

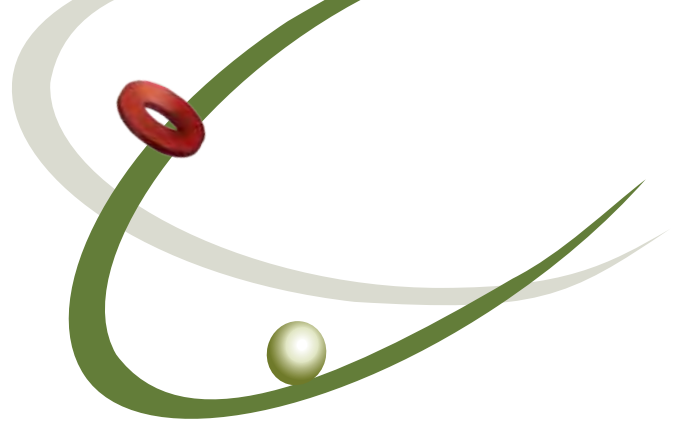


Innovate  
to inspire



asianpaints

Annual Report 2015-16



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# BOARD OF DIRECTORS



Ashwin Choksi  
Chairman



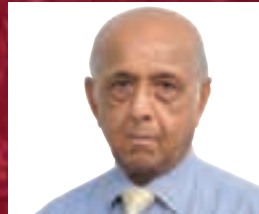
Ashwin Dani  
Vice Chairman



Abhay Vakil  
Non-Executive Director



K.B.S. Anand  
Managing Director & CEO



Mahendra Choksi  
Non-Executive Director



Malav Dani  
Non-Executive Director



Ms. Amrita Vakil  
Non-Executive Director



Dipankar Basu  
Independent Director



Deepak Satwalekar  
Independent Director



Dr. S. Sivaram  
Independent Director

## Company Secretary

Jayesh Merchant

## Executive Council Members

K.B.S. Anand  
MD & CEO

Jalaj Dani  
President - Supply Chain,  
HR & Chemicals

Manish Choksi  
President - Home Improvement,  
International & IT

Jayesh Merchant  
CFO & Company Secretary,  
President - Industrial JVs

Amit Syngle  
President - Technology,  
Sales & Marketing

## Auditors

B S R & Co. LLP  
Chartered Accountants



Mahendra Shah  
Independent Director



S. Ramadorai  
Independent Director



M.K. Sharma  
Independent Director



Mrs. Vibha Paul Rishi  
Independent Director

# CHAIRMAN'S LETTER

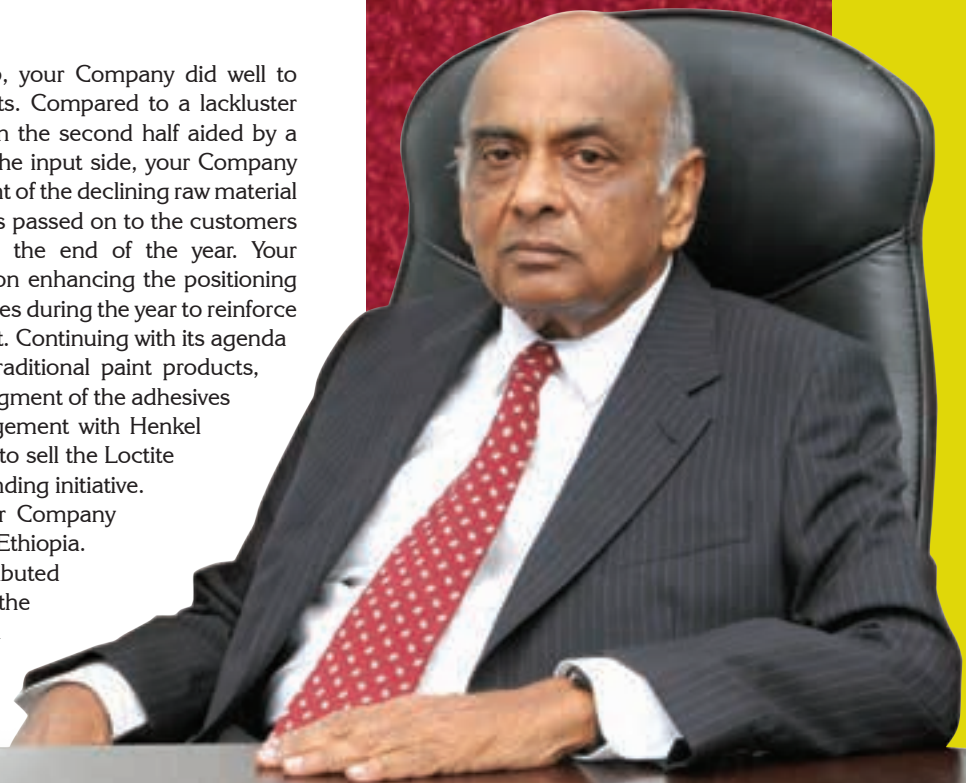
Dear Shareholders,

Year 2015-16 has been another challenging and fulfilling year for your Company and it gives me great pleasure to apprise you of the key highlights of your Company's performance in this period.

The domestic economy started the year in an enviable sweet spot with favorable sentiments buoyed by the strong political mandate at the Centre as well as by the favorable external environment. On the political front, while much of the expected big reforms didn't materialize, the incremental reform agenda of the Government seems to be pushing the economy forward. On the external front, India gained the maximum out of the declining crude oil prices and this helped reign in the inflation trend in the economy. The external position of the country also improved and this was visible in the improving fiscal and current account deficit numbers for the year. The volatile global economic conditions, though, highlighted the strong inter-linkage of the domestic economy with the external world. This was reflected in the drop in trade exports on the back of below-normal growth conditions prevalent in most part of the world thereby keeping the manufacturing activity subdued for most part of the year. As a result, while at an overall level, the domestic economy continued to be one of the fastest growing large economies, the growth has been below the potential rate as well as below the expectations set at the start of the year.

Against this challenging backdrop, your Company did well to grow its various business segments. Compared to a lackluster first half, your Company did well in the second half aided by a strong festival season period. On the input side, your Company benefited during the year on account of the declining raw material prices and a part of this benefit was passed on to the customers through a price revision towards the end of the year. Your Company took various measures on enhancing the positioning and range of its products and services during the year to reinforce its leadership position in the market. Continuing with its agenda to expand offerings beyond the traditional paint products, your Company entered the retail segment of the adhesives category with a distribution arrangement with Henkel Adhesives Technologies, Germany to sell the Loctite brand of adhesives under a co-branding initiative. In the International business, your Company got a fillip from the acquisition in Ethiopia. Operations in Ethiopia contributed significantly to the growth in the international business and helped

"Over the longer term, the growth potential for your Company's various businesses is immense especially given the large impetus being put on infrastructure development and urbanization through creation of smart cities"





soften the impact of weak demand conditions resulting from declining crude prices in some of the Middle East economies where your Company operates.

Over the last decade, the Home Décor space has evolved into a much broader and engaging category and in the last few years, your Company has taken various initiatives to maintain its relevance as the preferred partner to consumer when it comes to her Home Décor needs. Your Company's foray in the kitchen and bath business are steps in this direction. During the year, your Company took steps to further streamline and integrate these two business albeit a bit slower than desired. Your Company would keep evolving the future business models in these two segments based on the understanding developed over the last few years of operating in these segments.

Consumer experience delivery was taken a notch higher during the year with the launch of "AP Homes" – a multi-category décor store, in partnership with one of its dealers in Coimbatore. The consumer will be able to avail an integrated décor consultancy across categories ranging from paints, bath fittings, kitchen, sanitary ware, wall papers, furniture, tiles etc. all under one roof at this store. Your Company aims to take its journey in the Home Décor space forward through such initiatives to enhance its capabilities to cater to the décor aspirations of consumers on a much wider board.

The governance landscape in the economy continues to evolve and align more closely with the global framework to facilitate the integration of the Indian corporate entities within the global network. The introduction of the new accounting standards – Ind AS, is a step in this direction. Your Company is geared up to the requirement of this new standards and would be presenting its financial statements as per Ind AS from 1<sup>st</sup> April 2016 onwards. The domestic business environment continues to evolve with new regulations like the National Intellectual Property Rights policy, the Insolvency and Bankruptcy code, the impending GST implementation will alter the way business is conducted. Your Company has always followed the highest standards of internal controls and governance and is committed to continuously enhance these standards by imbibing the global best practices to stay aligned to the evolving business environment.

Your Company is also committed to its social responsibility agenda and contribute meaningfully to the communities that it operates in. Your Company continues to focus in the areas

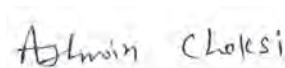
of Education, Health & Hygiene and Water management to enhance the livelihoods of people in its operating communities. At the same time, your Company continues to invest in the vocational training programs for painters and contractors across cities to upgrade their skills. Your Company has also stepped up investments in renewable energy platforms to reduce its carbon footprint and thereby contribute in making a cleaner and greener environment.

As we move ahead in the new financial year, the demand conditions still remain uncertain. While India continues to enjoy the benefits of a strong domestic consumption base, it cannot remain isolated from the external world where most of the large economies continue to exhibit weak growth trends. However, the advance estimates for a good monsoon are encouraging signs and could provide a real push to the rural sector demand. The urban centers could also see potential benefits arising out of the payouts towards Seventh Pay Commission and OROP (One Rank One Pension). Inflation is expected to stay moderate on the back of subdued economic growth conditions the world over, notwithstanding the volatile trends observed in the crude price movement. Your Company is geared to meet the challenges arising out of this uncertain environment and would work towards furthering its position in the market.

Over the longer term, the growth potential for your Company's various businesses is immense especially given the large impetus being put on infrastructure development and urbanization through creation of smart cities. Your Company is confident of its abilities to convert this potential into reality and as a mark of this confidence, your Company has initiated work on setting up new manufacturing facilities in the states of Karnataka and Andhra Pradesh. Your Company would be investing in phases at both these facilities to enable it to service the future demand adequately.

I would like to conclude by thanking all the stakeholders for their contribution which has helped the Company achieve its position of strength in the industry. I look forward to your continued support in our quest to beat our own benchmarks and set the stage for a future as bright and as colourful as the home made up with Asian Paints product offerings.

Yours truly,



Ashwin Choksi

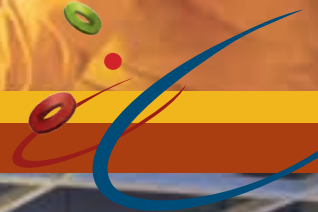


# INNOVATE TO INSPIRE

We do not just see or create colour; we feel it. We understand how someone's heartbeat quickens upon seeing certain hues. Our quest for the most perfect colour takes us back to nature, and then we bring in the most advanced research to produce a shade so stunning that it has no parallel. But it takes more than a paintbrush to make a dream home. So we have grown beyond colour, bringing a wave of inspiration and innovation into the world of home décor.



AP Homes store in Coimbatore



Visualising a home is an immersive experience. Our Signature stores inspire people to innovate and fully stamp their personality on their living space. Similarly, the evolution of our Ezycolour consultancy service, offered at consumers' homes aims to inspire change. Our efforts culminate at one point, the point where customers see their perfect home, and Asian Paints is an integral part of it.

# DESIGNS FOR LIFE

There must be a reason why a great design stops a person in his/her tracks. Humans are hardwired to love design, because we as a species are the product of the most perfect designer in the universe – nature. The shapes, the geometry, the symmetry of the natural world are reflected in the beautiful textured patterns created on your walls by Asian Paints. As technologically advanced as our products are, their primary purpose is to bring a smile to a person's face.







Our design solutions now encompass every aspect of a home. From breathtaking wallpapers of our Nilaya collection to customised kitchens and streamlined bath accessories, where the modern Indian consumer is looking for a blend of glamour and value. Our water-based French polish infuses new life into wooden furniture, making every room glow with the warmth of this utterly classy and natural material.

Beautifying spaces  
with colour

# BEAUTIFYING SPACES WITH COLOUR

Asian Paints supports initiatives that bring positive changes to urban landscapes with a revival of colour, art and beauty on the walls.



Installation at Bandra Reclamation promenade (Artist: Hitesh Malaviya & Hanif Kureshi)



Lodhi Colony, Delhi (Artist: Senkoe & Suiko Hiroshima)



**Initiatives by  
St+Art India Foundation  
and Asian Paints**



Govindpuri Metro Station, Delhi (Artist: Agostino Lacurci)

# TEN YEAR REVIEW - STANDALONE

	2015-2016 <sup>^</sup>	2014-2015 <sup>^</sup>	2013-2014 <sup>^</sup>	2012-2013 <sup>^</sup>	2011-2012 <sup>^</sup>	2010-2011 <sup>^</sup>	2009-2010	2008-2009	2007-2008	2006-2007
<b>(₹ in Crores except per share data, number of employees, number of shareholders and ratios)</b>										
<b>RESULTS FOR THE FINANCIAL YEAR</b>										
<b>INCOME STATEMENT</b>										
Gross Revenue	14,750.7	13,483.8	12,042.6	10,405.0	9,064.3	7,202.0	5,753.5	5,003.4	4,062.8	3,360.7
Net Revenue from Operations	12,645.9	11,648.8	10,418.8	8,960.1	7,964.2	6,336.1	5,134.1	4,278.7	3,426.5	2,827.0
Growth Rates (%)	8.6	11.8	16.3	12.5	25.7	23.4	20.0	24.9	21.2	21.6
Materials Cost	6,529.6	6,439.8	5,940.0	5,163.4	4,746.3	3,646.9	2,840.2	2,606.9	1,956.1	1,660.7
% to Net Revenue	51.6	55.3	57.0	57.6	59.6	57.6	55.3	60.9	57.1	58.7
Overheads	3,636.8	3,198.5	2,701.6	2,249.4	1,866.1	1,532.0	1,275.0	1,103.8	908.0	736.7
% to Net Revenue	28.8	27.5	25.9	25.1	23.4	24.2	24.8	25.8	26.5	26.1
Operating Profit (EBITDA)	2,704.9	2,197.3	1,950.9	1,673.4	1,493.2	1,232.2	1,153.7	619.4	615.2	464.3
Finance Costs	23.4	27.1	26.1	30.6	30.8	15.4	13.8	10.4	8.3	6.9
Depreciation	238.4	223.1	212.3	127.0	99.5	94.5	60.7	57.2	43.8	45.4
Profit Before Tax and Exceptional Items	2,443.1	1,947.1	1,712.5	1,515.9	1,362.9	1,122.3	1,079.2	551.8	563.2	412.0
% to Net Revenue	19.3	16.7	16.4	16.9	17.1	17.7	21.0	12.9	16.4	14.6
Growth Rates (%)	25.5	13.7	13.0	11.2	21.4	4.0	95.6	(2.0)	36.7	22.1
Exceptional item	(65.4)	(13.5)	(9.9)	-	-	-	25.5	(5.9)	-	-
Profit Before Tax and after Exceptional Items	2,377.8	1,933.6	1,702.6	1,515.9	1,362.9	1,122.3	1,104.7	545.9	563.2	412.0
% to Net Revenue	18.8	16.6	16.3	16.9	17.1	17.7	21.5	12.8	16.4	14.6
Profit After Tax	1,597.4	1,327.4	1,169.1	1,050.0	958.4	775.2	774.5	362.4	375.2	272.0
Return on average capital employed (ROCE) (%)	53.2	49.9	51.7	54.0	59.3	62.1	78.2	51.3	60.5	52.9
Return on average net worth (RONW) (%)	34.8	33.9	35.3	38.1	42.9	43.9	58.4	35.8	44.9	39.8
<b>BALANCE SHEET</b>										
Share Capital	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9
Reserves and Surplus	4,867.2	4,134.3	3,505.0	2,926.3	2,391.9	1,879.4	1,461.3	998.6	832.6	648.2
Deferred Tax Liability (Net)	207.7	167.8	177.1	143.3	80.8	75.5	47.9	47.9	31.5	22.1
Borrowings	38.0	39.6	47.7	54.1	168.2	65.7	68.6	74.5	94.7	125.7
Fixed Assets	2,717.9	2,105.0	2,050.2	2,154.4	1,611.9	1,096.9	1,088.2	711.8	539.2	346.5
Investments	2,439.7	1,893.8	1,671.2	872.5	913.8	1,034.8	703.7	234.8	422.9	334.4
Debt-Equity Ratio	0.01:1	0.01:1	0.01:1	0.02:1	0.07:1	0.03:1	0.04:1	0.07:1	0.09:1	0.17:1
Market Capitalisation	83,297	77,820	52,559	47,139	31,056	24,238	19,593	7,539	11,510	7,336
<b>PER SHARE DATA</b>										
Earnings Per Share (₹) #	* 16.7	* 13.8	* 12.2	10.9	10.0	8.1	* 8.1	* 3.8	3.9	2.8
Dividend (%)	750.0	610.0	530.0	460.0	400.0	320.0	270.0	175.0	170.0	130.0
Book Value (₹) #	51.7	44.1	37.5	31.5	25.9	20.6	16.2	11.4	9.7	7.8
<b>OTHER INFORMATION</b>										
Number of Employees	6,067	5,897	5,555	5,236	4,937	4,640	4,382	4,260	3,924	3,868
Number of Shareholders	165,986	147,143	87,997	54,813	60,537	59,280	48,290	49,074	47,573	49,032

\* EPS calculated on Net Profit after Exceptional Items.

# With effect from 1<sup>st</sup> August, 2013, face value of the Company's equity share has been subdivided from ₹ 10 per equity share to ₹ 1 per equity share and accordingly the EPS and book value for all comparative periods have been restated.

^ Figures have been regrouped as per Revised Schedule VI to the Companies Act, 1956 / Schedule III of Companies Act, 2013.

# TEN YEAR REVIEW - CONSOLIDATED

(₹ in Crores except per share data and ratios)

RESULTS FOR THE FINANCIAL YEAR	2015-2016 @	2014-2015@	2013-2014@	2012-2013@	2011-2012@	2010-2011@	2009-2010^	2008-2009	2007-2008	2006-2007
<b>INCOME STATEMENT</b>										
Gross Revenue	18,037.3	16,325.2	14,567.2	12,488.1	10,778.0	8,610.8	7,314.5	6,229.8	5,075.9	4,259.9
Net Revenue from Operations	15,534.1	14,182.8	12,714.8	10,938.6	9,632.2	7,722.3	6,680.9	5,463.9	4,407.2	3,670.0
Growth Rates (%)	9.5	11.5	16.2	13.6	24.7	15.6	22.3	24.0	20.1	21.5
Materials Cost	8,205.6	7,971.5	7,340.7	6,413.0	5,795.3	4,474.6	3,758.0	3,370.6	2,577.6	2,199.4
% to Net Sales	52.8	56.2	57.7	58.6	60.2	57.9	56.2	61.7	58.5	59.9
Overheads	4,519.9	3,975.9	3,376.2	2,793.6	2,328.2	1,919.6	1,695.6	1,425.5	1,170.6	989.9
% to Net Revenue	29.1	28.0	26.6	25.5	24.2	24.9	25.4	26.1	26.6	27.0
Operating Profit (EBITDA)	3,009.3	2,405.1	2,132.1	1,846.5	1,616.2	1,396.1	1,367.9	718.8	718.6	518.0
Finance Costs	40.5	34.8	42.2	36.7	41.0	23.2	28.5	26.3	21.2	18.9
Depreciation	288.0	265.9	245.7	154.6	121.1	113.1	83.6	74.4	59.2	61.1
Profit Before Tax and Exceptional items	2,680.9	2,104.4	1,844.2	1,655.2	1,454.1	1,259.7	1,255.9	618.1	638.3	437.9
% to Net Revenue	17.3	14.8	14.5	15.1	15.1	16.3	18.8	11.3	14.5	11.9
Growth Rates (%)	27.4	14.1	11.4	13.8	15.4	0.3	103.2	(3.2)	45.8	24.9
Exceptional items	(52.5)	(27.6)	(9.9)	-	-	-	1.2	(1.2)	(6.8)	(7.8)
Profit Before Tax and after Exceptional items	2,628.4	2,076.9	1,834.3	1,655.2	1,454.1	1,259.7	1,257.0	616.9	631.4	430.2
% to Net Revenue	16.9	14.6	14.4	15.1	15.1	16.3	18.8	11.3	14.3	11.7
Profit After Tax (after Minority interest)	1,726.2	1,395.2	1,218.8	1,113.9	988.7	843.2	835.6	397.8	409.2	281.0
Return on average capital employed (ROCE) (%)	49.1	45.3	47.6	50.3	54.3	58.9	74.4	46.5	56.3	45.9
Return on average net worth (RONW) (%)	33.4	31.8	32.8	36.3	40.1	43.3	57.4	36.4	46.5	39.5
<b>BALANCE SHEET</b>										
Share Capital	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9
Reserves and Surplus	5,509.3	4,646.4	3,943.3	3,288.4	2,652.6	2,091.5	1,614.1	1,107.3	886.5	681.9
Deferred Tax Liability (Net)	217.1	179.9	187.8	154.4	92.8	85.2	56.2	53.3	39.1	26.8
Borrowings	325.6	418.2	249.2	251.0	341.1	233.4	229.2	308.6	275.2	306.2
Fixed Assets	3,316.2	2,610.2	2,491.8	2,456.0	1,876.1	1,316.0	1,280.1	905.1	691.7	493.2
Investments	2,098.2	1,587.8	1,423.6	778.8	750.7	922.0	624.1	78.4	276.7	192.7
Debt-Equity Ratio	0.06:1	0.09:1	0.06:1	0.07:1	0.12:1	0.11:1	0.13:1	0.26:1	0.28:1	0.39:1
<b>PER SHARE DATA</b>										
Earnings Per Share (EPS) (₹) #	*18.0	*14.5	*12.7	11.6	10.3	8.8	*8.7	*4.1	*4.3	*2.9
Book Value (₹) #	58.4	49.4	42.1	35.3	28.7	22.8	17.8	12.5	10.2	8.1

\* EPS calculated on Net Profit after exceptional items.

^ This period includes 15 months (1<sup>st</sup> January 2009 to 31<sup>st</sup> March 2010) of Overseas Subsidiaries.

@ figures are regrouped as per the requirement of Revised Schedule VI under Companies Act, 1956 / schedule III of Companies Act, 2013.

# With effect from 1<sup>st</sup> August, 2013, face value of the Company's equity share has been subdivided from ₹ 10 per equity share to ₹ 1 per equity share and accordingly the EPS and book value for all comparative periods have been restated.

# PERFORMANCE HIGHLIGHTS - STANDALONE

**8.6%**

Net Revenue  
from Operations  
Growth

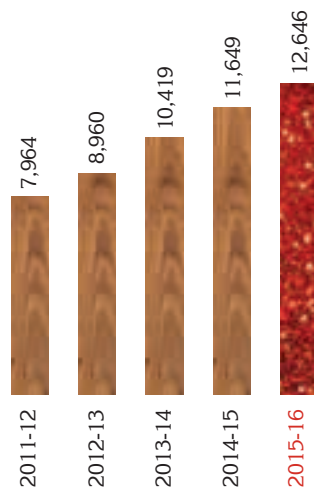
**20.3%**

Net Profit Growth

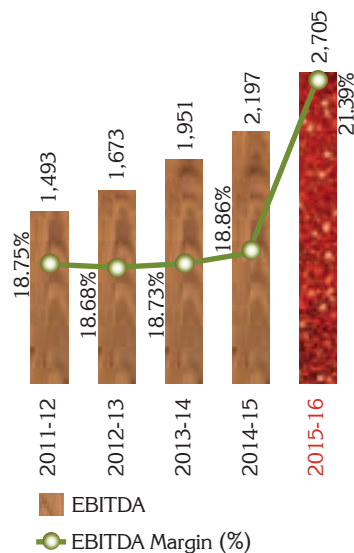
**₹7.50**

Total Dividend  
per share

Net Revenue from Operations  
(₹ in Crores)



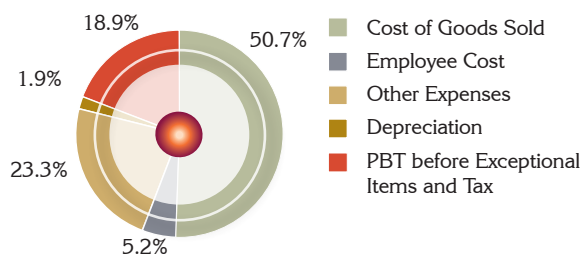
EBITDA & EBITDA Margins (%)  
(₹ in Crores)



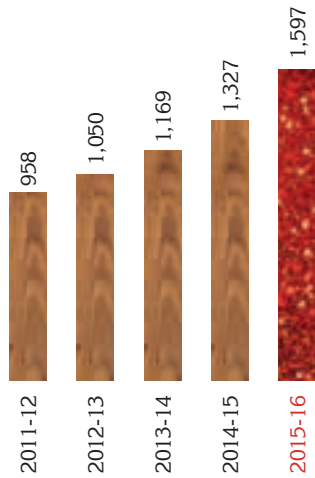
Balance Sheet elements and ratios

	2012	2013	2014	2015	2016
Net Fixed Assets (₹ in Crores)	1,009.0	2,101.9	2,012.2	1,965.5	2,625.1
Asset Turnover Ratio	7.9	4.3	5.2	5.9	4.8
Capital Employed (₹ in Crores)	2,349	2,866	3,362	3,959	4,635
ROCE (%)	59	54	52	50	53

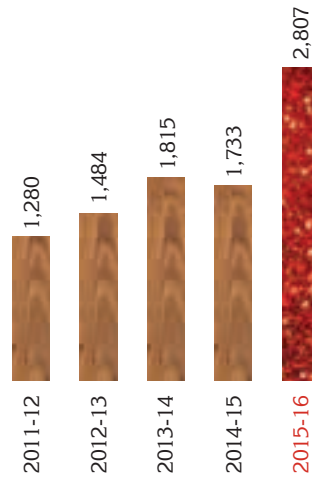
Percentage of total revenue  
built-up for 2015-16



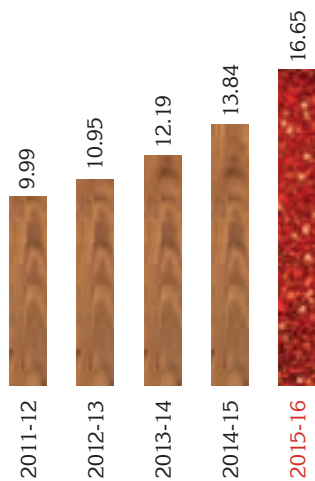
PAT  
(₹ in Crores)



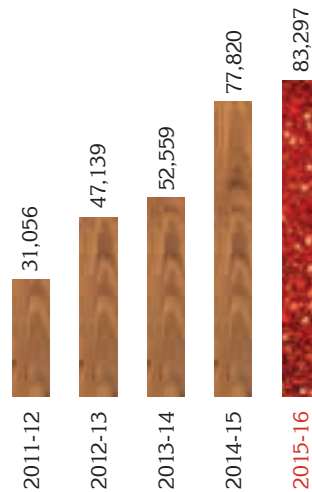
Cash generated from Operations  
(₹ in Crores)



EPS after Exceptional Items  
(in ₹)



Market Capitalisation  
(₹ in Crores)



**54.1%**

Dividend Payout Ratio

**\$ 12.57 bn**

Market Capitalisation as at 31<sup>st</sup> March, 2016

Percentage of Net Sales contribution of each region to overall International operations for 2015-16



# MANAGEMENT DISCUSSION AND ANALYSIS



**Brand 'asianpaints'  
stands for inspiring  
décor and partnering  
with consumers in  
creating their beautiful  
homes**



## ECONOMIC ENVIRONMENT

At the start of FY 2015-16, India was believed to be in a sweet spot with a strong political mandate and a favorable external environment. Expectations were running high on major reforms which were expected to push the Indian economy on an overdrive. While no major big bang reforms got implemented during the year, incremental improvements have helped the economy. Consequentially, GDP growth in FY 2015-16 has inched up to about 7.6% against 7.2% in FY 2014-15. While, expectations were high on growth, managing 7.6% in an otherwise sluggish global environment is reassuring of India's potential.

During the year gone by, India managed to restore macroeconomic stability. Fiscal Deficit, Current Account Deficit and Inflation levels declined. The Government is expected to end the year with a fiscal deficit of 3.9% of GDP (on target). Fiscal prudence on the part of the Government has helped the country's sovereign ratings. Inflation, as measured by CPI, fluctuated around 5.5% for most part of the year, whereas, the WPI remained in the negative territory since November 2014. Lower inflation was mainly attributed to softening commodity and crude prices.

Implementation of reforms such as liberalizing FDI in Insurance & Defense and pursuing the ease of doing business agenda has led to significantly higher foreign investments. Focus on rural sector was high as the Government rolled out schemes like the Jan Dhan program to push the agenda of financial inclusion and the Direct Benefit Transfer program. Swachh Bharat initiative launched in 2014 has led to an increase in investments around cleanliness and the impact of the same will be seen in the coming years.

While there were many positives and the country remains the fastest growing major economy during the year, performance against the country's potential and expectations remain moderate. Agriculture is likely to register a low growth in FY 2015-16 for the second year in a row on account of weak monsoons. Since majority of the country's population depends on agriculture, it has an adverse impact on the rural economy. Major Corporates and Banks remain under stress on account of the debt problems; this in turn is having an impact on revival of private investments. The GST bill which can lift growth significantly is still under procedural problems and confidence on the implementation of this crucial reform is low.

On the International front, unusually volatile external environment and weak global cues had an impact on exports. Concerns on the state of the Chinese economy kept the policy makers across the globe worried. The Indian rupee depreciated significantly during the year from around ₹ 62 to a US Dollar to as low as

₹ 69 to a US Dollar, limiting the gains on lower crude prices for the Government. Currency depreciation in India, however was not in isolation and was seen across economies due to strengthening of the US Dollar.

## DECORATIVE INDIA BUSINESS

### Sales and Marketing

Against the backdrop of the challenging macro conditions, your Company witnessed tepid demand conditions at the start of the year. However, as the overall economic environment gained traction in the second half of the year, demand for paint products also saw an improvement. Your Company registered good growth in the second half of the year, aided by very strong secondary demand in the festival season period of September to November. At an overall level, growth from Tier II and Tier III markets continued to outpace the Tier I market growth. Demand conditions were challenging especially in the states of Kerala, Tamil Nadu and Gujarat. Demand in Tamil Nadu was affected by the floods which occurred in November-December 2015. Growth in the northern and eastern states especially Uttar Pradesh, Jharkhand, Odisha and Bihar was very encouraging.

Your Company benefited during the year on account of the declining raw material prices and a part of this benefit was passed on to the customers through a price reduction taken in March 2016. Your Company had taken a price reduction in the fourth quarter of FY 2014-15 before this.

Your Company manages institutional sales through a separate Project Sales division. The demand conditions in Project Sales remained challenging as the real estate sector across the country continued to struggle. Despite this, your Company managed to grow its Projects Sales business with significant gains in certain key accounts of large developers and a sustained focus on medium sized builders. Continued focus on repainting demand has resulted in good growth in educational institutions and cooperative housing societies.

In the exterior emulsion category, various measures were taken during the year to enhance positioning of the product range. A new TV advertising campaign launched towards the end of previous year helped position the brand Apex Ultima as the 'ultimate protection for exterior surfaces'. Brand positioning coupled with sustained on-ground efforts has led to good growth in Ultima and Ultima Protek range. The performance credentials of the brand 'Ultima' were supplemented by the launch of a revolutionary décor offering called "Ultima Wall Art" which creates a unique exterior décor for the home.

The growth in interior emulsions was led by the growth in the Royale range. The brand positioning for Royale was redefined



InfiniTex range of textures

as the “quest for the extraordinary” through a new advertising campaign. The brand “Royale Play” which has been positioned as ‘décor fashion’ grew well during the year on the back of new launches like “InfiniTex” and the market and consumer excitement created with the new TV advertising campaign. Your Company’s “Royale” range continues to be the brand of choice in the Luxury and top end space. Royale basket has been enhanced with the launch of a revolutionary new product called ‘Royale Atmos’ that absorbs odour and unhealthy chemicals and emits fragrance.

The SmartCare range of waterproofing products offered by your Company is a revolutionary range of hi-tech products that are designed to address lasting protection against dampness. Many products were launched during the year to expand the SmartCare range in the market to address a variety of waterproofing problems of customers. Your Company has made significant strides in the waterproofing category and has started to earn a strong name amongst consumers, applicators and dealers alike.

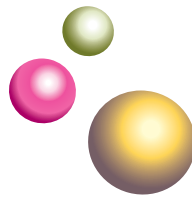
In the wood finishes category, the focus of your Company is to drive growth in the premium end. Products at the top end, launched in collaboration with Renner Italia registered strong growth during the year. Your Company has focused on ‘wood décor’ by expanding colour range offered in the premium wood finishes category and expanded the number of retail outlets capable of offering this colour range. At the lower end, “Genie Polish” which was launched during the second half of the year, is

one of its kind in the industry as it offers an economic upgrade to traditional French polish with the added advantage of being water based and low odour.

New products have been an area of thrust for your Company. Several new products were launched during the year and most of them received excellent response in the market. Major ones among them were “Royale Matt”, “PGE Advance” and “Tractor Star”. Towards the end of the year, your Company has entered the retail segment of the adhesives category with a distribution arrangement with Henkel Adhesives Technologies, Germany. Under this arrangement, your Company will sell the Loctite brand of adhesives under a co-branding initiative. Your Company also launched a range of paint application tools like power sanders, water jet washer, spray machine for putty and paint and putty mixer, all under a new brand “TruCare”.

Your Company continued its foray in the home décor category by rapidly increasing the sales of its Nilaya range that includes wall papers and decals. This year, your Company partnered with Sabyasachi Mukherjee, India’s leading fashion designer, to design an exclusive collection of wall papers combining the best of Indian design & world class manufacturing.

Your Company continues to enhance the décor inspiration at its Signature Stores “Colour with asianpaints” at Mumbai, Delhi and Kolkata. These Stores are consumer inspiration centers and have won several international accolades in the area of consumer experience delivery.



Your Company continued its foray in the area of retailing to enhance the point-of-sales experience of the consumers at some of its retail outlets. Your Company now has around 300 Colour Ideas stores that provided more than 2.8 Lakh consultancies to help consumers achieve their dream look for their homes. Your Company has launched yet another innovative retail format in the form of a multi-category décor store named “AP Homes” in partnership with one of its dealers. The first store under this format was launched in March 2016 in Coimbatore. It is the first of its kind store, where the consumer will be able to avail an integrated décor consultation across categories of paints, wall papers, bath fittings, sanitary ware, kitchen, furniture, furnishing, tiles, light fittings and décor accessories. The Store offers ‘apply & supply’ service in many product categories to help consumers implement the identified look for their homes.

Your Company has taken many steps to promote brand ‘Ezycolour’. The Ezycolour network with more than 2,000 stores across the country help consumers get solutions for their needs while making their dream homes through self-help colour consultation kiosk, finishes demonstration and inspiration kits, trained shop assistant and trained contractors. Asian Paints Ezycolour Home Solutions service has a presence in 13 cities and served more than 21,000 customers during the last year. This year, your Company launched a variant under this service called “Express Painting” for completing painting in 3 or 7 days. Your Company also launched ‘Green Painting Service’ under Ezycolour Home Solutions that uses only water based low odour products for all surfaces inside a home, including wood and metal. Your Company has also launched two new application services called ‘Ezycolour Wood Solutions’ for all wood coatings and ‘Ezycolour Water Proofing Solutions’ for all



Sabyasachi Range of wall papers

water proofing application and has received favorable response in the market.

The ‘Ezycolour Consultancy @ Home’ service was availed by more than 19,000 customers during the year. The service offering was expanded with launch of Colour Shastra (Vaastu based consultancy), ‘Décor For You’ and product consultancy variants during the year.

Your Company works with Architects and Interior Designers under its program called ‘Colourpro’ and continues to focus on the Colour Next initiative as a key & innovative event to drive the brand imagery of Asian Paints in the minds of Architects and Interior Decorators and at the same time drive excitement with consumers through the Colour of the Year and digital engagements. In line with the increased significance of social media, your Company focused on increasing the reach amongst the women audience, a key decision maker and start the décor journey on social media.



AP Homes store in Coimbatore



## Manufacturing

During the year, your Company invested resources to augment its manufacturing capacities to be in a position to support the increased future demand in a timely manner.

The expansion project at Rohtak plant in Haryana to double the capacity from the existing 2,00,000 KL per annum to 4,00,000 KL per annum was successfully completed this year. Your Company would now be focusing on ramp up and stabilization of output from the Rohtak plant.

The comprehensive modernization program undertaken at your Company's older manufacturing facilities at Ankleshwar in Gujarat and Kasna in Uttar Pradesh have been completed in time during the course of the year. The modernization will help your Company improve the reliability and servicing of demand serviced from these two manufacturing facilities. At the same time, it has resulted in improved ergonomics and increased productivity at these two plants.

As stated in last year's annual report, your Company is planning to set up paint manufacturing facilities in the states of Karnataka and Andhra Pradesh. The Company has been able to complete the land procurement process in both the states during the year and has taken possession of the identified land. As informed in the last annual report, your Company will be setting up a paint manufacturing plant with a maximum capacity of 4,00,000 KL in phases at Visakhapatnam in Andhra Pradesh at an approximate investment of ₹ 1,750 crores. In addition, your Company would be investing approximately ₹ 2,300 crores to set up a paint manufacturing facility with a maximum capacity of 6,00,000 KL in phases at Mysuru in Karnataka. The capacities at both these manufacturing facilities will be built in a phased manner that your Company is able to service the future demand conditions adequately.

## Distribution and Sourcing

Distribution of products to the vast expanse of dealer network has always been a key focus area for your Company. Your Company continues to take up initiatives to improve the dealer network servicing in light of the expanding dealer network as well as expanding product portfolio with a host of new product introductions done in over the last few years. This year, your Company has invested in Information Technology tools to further improve its forecasting ability in an ever changing demand scenario. This will enable your Company to improve its ability to service the network demand more efficiently as well as optimize on its inventory holding.

The focus on diversifying the sourcing of various raw materials continues. This has led to introduction of newer raw materials as well as newer suppliers thereby reducing the supply risk. At the same time, it provides an opportunity to bring efficiencies in sourcing and reduce the material cost.

## INTERNATIONAL OPERATIONS

Many of the international markets where your Company operates were impacted by the steep decline in oil prices during the year. Markets in Middle East – Oman, Bahrain and UAE, as well as Trinidad saw subdued economic conditions on account of the oil price drop. In addition, the rising geopolitical threats impacted the business sentiments in the Middle East region. Egypt experienced good overall economic growth coming on the back of sluggish environment over the last few years. However, it experienced severe shortage of dollars which affected raw material availability for the operations in the country. Similarly, Ethiopia, too experienced significant crunch of dollars impacting the business to an extent. South Asian economies of Bangladesh and Sri Lanka experienced stable political environment which supported the business performance of your Company's unit in these two markets. Macro conditions in Nepal were marred by the after effects of the devastating earthquake in the country in

the month of April 2015. In addition, demand conditions were also impacted by the persistent blockades and agitations against the new constitution.

Work on setting up the greenfield operations in Indonesia moved ahead, albeit at a slower pace than expected due to delay in getting all the regulatory approvals. Your Company has acquired land for setting up the manufacturing facility in Indonesia and would soon start work on construction of the plant.

As mentioned in the last Annual report, your Company expanded its international footprint by acquiring a 51% controlling stake in Kadisco Paint & Adhesive Industry Share Company, Ethiopia through its wholly owned subsidiary Berger International Limited, Singapore in the month of February 2015. During the year, your Company worked on integrating the operations in Ethiopia with the group policies and processes. Navision, the ERP system, was implemented in Ethiopia during the year to bring the financial reporting in line with the group.

During the year, Berger International Limited, Singapore was converted to a private company and its name was changed to Berger International Private Limited. Your Company initiated work on consolidating all its operating subsidiaries under a single overseas holding company during the year. As a part of this exercise, your Company has transferred

**The expansion project at Rohtak plant in Haryana to double the capacity from the existing 2,00,000 KL per annum to 4,00,000 KL per annum was successfully completed this year**

the holding in all the direct subsidiaries of Asian Paints (International) Limited, Mauritius, except Asian Paints Lanka, to Berger International Private Limited, Singapore. Your Company also made a fresh equity investment of SGD 30 million (equivalent to ₹ 143.16 Crores) in Berger International Private Limited through Asian Paints (International) Limited to fund the Indonesia greenfield investment as well as to reduce the borrowings at Berger International Private Limited.

During the year, a new state-of-the-art manufacturing facility was inaugurated at Sohar in Oman with an annual capacity of 21,000 KL. Your Company's international subsidiaries continue to strengthen position in their respective





### Kitchen Business

Sleek today is the only player in India in the kitchen space that deals in both “Kitchen Components” as well as “Full Kitchen Solutions”. It offers the same through a network of Component distributors/dealers and Full Kitchen Solution dealers, in addition to its own network of retail stores.

During the last year, the business expanded its network with addition of new distributors and dealers for the components business. For the Full Kitchen solutions, emphasis was placed on opening dealers instead of own stores. “Smart Kitchen range” was launched last year to provide a simplified and error free option to customers which is easy to design and install. Response on this range has been encouraging.

Your Company has taken many steps to turnaround operations at Sleek by focusing on improvement in operational efficiency, reducing the delivery timelines and adopting technology to improve the design-to-implementation process of kitchens. Dealing in Kitchens can be equated with dealing in solutions and hence it requires specific skills. Accordingly, dedicated efforts were put to train the people to meet the above challenges. A program called “Sampark” was initiated to actively engage with the top full kitchen dealers.

