those risks are set out in the Governance section forming part of this Integrated Annual Report.

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

Integrated Annual Report

The Company continues with its integrated reporting journey in the current financial year, aligning with its purpose of Bringing joy to people's lives. This is the 5th year of publication of the Integrated Annual Report of the Company in line with the <IR> framework published by the International Financial Reporting Standards Foundation ("IFRS").



The Global Reporting Initiative reported in this Integrated Annual Report have been subject to Reasonable/Limited Assurance. The Assurance Report issued by Deloitte Haskins & Sells LLP has been annexed to this Integrated Annual Report.

The Integrated Annual Report comprises both financial and non-financial information to illustrate how different 'capitals' are deployed to enable the creation of value, thereby enabling the members to make well-informed decisions and have a better understanding of the Company's long-term perspective and value creation for all the stakeholders.

The Integrated Annual Report, like last year, is structured around Environmental, Social and Governance ("ESG") commitments and how they are integrated into the Company's business strategy. The Company's focus on creating sustainable operations, supported by empowered people and world-class governance, helps to build and grow the Company's business seamlessly.

The key initiatives taken by the Company, *inter alia*, with respect to the stakeholder engagement, ESG, Health & Safety of employees/workers, and progress against ESG commitments have been provided separately under various sections of this Integrated Annual Report.

The Board acknowledges its responsibility for the integrity of the report and the information contained therein.

Corporate Governance Report

In compliance with Regulation 34(3) of the Listing Regulations, a separate report on the Corporate Governance, as stipulated under the Listing Regulations is presented in a separate section forming part of this Integrated Annual Report.

Business Responsibility and Sustainability Report

In compliance with Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report ("BRSR") on the environmental, social, and governance disclosures, including BRSR Core consisting of Key Performance Indicators as stipulated under the Listing Regulations is presented in a separate section forming part of this Integrated Annual Report.

Annual Return

In accordance with Section 92(3) read with Section 134(3) (a) of the Act and the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as of 31st March 2025 in Form MGT-7, is

available on the Company's website at

<https://www.asianpaints.com/AnnualReturnFY2024-25.html>.

The Annual Return will be submitted to the Registrar of Companies within the timelines prescribed under the Act.

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 ("the 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. Further, the Policy also gives shelter to contract workers, probationers, temporary employees, trainees, apprentices of the Company and any person visiting the Company at its office.

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

Complaints of sexual harassment received during the financial year 2024-25 by the Company were investigated in accordance with the procedures prescribed and adequate steps were taken to resolve them. Further details with respect to the complaints of sexual harassment are provided in the Report on Corporate Governance forming part of this Integrated Annual Report.

The Company's Policy for prevention of sexual harassment is available on the Company's website at <https://www.asianpaints.com/POSHPolicy.html>.

Registrar and Share Transfer Agent

During the year under review, Link Intime India Private Limited, Registrar and Share Transfer Agent ("RTA") of the Company has changed its name to 'MUFG Intime India Private Limited' ("MIPL") with effect from 31st December 2024.

MIPL is now the RTA of the Company.

Share Capital

During the financial year 2024-25, there was no change in the authorised, issued, subscribed, and paid-up share capital of the Company.

Board's Report (Contd.)

Confirmations

- a. During the year under review, the Company has not:
 - (i) issued any shares, warrants, debentures, bonds, or any other convertible or non-convertible securities.
 - (ii) issued equity shares with differential rights as to dividend, voting or otherwise.
 - (iii) issued any sweat equity shares to its Directors or employees.
 - (iv) made any change in voting rights.
 - (v) reduced its share capital or bought back shares.
 - (vi) changed the capital structure resulting from restructuring.
 - (vii) failed to implement any corporate action.
- b. The Company's securities were not suspended for trading during the year.
- c. The disclosure pertaining to the explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc., is not applicable to the Company.

Unclaimed Dividend

In terms of applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), unclaimed dividend amounting to ₹ 3.01 crores was transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Government of India, during the year under review.

Further, 1,12,193 shares were transferred to the demat account of the IEPF Authority during the year under review, in accordance with the IEPF Rules, as the dividend(s) has not been claimed by the shareholders on those shares for 7 consecutive years or more.

The details of unclaimed dividend lying in the unclaimed dividend accounts of the Company and details of resultant benefits arising out of shares already transferred to IEPF as on 31st March 2025 is provided in the General Shareholder Information section forming part of this Integrated Annual Report.

Significant and Material Orders passed by the Regulators or Courts

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

The Competition Commission of India ("Commission") had passed a *prima facie*, Order dated 14th January 2020 directing the Director General ("DG") to conduct an investigation against the Company, under the provisions of Section 26(1) of the Competition Act, 2002 ("the Competition Act"). Based on this Order, the DG initiated the investigation against the Company and on 17th December 2021 submitted its consolidated Investigation Report to the Commission.

The Hon'ble Commission vide its Order dated 8th September 2022 had noted that the Company has not contravened any charging sections i.e., Sections 3(4) and 4 read with Section 3(1) of the Competition Act. The said Order of the Hon'ble Commission has been appealed in the National Company Law Appellate Tribunal by the complainants.

Loans and Investments

Details of loans, guarantees and investments covered 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 2025, are set out in Note no. 35(B) to the standalone financial statements of the Company.

Deposits

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.

Compliance with Secretarial Standards

The Company has complied with Secretarial Standards issued by the ICSI on Meetings of the Board of Directors, General Meetings, and voluntarily the Secretarial Standards on Dividend and Report of the Board of Directors.