While we have made progress in driving the business imperatives further, the pace of progress has been slower than what we had envisaged earlier. During the year, the management has made an assessment of the fair value of investment made in Sleek, taking into account the past business performance, prevailing business conditions and revised expectations of the future performance given the understanding built up since acquisition. Based on the above factors and as matter of prudence, the Company has made a provision for diminution in the value of the investment made in Sleek to the tune of ₹ 65.30 crores.

markets by rolling out various retailing formats like the Colour Ideas and Colour Worlds to enhance consumer experience.

Against the backdrop of the challenging market conditions, the international operations have delivered a good performance helped by the performance in some key markets like Egypt, Bangladesh and Ethiopia. The softening material prices also helped improve the profitability of the international operations of your Company.

### HOME IMPROVEMENT BUSINESS

Your Company forayed in the Home Improvement business in 2013-14 by acquiring a majority stake in the Sleek group which caters to the organized modern kitchen space. In 2014-15, your Company moved a step further with acquisition of the front end sales business of Ess Ess Bathroom Products Private Limited, a quality player in the bath fittings segment. Both these steps are in line with your Company’s vision of being a complete décor solutions provider to meet the varied requirements of customers when it comes to creating their dream homes. During the last year, your Company took several initiatives to further streamline and integrate these two businesses.



### Bath Business

Year 2015-16 was the first full year of operations for the Bath business foray of your Company. Focus was placed on engaging and building confidence with all stakeholders like distributors, dealers and employees to help expand the business. Priority was placed on learning the business model and evolving models for future.

During the year, your Company took measures to improve servicing levels of fast moving offerings which has helped the network to manage its inventory holding levels. Your Company has also focused on opening new dealers in the geographies where the brand is not present or under-represented, which has helped increase the revenue base. There is still a lot of opportunity in expanding the network in such geographies to further expand the scale of operations.



Your Company has worked on expanding and promoting its range of bath fitting offerings in the premium range. Marketing initiatives were designed to promote the premium range consisting of D series, Deon and Tarim. The Royale range was introduced in the month of January 2016, which received a very good response. Showers and Health Faucets range has also received a positive response from the network as well as the consumers. Building brand identity around the 'asianpaints' heritage is a key requirement of this business and over 1,300 shops were touched by various elements of this identity during the year. Recently, in March 2016, your Company has also launched the Sanitaryware range to expand its offerings in the Bath space.

### INDUSTRIAL BUSINESS



#### Automotive Coatings: PPG Asian Paints Private Limited (PPG-AP)

PPG-AP, the first 50:50 Joint Venture of your Company with PPG Industries Inc., USA for manufacturing Automotive, OEM, Refinish, Marine, Packaging and certain Industrial Coatings is the second largest automotive coatings supplier in the country and one of the largest auto-refinish coatings company.

Growth in the OEM (Original Equipment Manufacturer) segment remained subdued with the automotive industry, especially the two wheeler segment, which was impacted by the weak demand conditions in the market. However, the refinish segment continued to exhibit decent growth during the year. The decline in the raw material prices helped in increasing the profitability of operations despite the pressures on the realizations in the business.

### Non-Auto Industrial Coatings: Asian Paints PPG Private Limited (AP-PPG)

The non-auto industrial coatings segment addressed by your Company's second 50:50 joint venture with PPG Industries Inc., USA, was helped by the increased spend on infrastructure in the economy as well as a slight up-tick in industrial activity in the economy. The business was successful in expanding its reach in the dealer network which helped its Protective Coatings and Powder Coatings business to register decent growth during the year. The pick-up in the road projects also supported the Road Marking Coatings business of the Joint Venture. AP-PPG also did well to grow its operating margins with support from the declining raw material prices. The business, in fact, was able to report positive operating margins against negative margins in the previous financial year.

### HUMAN RESOURCES

Your Company believes in creating a workspace where diverse set of people can contribute and thrive. One of the factors that determine the direction of the People framework is the ever changing customer needs and your Company is constantly working towards providing a framework that is best suited towards this in partnership with business leadership.

Employee Engagement and Employer branding is an area where your Company has initiated work during the year. Insights from the current, past and potential employees has helped in crafting the employee value proposition for the organization.

Your Company is committed towards the development of its people. The people review process has now been institutionalized across the organization and it promotes and supports developmental conversations across all levels.

Your Company is constantly working towards creating an inclusive workplace that can engage seamlessly with the new age and diverse workforce situated across various locations. An important component of this initiative is managing the outsourced manpower in a fair manner as well. Managing cultural integration in newly acquired businesses has been one of the topmost priorities of your company.

Within the overall people framework, your Company has also placed priorities in creating a strategic workforce planning that can help create a long term roadmap for acquiring and managing future capabilities in the most optimum manner.







## ENVIRONMENT HEALTH AND SAFETY

Environment, Health and Safety (EHS) is one of the primary focus areas for your Company. Your Company's EHS policy is to consider compliance to statutory EHS requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards wherever appropriate. All of your Company's paint manufacturing facilities other than the one at Khandala are certified to the ISO 14001 environmental certification.

Last year, your Company released its first Sustainability Report for 2014-15, wherein disclosures on environmental performance have been detailed in. Your Company will continue to publish the Sustainability Report going forward as well with sufficient information around all aspects of environmental health & safety performance and activities.

In 2015-16, the six decorative paint factories have continued to action upon the following areas of environmental sustainability:

- improving water-neutrality by investing in community rain water harvesting structures
- reducing non-process fresh water consumption
- reducing trade-effluent generation
- reducing hazardous waste generation

- reducing non-hazardous waste generation
- reducing electricity consumption
- increasing the contribution of renewable sources in electricity usage
- maintaining volatile organic compounds (VOCs) in the shop floor at internationally acceptable levels

Your Company has made substantial investments in the past year to generate more Renewable Energy. Rooftop Solar power plants were commissioned at all facilities other than Ankleshwar. Wind-mills have also been installed in Gujarat and Tamil Nadu to supply power to the facilities in Ankleshwar and Sriperumbudur respectively. A substantial portion of energy consumption is now generated from these renewable source.

Your Company is sensitive about the health and safety of its employees. Towards that, your Company has invested in upgrading the infrastructure at the Occupational Health Centre in the Patancheru facility and will initiate similar work going forward in the other facilities as well. Your Company had initiated in the previous financial year, a pilot project on behaviour based safety program at the Ankleshwar factory, which was continued during the current year as well. The intent of this program is to create a culture wherein all employees exhibit and practice safe behaviour.



## INFORMATION TECHNOLOGY

Over the last two years, the world is entering the era of disruptive digital transformations. This is causing major disruptions in the market place as innovative business models are being created everyday by leveraging the power of information technology to create differentiated customer value propositions.

Your Company has been tracking these changes and is already on a path to engage customers, dealers and influencers by leveraging technology. Your Company has set up an IT architecture that supports personalized consumer journeys across physical (Colour Ideas, Signature Stores), digital (Website, Mobile, Kiosks) and human (Colour consultancy, AID) touch points through seamless integration of multiple systems. Your Company has created unique colour visualizer apps that allows customers to experience colour and décor. These are also used to offer colour consultancy services which offers a very unique value proposition in the market. Your Company has made significant progress around creating Next Generation Omni Channel experience for its dealer community. This will allow a seamless experience for your Company's dealers across voice, web and mobile channels.

During the year, your Company has completed the upgrade of its core ERP to a highly scalable in-memory platform and the new S/4 HANA platform. This has set the foundation for future innovations and scalability of technology platform that will also allow us to rapidly integrate the core transactional platform as newer business models emerge for the company. This has also provided your Company with capability to analyze vast amounts of data across multiple dimensions and derive insights.

Cloud technologies have evolved in a very short span of time and they offer significant value in many IT areas. Your Company has adopted the cloud technology in some of its enterprise wide requirements considering the overall business value offered by these solutions.

Predictive and data mining is also revolutionizing the way businesses are leveraging information to gain insights into trends and patterns. Your Company has upgraded its demand forecasting platform which has allowed better predictability of the sales patterns across various geographies and brands. This will help in improving the ability to service an ever increasing range of products while keeping inventory levels within control.

Investments in data mining platform is being leveraged to gain insights into a wide variety of business problems in logistics, people analytics and material sourcing.

In addition to the above, your Company continuously strives to explore key emerging technologies that are relevant for the business. Your Company has successfully conducted proofs of concepts in emerging technologies like Internet of Things and 3-D visualization of home décor.

### RESEARCH AND DEVELOPMENT

Your Company strongly believes that strong focus on Research & Development is the key to drive future growth and accordingly continues to invest in creating additional lab infrastructure, advanced analytical instruments and recruitment of high calibre scientists to boost in-house research and build new capability platforms.

For technology road mapping, your Company initiated platform based technology development approach few years ago to drive innovation and build healthy new product pipeline, the benefits of which are clearly visible from the stream of several new product introductions during the past three years. In addition, five

additional patents have been filed during this financial year over and above several publications in peer reviewed international journals.

The high end premium interior product “Royale Aspira” has received “FICCI sustainability award” from The Federation of Indian Chamber of Commerce and Industry for being selected as the best green product in the chemical and petrochemical sector in the year 2015. This is the only product approved by US Green Seal body in paint category in India for being compliant to GS-11 standard in all aspects.

The members of the Technology Council, which was constituted last year, continue to bring in an outside-in perspective on our innovation strategy keeping global benchmarks in mind for attaining excellence. Based on the recommendations of the Council, your Company has established metrics for measuring value generation through R&D efforts and the same is being monitored on yearly basis to keep track on the returns coming from R&T investments. During this year, your Company has added two new technology platforms to drive application and process research.

To speed up innovation process and reduce cycle time of new product development, your Company adopted a new



Splash - Royale Play collection

methodology for breakthrough project management which is different from the traditional stage gate approach. The outcome of this unique initiative has helped your Company to launch three pioneering products within a short development time of nine months. Genie, water based French polish for wood finishing segment is the first product of its kind in India which promises “health safe” product for wood applicators along with superior value proposition through reduced number of coats as opposed to conventional solvent based French polish. Likewise, the second product in this series is the “Royale Atmos”, which is designed to improve the indoor air quality inside the living rooms. This product is capable of absorbing formaldehyde, a hazardous air pollutant, present in indoor air besides absorbing some of the typical irritant household odours such as garlic smell, sulphurous smell and nicotine odour. The third breakthrough is the launch of “Super Putty” which exhibits dual roles both as wall leveler like plaster of Paris as well as standard wall putty for filling dents and undulations prior to application of finishing coats. All the three products have had exceptional customer acceptance and continue to delight your consumers.

In the Industrial paints, your Company has introduced 2K potable water epoxy lining for elevated temperature storage up to 60 deg C for storage tanks and water pipelines. This product is certified against BS 6920 standard from international test houses and is now covered under the WRAS listing in UK. Likewise, the cellulosic intumescent coating “Apcochar WB 100” has received listing under “Certifire” scheme of Warrington Fire Research lab, UK. These products open up new business opportunities for your company in both Indian market and its overseas subsidiaries.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company’s internal control procedures are adequate to ensure compliance with various policies, practices and statutes in keeping with the organization’s pace of growth and increasing complexity of operations.

Your Company has taken steps to benchmark its internal financial control on lines of globally accepted framework as issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control - Integrated Framework (2013).

Your Company maintains a system of internal controls designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets

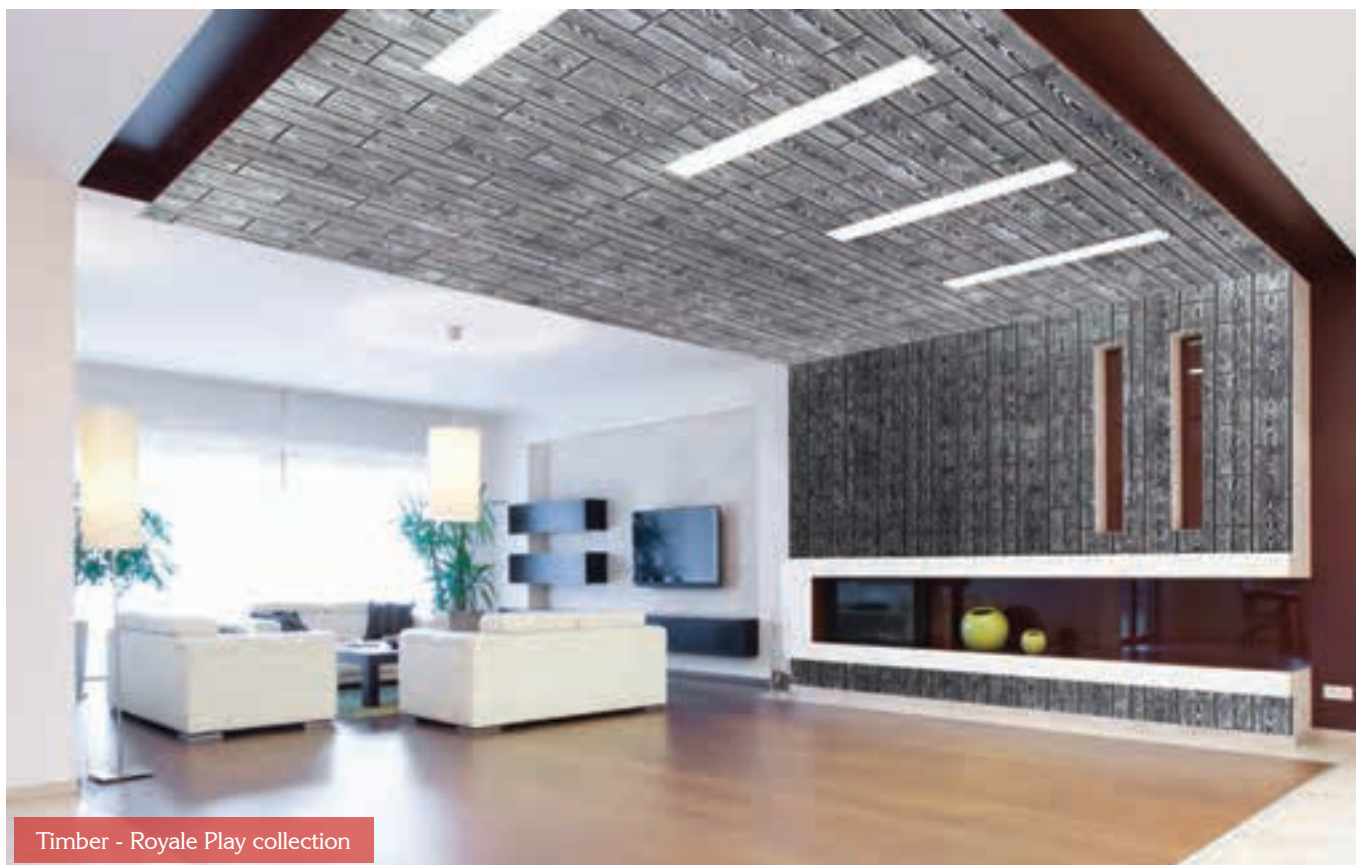
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely preparation of reliable financial information

Key controls have been tested during the year and corrective and preventive actions are taken for any weakness.

The internal controls and governance process are duly reviewed for their adequacy and effectiveness through periodic audits by independent internal audit function supported by outsourced audit teams. Risk based internal audit plan is approved by the Audit Committee which also reviews adequacy and effectiveness of your Company’s internal financial controls. The Audit Committee is periodically briefed on the corrective and preventive action taken to mitigate the risks.

### OUTLOOK AND RISKS

As we begin the year 2016-17, the overall economic outlook for the domestic market remains uncertain. The outlook on the monsoon appears encouraging and should provide the much needed succor to the rural economy reeling under the impact of sub-normal rainfall for the past two years. This is also expected to lead to improved consumer demand from this part of the economy and augurs well for the economy. Inflation, more specifically in the commodity front, is also expected to stay moderate on the back of benign economic growth conditions across all major global economies. Taking the low inflationary trend in account, the Reserve Bank of India has been pursuing an accommodative monetary policy cycle to spur investment and demand. Coupled with a favorable monsoon, these factors should spur domestic demand conditions as we progress. Further, implementation of the Seventh Pay Commission and OROP (One Rank One Pension) payouts are expected to provide further fillip to consumption demand. The Central Government has also shown its intent in pushing rural infrastructure growth by providing increased budgetary support in the most recent Union Budget. All these favorable factors are expected to lead to pick-up in economic activity in 2016-17 and should be positive to your Company’s businesses across decorative paints, industrial coatings and home improvement. On the contrary, any major upward movement in the crude prices which have averaged around USD 45 per barrel (Indian basket) in 2015-16 could change the inflationary scenario going forward in a short period of time. Secondly, weak global economic environment can make it difficult for the country to continue on a growth trajectory. India’s exports of manufactured goods and services now constitute a significant part of the economic activity and hence, India’s growth will be seriously affected in case of a weak global outlook as the correlation between global and Indian growth has been growing. The global financial markets



Timber - Royale Play collection

also continue to exhibit heightened volatility getting impacted almost on a daily basis with additional data feeds on the state of the major global economies. This could have an adverse impact on the domestic exchange rate and could impact your Company adversely.

On the International front, some of the markets, particularly in the Middle East and Trinidad, are under economic slowdown impacted by the fall in crude prices through the year. The rising deficits and lower economic growth on account of fall in oil prices is expected to lead to some tough measures like removal of subsidies, increase in taxes across the region. This could push up inflation and increase operating costs in these markets. Forex availability in some key markets like Egypt and Ethiopia would continue to be a challenge and would put pressure on the operations in these countries. A lot would also depend on the political environment in markets like Bangladesh and Sri Lanka. Nepal, which was marred by the severe impact of the earthquake in April 2015, is expected to see a rebound on the hope of post-earthquake reconstruction push in the country. At the same time, impact on the overall economic scene in Fiji needs to be assessed further in light of the devastation brought about by a severe cyclone in February 2016.

The journey in the home improvement segment has been an exciting one, nevertheless challenging. Your Company continues to move up the curve in understanding these businesses and build capabilities to successfully drive these businesses in future. In the initial stages, it will have its share of failure and success. But your Company remains confident in its ability to grow this segment into a meaningful growth contributor as we move ahead.

The Indian market continues to hold a lot of potential for growth in the longer term. Some of the initiatives being undertaken at various levels by the Government like agenda on improving the ease of doing business, financial inclusion agenda through the Jan Dhan program, Direct Benefit Transfer program, transparent auction of the national assets, etc. are expected to go a long way in building a sustainable growth trajectory in the economy. This should provide a lot of growth opportunities in the domestic paint industry for both, decoratives as well as industrial products. This would also fuel demand for offerings in the Home Improvement segment in line with the rising income levels and rising aspirations of the consumers. Your Company would continue to invest in its capabilities to adequately address these long term opportunities and would take all efforts to deliver strong and consistent performance in the years to come.



# KEY PRODUCT PORTFOLIO

## INTERIOR PAINTS



Royale Aspira



Royale Luxury Emulsion



Royale Shyne



Royale Play Dune



Royale Play Safari



Royale Play Metallics



Royale Play Stucco



Apolite Premium Emulsion



Tractor Emulsion



Tractor Acrylic Distemper

## EXTERIOR PAINTS



Apex Ultima



Ultima Allura Graniza



Apex Exterior Emulsion



Apex Duracast Pebble Tex



Ace Emulsion

## METAL FINISHES (ENAMELS)



Apolite Satin



Royale Luxury



Apolite Gloss



Tractor Enamel

## WOOD FINISHES



Woodtech Insignia



Woodtech PU Palette



Woodtech Polyester



Emporio PU



Woodtech Aquadur PU



Royale Atmos



Genie Polish  
Water Based French Polish



TruCare Super Putty



BASECOAT + TOPCOAT  
APEX  
ULTIMA  
PROTEK



SmartCare Range

**NOW EVERY PART OF EVERY HOME  
WILL BOND WITH BEAUTY**

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Painting Happiness in Communities

# PAINING HAPPINESS IN COMMUNITIES

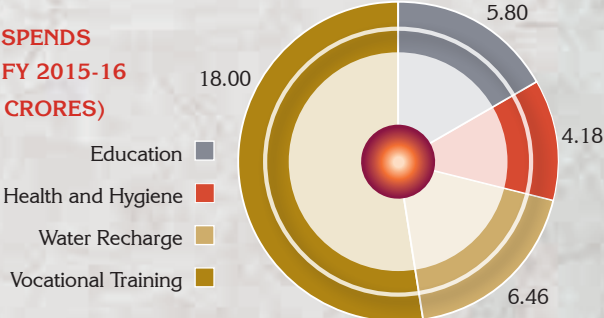


Your Company is committed to the sustainable development, inclusive growth and bringing about a perceptible change in the lives of communities on the embedded tenets of trust, fairness and caring.

To translate the aspiration of ushering positive change into engaging focused programs, the Corporate Social Responsibility (CSR) projects are conducted under the banner of "Painting Happiness in Communities".

The efforts of improving the lives of communities near manufacturing factories are through projects focused in areas of Water, Health and Hygiene and Education, while the interventions and projects in the cities are focused around Skill building and Vocational Training.

CSR SPENDS FOR FY 2015-16 (IN ₹ CRORES)





## CSR AT MANUFACTURING FACILITIES

Strategic partnerships and associations with reputed NGOs and other project implementation partners were made to create a lasting impact.

Your Company's dedicated efforts helped to make a difference to the lives of people in over 100 villages in the states of Uttar Pradesh, Haryana, Gujarat, Telangana, Maharashtra and Tamil Nadu.

## WATER

Environmental sustainability being the core area, your Company recognizes the importance of water and exhibits water stewardship.

Several water conservation and rain water harvesting initiatives have been undertaken by your company to improve its positive water footprint.

### Salient Measures Undertaken:

- Installation of roof top rain water harvesting and recharge systems in village communities and educational institutions
- Integrated watershed development in villages nearby manufacturing factories
- Construction of check dams in villages
- Construction of collection pits and recharge systems
- Water recharge through lake/pond de-silting and check dam de-silting
- Awareness creation on water conservation and its importance in educational institutions and nearby village communities



Launch of Integrated Watershed development at Khandala, Maharashtra



## HEALTH & HYGIENE

Your Company recognizes the fact 'Salubrity for all' and is committed to promote health in the communities. Through strategic partnerships with implementation partners, projects that aim to deliver reliable and quality healthcare to nearby communities are designed and implemented effectively.



Mobile Health Care Unit operating in villages near Khandala, Maharashtra

### Focus areas include:

- Diagnosis and treatment - Health
- Safe drinking water – Hygiene
- Rural development – Hygiene

### Salient Projects/Initiatives Undertaken:

- Mobile Healthcare Units – They provide basic healthcare facilities to the communities focusing more on economically weaker sections, especially, senior citizens in the villages
- General and specialized medical camps – providing free diagnosis, treatments and medicines
- Safar – Health care intervention through diagnosis, awareness generation and counselling to truck drivers
- Providing safe drinking water to communities and village schools
- Promotion of health habits among school children in the nearby villages
- Distribution of aids to differently abled people
- Support to villages and schools on basic sanitation facilities
- Construction of toilet complexes in the communities and village schools
- Sustainable management of solid and liquid wastes from villages and its conversion into useful resources thereby improving health & hygiene standards of villages
- Medical camps to Chennai flood victims

## EDUCATION

Your Company is constantly working in the area of strengthening rural education infrastructure through various interventions aimed to inspire children and provide them a better experience in schools.



Painting Happiness  
in Communities



Awareness campaigns by employees in Rohtak, Haryana

**Focus areas include:**

- Developing infrastructure in rural schools
- Developing personnel infrastructure
- Holistic development of rural children
- Developing capability of teachers
- Digital literacy and vocational training

**Salient projects implemented:**

- Magic Bus Training Program in areas near all the manufacturing plants, focusing on holistic development of children through sports
- Infrastructural support to schools covering educational kits, desks & benches, structural renovation, teaching aids, learning centres, support in painting the school buildings and class rooms
- Close association with Gattu School at Ankleshwar in supervising the needs and development of children
- Providing basic sanitation facilities to schools covering wash basins and taps
- Mobile van education project providing educational facilities to village children
- Coaching / training on competitive exams, computer skills and English communication to rural students
- Project Rainbow – Solar powered computer lab providing digital literacy to village students
- UDAAN focusing on providing scholarships to needy and meritorious girl students
- Project STEADY focusing on career counselling, parents counselling and self-defense classes to girl child
- Engaging with teachers and parents to make education exciting and interesting
- Support to teacher’s training and capability building
- Support to blind school and needs of differently abled children
- Setting up science labs and e-learning centers to promote science and digital literacy

Employees’ engagement and voluntary participation in your Company’s CSR projects remains an important part of creating a better tomorrow for the communities and painting happiness in their lives.

**CSR EFFORTS AT CITIES**

**Vocational Training**

Your Company offers vocational training programs to painters and contractors across a variety of skills including designer finishes, water proofing, wood finishes & wallpaper installation. It has 11 permanent ‘Colour Academies’ across the country, in Mumbai, New Delhi (2), Kolkata, Chennai, Bengaluru, Hyderabad, Pune, Ahmedabad, Cochin and Gorakhpur and 10 mobile Colour Academies covering many states and providing vocational training in small towns. In the financial year 2015-16, Colour Academies have conducted trainings where more than 15,000 participants have come for multiple training modules.

Your Company is also a certified training partner of National Skills Development Corporation (NSDC), that has been set up by the Govt. of India to unify, promote and modernise the skill development ecosystem in India. Your Company’s Colour Academies follow courses approved by NSDC for providing vocational training to aspiring painters and professional painters in the trade.

Colour Academies are now equipped with state-of-the-art equipments, learning centre, simulation zones for painting practice and trainers for facilitating vocational training in painting domain. Systems are now put in place at the Colour Academies to monitor the progress and identify the training needs of the participants enrolled. The training reach is being enhanced through various initiatives including signing of MoUs with multiple State Governments to set up academies in ITI campuses.



Smart classroom in Gattu School at Ankleshwar, Gujarat



# BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 70<sup>th</sup> Annual Report of your Company for the financial year ended 31<sup>st</sup> March, 2016.

## FINANCIAL RESULTS

The financial performance of your Company for the year ended 31<sup>st</sup> March, 2016 is summarized below:

(₹ in crores)

	Standalone			Consolidated		
	Year ended 31.03.2016	Year ended 31.03.2015	Growth %	Year ended 31.03.2016	Year ended 31.03.2015	Growth %
Revenue from Operations (Net)	12,645.88	11,648.83	8.6	15,534.14	14,182.81	9.5
EBITDA	2,704.86	2,197.34	23.1	3,009.34	2,405.12	25.1
Less : Finance Costs	23.40	27.13		40.51	34.76	
Less : Depreciation	238.36	223.11		287.97	265.92	
Profit Before Exceptional Items & Tax	2,443.10	1,947.10	25.5	2,680.86	2,104.44	27.4
Exceptional Items	65.35	13.53		52.45	27.57	
Profit Before Tax	2,377.75	1,933.57	23.0	2,628.41	2,076.87	26.6
Less : Tax Expense	780.32	606.17		849.14	649.54	
Profit After Tax	1,597.43	1,327.40	20.3	1,779.27	1,427.33	24.7
Less: Minority Interest	-	-		53.06	32.18	
Profit attributable to shareholders of the Company	1,597.43	1,327.40	20.3	1,726.21	1,395.15	23.7
Opening balance in Statement of Profit and Loss	1,000.00	1,000.00		1,000.00	1,000.00	
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>	<b>2,597.43</b>	<b>2,327.40</b>		<b>2,726.21</b>	<b>2,395.15</b>	
That the Directors recommends for appropriation as under:						
Dividend - Interim	211.02	172.66		211.02	172.66	
- Proposed Final	508.37	412.46		508.37	412.46	
Tax on Dividend	145.14	112.95		145.14	112.95	
Transfer to General Reserve	532.90	629.33		661.68	697.08	
Closing Balance in Statement of Profit and Loss	1,200.00	1,000.00		1,200.00	1,000.00	

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Net revenue from operations on standalone basis increased to ₹ 12,645.88 crores as against ₹ 11,648.83 crores in the previous year – a growth of 8.6%. The performance includes results of bath business acquired in June, 2014. Cost of goods sold as a percentage to net revenue from operations decreased to 51.6% as against 55.3% in the previous year. The decrease is on account of reduction in key raw material prices on the back of significant drop in crude prices. Employee cost as a percentage to net revenue from operations increased to 5.3% (₹ 664.20 crores) against 5.2% (₹ 606.94 crores) in the previous year. Other expenses as a percentage to net revenue from operations increased to 23.5% (₹ 2,972.55 crores) as against 22.2% (₹ 2,591.52 crores) in the previous year.

Your Company has made an assessment of the fair value of investment made in its subsidiary, Sleek International Private Limited ('Sleek') taking into account the past business performance, prevailing business conditions and revised expectations of the future performance given the understanding built up since acquisition. Based on above factors and as a matter of prudence, your Company has made a provision for diminution in the value of investment made in Sleek to the tune of ₹ 65.30 crores in the year ended 31<sup>st</sup> March, 2016. The same is disclosed under "Exceptional items" in the Statement of Profit and Loss. The details of "Exceptional items" are given in Note [51] to the Standalone Financial Statements and Note [28] to the Consolidated Financial Statements.

The Profit After Tax for the current year is ₹ 1,597.43 crores as against ₹ 1,327.40 crores in the previous year – a growth of

20.3%. The growth in profit is mainly driven by increase in net revenue from operations and softening of input prices during the year.

On a consolidated basis, your Company achieved net revenue of ₹ 15,534.14 crores as against ₹ 14,182.81 crores – a growth of 9.5%. Net profit after minority interest for the group for the current year is ₹ 1,726.21 crores as against ₹ 1,395.15 crores in the previous year – a growth of 23.7%.

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year 2015-16 and the date of this report.

## CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of your Company for the financial year 2015-16 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). The consolidated financial statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries and associate companies, as approved by the respective Board of Directors.

## SUBSIDIARIES

A separate statement containing the salient features of financial statements of all subsidiaries of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting ('AGM') as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of your Company ([www.asianpaints.com](http://www.asianpaints.com)).

During the financial year 2015-16, M/s. Kitchen Grace (India) Private Limited, wholly owned subsidiary of Sleek, has merged with Sleek pursuant to an Order dated 12<sup>th</sup> February, 2016 passed by the Hon'ble High Court of Bombay. The said Order was filed with the Registrar of Companies, Maharashtra at Mumbai on 30<sup>th</sup> March, 2016 making the Order effective from the appointed date of 1<sup>st</sup> April, 2015.

M/s. Multifacet Infrastructure (India) Limited, your Company's wholly owned non-operative subsidiary, has on 21<sup>st</sup> March, 2016, filed an application with the Registrar of Companies, Pondicherry, for striking off its name from the Register under Fast Track Exit mode pursuant to Section 560 and any other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) for the time being in force).

The financial performance of each of the subsidiaries and joint venture companies included in the consolidated financial statements of your Company is set out in the **Annexure [A]** to this Report. Additional details of the performance and operations of the subsidiaries and joint venture companies along with details of the restructuring and investments made by your Company are set out in the Management Discussion and Analysis which also forms part of this report.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's various businesses viz., the decorative business, international operations, industrial and home improvement business, internal controls and their adequacy, risk management systems and other material developments during the financial year 2015-16.

## DIVIDEND

During the financial year 2015-16, your Company declared and paid an interim dividend of ₹ 2.20 (Rupees two and paise twenty only) per equity share of the face value of ₹ 1 (Rupee one) each in the month of October, 2015. In addition, your Directors recommend payment of ₹ 5.30 (Rupees five and paise thirty only) per equity share of the face value of ₹ 1 (Rupee one) each as final dividend for the financial year 2015-16, for the approval of the shareholders at the ensuing AGM. If approved, the total dividend (interim and final dividend) for the financial year 2015-16 will be ₹ 7.50 (Rupees seven and paise fifty only) per equity share of the face value of ₹ 1 (Rupee one) each as against the total dividend of ₹ 6.10 (Rupees six and paise ten only) per equity share of the face value of ₹ 1 (Rupee one) paid for the previous financial year 2014-15.

## PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

## CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a

certificate from the Auditors on its compliance, forms an integral part of this report.

## **BUSINESS RESPONSIBILITY REPORT**

A Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by your Company on the environmental, social and governance front forms an integral part of this report.

## **INDUSTRIAL RELATIONS**

Your Company has always considered its workforce as its valuable asset and continues to invest in their excellence and development programs. Your Company has taken several initiatives for enhancing employee engagement and satisfaction.

During the financial year 2015-16, a strike was called on 28<sup>th</sup> April, 2015 at your Company's plant situated at Sriperumbudur, Tamil Nadu, leading to cessation of work by the operators belonging to Asian Paints Employees' Union. The operations at the said plant returned to normalcy by 10<sup>th</sup> July, 2015. During the period of strike, the markets were continued to be serviced from other manufacturing facilities of your Company.

The industrial relations in respect of all other manufacturing facilities and divisions of your Company are normal.

## **APPOINTMENT OF M/S. TSR DARASHAW LIMITED AS THE REGISTRAR & TRANSFER AGENT OF YOUR COMPANY**

During the financial year 2015-16, your Company discovered certain irregularities at M/s. Sharepro Services (India) Private Limited (hereinafter referred to as "Sharepro"), your Company's erstwhile Registrar & Transfer Agent, with regard to share related and dividend encashment activities. After conducting preliminary investigation, your Company filed a criminal complaint against Sharepro and some of its employees and terminated its services.

The Board of Directors of your Company, at their meeting held on 14<sup>th</sup> March, 2016, approved the appointment of M/s. TSR Darashaw Limited, as the Registrar & Transfer Agent with effect from 1<sup>st</sup> April, 2016. Your Company has also sought your consent by way of its Postal Ballot notice dated 14<sup>th</sup> March, 2016, for shifting the Register and Index of Members and Returns pertaining to the period(s) on or after 1<sup>st</sup> April, 2003 from the office of Sharepro to the office of M/s. TSR Darashaw Limited.

The Register and Index of Members and Returns pertaining to the period(s) upto 31<sup>st</sup> March, 2003 would continue to be maintained at the Registered Office of your Company.

In accordance with the Interim Order dated 22<sup>nd</sup> March, 2016, issued by the Securities and Exchange Board of India (hereinafter referred to as "SEBI") against Sharepro and some of its employees, among other things, all client companies of Sharepro are required to conduct a thorough audit of the records and systems of Sharepro for the past ten years, concerning dividend payments

and transfer of securities to determine whether dividends have been paid to actual/beneficial holders and whether securities have been transferred as per the provisions of law. The audit is required to be completed within three (3) months from the date of the SEBI's Order and the report is required to be submitted to SEBI.

Accordingly, your Company has appointed M/s. Deloitte Touche Tohmatsu India LLP, Chartered Accountants, for conducting the audit and the same is in progress.

Your Company is committed to protecting the interests of its shareholders and has taken necessary steps as per the provisions of law against Sharepro and some of its employees.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Retirement by rotation and subsequent re-appointment:**

Shri Mahendra Choksi and Shri Malav Dani, Non-Executive Directors, are liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible have offered themselves for re-appointment. Appropriate resolutions for their re-appointment are being placed for your approval at the ensuing AGM. The brief resume of the Directors and other related information has been detailed in the Notice convening the 70<sup>th</sup> AGM of your Company. Your Directors recommend their re-appointment as Non-Executive Directors of your Company.

The Independent Directors of your Company hold office upto 31<sup>st</sup> March, 2019 and are not liable to retire by rotation.

Shri K.B.S. Anand, Managing Director & CEO and Shri Jayesh Merchant, CFO & Company Secretary, President - Industrial JVs, are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

### **Disclosure Relating to Remuneration of Directors, Key Managerial Personnel and particulars of Employees:**

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this report.

The Managing Director & CEO of your Company does not receive remuneration from any of the subsidiaries of your Company.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in **Annexure [B]** to this report and is also available on the website of your Company ([www.asianpaints.com](http://www.asianpaints.com)).

#### Directors Responsibility Statement:

Pursuant to Section 134(3)(c) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), the Directors of your Company confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2016, the applicable Accounting Standards and Schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31<sup>st</sup> March, 2016 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March, 2016;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force) for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a 'going concern' basis;
- (e) proper internal financial controls laid down by the Directors were followed by your 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 were adequate and operating effectively.

#### Declaration of Independence:

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16(1)(b) of Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force).

#### Evaluation of Board's Performance:

Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) for

the time being in force), the process for evaluation of the annual performance of the Directors/ Board/ Committees was carried out. The criteria applied in the evaluation process are detailed in the Corporate Governance Report which forms part of this report.

#### NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2015-16 are given in the Corporate Governance Report which forms a part of this report.

#### AUDITORS AND AUDITORS' REPORT

##### Statutory Auditors:

At the 69<sup>th</sup> AGM of your Company, the shareholders had approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248 W/W – 100022) as the Statutory Auditors to hold office till the conclusion of the 70<sup>th</sup> AGM.

The tenure of office of M/s. B S R & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company will expire with the conclusion of 71<sup>st</sup> AGM of your Company. M/s. B S R & Co. LLP, Chartered Accountants, have been the Statutory Auditors of your Company since the financial year 2007-08.

In order to ensure smooth transition and handover, the Board of Directors of your Company at their meeting held on 18<sup>th</sup> January, 2016, have on the recommendations of the Audit Committee and subject to your approval at the ensuing 70<sup>th</sup> AGM, approved the appointment of:

- (a) M/s. B S R & Co. LLP, Chartered Accountants, jointly with M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as the Joint Statutory Auditors for the financial year 2016-17, till the conclusion of 71<sup>st</sup> AGM of your Company.
- (b) M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W – 100018), as the Statutory Auditors, for a period of five (5) years i.e. from the conclusion of the 70<sup>th</sup> AGM till the conclusion of 75<sup>th</sup> AGM of your Company.

Your Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) for the time being in force), from both M/s. Deloitte Haskins & Sells LLP and M/s. B S R & Co. LLP. Further, both have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

The Auditors' Report for the financial year ended 31<sup>st</sup> March, 2016, does not contain any qualification, reservation or adverse remark.

#### **Cost Auditor:**

The Board of Directors of your Company, on the recommendations made by the Audit Committee at its meeting held on 11<sup>th</sup> May, 2016 has approved the appointment of M/s. RA & Co., Cost Accountants, (Firm Registration No. 000242) as the Cost Auditor of your Company to conduct the audit of cost records for the financial year 2016-17. The remuneration proposed to be paid to the Cost Auditor, subject to your ratification at the ensuing 70<sup>th</sup> AGM, would not exceed ₹ 5.50 lakhs (Rupees five lakhs fifty thousand only) excluding taxes and out of pocket expenses, if any.

Your Company has received consent from M/s. RA & Co., Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2016-17 along with a certificate confirming their independence and arm's length relationship.

#### **Secretarial Auditor:**

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of your Company at its meeting held on 11<sup>th</sup> May, 2016 has appointed Dr. K. R. Chandratre, Practising Company Secretary (Certificate of Practice No. 5144), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2016-17.

Your Company has received consent from Dr. K. R. Chandratre to act as the auditor for conducting audit of the Secretarial records for the financial year ending 31<sup>st</sup> March, 2017.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2016 is annexed herewith as **Annexure [C]** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return as on 31<sup>st</sup> March, 2016 in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out herewith as **Annexure [D]** to this report.

#### **ADOPTION OF NEW ARTICLES OF ASSOCIATION OF YOUR COMPANY**

During the financial year 2015-16, new Articles of Association of your Company were adopted in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder.

#### **RELATED PARTY TRANSACTIONS**

During the financial year 2015-16, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations. Further, there were no transactions with related parties which qualify as material transactions under the Listing Regulations.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approvals are granted by the Audit Committee for related party transactions which are of repetitive nature, entered in the ordinary course of business and are on arm's length basis in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

The details of the related party transactions as per Accounting Standard 18 are set out in Note [48] to the Standalone Financial Statements forming part of this report.

The Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure [E]**.

#### **LOANS AND INVESTMENTS**

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31<sup>st</sup> March, 2016, are set out in Note [41] to the Standalone Financial Statements forming part of this report.

#### **RISK MANAGEMENT**

Your Company has in place an enterprise-wide risk management (ERM) system which takes care of risk identification, assessment and mitigation. Compliance management has been significantly strengthened by the deployment of an integrated compliance management and governance framework.

As per the requirements of Regulation 21 of the Listing Regulations, your Company has constituted a Risk Management Committee to oversee the risk management efforts in your Company under the Chairmanship of Shri M.K. Sharma, Independent Director. The details of the Committee along with its charter are set out in the Corporate Governance Report forming part of this report.

Risk Management Committee reviews the process of risk management in your Company. The management periodically briefs the Committee on the emerging risks along with the risk mitigation plans put in place. Risk management is interlinked with the annual planning exercise where each function and business carries out a fresh risk identification, assessment and draws up treatment plans.

There are no risks which in the opinion of the Board threaten the existence of your Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this report.

### VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. Your Company has an ethics hotline managed by a third party which employees of your Company can use to report any violations to the Code of Conduct in an anonymous manner. In addition to the hotline, the third party also provides a portal wherein employees can raise any suspected or actual violations to the Code of Conduct. Specifically, employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company.

Any incidents that are reported are investigated and suitable action taken in line with the whistle blower policy. The Whistle Blower Policy is also available on your Company's website ([www.asianpaints.com](http://www.asianpaints.com)).

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR expenditure incurred by your Company during the financial year 2015-16 was ₹ 34.44 crores which was higher than the statutory requirement of 2% of the average profit for the last three financial years.