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

The information on the conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is set out in the Annexure (F) to this Report.

Awards and Accolades

The details of some of the significant accolades earned by the Company during the financial year 2024-25 have been provided in the Awards & Recognition section forming part of this Integrated Annual Report.



Other Disclosures

During the year under review:

- a. No credit rating has been obtained by the Company with respect to its securities. Further, the details of the credit rating obtained by the Company with respect to its long-term and short-term borrowings have been provided separately in the General Shareholder Information section forming part of this Integrated Annual Report.
- b. No application has been made under the Insolvency and Bankruptcy Code, 2016. Hence, the requirement to disclose the details of the application made or any proceeding pending under the said Code during the year along with their status as at the end of the financial year is not applicable.
- c. The requirement to disclose the details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

Appreciation

The Board of Directors place on record sincere gratitude to all employees for their unwavering dedication, resilience, and collaborative spirit. With such a strong foundation and shared vision, we are confident in our ability to drive continued success in the years ahead.

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

R Seshasayee

Chairman

(DIN:00047985)

Place: Chennai

Date: 8th May 2025

Annexure (A-1) to Board's Report

Secretarial Audit Report for the financial year ended 31st March 2025

[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 & 6B, Shantinagar,
Santacruz (East),
Mumbai – 400 055,
Maharashtra, India.

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 31st March 2025 ("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 31st March 2025 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 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 Borrowings transactions 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 and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buy-back 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 Water (Prevention and Control of Pollution) Act, 1974 and the Water (Prevention and Control of Pollution) Rules, 1975;
 - (b) The Air (Prevention and Control of Pollution) Act, 1981 and the Air (Prevention and Control of Pollution) Rules, 1982;



- (c) The Environment Protection Act, 1986 and Rules & Regulations thereunder;
- (d) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
- (e) The Legal Metrology Act, 2009 and Rules & Regulations thereunder;
- (f) The Regulation on Lead Contents in Household and Decorative Paints Rules, 2016; and
- (g) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

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

- (i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited and 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 the 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 Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), vide its Order dated 24th January 2025, sanctioned the Scheme of Amalgamation of Maxbhumi Developers Limited and Sleek International Private Limited (Transferor Companies), wholly-owned subsidiaries of Asian Paints Limited (Transferee Company/the Company), with the Company [Scheme].

The appointed date for the said Scheme is 1st April 2024 and effective date is 1st March 2025 i.e. the date of filing of the certified copy of the Hon'ble NCLT Order sanctioning the Scheme of Amalgamation, with the Registrar of Companies, Maharashtra, at Mumbai by the Transferor Companies and the Company.

Dr. K. R. Chandratre

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

Place: Pune

Date: 8th May 2025

UDIN: F001370G000300713

Peer Review Certificate No.: 1206/2021

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

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

Annexure to the Secretarial Audit Report

To:
The Members,
Asian Paints Limited,
6A & 6B, Shantinagar,
Santacruz (East),
Mumbai – 400 055,
Maharashtra, India.

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Dr. K. R. Chandratre

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

Place: Pune

Date: 8th May 2025

UDIN: F001370G000300713

Peer Review Certificate No.: 1206/2021



Annexure A-2 to Board's Report

Secretarial Compliance Report of Asian Paints Limited for the financial year ended 31st March 2025

[Pursuant to Regulation 24A(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I have examined:

- (a) all the documents and records made available to us and explanation provided by Asian Paints Limited ("the listed entity"),
 - (b) the filings/submissions made by the listed entity to the stock exchanges,
 - (c) website of the listed entity,
 - (d) any other document/filing, as may be relevant, which has been relied upon to make this certification,
 - (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 (Buy-back 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 and Sweat Equity) Regulations, 2021 ("SBEB Regulations");
 - (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the listed entity during the Review Period);
 - (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- for the year ended **31st March 2025** ("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, 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 ("SEBI LODR");
 - (b) The listed entity has taken the following actions to comply with the observations made in the previous reports: Not Applicable.
- 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.

In respect of following matters, the listed entity, during the review period, has complied with as specified below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
1.	Secretarial Standards The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).	Yes	-
2.	Adoption and timely updation of the Policies:	Yes	-
	(a) All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors of the listed entity; and		
	(b) All the policies are in conformity with SEBI Regulations and have been reviewed and timely updated as per the regulations/circulars/guidelines issued by SEBI.		

Annexure (A-2) to Board's Report (Contd.)

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
3.	Maintenance and disclosures on Website: (a) The listed entity is maintaining a functional website; (b) Timely dissemination of the documents/ information under a separate section on the website; and (c) Web-links provided in annual corporate governance reports under Regulation 27(2) of the SEBI LODR are accurate and specific which re-directs to the relevant document(s)/section of the website.	Yes	-
4.	Disqualification of Director: None of the Director(s) of the listed entity is disqualified under Section 164 of Companies Act, 2013.	Yes	-
5.	Details related to subsidiaries of listed entity examined with respect to: (a) Identification of material subsidiary companies; and (b) Requirements with respect to disclosure of material as well as other subsidiaries.	Yes	-
6.	Preservation of documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under the SEBI LODR.	Yes	-
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of financial year as prescribed in SEBI Regulations.	Yes	-
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; and (b) In case where no prior approval was obtained, the listed entity provided detailed reasons along with confirmation that the transactions are being subsequently approved/ratified/rejected by the Audit committee.	Yes NA	- No such instances observed
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 read with Schedule III to the SEBI LODR within the time limits prescribed thereunder.	Yes	-
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) and 3(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	-
11.	Actions taken by SEBI or Stock Exchange(s), if any: No Action has been taken against the listed entity/its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder.	Yes	-



Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries, if any: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 for compliance with the provisions of the SEBI LODR by listed entities.	NA	No such instance occurred
13.	Compliance with requirements for disclosure of Employee Benefit Scheme Documents in terms of regulation 46(2)(za) of the SEBI LODR: (a) In terms of SEBI Circular No. SEBI/ HO/ CFD/ CFD - PoD-2/ CIR/P/2024/185 dated December 31, 2024 on Implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities – As required under the SBEB Regulations, the listed entity has uploaded the Employee Benefit scheme documents on its website after obtaining shareholders' approval. (b) The uploaded documents on the website have minimum information to be disclosed to shareholders. (c) The rationale for redacting information from the documents and the justification as to how such redacted information would affect competitive position or reveal commercial secrets of the listed entity was placed before the board of directors for consideration and approval.	Yes Yes NA	- - No redaction done
14.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulations/circulars/guidance notes, etc.	Yes	-

Assumptions and Limitation of Scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. My responsibility is to report based upon my examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Dr. K. R. Chandratre

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

Place: Pune

Date: 8th May 2025

UDIN: F001370G000300746

Peer Review Certificate No.: 1206/2021

Annexure (B) to Board's Report

Form AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 ("the Act") read with 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 Act including certain arm's length transactions under the fourth proviso thereto

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

a. Name of the related party and nature of relationship	
b. Nature of the contracts/arrangements/transactions	
c. Duration of the contracts/arrangements/transactions	
d. Salient terms of the contracts/arrangements/transactions including the value, if any	
e. Justification for entering into such contracts/arrangements/transactions	Not Applicable
f. Date of approval by the Board	
g. Amount paid as advance, if any	
h. Date on which the resolution was passed in general meeting as required under the first proviso to Section 188 of the Act	

2. Details of material contracts or arrangements or transactions at arm's length basis

a. Name of the related party and nature of relationship	
b. Nature of the contracts/arrangements/transactions	
c. Duration of the contracts/arrangements/transactions	
d. Salient terms of the contracts/arrangements/transactions including the value, if any	Not Applicable
e. Date of approval by the Board, if any	
f. Amount paid as advance, if any	

During the financial year 2024-25, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis and were approved by the Audit Committee of the Company.

For and on behalf of the Board of Directors

R Seshasayee
Chairman
(DIN: 00047985)

Place: Chennai
Date: 8th May 2025



Annexure (C) to Board's Report

Statement of Disclosure of Remuneration

[Pursuant to Section 197(12) of the Companies Act, 2013 ("the Act") and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Remuneration details of Directors and Key Managerial Personnel of the Company for the financial year 2024-25 is as follows:

Sr. No.	Name	Designation	Remuneration (in ₹)	Ratio to median Remuneration ⁸	Percentage Increase/Decrease in the Remuneration
1.	R Seshasayee	Independent Director & Chairman	86,00,000	6.93	30.30
2.	Manish Choksi	Non-Executive Director & Vice-Chairman	79,00,000	6.37	25.40
3.	Amit Syngle ¹	Managing Director & CEO	11,19,72,220	90.25	(40.51)
4.	Malav Dani	Non-Executive Director	66,00,000	5.32	13.79
5.	Amrita Vakil	Non-Executive Director	64,00,000	5.16	14.29
6.	Jigish Choksi ²	Non-Executive Director	56,00,000	4.51	0.00
7.	Nehal Vakil	Non-Executive Director	57,00,000	4.59	5.56
8.	Milind Sarwate	Independent Director	73,00,000	5.88	12.31
9.	Ireena Vittal	Independent Director	67,00,000	5.40	Refer note 6
10.	Soumitra Bhattacharya	Independent Director	88,00,000	7.09	
11.	Gopichand Katragadda ³	Independent Director	61,00,000	4.92	
12.	Varun Berry ³	Independent Director	24,50,000	Refer note 6	
13.	R J Jeyamurugan ⁷	CFO, Company Secretary & Compliance Officer	5,31,96,548	42.88	23.40

Notes:

- The remuneration paid to Amit Syngle is linked to achievement of predetermined performance parameters.
- Jigish Choksi ceased to be a Non-Executive Director of the Company with effect from close of business hours on 31st March 2025.
- Gopichand Katragadda and Varun Berry were appointed as Independent Directors with effect from 1st April 2024 and 23rd October 2024, respectively.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2024-25 and includes commission and sitting fees paid to Directors during the said financial year.
- The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
- Ratio to median remuneration and percentage increase/decrease in remuneration are not reported as they were holding directorship for part of the financial years 2023-24 & 2024-25 and/or they were appointed during the financial years 2023-24 & 2024-25.
- The remuneration paid to R J Jeyamurugan, includes perquisite value of ₹ 39,80,595 levied on the ESOPs granted for the financial year 2020-21 exercised in the financial year 2024-25. Further, the aforesaid remuneration paid excludes stock options worth ₹ 61,00,000 granted in accordance with the Asian Paints Employee Stock Option Plan 2021 ("2021 Plan") for the financial year 2024-25. The stock options would vest on fulfilment of vesting conditions in accordance with the 2021 Plan.
- The median remuneration of all employees who were present throughout the last & current financial year was ₹ 12,40,678 and ₹ 11,85,086 per annum for the financial year 2024-25 and 2023-24, respectively. The increase in median remuneration of employees for the financial year 2024-25, as compared to financial year 2023-24 is 4.69%.
- The increase in average salary of employees (other than Key Managerial Personnel) for the financial year 2024-25, as compared to financial year 2023-24 is 14% (including performance-based incentive) for those employees who were present throughout the last & current financial year.
- The remuneration of Key Managerial Personnel decreased by 29% in the financial year 2024-25, as compared to the financial year 2023-24. The increase in remuneration of employees other than the Key Managerial Personnel is higher considering decrease in the remuneration of the Key Managerial Personnel.

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

B. Number of permanent employees on rolls of the Company as on 31st March 2025:

Particulars	No. of employees
Executive/Manager cadre	1,694
Staff	7,702
Operators/Workmen	1,715
Total	11,111

- C. It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel, and Senior Management Personnel is as per the Nomination and Remuneration Policy of the Company.
- D. The statement containing names of the 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(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of this Report is open for inspection by the members through electronic mode. Any member interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board of Directors

R Seshasayee

Chairman
(DIN: 00047985)

Place: Chennai

Date: 8th May 2025



Annexure (D) to Board's Report

Disclosure in relation to Asian Paints Employee Stock Option Plan 2021

[Pursuant to Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") and Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014]

All the relevant details of the Company's Employee Stock Option Plan are provided below and are also available on the website of the Company at <https://www.asianpaints.com/AnnualReports.html>.

(A) Relevant disclosures in terms of the Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time:

Refer Note no. 34(3) forming part of the standalone financial statements and Note no. 32(3) of the consolidated financial statements for the financial year 2024-25. Please note that the said disclosure is provided in accordance with the Ind AS 102 – Share Based Payment.

(B) Diluted EPS on issue of shares pursuant to all the schemes covered under the SEBI SBEB Regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by the Central Government or any other relevant Accounting Standards as issued from time to time:

Refer Note no. 31 forming part of the standalone financial statements and Note no. 30 of the consolidated financial statements for the financial year 2024-25. Please note that the said disclosure is provided in accordance with the Ind AS 33 – Earnings per share.

(C) Details related to Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"):

Sr. No.	Particulars	Details of 2021 Plan
(i)	General terms and conditions of 2021 Plan:	
(a)	Date of shareholders' approval	29 th June 2021
(b)	Total number of options approved under 2021 Plan	25,00,000 stock options will be granted over 10 (ten) years period of the 2021 Plan.
(c)	Vesting requirements	The vesting period shall be decided by the Nomination and Remuneration Committee ("the Committee/NRC") from time to time in accordance with the 2021 Plan. As per the present norms, the minimum vesting period shall not be less than 12 months from the date of grant of the stock options (or such other minimum period as allowed under the SEBI SBEB Regulations) and the maximum vesting period shall not be more than 48 months from the date of grant of the stock options. Vesting may happen in one or more tranches. Vesting period excludes any unpaid long or sabbatical leave. The vesting will be in accordance with the 2021 Plan and SEBI SBEB Regulations as in effect from time to time.
(d)	Exercise price or pricing Formula	The exercise price for stock options granted to eligible employee shall be 50% to the "Reference Share Price" of the shares of the Company (rounded off to the next whole number, if not a whole number). "Reference Share Price" means the average of the daily high and low of the volume weighted average prices of the shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made.

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

Sr. No.	Particulars	Details of 2021 Plan
(e)	Maximum term of options granted	The maximum vesting period shall not be more than 48 months from the date of grant of the stock options.
(f)	Source of shares (primary, secondary or combination)	<p>The 2021 Plan envisages a combination of fresh issue of shares and secondary (market) purchase of shares of the Company [through Asian Paints Employee Stock Ownership Trust ("ESOP Trust") to the extent of the secondary market purchase] subject to the regulatory approvals.</p> <p>At present, shares are purchased through the secondary market purchase mechanism.</p>
(g)	Variation in terms of options	No variation/modification/amendment was made in the term of options during the financial year 2024-25.
(ii)	Method used to account for stock options	Fair Value Method
(iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company	Not Applicable
(iv)	Option movement during the year:	
	Number of options outstanding at the beginning of the period	3,39,767
	Number of options granted during the year	1,90,744
	Number of options forfeited / lapsed during the year	23,318
	Number of options vested during the year	20,470
	Number of options exercised during the year	94,953
	Number of shares arising as a result of exercise of options	66,589
	Money realised by exercise of options (₹), if scheme is implemented directly by the Company	Not Applicable
	Loan repaid by the Trust during the year from exercise price received	₹ 11.22 crores*
	Number of options outstanding at the end of the year	4,12,240
	Number of options exercisable at the end of the year	24,310
(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Refer Annexure 1
(vi)	Employee wise details of options granted during FY 2024-25 to:	
(a)	Senior managerial personnel as defined under Regulation 16(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Refer Annexure 2
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Refer Annexure 2



Sr. No.	Particulars	Details of 2021 Plan
(c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None
(vii)	Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
(a)	Weighted-average values of share price	Refer Annexure 1
	Exercise price	
	Expected volatility	
	Expected option life	
	Expected dividends	
	Risk-free interest rate	
	Any other inputs to the model	
(b)	The method used and the assumptions made to incorporate the effects of expected early exercise	The fair value of options has been calculated by using Black Scholes Model.
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Refer Annexure 1
(d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Not Applicable
(viii)	Disclosures in respect of grants made in three years prior to IPO under each ESOS	Not Applicable

* Does not include repayment of financial assistance of ₹ 13.84 crores given by the Company on the exercise of shares by the eligible employees.