The CSR initiatives of your Company were under the thrust areas of health & hygiene, education, water management and enhancement of vocational training.

Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31<sup>st</sup> March, 2016, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as **Annexure [F]**.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as **Annexure [G]** to this report.

### DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

The policies to ensure uniform accounting treatment are prescribed to the subsidiaries of your Company. The accounts of the subsidiary companies are audited and certified by their respective Statutory Auditors for consolidation.

Your Company operates in SAP, an ERP system, and has many of its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. Your Company has automated processes to ensure accurate and timely updation of various master data in the underlying ERP system.

Your Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies, accounting hygiene and accuracy of provisions and other estimates.

Your Company operates a shared service center which handles all payments made by your Company. This center ensures adherence to all policies laid down by the management.

Your Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/validate them as and when appropriate. The basis of such judgments and estimates are also approved by the Statutory Auditors and Audit Committee.

The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.

Your Company has a code of conduct applicable to all its employees along with a Whistle Blower Policy which requires



employees to update accounting information accurately and in a timely manner. Any non-compliance noticed is to be reported and actioned upon in line with the Whistle Blower Policy.

Your Company gets its Standalone accounts audited every quarter by its Statutory Auditors.

### **SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

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

### **GENERAL**

- a) Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and
- b) Your Company does not have any ESOP scheme for its employees/Directors.

### **APPRECIATION**

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board

**Ashwin Choksi**  
Chairman

Place: Mumbai  
Date: 11<sup>th</sup> May, 2016

# ANNEXURE [A] TO BOARD'S REPORT

The financial performance of each of the subsidiaries and joint venture companies included in the consolidated financial statements are detailed below: (₹ in crores)

Sr. No.	Name of the Subsidiary/Joint Venture company	Turnover			Profit/(Loss) Before Tax			Profit/(Loss) After Tax		
		Current Period	Previous Period	Growth %	Current Period	Previous Period	Growth %	Current Period	Previous Period	Growth %
<b>A)</b>	<b>Foreign Subsidiaries</b>									
1	Berger Paints Jamaica Limited	112.19	101.19	10.87	7.76	4.32	79.63	6.68	3.66	82.51
2	Berger Paints Trinidad Limited	56.60	59.49	(4.86)	1.18	2.91	(59.45)	0.63	2.18	(71.10)
3	Berger Paints Barbados Limited	57.62	53.30	8.11	6.34	4.66	36.05	5.61	4.19	33.89
4	Berger Paints Emirates LLC	249.31	222.01	12.30	12.71	4.56	178.73	12.71	4.56	178.73
5	Asian Paints (Middle East) LLC	122.14	109.13	11.92	6.43	6.15	4.55	5.72	5.44	5.15
6	Berger Paints Bahrain W.L.L.	97.80	92.24	6.03	14.82	12.27	20.78	14.82	12.27	20.78
7	SCIB Chemicals S.A.E.	431.56	428.73	0.66	56.26	45.42	23.87	42.77	31.70	34.92
8	Asian Paints (Lanka) Limited	90.78	92.22	(1.56)	0.08	(1.89)	-	(0.76)	(2.15)	-
9	Asian Paints (Nepal) Private Limited	163.32	157.32	3.81	28.50	22.39	27.29	22.74	17.55	29.57
10	Asian Paints (Bangladesh) Limited	315.00	268.56	17.29	24.36	12.56	93.95	12.84	7.34	74.93
11	Samoa Paints Limited	8.08	6.79	19.00	1.98	1.02	94.12	1.44	0.77	87.01
12	Asian Paints (South Pacific) Limited	96.98	88.27	9.87	15.87	14.50	9.45	12.66	11.85	6.84
13	Asian Paints (Tonga) Limited	8.80	7.75	13.55	1.13	1.40	(19.29)	0.84	1.20	(30.00)
14	Asian Paints (S.I.) Limited	15.64	13.86	12.84	4.62	4.90	(5.71)	4.74	4.89	(3.07)
15	Asian Paints (Vanuatu) Limited	7.77	5.40	43.89	1.56	0.56	178.57	1.56	0.56	178.57
16	Berger Paints Singapore Pte Limited	81.43	93.23	(12.66)	(4.82)	(1.36)	-	(3.93)	(1.06)	-
17	Kadisco Paint and Adhesive Industry Share Company <sup>5</sup>	182.33	26.99	-	52.12	7.52	-	36.47	5.53	-
18	PT Asian Paints Indonesia	-	-	-	(6.64)	(0.08)	-	(6.64)	(0.08)	-
19	PT Asian Paints Color Indonesia <sup>##</sup>	-	-	-	(1.33)	-	-	(1.33)	-	-
20	Berger International Private Limited	-	-	-	55.45	3.40	-	55.54	2.67	-
21	Asian Paints (International) Limited	-	-	-	11.59	26.79	(56.74)	10.86	25.67	(57.69)
22	Enterprise Paints Limited	-	-	-	*	*	-	*	*	-
23	Nirvana Investments Limited	-	-	-	-	*	-	-	*	-
24	Universal Paints Limited	-	-	-	9.87	14.11	(30.05)	9.87	14.11	(30.05)
25	Lewis Berger (Overseas Holdings) Limited	6.28	5.62	11.74	1.89	2.03	(6.90)	1.16	1.42	(18.31)
<b>B)</b>	<b>Indian Subsidiaries</b>									
1	Asian Paints Industrial Coatings Limited	9.73	8.28	17.51	(0.15)	0.23	-	0.84	0.38	121.05
2	Sleek International Private Limited	138.35	121.81	13.58	(19.54)	(16.73)	-	(20.15)	(16.73)	-
3	Kitchen Grace (India) Private Limited <sup>+</sup>	-	9.65	-	-	2.23	-	-	2.23	-
4	Maxbhumi Developers Limited	-	-	-	(0.24)	(0.96)	-	(0.24)	(0.96)	-
5	Multifacet Infrastructure (India) Limited <sup>#</sup>	-	-	-	(0.01)	(0.01)	-	(0.01)	(0.01)	-
<b>C)</b>	<b>Joint Ventures<sup>^</sup></b>									
1	Asian Paints PPG Private Limited	323.12	289.64	11.56	6.79	(5.57)	-	6.79	(5.57)	-
2	PPG Asian Paints Private Limited	990.50	952.88	3.95	87.01	67.26	29.36	61.60	53.88	14.33
3	Faaber Paints Pvt. Limited <sup>@</sup>	32.19	33.06	(2.63)	5.44	3.56	52.81	3.71	2.30	61.30
4	PPG Asian Paints Lanka Pvt. Limited <sup>@</sup>	4.43	3.79	16.89	0.58	0.30	93.33	0.40	0.18	122.22

## Notes:

- ## PT Asian Paints Color Indonesia was incorporated on 7<sup>th</sup> April, 2015. Refer Note 27C(b) of Notes to Consolidated Financial Statements.
- \* Amount less than ₹ 1 lakh.
- + During the year, Kitchen Grace (India) Private Limited (wholly owned subsidiary of Sleek International Private Limited (Sleek)) has been merged with Sleek pursuant to a Scheme of Amalgamation w.e.f. 1<sup>st</sup> April, 2015.
- # Application has been filed for striking off the name of the company under the Fast Track Exit mode pursuant to Section 560 and any other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) for the time being in force).
- ^ Considered 100%
- @ Subsidiaries of PPG Asian Paints Private Limited.
- \$ Previous period amounts are for the period 9<sup>th</sup> February, 2015 to 31<sup>st</sup> March, 2015. Refer Note 27 C(a) of Notes to Consolidated Financial Statements.
- Indian rupees equivalent of the foreign currency translated at the exchange rate as at 31<sup>st</sup> March, 2016 for current period and 31<sup>st</sup> March, 2015 for previous period.

# ANNEXURE (B) TO BOARD'S REPORT

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Ratio of remuneration of each Director to the median remuneration of all the employees of your company for the financial year 2015-16 is as follows:

Name of Director(s)	Total Remuneration (₹)	Ratio of remuneration of director to the Median remuneration
Ashwin Choksi	45,25,266	7.38
Ashwin Dani	42,85,000	6.99
Abhay Vakil	41,65,000	6.80
K.B.S. Anand	7,77,41,571	126.85
Mahendra Choksi	33,40,000	5.45
Malav Dani	32,20,000	5.25
Amrita Vakil	31,20,000	5.09
Dipankar Basu	40,00,000	6.53
Mahendra Shah	38,20,000	6.23
Deepak Satwalekar	35,00,000	5.71
S. Sivaram	30,90,000	5.04
S. Ramadorai	29,50,000	4.81
M.K. Sharma	37,10,000	6.05
Vibha Paul Rishi	30,70,000	5.01

Notes:

1. The information provided above is on standalone basis.
2. The remuneration of Non-Executive Directors includes sitting fees paid to them for the financial year 2015-16.
3. Median remuneration of the Company for all its employees is ₹ 6,12,864 for the financial year 2015-16.

**B. Details of percentage increase in the remuneration of each Director and CFO & Company Secretary in the financial year 2015-16 are as follows:**

Name(s)		Remuneration (in ₹)		Increase (in %)
		2015-16	2014-15	
Ashwin Choksi	Non-Executive Chairman/ Promoter	45,25,266	37,90,000	19
Ashwin Dani	Non-Executive Vice Chairman/ Promoter	42,85,000	37,85,000	13
Abhay Vakil	Non-Executive Director/ Promoter	41,65,000	33,70,000	24
K.B.S. Anand	Managing Director & CEO	7,77,41,571	6,10,17,095	27
Mahendra Choksi	Non-Executive Director/ Promoter	33,40,000	29,20,000	14
Malav Dani	Non-Executive Director/ Promoter	32,20,000	26,40,000	22
Amrita Vakil	Non-Executive Director/ Promoter	31,20,000	25,50,000	*
Dipankar Basu	Non-Executive Director/ Independent	40,00,000	34,20,000	17
Mahendra Shah	Non-Executive Director/ Independent	38,20,000	33,20,000	15
Deepak Satwalekar	Non-Executive Director/ Independent	35,00,000	30,60,000	14
S. Sivaram	Non-Executive Director/ Independent	30,90,000	25,00,000	24
S. Ramadorai	Non-Executive Director/ Independent	29,50,000	23,80,000	24
M.K. Sharma	Non-Executive Director/ Independent	37,10,000	33,00,000	12
Vibha Paul Rishi	Non-Executive Director/ Independent	30,70,000	24,50,000	*
Jayesh Merchant	CFO & Company Secretary, President - Industrial JVs	2,82,92,173	2,54,06,762	11

Notes:

- \* Percentage increase in remuneration not reported as they were holding Directorship for the part of the financial year 2014-15 and remuneration is proportionately adjusted.
- The remuneration to Non-Executive Directors includes sitting fees paid to them for the financial year 2015-16. The commission to the Directors has been increased commensurate with the increase in the responsibility and accountability of Directors considering their involvement in strategy, compliances and constant changes in the regulatory environment.
- The remuneration to Directors is within the overall limits approved by the shareholders of your Company.

**C. Percentage increase in the median remuneration of all employees in the financial year 2015-16:**

(Amount in ₹)

	2015-16	2014-15	Increase (in %)
Median remuneration of all employees per annum	6,12,864	5,30,865	15

**D. Number of permanent employees on the rolls of your Company as on 31<sup>st</sup> March, 2016:**

Executive/Manager cadre	1048
Staff	3282
Operators/Workmen	1737
<b>Total</b>	<b>6067</b>

**E. Explanation on the relationship between average increase in remuneration and Company Performance:**

The increase in average remuneration of all employees in the financial year 2015-16 as compared to the financial year 2014-15 was 11%.

The key indices of Company's performance are:

(₹ in Crores)

	2015-16	2014-15	Growth (%)
Net Revenue from operations	12,646	11,649	9
Profit Before Tax and Exceptional Items	2,443	1,947	25
Profit After Tax	1,597	1,327	20

Your Company is committed in ensuring fair pay and a healthy work environment for all its employees. Your Company offers competitive compensation to its employees. The pay also incorporates external factors like cost of living to maintain concurrence with the environment. Your Company maintains a simple compensation structure which allows the employees to have flexibility in the way in which they realize their salaries. Internal equity is ensured by appropriate fitment at the time of the employee joining a particular cadre and grade. The fixed pay for an employee depends on his/her performance against the objectives set for the year. The variable pay is paid out to the employee on the basis of the performance of your Company and the corresponding business unit or function he/ she forms a part of. Regular communication on methods adopted by your Company is made and published throughout the year to ensure transparency and a better understanding of the applicable compensation policy and practices.

Thus, there will be a positive correlation in the increase in remuneration of employees and your Company's performance, however, a perfect correlation will not be visible given the dependency on the other factors stated above.

**F. Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company:**

The Profit Before Tax and Exceptional Items increased by 25% in 2015-16, compared to 2014-15. The details of remuneration of Key Managerial Personnel are given in point 'H' below.

**G. Details of Share price and market capitalization:**

The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years are as follows:

	As on 31 <sup>st</sup> March, 2016	As on 31 <sup>st</sup> March, 2015	Increase/ (decrease) (%)
Price Earnings Ratio	52	59	(11.86)
Market Capitalisation (₹ Cr)	83,297	77,820	7.04

Comparison of share price at the time of first public offer and market price of the share of 31<sup>st</sup> March, 2016:

Market Price as on 31 <sup>st</sup> March, 2016	₹ 868.40
Price at the time of initial public offer in 1983 (converted to price of each share for face value of ₹ 1 each)	₹ 2.30
% increase of market price over the price at the time of initial public offer	37,657

Note:

- Closing share price on the National Stock Exchange of India Limited (NSE) has been used for the above tables. The above does not consider the various bonus share issues made after the initial public offer.
- One share in 1983 is equal to 184 shares in 2016 (adjusted for bonus issues and share split). Accordingly, an amount of ₹ 1,000 invested in 1983 would be worth approximately ₹ 69.6 lakhs as on 31<sup>st</sup> March, 2016. This excludes dividend payouts thereon.

**H. Comparison of average percentage increase in salary of employees other than key managerial personnel and the percentage increase in the key managerial remuneration:**

	2015-16 (₹)	2014-15 (₹)	Increase (%)
Average salary of all employees (other than Key Managerial Personnel)	9,46,434	8,61,344	10
Key Managerial Personnel			
- Salary of MD & CEO	7,77,41,571	6,10,17,095	27
- Salary of CFO & CS	2,82,92,173	2,54,06,762	11

The increase in remuneration of employees other than the managerial personnel is in line with the increase in remuneration of managerial personnel.

**I. Key parameters for the variable component of remuneration paid to the Directors:**

The key parameters for the variable component of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.

Following are major principles for determining remuneration to the Directors:

- (i) **Commission to the Non-Executive Directors:** The Nomination and Remuneration Committee recommends the Commission (variable component) payable to the Non-Executive Directors after considering their contribution to the decision making process at meetings of the Board / Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of Corporate Governance and Board effectiveness. The Committee also reviews the commission and remuneration paid to Non-Executive Directors including Independent Directors of other similar sized companies. It is within the overall limits fixed by the shareholders of your Company.

- (ii) **Commission to the Managing Director & CEO:** The Nomination and Remuneration Committee evaluates the performance of the Managing Director & CEO by setting his Key Performance Objectives or Key Performance Parameters at the beginning of each financial year. The Committee approves the compensation package of him and ensures that the compensation package is in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, industry standards and have an adequate balance between fixed and variable components.

**J. There are no employees of the Company who receive remuneration in excess of the highest paid Director of your Company.****K. Affirmation that the remuneration is as per the Nomination and Remuneration Policy of your Company:**

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

**L. Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

**1. List of employees of your Company employed throughout the financial year 2015-16 and were paid remuneration not less than ₹ 60 lakhs per annum:**

Name	Designation	Remuneration (₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Aashish Kshetry	Vice President - Supply Chain	1,38,85,597	B.E., MMS	27	4-Jun-1992	48	Larsen and Tubro Limited
Amit Kumar Baveja	General Manager - Joint Value Creation	96,86,495	B.Tech., PGDM	20	12-May-1999	41	Tata Engineering and Locomotive Co Limited
Amit Syngle	President-Technology Sales & Marketing	2,48,34,245	B.E., MBA	28	1-Jun-1990	50	SEI Services Limited
Amit V Sahni	Chief Manager - Joint Value Creation	61,29,514	B.E., PGDM	23	6-Jun-1996	44	The National Leathercloth Mfg. Co.
Andrew Williams	Chief Manager - Customer Centricity	62,50,383	B.Sc., PGD Programme in Communications	21	23-Dec-2003	44	Wipro Limited
Anirudha Deshmukh	General Manager - Strategic Planning	1,05,97,290	B.E., PGDM	20	6-Jun-1996	43	-
B P Mallik	Vice President - Technology	1,51,92,112	PGCGM/B.Sc., PhD/M Phil	38	17-Sep-1999	60	Berger Paints India Limited
Bhushan Pradhan	General Manager - Technology	65,23,308	B.Sc.	25	10-Jun-2013	49	Brushworks Paints Limited
C L Sethunathan	General Manager - Project Sales	88,00,615	B.Com.	27	18-Jun-1990	49	Enkay Telecommunications (India) Private Limited
Chaitanya Dabholkar	Chief Manager - Finance	60,75,494	B.Com., CA	17	28-Jun-2013	40	Kris Flexipacks Private Limited
Deepak Bhosale	Chief Manager - Systems	68,54,414	B.E., PGDIM	22	3-Jun-1998	44	Larsen and Tubro Limited
Emrana Sheikh	Vice President - Human Resources	1,00,08,810	B.Sc. (Physics), M.Sc., PGDM	23	27-Feb-2015	44	Mahindra and Mahindra Limited
Harish Lade	General Manager - Systems	98,46,056	B.E., PGDCM	23	6-Jun-1996	44	Tata Telecom Limited
Hiral Kumar Raja	Chief Manager - Taxation	66,47,870	M.Com., CA	14	18-Nov-2002	36	Larsen and Tubro Limited
I K Jaiswal	Regional Vice President - International & Chemical Business	2,28,01,910	B.Tech., PGDM	34	3-May-1982	56	-
Jaideep Kanse	General Manager - Brands	93,30,124	B.E. PGDM	21	1-Dec-1997	46	Consen Sys Software
Jaideep Nandi	CEO-Asian Paints PPG Private Limited	1,40,29,390	B.E.	26	1-Jun-1990	51	-
Jalaj Dani*	President - Supply Chain, HR & Chemicals	2,77,23,337	BS Chem. Engg., MS	23	18-Jan-1999	46	Gujarat Organics Limited
Jayesh Merchant	CFO & Company Secretary, President-Industrial JVs	2,82,92,173	B.Com., LLB, CA, CS	32	1-Nov-2002	58	UTV Software Communications Limited
Joseph Eapen	Chief Manager - Purchase	72,61,018	B.E., PGDIM	19	5-Jun-2000	40	Bajaj Auto Limited
K.B.S. Anand @	Managing Director & CEO	6,67,41,571	B.Tech., PGDM	37	1-Jun-1979	61	-
K Thulaseedharan Nair	General Works Manager	75,44,339	B.Tech.	29	28-Mar-1990	53	Jyoti Limited
Kaviarasu R	Chief Manager - Learning & Development	64,37,046	B.Com., MBA	19	20-Aug-2007	41	Metlife India Insurance Co Private Limited
Kishor Deshmukh	Chief Manager - Engineering Services	74,85,302	B.E. (Mechanical), DBM	32	1-Jul-1996	55	Bayer India Limited
Krishnan Vaidyanathan	Chief Manager - Human Resources	62,82,898	B.Com., PGDPMIR	17	2-May-2002	38	Horizon Financial Services
M R Parasuram	Chief Manager - Systems	67,41,234	B.Sc., M.Sc.	29	22-Mar-1988	52	Ador Computers Private Limited
Manish Airee	Marketing Manager - Project Sales	60,03,597	B.Com.	24	30-Jul-1994	44	SRF Limited
Manish Choksi #	President - Home Improvement, International & IT	2,92,13,691	B.Sc., MBA	28	17-Sep-1992	49	E.I.Du Pont de Nemours
N Gopalakrishnan	Chief Manager - Quality Support	68,61,130	B.Sc, M.Sc	30	1-Jun-1987	53	Parle Beverages Private Limited
N Jagannadha Rao	General Works Manager	63,64,795	B.Tech.	24	3-Jul-1992	46	-
Narasimhan K	General Works Manager	60,12,157	B.E. (Production Engg.)	23	30-Jul-2007	46	Pepsico India
P Sridhar	Chief Manager - Commercial	75,10,544	B.Tech.	31	30-Dec-1991	53	Jay Engineering Works Limited
P Sriram	General Manager - Internal Audit & Risk	93,04,403	B.Com., CA, CWA	19	12-Jan-1998	42	Price Waterhouse Coopers
Pragyan Kumar	General Manager - Home Improvement	98,01,682	B.Tech., PGDM	20	6-Jun-1996	43	-
R J Jeyamurugan	Vice President - Finance	1,23,16,072	B.Com., CA, CS	25	15-Nov-1991	51	Sri Kannapiran Mills Limited
R N Choudhari	Chief Manager - Technology	68,28,731	B.Sc., B.Sc. Tech. (Paint Technology)	35	11-Jun-1984	57	Allied Foundaries Private Limited
Rajeev Kumar Goel	General Manager - Technology	98,22,979	B.Sc., B.Sc. Tech.	27	2-Jun-1989	50	-
Rajeev Kumar Jain	Chief Manager - Technology	62,40,013	M.Sc, PhD	16	19-Jan-2005	51	Beck India Limited
Rajesh Menon	General Manager - Manufacturing	84,21,110	B.Tech., PGDBM	22	12-May-1999	44	The Arvind Mills Limited
Rohit Malkani	Marketing Manager	71,13,356	B.E., PGDBM	20	21-Jul-2000	42	Gillette Indian Shaving Products Limited

## Board's Report

Name	Designation	Remuneration (₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
S Shekar	Divisional Manager	90,37,081	B.Com.	38	8-Feb-1984	58	The New India Assurance Co. Limited
S V Naik	Chief Manager - Technology	62,80,560	B.Sc., M.Sc	34	5-Aug-1982	56	-
S Vasant Kumar	Chief Manager - Manufacturing Technology	67,08,938	B.E. (Mechanical)	28	25-Jan-1993	51	-
Sameer Salvi	General Manager - Manufacturing Technology	1,08,75,837	B.E.	25	18-Mar-1993	46	Mukand Limited
Sangeet Kumar	General Works Manager	63,89,940	B.Tech. (Chemical)	14	30-Aug-2004	36	GAIL (India) Limited
Sanjeev Ahuja	General Manager - Legal	81,05,376	LLB, MBA	29	15-Oct-2013	55	Tata Sky Limited
Satish Kulkarni	Vice President - Projects & Services	1,48,94,414	B.E., PGDM	26	2-Jun-1993	47	Tata Engineering and Locomotive Co Limited
Shyam Swamy	Marketing Manager	64,75,992	B.E., PGDM	20	12-May-1999	43	ESAB India Limited
Sireesh Rao	Chief Manager - Field Readiness	62,73,364	B.Sc., PGDBM	15	15-Jun-2001	39	-
Srikanth S K	Marketing Manager - Business Development & Innovation	63,24,085	B.Arch., PGDM	13	2-Jun-2003	38	-
Sumit Midha	General Manager - Sales	73,51,516	B.Com., PGPM	20	15-Mar-2000	40	Philips India Limited
Suneel Alshi	General Manager - Phthalic & Penta	85,16,308	B.E. (Chemical)	35	22-May-1995	59	Humphreys and Glassgow Consultants (P) Limited
Sunit Jamuar	General Works Manager	61,47,972	B.E. (Automobile)	21	16-Oct-2007	44	Samtel (Unit Samcor Glass Limited
Swapan Kumar Ghosh	Chief Manager - Technology	64,78,233	M.Sc, PhD	14	11-Jul-2013	44	Greencoats Chemicals Private Limited
Tom Thomas	Region Head Caribbean & GM-International Business	1,00,15,961	B.Tech., PGDM	30	1-Jun-1990	53	ORG Systems Limited
V Ravi	General Manager - Manufacturing	88,48,730	B.Sc, M.Sc	28	1-Aug-1988	51	Ganesh Medicament Private Limited
V Srivatsan	General Manager - Services & Retailing	91,94,883	B.Sc.	29	28-Jun-1987	50	-
V Subramanian	General Manager - Materials	1,20,89,099	B.E. (Mechanical), DBM	35	23-Sep-1985	57	Philips India Limited
Vandan Tarika	Chief Manager - SCRC	74,68,516	B.E., MMS	22	4-Jun-1997	43	Bharat Petroleum Corporation Limited
Vijaykumar Bhatt	General Works Manager	80,70,855	B.E., M.E.	31	31-Oct-1988	54	Aegis Chemical Industries Limited
Yogesh Pethkar	Chief Manager - Human Resources	67,76,364	B.E., PGDIE	17	7-Jul-2003	38	Cummins India Limited

## Notes:

- \*Shri Jalaj Dani is a relative of Shri Ashwin Dani and Shri Malav Dani, Non-Executive Directors of your Company.
- # Shri Manish Choksi is a relative of Shri Mahendra Choksi, Non-Executive Director of your Company.
- @ The contractual terms of Shri K.B.S. Anand are governed by the resolution passed by the shareholders in the 68<sup>th</sup> AGM of your Company held on 26<sup>th</sup> June, 2014. The remuneration includes commission for the financial year 2014-15 paid during the financial year 2015-16.
- Except for Shri Jalaj Dani and Shri Manish Choksi, none of the employees mentioned above are related to any of the Directors of your Company within the meaning of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any.
- None of the employees mentioned above hold more than 2% of the shares of your Company, along with their spouse and dependent children.
- All appointments are contractual and terminable by notice on either side.
- Remuneration includes salary, bonus, commission, various allowances, performance incentive, contribution to provident fund and superannuation fund and taxable value of perquisites but excludes provision for gratuity and leave encashment.

## 2. Employees employed for the part of the year and were paid remuneration during the financial year 2015-16 at a rate which in aggregate was not less than ₹ 5 lakhs per month:

Name	Designation	Remuneration (₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
T. C. N. Sai Krishnan	General Works Manager	26,13,855	Diploma in Production Mgt., B.E. (Chemical)	28	10-Dec-1993	47	SRF Limited
V Mohan Rao	General Manager - Technology	35,10,212	M.Sc., PhD	35	1-Jan-2004	61	ICI India Limited

## Notes:

- None of the employees mentioned above are related to any of the Directors of the Company within the meaning of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- None of the employees mentioned above hold more than 2% of the shares of your Company, along with their spouse and dependent children.
- All appointments are contractual and terminable by notice on either side.
- Remuneration includes salary, bonus, commission, various allowances, performance incentive, contribution to provident fund and superannuation fund and taxable value of perquisites but excludes provision for gratuity and leave encashment.



# ANNEXURE [C] TO BOARD'S REPORT

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment (Foreign Direct Investment and External Commercial Borrowings are not Applicable to the Company during the Audit Period);

(v) The following Regulations and Guidelines 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, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with Stock Exchanges;

- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1<sup>st</sup> December, 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, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test – check basis, the Company has complied with the following laws applicable specifically to the Company:

- a. The Environment (Protection) Act, 1986 and The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
- b. Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards; and
- c. Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards.

I further report that -

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

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

All decisions at Board Meetings and Committee Meetings are 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 financial year 2015-16, the Company filed a criminal complaint against Sharepro Services (India) Private Limited (hereinafter referred to as "Sharepro"), the Company's erstwhile Registrar & Transfer Agent, for certain irregularities that were discovered at Sharepro with regard to share-related operations and dividend encashment activities. The Company has taken necessary steps as per the provisions of law against Sharepro and some of its employees.

Place: Pune  
Date: 11<sup>th</sup> May, 2016

Dr. K.R. Chandratre  
FCS No. 1370, C P No: 5144

# ANNEXURE [D] TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN AS ON 31<sup>ST</sup> MARCH, 2016

FORM NO. MGT-9

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

## I. REGISTRATION AND OTHER DETAILS

i) CIN | L24220MH1945PLC004598

ii) Registration Date | 24 | 10 | 1945  
Date | Month | Year

iii) Name of the Company | Asian Paints Limited

iv) Category of the Company  
1. Public Company | ✓  
2. Private company

Sub Category of the Company  
1. Government Company  
2. Small Company  
3. One Person Company  
4. Subsidiary of Foreign Company  
5. NBFC  
6. Guarantee Company  
7. Limited by shares  
8. Unlimited Company  
9. Company having share capital | ✓  
10. Company not having share capital  
11. Company Registered under Section 8

v) Address of the Registered Office and Contact Details  
Company Name | Asian Paints Limited  
Address | 6A, Shantinagar, Santacruz (East), Mumbai – 400 055  
Town / City | Mumbai  
State | Maharashtra  
Pin Code | 400055  
Country Name | India  
Country Code | IND  
Telephone with STD Area Code Number | +91 22 6218 1000  
Fax Number | +91 22 6218 1111  
Email Address | [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com)  
Website, if any | [www.asianpaints.com](http://www.asianpaints.com)  
Name of the Police Station having jurisdiction where the Registered Office is situated | Vakola Police Station

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

Details of the Stock Exchanges where shares are listed:

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

## vii) Name and Address of Registrar & Transfer Agents (RTA)

Registrar & Transfer Agent	TSR Darashaw Limited
Address	6-10, Haji Moosa Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E Moses Road, Mahalaxmi, Mumbai - 400 011
Town / City	Mumbai
State	Maharashtra
Pin Code	400 011
Telephone with STD Area Code Number	+91 22 6656 8484 Extn.: 411/412/413
Fax Number	+91 22 6656 8494
Email Address :	<a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of your company are as follows:

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
Paints, Varnishes, Enamels or Lacquers	20221	98.36

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

[No. of Companies for which information is being filled] - 31

Sr. No.	Name and address of the Company	Company Identification Number / Global Location Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1.	Asian Paints Industrial Coatings Limited 6A, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India	U24220MH2001PLC133523	Subsidiary	100	2 (87)
2.	Maxbhumi Developers Limited Plot No. 5, Gaiwadi Industrial Estate, S.V. Road, Goregaon (West), Mumbai - 400 062 Maharashtra, India	U45400MH2007PLC175925	Subsidiary	100	2 (87)
3.	Multifacet Infrastructure (India) Limited# Duelheambi, Garden Main Road, Mookambigai Nagar, Reddiarpalayam, Pondicherry - 605010, India	U45209PY2007PLC002057	Subsidiary	100	2 (87)
4.	Sleek International Private Limited, 301/302, D/G, 3rd Floor, Lotus Corporate Park, Graham Firth Compound, W.E. Highway, Goregaon (East), Mumbai - 400 063, Maharashtra, India	U31300MH1993PTC070859	Subsidiary	51	2 (87)
5.	PPG Asian Paints Private Limited 6A, Shantinagar, Santacruz (East), Mumbai - 400055, Maharashtra, India	U24200MH1997PTC105961	Associate	50	2(6)
6.	Asian Paints PPG Private Limited 6A, Shantinagar, Santacruz (East), Mumbai - 400055, Maharashtra, India	U24110MH2011PTC220557	Associate	50	2(6)
7.	Asian Paints (Nepal) Private Limited Hetauda Industrial Estate, Hetauda-8, Makwanpur, Nepal	1644 /40	Subsidiary	51	2 (87)
8.	Asian Paints (International) Limited 10 <sup>th</sup> Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	25043556	Subsidiary	100	2 (87)
9.	Asian Paints (Bangladesh) Limited House # 428A, 4th & 5th floor, Road # 30, New DOHS, Mohakhali, Dhaka - 1206, Bangladesh	41467 (826)/2000	Subsidiary	89.78	2 (87)
10.	Asian Paints (Lanka) Limited 81, Korawella Road, Moratuwa, Sri Lanka	PB 1218	Subsidiary	99.18	2 (87)
11.	Asian Paints (Middle East) LLC P. O. Box 462, Al Khuwair, Postal Code 133, Muscat, Sultanate of Oman	1571133	Subsidiary	49	2 (87)
12.	Asian Paints (South Pacific) Limited 7-9-11, Ruve Place, Tavakubu, P. O. Box 694, Lautoka, Fiji Islands	218/001	Subsidiary	54.07	2 (87)
13.	Asian Paints (Solomon Island) Limited P. O. Box R 156, Ranadi Post Office, Honiara, Solomon Islands	1000429	Subsidiary	75	2 (87)
14.	Asian Paints (Tonga) Limited P. O. Box No: 1454, Nuku'alofa, Tonga	01013	Subsidiary	100	2 (87)
15.	Asian Paints (Vanuatu) Limited P. O. Box 253, Port Vila, Vanuatu	100096	Subsidiary	60	2 (87)
16.	Samoa Paints Limited P. O. Box 3037, Apia, Samoa	70224	Subsidiary	80	2 (87)

Sr. No.	Name and address of the Company	Company Identification Number / Global Location Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
17.	SCIB Chemical S.A.E 4 <sup>th</sup> Industrial Zone, Area (1/3/B)/B, 6 <sup>th</sup> October City, Egypt	1025 TIN: 100/399/568	Subsidiary	60	2 (87)
18.	Berger International Private Limited <sup>@</sup> 22, Benoi Sector, Singapore 629854	199307986G	Subsidiary	100	2 (87)
19.	Berger Paints Singapore Pte Limited 22, Benoi Sector, Singapore 629854	193900021Z	Subsidiary	100	2 (87)
20.	Berger Paints Bahrain W.L.L. P. O. Box 26688, Manama, Kingdom of Bahrain	11658-1	Subsidiary	100	2 (87)
21.	Berger Paints Emirates LLC P. O. Box: 27524, Dubai, UAE	45742	Subsidiary	100	2 (87)
22.	Berger Paints Barbados Limited Exmouth Gap, Brandons, St. Michael, Barbados: BB 12069	2714	Subsidiary	100	2 (87)
23.	Berger Paints Jamaica Limited 256, Spanish Town Road, P. O. Box 8, Kingston 11, Jamaica	1804	Subsidiary	51	2 (87)
24.	Berger Paints Trinidad Limited 11, Concessions Road, Sea Lots, Port of Spain, Trinidad, W.I.	B-88(C)	Subsidiary	70	2 (87)
25.	Kadisco Paint & Adhesive Industry S.C. P. O. Box 120919, Akaki Kality Industrial Zone, Addis Ababa, Ethiopia	TIN: 0000015683	Subsidiary	51	2 (87)
26.	PT Asian Paints Indonesia Marquee Office, 17 <sup>th</sup> Floor, Pondok Indah Office Tower 3, Jl Sultan Iskandar Muda Kav. V-TA, Jakarta - 12310, Indonesia	09.03.1.20.97207	Subsidiary	100	2 (87)
27.	PT Asian Paints Color Indonesia Marquee Office, 17 <sup>th</sup> Floor, Pondok Indah Office Tower 3, Jl Sultan Iskandar Muda Kav. V-TA, Jakarta - 12310, Indonesia	09.03.1.46.100104	Subsidiary	100	2 (87)
28.	Lewis Berger (Overseas Holdings) Limited St. Bride's House, 10 Salisbury Square, London EC4Y 8EH, United Kingdom	480042	Subsidiary	100	2 (87)
29.	Enterprise Paints Limited 6 <sup>th</sup> Floor, Victory House, Prospect Hill, Douglas, Isle of Man / M1 IEQ	43644	Subsidiary	100	2 (87)
30.	Nirvana Investments Limited 6 <sup>th</sup> Floor, Victory House, Prospect Hill, Douglas, Isle of Man / M1 IEQ	45691	Subsidiary	100	2 (87)
31.	Universal Paints Limited 6 <sup>th</sup> Floor, Victory House, Prospect Hill, Douglas, Isle of Man / M1 IEQ	39647	Subsidiary	100	2 (87)

# Application has been filed for striking off the name of the Company under the Fast Track Exit mode pursuant to Section 560 and any other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) for the time being in force).

<sup>@</sup> Formerly known as Berger International Limited.

**IV. SHAREHOLDING PATTERN (Equity share capital break-up as percentage to total equity)****A. Category-wise Shareholding:**

	Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2015)				No. of shares held at the end of the year (As on 31.03.2016)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A Promoters</b>										
<b>1) Indian</b>										
a.	Individuals/ HUF	102208177	-	102208177	10.65	102208177	-	102208177	10.65	0.00
b.	Central Govt.	-	-	-	-	-	-	-	-	-
c.	State Govt.(s)	-	-	-	-	-	-	-	-	-
d.	Bodies Corporate	403922685	-	403922685	42.11	403922685	-	403922685	42.11	0.00
e.	Banks/FI	-	-	-	-	-	-	-	-	-
f.	Any other (specify)	-	-	-	-	-	-	-	-	-
i.	Trusts	253620	-	253620	0.03	253620	-	253620	0.03	0.00
<b>Sub-Total (A) (1)</b>		<b>506384482</b>	<b>-</b>	<b>506384482</b>	<b>52.79</b>	<b>506384482</b>	<b>-</b>	<b>506384482</b>	<b>52.79</b>	<b>0.00</b>
<b>2) Foreign</b>										
a.	NRI Individuals	-	-	-	-	-	-	-	-	-
b.	Other Individuals	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	-	-	-	-	-	-	-	-	-
d.	Banks/ FI	-	-	-	-	-	-	-	-	-
e.	Any other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter(s)</b>										
<b>(A)=(A) (1) + (A) (2)</b>		<b>506384482</b>	<b>-</b>	<b>506384482</b>	<b>52.79</b>	<b>506384482</b>	<b>-</b>	<b>506384482</b>	<b>52.79</b>	<b>0.00</b>
<b>B Public Shareholding</b>										
<b>1) Institutions</b>										
a.	Mutual Funds/ UTI	14127527	486360	14613887	1.53	17061043	484190	17545233	1.83	0.30
b.	Banks/ FI	1436091	8500	1444591	0.15	843305	8710	852015	0.09	(0.06)
c.	Central Govt.	-	-	-	-	-	-	-	-	-
d.	State Govt.(s)	-	-	-	-	-	-	-	-	-
e.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f.	Insurance Companies	68446684	1000	68447684	7.14	68443695	1000	68444695	7.14	0.00
g.	FIs	173539850	2490	173542340	18.09	172817779	2490	172820269	18.02	(0.07)
h.	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i.	Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>		<b>257550152</b>	<b>498350</b>	<b>258048502</b>	<b>26.91</b>	<b>259165822</b>	<b>496390</b>	<b>259662212</b>	<b>27.08</b>	<b>0.17</b>
<b>2) Non-Institutions</b>										
a.	Body Corporates									
i.	Indian	56864091	54110	56918201	5.93	54856194	57870	54914064	5.72	(0.21)
ii.	Overseas	-	-	-	-	-	-	-	-	-

	Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2015)				No. of shares held at the end of the year (As on 31.03.2016)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b.	Individuals									
	i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	101975409	14088551	116063960	12.10	113720459	2920667	116641126	12.16	0.06
	ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	7929829	342060	8271889	0.86	8007049	342060	8349109	0.87	0.01
c.	Others (specify)									
	i. Non-Resident Indian	11140566	2370190	13510756	1.41	1142677	12104120	13246797	1.38	(0.03)
	ii. Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	iii. Foreign Nationals	-	-	-	-	-	-	-	-	-
	iv. Clearing Members	-	-	-	-	-	-	-	-	-
	v. Trust	-	-	-	-	-	-	-	-	-
	vi. Foreign Bodies	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B) (2)</b>	<b>177909895</b>	<b>16854911</b>	<b>194764806</b>	<b>20.30</b>	<b>177726379</b>	<b>15424717</b>	<b>193151096</b>	<b>20.13</b>	<b>(0.17)</b>
	<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>435460047</b>	<b>17353261</b>	<b>452813308</b>	<b>47.21</b>	<b>436892201</b>	<b>15921107</b>	<b>452813308</b>	<b>47.21</b>	<b>0.00</b>
C	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>941844529</b>	<b>17353261</b>	<b>959197790</b>	<b>100.00</b>	<b>943276683</b>	<b>15921107</b>	<b>959197790</b>	<b>100.00</b>	<b>0.00</b>

**B. Shareholding of Promoters:**

Sr. No.	Shareholder's Name <sup>#</sup>	No. of Shares held at the beginning of the year (As on 01.04.2015)			No. of Shares held at the end of the year (As on 31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares*	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares*	
1.	Aashay Ashish Choksi	125380	0.01	0.00	125380	0.01	0.00	0.00
2.	Abhay Arvind Vakil	28468310	2.97	0.00	28468310	2.97	0.00	0.00
3.	Amar Arvind Vakil	13031170	1.36	0.00	13031170	1.36	0.00	0.00
4.	Ami Manish Choksi	472200	0.05	0.00	472200	0.05	0.00	0.00
5.	Amrita Amar Vakil	2566680	0.27	0.00	2566680	0.27	0.00	0.00
6.	Anay Rupen Choksi	77750	0.01	0.00	130500	0.01	0.00	0.01
7.	Asha Subhash Gujarathi	1423400	0.15	0.00	1423400	0.15	0.00	0.00
8.	Ashish Ashwin Choksi	886460	0.09	0.00	886460	0.09	0.00	0.00
9.	Ashwin Chimanlal Choksi	785700	0.08	0.00	785700	0.08	0.00	0.00
10.	Ashwin Ramanlal Gandhi	4325790	0.45	0.08	4325790	0.45	0.08	0.00
11.	Ashwin Suryakant Dani	2084870	0.22	0.00	2084870	0.22	0.00	0.00
12.	Bhairavi Abhay Vakil	2247000	0.23	0.00	2247000	0.23	0.00	0.00
13.	Binita Ashish Choksi	131700	0.01	0.00	131700	0.01	0.00	0.00
14.	Chandanben Chhotalal Shah	20000	0.00	0.00	20000	0.00	0.00	0.00
15.	Dipika Amar Vakil	2026130	0.21	0.00	2026130	0.21	0.00	0.00
16.	Druhi Ashish Choksi	100000	0.01	0.00	100000	0.01	0.00	0.00
17.	Hasit Ashwin Dani	4004800	0.42	0.00	4004800	0.42	0.00	0.00
18.	Hiren Ashwin Gandhi	1589300	0.17	0.00	1589300	0.17	0.00	0.00
19.	Ina Ashwin Dani	515920	0.05	0.00	515920	0.05	0.00	0.00
20.	Ishwara Hasit Dani	410710	0.04	0.00	410710	0.04	0.00	0.00
21.	Jalaj Ashwin Dani	1600200	0.17	0.00	1600200	0.17	0.00	0.00
22.	Jigish Shailesh Choksi	1995180	0.21	0.00	1995180	0.21	0.00	0.00
23.	Mahendra Chimanlal Choksi	2196180	0.23	0.00	2196180	0.23	0.00	0.00
24.	Malav Ashwin Dani	3305510	0.34	0.00	3305510	0.34	0.00	0.00
25.	Manish Mahendra Choksi	2388540	0.25	0.00	2388540	0.25	0.00	0.00
26.	Meghna Satyen Gandhi	75000	0.01	0.00	75000	0.01	0.00	0.00
27.	Mudit Jalaj Dani	159800	0.02	0.00	159800	0.02	0.00	0.00
28.	Nehal Abhay Vakil	2371280	0.25	0.00	2371280	0.25	0.00	0.00
29.	Nysha Rupen Choksi	50000	0.01	0.00	102750	0.01	0.00	0.00
30.	Prafullika Shailesh Choksi	2142560	0.22	0.00	2142560	0.22	0.00	0.00
31.	Ragini Varun Vakil	5000	0.00	0.00	5000	0.00	0.00	0.00
32.	Rhea Manish Choksi	702000	0.07	0.00	702000	0.07	0.00	0.00
33.	Richa Manish Choksi	180450	0.02	0.00	180450	0.02	0.00	0.00
34.	Rita Mahendra Choksi	980000	0.10	0.00	980000	0.10	0.00	0.00
35.	Rupal Anant Bhat	1923770	0.20	0.00	1923770	0.20	0.00	0.00
36.	Rupen Ashwin Choksi	1034107	0.11	0.00	928607	0.10	0.00	(0.01)
37.	Satyen Ashwin Gandhi	1608880	0.17	0.00	1608880	0.17	0.00	0.00
38.	Shailesh Chimanlal Choksi	4340900	0.45	0.00	4340900	0.45	0.00	0.00
39.	Shubhlakshmi Hasit Dani	59500	0.01	0.00	59500	0.01	0.00	0.00
40.	Smiti Jalaj Dani	139110	0.01	0.00	139110	0.01	0.00	0.00
41.	Urvashi Ashwin Choksi	838110	0.09	0.00	838110	0.09	0.00	0.00
42.	Vaibhavi Hiren Gandhi	75000	0.01	0.00	75000	0.01	0.00	0.00
43.	Varun Amar Vakil	2230590	0.23	0.00	2230590	0.23	0.00	0.00
44.	Vishal Shailesh Choksi	2951220	0.31	0.00	2951220	0.31	0.00	0.00



Sr. No.	Shareholder's Name <sup>#</sup>	No. of Shares held at the beginning of the year (As on 01.04.2015)			No. of Shares held at the end of the year (As on 31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares*	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares*	
45.	Vita Jalaj Dani	435260	0.05	0.00	435260	0.05	0.00	0.00
46.	Vivek Abhay Vakil	3126760	0.33	0.00	3126760	0.33	0.00	0.00
47.	Asteroids Trading and Investments Private Limited	10818530	1.13	0.00	10818530	1.13	0.00	0.00
48.	Castle Investment & Industries Private Limited	15457470	1.61	0.00	15457470	1.61	0.00	0.00
49.	Centaurus Trading and Investments Private Limited	7408940	0.77	0.03	7408940	0.77	0.03	0.00
50.	Dani Charitable Foundation	253620	0.03	0.00	253620	0.03	0.00	0.00
51.	Dani Finlease Limited	10930	0.00	0.00	10930	0.00	0.00	0.00
52.	Doli Trading and Investments Private Limited	9363440	0.98	0.00	9363440	0.98	0.00	0.00
53.	Elcid Investments Limited	28313860	2.95	0.00	28313860	2.95	0.00	0.00
54.	Elf Trading & Chemicals Manufacturing Limited	2108160	0.22	0.00	2108160	0.22	0.00	0.00
55.	Geetanjali Trading and Investments Private Limited	49267440	5.14	2.83	49267440	5.14	2.89	0.00
56.	Gujarat Organics Limited	22810730	2.38	0.00	22810730	2.38	0.00	0.00
57.	Hiren Holdings Private Limited	601400	0.06	0.00	601400	0.06	0.00	0.00
58.	Isis Holding and Trading Company Private Limited	52884120	5.51	1.38	52884120	5.51	1.52	0.00
59.	Jalaj Trading & Investment Company Private Limited	10776620	1.12	0.00	10776620	1.12	0.00	0.00
60.	Jaldhar Investments and Trading Company Private Limited	12428250	1.30	0.00	12428250	1.30	0.00	0.00
61.	Lambodar Investments and Trading Company Limited	6015130	0.63	0.00	6015130	0.63	0.00	0.00
62.	Lyon Investment & Industries Private Limited	14342060	1.50	0.00	14342060	1.50	0.00	0.00
63.	Murahar Investments and Trading Company Limited	5743670	0.60	0.00	5743670	0.60	0.00	0.00
64.	Nehal Trading and Investments Private Limited	11102530	1.16	0.00	11102530	1.16	0.00	0.00
65.	Omega Properties Private Limited	3363750	0.35	0.00	3363750	0.35	0.00	0.00
66.	Rayirth Holding and Trading Company Private Limited	1329500	0.14	0.00	1329500	0.14	0.00	0.00
67.	Rupen Investment & Industries Private Limited	18824825	1.96	0.02	18849825	1.97	0.02	0.00
68.	Sadavani Investments and Trading Company Private Limited	43200	0.00	0.00	43200	0.00	0.00	0.00
69.	Sapan Investments Private Limited	43200	0.00	0.00	43200	0.00	0.00	0.00
70.	Satyadharma Investments and Trading Company Private Limited	18334280	1.91	0.00	18334280	1.91	0.00	0.00

Sr. No.	Shareholder's Name <sup>#</sup>	No. of Shares held at the beginning of the year (As on 01.04.2015)			No. of Shares held at the end of the year (As on 31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares*	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares*	
71.	Smiti Holding and Trading Company Private Limited	54084120	5.64	1.90	54084120	5.64	1.77	0.00
72.	Sudhanava Investments and Trading Company Private Limited	19026760	1.98	0.66	19001760	1.98	0.66	0.00
73.	Suprasad Investments and Trading Company Private Limited	187160	0.02	0.00	187160	0.02	0.00	0.00
74.	Suptaswar Investments and Trading Company Limited	6558310	0.68	0.00	6558310	0.68	0.00	0.00
75.	Tru Trading and Investments Private Limited	12176500	1.27	0.00	12176500	1.27	0.00	0.00
76.	Unnati Trading and Investments Private Limited	10472600	1.09	0.00	10472600	1.09	0.00	0.00
77.	Vikatmev Containers Limited	25200	0.00	0.00	25200	0.00	0.00	0.00
<b>Total</b>		<b>506384482</b>	<b>52.79</b>	<b>6.89</b>	<b>506384482</b>	<b>52.79</b>	<b>6.97</b>	<b>0.00</b>

<sup>#</sup> The shares held by the Promoter(s) & Promoter(s) group have been clubbed on the basis of their first name.

\* The % of shares pledged/encumbered represents % of shares pledged/encumbered as a % of the total shares of your Company.

The term "encumbrance" has the same meaning as assigned to it in Regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

### C. Change in Promoters' shareholding:

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total Shares of the Company				No. of Shares	% of the total Shares of the Company
1.	Anay Rupen Choksi	77750	0.01	01.04.2015				
				14.08.2015	52750	Transfer	130500	0.01
2.	Nysha Rupen Choksi	50000	0.01	01.04.2015				
				14.08.2015	52750	Transfer	102750	0.01
3.	Rupen Ashwin Choksi	1034107	0.11	01.04.2015				
				14.08.2015	(105500)	Transfer	928607	0.10
4.	Rupen Investment & Industries Private Limited	18824825	1.96	01.04.2015				
				14.08.2015	25000	Transfer	18849825	1.97
5.	Sudhanava Investments And Trading Company Private Limited	19026760	1.98	01.04.2015				
				14.08.2015	(25000)	Transfer	19001760	1.98

\* Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to your Company.

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

Sr. No.	Shareholder's name	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1.</b>	<b>Ojasvi Trading Private Limited</b>				
	At the beginning of the year	46987850	4.90	46987850	4.90
	Bought during the year	-	-	46987850	4.90
	Sold during the year	-	-	46987850	4.90
	At the end of the year	46987850	4.90	46987850	4.90
<b>2.</b>	<b>Life Insurance Corporation of India</b>				
	At the beginning of the year	46839707	4.88	46839707	4.88
	Bought during the year	4641388	0.48	51481095	5.37
	Sold during the year	589292	0.06	50891803	5.31
	At the end of the year	50891803	5.31	50891803	5.31
<b>3.</b>	<b>Aberdeen Global Indian Equity Limited</b>				
	At the beginning of the year	10770000	1.12	10770000	1.12
	Bought during the year	-	-	10770000	1.12
	Sold during the year	3100000	0.32	7670000	0.80
	At the end of the year	7670000	0.80	7670000	0.80
<b>4.</b>	<b>Copthall Mauritius Investment Limited</b>				
	At the beginning of the year	7574776	0.79	7574776	0.79
	Bought during the year	1141869	0.12	8716645	0.91
	Sold during the year	3716950	0.39	4999695	0.52
	At the end of the year	4999695	0.52	4999695	0.52
<b>5.</b>	<b>Government of Singapore</b>				
	At the beginning of the year	5788617	0.60	5788617	0.60
	Bought during the year	1755912	0.18	7544529	0.79
	Sold during the year	659563	0.07	6884966	0.72
	At the end of the year	6884966	0.72	6884966	0.72
<b>6.</b>	<b>Teluk Kemang Investments (Mauritius) Limited</b>				
	At the beginning of the year	5586405	0.58	5586405	0.58
	Bought during the year	-	-	5586405	0.58
	Sold during the year	1893442	0.20	3692963	0.39
	At the end of the year	3692963	0.39	3692963	0.39
<b>7.</b>	<b>Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund</b>				
	At the beginning of the year	5278918	0.55	5278918	0.55
	Bought during the year	41920	0.00	5320838	0.55
	Sold during the year	840195	0.09	4480643	0.47
	At the end of the year	4480643	0.47	4480643	0.47
<b>8.</b>	<b>Oppenheimer Developing Markets Fund</b>				
	At the beginning of the year	4610800	0.48	4610800	0.48
	Bought during the year	-	-	4610800	0.48
	Sold during the year	-	-	4610800	0.48
	At the end of the year	4610800	0.48	4610800	0.48

Sr. No.	Shareholder's name	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>9.</b>	<b>Franklin Templeton Investment Funds</b>				
	At the beginning of the year	4592000	0.48	4592000	0.48
	Bought during the year	128063	0.01	4720063	0.49
	Sold during the year	1692000	0.18	3028063	0.32
	At the end of the year	3028063	0.32	3028063	0.32
<b>10.</b>	<b>Abu Dhabi Investment Authority - Gulab</b>				
	At the beginning of the year	4481021	0.47	4481021	0.47
	Bought during the year	15414	0.00	4496435	0.47
	Sold during the year	1170055	0.12	3326380	0.35
	At the end of the year	3326380	0.35	3326380	0.35
<b>11.</b>	<b>General Insurance Corporation of India</b>				
	At the beginning of the year	3810000	0.40	3810000	0.40
	Bought during the year	110000	0.01	3920000	0.41
	Sold during the year	610000	0.06	3310000	0.35
	At the end of the year	3310000	0.35	3310000	0.35
<b>12.</b>	<b>SBI Life Insurance Company Limited</b>				
	At the beginning of the year	3444027	0.36	3444027	0.36
	Bought during the year	1972192	0.21	5416219	0.56
	Sold during the year	1813544	0.19	3602675	0.38
	At the end of the year	3602675	0.38	3602675	0.38
<b>13.</b>	<b>Ishares India Index Mauritius Company</b>				
	At the beginning of the year	3250800	0.34	3250800	0.34
	Bought during the year	1079134	0.11	4329934	0.45
	Sold during the year	943528	0.10	3386406	0.35
	At the end of the year	3386406	0.35	3386406	0.35

## Notes:

1. The above information is based on the weekly beneficiary position received from the Depositories.
2. Date wise increase or decrease in shareholding of the top ten shareholders is available on the website of your Company ([www.asianpaints.com](http://www.asianpaints.com)).

**E. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of shares at the beginning of the year (01.04.15)/end of the year (31.03.16)	% of total shares of the Company				No. of Shares	% of total Shares of the Company
<b>Directors</b>								
1.	Ashwin Choksi	785700	0.08	01.04.2015	0	NIL movement during the year		
		785700	0.08	31.03.2016			785700	0.08
2.	Ashwin Dani	2084870	0.22	01.04.2015	0	NIL movement during the year		
		2084870	0.22	31.03.2016			2084870	0.22
3.	Abhay Vakil	28468310	2.97	01.04.2015	0	NIL movement during the year		
		28468310	2.97	31.03.2016			28468310	2.97
4.	Mahendra Choksi	2196180	0.23	01.04.2015	0	NIL movement during the year		
		2196180	0.23	31.03.2016			2196180	0.23
5.	Malav Dani	3305510	0.34	01.04.2015	0	NIL movement during the year		
		3305510	0.34	31.03.2016			3305510	0.34
6.	Amrita Vakil	2566680	0.27	14.05.2015	0	NIL movement during the period		
		2566680	0.27	31.03.2016			2566680	0.27
7.	K.B.S. Anand@	270	0.00	01.04.2015	0	NIL movement during the year		
		270	0.00	31.03.2016			270	0.00
8.	Dipankar Basu	0	0.00	01.04.2015	0	NIL holding/ movement during the year		
		0	0.00	31.03.2016			0	0.00
9.	Mahendra Shah	0	0.00	01.04.2015	0	NIL holding/ movement during the year		
		0	0.00	31.03.2016			0	0.00
10.	Deepak Satwalekar	0	0.00	01.04.2015	0	NIL holding/ movement during the year		
		0	0.00	31.03.2016			0	0.00
11.	S. Sivaram	0	0.00	01.04.2015	0	NIL holding/ movement during the year		
		0	0.00	31.03.2016			0	0.00
12.	S. Ramadorai	0	0.00	01.04.2015	0	NIL holding/ movement during the year		
		0	0.00	31.03.2016			0	0.00
13.	M.K. Sharma	0	0.00	01.04.2015	0	NIL holding/ movement during the year		
		0	0.00	31.03.2016			0	0.00
14.	Vibha Paul Rishi	0	0.00	14.05.2015	0	NIL holding/ movement during the period		
		0	0.00	31.03.2016			0	0.00

Sr. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of shares at the beginning of the year (01.04.15)/end of the year (31.03.16)	% of total shares of the Company				No. of Shares	% of total Shares of the Company
<b>Key Managerial Personnel</b>								
1.	K.B.S. Anand <sup>@</sup>	270	0.00	01.04.2015	0	NIL movement during the year		
		270	0.00	31.03.2016			270	0.00
2.	Jayesh Merchant	0	0.00	01.04.2015	0	NIL holding/ movement during the year		
		0	0.00	31.03.2016			0	0.00

Note:

<sup>@</sup> Shri K.B.S. Anand, Managing Director & CEO has been included in the list of Directors as well as KMP.

## V. INDEBTEDNESS

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

(₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (As on 01.04.2015)</b>				
i) Principal Amount	6.71	32.86	-	39.57
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6.71</b>	<b>32.86</b>		<b>39.57</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	5.90	-	-	5.90
• Reduction	(3.24)	(4.24)	-	(7.48)
Net Change	2.66	(4.24)	-	(1.58)
<b>Indebtedness at the end of the financial year (As on 31.03.2016)</b>				
i) Principal Amount	9.37	28.62	-	37.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9.37</b>	<b>28.62</b>	<b>NIL</b>	<b>37.99</b>

The above includes interest free loans under Sales Tax deferment schemes of various states as given in Note [4] of standalone financial statements.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Managing Director	
		K.B.S. Anand	
1.	Gross salary (excluding Commission)		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		2,95,33,200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		1,08,23,091
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission		3,50,00,000
	- as % of profit		0.14
5.	Others - Employer contribution to provident and other funds		23,85,280
	<b>Total</b>		<b>7,77,41,571</b>
	Ceiling as per the Act *		121,71,07,000

\* Remuneration paid to the Managing Director & CEO is within the ceiling provided under Section 196 of the Companies Act, 2013.

### B. Remuneration to other Directors:

(Amount in ₹)

1. Independent Directors:				
Name of Director	Fee for attending board / committee meetings	Commission	Others <sup>#</sup>	Total
Dipankar Basu	8,00,000	32,00,000	-	40,00,000
Deepak Satwalekar	5,00,000	30,00,000	-	35,00,000
S. Sivaram	4,90,000	26,00,000	-	30,90,000
Mahendra Shah	10,20,000	28,00,000	-	38,20,000
S. Ramadorai	3,50,000	26,00,000	-	29,50,000
M.K. Sharma	9,10,000	28,00,000	-	37,10,000
Vibha Paul Rishi	4,70,000	26,00,000	-	30,70,000
<b>Total (1)</b>				<b>2,41,40,000</b>
2. Non-Executive / Promoter Directors:				
Name of Director	Fee for attending board / committee meetings	Commission	Others <sup>#</sup>	Total
Ashwin Choksi	4,00,000	34,00,000	7,25,266	45,25,266
Ashwin Dani	5,50,000	30,00,000	7,35,000	42,85,000
Abhay Vakil	8,00,000	26,00,000	7,65,000	41,65,000
Mahendra Choksi	6,40,000	27,00,000	-	33,40,000
Malav Dani	5,20,000	27,00,000	-	32,20,000
Amrita Vakil	5,20,000	26,00,000	-	31,20,000
<b>Total (2)</b>				<b>2,26,55,266</b>
<b>Total (1+2)</b>				<b>4,67,95,266</b>
<b>Ceiling as per the Act</b>				<b>24,34,21,400</b>

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

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		CFO & Company Secretary
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,48,09,158
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	18,50,375
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	
5.	Others - Contribution to Provident and other funds	16,32,640
	<b>Total</b>	<b>2,82,92,173</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.

**ANNEXURE [E] TO BOARD'S REPORT****FORM AOC – 2**

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

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

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

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

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

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

For and on behalf of the Board

Place: Mumbai

Date: 11<sup>th</sup> May, 2016

Ashwin Choksi  
Chairman



# ANNEXURE [F] TO BOARD'S REPORT

## CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline of your Company's CSR policy:

In accordance with the CSR Policy of your Company, the CSR initiatives would be focused around the following identified thrust areas for channelizing the resources on a sustained basis:

- Health & Hygiene:** Your Company believes in 'Salubrity for all' and is committed to promote health and hygiene in the areas it operates. Strategic partnerships with implementation agencies were done and projects that aim to provide healthcare support to areas around its manufacturing units and also to other section of the society. Reliable and quality healthcare to communities were designed and implemented effectively. Your Company would continue to deliver facilities to communities and other sections of the society in the form of primary health care support through diagnosis and treatments, promoting preventive healthcare, building awareness about sanitation and providing monetary support, setting up and managing rehabilitation centers, medical camps, creating awareness through various programs, etc.
- Education:** Your Company aspires to enormously contribute to improve & facilitate the literacy levels at various sections of the society. Your Company is constantly working in the rural areas with various interventions to provide better experience of education in rural schools and continuous focus on overall development of students. The initiatives undertaken by your Company would aim at contributing to improve, facilitate and provide support in developing infrastructure for schools/educational centers, conducting education programs, engaging with students and parents leading to development of a better community, livelihood enhancement projects, etc.
- Water:** Environmental sustainability being a core area, your Company recognizes the importance of water and exhibits water stewardship. Your Company believes that the abundant and stable supply of water is the basic need of the society. Conservation of water has become imperative and is being done by your Company at each and every stage. Several water conservation and rain water harvesting initiatives

would continue to be undertaken by your Company during the year, to improve its positive water footprint.

- Vocational Skills:** In the area vocational training, your Company aspires and continues to provide training programs to painters and contractors across a variety of skills to enhance their skills empower them, provide opportunities, enhance their ability to take better employment and better livelihood. These trainings are offered through Colour Academies set up by the Company across India. During the financial year 2015 – 16, Colour Academies have conducted trainings which were attended by more than 15,000 participants. Your Company is a certified training partner of National Skills Development Corporation (NSDC), set up by the Government of India. All Asian Paints Colour Academies follow courses approved by NSDC for providing vocational training to aspiring painters and professional painters in the trade.

The CSR Policy of your Company is available on its website (<https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf>).

### 2. Composition of the CSR Committee

Name of the Member(s)	Nature of Directorship
Malav Dani (Chairman)	Non-Executive Director/ Promoter
Mahendra Choksi	Non-Executive Director/ Promoter
Mahendra Shah	Non-Executive Director/ Independent
Vibha Paul Rishi	Non-Executive Director/ Independent
K.B.S. Anand	Managing Director & CEO

Shri Jayesh Merchant acts as the Secretary to the Committee.

- Average Net Profit of the Company for last 3 financial years :** ₹ 1,687.55 crores
- Prescribed CSR expenditure (2% of this amount as in Sr. No. 3 above):** ₹ 33.75 crores
- Details of CSR spent for the financial year:**
  - Total amount spent for the financial year: ₹ 34.44 crores
  - Amount unspent, if any: Nil

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

CSR projects / Activities	Sector in which the Project is covered	Location where project is undertaken State (Local Area/ District)	Amount outlay (budget) Project / Programs wise	Amount Spent on the Projects or Programs		Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency**
				1. Direct Expenditure	2. Overheads*		
Promoting healthcare and sanitation by conducting projects and programs, making available safe drinking water to community, preventive healthcare and medical camps, infrastructure support for cancer diagnosis, calibration of healthcare equipment at hospitals, construction of sanitary facilities viz., toilets etc.	Health & Hygiene	Maharashtra (Khandala, Satara District), Gujarat (Ankleshwar, Bharuch District), Uttar Pradesh (Kasna, Gautam Buddha Nagar District), Haryana (Kherisadh Village, Rohtak District), Tamil Nadu (Cuddalore, Tiruvallur District) Telangana (Patancheru, Medak District)	4.59	3.97	0.21	4.18	Direct and through implementing agency
Promoting education by providing educational materials, setting up of libraries, toy libraries, scholarships, coaching classes, computer hardware and software for smart classes, building infrastructure at schools, organising workshops for enhancing skills, etc.	Education	Tamil Nadu (Cuddalore, Tiruvallur District) Maharashtra (Khandala, Satara District, Bhandup, Mumbai District) Gujarat (Ankleshwar, Bharuch District), Uttar Pradesh (Kasna, Gautam Buddha Nagar District), Haryana (Kherisadh Village, Rohtak District)	11.73	5.52	0.28	5.80	Direct and through implementing agency

(₹ in crores)

(₹ in crores)

CSR projects / Activities	Sector in which the Project is covered	Location where project is undertaken State (Local Area/ District)	Amount outlay (budget) Project / Programs wise	Amount Spent on the Projects or Programs		Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency**
				1. Direct Expenditure	2. Overheads*		
Ensuring environmental sustainability through water recharge & conservation projects, rain water harvesting, water - desilting and reclamation in villages, Integrated Water Resources Management in Community Watershed	Water	Tamil Nadu (Cuddalore, Tiruvallur District), Maharashtra (Khandala, Satara District), Gujarat (Ankleshwar, Bharuch District), Uttar Pradesh (Kasna, Gautam Buddha Nagar District), Haryana (Kherisadh Village, Rohtak District), Telangana (Patancheru, Medak District)	6.89	6.14	0.32	6.46	Direct and through implementing agency
Livelihood enhancement projects in the form of basic and specialized painter training programmes to unemployed youth and to painting applicators/contractors	Vocational Training	Maharashtra (Mumbai, Nagpur, Aurangabad & Pune District), Karnataka (Bengaluru District), Telangana (Hyderabad District), Tamil Nadu (Chennai District), West Bengal (Kolkata & Burdwan District), Gujarat (Ahmedabad District), Uttar Pradesh (Lucknow, Varanasi, Kanpur, Ghaziabad, Gorakhpur & Agra District), Madhya Pradesh (Jabalpur & Bhopal District), Rajasthan (Jaipur District), Punjab (Ludhiana District), Kerala (Kozhikode District), Odisha (Bhubaneshwar District), Uttaranchal (Dehradun District) Chandigarh and Jammu & Kashmir	21.00	17.10	0.90	18.00	Direct
<b>TOTAL</b>			<b>44.21</b>	<b>32.73</b>	<b>1.71</b>	<b>34.44</b>	

\* Restricted to 5% of Total CSR Funds.

\*\* Details of the Implementing agencies: 1. Enable Health Society 2. Aga Khan Rural Support Programme 3. Abhivaykti Foundation 4. Ankleshwar Industrial Development Society 5. Akash Ganga Trust 6. Bihang Welfare Association 7. Child Survival India 8. Deepalaya 9. Forum For Organised Resource Conservation &amp; Enhancement 10. Helpage India 11. International Crops Research Institute for the Semi-Arid Tropics 12. Indian Green Service 13. Isha Foundation 14. Kaka-Ba and Kala Budh Public Charitable Trust 15. Kutuhal 16. Magic Bus 17. NIIT Foundation 18. Preface for Literacy Education and Aid 19. Ankleshwar Rotary Welfare Trust 20. Samawedana 21. Sevalaya 22. Sri Balaji Enterprises 23. Vanarai 24. Water Shed Organisation Trust

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report : Not Applicable
7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

**K.B.S. Anand**  
Managing Director & CEO

**Malav Dani**  
Chairman  
CSR Committee

Place: Mumbai  
Date: 11<sup>th</sup> May, 2016

# ANNEXURE [G] TO BOARD'S REPORT

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

### A) ENERGY CONSERVATION MEASURES TAKEN

All the manufacturing units continued their efforts to reduce the specific energy consumption. Specific and total energy consumption is tracked on a daily basis at individual factory/block level and also at consolidated manufacturing level. Energy conservation initiatives are being planned and implemented across manufacturing locations. Energy audits are conducted at all the manufacturing units at regular intervals and the findings of the audits are implemented. Apart from regular practices and measures for energy conservation, many new initiatives were driven across the units. The measures taken in all the manufacturing units of your Company have been briefly enumerated as below:

#### 1. Process optimization and automation:

Efforts have been put consistently year on year to optimise energy consumption in production processes and operation of utilities. A few notable measures taken during the financial year ended 31<sup>st</sup> March, 2016 include:

- Implemented changes in processing methods which reduced cycle time resulting in lower power consumption.
- Delta-T logic implemented in the emulsion process which reduces the usage of chilling and the load on chillers.
- Agitator stoppage during water addition and phase reduction during processing helped to reduce the cycle time.
- Optimised operation time of the TSD/Emulsion reactor agitator.
- Air leakage audit conducted and the air leakages arrested which resulted in reduction of air compressor power consumption.
- Auto air cut-off, which stops the main compressor usage on holidays resulting in energy savings.
- Pressure based pumping system in utilities which has reduced the pumping power consumption significantly.
- Efficiency improvement study conducted for chiller and compressor and the specific power consumption reduced by implementing the findings.
- Water addition through gravity instead of pumping system.
- Auto switching off of conveyors / fans etc., when not in use.
- Utility operation controls automated for better control.
- Blocking unused bins in ASRS to restrict crane movement for reduced energy consumption.

#### 2. Optimisation of Electrical Equipment:

In addition to existing controls on various equipment and utilities, some electrical equipment modifications/ additions being done are:

- Delta to star converter installed in blowers to reduce the power consumption based on load and to improve the system efficiency.
- Energy efficient motors is installed in all new installations and in other identified energy-intensive areas.
- Energy efficient air conditioners (inverter duty) used in new installations to reduce the power consumption.
- VFD installed for screw pumps to reduce the material discharge time and increase the availability of equipment.

#### 3. Lighting:

All the manufacturing units continue to put in efforts to reduce the lighting power consumption. Some key initiatives taken in this area include:

- Replacement of the conventional light fittings with LED lighting resulting in lower power consumption for lighting.
- Motion and presence sensor for AC and lighting for usage of power only when there is man movement.
- Lighting in godowns are controlled on holidays to optimize the power usage and need based switching on through the installation of motion sensor in godowns.
- Timers installed to cut off the lights that are not required in loading, unloading areas after office hours.

**4. Other key initiatives for Energy conservation:**

With the view of reduction of specific energy consumption across the manufacturing units, following initiatives have been taken:

- Energy Management System (EMS) software development is in progress which will generate real-time data and help to monitor, analyze, report and compare the power consumption across manufacturing locations.
- Energy cells have been formed in all manufacturing plants and the progress in energy conservation measures and best practices at all plants is shared.
- Use of alternative dispersion technology for paint processing.

**B) UTILISING ALTERNATE SOURCES OF ENERGY****Solar energy:**

Following rooftop solar projects were commissioned in FY 2015-16:

1. 2.4 MWp- At Khandala plant
2. 2.0 MWp- At Rohtak plant
3. 0.4 MWp- At Kasna Plant
4. 0.4 MWp- At Patancheru Plant

With the commissioning of the above solar projects, total installed solar energy capacity is now 6 MWp (including 0.8 MWp solar project at Sriperumbudur commissioned in the FY 2014-15) which would generate around 57 lac units per year, and contribute to around 8-9% of electricity consumption across all decorative paint plants for FY 2016-17.

**Wind Energy:**

Following Wind Turbine Generators (WTG) were commissioned during FY 2015-16:

1. 4.0 MWp- At Rojmal, Botad, Gujarat for Ankleshwar plant
2. 1.5 MWp- At Dharapuram, Tirupur, Tamil Nadu for Sriperumbudur plant

With the commissioning of the above wind projects, total installed WTG energy capacity is now 5.5 MWp which would generate around 83 lac units, and would contribute to around 9-10% of electricity consumption across all decorative paint plants.

**C) IMPACT OF MEASURES FOR REDUCTION OF ENERGY CONSUMPTION**

The metric "specific power consumption" tracked as a measure of performance of Energy Management for the whole manufacturing setup has decreased over the past year. This was possible by the improvements and various initiatives taken by the manufacturing units in the field of energy conservation. With lot of efforts and initiatives planned in the coming year, the specific power consumption for whole manufacturing setup is expected to come down further.

**D) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT**

The Company has spent ₹ 78.12 crores as capital investment on energy conservation equipment during the financial year 2015-16.

**TECHNOLOGY ABSORPTION****A) The efforts made by the Company towards technology absorption:**

The nature of activities carried on by the Research and Technology Function (R&T) of your Company to support its short, medium and long term business goals are briefly described as follows:

- Development, standardization and market support of new products and processes related to surface coatings and intermediates.
- Building a sustainable product pipeline for the company and develop new capability platforms to assure future growth.
- Creating intellectual property (IP) through filing of patents.
- Value engineering through formulation and sourcing efficiency such as formula optimization, localization, alternate RM usage, co-creating new raw materials and formulation approach in collaboration with vendors.
- Research focus on building new capability in the area of surface science, nanomaterial synthesis, microencapsulation and process engineering.
- Import substitution through China sourcing and identification of new and potential raw materials from vendors including vendor capability assessment.
- Upgradation of existing product and processes to save cycle time, energy consumption, waste reduction to improve overall operational efficiency.
- Technology support to all overseas subsidiaries to improve efficiency and enable business growth.

- Optimization of products and processes to minimize waste generation and address environmental and safety concerns.
- Development of smart test methods to speed up testing of incoming raw materials.
- Undertaking collaborative development projects with vendors, academia and institutes.
- Development of in house domain expertise to enhance phenomena understanding and aid product development research.
- Development of laboratory simulation techniques for faster resolution of product complaints.
- Development of Nano composites for coatings application.
- Focus on in house product development in the area of waterproofing, construction chemicals, tile solution etc.

- Apcolite Advanced 2 Pack Epoxy Finish
- AP Smartcare Epoxy Triblock
- Profendurance Brilliant White
- Smartcare Super Plaster Brown
- Nilaya Sealer Clear
- Heavy Adhesive Clear
- Royale Atmos
- Trucare Super Putty
- Tractor Star Distemper

Following are some of the products that were developed by your Company for industrial end use during the financial year 2015-16:

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

Twenty Two (22) new products were developed and commercialized for Architectural paints segment during the financial year ended 31<sup>st</sup> March, 2016 and are enumerated below:

- Genie Woodtech Polish
- Woodtech Smart PU
- One Coat Emulsion Super White
- Royale Play Protective Coat
- AP Smartcare Multi-Purpose Polymer
- AP Smartcare Instant Leak Stop
- AP Smartcare Dampblock 2K
- AP Smartcare Fabseal
- Professional Economy Exterior Emulsion
- Professional Economy Texture Finish
- AP Plastercoat
- AP Apex Tile Clear
- Apcolite Advanced 2 Pack Epoxy Primer Grey

- Development and certification of DTM Polyurethane coating meeting ISO 12944-6 standard for C4 High/C5M Medium environment.
- Development of Solvent free Epoxy Phenolic tank lining having resistance to Bio-Fuel and certification from DNV GL.
- Development and certification of water based high performance coating system meeting ISO 12944-6 standard for C4 High/C5M Medium environment.
- Coating system (Epoxy Primer and Polyurethane topcoat) conforming to PDO PCS 6 has been certified by Charter Coatings Canada.
- WRAS listing of potable water coating for both Asian and Berger brand.

Your Company has accorded highest priority in making the entire premium range of decorative products green for India as well as all international subsidiaries. As a part of the Product stewardship philosophy, your company continues to make efforts to remove CMR materials from existing architectural paints over and above heavy metals and VOC, wherever possible. In addition, your Company has initiated steps to measure the carbon footprint index (kg of Co<sub>2</sub> equivalent per litre of finished product) of new and existing water based architectural products and making efforts to increase renewable components in designs wherever possible. The first sustainability report has been published in December, 2015 and the total VOC reduction achieved had been in excess of 8600 MT.

Royale Aspira-Luxury Interior Emulsion received a formal certification from Green Seal for the product being compliant with the GS-11 standard in the month of September, 2015. The Federation of Indian Chamber of Commerce and Industry (FICCI) awarded Royale Aspira as the "Best Green Product in India" under the chemical and petrochemical award category in October, 2015.

In new product design, your Company is also looking for alternate manufacturing machineries to improve manufacturing efficiency w.r.t. cycle time, power consumption, waste reduction etc. A number of programs are undertaken in R&T to design specific formulations for automated plants. Your Company has initiated various measures to drive innovation for developing pioneering new products and intellectual property generation.

**C) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

- The details of technology imported: Technology of Intumescent Coating for cellulosic fire from M/s Neutron Fire Technology Inc., UK having 90 minute fire rating and certifier listing by Warrington UK was obtained.
- The year of import: FY 2013-14.

- Whether the technology been fully absorbed: The same has been successfully scaled up for bulk manufacturing in United Arab Emirates and commercialized in Bahrain market during the financial year 2014-15; and
- If not fully absorbed, areas where absorption has not taken place, with reasons thereof: The technology has been fully absorbed.

**D) The expenditure incurred on Research and Development:**

(₹ in crores)

Particulars	2015-16	2014-15
Capital	7.12	8.57
Recurring	68.04	63.07
<b>TOTAL</b>	<b>75.16</b>	<b>71.64</b>

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earned in terms of actual inflows during the year 2015-16 was ₹ 113 crores (equivalent value of various currencies).

Foreign exchange outgo in terms of actual outflows during the year 2015-16 was ₹ 2,017 crores (equivalent value of various currencies).



# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes that Corporate Governance is a pre-requisite for attaining sustainable growth in this competitive world. Asian Paints' philosophy on Corporate Governance is based on transparency and accountability and has been a part of the organizational culture of your Company for the past seventy years. In recent times, governance has been further strengthened within the organization by introduction of incremental changes to various policies and processes. Your Company has achieved sustainable growth by being a responsible and well-governed corporate, while exceeding the expectations of all stakeholders. It is your Company's unending mission to regularly nurture and develop steadfast professionalism, astute accountability and increased disclosures by taking all steps necessary towards superior growth in its value for its stakeholders.

The Securities and Exchange Board of India ("SEBI") on 2<sup>nd</sup> September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") with an aim to consolidate and streamline the provisions of the Listing Regulations for different segments of capital markets to ensure better enforceability. The Listing Regulations were effective from 1<sup>st</sup> December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within 6 (six) months from the effective date. Your Company has entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during the month of February, 2016.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of Listing Regulations is given below:

## GOVERNANCE STRUCTURE

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

### Board:

At Asian Paints, the Board is at the core of the Corporate Governance practice. Your Company has an optimum mix of eminent personalities on the Board of Directors with members from diverse experience and expertise. Out of 14 members on its Board, 7 (seven) are Independent Directors, 6 (six) are Non-Executive / Promoter Directors and 1 (one) is Managing Director & CEO. This appropriate composition of the Board of Directors enables in maintaining the independence of the Board and separates its functions of governance and management. Over a period of time, the Board has fostered a culture of leadership to sustain your Company's growth with a long-term vision and ingenious policy to improve the degree of Corporate Governance.

### Committees of the Board:

The Board has constituted various Committees with an optimum representation of its members and has assigned them specific terms of reference in accordance with the Companies Act, 2013 and the Listing Regulations. These Committees hold meetings at such frequency as is deemed necessary by them to effectively undertake and deliver upon the responsibilities and tasks assigned to them. Your Company currently has 6 (six) Committees of the Board viz., Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Shareholders' Committee.

## MANAGEMENT STRUCTURE

The management structure of your Company comprises of the Executive Council and Operating Council which have been constituted to drive strategic initiatives of your Company, strengthen effectiveness of interface areas, bring in agility, multi-dimensional perspective and responsiveness within the organisation and to strengthen the capabilities to enhance value creation.

### Managing Director & CEO:

The overall management of the affairs of your Company is entrusted to the Managing Director & CEO who functions under the direct supervision of the Board of Directors and also leads the Executive Council. He spearheads the strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board and its various Committees.

### Executive Council (EC):

The EC comprises of the heads of different functions of the organisation. The members of the EC report to the Managing Director & CEO. This Council is entrusted with the initiatives pertaining to the strategies and vision of your Company, Risk Management, Financial Accounting & Reporting, and Corporate Governance. The EC meets on a regular basis to discuss on various matters including effectiveness of the businesses / functions which report to them.

### Operating Council (OC):

The OC consists of heads of functions / businesses within your Company who report to the EC members. The OC members lead the identified strategic initiatives, they deliberate on the efficiency and effectiveness of the day-to-day operations, capability building within your Company to service customers and other stakeholders.

The effective functioning of the EC and OC has led to increased holistic connection within the organisation.

**BOARD OF DIRECTORS****Composition of the Board as on 31<sup>st</sup> March, 2016:**

Category	No. of Directors
Non-Executive/Independent Directors	7
Non-Executive/Promoter Directors	6
Executive Director (Managing Director & CEO)	1
<b>Total</b>	<b>14</b>

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013. The Board of Directors is chaired by a Non-Executive / Promoter Chairman and has an optimum combination of Executive, Non-Executive and Independent Directors.

**Number of Board Meetings:**

During the financial year 2015-16, 8 (eight) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. The Board meets at least once in each quarter to review the quarterly financial results and other items on the Agenda. Additional meetings are held whenever necessary. The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held	
18 <sup>th</sup> May, 2015	21 <sup>st</sup> December, 2015
21 <sup>st</sup> July, 2015	18 <sup>th</sup> January, 2016
23 <sup>rd</sup> October, 2015	14 <sup>th</sup> March, 2016
16 <sup>th</sup> November, 2015	30 <sup>th</sup> March, 2016

All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

The details of attendance at Board Meetings held either in person or through video conference during the financial year 2015-16 and at the Annual General Meeting (AGM) are detailed below:

Name of the Director(s)	Attendance at the Board Meeting(s)		Attendance at last AGM
	Held	Attended	
Ashwin Choksi	8	8	Yes
Ashwin Dani	8	8	Yes
Abhay Vakil	8	8	Yes
K.B.S. Anand	8	8	Yes
Mahendra Choksi	8	8	Yes
Malav Dani	8	8	Yes
Amrita Vakil	8	8	Yes
Dipankar Basu	8	6	Yes
Deepak Satwalekar	8	7	Yes

Name of the Director(s)	Attendance at the Board Meeting(s)		Attendance at last AGM
	Held	Attended	
S. Sivaram	8	8	Yes
Mahendra Shah	8	8	Yes
S. Ramadorai	8	7	Yes
M. K. Sharma	8	7	Yes
Vibha Paul Rishi	8	7	Yes

**Board Procedures:**

The dates for meetings of the Board of Directors and its Committees are scheduled in advance and published as a part of the Annual Report. Your Company also provides video – conferencing facility to its Directors to enable their participation. The Agenda and the explanatory notes are circulated well in advance to the Directors in accordance with the Secretarial Standards.