(D) Details related to Trust:

Given below are the details, *inter alia*, in connection with transactions made by the Trust meant for the purpose of administering the 2021 Plan under the SEBI SBEB Regulations:

(i) General information on 2021 Plan:

Sr. No.	Particulars	Details
(a)	Name of the Trust	Asian Paints Employee Stock Ownership Trust
(b)	Details of the Trustee(s)	1) Barclays Wealth Trustees (India) Private Limited - Designated Trustee 2) Mr. Amit Kumar Singh - Other Trustee 3) Mr. Sachin Singh - Other Trustee
(c)	Amount of loan disbursed by the Company/any company in the Group, during the year	₹ 49 crores
(d)	Amount of loan outstanding (repayable to Company/ any company in the Group) as at the end of the year	₹ 134.62 crores
(e)	Amount of loan, if any, taken from any other source for which Company/any company in the Group has provided any security or guarantee	Nil
(f)	Any other contribution made to the Trust during the year	Nil

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

(ii) Brief details of transactions in shares by the Trust:

Sr. No.	Particulars	Details
(a)	Number of shares held at the beginning of the year (1 st April 2024)	3,55,575
(b)	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Number of shares acquired: 1,74,336 equity shares through secondary acquisition Percentage of paid-up share capital: 0.02% Weighted average cost of acquisition per share: ₹ 2872.61
(c)	Number of shares transferred to the employees/sold along with the purpose thereof	Number of shares sold by the ESOP Trust in FY 2024-25: 42,621 Number of shares transferred to the employees in FY 2024-25 pursuant to exercise: 32,624
(d)	Number of shares held at the end of the year (31 st March 2025)	4,54,666

(iii) In case of secondary acquisition of shares by the Trust:

Sr. no.	Shares	In number	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
(a)	Held at the beginning of the year	3,55,575	0.04%
(b)	Acquired during the year	1,74,336	0.02%
(c)	Sold during the year	42,621	*
(d)	Transferred to the employees during the year	32,624	*
(e)	Held at the end of the year	4,54,666	0.05%

* Less than 0.01%

Notes:

- There was no change in the 2021 Plan since its implementation and the 2021 Plan is in compliance with the SEBI SBEB Regulations.
- 1,48,505 stock options were granted to the eligible employees for the financial year 2024-25, by the NRC at its meeting held on 28th April 2025 adjourned to 29th April 2025, basis their performance for the financial year 2024-25.

For and on behalf of the Board of Directors

R Seshasayee
Chairman
(DIN: 00047985)

Place: Chennai
Date: 8th May 2025



Annexure 1

a) Details of stock options granted during the year:

Particulars	Grant 8
Financial Year	2023-24
Grant Date	27 th April 2024
Vesting Date	1 st April 2027
Fair Value at Grant Date (₹)	1,652.00
Exercise Price (₹)*	1,433.00
Options outstanding at the beginning of the year	-
Options granted during the year	1,90,744
Options exercised during the year	-
Options forfeited during the year	-
Options lapsed during the year	8,963
Balance as at year end	1,81,781
Exercisable at period end	-
Weighted-average remaining contractual life (years)	3

*Represents weighted average exercise price.

b) Fair Value of stock options granted during the year:

Fair Value of Share Options was calculated using the Black Scholes Model. The key assumptions used for calculating the option fair values are as below:

Grant date	Risk free interest rate	Expected option life	Expected volatility	Expected dividend	Market price at the time of grant of the option (₹)	Exercise price
Assumptions:	Zero Coupon Sovereign Bond Interest Rate equivalent for option life (%)	Tenure to vesting of option and half of exercise period assuming even exercise of options during exercise period	Based on daily volatility for period equivalent for option life (%)	Dividend yield is calculated as dividend paid in last FY divided by current share price (%)		50% of Reference Share Price
Grant 8						
27 th April 2024	7.21	3.42 years	28.36	0.93	2,844.15	1,433.00

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

Annexure 2

Details of stock options granted during the year to senior managerial personnel as on 31st March 2025 and details of employee to whom stock option amounting to 5% or more of the options granted during the year:

- (i) Details of employee to whom stock options granted during the year amounting to 5% or more of the options granted during the year

Sr. No.	Participants	Designation	Grant 8
1.	Amit Syngle	Managing Director & CEO	53,390

- (ii) Details of stock options granted during the year to senior managerial personnel as on 31st March 2025

Sr. No.	Participants	Designation	Grant 8
1.	Aashish Kshetry	Vice President - Systems	2,906
2.	Alok Agrawal	General Manager - Internal Audit & Risk (Chief Internal Auditor)	1,332
3.	Amit Kumar Singh	Associate Vice President - Corporate Affairs & CSR	2,180
4.	Gagandeep Kalsi	Associate Vice President - Strategy, Business Development, Décor and Services	2,180
5.	Harish Lade ¹	Senior Vice President - Supply Chain	2,603
6.	Pragyan Kumar	Chief Executive - Asian Paints International Private Limited	3,693
7.	Rahul Bhatnagar	President - Project Sales, R&T, Industrial JVs, Home Improvement & Supply Chain	7,567
8.	R J Jeyamurugan	CFO, Company Secretary & Compliance Officer	3,693
9.	Sameer Salvi	Vice President - Backward Integration Business, Mantech & Strategy	3,996
10.	Savitha Shivsankar	Chief Human Resources Officer	3,693
11.	Ashish Rae ²	Associate Vice President - Retail Sales, Marketing & Commercial	1,332

Notes:

1. Harish Lade, Senior Vice President - Supply Chain, has ceased to be a member of the Senior Management with effect from 21st April 2025.
2. Ashish Rae, Associate Vice President - Retail Sales, Marketing & Commercial has been a member of the Senior Management from 2nd January 2025 to 21st April 2025.
3. The exercise price of Grant 8 is ₹ 1,433.00. The exercise price of stock options granted to eligible employees is at 50% of the "Reference Share Price" of the Company, as defined under the 2021 Plan.
4. 32,228 stock options were granted to the senior management, for the financial year 2024-25, by the NRC at its meeting held on 28th April 2025 adjourned to 29th April 2025, basis their performance for the financial year 2024-25.