The Managing Director & CEO and the members of the EC / OC make presentations to the Board on matters including but not limited to the Company's performance, operations, plans, etc. The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 of the Listing Regulations. Regular updates provided to the Board, *inter alia*, include:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly financial results for your Company and its operating divisions or business segments;
- Minutes of meetings of Committees of the Board of Directors;
- The information on recruitment and remuneration of Senior Management Personnel just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material defaults in financial obligations to and by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;

- Any significant labour problem involving human resource management;
- Sale of a material nature, or of investments, subsidiaries and assets which are not part of the normal course of business;
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer; and
- Any other information which is relevant for decision making by the Board.

The draft minutes of the Board and its Committees are sent to the members for their comments and then the minutes are entered in the minutes book within 30 days of the conclusion of the meeting.

#### Evaluation of the Board Effectiveness:

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and Part D of Schedule II of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2015-16.

Structured questionnaires were prepared to evaluate the performance of the Board as a whole, individual performance of each Director and self – assessment carried out by the Directors. These assessment sheets with respect to the evaluation of the performance of the Directors were based on various aspects which, *inter alia*, included assessment of the level of participation, understanding of the role and responsibilities, understanding of the business and competitive environment, effectiveness of the contributions made during the Board meetings, understanding of the strategic issues and challenges for your Company etc. In assessing the overall performance of the Board, the parameters included the assessment of time devoted by the Board on the Company's long term goals and strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions on key subjects like risk assessment and minimization, succession planning, discharging fiduciary and governance duties and performance of specific duties.

The questionnaires for assessing the performance of the Committees of the Board included aspects like understanding of the terms of reference by the Committee members, adequacy of the composition of the Committees, effectiveness of the discussions at the Committee meetings, information provided

to the Committee to discharge its duties, performance of the Committee vis-à-vis its responsibilities, etc.

The Chairman of the Nomination and Remuneration Committee plays a vital role in undertaking the evaluation of performance for the Board and the Directors. The Nomination and Remuneration Committee discussed on the evaluation mechanism, outcome and the feedback received from the Directors. The Independent Directors at their meeting also discussed the performance of the Non-Executive/Promoter Directors including the Chairman of the Board.

The Board of Directors at its meeting held on 11<sup>th</sup> May, 2016, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees.

The overall outcome of this exercise to evaluate effectiveness of the Board and its Committees was positive and members expressed their satisfaction.

#### Independent Directors:

The Independent Directors of your Company have been appointed for a tenure of 5 (five) years upto 31<sup>st</sup> March, 2019. Their appointment was approved by the shareholders of your Company at their AGM held on 26<sup>th</sup> June, 2014. The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013. A sample letter of appointment is available on the website of your Company and can be accessed through the following link:

<https://www.asianpaints.com/pdfs/company-info/aboutus/independent-dir-appointmentletter.pdf>

#### Independent Directors' Meeting:

During the year under review, the Independent Directors met on 3<sup>rd</sup> March, 2016, without the attendance of Non-Independent Directors and members of the management, *inter alia*, to discuss on the following:

- To review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of your Company, taking into account views of Executive / Non-Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

**Directorship and Membership on Committees:**

The details of nature of Directorships, relationship *inter se*, number of directorships and committee chairmanships / memberships held by them in other public companies are detailed below:

Name of the Director(s)	Nature of Directorships	Relationship with each other	As on 31 <sup>st</sup> March, 2016		
			Directorships in other Companies (*)	Membership and Chairmanship of the Committees of the Board of other companies (**)	
				Chairman	Member
Ashwin Choksi	Non-Executive Chairman/ Promoter	Brother of Mahendra Choksi	-	-	-
Ashwin Dani	Non-Executive Vice Chairman/ Promoter	Father of Malav Dani	6	1	3
Abhay Vakil	Non-Executive Director/ Promoter	Uncle of Amrita Vakil	3	2	-
K.B.S. Anand	Managing Director & CEO	***	-	-	-
Mahendra Choksi	Non-Executive Director/ Promoter	Brother of Ashwin Choksi	-	-	-
Malav Dani		Son of Ashwin Dani	3	-	1
Amrita Vakil		Niece of Abhay Vakil	2	-	-
Dipankar Basu	Non-Executive/ Independent Director	***	2	1	1
Deepak Satwalekar		***	3	1	1
S. Sivaram		***	4	-	1
Mahendra Shah		***	-	-	-
S. Ramadorai		***	8	-	1
M. K. Sharma		***	4	2	2
Vibha Paul Rishi		***	8	-	4

\* Excludes directorship in Asian Paints Limited. Also excludes directorship in Private Companies, Foreign Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.

\*\* For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered. Also excludes the Memberships & Chairmanships in Asian Paints Limited.

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

The shareholding of the Non – Executive Directors of your Company as on 31<sup>st</sup> March, 2016 is as follows:

Name of the Director(s)	Nature of Directorship	No. of shares held *	Percentage to the paid up share capital
Ashwin Choksi	Non-Executive Chairman/ Promoter	7,85,700	0.08
Ashwin Dani	Non-Executive Vice Chairman/ Promoter	20,84,870	0.22
Abhay Vakil	Non-Executive Director/ Promoter	2,84,68,310	2.97
Mahendra Choksi	Non-Executive Director/ Promoter	21,96,180	0.23
Malav Dani	Non-Executive Director/ Promoter	33,05,510	0.34
Amrita Vakil	Non-Executive Director/ Promoter	25,66,680	0.27
Dipankar Basu	Non-Executive Director/ Independent	Nil	Nil
Deepak Satwalekar	Non-Executive Director/ Independent	Nil	Nil
S. Sivaram	Non-Executive Director/ Independent	Nil	Nil
Mahendra Shah	Non-Executive Director/ Independent	Nil	Nil
S. Ramadorai	Non-Executive Director/ Independent	Nil	Nil
M. K. Sharma	Non-Executive Director/ Independent	Nil	Nil
Vibha Paul Rishi	Non-Executive Director/ Independent	Nil	Nil

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

Shri K.B.S. Anand, Managing Director & CEO holds 270 equity shares of your Company as on 31<sup>st</sup> March, 2016.

## Familiarisation Programme

Your Company has in place a structured induction and familiarization programme for all its Directors including the Independent Directors. Your Company through such programmes familiarizes not only the Independent Directors but any new appointee on the Board with a brief background of your Company, their roles, rights, responsibilities, nature of the industry in which it operates, business model operations, ongoing events, etc. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading.

Brief details of the familiarization programme are uploaded on the website of your Company and can be accessed through the following link:

<https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/policies-programs/familiarisation-programme-for-independent-directors.pdf>

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

The Audit Committee is, *inter alia*, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Managing Director & CEO, CFO & Company Secretary and President – Industrial JVs, Vice President – Finance, Statutory Auditor and Chief Internal Auditor to attend the meetings of the Committee. The Audit Committee meets the Statutory Auditors and the Chief Internal Auditor independently without the management at least once in a year.

Shri Jayesh Merchant acts as Secretary to the Committee.

The Audit Committee, during the financial year 2015-16, has approved related party transactions along with granting omnibus approval in line with the Policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings

held and attended during the financial year ended 31<sup>st</sup> March, 2016 is detailed below:

Name of the Member(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
Dipankar Basu	Chairman	8	7
Mahendra Shah	Member	8	7
M. K. Sharma	Member	8	7
Abhay Vakil	Member	8	8

Date(s) on which meeting(s) were held	
16 <sup>th</sup> May, 2015	18 <sup>th</sup> November, 2015
9 <sup>th</sup> June, 2015	21 <sup>st</sup> December, 2015
20 <sup>th</sup> July, 2015	18 <sup>th</sup> January, 2016
23 <sup>rd</sup> October, 2015	21 <sup>st</sup> March, 2016

The Chairman of the Audit Committee was present at the last AGM held on 3<sup>rd</sup> July, 2015.

The Audit Committee is empowered, pursuant to its terms of reference and its role, *inter alia*, includes the following:

1. Overseeing your Company's financial reporting process and the disclosure of its information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management quarterly, half-yearly, nine-months and annual financial statements, standalone as well as consolidated before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Sec 134(3)(c) of the Companies Act, 2013;
  - b. Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
  - c. Compliance with the Listing Regulations and other legal requirements relating to financial statements;
  - d. Disclosure of any related party transactions; and
  - e. Qualifications in the draft audit report, if any.

5. Reviewing the financial statements of unlisted subsidiary companies (including joint ventures) and investments made by the unlisted subsidiary companies (including joint ventures);
6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
  - (a) qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;
  - (b) whether such qualifications and experience are commensurate with the size and requirements of the company; and
  - (c) giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
7. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditors;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the internal financial controls and risk management policies system of the Company;
16. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
17. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
18. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
19. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
20. Reviewing the statements of significant related party transactions submitted by the management;
21. Reviewing and Scrutinizing the inter-corporate loans and investments;
22. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;
23. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
24. Approving the auditors (appointed under the Companies Act 2013) to render any service other than consulting and specialised services;
25. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
26. Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
27. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/net-worth/liabilities of the Company. Reviewing the valuation report and follow-up thereon;

28. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  29. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
  30. Review and approve, policy formulated for determination of material subsidiaries;
  31. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions; and
  32. Any other matter referred to by the Board of Directors.
1. Formulate a criteria for determining qualifications, positive attributes and independence of a director;
  2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
  3. Devise a policy on Board Diversity;
  4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
  5. Carry out the evaluation of every director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
  6. Reviewing and recommending to the Board, the remuneration, payable to Directors of your Company; and
  7. Undertake any other matters as the Board may decide from time to time.

## NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The Committee met 5 (five) times during the financial year 2015-16 on 1<sup>st</sup> May, 2015, 16<sup>th</sup> May, 2015, 24<sup>th</sup> September, 2015, 20<sup>th</sup> October, 2015 and 18<sup>th</sup> January, 2016. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2015-16 is detailed below:

Name of the Member(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
Deepak Satwalekar	Chairman	5	4
Dipankar Basu	Member	5	5
M. K. Sharma	Member	5	4
Ashwin Dani	Member	5	5

Shri Jayesh Merchant acts as Secretary to the Committee.

The Chairman of the Nomination and Remuneration Committee was present at the last AGM of your Company.

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy:

### Policy on Director's appointment and remuneration:

The Nomination and Remuneration Policy provides for appropriate composition of Executive, Non-Executive and Independent Directors on the Board of Directors of your Company along with criteria for appointment and remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of your Company.

### Remuneration to the Managing Director & CEO:

The shareholders of your Company at the 68<sup>th</sup> AGM held on 26<sup>th</sup> June, 2014 approved the re-appointment of Shri K.B.S. Anand as Managing Director & CEO of your Company for a period of three (3) years commencing from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2018, not liable to retire by rotation. The terms and conditions of his appointment including remuneration payable to him was approved which was in accordance with the provisions of Section 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force). The details of the Remuneration paid the Managing Directors & CEO are stated in the Form MGT- 9 – Extract of the Annual Return which forms part of the Board's Report in this report.

**Review of Performance and Compensation to Senior Management:**

The Nomination and Remuneration Committee reviews the performance of the senior management of your Company. The Committee ensures that the remuneration to the Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of your Company and its goals.

**Details of remuneration paid to Directors during the year 2015-16:**

During the financial year 2015-16, your Company paid ₹ 50,000 (Rupees fifty thousand only) as sittings fees for attending the Boards/Audit Committee meetings and ₹ 30,000 (Rupees thirty thousand only) for attending other Committee meetings (except Shareholders' Committee where no sitting fees were paid) to the Non-Executive Directors of your Company.

Details of the remuneration paid to the Directors of the Company for the financial year 2015-16 are as follows:

					(Amount in ₹)	
Name of the Director	Salary	Perquisites*	Sitting fees	Commission	Total	
Ashwin Choksi		7,25,266	4,00,000	34,00,000	45,25,266	
Ashwin Dani		7,35,000	5,50,000	30,00,000	42,85,000	
Abhay Vakil		7,65,000	8,00,000	26,00,000	41,65,000	
K.B.S. Anand	1,90,44,000	2,36,97,571	-	3,50,00,000	7,77,41,571	
Mahendra Choksi			6,40,000	27,00,000	33,40,000	
Malav Dani			5,20,000	27,00,000	32,20,000	
Amrita Vakil			5,20,000	26,00,000	31,20,000	
Dipankar Basu			8,00,000	32,00,000	40,00,000	
Deepak Satwalekar			5,00,000	30,00,000	35,00,000	
S. Sivaram			4,90,000	26,00,000	30,90,000	
Mahendra Shah			10,20,000	28,00,000	38,20,000	
S. Ramadorai			3,50,000	26,00,000	29,50,000	
M. K. Sharma			9,10,000	28,00,000	37,10,000	
Vibha Paul Rishi			4,70,000	26,00,000	30,70,000	

\* Perquisites in case of Shri Ashwin Choksi, Shri Ashwin Dani and Shri Abhay Vakil, Non-Executive Directors include retiral benefits like pension and medical reimbursement as per their contracts entered with your Company in their erstwhile capacity as Executive Directors which ended on 31<sup>st</sup> March, 2009. Perquisites for Shri K.B.S. Anand include Company's contribution to provident fund, superannuation fund, medical and leave travel allowance, special allowance etc., as well as monetary value of perquisites as per Income Tax rules in accordance with Shri K.B.S. Anand's contract with the Company.

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

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The Committee met 4 (four) times during the financial year 2015-16 on 20<sup>th</sup> October, 2015, 8<sup>th</sup> January 2016, 14<sup>th</sup> March, 2016 and 21<sup>st</sup> March, 2016. The constitution of the Stakeholders Relationship Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2015-16 is detailed below:

**Commission to Non – Executive Directors:**

The shareholders of your Company at their 68<sup>th</sup> AGM held on 26<sup>th</sup> June, 2014 pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 approved the payment of remuneration to the Non-Executive Directors of your Company by way of commission not exceeding one (1) percent of the net profits of your Company.

Name of the Member(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
Mahendra Shah	Chairman	4	4
K.B.S. Anand	Member	4	4
Mahendra Choksi	Member	4	4
Amrita Vakil	Member	4	4

Shri Jayesh Merchant is the compliance officer for complying with the requirements of Securities Law and acts as Secretary to the Committee.



The terms of reference of the Committee includes enquiring into and redressing complaints of shareholders and investors and to resolve the grievance of the security holders of your Company.

Details pertaining to the number of complaints received and responded and the status thereof during the financial year 2015-16 are given below:

No. of complaints received during the year	18
No. of complaints resolved during the year	14
No. of complaints pending at the end of the year	4*

\* On account of the complaint filed by your Company against M/s. Sharepro Services (India) Private Limited, erstwhile Registrar & Transfer Agent, the requests received from certain shareholders were reviewed critically, which resulted in some of the request remaining unresolved at the end of the financial year 2015-16. The aforementioned steps were deemed necessary to protect the interests of the investors / shareholders.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013.

The Committee met 4 (four) times during the financial year 2015-16 on 16<sup>th</sup> July, 2015, 20<sup>th</sup> October, 2015, 8<sup>th</sup> January, 2016 and 21<sup>st</sup> March, 2016. The constitution of the CSR Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2015-16 is detailed below:

Name of the Member(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
Malav Dani**	Chairman	4	4
Mahendra Shah	Member	4	4
K.B.S. Anand	Member	4	4
Mahendra Choksi**	Member	4	4
Vibha Paul Rishi*	Member	4	3

\*\* On 23<sup>rd</sup> October, 2015, Shri Malav Dani was appointed as the Chairman in place of Shri Mahendra Choksi, who continues as a member of the Committee.

\* Mrs. Vibha Paul Rishi was appointed as a member of the CSR Committee w.e.f. 18<sup>th</sup> May, 2015.

Shri Jayesh Merchant acts as Secretary to the Committee.

**The CSR Committee is empowered, pursuant to its terms of reference, *inter alia*, to:**

1. Recommend the amount of expenditure to be incurred on the activities;
2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;

3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/ activities proposed to be undertaken by the Company; and
4. Such other activities as the Board of Directors may determine from time to time.

The details of the CSR initiatives of your Company form part of the CSR Section in the Annual Report. The CSR Policy has been placed on the website of your Company and can be accessed through the following link:

<https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf>

## SHAREHOLDERS' COMMITTEE

During the financial year 2015-16, the Shareholders' Committee met 10 (ten) times. The composition of the Shareholders' Committee of your Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2015-16 is detailed below:

Name of the Member(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
Ashwin Dani	Chairman	10	10
Ashwin Choksi	Member	10	7
Abhay Vakil	Member	10	9
K.B.S. Anand	Member	10	10
Jayesh Merchant	Member	10	10

The terms of reference of the Shareholders' Committee are as follows:

- To issue duplicate share certificates as and when the requests are received by the Company;
- To approve the register of members as on the record date(s) and/or book closure date(s) for receiving dividends and other corporate benefits;
- To review correspondence with the shareholders vis-à-vis legal cases and take appropriate decisions in that regard; and
- To authorise affixing of the Common seal of the Company from time to time on any deed or other instrument requiring authentication by or on behalf of the Company.

Further, the Board of Directors has authorised certain officials of your Company to approve the requests relating to transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc.

Shri Jayesh Merchant acts as Secretary to the Committee.

## RISK MANAGEMENT COMMITTEE

The Board of Directors has constituted a Risk Management Committee and defined its roles and responsibilities in accordance with the provisions of Regulation 21 of the Listing Regulations.

The Risk Management Committee has met twice (2) during the financial year 2015-16 on 17<sup>th</sup> August, 2015 and 15<sup>th</sup> February, 2016. The composition of the Risk Management Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31<sup>st</sup> March, 2016 is detailed below:

Name of the Member(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
M. K. Sharma	Chairman	2	2
S. Sivaram	Member	2	2
K.B.S. Anand	Member	2	2
Amit Syngle* (President –Technology, Sales & Marketing)	Member	2	2
P. Sriram* (Chief Internal Auditor)	Member	2	2

\* Senior executives of your Company.

Shri Jayesh Merchant acts as Secretary to the Committee.

The Committee's terms of reference, among other things, include framing a risk management policy and identify Company's risk appetite set for various elements of risk, review the risk management practices and structures and recommend changes to ensure their adequacy, approve and review the risk treatment plans put in place by management and ensure adequacy of risk management practices in the Company.

The Risk management policy of your Company, formulated by the Committee and approved by the Board states the Company's approach to address uncertainties in its endeavors to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of various stakeholders within your Company, the structure for managing risks and the framework for risk management.

This policy and the Internal Financial Controls comprehensively address the key strategic/business risks and operational risks respectively.

## SUBSIDIARY COMPANIES

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

The Policy for determining "material" subsidiaries has been placed on the website of your Company and can be accessed through the following link:

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

## RELATED PARTY TRANSACTIONS

All transaction entered into by your Company with related parties, during the FY 2015 – 16, were in ordinary course of business and on arm's length basis. The details of the related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by your Company were in compliance with the provisions set out in the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The policy on related party transactions has been placed on the Company's website and can be accessed through the following link:

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

## Employees, who are relatives of the Directors, holding an office or place of profit in the Company pursuant to Section 188 of the Companies Act, 2013

The following are the details of the remuneration payable to the employees of your Company, who are relatives of Directors, holding office or place of profit in the Company as on 31<sup>st</sup> March, 2016:

Name of the employee(s)	Nature of relationship with Director(s)	Remuneration (₹)
Jalaj Dani	Relative of Ashwin Dani and Malav Dani	2,77,23,337
Manish Choksi	Relative of Mahendra Choksi	2,92,13,691
Varun Vakil	Relative of Amrita Vakil	25,85,306
Vivek Vakil*	Relative of Abhay Vakil	6,08,060

\* Shri Vivek Vakil resigned from the services of your Company w.e.f. 29<sup>th</sup> July, 2015.

In terms, of Section 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the appointment and remuneration payable to the aforesaid is approved by the Audit Committee and noted by the Board of Directors of the Company and are at arm's length and in ordinary course of business of your Company.

### Directors with materially significant, pecuniary or business relationship with your Company:

There is no pecuniary or business relationship between the Non-Executive/Independent Directors and your Company, except for the commission payable to them annually in accordance with the applicable laws and with the approval of the shareholders. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

### CEO/CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2015 – 16 signed by Shri K.B.S. Anand, Managing Director & CEO and Shri Jayesh Merchant, CFO & Company Secretary, President – Industrial JVs, was placed before the Board of Directors of your Company at their meeting held on 11<sup>th</sup> May, 2016.

### GENERAL BODY MEETINGS

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

Year(s)	Location(s)	Meeting(s) Date	Time	No. of special resolution(s) set out at the AGM
2014-15	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	3 <sup>rd</sup> July, 2015	11.00 a.m.	NIL
2013-14	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	26 <sup>th</sup> June, 2014	3.00 p.m.	1
2012-13	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	24 <sup>th</sup> June, 2013	10.00 a.m.	5

All special resolutions set out in the notices for the AGMs were passed by the shareholders at the respective meetings with requisite majority.

### Postal Ballot

During the year, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) made thereunder), your Company passed the following resolution through postal ballot as per the details below:

Adoption of new Articles of Association of the Company in accordance with the provisions of the Companies Act, 2013:

Promoter/ Public	No. of shares held	No. of votes polled*	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)= [(2)/(1)]*100	(4)	(5)	(6)= [(4)/(2)]*100	(7)= [(5)/(2)]*100
Promoter and Promoter Group	506384482	506384482	100.00	506384482	0	100.00	0.00
Public – Institutional holders	259785856	187263723	72.08	181729965	5533758	97.04	2.96
Public-Others	193027452	4167438	2.16	4133797	33641	99.19	0.81
<b>Total</b>	<b>959197790</b>	<b>697815643</b>	<b>72.75</b>	<b>692248244</b>	<b>5567399</b>	<b>99.20</b>	<b>0.80</b>

\* No. of votes polled does not include “No. of votes invalid”.

Voting rights on the shares transferred to “Asian Paints Limited – Unclaimed Suspense Account” are frozen.

Shri Makarand Joshi, Practicing Company Secretary, was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

**Procedure for Postal Ballot:**

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, your Company provided electronic voting (e-voting) facility to all its members. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

Your Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the Register of Members / list of beneficiaries as on cut – off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with the depository participants / Company's Registrar & Share Transfer Agents. Your Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Companies Act, 2013 and the Rules issued thereunder.

Voting rights are reckoned on the paid up value of shares of your Company in the names of the shareholders as on the cut – off date. Members desiring to vote through physical ballot are requested to return the forms, duly completed and signed to as to reach the Scrutinizer before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer submits his report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorized officials of your Company. The results are displayed on the website of your Company ([www.asianpaints.com](http://www.asianpaints.com)), besides being communicated to the Stock Exchanges and Registrar & Transfer Agents.

The date of declaration of results of Postal Ballot shall be date on which the resolution would be deemed to have been passed, if approved by requisite majority.

**DISCLOSURES**

1. There are no materially significant related party transactions of your Company which have potential conflict with the interests of the Company at large.
2. Your Company has complied with all the requirements of the Stock Exchange(s) and the SEBI on matters related to Capital Markets. There were no penalties imposed or strictures passed against your Company by the statutory authorities in this regard.
3. **Vigil Mechanism and Whistle Blower Policy:**
  - Your Company believes in conducting its business and working with all its stakeholders, including employees,

customers, suppliers, shareholders and business associates in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour;

- Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee and/or a business associate. In accordance with Regulation 22 of the Listing Regulations your Company has adopted a Whistle Blower Policy with an objective to provide its employees and Business Associates a framework and to establish a formal mechanism or process whereby concerns can be raised in line with your Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication;
- In accordance with the Policy, an Ethics Committee has been constituted comprising of the Managing Director & CEO, the Compliance Officer and the Vice - President – Human Resources for the purpose of receiving and investigating all complaints and Protected Disclosures under this policy. Employees of your Company or business associates can make Protected Disclosures to the Ethics Committee through the Asian Paints Ethics Hotline (toll free number/ web reporting facility) and/ or any other written or oral means of communication. The employees may, where the matters are of grave nature, make Protected Disclosures directly to the Chairperson of the Audit Committee of the Board of Directors of the Company; and
- No personnel was denied access to the Audit Committee of your Company.

**4. Code of Conduct**

Your Company has adopted a Code of Conduct for all the employees including the Board Members and Senior Management Personnel of your Company in accordance with the requirement under Regulation 17 of the Listing Regulations. The Code of Conduct has been posted on the website of your Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year 2015-16. The declaration to this effect signed by Shri K.B.S. Anand, Managing Director & CEO of the Company forms part of the Report.

**5. Code of Conduct to Regulate, Monitor and Report Trading by Insiders:**

During the year, Asian Paints' Code of Conduct to Regulate, Monitor and Report Trading by Insiders was approved by the Board at their meeting held on 18<sup>th</sup> May, 2015 and

subsequently amended on 18<sup>th</sup> January, 2016 to conform to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code has been made applicable to cover Directors, Senior Management Personnel, persons forming part of Promoter(s)/ Promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company (“Designated Persons”). The Designated Persons are restricted in purchasing, selling and dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company as well as during certain periods known as “Quiet Period”. The Designated Persons are also restricted from entering into opposite transaction, i.e., buy or sell any number of shares during the next six months following the prior transaction and also are restricted from taking any position in derivative transactions in the shares of the Company at any time. The processes to be followed under the Code of Conduct has been automated by the Company and the Designated Persons are using the same.

#### 6. The Board:

The Non – Executive Chairman of your Company has been provided a Chairman’s Office at the Registered Office of your Company.

#### 7. Shareholder Rights:

Half-yearly results of your Company are sent to all shareholders of your Company and additionally, your Company uploads its quarterly results on its website ([www.asianpaints.com](http://www.asianpaints.com)).

Your Company makes presentations to Institutional Investors and Equity Analysts on the Company’s performance on a periodic basis which are also available on the website of your Company.

#### 8. Audit qualifications:

During the year under review, there was no audit qualification on your Company’s financial statements.

#### 9. Separate posts of Chairman and CEO:

The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director & CEO.

#### 10. Reporting of Internal Auditor:

The Internal Auditor reports to the Managing Director & CEO and has direct access to the Audit Committee and

he participates in the meetings of the Audit Committee of the Board of Directors of your Company and presents his internal audit observations to the Audit Committee.

### MEANS OF COMMUNICATION

#### 1. Publication of quarterly results:

Quarterly, half-yearly and annual financial results of the Company were published in leading English and vernacular language newspaper, viz., Business Standard and Maharashtra edition of Punyanagari and Mumbai editions of Free Press Journal and Navshakti newspapers.

#### 2. Website and News Releases:

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under ‘Investors’ on the Company’s website gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Report, Quarterly/Half-yearly/Nine-months and Annual financial results along with the applicable policies of the Company. Your Company’s official news releases and presentations made to the institutional investors and analysts are also available on the Company’s website.

#### 3. Stock Exchange:

Your Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

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

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

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

All periodical compliance filings, *inter alia*, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically.

#### 5. Reminders to Investors:

Reminders to shareholders for claiming returned undelivered share certificates, unclaimed dividend are regularly despatched.

# GENERAL SHAREHOLDER INFORMATION

## (i) Annual General Meeting

Date	- Tuesday, 28 <sup>th</sup> June, 2016
Time	- 11.00 a.m.
Venue	- Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021

## (ii) Financial Calendar

Financial year - 1<sup>st</sup> April to 31<sup>st</sup> March

Tentative Schedule for declaration of results during the financial year 2016-17

First Quarter - On or around 27<sup>th</sup> July, 2016

Second Quarter and Half Yearly - On or around 25<sup>th</sup> October, 2016

Third Quarter and Nine Months - On or around 23<sup>rd</sup> January, 2017

Fourth Quarter and Annual - On or around 11<sup>th</sup> May, 2017

## (iii) Date of Book closure

- 18<sup>th</sup> June, 2016 to 28<sup>th</sup> June, 2016 (both days inclusive)

## (iv) Dividend Payment Date

For interim dividend 2015-16 of ₹ 2.20 per equity share declared on 23<sup>rd</sup> October, 2015 - 31<sup>st</sup> October, 2015

For final dividend 2015-16 recommended by the Board of Directors at its meeting held on 11<sup>th</sup> May, 2016 - On or after 29<sup>th</sup> June, 2016 (subject to approval of the shareholders)

## (v) The details of dividend declared and paid by the Company for the last five years are as below:

Year(s)	Percentage (%)	In ₹ per share (face value of ₹ 1 each)*	Dividend Amount (₹ in crores)
2010-2011	320	3.20	306.9
2011-2012	400	4.00	383.7
2012-2013	460	4.60	441.2
2013-2014	530	5.30	508.4
2014-2015	610	6.10	585.1
2015-2016 (interim)	220	2.20	211.0

\* The dividend value per share has been adjusted to reflect the sub-division of the face value of the equity shares of the Company from ₹ 10 (Rupees ten) to ₹ 1 (Rupee one) each in 2013-14.

## (vi) Listing on Stock Exchanges

Name of Stock Exchange(s)	Stock Code(s)	ISIN for Depositories
BSE Limited (BSE)	500820	INE021A01026
National Stock Exchange of India Limited (NSE)	ASIANPAINT	

Your Company has paid the listing fees to BSE and NSE for the financial year 2015-16.

(vii) **Market Price Data**

The monthly high and low prices and volumes of your Company's shares at BSE and NSE for the year ended 31<sup>st</sup> March, 2016 are as under:

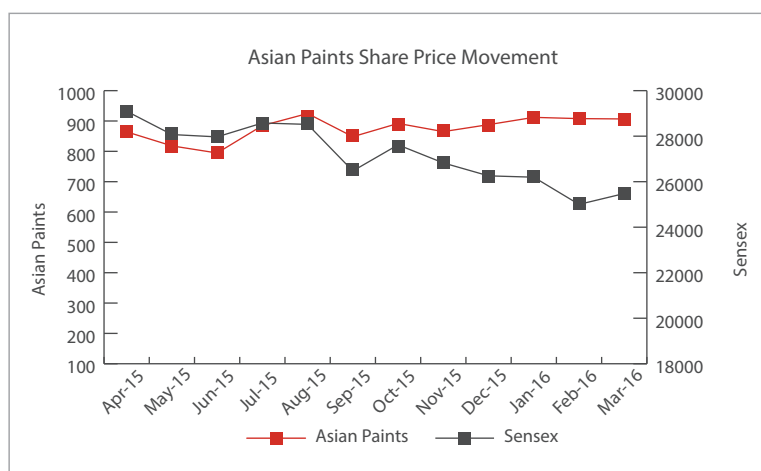
Month(s)	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
<b>2015</b>						
April	864.25	731.00	21,81,311	865.55	730.00	2,24,31,745
May	818.00	735.40	35,59,523	818.00	734.85	3,47,10,852
June	794.55	693.00	26,41,790	794.70	693.00	2,97,67,673
July	884.80	755.20	42,75,441	885.00	755.10	3,19,10,485
August	924.65	812.75	22,10,774	926.80	811.75	2,35,35,606
September	848.25	778.75	24,77,596	849.90	778.00	2,25,17,829
October	892.00	812.50	23,46,353	892.40	811.20	2,40,14,631
November	865.00	785.00	16,32,903	865.95	784.25	1,79,66,650
December	888.00	830.00	15,43,245	887.00	829.45	1,68,42,265
<b>2016</b>						
January	912.00	825.00	19,26,658	911.90	826.00	2,76,82,819
February	907.85	827.20	15,85,414	907.50	827.10	2,06,15,734
March	906.75	837.00	20,89,189	906.50	842.70	2,38,61,230

Source: BSE and NSE website

Note: High and low are in ₹ per traded share. Volume is the total monthly volume of trade (in numbers) in Asian Paints Limited's shares on BSE and NSE.

(viii) **Performance in comparison to broad-based Indices**

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the year 2015-16 (based on month end closing):



- (ix) **Registrar and Transfer Agent** - **TSR Darashaw Limited**  
 (w.e.f. 1<sup>st</sup> April, 2016)
- 6-10, Haji Moosa Patrawala Industrial Estate,  
 Near Famous Studios, 20, Dr. E. Moses Road,  
 Mahalaxmi, Mumbai – 400 011, Maharashtra, India  
 Tel No.: +91 22 6656 8484  
 Extn.: 411/412/413  
 Fax No.: +91 22 6656 8494  
 e-mail: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
 Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

**(x) Share Transfer System**

The share transfer activities in respect of the shares in physical mode are carried out by M/s. TSR Darashaw Limited. The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

The Board of Directors of your Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., to the designated officials of your Company. The transactions requiring issuance of new share certificates are approved by the Shareholder's Committee of the Board of directors of your Company.

A summary of approved transfers, transmissions, deletion requests, etc., are placed before the Board of Directors from time to time as per Listing Regulations. Your Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force) and files a copy of the said certificate with BSE & NSE.

**(xi) Distribution of Shareholding**

Distribution of shareholding of shares of your Company as on 31<sup>st</sup> March, 2016 is as follows:

No. of Equity Shares		Shareholders		Shareholding	
		Number	% to total	Number	% to total
UPTO	50	85,838	51.71	17,57,333	0.18
51	100	23,634	14.24	20,26,781	0.21
101	200	16,398	9.88	26,10,138	0.27
201	300	6,359	3.83	16,29,281	0.17
301	400	3,298	1.99	11,81,896	0.12
401	500	3,421	2.06	16,36,038	0.17
501	1000	6,863	4.13	53,57,466	0.56
1001	5000	13,327	8.03	3,53,43,124	3.69
5001	10000	4,001	2.41	3,12,86,944	3.26
10001	AND ABOVE	2,847	1.72	87,63,68,789	91.37
<b>TOTAL</b>		<b>1,65,986</b>	<b>100.00</b>	<b>95,91,97,790</b>	<b>100.00</b>

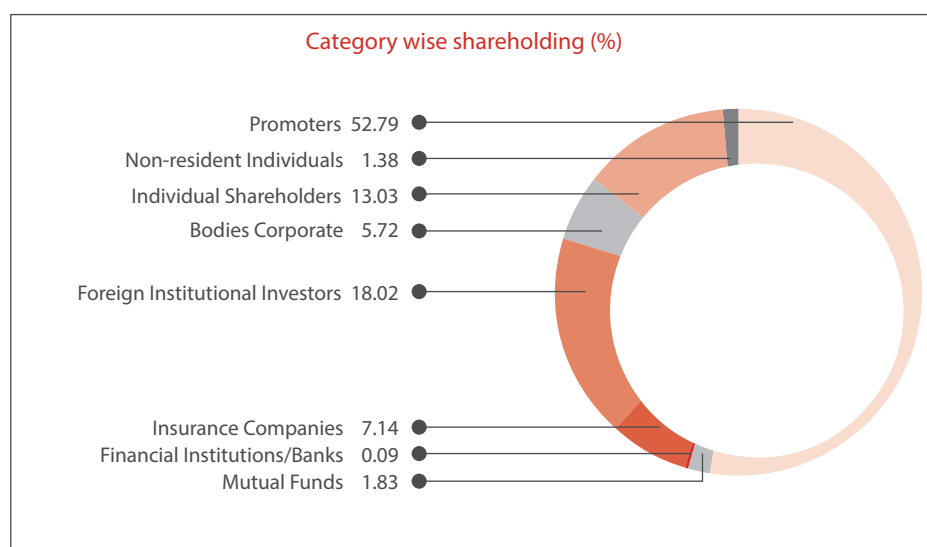
**Shareholding Pattern as on 31<sup>st</sup> March, 2016:**

	Category of Shareholder(s)	Total Number of Shares	% of total no. of shares
(A)	Shareholding of Promoter and Promoter Group		
(a)	Individuals/Hindu Undivided Family	10,22,08,177	10.65
(b)	Bodies Corporate	40,39,22,685	42.11
(c)	Trust	2,53,620	0.03
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>50,63,84,482</b>	<b>52.79</b>
(B)	Public shareholding		
(1)	Institutions	-	-
(a)	Mutual Funds/ UTI	1,75,45,233	1.83
(b)	Financial Institutions/ Banks	8,52,015	0.09
(c)	Insurance Companies	6,84,44,695	7.14
(d)	Foreign Institutional Investors	17,28,20,269	18.02
	<b>Sub-Total (B)(1)</b>	<b>25,96,62,212</b>	<b>27.08</b>



Category of Shareholder(s)	Total Number of Shares	% of total no. of shares
(2) Non-Institutions		
(a) Bodies Corporate	5,49,14,064	5.72
(b) Individuals		
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	11,66,41,126	12.16
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	83,49,109	0.87
(c) Individual (Non-Resident individuals)	1,32,46,797	1.38
<b>Sub total(B)(2)</b>	<b>19,31,51,096</b>	<b>20.13</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>45,28,13,308</b>	<b>47.21</b>
<b>Total (A)+(B)</b>	<b>95,91,97,790</b>	<b>100.00</b>

#### Category-wise shareholding:

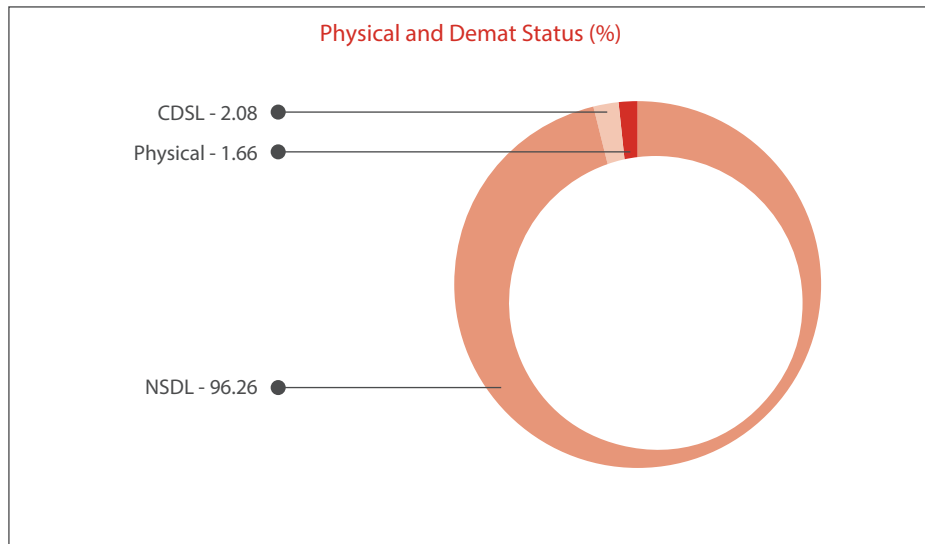


#### Details of your Company's dematerialized shares as on 31<sup>st</sup> March, 2016:

Number of shares	% of total shares
94,32,76,683	98.34

#### Break up of shares in physical and demat form as on 31<sup>st</sup> March, 2016:

Particulars	No. of Shares	% of Shares
Physical segment	1,59,21,107	1.66
Demat segment		
NSDL	92,33,02,015	96.26
CDSL	1,99,74,668	2.08
<b>TOTAL</b>	<b>95,91,97,790</b>	<b>100.00</b>

**(xii) Dematerialization of shares**

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic/ dematerialized form. For any clarification, assistance or information, please contact **M/s. TSR Darashaw Limited**.

**(xiii) Outstanding GDRs/ADRs/Warrants/Convertible Instruments and their impact on equity:**

Your Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31<sup>st</sup> March, 2016.

**(xiv) Plant Locations:****Paint Plants:**

Lal Bahadur Shastri Marg, Bhandup, Mumbai - 400 078, Maharashtra (Manufacturing activities discontinued w.e.f. 5<sup>th</sup> May, 2014).

Plot Nos. 2602/ 2702, GIDC Industrial Area, Ankleshwar 393 002, Gujarat.

Plot Nos. 50-55, Industrial Development Area, Phase II, Patancheru - 502 319 Dist. Medak, Andhra Pradesh.

A-1, UPSIDC Industrial Area, Kasna - II, Kasna Village, Greater Noida, Dist. Gautambudh Nagar - 203 207, Uttar Pradesh.

SIPCOT Industrial Park, Plot No. E6-F13, Sriperumbudur - 602 105, Kancheepuram District, Tamil Nadu.

Plot No. 1, IMT, Sector 30 B, PO Kherisadh Village, Rohtak - 124 027, Haryana.

Plot A1, MIDC, Khandala Industrial Area, Taluka Khandala, Satara - 412 802, Maharashtra.

**Other Plants**

Taloja Plant: Plot No. 3/ 2, MIDC, Taloja, Raigad - 410 208, Maharashtra.

Phthalic Plant: Plot No. 2702, GIDC Industrial Area, Ankleshwar - 393 002, Gujarat.

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

**(xv) Address for Correspondence:**

For any queries relating to the shares of your Company, correspondence may please be addressed to **M/s. TSR Darashaw Limited at:**

6-10, Haji Moosa Patrawala Industrial Estate,  
Near Famous Studios, 20, Dr. E. Moses Road,  
Mahalaxmi, Mumbai – 400 011, Maharashtra

Tel No.: +91 22 6656 8484

Extn.: 411/412/413

Fax No.: +91 22 6656 8494

e-mail: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

For the benefit of shareholders, documents will continue to be accepted at the following Registered Office of the Company:

**Asian Paints Limited**

CIN: L2422MH1945PLC004598

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

Tel. No.: +91 22 6218 1000

Fax No.: +91 22 6218 1111

E-mail: [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com)

Website: [www.asianpaints.com](http://www.asianpaints.com)

Shareholders are requested to quote their folio no. / DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its Registrar & Transfer Agent.

**(xvi) Addresses of Regulatory Authority/ Stock Exchanges:**

**Securities and Exchange Board of India**

Plot No. C4-A, G Block, Bandra Kurla Complex  
Bandra (East), Mumbai 400 051, Maharashtra  
Tel.: +91 22 2644 9000  
Fax: +91 22 2644 9019-22

**National Stock Exchange of India**

Exchange Plaza, Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051, Maharashtra  
Tel.: +91 22 2659 8100  
Fax: +91 22 2659 8120

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001, Maharashtra  
Tel.: +91 22 2272 1233  
Fax: +91 22 2272 1919

**(xvii) National Electronic Clearing System (NECS) for dividend:**

The remittance of dividend through Electronic Clearing System has been moved to National Electronic Clearing System (NECS) platform through core banking system effective 1<sup>st</sup> October, 2009. Accordingly, dividend will be credited to the shareholders' bank account through NECS where complete core banking details are available with the Company. In the event any branch of a bank

has not migrated to core banking system, or where core banking account is not furnished by the shareholder to the Depository/ Company as the case may be, your Company will print details available in its records on the dividend warrants to be issued to the shareholders.

**(a) For shares held in physical form:**

Investors who would like to avail NECS facility and are holding shares in physical form may send in their NECS Mandate Form, duly filled in to the M/s. TSR Darashaw Limited. The NECS Mandate instruction should be under the signature of the shareholder(s) as per the specimen signature lodged with your Company.

**(b) For shares in electronic/ dematerialized form:**

Investors holding shares in dematerialized or electronic form may check the details on record with the concerned Depository Participant (DP). Pursuant to the Depository Regulations, your Company is obliged to pay dividend on dematerialized shares as per the details furnished by the concerned DP. The Company or the Registrar & Transfer Agent cannot make any change in such records received from the Depository.

**(xviii) Transfer of unclaimed dividend to Investor Education and Protection Fund:**

In terms of Sections 205C of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) for the time being in force), your Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from your Company before transfer of the said amounts to the IEPF.

**(xix) Disclosure in respect of equity shares transferred in the 'Asian Paints Limited – Unclaimed Suspense Account' is as under:**

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 1 <sup>st</sup> April, 2015	929	2,92,490
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	10	6,910
Number of shareholders and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	-	-
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on 31 <sup>st</sup> March, 2016	919	2,85,580

The voting rights on the shares in the suspense account as on 31<sup>st</sup> March, 2016 shall remain frozen till the rightful owners of such shares claim them.

## Annexure to Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2016

### Declaration of Compliance with the Code of Conduct

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31<sup>st</sup> March, 2016.

Place: Mumbai  
Date: 11<sup>th</sup> May, 2016

**K.B.S. Anand**  
Managing Director & CEO

## Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certification

The Board of Directors  
Asian Paints Limited

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2016 and that to the best of our knowledge and belief:

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

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

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

We have indicated to the Auditors and the Audit Committee

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

**K.B.S. Anand**  
Managing Director & CEO

**Jayesh Merchant**  
CFO & Company Secretary,  
President – Industrial JVs

Place: Mumbai  
Date: 11<sup>th</sup> May, 2016

## Auditors' Certificate on Corporate Governance to the members of Asian Paints Limited

We have examined the compliance of conditions of Corporate Governance by Asian Paints Limited ('the Company'), for the year ended 31<sup>st</sup> March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Bhavesh Dhupelia**

Partner

Membership No: 042070

Place: Mumbai

Date: 11<sup>th</sup> May, 2016

# BUSINESS RESPONSIBILITY REPORT (BRR)

India's resolve to adopt and implement the UN's Sustainable Development Goals and the commitment it made at the 2015 Paris Climate Conference (COP 21) last year reflects its vow for changing the way in which we engage in our economic activities. As a responsible corporate citizen, your Company has always contributed towards the fulfilment of such commitments.

Your Company has been reporting the initiatives taken in the areas prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) notified by Ministry of Corporate Affairs, Government of India, in July 2011. The propelling force behind all these initiatives has been our constant endeavor to provide sustainable products and services and our concern towards the well being of all stakeholders including environment and society at large.

The Business Responsibility Report is a summary of our sustainability programme and our more detailed Sustainability Report is published separately.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN)** : L24220MH1945PLC004598
- Name of the Company** : Asian Paints Limited
- Registered address** : 6A, Shantinagar, Santacruz (East), Mumbai - 400055
- Website** : [www.asianpaints.com](http://www.asianpaints.com)
- E-mail Id** : [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com)
- Financial Year reported** : 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016
- Your Company is engaged in (industrial activity code-wise):**

Group*	Description
202	Manufacture of paints, varnishes, enamels or lacquers
202	Manufacture of surfacing preparations; organic composite solvents and thinners, and other related products
201	Manufacture of organic and inorganic chemical compounds n.e.c.
259	Manufacture of metal sanitary ware such as bath, sinks, washbasins and similar articles

\*As per National Industrial Classification – Ministry of Statistics and Programme Implementation

## 8. The Key Products that your Company manufactures (as per Balance Sheet) are:

(1) Paints/Synthetic Enamels, Other Colours, (2) Phthalic Anhydride (3) Pentaerythritol (4) Bath fittings

Please refer to our website [www.asianpaints.com](http://www.asianpaints.com) for complete list of products.

## 9. Total number of locations where business activity is undertaken by your Company:

- Number of International locations – Nil (on a standalone basis)
- Number of National Locations –

Paint Manufacturing facilities	7
Chemical Plants	2
Research & Technology Centre and Test Sites	3
Sales locations	127
Admin Offices	31
Distribution centres	8
Other offices including the Registered Office	6

## 10. Markets served by your Company:

Local	State	National	International
✓	✓	✓	✓

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital** : ₹ 95.92 crores
- Total Turnover** : ₹ 14,750.74 crores
- Total profit after taxes** : ₹ 1,597.43 crores
- Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (PAT) (%)**:

Your Company's total spending on CSR for the financial year 2015-16 is ₹ 34.44 crores which is 2.16% of PAT.

## 5. Some of the areas for which expenditure in 4 above has been incurred:

- Education
- Water Conservation
- Health Care, Hygiene and Sanitation
- Enhancing Vocational training

## SECTION C: OTHER DETAILS

- Your Company as on 31<sup>st</sup> March, 2016 has six direct subsidiaries and twenty three indirect subsidiaries.
- Your Company encourages its subsidiaries to adopt its policies and practices.

## SECTION D: BUSINESS RESPONSIBILITY INFORMATION

### 1. Details of Director/Directors responsible for BR

a. Details of the Director responsible for implementation of the BR policy:

- DIN : 03518282
- Name : Shri K.B.S. Anand
- Designation : Managing Director & CEO

b. Details of the BR head:

- DIN : NA
- Name : Shri Jayesh Merchant
- Designation : CFO & Company Secretary,  
President – Industrial JVs
- Tel. No. : +91 22 6218 1000
- E-mail Id : [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com)

### 2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/policies (Reply in Y/N)

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y This forms part of the Code of Conduct of your Company which is applicable to all employees.	Y The policy is part of your Company's Environment, Health and Safety (EHS) Policy.	Y Certain policies form part of the Code of Conduct for employees. There are various policies for the benefit of the employees which are issued by the Human Resources function of the Company from time to time. The policies include Maternity Leave Policy, Employee Safety Policy, Sabbatical Policy for employees, Group Mediclaim Policy, etc.	Y Your Company does not have a specific policy, however certain aspect of this principle forms part of the CSR Policy and the Consumer Policy.	Y This forms part of the Code of Conduct of your Company which is applicable to all employees.	Y This forms part of your Company's EHS policy.	N	Y Your Company has a CSR Policy.	Y Your Company has a Consumer Policy.
2.	Has the Policy being formulated in consultation with the relevant stakeholders? Refer Note 1	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	NA	Y	N
		The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by your Company. The policies are based on and are in compliance with the applicable regulatory requirements and International Standards. Please refer the detailed report for more information.								

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y (It is signed by the Vice President - Human Resources Function)	Y (It is signed by the Managing Director)	Y (It is signed by the Vice President - Human Resources Function)	Y (It is signed by the Managing Director)	Y (It is signed by the Vice President - Human Resources Function)	Y (It is signed by the Managing Director)	NA	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)
		As a process all the policies are noted by the Board. The Board authorises Senior Officials of the Company to authenticate the policies and make necessary changes whenever required.								
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
		The implementation and adherence to the Code of Conduct for Employees is overseen by the Human Resource and Internal Audit Function respectively. The Corporate Social Responsibility Policy is administered by the CSR Committee in line with the requirements of the Companies Act, 2013. The EHS Policy is overseen by the Supply Chain, Manufacturing and the Research & Technology Function. The Company has a separate Customer Centricity Function which looks at all customer related issues.								
6.	Indicate the link for the policy to be viewed online?	<a href="https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/code-of-conduct/asian-paints-code-of-conduct.pdf">https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/code-of-conduct/asian-paints-code-of-conduct.pdf</a>	<a href="https://www.asianpaints.com/footer-links/ehs-policy.html">https://www.asianpaints.com/footer-links/ehs-policy.html</a>	These policies are internal policies and are not displayed on the website of the Company but have been displayed on the intranet site of the Company	<a href="https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf">https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf</a>	<a href="https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/code-of-conduct/asian-paints-code-of-conduct.pdf">https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/code-of-conduct/asian-paints-code-of-conduct.pdf</a>	<a href="https://www.asianpaints.com/footer-links/ehs-policy.html">https://www.asianpaints.com/footer-links/ehs-policy.html</a>	NA	<a href="https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf">https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf</a>	<a href="https://www.asianpaints.com/footer-links/customer-policy.html">https://www.asianpaints.com/footer-links/customer-policy.html</a>
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? Refer Note 2:	Y	Y	Y	Y	Y	Y	NA	Y	Y

**Note 1:** While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.



**Note 2:** While your Company has not carried out independent audit of the policies, the Internal Audit Function periodically looks at the implementation of the policies.

2a. If answer to Sr. No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	✓	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

### 3. Governance related to BR

- The Board of Directors of your Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. The CSR Committee meets every quarter to review implementation of the projects/programmes/activities to be undertaken in the field of CSR. Other supporting functions/groups like Sustainability, meet on a periodic basis to assess the BR performance.
- Your Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is also uploaded on the website of the Company – <https://www.asianpaints.com/more/investors/financial-results.html>

is built. The web based compliance management system not only helps adhere to the regulatory requirements but also develops a culture of self-regulation and accountability at the grass root level within the organization. In the present times when governance is looked upon as a critical aspect of sustainability, we believe, our compliance management systems play a significant role in ensuring good corporate governance.

- An Ethics Committee comprising of the Managing Director & CEO, Compliance Officer and Head of the Human Resources function receives and investigates complaints from any employee/ business associates. An Ethics Hotline has been provided to employees to enable them to report any instances of fraud, abuse, misconduct or malpractices at workplace. The Hotline is provided with language options to facilitate employees to report their concerns in the language they are more conversant with. The Committee has been constituted and functions under the Whistle Blower Policy.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

#### Business should conduct and govern themselves with Ethics, Transparency and Accountability

- The Asian Paints Limited Code of Conduct for Employees (“the Code”) contains the essence of various regulatory requirements and internal policies which primarily deal with or are framed around the principles of ethical behavior and a sense of accountability. The Company expects its employees including the employees of its subsidiaries to know the Code and act accordingly. Therefore its employees are acquainted with the Code at the time of their joining and are required to read and affirm to the Code on annual basis.
- Ethics, transparency and accountability are the three basic pillars on which the compliance eco-system of your Company

- In order to further strengthen its internal controls for prevention of insider trading, the Company has, developed its Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in such a manner that it not only satisfies the regulatory requirements but also instils a sense of responsibility among the designated persons for making timely and adequate disclosures. In order to facilitate implementation of the Code and its compliance, your Company has automated the entire process by leveraging technology and putting in place the Asian Paints Insider Trading Management System. The system acts as a repository of relevant information and provides an electronic platform for seeking trading approvals and send out timely compliance reminders.

- The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders viz. shareholders, customers, employees, vendors etc. There are dedicated resources to respond to the complaints within a time bound manner. During the year, your Company received 18 (eighteen) complaints from shareholders out of which 14 (fourteen) have been resolved and 4 (four) are pending.

## Principle 2

### Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- Your Company is committed to offer products that meet internationally accepted green product standards. This commitment drives the team of dedicated professionals working at Company's state-of-the-art Research & Technology Centre at Mumbai where technology and innovation are the corner stones.
  - Your Company continues to accord highest priority in developing eco-friendly products which meet the best international standards such as GS 11 from Green Seal USA. Your company's internal green logo "Green Assure" on certain categories of products is a testimony of commitment to develop and market green products to ensure consumer safety as well as safeguard environment. Accordingly your company has initiated number of R&D programs towards developing products based on sustainable design philosophy starting from raw material selection to formulation development to manufacture, application and waste control. The entire architectural product category continues to be free from heavy metals and respirable crystalline silica free.
  - Your Company has recently launched a premium interior product "Royal Atmos" which is not only low in VOC but also capable of absorbing common household malodours such as nicotine smoke, garlic etc. In addition the product is based on unique technology that can absorb formaldehyde present in the air, Formaldehyde is considered to be the most toxic indoor air pollutant which has adverse health effects on humans. In addition your Company has also launched "Genie Water Based French Polish". This product innovation is significant and ensures a health and safety promise to applicators during usage besides lowering the strong odour which exists in conventionally available market products. Two patents have been filed for this product.
  - Royale Aspira-Luxury Interior Emulsion is now officially certified by US Green Seal body as GS11 compliant interior architectural paint. The Federation of Indian Chamber of Commerce and Industry (FICCI) recognized Royale Aspira as the "Best Green Product in India in chemical and petrochemical sector in 2015" and accordingly FICCI 2015 product sustainability award was accorded to Royale Aspira.
- A detailed note on the same can be accessed through the following link: <https://www.asianpaints.com/green-assure.html>
- In the area of water proofing and construction chemicals your company has launched a series of new products under the "Smartcare" brand. These include multipurpose patching and sealing compounds, fast setting powders for stopping leakages, adhesives for wall papers and mixtures for cement concrete. All these smart care range of products are designed to provide smart solutions for controlling damp related problems in old and new construction and thereby increase the longevity of painting system.
  - Your Company has initiated proactive steps to control, reduce and eliminate use of toxic and hazardous raw materials during design and manufacture of products. Appropriate safeguard mechanism has been instituted to prevent entry of new toxic material at the raw material approval stage itself. Also identification of toxic and hazardous materials from the active raw material list has been completed and removal plans have been initiated wherever possible. In cases where alternates are not available easily for replacement, a detailed plan for mitigating exposure risk during manufacturing, application and disposal has been documented and implemented at plants.
  - As a part of sustainable design philosophy your Company continues to make progress on measuring carbon footprint index (kg of Co<sub>2</sub> equivalent per litre of finished product) of water based architectural products. Wherever possible use of alternate raw materials based on renewable origin with reduced carbon footprint are encouraged during design development. The first sustainability report of your Company for 2014-15 has been published in December 2015 and the total VOC reduction achieved has been in excess of 8600 MT.
  - In the area of Industrial coatings, your Company continues to build capability by developing products for different segments and receiving approvals against International certifications. Intumescent Coating Apcochar WB100 now has certifier listing by Warrington, UK. The Epoxy-PU system for SS conforms to PDO PCS 6 and has been certified by charter coatings, Canada. The ESD floor coating now has certification from the ESD management and consultancy, Bangalore for the product conforming to ANSI-ESD S 20.20-2014 standard.
  - Your Company intends to educate its customers and employees about the safe use of its products. Product Information Sheets for all the major products are available

on the Company's website. It contains information pertaining to product features, process of application, technical details, safety precautions etc. The information can be accessed through the following link: [http://site.asianpaints.com/pro/product\\_listing.aspx](http://site.asianpaints.com/pro/product_listing.aspx)

Further, the Company ensures that all processes, plant, equipment, machinery and material provided at plant are safe to the people as well as environment.

- Your Company has been constantly improving its operational efficiencies for reducing the consumption of resources without compromising on the quality and quantity of its production. In order to reduce the consumption of power derived from non-renewable sources, your Company has installed solar power panels and wind mills at or near its plants for sourcing power for its non-core activities.
- In the past decade, specific fresh water consumption in our paint manufacturing plants has been reduced significantly through the following:
  - ✓ Reduction of water consumed in utilities by process improvements in cooling tower operations.
  - ✓ Reuse and recycle of waste water which streams back into the manufacturing processes.
  - ✓ Installation of Zero Discharge Facilities etc.

In the area of energy management, your Company looks to responsibly manage and conserve energy by improving the efficiency of our production processes and incorporating renewable energy technologies to supplement our power needs.

- Over the period of time, your Company has developed standard practices for ensuring sustainable development and have included them as one of the selection criteria for its vendors and suppliers. As such your Company prefers to enter into long term commitments with its business partners who fulfil their responsibility towards society as well as environment. Your Company take initiatives to improve awareness about legal compliances, enhance eco-friendly efficiencies, packaging / logistics improvements at the suppliers end. Supplier and transporter meets are held on a periodical basis where your Company engages and encourages them to undertake sustainable practices across supply chain.
- Your Company has strategically designed its distribution network in order to serve its dealers in the least possible time and transportation cost. This has resulted in better warehouse and inventory management. Further, your Company drives its distribution plan using an ERP (Enterprise Resource Planning) system to optimize freight cost. It also promotes

suppliers wherever feasible, to set up their manufacturing units near to your Company's manufacturing locations. These initiatives on one hand benefits your Company in terms of time and cost of transportation and on the other support environment through reduction in fuel consumption and resultant carbon emission.

- Your Company has been procuring papers that contain 100% recycled content. Your Company also uses recycled cardboard cartons (secondary packaging) to pack small sized paint containers. The jumbo packaging used for transfer of certain powder raw material by suppliers is also reused for internal purposes.

### Principle 3

#### Businesses should promote the well-being of all employees

- Your Company has a long standing practice of developing talent from within. Much of this can be attributed to living and espousing our values, employee-friendly policies and practices and nurturing a culture of shared vision and commitment.
- Your Company has a total number of 6067 permanent employees in India (including permanent women employees). Details of women employees and contracted work force in India are listed below:

Sr. No.	Categories of Employees	Number of Employees
1	Contracted workforce	10341
2	Temporary workforce	243
Number of permanent women employees		322
Number of permanent employees with disabilities		2

- There are recognized trade unions at the Company's manufacturing locations and certain sales units are affiliated to various trade union bodies. Approximately 29% of permanent employees are members of recognized employee unions.
- Your Company's policy prohibits engaging of any child labour or involuntary labour. Thus, there are no complaints relating to child labour, forced labour and involuntary labour.
- Developing a healthy and safe culture is an important aspect of creating a secure working environment at your Company. Our Environment Health and Safety Policy is a statement of commitment to operate in a safe and responsible manner, protecting workers, preserving the environment and maintaining the integrity of our assets. Occupational Health and Safety is centrally governed by a 'Safety Council' and is supplemented by plant level 'Apex' and 'Department' Safety Committees. We have in our staff, specially trained safety professionals along with trained line management.

- The key initiatives in the area of safety include screening and introduction of new raw material along with controls to mitigate any associated risks related to health and safety. Also, your Company is in process of implementation of the concept of Behaviour Based Safety to promote a safety conscious working environment. To minimise unsafe acts and reinforce safe behaviour, we provide adequate training on health and safety measures using a two-pronged approach.
  - Safety Culture Assessment and Strategy Development
  - Culture Based Safety Workshops
- Your Company has a policy for prevention of sexual harassment which has been implemented at unit level. It ensures prevention and deterrence towards the commissioning of acts of sexual harassment and communicates procedures for their resolution and settlement. A Committee has been constituted in accordance with the requirements under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which ensures implementation and compliance with the Law as well as the policy at unit level. During the year your Company received four complaints on sexual harassment and took necessary steps to resolve and close three of them in accordance with applicable laws and guidelines while one is under investigation.
- Your Company provides welfare facilities like subsidized food, rest rooms, medical check-up and medical facilities to all its employees including contract employees working at plants. Your Company provides Medclaim facility under the Group Medclaim Policy to its employees including employees at the manufacturing locations (based on settlement agreements signed by your Company).
- Your Company promotes an inclusive culture where merit is rewarded, openness is fostered, diversity is valued and an individual's opinion is respected. In March 2014, your Company began exploring 'Diversity & Inclusion' (D&I) as a focus area to create an enabling work environment.
- A benchmarking study was conducted with over 20 industry peers to review best practices that can be replicated at your Company. In collaboration with senior management, we conducted a diagnostic exercise with external assistance to facilitate discussion on the future trajectory. The outcome was a concerted focus on gender diversity over the next few years. Further, a women's network called 'Swara' was inaugurated, to provide a platform to women to voice their opinions on gaps in the systems, structures and processes.

- The other employee welfare oriented initiatives taken up were implementation of Sabbatical policy, Child Care Support Policy, revision of employee safety guidelines, setting up of a crèche facility at your Company's Research & Technology Centre at Turbhe and organizing workshops on the subject of prevention of sexual harassment at workplace etc.
- Percentage of employees who were given safety & skill up-gradation training in the last year are:

I	Permanent employees	78%
II	Permanent women employees	60%
III	Casual/Temporary/Contractual employees at plants	100%
IV	Employees with disabilities	100%

#### Principle 4

**Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

- Identifying the stakeholders and engaging with them through multiple channels in order to hear what they have to say about our products and services are essential parts of our sustainability plan. The health and wellbeing of the communities has always been an important facet of your Company's operations. Your Company extends its social responsibility by engaging in strategic and trust based community development interventions.
- While our CSR approach focuses on the development of communities around the vicinity of our plants, we have also developed innovative programmes that leverage our capabilities as a paint manufacturer and the home improvement service provider to enhance livelihood of underserved communities through vocational training and skill development.
- The Asian Paints Colour Academy is an initiative towards providing vocational training to unskilled youth on basic and specialised painting techniques to enable them to earn a decent living. There are 11 (eleven) permanent academies and 10 (ten) mobile academies. Your Company has partnered with National Skills Development Programme (NSDP) to strengthen the delivery of this programme to both unskilled and semi-skilled individuals.
- Fair treatment and safeguarding the interests of the contract workforce is important for your Company. Contract labour is deployed at the manufacturing facilities and in other functions, in various non-core activities like housekeeping, canteen operations, warehouse operations and others. Each unit maintains suitable checks and balances to ensure that wage payments, statutory contributions, and other such obligations are met by the contractors. Further, safety

training programs which are conducted for employees and workmen are also extended to contractual employees. Your Company has taken significant steps towards imparting training and skill building for painters and contractors.

- Your Company is in the process of scaling up its production capacities by setting up new plants and expansion of its existing plants. As a result a considerable amount of local workforce is engaged in the construction and related activities. Also, Your Company has wide distribution network which engages carrying and forwarding agencies which generally comprises of local workforce. At certain locations, community development is also done by way of providing basic educational facilities and skill-sets for maintenance of livelihood to local population. The details of initiatives taken by your Company in the area of community development have been provided in the Corporate Social Responsibility section of the Annual Report.

### Principle 5

#### Business should respect and promote human rights

- Human rights as enshrined in the Universal Declaration of the Human Rights of the United Nations has been the fulcrum of our Code of Conduct for Employees, Human Resource Policies and the settlements reached with the Trade Unions at our plants. Some of the points like prohibition of child labour and forced labour and workers' right to information are of special importance for the employment of contract workforce at our manufacturing units. According to International conventions, the term 'human rights' covers a host of aspects including freedom of association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others. Your Company is compliant to national regulations pertaining to human rights. Several workshops explaining the principles enshrined in the Code of Conduct of your Company were organized for its employees. The Code of Conduct of your Company also applies to the employees of the subsidiary companies.
- There are Grievance Redressal Mechanisms in place at all the plants with proportion of workers and management as per the statutory norms. Further, through one of its initiatives named "Sambandh" your Company engages with the workers to receive or provide timely feedback. These initiatives provide a sound platform for continued dialog and thus help maintain cordial relation with the workers. During the last financial year, there were no complaints received from the stakeholders.

### Principle 6

#### Business should respect, protect, and make efforts to restore the environment

- Your Company has consistently managed and improved the environmental performance. We are sensitive to our role both as user of natural resources and as a responsible producer of chemicals based products for society. Over the last two decades, our efforts to manage water, energy and material resources have yielded positive results.
- Your Company has an Environment, Health & Safety Policy which is communicated to all employees. The EHS Policy (signed by the MD & CEO) is available on your Company's website and can be accessed at: <https://www.asianpaints.com/footer-links/ehs-policy.html>
- Your Company considers compliance to statutory EHS requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards wherever appropriate. Your Company has last year published the Sustainability Report and will do so again this year as well.
- The paint manufacturing facilities have established ISO 14001 based Environment Management System. As part of the ISO 14001 Environment Management system, every factory monitors the state of the Environment inside the factory. Every factory conducts Aspect Impact study of various activities and identifies Controllable/Uncontrollable and Normal/Abnormal/Emergency scenarios of operation. Any deviations from laid down policies and procedures are tracked and reviewed by effective procedures of Corrective Action and Preventive Action (CAPA).
- Your Company has setup systems and processes whereby Environment Management Review meetings are conducted twice in a year. The Environment Management Review meetings are chaired by the Vice President- Supply Chain and General Works Managers of all factories, as also their Environment representatives. The discussions in the meeting are centered on the topics of Natural Resource Conservation, Electricity Consumption Reduction, Industrial Effluent Reduction, Water Conservation, Air Emissions, Waste Generation and Disposal. The factory representatives present the status of the Environmental Targets and Management Plans for their respective factories. Confirmation on Statutory compliance is provided by each factory by way of adherence to various clauses of Environmental Laws.

- Your Company is focused on operationalizing all environmental aspects mentioned in the EHS-Policy. In that respect, in the past year, multiple cross-departmental and cross-factory teams have worked on different initiatives.
- Your Company's CSR efforts are geared towards interacting with local bodies to implement rain water harvesting & recharging structures. This initiative is fairly mentioned in the CSR Report.
- Water consumed in the factory for non-process applications is a focus area of improvement. Personnel from the environment, quality and R&T departments have come together and are evaluating strategies to consume raw water by tweaking some of the process-parameters, without wasting any of it in the water treatment purification operation due to quality considerations. Other personnel are interacting with expert technology-providers to evaluate different water treatment technologies that waste less water.
- Similar teams are working on reducing the quantum of trade effluent generation from our production processes. The factories have proactively worked towards installation of Reverse-Osmosis-Plants along with Multi-Effect-Evaporator-Plants to become capable of Zero Discharge outside plant premises
- Your Company has implemented co-processing in some of the factories. The factories have started transporting hazardous-waste to nearby cement-kilns. Co-processing uses hazardous waste as AFR (Alternate Fuel and Refuse) material; this for Asian Paints, will lead to lower hazardous waste generation on account of reduced ash from incineration.
- Other area for us to achieve efficiency is in reducing Virgin-Paper consumption and avoiding Paper-Wastage as well as recycling all of the wasted paper. Various initiatives are being run to sensitize employees on the above matters.
- Your Company is investing substantially in infrastructure to improve the contribution of Renewable Energy in total energy consumption. Roof-top solar power plant and Wind-power plants are commissioned at all the factories in the past year. A biogas plant is also installed at the Khandala factory.
- The emissions/waste generated by your Company is within the permissible limits given by Central or State Pollution Control Bodies (CPCB/SPCB) for the financial year being reported. There are no show cause/legal notices from CPCB/SPCB which are pending as at the end of financial year.

## Principle 7

### Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

- Your Company has maintained a fair degree of transparency through timely and adequate disclosure of information to the public and regulatory bodies. Your Company articulates the larger interest of industry and the community at industrial forums. As on 31<sup>st</sup> March, 2016 your Company is a member of following trade associations:
  - Confederation of Indian Industries (CII)
  - Federation of Indian Chambers of Commerce and Industry (FICCI)
  - Bombay Chamber of Commerce and Industry
  - The Indian Paints Association (IPA)
- Your Company's scientists participate actively in meetings with statutory agencies like Bureau of Indian Standards, Chemical Division Council and help in evolving new standards for finished products and raw materials for human safety and environmental protection.

## Principle 8

### Businesses should support inclusive growth and equitable development

- The health and wellbeing of our communities has always been an important facet of our operations. Asian Paints extends its social responsibility by engaging its strategic and trust based community development interventions.
- While your Company's CSR approach focusses on the development of the communities around the vicinity of the plants, we have also developed innovative programmes that leverage our capabilities as paint manufacturer and home improvement service provider to enhance livelihoods of underserved communities through vocational trainings and skill development.
- An amount of ₹ 34.44 crores was spent towards various CSR projects during the financial year 2015-16 and people of more than 100 villages and certain cities in the states of Uttar Pradesh, Haryana, Gujarat, Andhra Pradesh, Maharashtra and Tamil Nadu and certain cities were benefitted.
- The details of the CSR initiatives undertaken by your Company are set out in the Corporate Social Responsibility section of this Annual Report.

## Principle 9

### Businesses should engage with and provide value to their customers and consumers in a responsible manner

- Your Company places its customers at the center of all its business conducts rather than at the receiving end. The culture of customer centricity has been instilled through various efforts including setting up of Customer Centricity Function, launching Customer First Campaign, training programs for our employees to understand customer issues etc.
- Your Company believes in implementing the customer feedback into product development and enhancing user experience. In order to facilitate our customers to communicate their views, feedback, suggestions, complaints etc. your Company has provided following a dedicated helpline which operates in six regional languages. Each complaint is brought to a final point of closure within the defined level of service commitment of two days in main cities and four days in uptown locations.
- Your Company conducts annual customer experience surveys for all our products and services and measure the percentage of customers who would promote our products and services to other customers through the Net Promoter Score (NPS) method. The NPS method of customer feedback now covers most of our customer interaction points including retail experiences, direct to home painting and colour consultancy services.
- On our website, we have created an interactive platform that allows any potential customer to raise queries pertaining to our products and services. Be it our toll free number (1800-209-5678) or our website [www.asianpaints.com](http://www.asianpaints.com) all our channels ensure that a potential customer with access to phone/internet is able to engage, receive or share the desired information about our products and services.
- While there are 45 consumer related legal cases pending as at the end of the financial year, there are no customer complaints pending for closure.
- The products of your Company display all information which is mandated by law including the directions for use. Product information is available in the Product Information Sheet that is available with the dealers of the Company and on the website of the Company.
- There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

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**STANDALONE  
FINANCIAL STATEMENTS**

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# INDEPENDENT AUDITORS' REPORT

## To the Members of Asian Paints Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Asian Paints Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure I", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure III" and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 (a) and 40 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070

Mumbai  
11<sup>th</sup> May, 2016

# ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with the third parties at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- iii. According to the information and explanations given to us, the Company has granted an unsecured loan to one wholly owned subsidiary covered under Section 189 of the Act.
  - (a) The terms and conditions on which loan has been granted to the borrower Company covered under Section 189 of the Act is not, prima facie, prejudicial to the interest of the Company.
  - (b) The principal amount is repayable within two years from the date of receipt of such loan. The borrower has been regular in paying interest on loan.
  - (c) There is no overdue amount of more than 90 days in respect of loan granted to the party listed in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and any other material statutory dues were in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.

  - (b) According to the information and explanations given to us, dues that have not been deposited by the Company on account of disputes are mentioned in Annexure II to the report.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its financial institutions, bankers and government. The Company did not have any outstanding debentures during the year.
- ix. The Company did not have any term loans outstanding during the year. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

# ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT

- xii. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Mumbai  
11<sup>th</sup> May, 2016

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070

# ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date)

Name of the Statute	Nature of dues	Financial Year	Amount under dispute (₹ In Crores)	Amount paid under protest (₹ In Crores)	Forum where dispute is pending
Sales Tax	Assessment Dues	F.Y. 1994-95 to F.Y. 1999-00, F.Y. 2000-01 to F.Y. 2015-16	50.00	11.09	First Appellate level
		F.Y. 2008-09	0.31	-	Second Appellate level
		F.Y. 1991-92, F.Y. 1993-94, F.Y. 1996-97 to F.Y. 1999-00, F.Y. 2000-01 to F.Y. 2012-13	10.54	4.60	Tribunal
		F.Y. 1993-94, F.Y. 1997-98, F.Y. 2000-01 to F.Y. 2005-06, F.Y. 2007-08, F.Y. 2009-10 to F.Y. 2014-15	9.08	0.83	High court
		F.Y. 1992-93, F.Y. 1993-94, F.Y. 2001-02 to F.Y. 2008-09.	2.48	1.46	Supreme Court
<b>Total (A)</b>		<b>72.41</b>	<b>17.98</b>		
Central Excise Act 1944	Dispute relating to Excise duty	F.Y. 1981-83, F.Y. 1994-98 and F.Y. 2004-05	1.47	Nil	Adjudicating authority
		F.Y. 1986-87, F.Y. 1992-93 to F.Y. 1997-98, F.Y. 2000-01, F.Y. 2004-05 to F.Y. 2007-08 and F.Y. 2015-16	1.40	0.07	First Appellate
		F.Y. 1992-93 to F.Y. 2015-16	17.89	1.74	Second Appellate level
		F.Y. 1969-1970 to F.Y. 1972 to 1973 and F.Y. 1998-99 to F.Y. 1999-2000	0.09	Nil	High Court
		<b>Total (B)</b>		<b>20.85</b>	<b>1.81</b>
Income Tax	IT matters under dispute	A.Y. 2012-13	46.51	Nil	Assessing officer
		A.Y. 2011-12	29.18	12.50	First Appellate
		A.Y. 2010-11, A.Y. 2009-10 and A.Y. 2006-07	1.16	1.16	Tribunal
		<b>Total (C)</b>		<b>76.85</b>	<b>13.66</b>
<b>Grand Total (A)+(B)+(C)</b>		<b>170.11</b>	<b>33.45</b>		

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Mumbai  
11<sup>th</sup> May, 2016

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070

# ANNEXURE III TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date)

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Asian Paints Limited ("the Company") as at 31<sup>st</sup> March, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Mumbai  
11<sup>th</sup> May, 2016

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070

# BALANCE SHEET

as at 31<sup>st</sup> March, 2016

	Notes	As at 31.03.2016	(₹ in Crores) As at 31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	95.92	95.92
Reserves and Surplus	3	4,867.24	4,134.34
		<b>4,963.16</b>	<b>4,230.26</b>
<b>NON CURRENT LIABILITIES</b>			
Long Term Borrowings	4	31.55	32.09
Deferred Tax Liabilities (Net)	5	207.69	167.78
Other Long Term Liabilities	6	1.68	-
Long Term Provisions	7	94.23	85.25
		<b>335.15</b>	<b>285.12</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables			
Due to Micro and Small Enterprises	8	17.95	11.63
Due to Others	8	1,315.25	1,301.45
Other Current Liabilities	9	1,021.25	833.39
Short Term Provisions	7	711.39	612.03
		<b>3,065.84</b>	<b>2,758.50</b>
<b>TOTAL</b>		<b>8,364.15</b>	<b>7,273.88</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	10 A	2,532.97	1,886.42
Intangible Assets	10 B	92.17	79.07
Capital work-in-progress		92.79	139.54
		<b>2,717.93</b>	<b>2,105.03</b>
Non-current Investments	11	1,006.89	790.72
Long Term Loans and Advances	12	111.23	209.54
Other Non Current Assets	17	30.54	17.08
<b>CURRENT ASSETS</b>			
Current Investments	13	1,432.79	1,103.06
Inventories	14	1,610.12	1,802.18
Trade Receivables	15	759.06	729.55
Cash and Bank balances	16	155.02	61.84
Short Term Loans and Advances	12	221.91	205.43
Other Current Assets	17	318.66	249.45
		<b>4,497.56</b>	<b>4,151.51</b>
<b>TOTAL</b>		<b>8,364.15</b>	<b>7,273.88</b>

**Notes are an integral part of the financial statements**

As per our report of even date

For and on behalf of the Board of Directors of  
**Asian Paints Limited**  
CIN:L24220MH1945PLC004598For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022Ashwin Choksi  
Chairman  
DIN: 00009095K.B.S. Anand  
Managing Director & CEO  
DIN: 03518282Bhavesh Dhupelia  
Partner  
Membership No: 042070M. K. Sharma  
Director  
DIN: 00327684Jayesh Merchant  
CFO & Company Secretary,  
President - Industrial JVsMumbai  
11<sup>th</sup> May, 2016Mumbai  
11<sup>th</sup> May, 2016

# STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2016

	Notes	Year 2015-16	Year 2014-15
(₹ in Crores)			
<b>INCOME</b>			
Revenue from sale of goods and services (Net of discounts)	18A	13,992.15	12,878.80
Less: Excise duty		1,533.50	1,393.13
Revenue from sale of goods and services (Net of discounts and excise duty)		<b>12,458.65</b>	<b>11,485.67</b>
Other Operating Revenue	18B	187.23	163.16
Other Income	19	225.30	186.82
<b>TOTAL REVENUE (I)</b>		<b>12,871.18</b>	<b>11,835.65</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	20A	5,842.29	6,191.72
Purchases of Stock-in-Trade	20B	524.42	380.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20C	162.86	(132.43)
Employee Benefits Expense	21	664.20	606.94
Other Expenses	22	2,972.55	2,591.52
<b>TOTAL (II)</b>		<b>10,166.32</b>	<b>9,638.31</b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I) -(II)</b>		<b>2,704.86</b>	<b>2,197.34</b>
Depreciation and Amortisation Expense	10	238.36	223.11
Finance Costs	23	23.40	27.13
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>2,443.10</b>	<b>1,947.10</b>
Exceptional Items	51	65.35	13.53
<b>PROFIT BEFORE TAX</b>		<b>2,377.75</b>	<b>1,933.57</b>
Less : <b>Tax Expense</b>			
Current Tax		743.74	616.42
Excess tax provision for earlier years		(3.33)	(0.96)
Deferred Tax expense/(benefit)	5	39.91	(9.29)
Total Tax Expenses		<b>780.32</b>	<b>606.17</b>
<b>PROFIT AFTER TAX</b>		<b>1,597.43</b>	<b>1,327.40</b>
Earnings per equity share (₹) Basic and diluted (Face value of ₹ 1 each)	46	<b>16.65</b>	<b>13.84</b>
<b>Notes are an integral part of the financial statements</b>			

As per our report of even date

For and on behalf of the Board of Directors of  
**Asian Paints Limited**  
 CIN:L24220MH1945PLC004598

For B S R & Co. LLP  
 Chartered Accountants  
 Firm's Registration No: 101248W/W-100022

Ashwin Choksi  
 Chairman  
 DIN: 00009095

K.B.S. Anand  
 Managing Director & CEO  
 DIN: 03518282

Bhavesh Dhupelia  
 Partner  
 Membership No: 042070

M. K. Sharma  
 Director  
 DIN: 00327684

Jayesh Merchant  
 CFO & Company Secretary,  
 President - Industrial JVs

Mumbai  
 11<sup>th</sup> May, 2016

Mumbai  
 11<sup>th</sup> May, 2016

# CASH FLOW STATEMENT

for the year ended 31<sup>st</sup> March, 2016

(₹ in Crores)

	Year 2015-16	Year 2014-15
<b>(A) Cash Flow From Operating Activities</b>		
Profit before prior period item, tax and after exceptional item	2,377.75	1,933.57
Adjustments for :		
Depreciation, Amortisation & Exceptional Item	238.36	225.52
Interest income	(11.53)	(5.19)
Dividend income	(70.30)	(71.27)
Finance costs	23.40	27.13
Provision for doubtful debts and advances	3.34	1.59
Bad debts written off	1.98	1.09
Net unrealised foreign exchange (gain)/loss	(10.98)	8.27
Profit on sale of long term investments (net)	(24.70)	(27.54)
Profit on sale of short term investments (net)	(3.81)	(2.07)
Profit on sale of fixed assets (net)	(10.37)	(0.33)
Provision/(Reversal of provision) for diminution in value of long term investments	65.35	(14.04)
<b>Operating Profit before working capital changes</b>	<b>2,578.49</b>	<b>2,076.73</b>
Adjustments for :		
(Increase) in trade receivables*	(34.91)	(8.66)
(Increase) in other receivables*	(79.65)	(82.53)
(Increase)/Decrease in loans and advances	(25.94)	32.28
Decrease/(Increase) in inventories*	192.06	(130.79)
Increase/(Decrease) in trade and other payables*	161.45	(165.92)
Increase in provisions	15.15	11.64
<b>Cash generated from Operating activities</b>	<b>2,806.65</b>	<b>1,732.75</b>
Income Tax paid (net of refund)	(760.96)	(589.15)
<b>Net Cash generated from Operating activities</b>	<b>2,045.69</b>	<b>1,143.60</b>
* Previous year figures are after adjustments pursuant to acquisition of net current assets which are classified as investing activities.		
<b>(B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(686.72)	(336.28)
Sale of Fixed Assets	12.22	1.49
Loans to subsidiary	(0.20)	(0.28)
Repayment of loan from subsidiaries	-	0.40
Purchase of front end sales business from Ess Ess Bathroom Products Private Limited (Refer Note 47)	-	(36.48)
Purchase of long term investments - Subsidiaries	(143.17)	(0.50)
Purchase of long term investments - others	(282.33)	(242.00)
Purchase of short term investments	(70.04)	(0.04)
Sale of long term investments	209.70	330.53
Sale/ (Purchase) of short term investments - others	19.04	(87.00)
Proceeds from sale of short term investments (net)	3.81	2.07
Interest received	4.61	4.55
Dividend received from subsidiaries	3.05	2.41
Dividend received from others	67.25	68.86
<b>Net Cash used in Investing activities</b>	<b>(862.78)</b>	<b>(292.27)</b>



(₹ in Crores)

	Year 2015-16	Year 2014-15
<b>(C) Cash Flow from Financing Activities</b>		
Proceeds from long term borrowings	5.90	0.06
Repayment of long term borrowings	(7.48)	(8.17)
Proceeds from short term borrowings *	-	19.92
Repayment of short term borrowings #	-	(39.84)
Finance costs paid	(19.76)	(26.69)
Dividend and Dividend tax paid	(749.72)	(672.95)
<b>Net Cash used in Financing activities</b>	<b>(771.06)</b>	<b>(727.67)</b>
# Previous year figure includes repayment of borrowings taken over pursuant to acquisition (Refer note 47).		
* Previous year figure is after adjustment pursuant to acquisition of short term loan which is classified as investing activity (Refer note 47).		
<b>(D) Net Increase/(Decrease) in cash and cash equivalents</b>	<b>411.85</b>	<b>123.66</b>
Add: Cash and cash equivalents as at 1 <sup>st</sup> April	862.69	739.03
Cash and cash equivalents as at 31 <sup>st</sup> March	1,274.54	862.69

**Notes:**

- (a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 (AS-3) on Cash Flow Statement.