Annexure (E) to Board's Report

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief Outline of CSR Policy

Aligned with our vision of 'Bringing joy to people's lives,' Asian Paints' CSR initiatives aim to significantly impact the marginalized communities by addressing key social, economic, and environmental challenges. This commitment also reflects in our ESG focused business goals which serve as a roadmap to navigate forward.

The Asian Paints CSR Policy is based on the keystones of:

- actively initiating and participating in projects that together make it the local lighthouse for the region which significantly improves the lives of the people where it operates and is present.
- providing vocational training and imparting skilling to enhance the livelihood and skills of people who are primarily from the unorganised sector.
- commitment to create social and economic value as a corporate citizen and encouraging employees to participate and contribute to our various CSR programmes.
- managing the Company's operations using principles of sustainable development to minimise resource footprint and protect the health & safety of all the stakeholders.

Key highlights of the CSR activities undertaken during the year are listed below:

a. Enhancing Vocational Skills

Colour Academy was established during the year 2014 with the mission of creating an inclusive growth that enables everyone to have a fair chance at a dignified life. With our expertise, we bring this to life by delivering skilling and vocational training in paint application, carpentry, plumbing and masonry trainings for the benefit of our local communities. In this light and to better represent the activities conducted, the Colour Academy was rechristened as the "Beautiful Homes Academy".

The Beautiful Homes Academy ensures nationwide accessibility to skilling and vocational skills with the brick and mortar and mobile unit set ups.

During the year, in addition to the training on multitude of subjects, such as painting, designer finishes, emulsions, metal care, mechanisation, waterproofing, wood finishes, wallpaper installation, plumbing, carpenter training, sanitization courses, financial management, the Beautiful Homes Academy provided specialized trainings to women applicators, participants from the tribal communities and rehabilitated refugees.

The trainings are accessible online as well and can be accessed anytime, and anywhere.

The Asian Paints 'Kamyabi Ke Rang' showcases many such journeys grit, perseverance and skill. Please [Click Here](#) to watch all the episodes of the latest season of 'Kamyabi Ke Rang'.

b. Water Stewardship

Through the Company's CSR programmes and sustainability initiatives, the Company aims to create a lasting 'Watermark' that contributes holistically to the socio-economic and cultural transformation within its operational areas.

Innovation is the key in realising the 'Watermark,' with various models tailored to implementation strategies on the demand, supply side of water consumption along with exploratory work done in the area of sewage water treatment.

In this area, our efforts are concentrated on addressing key challenges around water availability, accessibility, improving quality, interventions around water treatment and recovery, by keeping stakeholder engagement and impact potential at the core of the implementation strategy.

c. Health & Hygiene

Under the thrust area of Health & Hygiene, we have adopted a dual-pronged approach to healthcare, by tailoring initiatives to cater to the various segments of society and address specific health needs based on geographical areas. This strategy enabled us to maximise the value of our healthcare initiatives and improve health outcomes across different communities.

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

Under our curative approach, the efforts are focused on making sure that the primary healthcare facilities are available and accessible for all, especially the marginalized communities. This involves initiatives like mobile medical units, static healthcare clinics, and truckers' well-being initiatives.

Equal emphasis is given on proactive healthcare, through which we attempt to prevent disease prevalence and improving health and nutrition outcomes in the community.

d. Employee Volunteering

SPARSH – our Employee Volunteering Initiative, is a holistic approach not just for the employees but also the communities that surround us. Employee Volunteering under SPARSH programme creates warriors who are changemakers and aimed at empowering, nurturing and connecting communities.

To know more about our initiatives in the CSR section, please refer the detailed discussions under the Synergising Relationships section forming part of this Integrated Annual Report.

2. Composition of CSR Committee

Sr. No.	Name of Members	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
a.	Malav Dani, Chairman	Non-Executive Director	4	4
b.	Amit Syngle	Managing Director & CEO	4	4
c.	Amrita Vakil	Non-Executive Director	4	4
d.	Gopichand Katragadda	Independent Director	4	4

R J Jeyamurugan, CFO & Company Secretary of the Company, is the Secretary to the CSR Committee.

3. Web-link where composition of CSR Committee, CSR Policy, and CSR Projects approved by the Board are disclosed on the website of the Company

Sr. No.	Particulars	Web-link
a.	Composition of CSR Committee	https://www.asianpaints.com/CommitteeComposition.html
b.	CSR Policy	https://www.asianpaints.com/CSRPolicy.html
c.	CSR Projects	https://www.asianpaints.com/CSRProjects2024-25.html

4. Executive summary along with web-links of Reports of Impact Assessment of CSR Projects carried out in pursuance of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014

The Company has appointed agencies to undertake independent review and impact assessment for the eligible CSR activities undertaken during the previous financial years.

During the year under review, the Company had engaged 2 external agencies to conduct the impact assessment of the 14 eligible CSR projects undertaken by the Company in the previous financial years as per the provisions of the Act.