(₹ in Crores)

	31.03.2016	31.03.2015
(b) Cash and Cash equivalents comprises of		
Cash on hand	0.06	0.05
Balances with Bank:		
- Current Accounts	2.13	22.58
- Cash Credit Account	6.42	1.60
- Deposits with banks with maturity less than 3 months	43.51	-
Cheques on hand	24.63	30.40
Cash and cash equivalents (Refer note 16)	<b>76.75</b>	<b>54.63</b>
Add: Investment in liquid mutual funds [Refer note 13B (1)]	1,197.79	808.06
<b>Cash and cash equivalents in Cash Flow Statement</b>	<b>1,274.54</b>	<b>862.69</b>

- (c) Previous year's figures have been regrouped, wherever necessary.

As per our report of even date

 For and on behalf of the Board of Directors of  
**Asian Paints Limited**  
 CIN:L24220MH1945PLC004598

**For B S R & Co. LLP**  
 Chartered Accountants  
 Firm's Registration No: 101248W/W-100022

**Ashwin Choksi**  
 Chairman  
 DIN: 00009095

**K.B.S. Anand**  
 Managing Director & CEO  
 DIN: 03518282

**Bhavesh Dhupelia**  
 Partner  
 Membership No: 042070

**M. K. Sharma**  
 Director  
 DIN: 00327684

**Jayesh Merchant**  
 CFO & Company Secretary,  
 President - Industrial JVs

Mumbai  
 11<sup>th</sup> May, 2016

Mumbai  
 11<sup>th</sup> May, 2016

# NOTES TO FINANCIAL STATEMENTS

## COMPANY BACKGROUND

Asian Paints Limited (the 'Company') is a public limited Company incorporated under the Indian Companies Act 1913. The Company is engaged in the business of manufacturing, selling and distribution of paints, coatings, products related to home décor, bath fittings and providing of related services.

## 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1. Basis of preparation of financial statements

#### (a) Basis of Accounting:

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

#### (b) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities at the end of reporting period.

#### (c) Current/Non Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. it is expected to be realized or settled or is intended for sale or consumption in the company's normal operating cycle;
- ii. it is expected to be realized or settled within twelve months from the reporting date;
- iii. in the case of an asset,
  - it is held primarily for the purpose of being traded; or
  - it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

- iv. in the case of a liability, the company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current / non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

### 1.2. Tangible and Intangible Assets

#### (a) Tangible Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation/accumulated impairment. The cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Know-how related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant tangible asset heads.

Pursuant to the requirements under Schedule II of the Companies Act, 2013, the Company has identified and determined the cost of each component of an asset separately when the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Profit or loss on disposal of tangible assets is recognized in the Statement of Profit and Loss. Tangible Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately under 'Other Current Assets'. Any expected loss is recognized immediately in the Statement of Profit and Loss.

#### (b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value

# NOTES TO FINANCIAL STATEMENTS

as at date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognised in the Statement of Profit and Loss.

## (c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

## (d) Depreciation and Amortisation:

Depreciation on tangible fixed assets is provided using the Straight Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

The residual value, useful life and method of depreciation of an asset is reviewed at each financial year end and adjusted prospectively

The estimated useful life of Tangible Fixed Assets is mentioned below:

	Years
Factory Buildings	30
Buildings (other than factory buildings)	60
Plant and Equipment (including continuous process plants)	10-20
Furniture and Fixtures	8
Office Equipment and Vehicles	5
Information Technology Hardware	4
Scientific research equipment	8

Depreciation on tinting systems leased to dealers, is provided under Straight Line Method over the estimated useful life of nine years as per technical evaluation.

Leasehold land and Leasehold improvements are amortized over the primary period of lease.

Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life. Purchase cost, user license fees and consultancy fees for major software are amortized over a period of four years. Acquired Trademark is amortised over a period of five years. Acquired Goodwill is amortised over a period of ten years.

Estimated useful life of each acquired Brand is assessed separately for the purpose of amortization. Brand acquired pursuant to acquisition of bath fittings business is amortised over a period of two years.

## (e) Impairment

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

# NOTES TO FINANCIAL STATEMENTS

## 1.3. Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty (on goods manufactured and outsourced), excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Revenue from service is recognized as per the completed service contract method.

Processing income is recognized on accrual basis as per the contractual arrangements.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

## 1.4. Lease Accounting

### Assets taken on operating lease:

Lease rentals on assets taken on operating lease are recognised as expense in the Statement of Profit and Loss on straight line basis.

## 1.5. Inventory

- (a) Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are valued at net realizable value.
- (b) In determining cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

- (c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

## 1.6. Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which are expected to be realized within twelve months from Balance Sheet date is also presented under "Current Investment" under "Current portion of long term investments" in consonance with the current / non-current classification of Schedule III of the Act.

Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. Reversal of such provision for diminution is made when there is a rise in the value of long-term investment, or if the reasons for the decline no longer exist.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognized in the Statement of Profit and Loss.

## 1.7. Transactions in Foreign Currency

### (a) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

# NOTES TO FINANCIAL STATEMENTS

**(b) Measurement of foreign currency items at the Balance Sheet date:**

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

**(c) Forward exchange contracts:**

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

## 1.8. Trade receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful. Discounts due, yet to be quantified at the customer level are included under Other Current Liabilities.

## 1.9. Employee Benefits

### A. Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

### B. Post-employment benefits:

**(a) Defined contribution plans**

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

**(b) Defined benefit plans**

**(i) Provident fund scheme**

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

**(ii) Gratuity scheme**

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund), towards meeting the Gratuity obligation.

**(iii) Pension scheme**

The Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

**(iv) Post Retirement Medical benefit plan**

The Company operates a defined post retirement medical benefit plan for certain specified employees and payable upon the employee satisfying certain conditions.

# NOTES TO FINANCIAL STATEMENTS

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is recognized immediately to the extent that the benefits are already vested, else is amortised on a straight-line basis over the average period until the amended benefits become vested. Actuarial gains and losses in respect of the defined benefit plans are recognized in the Statement of Profit and Loss in the year in which they arise.

The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

The Company presents the above liabilities as current and non-current in the balance sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next 12 months.

## (c) Other long term employee benefits

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

The Company presents this liability as current and non-current in the balance sheet as per actuarial valuation by the independent actuary.

## 1.10. Research and Development

Research and Development expenditure of a revenue nature is expensed out under the respective heads of account in the year in which it is incurred.

Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

## 1.11. Provision for Taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

## 1.12. Provisions and Contingencies

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

## 1.13. Earnings Per Share

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the profit after tax for the year by weighted average number of equity shares outstanding during the year.

## 1.14. Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.

# NOTES TO FINANCIAL STATEMENTS

## 1.15. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

## 1.16. Cash and Cash Equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments where the original maturity is three months or less.

## 1.17. Government Grants and Subsidies

The Company is entitled to subsidy from government authorities in respect of manufacturing units located in specified regions:

- Grants in the nature of subsidy which are non-refundable are credited to the Statement of Profit and Loss, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them.
- Grants in the nature of subsidy which are refundable are shown as Liabilities in the Balance Sheet.

## 1.18. Measurement of EBITDA

The Company has opted to present earnings before interest (finance cost), tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations.

## 1.19. Segment Reporting

Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Company has considered business segments as the primary segments for disclosure. The business segments are 'Paints' and 'Home Improvement'.

The Company does not have any geographical segment.

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

<b>NOTE 2 : SHARE CAPITAL</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>Authorised</b>		
99,50,00,000 (Previous year 99,50,00,000) Equity Shares of ₹ 1 each	99.50	99.50
50,000 (Previous year 50,000) 11% Redeemable Cumulative Preference shares of ₹ 100 each	0.50	0.50
	<b>100.00</b>	<b>100.00</b>
<b>Issued, Subscribed and Paid up capital</b>		
95,91,97,790 (Previous year 95,91,97,790) Equity Shares of ₹ 1 each fully paid	95.92	95.92
	<b>95.92</b>	<b>95.92</b>

## a) Reconciliation of shares outstanding at the beginning and at the end of the year

Equity Shares	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	95,91,97,790	95.92	95,91,97,790	95.92
Add: Issued during the year	-	-	-	-
At the end of the year	<b>95,91,97,790</b>	<b>95.92</b>	<b>95,91,97,790</b>	<b>95.92</b>

## b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

## c) Details of Shareholders holding more than 5% equity shares in the Company<sup>@</sup>

Name of Shareholders	As at 31.03.2016		As at 31.03.2015	
	No. of Equity Shares	Percentage holding	No. of Equity Shares	Percentage holding
Equity Shares of ₹ 1 each held by:				
1. Smiti Holding and Trading Company Private Limited	5,40,84,120	5.64	5,40,84,120	5.64
2. ISIS Holding and Trading Company Private Limited	5,28,84,120	5.51	5,28,84,120	5.51
3. Geetanjali Trading and Investments Private Limited	4,92,67,440	5.14	4,92,67,440	5.14
4. Life Insurance Corporation of India	5,08,91,803	5.31	4,68,39,707	4.88

@ As per the records of the Company, including its register of members

As per the Companies Act 2013, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors at its meeting held on 23<sup>rd</sup> October, 2015 declared an interim dividend of ₹ 2.20 (Rupees two and paise twenty only) per equity share of ₹ 1 each. A final dividend of ₹ 5.30 (Rupees five and paise thirty only) per equity share of ₹ 1 has been recommended by the Board of Directors at its meeting held on 11<sup>th</sup> May, 2016, subject to the approval by the shareholders at the ensuing Annual General Meeting. If approved, the total dividend (interim and final dividend) for the financial year 2015-16 will be ₹ 7.50 per equity share of ₹ 1 each (₹ 6.10 per equity share of ₹ 1 each was paid as total dividend for the previous year). The total dividend appropriation for the year ended 31<sup>st</sup> March, 2016 amounted to ₹ 864.53 crores including corporate dividend tax of ₹ 145.14 crores. (Previous year ₹ 698.07 crores including corporate dividend tax of ₹ 112.95 crores).



# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

<b>NOTE 3 : RESERVES AND SURPLUS</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
(a) Capital Reserve [* ₹ 5,000 (Previous year ₹ 5,000)]	*	*
(b) Capital Redemption Reserve	0.50	0.50
(c) General Reserve		
As per last Balance Sheet	3,133.84	2,504.51
Add : Transfer from surplus in Statement of Profit and Loss	532.90	629.33
	<b>3,666.74</b>	<b>3,133.84</b>
(d) Surplus in Statement of Profit and Loss		
As per last Balance Sheet	1,000.00	1,000.00
Add : Net profit after tax transferred from Statement of Profit and Loss for the year	1,597.43	1,327.40
Amount available for appropriation	<b>2,597.43</b>	<b>2,327.40</b>
Less: Appropriations		
Dividend on Equity shares:		
- Interim dividend [Amount per share ₹ 2.20 (Previous year ₹ 1.80) per equity share of ₹ 1 each]	211.02	172.66
- Proposed Final Dividend [Amount per share ₹ 5.30 (Previous year ₹ 4.30) per equity share of ₹ 1 each]	508.37	412.46
Income Tax on Dividend (includes income tax on proposed dividend)	145.14	112.95
Transfer to General Reserve	532.90	629.33
<b>Closing balance</b>	<b>1,200.00</b>	<b>1,000.00</b>
	<b>4,867.24</b>	<b>4,134.34</b>

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 4 : LONG TERM BORROWINGS*	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Secured</b>				
Loan taken from National Skill Development Corporation ^	0.06	0.06	-	-
Deferred payment liabilities:				
Interest free loan from Financial Institution (Sales tax deferment scheme - State of Uttar Pradesh)#	-	-	-	3.24
Interest free loan - State of Haryana##	9.31	3.41	-	-
<b>Unsecured</b>				
Deferred payment liability:				
Sales tax deferment scheme - State of Andhra Pradesh ###	22.18	28.62	6.44	4.24
	<b>31.55</b>	<b>32.09</b>	<b>6.44</b>	<b>7.48</b>
Amount included under the head "Other Current Liabilities" (Refer Note 9)	-	-	(6.44)	(7.48)
<b>TOTAL</b>	<b>31.55</b>	<b>32.09</b>	<b>-</b>	<b>-</b>

## Notes:

- ^ The Company has partnered with National Skill Development Corporation (NSDC) for undertaking a painter skill development project. Under the arrangement, the Company is granted a financial assistance of ₹ 0.31 crores from NSDC disburseable in five tranches. The assistance is secured by a bank guarantee provided by the Company to NSDC on the outstanding amount. The assistance carries an interest @ 6% p.a and is repayable over a period of nine years including a moratorium of three years on the principal amount, starting from the date of first disbursement. During the year 2014-15, the Company received ₹ 0.06 crores as per the schedule of disbursement and no amounts are repayable during the next one year.
- # Interest free loan from The Pradeshiya Industrial Corporation of U.P. Limited (PICUP) under Sales Tax Deferment Scheme of Government of Uttar Pradesh was secured by a first charge on the Company's immovable properties of the paint plant at Kasna and by way of hypothecation of all movable properties at the above location. This interest free loan had a deferment period of 10 years and was repayable in 9 yearly installments starting from May, 2007 as per repayment schedule. Out of the total loan of ₹ 30.60 crores, the Company had already repaid ₹ 27.36 crores till 31<sup>st</sup> March, 2015 and the balance amount of ₹ 3.24 crores was paid during the current year by 31<sup>st</sup> May, 2015. Pursuant to the repayment of loan, the charge on Company's immovable properties was released.
- ## The Company is eligible to avail interest free loan in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April, 2010. For the year ended 31<sup>st</sup> March, 2011 and 31<sup>st</sup> March 2012, the Company has already received the interest free loan of ₹ 3.41 and ₹ 5.90 crores respectively. This loan is secured by way of a bank guarantee issued by the Company and is repayable after a period of 5 years from the date of receipt of interest free loan. For the year ended 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2015, the Company has made the necessary application to the Haryana Government for the issue of eligibility certificate and for the year ended 31<sup>st</sup> March, 2016, the Company is in the process of making the necessary application.
- ### Sales tax deferment scheme- State of Andhra Pradesh represents sales tax deferment availed under the Sales tax deferment scheme of the Government of Andhra Pradesh. It has a deferment period of 14 years and is repayable over 9 years as per repayment schedule starting from April, 2012. Out of the total sales tax deferment loan of ₹ 40.70 crores the Company has already repaid ₹ 12.08 crores till 31<sup>st</sup> March, 2016 and balance amount of ₹ 28.62 crores is repayable in next 4 years upto February, 2020.
- \* Default in terms of repayment of principal and interest - NIL (Previous year : NIL)

# NOTES TO FINANCIAL STATEMENTS

## NOTE 5: DEFERRED TAX LIABILITIES (NET)

The Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS 22) – Accounting for Taxes on income.

The major components of deferred tax (liabilities)/assets arising on account of timing differences as at 31<sup>st</sup> March, 2016 are as follows:

	(₹ in Crores)	
	As at 31.03.2016	As at 31.03.2015
<b>Deferred tax liabilities</b>		
Difference between Written Down Value/Capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961.	(250.62)	(207.56)
Expense claimed for tax purpose on payment basis	(8.79)	(10.00)
<b>Total deferred tax liabilities</b>	<b>(259.41)</b>	<b>(217.56)</b>
<b>Deferred tax assets</b>		
Provision for expense allowed for tax purpose on payment basis	44.55	39.40
Provision for doubtful debts and advances	0.38	0.75
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income tax over five years)	6.79	8.20
Capital losses carried forward under Income Tax Act, 1961*	-	1.43
<b>Total deferred tax assets</b>	<b>51.72</b>	<b>49.78</b>
<b>Net deferred tax (liability)</b>	<b>(207.69)</b>	<b>(167.78)</b>
<b>Net Deferred tax expense/(benefit) for the year</b>	<b>39.91</b>	<b>(9.29)</b>

\* Deferred tax assets recognised on capital losses carried forward under Income Tax Act, 1961 in the previous year has been utilised against capital gains arising from sale of land during the year.

	(₹ in Crores)			
<b>NOTE 6: OTHER LONG TERM LIABILITIES</b>	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Retention monies relating to capital expenditure	1.68	-	46.49	16.08
Trade deposits (from certain customers)	-	-	-	2.37
	<b>1.68</b>	<b>-</b>	<b>46.49</b>	<b>18.45</b>
Amount included under the head "Other Current Liabilities" (Refer Note 9)	-	-	(46.49)	(18.45)
<b>TOTAL</b>	<b>1.68</b>	<b>-</b>	<b>-</b>	<b>-</b>

	(₹ in Crores)			
<b>NOTE 7 : PROVISIONS</b>	Long-term		Short-term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits (Refer Note 44)				
Provision for Compensated absences	90.78	81.95	12.00	8.25
Provision for Gratuity	-	-	0.21	1.96
Provision for Pension	1.88	2.09	0.40	0.44
Provision for Post retirement medical and other benefits	1.57	1.21	0.13	0.44
Other Provisions				
Provision for Excise (Refer Note 40)	-	-	0.96	1.23
Provision for Central Sales Tax / VAT (Refer Note 40)	-	-	22.65	17.87
Proposed Dividend	-	-	508.37	412.46
Provision for Income Tax on Proposed Dividend	-	-	102.87	83.97
Provision for Income Tax (Net)	-	-	63.80	85.41
<b>TOTAL</b>	<b>94.23</b>	<b>85.25</b>	<b>711.39</b>	<b>612.03</b>

# NOTES TO FINANCIAL STATEMENTS

	(₹ in Crores)	
<b>NOTE 8: TRADE PAYABLES</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
Trade Payables (including Acceptances)		
Due to Micro and Small Enterprises (Refer Note 37)	17.95	11.63
Due to Others	1,315.25	1,301.45
<b>TOTAL</b>	<b>1,333.20</b>	<b>1,313.08</b>

	(₹ in Crores)	
<b>NOTE 9 : OTHER CURRENT LIABILITIES</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
(a) Current maturities of Long Term Borrowings (Refer Note 4)	6.44	7.48
(b) Current portion of Other Long Term Liabilities (Refer Note 6)	46.49	18.45
(c) Investor Education and Protection Fund#		
(i) Unpaid/ Unclaimed dividend	8.19	7.13
(ii) Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years	0.04	0.04
	<b>8.23</b>	<b>7.17</b>
(d) Other Payables		
Statutory Payables -		
Payable towards Central Sales Tax and VAT	139.13	126.34
Payable towards Excise and Service Tax	22.02	24.87
Payable towards TDS under Income Tax	26.64	13.54
Payable towards Provident Fund, Profession Tax and ESIC	3.81	3.74
Payable towards Capital expenditure	77.40	52.68
Payable towards Services received	196.27	158.51
Payable towards Stores spares and consumables	16.38	13.03
Payable to Employees'	124.05	110.14
[including ₹ 3.50 crores due to Managing Director (Previous year ₹ 2.40 crores)]		
Payable to Bank towards unamortised premium on forward exchange contracts	0.01	-
Provision for discounts, sales promotional and other expenses	348.22	294.01
[including ₹ 3.66 crores due to Non-Executive Directors (Previous year ₹ 3.16 crores)]		
Advance received from customers	6.16	0.68
Advance received against assets held for disposal	-	2.75
	<b>960.09</b>	<b>800.29</b>
<b>TOTAL</b>	<b>1,021.25</b>	<b>833.39</b>

# There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on 31<sup>st</sup> March, 2016. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

## NOTE 10 : FIXED ASSETS

	Gross Block		As at 31.03.16		Depreciation/ Amortisation*		As at 31.03.16		Impairment		Net Block	
	As at 01.04.15	Additions during the year	Deductions/ Adjustments	As at 01.04.15	As at 01.04.15	Additions during the year	Deductions/ Adjustments	As at 01.04.15	Additions during the year	Deductions/ Adjustments	As at 01.04.15	As at 31.03.16
<b>A. Tangible Assets</b>												
Land :												
Freehold	90.16	71.85	-	162.01	-	-	-	-	-	-	-	162.01
Leasehold	105.53	49.20	-	154.73	7.48	1.21	0.01	8.68	-	-	-	146.05
Buildings	711.95	126.02	-	837.97	139.70	23.02	-	162.72	-	-	7.03	668.22
Plant and Equipment	1,735.72	563.45	6.94	2,292.23	728.04	148.38	6.29	870.13	-	0.19	3.15	1,418.95
Scientific Research :												
Buildings	38.89	-	-	38.89	8.49	1.30	-	9.79	-	-	-	29.10
Equipment	52.31	4.69	-	57.00	32.22	5.85	-	38.07	-	-	0.18	18.75
Furniture and Fixtures	47.86	8.86	1.31	55.41	25.39	4.85	1.13	29.11	-	0.07	0.48	25.82
Vehicles	1.45	0.30	0.01	1.74	0.82	0.23	-	1.05	-	-	-	0.69
Office Equipment	34.57	8.12	1.01	41.68	17.04	5.84	0.89	21.99	-	0.08	0.54	19.15
Leasehold Improvements	9.42	-	-	9.42	8.14	0.66	0.01	8.79	-	-	-	0.63
Information Technology Hardware	101.48	25.58	0.90	126.16	62.85	19.50	0.81	81.54	-	0.01	1.02	43.60
<b>Total Tangible Assets (A)</b>	<b>2,929.34</b>	<b>858.07</b>	<b>10.17</b>	<b>3,777.24</b>	<b>1,030.17</b>	<b>210.84</b>	<b>9.14</b>	<b>1,231.87</b>	<b>-</b>	<b>0.35</b>	<b>12.40</b>	<b>2,532.97</b>
<b>B. Intangible Assets</b>												
Trademark	12.78	0.09	-	12.87	11.93	0.19	-	12.12	-	-	-	0.75
Computer Software	117.59	40.54	6.30	151.83	76.56	21.28	5.53	92.31	0.75	0.75	-	59.52
Goodwill	38.58	-	-	38.58	3.22	3.86	0.01	7.07	-	-	-	31.51
Brand	4.28	-	-	4.28	1.78	2.14	-	3.92	-	-	-	0.36
Scientific Research:												
Computer Software	0.20	-	-	0.20	0.12	0.05	-	0.17	-	-	-	0.03
<b>Total Intangible Assets (B)</b>	<b>173.43</b>	<b>40.63</b>	<b>6.30</b>	<b>207.76</b>	<b>93.61</b>	<b>27.52</b>	<b>5.54</b>	<b>115.59</b>	<b>0.75</b>	<b>0.75</b>	<b>-</b>	<b>92.17</b>
<b>Total (A + B)</b>	<b>3,102.77</b>	<b>898.70</b>	<b>16.47</b>	<b>3,985.00</b>	<b>1,123.78</b>	<b>238.36</b>	<b>14.68</b>	<b>1,347.46</b>	<b>-</b>	<b>1.10</b>	<b>12.40</b>	<b>2,625.14</b>

\*The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1<sup>st</sup> April, 2015. The reassessed useful life of the components identified is in line with the existing useful life of the asset used by the Company for the purpose of depreciation. The impact of this reassessment is not material and has been charged to the Statement of Profit and loss of the current year.

Following are the tangible assets held for disposal (Refer Note 17):

(₹ in Crores)

Tangible Assets	Gross Block	Accumulated Depreciation	Accumulated Impairment	Net Block
Plant & Equipment	2.79	1.71	0.12	0.96
Tinting Systems	0.98	0.76	0.22	Nil

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

## NOTE 10 : FIXED ASSETS (Contd.)

	Gross Block			Depreciation/ Amortisation*			Impairment			Net Block		
	As at 01.04.14	Additions during the year	Deductions/ Adjustments ##	As at 31.03.15	As at 01.04.14	Additions during the year	Deductions/ Adjustments ##	As at 01.04.14	Additions during the year	Deductions/ Adjustments ##	As at 31.03.15	As at 31.03.15
<b>A. Tangible Assets :</b>												
Land :												
Freehold	92.23	-	2.07	90.16	-	-	-	-	-	-	-	90.16
Leasehold	105.53	-	-	105.53	6.29	1.19	-	7.48	-	-	-	98.05
Buildings	708.70	-	3.42	711.95	113.78	25.99	0.07	139.70	2.41 #	-	7.03	565.22
Plant and Equipment	1,703.95	-	76.46	1,735.72	623.62	140.20	35.78	728.04	(0.04)	5.58	3.34	1,004.34
Scientific Research :												
Buildings	38.70	-	0.19	38.89	7.20	1.29	-	8.49	-	-	-	30.40
Equipment	48.33	-	4.43	52.31	27.43	5.22	0.43	32.22	0.18	-	0.18	19.91
Furniture and Fixtures	38.52	-	10.41	47.86	21.91	4.39	0.91	25.39	0.67	-	0.12	21.92
Vehicles	2.17	-	0.08	1.45	1.12	0.31	0.61	0.82	-	-	-	0.63
Office Equipment	27.39	-	7.59	34.57	12.49	4.93	0.38	17.04	0.62	-	0.62	16.91
Leasehold Improvements	10.46	-	1.04	9.42	7.91	1.27	1.04	8.14	-	-	-	1.28
Information Technology Hardware	89.81	-	20.82	101.48	54.54	16.98	8.67	62.85	1.26	-	0.23	37.60
<b>Assets Given on Lease</b>												
Assets given on Operating Lease : Tinting systems	3.32	-	-	-	2.50	0.01	2.51	-	0.80	-	0.80	-
<b>Total Tangible Assets (A)</b>	<b>2,869.11</b>	<b>-</b>	<b>123.40</b>	<b>2,929.34</b>	<b>878.79</b>	<b>201.78</b>	<b>50.40</b>	<b>1,030.17</b>	<b>17.11</b>	<b>2.37</b>	<b>12.75</b>	<b>1,886.42</b>
<b>B. Intangible Assets :</b>												
Trademark	11.92	-	0.86	12.78	11.92	0.01	-	11.93	-	-	-	0.85
Computer Software	99.88	-	17.71	117.59	60.75	15.81	-	76.56	0.24	0.51	0.75	40.28
Goodwill	-	38.58	-	38.58	-	3.22	-	3.22	-	-	-	35.36
Brand	-	4.28	-	4.28	-	1.78	-	1.78	-	-	-	2.50
Scientific Research :												
Computer Software	0.18	-	0.02	0.20	0.08	0.04	-	0.12	-	-	-	0.08
<b>Total Intangible Assets (B)</b>	<b>111.98</b>	<b>42.86</b>	<b>18.59</b>	<b>173.43</b>	<b>72.75</b>	<b>20.86</b>	<b>-</b>	<b>93.61</b>	<b>0.24</b>	<b>0.51</b>	<b>0.75</b>	<b>79.07</b>
<b>Total (A + B)</b>	<b>2,981.09</b>	<b>42.86</b>	<b>141.99</b>	<b>3,102.77</b>	<b>951.54</b>	<b>222.64</b>	<b>50.40</b>	<b>1,123.78</b>	<b>17.35</b>	<b>2.88</b>	<b>13.50</b>	<b>1,965.49</b>

# Refer Note 51D

\* In accordance with Schedule II of the Companies Act, 2013, the Company has reassessed the estimated useful life of certain class of assets through technical evaluation during the year. The reassessed estimated useful life is in line with the existing useful life of the assets used by the Company for the purpose of depreciation. This reassessment does not materially impact the financials of the Company.

# Deductions/ adjustments includes the following Tangible Assets held for disposal (Refer Note 17): (₹ in Crores)

Tangible Assets	Gross Block	Accumulated Depreciation	Accumulated Impairment	Net Block
Freehold Land	2.07	Nil	Nil	2.07
Plant and Equipment	33.92	26.53	4.60	2.79
Tinting Systems	2.94	2.23	0.70	0.01

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 11 : NON-CURRENT INVESTMENTS	Nos.	Face value (₹)	Non-Current		Current	
			As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>I. Unquoted</b>						
<b>A. Trade Investments:</b>						
<b>1. Investment in Equity shares</b>						
(a) Patancheru Enviro-tech Limited	12,900	10	0.01	0.01	-	-
(b) SIPCOT Common Utilities Limited	2,830	100	0.03	0.03	-	-
(c) Narmada Clean Tech Limited	4,97,833	10	0.50	0.50	-	-
(d) Paints and Coatings Skill Council (10 shares allotted for cash at face value, during the year)	10	25,000	0.03	-	-	-
			<b>0.57</b>	<b>0.54</b>	-	-
<b>B. Other Investments:</b>						
<b>1. Investment in Equity shares</b>						
<b>(i) Subsidiary Companies</b>						
(a) Asian Paints Industrial Coatings Limited	3,04,50,000	10	30.45	30.45	-	-
(b) Asian Paints (International) Limited, Mauritius.  (93,17,390 shares of face value US \$ 1 per share allotted for cash at a premium of US \$ 1.3 per share pursuant to additional equity infusion during the year) Less: Provision for Diminution Opening provision Reversal of provision (Refer Note 51E)	3,32,62,834  (2,39,45,444)	US \$ 1	256.24	113.07	-	-
			<b>256.24</b>	<b>113.07</b>	-	-
(c) Asian Paints (Nepal) Private Limited, Nepal.	16,27,155	NPR 10	0.12	0.12	-	-
(d) Maxbhumi Developers Limited	4,19,000	10	15.55	15.55	-	-
(e) Multifacet Infrastructure (India) Limited (under voluntary winding up) Less: Provision for Diminution during the year (Refer Note 51B)	50,000	10 0.05	-	0.05	-	-
(f) Sleek International Private Limited Less: Provision for Diminution during the year (Refer Note 51A)	62,312	10 119.48	54.18	119.48	-	-
			<b>356.54</b>	<b>278.72</b>	-	-
<b>(ii) Joint Ventures</b>						
(a) PPG Asian Paints Private Limited	2,85,18,112	10	81.43	81.43	-	-
(b) Asian Paints PPG Private Limited	52,43,961	10	30.47	30.47	-	-
			<b>111.90</b>	<b>111.90</b>	-	-
<b>(iii) Other Entities</b>						
SKH Metals Limited	62,500	10	0.50	0.50	-	-
			<b>468.94</b>	<b>391.12</b>	-	-
<b>2. Investment in Government Securities</b>						
National Savings Certificates, Indira Vikas Patra and Defence Certificates deposited With Government Authorities *[₹ 39,500 (Previous year ₹ 39,500)]			*	*	-	-
<b>Total Non-Current Unquoted Investments (I)</b>			<b>469.51</b>	<b>391.66</b>	-	-

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 11 : NON-CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	Non-Current		Current	
			As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>II. Quoted</b>						
<b>1. Investment in Equity Shares</b>						
Akzo Nobel India Limited	20,10,626	10	41.30	41.30	-	-
Housing Development Finance Corporation Limited	4,65,000	2	0.12	0.12	-	-
Apcotex Industries Limited	13,672	5	0.01	0.01	-	-
(6,836 shares allotted pursuant to issue of bonus shares during the year)	(6,836)					
			41.43	41.43	-	-
<b>2. Investment in Mutual Funds</b>						
DWS Fixed Maturity Plan Series 53 - Direct Plan - Growth (1,40,00,000 units matured during the year)	(1,40,00,000)	10	-	-	-	14.00
BIRLA Sun Life Fixed Term Plan Series KE - Growth. Direct (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
HDFC Fixed Maturity Plan Series 29 Direct Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
IDFC Fixed Term Plan Series 66 Direct Plan - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
KOTAK Fixed Maturity Plan Series 133 Direct Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
LIC Nomura MF Fixed Maturity Plan Series 77 - Direct Growth Plan (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
RELIANCE Fixed Horizon Fund XXV - Series 17 - Direct Plan - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
RELIANCE Fixed Horizon Fund XXV - Series 16 - Direct Plan - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
SUNDARAM Fixed Term Plan EU Direct Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
AXIS Fixed Term Plan - Series 49 - Direct Growth - Z7DG (80,00,000 units matured during the year)	(80,00,000)	10	-	-	-	8.00
DWS Fixed Maturity Plan Series - 45 - Direct Plan Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	-	-	5.00
SBI Debt Fund Series A2 - Direct Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	-	-	5.00
RELIGARE Invesco Fixed Maturity Plan Series 22 Direct Plan Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	-	-	5.00
IDFC Yearly Series Interval Fund Regular Plan Series - II Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	-	-	5.00
ICICI Prudential Interval Fund Annual Interval Plan IV - Direct Plan (33,17,035 units matured during the year)	(33,17,035)	15	-	-	-	5.00
ICICI Prudential Interval Fund Series VII Annual Interval Plan C - Direct Plan - Cumulative (80,00,000 units matured during the year)	(80,00,000)	10	-	-	-	8.00
ICICI Prudential Fixed Maturity Plan - Series 73 - Plan T Direct Plan Cumulative (2,00,00,000 units matured during the year)	(2,00,00,000)	10	-	-	-	20.00
Kotak Fixed Maturity Plan - Series 155 - Direct - Growth (2,00,00,000 units matured during the year)	(2,00,00,000)	10	-	-	-	20.00
Reliance Fixed Horizon Fund XXVI - Series 8 - Direct Plan - Growth Plan (2,00,00,000 units matured during the year)	(2,00,00,000)	10	-	-	-	20.00



# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 11 : NON-CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	Non-Current		Current	
			As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Tata Fixed Maturity Plan - Series 47 - Scheme J - Direct Plan - Growth (1,30,00,000 units matured during the year)	(1,30,00,000)	10	-	-	-	13.00
Reliance Fixed Horizon Fund XXIV - Series 25 - Direct Plan - Growth	2,00,00,000	10	-	20.00	20.00	-
SBI Debt Fund Series 45 DP Growth	50,00,000	10	-	5.00	5.00	-
Birla Sunlife Fixed Term Plan-Series JA - Growth Direct	2,00,00,000	10	-	20.00	20.00	-
UTI Fixed Term Income Fund Series XVII - Direct Growth Plan	2,00,00,000	10	-	20.00	20.00	-
IDFC Fixed Term Plan Series 49 Direct Plan - Growth	1,10,00,000	10	-	11.00	11.00	-
RELIGARE Invesco Fixed Maturity Plan Series XXI Plan E Direct Plan	2,10,00,000	10	-	21.00	21.00	-
HDFC FMP December 2013 (2) Series -29 Direct Growth	80,00,000	10	-	8.00	8.00	-
SBI Debt Fund Series 49 DP Growth	3,10,00,000	10	-	31.00	31.00	-
Reliance Fixed Horizon Fund XXV - Series 4 - Direct Plan - Growth Plan	1,00,00,000	10	-	10.00	10.00	-
Tata Fixed Maturity Plan Series 45 Scheme C- Direct Plan - Growth	60,00,000	10	-	6.00	6.00	-
Birla Sun Life Interval Income Fund-Annual Plan IX - Growth - Direct	1,50,00,000	10	-	15.00	15.00	-
ICICI Prudential Fixed Maturity Plan Series 73- Plan B Direct Plan Cumulative	1,00,00,000	10	10.00	10.00	-	-
Religare Invesco Fixed Maturity Plan - Series XXV Plan A- Direct Plan	2,00,00,000	10	20.00	20.00	-	-
Reliance Fixed Horizon Fund XXVIII - Series 4 - Direct Plan - Growth	80,00,000	10	8.00	8.00	-	-
ICICI Prudential Fixed Maturity Plan - Series 76- Plan F Direct Plan Cumulative	2,00,00,000	10	20.00	20.00	-	-
Sundaram Fixed Term Plan - Plan GU - Direct - Growth	2,00,00,000	10	20.00	20.00	-	-
ICICI Prudential Fixed Maturity Plan - Series 76 - Plan G - Direct Plan Cumulative	1,00,00,000	10	10.00	10.00	-	-
Kotak Fixed Maturity Plan - Series 171 - Direct - Growth	1,00,00,000	10	10.00	10.00	-	-
Reliance Fixed Horizon Fund XXVIII - Series 7 - Direct Plan - Growth	1,50,00,000	10	15.00	15.00	-	-
HDFC FMP - February 2015 (1) - Direct Growth - Series 33	1,00,00,000	10	10.00	10.00	-	-
Religare Invesco Fixed Maturity Plan - Series XXV - Plan D - Direct Plan	1,00,00,000	10	10.00	10.00	-	-
DWS Fixed Maturity Plan - Series 85 - Direct Plan - Growth	50,00,000	10	5.00	5.00	-	-
DWS Fixed Maturity Plan - Series 87 - Direct Plan - Growth	1,50,00,000	10	15.00	15.00	-	-
Religare Invesco Fixed Maturity Plan - Series XXV - Plan F - Direct Plan	1,00,00,000	10	10.00	10.00	-	-
Sundaram FTP - Plan GW - Direct Plan - Growth	2,00,00,000	10	20.00	-	-	-
SBI Magnum DFS - B - 16 - Direct Plan - Growth	2,50,00,000	10	25.00	-	-	-
SBI Magnum DFS - B - 17 - Direct Plan - Growth	2,00,00,000	10	20.00	-	-	-
SBI Magnum DFS - B - 26 - Direct Plan- Growth	1,50,00,000	10	15.00	-	-	-
Reliance Fixed Horizon Fund 29 - Series 10 - Direct Plan - Growth	1,60,00,000	10	16.00	-	-	-
Reliance Fixed Horizon Fund 29 - Series 14 - Direct Plan - Growth	1,00,00,000	10	10.00	-	-	-
Reliance Fixed Horizon Fund 29 - Series 18 - Direct Plan - Growth	1,00,00,000	10	10.00	-	-	-
Reliance Fixed Horizon Fund 28 - Series 19 - Direct Plan - Growth	1,00,00,000	10	10.00	-	-	-
Sundaram Fixed Term Plan - Plan HA - Direct Plan - Growth	2,00,00,000	10	20.00	-	-	-
Sundaram Fixed Term Plan - Plan HB - Direct Plan - Growth	2,00,00,000	10	20.00	-	-	-
ICICI Prudential Fixed Maturity Plan - S 78 - Plan E - Direct Plan	1,50,00,000	10	15.00	-	-	-
UTI Fixed Term Income Fund - Series XXIII - Plan 15 - Direct Plan	1,50,00,000	10	15.00	-	-	-
UTI Fixed Term Income Fund - Series XXIII - Plan 7 - Direct Plan	70,00,000	10	7.00	-	-	-
Religare Invesco FMP - Series XXVII - Plan A - Direct Plan	70,00,000	10	7.00	-	-	-
Kotak Fixed Maturity Plan - Series 182 - Direct Plan - Growth	1,20,00,000	10	12.00	-	-	-

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 11 : NON-CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	Non-Current		Current	
			As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Religare Invesco Fixed Maturity Plan - Series XXVI - Plan E - Direct Plan	1,50,00,000	10	15.00	-	-	-
HDFC Fixed Maturity Plan - January 2016 (35) - 1 - Direct Plan - Growth	1,50,00,000	10	15.00	-	-	-
SBI Debt Fund Series A2 - 15 Months Direct Growth	50,00,000	10	5.00	-	-	-
			420.00	330.00	167.00	208.00
Amount included under the head " Current Investment " ( Refer Note 13 )					(167.00)	(208.00)
			420.00	330.00	-	-
<b>3. Investment in Debt Instruments</b>						
7.93 % Rural Electrification Corporation (REC) Tax Free Bond	1,22,476	1,000	12.25	12.25	-	-
8.20 % Power Finance Corporation (PFC) Tax Free Bond	1,00,000	1,000	10.07	10.07	-	-
7.11 % Power Finance Corporation (PFC) Tax Free Bond	51,341	1,000	5.13	-	-	-
11.50% L&T Finance Limited Perpetual 2021	50	10,00,000	5.32	5.32	-	-
7.11% NTPC Limited Tax Free Bond	62,457	1,000	6.25	-	-	-
7.07 % Indian Railway Finance Corporation Limited (IRFC) Tax Free Bond	2,26,500	1,000	22.65	-	-	-
7.14% National Highways Authority of India (NHA) Tax Free Bond	1,42,849	1,000	14.28	-	-	-
			75.95	27.64	-	-
<b>Total Non-Current Quoted Investments (II)</b>			<b>537.38</b>	<b>399.07</b>	-	-
<b>Total Non-Current Investments (I) + (II)</b>			<b>1,006.89</b>	<b>790.72</b>	-	-
<b>Aggregate market value of Non-Current Quoted Investments:</b>			<b>850.13</b>	<b>726.88</b>	-	-
Figures in brackets indicate that of previous year						

(₹ in Crores)