Below is the executive summary of the reports of impact assessment of CSR projects carried out in pursuance of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 by independent agencies:

Particulars	Health & Hygiene	Water Stewardship	Enhancing Vocational skills	Health & Hygiene
Name of independent agency conducting Impact Assessment	Grant Thornton Bharat LLP	KPMG Assurance and Consulting Services LLP	KPMG Assurance and Consulting Services LLP	KPMG Assurance and Consulting Services LLP
Scope of Project	SAFAR – truckers wellbeing interventions and static health clinics and Mobile Medical Units	Water Resource Management, and Rainwater Harvesting	Beautiful Homes Academy	Mobile Healthcare Unit
Key highlights of impact created	<p>To provide quality health care services to truckers in parking sites in and around the Company's locations and to promote Sexually Transmitted Infections (STI) prevention and treatment.</p> <p>The programme allowed the truckers access to healthcare services with unprecedented ease. It reduced the wage loss due to illness and overall improved their quality of life.</p>	<p>To carry out supply side interventions, <i>inter alia</i>, through integrated watershed management programmes, rejuvenation of water bodies, and check dam construction.</p> <p>The project aided in improving the water availability, accessibility & quality.</p>	<p>To provide vocational and skills-based training to painting contractors and carpenters, in order to enhance their employability and improve the livelihoods of the persons attending the training sessions.</p> <p>The project enabled upskilling, financial independence and overall enhanced the quality of life of the participants.</p>	<p>To provide access to primary healthcare and diagnostic services.</p> <p>The project aided in reduced expenses on healthcare and overall access to healthcare facilities.</p>

The detailed impact assessment reports for 14 CSR Projects and its executive summary can be accessed on the website of the Company at <https://www.asianpaints.com/AnnualReports.html>.

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

5.	Sr. No.	Particulars	Amount (₹ in Crores)
	a.	Average net profit of the Company as per Section 135(5) of the Act	5,437.44
	b.	Two percent of the average net profit of the Company as per Section 135(5) of the Act	108.75
	c.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	0.00
	d.	The amount required to be set-off for the financial year, if any	0.45
	e.	Total CSR obligation for the financial year (5b+5c-5d)	108.30

6.	Sr. No.	Particulars	Amount (₹ in Crores)
	a.	Amount spent on CSR Projects (both ongoing projects and other than ongoing projects)	103.29*
	b.	Amount spent on Administrative Overheads	5.44
	c.	Amount spent on Impact Assessment	0.53
	d.	Total amount spent for the financial year (6a+6b+6c)	109.26*

*The amount spent on the CSR activities for the financial year includes the set-off of the excess amount of ₹ 0.45 crore spent by the Company on CSR activities in the previous financial years.

e. CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (₹ in crores)	Amount unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		The amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
109.26*	-	-	-	-	-

*The amount spent on the CSR activities for the financial year includes the set-off of the excess amount of ₹ 0.45 crore spent by the Company on CSR activities in the previous financial years.

f. Excess amount for set off:

Sr. No.	Particulars	Amount (₹ in Crores)
i.	Two percent of the average net profit of the Company as per Section 135(5) of the Act	108.75
ii.	Total amount spent for the financial year	109.26*
iii.	Excess amount spent for the financial year [f(ii)-f(i)]	0.51
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
v.	The amount available for set off in succeeding financial years [f(iii)-f(iv)]	0.51

*The amount spent on the CSR activities for the financial year includes the set-off of the excess amount of ₹ 0.45 crore spent by the Company on CSR activities in the previous financial years.

**7. Details of Unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under Section 135(6) of the Act (₹ in crores)	Balance Amount in Unspent CSR Account under Section 135(6) of the Act as on 1 st April 2024 (₹ in crores)	Amount spent in the reporting financial year (₹ in crores)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act, if any	Amount remaining as on 31 st March 2025 to be spent in succeeding financial years (₹ in crores)		Deficiency, if any
						Amount (₹ in crores)	Date of transfer	
-	-	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year:

No

9. Specify the reason(s), if the Company has failed to spend 2 (two) percent of the average net profit as per Section 135(5) of the Act: Not applicable

For and on behalf of the CSR Committee

Malav DaniChairman of CSR Committee
(DIN: 01184336)

Place: U.S.A.

Date: 8th May 2025**Amit Syngle**Managing Director & CEO
(DIN: 07232566)

Place: Mumbai

Date: 8th May 2025

Annexure (F) to Board's Report

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

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 ("the Act") read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

1. Conservation of Energy

Energy management is one of the key strategic areas in the Company's pursuit of sustainability in its operations. Energy consumption is not only the main source of emissions but also has a direct implication on the cost of operations. The energy management strategy of the Company involves the following:

- a. Increasing energy efficiency: This primarily involves reducing the quantity of energy used in our operations by process optimisation, using energy efficient technology, and conserving/ recovering energy through activities like recovering waste heat among others.
- b. Increasing the share of renewable energy: The Company has been making sustained efforts toward transitioning to renewable energy over the last decade through investments in solar and wind projects.

Some of the key measures taken by all the manufacturing units are stated below:

i. Measures taken or impact on conservation of energy

The efforts of the Company in energy management have resulted in a gradual decline in its total energy consumption over the years, as well as increase in the percentage of renewable energy consumption.

Energy management and energy intensity are the key metrics for the performance measurement across teams at the site level as well as at the leadership level.

One of the key metrics that the Company has been monitoring and concentrating on is Specific Electricity Consumption at its decorative paint plants.

ii. Utilising alternate sources of energy

The Company has an installed capacity of 24.8 MW of solar energy and 24.3 MW capacity of wind energy. The overall contribution of renewables to electricity consumption stands at 57.6% for decorative paint plants.

iii. Capital investment on energy conservation equipment

The Company has spent about ₹ 59.58 lakhs as capital investment on energy conservation initiatives during the financial year apart from the investment in renewable energy resources of solar and wind.

For details on steps taken by the Company on the conservation of energy, waste management, and water conservation & replenishment, please refer to the Sustainable Operations section and the Business Responsibility and Sustainability Report forming part of this Integrated Annual Report.

2. Technology Absorption

i. Efforts made towards technology absorption:

This year, through the focused and persistent efforts of the Research & Technology ("R&T") team, the organization took major strides in the backward integration program related to the design and manufacturing of additives and speciality raw materials, Vinyl Acetate Ethylene ("VAE") based emulsions and redispersible polymers. In a challenging market scenario, the Technology Function developed technical capabilities, technology platforms and innovative product categories that would ensure long term benefits for the organisation. As part of breakthrough initiative, the technology team has undertaken several projects which ensured that the Company retained its competitive edge through cost excellence and delivered category creating product in economical segment. The Nexpedition initiative covered a wide spectrum of products having applications in decorative, automotive, industrial and water proofing and construction chemical segments. Some of these projects also ensured that the Company secured a firm footing in product categories catering to government undertakings such as railways. Research initiatives in new polymer chemistries, nano technology and innovative process capabilities have been undertaken to give impetus to the long-term competitive edge of the organisation.



The Company has always been at the pole position when it comes to environment protection and developing sustainable products, and this year as well the technology team continued the momentum by working on products and processes that were environmentally benign yet delivered on the desired performance attributes.

Some of the key initiatives taken up by the R&T team are as follows:

- Developed and validated new technology platforms in nano technology, new polymer chemistries, water borne dispersions and pollution abating technologies.
- Designed and developed innovative products that fueled customer aspirations.
- Expanded the dealer tinting platform to new product categories across decorative automotive and industrial applications.
- Ensured cost excellence by developing raw materials alternates and redesigning formulations. Ensured a seamless supply chain by developing alternate vendors for vulnerable raw materials.
- Reinvigorated existing product categories by developing cost efficient formulations and yet providing differentiated performance properties.
- The Right First Time initiative launched last year was continued with rigour and ensured that products experienced by customers were flawless.
- Enhanced manufacturing efficiency by reducing cycle times and developed new processing technologies that improved productivity.
- Developed and implemented in house specialty additives and critical raw material that has ensured significant value saving and provided avenues for developing differentiated products at unique price points. This has also helped to develop capabilities in chemical synthesis.
- Developed customized test methods for material analysis and characterization which facilitated efficient prototype screening, better fault analysis and competitor product benchmarking.
- The analytical lab was reaccredited by National Accreditation Board for Testing and Calibration Laboratories under ISO/IEC 17025:2017.
- Strengthened product credentials through warranties, international certification and development of property demonstration tools.
- Collaborated with national standardisation bodies like the Bureau of Indian Standards ("BIS") and reputed international coatings group to develop and validate test methods related to coatings and intermediates.
- Propelled the product stewardship part of overarching Environment, Social and Governance agenda by developing formulations with increased renewable content. Continued efforts to develop products with reduced environmental footprint. 32 additional products have received GreenPro certification, and 4 additional products have been applied for GS 11 certification this year. In all 290 products are GreenPro certified and 4 have received GS 11 certification.
- Partnered with academic and research institutions and industrial consultants on technology intensive projects of long-term importance. Imparted skills to interns from various educational institutes and enhanced their employability.
- 24 R&T employees successfully completed the Paint and Polymer Certificate course conducted in conjunction with Somaiya University. Enhanced the technical competency of R&T employees by conducting 6 bespoke technical workshops. 115 R&T employees benefitted from these workshops.
- Asian Paints R&T team contributed wholeheartedly to the success of the second edition of Alchemy - a conclave for students from campuses across the world. In the second edition itself Alchemy has established itself as one of its kind platforms for idea exchange amongst budding scientists, academia, and industry stalwarts.

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

ii. Benefits derived like product improvement, cost reduction, product development or import substitution:

During the year under review:

- 27 new products were developed for architectural paints, construction chemicals, and adhesives business
- 45 new products were developed for Industrial business.
- VAM plant is under construction and VAE emulsion prototypes have been developed at lab level, ready to be taken at pilot level.
- Under project Samarthya 6 raw material ranging from emulsifiers, dispersants, biocides, speciality monomers, and

defoamers were developed in house and successfully commercialized in the financial year under review.

The Company has also undertaken various challenging projects for reinforcing our existing products with differentiated performance properties at right price points. Development of a new category creating product in the exterior space has fortified our position in the bottom of pyramid category.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not applicable

iv. Expenditure incurred on Research and Development

(₹ in Crores)		
Particulars	2024-25	2023-24
Capital	2.95	4.43
Recurring	122.76	115.86
Total	125.71	120.29

3. Foreign Exchange Earnings and Outgo

(₹ in Crores)		
Particulars	2024-25*	2023-24*
Foreign exchange earned in terms of actual inflows	202.93	182.20
Foreign exchange outgo in terms of actual outflows	4,407.18	4,123.62

*amount(s) are equivalent to the value of various currencies.

For and on behalf of the Board of Directors

R Seshasayee
Chairman
(DIN: 00047985)

Place: Chennai
Date: 8th May 2025