NOTE 12 : LOANS AND ADVANCES	Long-term		Short-term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>A. Secured and Considered good:</b>				
Capital Advances <sup>#</sup>	1.34	63.00	-	-
<b>B. Unsecured and Considered good:</b>				
(a) Capital Advances	11.84	58.60	-	-
(b) Sundry Deposits	60.87	45.28	8.90	11.21
(c) Loans and advances to related parties				
i) Loan to Maxbhumi Developers Limited (Wholly owned subsidiary) (Refer Note 41)	0.20	-	-	-
(d) Other loans and advances				
i) Advances/claims recoverable in cash or in kind	21.83	26.45	83.39	110.64
ii) Advance payment of Income Tax (Net)	15.15	16.21	-	-
iii) Balances with Government authorities				
- CENVAT credit receivable	-	-	106.36	69.66
- Service tax credit receivable	-	-	19.75	11.61
iv) Advances to employees	-	-	3.51	2.31
<b>TOTAL</b>	<b>111.23</b>	<b>209.54</b>	<b>221.91</b>	<b>205.43</b>

# Secured against bank guarantee.

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 13 : CURRENT INVESTMENTS	Nos.	Face value (₹)	As at 31.03.2016	As at 31.03.2015
<b>Quoted</b>				
<b>A. Current Portion of Long Term Investment (valued at cost)</b> (Refer Note 11)			167.00	208.00
<b>B. Current Investments (Valued at lower of cost and fair value)</b>				
<b>(1) Investments in Liquid Mutual Funds:</b>				
HDFC Floating Rate Income Fund - Wholesale Option - Growth (1,32,06,031 units matured during the year)	(1,32,06,031)	10	-	31.59
Religare Invesco Ultra Short Term Fund - Direct Plan - Growth (2,33,907 units matured during the year)	(2,33,907)	1,000	-	45.33
ICICI Prudential Flexible Income - Regular Plan - Growth (4,83,383 units matured during the year)	(4,83,383)	100	-	12.70
IDFC Ultra Short Term Fund - Regular Plan - Growth (1,21,50,692 units matured during the year)	(1,21,50,692)	10	-	23.70
Birla Sun Life Savings Fund - Growth - Regular Plan (54,86,803 units matured during the year)	(54,86,803)	100	-	147.42
ICICI Prudential Money Market Fund - Regular Plan - Growth (11,91,821 units matured during the year)	(11,91,821)	100	-	23.02
Axis Liquid Fund - Growth - CFGP (2,14,131 units matured during the year)	(2,14,131)	1,000	-	33.15
JM High Liquidity Fund - Growth Option (81,48,017 units matured during the year)	(81,48,017)	10	-	31.07
JPMorgan India Liquid Fund - Super Institutional Plan - Growth Option (2,32,43,465 units matured during the year)	(2,32,43,465)	10	-	42.07
Sundaram Money Fund - Regular - Growth (47,66,498 units matured during the year)	(47,66,498)	10	-	14.04
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth (5,25,46,750 units matured during the year)	(5,25,46,750)	10	-	97.30
Kotak Treasury Advantage Fund - Growth (Regular Plan) (77,88,251 units matured during the year)	(77,88,251)	10	-	17.32
L&T Liquid Fund - Growth (2,10,967 units matured during the year)	(2,10,967)	1,000	-	40.42
LIC Nomura MF Liquid Fund - Growth Plan - LICLF (2,34,817 units matured during the year)	(2,34,817)	1,000	-	59.45
Reliance Liquid Fund - Cash Plan - Direct Growth Plan -CPAG (1,47,404 units matured during the year)	(1,47,404)	1,000	-	33.19
SBI Magnum Insta Cash Fund - Regular Plan - Growth (84,211 units matured during the year)	(84,211)	1,000	-	26.01
Tata Money Market Fund - Plan A - Growth (1,28,661 units matured during the year)	(1,28,661)	1,000	-	28.29
Franklin India Low Duration Fund - Direct - Growth (6,62,60,519 units matured during the year)	(6,62,60,519)	10	-	101.99
Baroda Pioneer Liquid Fund - Plan A - Growth	6,19,888	1,000	107.41	-
Birla Sun Life Savings Fund - Direct Plan- Growth	53,28,516	100	156.29	-

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

<b>NOTE 13 : CURRENT INVESTMENTS (Contd.)</b>	Nos.	Face value (₹)	<b>As at 31.03.2016</b>	As at 31.03.2015
DHFL Pramerica Insta Cash Plus Fund - Growth	12,71,204	100	24.94	-
DHFL Pramerica Ultra Short-Term Fund - Direct Plan- Growth	4,90,13,941	10	89.91	-
HDFC Liquid Fund - Growth	54,130	1,000	16.14	-
ICICI Prudential Flexible Income Plan - Direct Plan - Growth	36,01,946	100	103.12	-
IDFC Cash Fund - Regular - Growth	1,20,277	1,000	22.09	-
JM High Liquidity - Growth	4,03,14,775	10	166.45	-
L&T Liquid Fund - Growth	1,73,776	1,000	36.01	-
LIC Nomura MF Liquid Fund - Growth	2,53,964	1,000	69.55	-
Reliance Medium Term Fund - Direct Plan - Growth	70,06,886	10	22.19	-
Religare Invesco Credit Opportunities Fund - Growth	5,67,965	1,000	98.19	-
SBI Magnum Insta Cash - Cash Plan	29,930	1,000	10.00	-
SBI Ultra Short Term Debt Fund - Direct Plan - Growth	2,58,462	1,000	50.32	-
Tata Liquid Fund - Regular - Growth	39,576	1,000	11.03	-
Tata Money Market Fund - Regular - Growth	3,00,338	1,000	71.43	-
UTI Money Market - IP - Growth	1,00,705	1,000	17.04	-
Axis Liquid Fund - Growth	6,01,205	1,000	100.68	-
Reliance Interval Fund - Quarterly Series II - Direct Plan - Growth	97,57,573	10	20.00	-
UTI FTIF - Series XXIV - Plan 7 - Direct Plan - Growth	50,00,000	10	5.00	-
			<b>1,197.79</b>	<b>808.06</b>
<b>(2) Investment with original maturity more than three months but less than twelve months</b>				
ICICI Prudential Fixed Maturity Plan - S 78 - Plan L - Direct Plan - Growth	1,00,00,000	10	10.00	-
UTI Fixed Income Interval Fund - Quarterly Plan III - Direct - Growth	1,23,81,938	10	25.00	-
HDFC Fixed Maturity Plan - March 2016 (35) - 1 - Direct Plan - Growth	1,50,00,000	10	15.00	-
ICICI Prudential Interval Fund Annual Interval Plan IV - Direct Plan	33,17,035	15	5.00	-
IDFC Yearly Series Interval Fund Regular Plan Series - II Growth	50,00,000	10	5.00	-
ICICI Prudential Interval Fund Series VII Annual Interval Plan C - Direct Plan - Cumulative	80,00,000	10	8.00	-
HDFC Fixed Maturity Plan- February 2015 (1) - Direct - Growth - Series 33	(1,20,00,000)	10	-	12.00
(1,20,00,000 units matured during the year)				
KOTAK Quarterly Interval Plan Series 6- Direct Plan - Growth	(1,43,14,097)	10	-	25.00
(1,43,14,097 units matured during the year)				
ICICI Prudential Interval Fund III - Quarterly Interval - Direct Plan - Growth	(1,68,43,069)	10	-	25.00
(1,68,43,069 units matured during the year)				
Reliance Quarterly Interval Fund - Series II - Direct Growth Plan Growth Option - K5AG	(1,32,11,855)	10	-	25.00
(1,32,11,855 units matured during the year)				
			<b>68.00</b>	<b>87.00</b>
<b>Total Quoted Current Investment</b>			<b>1,432.79</b>	<b>1,103.06</b>
<b>Total Current Investments</b>			<b>1,432.79</b>	<b>1,103.06</b>
Aggregate market value of quoted current investments			<b>1,477.00</b>	<b>1,127.40</b>

Figures in brackets indicate that of previous year.

# NOTES TO FINANCIAL STATEMENTS

		(₹ in Crores)	
<b>NOTE 14 : INVENTORIES</b>		<b>As at</b>	<b>As at</b>
(At lower of cost and net realisable value)		<b>31.03.2016</b>	<b>31.03.2015</b>
(a)	Raw materials	455.11	496.72
	Raw materials-in-transit	79.23	44.79
		<b>534.34</b>	<b>541.51</b>
(b)	Packing materials	40.13	35.63
(c)	Finished goods	775.99	1,008.49
	Finished goods-in-transit	2.42	1.04
		<b>778.41</b>	<b>1,009.53</b>
(d)	Work-in-progress (Refer Note 29)	64.47	91.90
(e)	Stores, spares and consumables	57.75	52.63
(f)	Stock-in-trade (acquired for trading)	134.52	70.32
	Stock-in-trade (acquired for trading) in-transit	0.50	0.66
		<b>135.02</b>	<b>70.98</b>
<b>TOTAL</b>		<b>1,610.12</b>	<b>1,802.18</b>

		(₹ in Crores)	
<b>NOTE 15 : TRADE RECEIVABLES</b>		<b>As at</b>	<b>As at</b>
		<b>31.03.2016</b>	<b>31.03.2015</b>
<b>Unsecured</b>			
(a)	Overdue for more than six months		
	Considered good	3.16	2.99
	Considered doubtful	9.07	6.71
		<b>12.23</b>	<b>9.70</b>
(b)	Others		
	Considered good	755.90	726.56
	Considered doubtful	1.05	0.07
		<b>756.95</b>	<b>726.63</b>
		<b>769.18</b>	<b>736.33</b>
	Less : Provision for doubtful trade receivables	10.12	6.78
<b>TOTAL</b>		<b>759.06</b>	<b>729.55</b>

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 16 : CASH AND BANK BALANCES	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>A. Cash and cash equivalents</b>				
(a) Cash on hand	-	-	0.06	0.05
(b) Balances with Banks :				
(i) Current Accounts #	-	-	2.13	22.58
(ii) Cash Credit Account ##	-	-	6.42	1.60
(iii) Deposits with original maturity of less than 3 months	-	-	43.51	-
(c) Cheques on hand	-	-	24.63	30.40
	-	-	<b>76.75</b>	<b>54.63</b>
<b>B. Other Bank balances</b>				
(a) Term deposit with original maturity for more than 3 months but less than 12 months	-	-	70.04	0.04
(b) Unpaid dividend and sales proceeds of Fractional Bonus Shares account *	-	-	8.23	7.17
(c) Term deposits held as margin money against bank guarantee and other commitments	0.01	0.02	-	-
	<b>0.01</b>	<b>0.02</b>	<b>78.27</b>	<b>7.21</b>
Amount included under the head "Non-Current Assets" (Refer Note 17 )	(0.01)	(0.02)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>155.02</b>	<b>61.84</b>

# Overdraft in current account carries interest rate @ 12.50% p.a.

## Secured by hypothecation of inventories and trade receivable and carries interest rate @ 10.25% p.a

\* The Company can utilise these balances only towards settlement of unclaimed dividend and fractional bonus.

(₹ in Crores)

NOTE 17 : OTHER ASSETS	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Non-current bank balances (Refer Note 16 )	0.01	0.02	-	-
Interest accrued on Non current investment	-	-	2.32	0.01
Interest accrued on Term deposits	-	-	5.76	1.39
Interest accrued on Sundry deposits	-	-	0.75	0.51
Quantity discount receivable	-	-	126.87	81.60
Royalty receivable	-	-	40.12	17.80
Due from Subsidiaries Companies	-	-	11.48	7.26
Due from Joint Venture Companies	-	-	5.99	5.55
Duty Credit Entitlement	-	-	0.90	6.20
Unamortised premium on forward exchange contracts	-	-	0.01	-
Subsidy Receivable from State Government	30.53	17.06	119.48	119.04
Tangible assets held for disposal (Refer Note 10)	-	-	0.96	4.87
Other Receivables	-	-	4.02	5.22
<b>TOTAL</b>	<b>30.54</b>	<b>17.08</b>	<b>318.66</b>	<b>249.45</b>

# NOTES TO FINANCIAL STATEMENTS

	(₹ in Crores)	
	Year 2015-16	Year 2014-15
<b>NOTE 18(A): REVENUE FROM SALE OF GOODS AND SERVICES</b>		
<b>Sale of goods:</b>		
Home Market (Net of Returns)	14,701.64	13,431.93
Exports	49.10	51.89
Turnover	14,750.74	13,483.82
Less: Discounts	771.22	614.94
<b>Sale of goods (Net of Discounts)</b>	<b>13,979.52</b>	<b>12,868.88</b>
<b>Sale of services:</b>		
Revenue from Home Solutions operations	9.69	7.83
Colour Consultancy Income	2.94	2.09
<b>TOTAL</b>	<b>13,992.15</b>	<b>12,878.80</b>
<b>NOTE 18(B) : OTHER OPERATING REVENUES:</b>		
Processing and service income	45.17	46.07
Scrap sales	7.85	8.03
Subsidy from State Government (Refer Note 45)	134.21	109.06
<b>TOTAL</b>	<b>187.23</b>	<b>163.16</b>

	(₹ in Crores)	
	Year 2015-16	Year 2014-15
<b>NOTE 19 : OTHER INCOME</b>		
(a) Interest		
(i) From Non Current investments	4.02	2.36
(ii) From loan to subsidiary Companies	0.01	0.77
(iii) From others (Refer Note 36)	7.50	2.79
	<b>11.53</b>	<b>5.92</b>
(b) Insurance claims received	0.42	0.26
(c) Dividend received		
(i) From Non Current investments		
- From subsidiary Companies (Refer Note 38)	3.05	2.41
- Other investments	4.77	15.74
(ii) From Current investments	62.48	53.12
	<b>70.30</b>	<b>71.27</b>
(d) Royalty received		
- From Subsidiaries and Joint Venture Companies	42.82	33.02
- Others	0.18	0.18
	<b>43.00</b>	<b>33.20</b>
(e) Profit on sale of long term investments (Net) #	24.70	27.54
(f) Profit on sale of short term investments (Net)	3.81	2.07
(g) Profit on sale of fixed assets (Net)	10.37	0.33
(h) Net gain on foreign currency transactions and translations (Other than considered as finance cost)	2.37	7.53
(i) Other non-operating income	58.80	38.70
<b>TOTAL</b>	<b>225.30</b>	<b>186.82</b>

# As at 31<sup>st</sup> March, 2015, these Long term investments were classified under Current investments as their maturity period was less than 12 months.

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

	Year 2015-16	Year 2014-15
<b>NOTE 20(A) : COST OF MATERIALS CONSUMED</b>		
<b>Raw Materials Consumed</b> (Refer Note 26)		
Opening Stock	541.51	579.12
Add : Purchases	4,785.24	5,115.67
	<b>5,326.75</b>	<b>5,694.79</b>
Less: Closing Stock	534.34	541.51
	<b>4,792.41</b>	<b>5,153.28</b>
<b>Packing Materials Consumed</b>		
Opening Stock	35.63	36.04
Add : Purchases	1,054.38	1,038.03
	<b>1,090.01</b>	<b>1,074.07</b>
Less : Closing Stock	40.13	35.63
	<b>1,049.88</b>	<b>1,038.44</b>
<b>Total Cost of Materials Consumed</b>	<b>5,842.29</b>	<b>6,191.72</b>
<b>NOTE 20(B) : PURCHASES OF STOCK-IN-TRADE</b> (Refer Note 27)		
	<b>524.42</b>	<b>380.56</b>
<b>NOTE 20(C) : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Stock at the beginning of the year</b>		
Finished Goods (including goods-in-transit)	1,009.53	893.86
Work-in-Progress	91.90	77.45
Stock-in-trade- acquired for trading (including goods-in-transit)	70.98	37.80
<b>TOTAL</b>	<b>1,172.41</b>	<b>1,009.11</b>
<b>Stock at the end of the year</b>		
Finished Goods (including goods-in-transit)	778.41	1,009.53
Work-in-Progress	64.47	91.90
Stock-in-trade acquired for trading (including goods-in-transit)	135.02	70.98
<b>TOTAL</b>	<b>977.90</b>	<b>1,172.41</b>
Changes in inventories	194.51	(163.30)
(Decrease)/Increase in Excise duty on finished goods	(31.65)	30.87
<b>Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade</b>	<b>162.86</b>	<b>(132.43)</b>

(₹ in Crores)

	Year 2015-16	Year 2014-15
<b>NOTE 21 : EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	575.03	510.78
Contribution to Provident and other Funds (Refer Note 44)	34.67	50.77
Staff welfare expenses	54.50	45.39
<b>TOTAL</b>	<b>664.20</b>	<b>606.94</b>



# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

<b>NOTE 22 : OTHER EXPENSES</b>	<b>Year 2015-16</b>	<b>Year 2014-15</b>
Consumption of stores, spares and consumables	45.88	37.46
Power and fuel	95.07	109.39
Processing charges	93.50	84.71
Repairs and maintenance:		
Buildings	14.60	18.99
Machinery	22.14	23.41
Other assets	45.65	41.99
	<b>82.39</b>	<b>84.39</b>
Rent	156.13	136.33
Rates and taxes	38.52	32.59
Water charges	4.22	4.49
Insurance	6.88	6.24
Printing, stationery and communication expenses	41.32	36.93
Travelling expenses	92.20	75.19
Donations	2.30	13.05
Corporate social responsibility expenses (Refer Note 53)	34.44	19.01
Commission to Non-Executive Directors	3.66	3.16
Directors' sitting fees	0.80	0.64
Payment to auditors (Refer Note 25)	1.32	1.48
Electricity expenses	8.57	7.45
Bank charges	3.63	4.03
Premium on forward exchange contract	0.64	1.08
Information technology expenses	36.82	27.66
Legal and professional expenses	30.40	28.84
Training and recruitment	37.80	28.62
Freight and handling charges	716.23	628.82
Advertisement and sales promotional expenses	740.05	596.72
Cash discount	596.61	538.86
Bad debts written off	1.98	1.09
Provision for doubtful debts and advances	3.34	1.59
Security expenses	26.60	23.77
Miscellaneous expenses	71.25	57.93
<b>TOTAL</b>	<b>2,972.55</b>	<b>2,591.52</b>

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

<b>NOTE 23 : FINANCE COST</b>	<b>Year 2015-16</b>	<b>Year 2014-2015</b>
Interest on Bank borrowings	0.06	0.07
Interest on Bill discounting	17.17	24.22
Interest on Income Tax	5.18	1.54
Other Interest	0.99	1.30
<b>TOTAL</b>	<b>23.40</b>	<b>27.13</b>

## NOTE 24 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crores)

<b>a. Contingent Liabilities</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
1. Letters of comfort issued to banks on behalf of some of its operating subsidiary Companies	18.16	37.29
2. Claims against the Company not acknowledged as debts		
i. Tax matters in dispute under appeal	150.02	98.37
ii. Others	16.25	12.99
<b>b. Commitments</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
1. Estimated amount of contracts remaining to be executed on capital account and not provided for	113.48	373.11
2. Letters of Credit and Bank guarantees issued by bankers and outstanding as on 31 <sup>st</sup> March, 2016. [Pertaining to capital goods in current year – ₹ 2.98 crores (Previous year – ₹ 35.58 crores)]	53.29	76.52

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts outstanding as at 31<sup>st</sup> March, 2016 are as under:-

Currency	As at 31.03.2016			As at 31.03.2015		
	Number of Contracts	Buy Amount (USD in millions)	Indian Rupee Equivalent (₹ in Crores)	Number of Contracts	Buy Amount (USD in millions)	Indian Rupee Equivalent (₹ in Crores)
USD	67	4.36	28.89	-	-	-

(₹ in Crores)

<b>NOTE 25 : PAYMENT TO AUDITORS (EXCLUDING SERVICE TAX)</b>	<b>Year 2015-2016</b>	<b>Year 2014-2015*</b>
Statutory audit fee	0.85	0.96
Taxation Matters	0.12	0.10
Certification fees and other services	0.27	0.34
For reimbursement of expenses	0.08	0.08
<b>TOTAL</b>	<b>1.32</b>	<b>1.48</b>

\* includes payment to erstwhile joint auditor of the Company

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

<b>NOTE 26 : RAW MATERIALS CONSUMED</b>	<b>Year 2015-2016</b>	<b>Year 2014-2015</b>
Pigments, Extenders, Minerals etc.	1,841.33	1,887.52
Additives	949.32	945.54
Solvents	465.35	730.94
Resins	167.55	167.64
Oils	273.11	287.07
Monomers	647.73	834.00
Others	448.02	300.57
<b>TOTAL</b>	<b>4,792.41</b>	<b>5,153.28</b>

**NOTE 27 :** Purchase of stock-in-trade includes paints, wall putty, wallpapers, colourworld machines, bath fitting accessories and paint application tools.

(₹ in Crores)

## NOTE 28 : STOCK AND TURNOVER

Products	Turnover	Closing Inventory	Opening Inventory
<b>a) Manufactured Goods</b>			
Paints, Enamels and Varnishes	13,747.66 (12,710.95)	761.07 (989.73)	989.73 (883.73)
Others	242.22 (225.33)	17.34 (19.80)	19.80 (10.13)
<b>b) Traded Goods</b>	760.86 (547.54)	135.02 (70.98)	70.98 (37.80)
<b>TOTAL</b>	<b>14,750.74</b> <b>(13,483.82)</b>	<b>913.43</b> <b>(1,080.51)</b>	<b>1,080.51</b> <b>(931.66)</b>

(Figures in bracket indicate that of previous year)

(₹ in Crores)

<b>NOTE 29 : STOCK OF WORK IN PROGRESS</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
Paints, Enamels and Varnishes	62.80	89.01
Others	1.67	2.89
<b>TOTAL</b>	<b>64.47</b>	<b>91.90</b>

(₹ in Crores)

<b>NOTE 30 : CIF VALUE OF IMPORTS</b>	<b>Year 2015-2016</b>	<b>Year 2014-2015</b>
a. Raw Materials	1,662.34	1,676.82
b. Stores, Spares and Consumables	3.60	3.54
c. Capital goods	184.04	18.90
<b>TOTAL</b>	<b>1,849.98</b>	<b>1,699.26</b>

# NOTES TO FINANCIAL STATEMENTS

## NOTE 31 : VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARES CONSUMED AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION

	Year 2015-2016		Year 2014-2015	
	(₹ in Crores)	% to Total	(₹ in Crores)	% to Total
<b>a. Raw materials:</b>				
Imported (including value of consumption of imported raw materials purchased through indigenous sources)	1,646.58	34.36	1,687.50	32.75
Indigenous	3,145.83	65.64	3,465.78	67.25
	<b>4,792.41</b>	<b>100.00</b>	<b>5,153.28</b>	<b>100.00</b>
<b>b. Stores and spares:</b>				
Imported	3.79	8.27	1.80	4.81
Indigenous	42.09	91.73	35.66	95.19
	<b>45.88</b>	<b>100.00</b>	<b>37.46</b>	<b>100.00</b>

## NOTE 32 : NET DIVIDEND REMITTED IN FOREIGN CURRENCY

	Year 2015-2016			Year 2014-2015		
	Number of Non-resident Shareholders	Number of Equity Shares held	Dividend remitted (₹ In Crores)	Number of Non-resident Shareholders	Number of Equity Shares held	Dividend remitted (₹ In Crores)
Final Dividend 2013-2014	-	-	-	14	2,40,280	0.10
Interim Dividend 2014-2015	-	-	-	14	2,40,280	0.04
Final Dividend 2014-2015	14	2,40,280	0.10	-	-	-
Interim Dividend 2015-2016	14	2,40,280	0.05	-	-	-

(₹ in Crores)

NOTE 33 : EXPENDITURE IN FOREIGN CURRENCY		Year 2015-2016	Year 2014-2015
a. Annual maintenance for software		1.79	1.96
b. Professional fees		6.46	9.82
c. Shade cards and other sales promotional Items		11.06	9.79
d. Travelling and Training Expenses		1.36	2.11
e. Royalty		9.73	8.60
f. Interest		0.16	0.16
g. Purchase of Traded Goods		72.53	57.13
h. Others		2.43	4.22
<b>TOTAL</b>		<b>105.52</b>	<b>93.79</b>

# NOTES TO FINANCIAL STATEMENTS

(₹ in Crores)

<b>NOTE 34 : EARNINGS IN FOREIGN CURRENCY</b>	<b>Year 2015-2016</b>	<b>Year 2014-2015</b>
a. Export of own products at FOB value	34.38	36.02
b. Export of traded goods at FOB value	1.32	1.14
c. Royalty (Includes TDS of ₹ 4.78 crores) (TDS of Previous year – ₹ 3.96 crores)	32.89	24.01
d. Other receipts including recoveries from subsidiaries	11.61	10.59
<b>TOTAL</b>	<b>80.20</b>	<b>71.76</b>

(₹ in Crores)

<b>NOTE 35 : EXPENDITURE ON RESEARCH AND DEVELOPMENT</b>	<b>Year 2015-2016</b>	<b>Year 2014-2015</b>
<b>a) Revenue Expenditure</b>		
Employee Cost	39.05	36.08
Depreciation on Equipment and Building	7.47	6.82
Travelling Expenditure	1.90	1.68
Testing and Laboratory Expenditure	1.73	1.62
Power and Fuel	2.87	2.50
Stores and Spares	0.75	0.82
Repairs and Maintenance	1.33	2.64
Materials Consumed	0.47	0.55
Others	12.47	10.42
Foreign Exchange gain	-	(0.06)
<b>TOTAL</b>	<b>68.04</b>	<b>63.07</b>

An amount of ₹ 1.09 crores (Previous Year ₹ 0.80 crores) has been recovered from the Company's Joint Venture Companies towards Research and Development activity carried out on their behalf.

(₹ in Crores)

<b>b) Capital Expenditure</b>	<b>Year 2015-2016</b>	<b>Year 2014-2015</b>
- For Turbhe Research and Development facility	7.11	8.38
- For Cochin Research and Development facility (Land & civil work)	0.01	0.19
<b>TOTAL</b>	<b>7.12</b>	<b>8.57</b>

**NOTE 36 :** Interest includes income from investment in fixed deposits of ₹ 6.78 crores (Previous year – ₹ 1.51 crores) and interest received of ₹ NIL (Previous year – ₹ 0.73 crores) on account of completion/disposal of various assessments/appeals during the year.

# NOTES TO FINANCIAL STATEMENTS

**NOTE 37 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2015-16, to the extent the Company has received intimation from the “Suppliers” regarding their status under the Act.**

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
Principal amount due to micro and small enterprise	17.95	11.63
Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(₹ in Crores)

<b>NOTE 38 : DIVIDEND RECEIVED FROM SUBSIDIARY COMPANIES</b>	Year 2015-2016	Year 2014-2015
Asian Paints (Nepal) Private Limited	3.05	2.41
	<b>3.05</b>	<b>2.41</b>

**NOTE 39 :** The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The foreign currency exposure not hedged are as under:

Currency	Payable (In millions FC)		Receivable (In millions FC)		Payable (₹ in Crores)		Receivable (₹ in Crores)	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
USD	40.98	41.63	16.26	11.11	271.52	260.16	107.70	69.46
EUR	5.30	1.97	0.15	0.08	39.94	13.22	1.10	0.57
SGD	0.01	0.17	0.01	-	0.05	0.79	0.04	-
GBP	0.91	0.02	0.06	-	8.69	0.21	0.60	-
SEK	2.80	0.02	-	-	2.29	0.02	-	-
JPY	15.99	-	-	-	0.94	-	-	-
Others	0.02	0.03	0.08	-	0.14	0.17	0.35	-
					<b>323.57</b>	<b>274.57</b>	<b>109.79</b>	<b>70.03</b>

# NOTES TO FINANCIAL STATEMENTS

**NOTE 40 :** Pursuant to the Accounting Standard (AS - 29) – Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31<sup>st</sup> March, 2016 is as follows:

(₹ in Crores)

	Provision for Excise *		Provision for Sales tax **	
	Year 2015-2016	Year 2014-2015	Year 2015-2016	Year 2014-2015
Opening Balance	1.23	1.27	17.87	11.85
Additions	0.09	0.01	4.78	6.02
Utilizations	(0.09)	(0.03)	-	-
Reversals	(0.27)	(0.02)	-	-
Closing Balance	0.96	1.23	22.65	17.87

These provisions represent estimates made mainly for probable claims arising out of litigations/disputes pending with authorities under various statutes (Excise duty, Sales tax). The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Company is not able to reasonably ascertain the timing of the outflow.

\* Excise provisions made towards matters disputed at various appellate levels.

\*\* Sales tax provisions made towards non receipt of C Forms and towards matters disputed at various appellate levels.

## **NOTE 41 : (a) DISCLOSURE AS PER REGULATION 53(F) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS**

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

(₹ in Crores)

Name of the party	Relationship	Amount outstanding as at 31.03.2016	Maximum balance outstanding during the year
Maxbhumi Developers Limited	Wholly Owned Subsidiary	0.20 -*	0.20 (15.07)

The above loan was given to the subsidiary for its business activities. (\*Refer Note 50).

The loanee does not have any investment in the shares of the Company.

Figures in brackets refer to previous year.

## **(b) DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013:**

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- Details of investment made are given in Note 11 and 13.
- Details of loans given by the Company are as follows:

(₹ in Crores)

Name of entity	Relationship	Amount as at 31.03.2016	Amount as at 31.03.2015
Maxbhumi Developers Limited	(Wholly Owned Subsidiary Company)	0.20	-

- There are no guarantees issued by your Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 42 : PURSUANT TO ACCOUNTING STANDARD (AS-19) - LEASES, THE FOLLOWING INFORMATION IS GIVEN

### A. Assets given on operating lease

The Company does not have any assets given on operating lease during the reporting period.

### B. Assets taken on operating lease

a. The Company has taken certain assets such as Vehicles, Computers and Information Technology hardware on an operating lease basis. The lease rentals are payable by the Company on a monthly or quarterly basis.

b. Future minimum lease rentals payable as at 31<sup>st</sup> March, 2016 as per the lease agreements:

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
i) Not later than one year	8.67	8.22
ii) Later than one year and not later than five years	12.46	10.99
iii) Later than five years	-	-
<b>TOTAL</b>	<b>21.13</b>	<b>19.21</b>

c. Lease payments recognised in the Statement of Profit and Loss for the period is ₹ 10.15 crores (Previous year ₹ 9.10 crores).



# NOTES TO FINANCIAL STATEMENTS

**NOTE 43 :** Pursuant to Accounting Standard (AS-27) – Financial Reporting of Interests in Joint Ventures, the disclosures relating to the two Joint Venture Companies viz., PPG Asian Paints Private Limited and Asian Paints PPG Private Limited (both hereinafter referred to as JVs) are as follows:

- The proportion of interest of the Company in the JVs is by way of equal equity participation with PPG Industries Securities Inc., U.S.A.
- The aggregate amount of interests in the JVs as at 31<sup>st</sup> March, 2016 is as follows:

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
<b>a) Details of Assets</b>		
<b>Non-current assets</b>		
Tangible assets	59.48	66.65
Intangible assets	0.51	1.34
Capital work in progress	4.21	0.44
Goodwill on consolidation	1.43	1.43
Long-term loans and advances	53.60	39.65
Other non current assets	1.97	2.22
<b>Current assets</b>		
Current investments	23.83	2.80
Inventories	128.51	123.35
Trade receivables	150.24	137.10
Cash and bank balance	8.45	6.31
Short-term loans and advances	23.65	20.68
Other current assets	0.64	0.29
<b>b) Details of Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liability (Net)	3.02	1.69
Long term provision	6.34	5.91
<b>Current liabilities</b>		
Trade payables	97.89	85.32
Other current liabilities	22.30	19.79
Short-term provisions	3.54	2.21
	Year 2015-16	Year 2014-2015
<b>c) Details of Income</b>		
Revenue from operations	671.62	637.62
Other income	3.77	3.16
<b>d) Expenses</b>		
Cost of materials consumed	348.48	360.00
Purchases of stock-in-trade	74.43	64.55
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(0.20)	(2.92)
Employee benefits expense	48.70	48.97
Finance costs	0.26	0.21
Depreciation and amortization expenses	7.78	7.41
Other expenses	146.03	129.79
Tax expenses	13.66	7.37
	As at 31.03.2016	As at 31.03.2015
<b>e) Other Matters</b>		
Contingent Liabilities	30.42	24.43
Capital Commitments	3.53	2.82
Other Commitments	2.22	3.83

# NOTES TO FINANCIAL STATEMENTS

## NOTE 44 : EMPLOYEE BENEFITS

### 1) Short term employee benefits:

The liability towards short-term employee benefits for the year ended 31<sup>st</sup> March, 2016 has been recognized in the Statement of Profit and Loss.

### 2) Post-employment benefits:

The following disclosures are made in accordance with AS-15 (Revised) pertaining to Defined Benefit Plans:

#### a) Gratuity, Pension and Post Retirement Medical Benefit:

(₹ in Crores)

Amount recognised in Balance Sheet	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical Benefit (Unfunded Plan)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Present value of funded obligations	145.24	130.70	-	-	-	-
Fair value of plan assets	(145.03)	(128.74)	-	-	-	-
Present value of unfunded obligations	-	-	2.28	2.53	1.29	1.25
<b>Net Liability</b>	<b>0.21</b>	<b>1.96</b>	<b>2.28</b>	<b>2.53</b>	<b>1.29</b>	<b>1.25</b>
Amounts in Balance Sheet						
Liability	0.21	1.96	2.28	2.53	1.29	1.25
Assets	-	-	-	-	-	-
<b>Net Liability</b>	<b>0.21</b>	<b>1.96</b>	<b>2.28</b>	<b>2.53</b>	<b>1.29</b>	<b>1.25</b>
<b>Expense Recognised in the Statement of Profit &amp; Loss</b>						
Opening defined benefit obligation less benefits paid	-	-	-	-	-	-
Current service cost	10.34	10.01	-	-	0.06	0.06
Interest on defined benefit obligation	10.08	8.77	0.18	0.21	0.09	0.11
Expected return on plan assets	(10.00)	(8.56)	-	-	-	-
Net actuarial (gains)/losses recognized in year	(2.75)	14.00	0.01	0.20	(0.05)	(0.06)
Past service cost	0.83	2.88	-	-	-	-
<b>Total, included in "Employee Benefit Expense"</b>	<b>8.50</b>	<b>27.10</b>	<b>0.19</b>	<b>0.41</b>	<b>0.10</b>	<b>0.11</b>
Actual return on plan assets	11.57	17.49	-	-	-	-
<b>Reconciliation of benefit obligations and plan assets for the Period</b>						
<b>Change in defined benefit obligation</b>						
<b>Opening defined benefit obligation</b>	<b>130.70</b>	<b>95.67</b>	<b>2.53</b>	<b>2.57</b>	<b>1.25</b>	<b>1.20</b>
Current service cost	10.34	10.01	-	-	0.06	0.06
Interest cost	10.08	8.77	0.18	0.21	0.09	0.11
Actuarial (gains)/losses	(1.17)	22.92	0.01	0.20	(0.05)	(0.06)
Past Service Cost	0.83	2.88	-	-	-	-
Benefits paid	(5.54)	(9.55)	(0.44)	(0.45)	(0.06)	(0.06)
<b>Closing defined benefit obligation</b>	<b>145.24</b>	<b>130.70</b>	<b>2.28</b>	<b>2.53</b>	<b>1.29</b>	<b>1.25</b>
<b>Change in fair value of assets</b>						
<b>Opening fair value of plan assets</b>	<b>128.74</b>	<b>97.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Expected return on plan assets	10.00	8.56	-	-	-	-
Actuarial gains	1.58	8.92	-	-	-	-
Contributions by employer	10.25	23.00	0.44	0.45	0.06	0.06
Benefits paid	(5.54)	(9.55)	(0.44)	(0.45)	(0.06)	(0.06)
<b>Closing fair value of plan assets</b>	<b>145.03</b>	<b>128.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NOTES TO FINANCIAL STATEMENTS

## NOTE 44 : EMPLOYEE BENEFITS (Contd.)

### 2) Post-employment benefits: (Contd.)

#### a) Gratuity, Pension and Post Retirement Medical Benefit: (Contd.)

#### Assets information – Broad Category of Plan Assets as a Percentage of total assets of Gratuity Plan

Category of assets	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Government of India securities	54%	52%	-	-	-	-
Corporate bonds	42%	47%	-	-	-	-
Equity shares of Listed Companies	0%	0%	-	-	-	-
Others (Deposit with Central Government under Special Deposit Scheme, equity and liquid mutual funds)	4%	1%	-	-	-	-
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	-	-	-	-
<b>Summary of the actuarial assumptions</b>						
Discount Rate	7.87%	7.78%	7.87%	7.78%	7.87%	7.78%
Expected Rate of Return on Plan Assets	8.50%	8.50%	-	-	-	-

- Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
- Expected Rate of Return on Plan Assets:** This is based on the expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.
- Salary Escalation Rate:** The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

	As at 31.03.2016	As at 31.03.2015
Salary Escalation Rate for Gratuity (Funded Plan)	All Grades- 11.00% for first 2 years 10.00% for next 3 years 8.00% thereafter	All Grades- 12.00% for first year 11.00% for next 2 years 10.00% for next 3 years 8.00% thereafter

#### Experience Adjustments for the current and previous four periods

(₹ in Crores)

Gratuity (Funded)	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Defined Benefit Obligation	145.24	130.70	95.67	96.42	84.15
Plan Assets	145.03	128.74	97.81	90.32	80.01
Surplus/(Deficit)	(0.21)	(1.96)	2.14	(6.10)	(4.14)
Experience adjustment on plan liabilities	(0.86)	0.91	(1.68)	0.95	0.22
Experience adjustment on plan assets	1.58	(8.92)	(5.86)	3.07	0.32

# NOTES TO FINANCIAL STATEMENTS

## NOTE 44 : EMPLOYEE BENEFITS (Contd.)

### 2) Post-employment benefits: (Contd.)

#### a) Gratuity, Pension and Post Retirement Medical Benefit: (Contd.)

(₹ in Crores)

Pension (Unfunded)	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Defined Benefit Obligation	2.28	2.53	2.57	2.89	3.07
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(2.28)	(2.53)	(2.57)	(2.89)	(3.07)
Experience adjustment on plan liabilities	(0.02)	(0.13)	0.05	(0.07)	0.01
Experience adjustment on plan assets	-	-	-	-	-

Post-Retirement Medical Benefit (Unfunded)	As at 31.03.2016	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
Defined Benefit Obligation	1.29	1.25	1.20	1.25	1.17
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(1.29)	(1.25)	(1.20)	(1.25)	(1.17)
Experience adjustment on plan liabilities	(0.03)	(0.26)	(0.02)	(0.04)	(0.18)
Experience adjustment on plan assets	-	-	-	-	-

#### Notes:

- i) The gratuity fund assets and liabilities are managed by Asian Paints (India) Limited Employees' Gratuity Fund.
- ii) The Company estimates that the balance amount to be contributed to the gratuity fund during the financial year 2016-2017 will be ₹ 0.21 crores.

#### b) Provident Fund:

The Provident Fund assets and liabilities are managed by 'Asian Paints Office Provident Fund' and 'Asian Paints Factory Employees Provident Fund' in line with The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The guidance on Implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer established provident fund, which require interest shortfalls to be recompensed, are to be considered as defined benefit plans. The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015.

The Company contributed ₹ 10.29 crores and ₹ 9.18 crores towards Asian Paints Office Provident Fund during the year ended 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015 respectively. The Company contributed ₹ 5.52 crores and ₹ 5.26 crores towards Asian Paints Factory Employees Provident Fund during the year ended 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015 respectively.

# NOTES TO FINANCIAL STATEMENTS

## NOTE 44 : EMPLOYEE BENEFITS (Contd.)

### 2) Post-employment benefits: (Contd.)

#### b) Provident Fund: (Contd.)

The details of the Asian Paints Office Provident Fund and plan assets position as at 31<sup>st</sup> March, 2016 is given below:

(₹ in Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Present value of benefit obligation at period end	197.14	161.75
Plan assets at period end, at fair value, restricted to	197.14	161.75
Asset recognized in balance sheet	-	-

The details of the Asian Paints Factory Employees Provident Fund and plan assets position as at 31<sup>st</sup> March, 2016 is given below:

Particulars	As at 31.03.2016	As at 31.03.2015
Present value of benefit obligation at period end	160.43	137.49
Plan assets at period end, at fair value, restricted to	160.43	137.49
Asset recognized in balance sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

Particulars	As at 31.03.2016	As at 31.03.2015
Discounting Rate	7.87%	7.78%
Expected Guaranteed interest rate	8.80%*	8.75%

\*As against the expected guaranteed interest rate for the FY 2015-16, the rate of interest declared by Asian Paints Office Provident Fund and Asian Paints Factory Employees' Provident Fund is 9.00% p.a. for the FY 2015-16 and the same is used for valuation purpose.

### 3) Other Long term employee benefits:

The liability towards compensated absences (annual leave and sick leave) for the year ended 31<sup>st</sup> March, 2016 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 12.58 crores. (Previous year – ₹ 19.12 crores)

#### Annual Leave and Sick Leave assumptions

##### a. Financial Assumptions

	As at 31.03.2016	As at 31.03.2015
Discount Rate	7.87%	7.78%
Basic salary increases allowing for Price inflation	All Grades 11.00% for first 2 years 10.00% for next 3 years 8.00% thereafter	All Grades 12.00% for first year 11.00% for next 2 years 10.00% for next 3 years 8.00% thereafter

##### b. Demographic Assumptions

	As at 31.03.2016	As at 31.03.2015
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee Turnover	Upto 44yrs - 5.00%, Above 44yrs-2.00%	Upto 44yrs - 5.00%, Above 44yrs-2.00%
Leave Availment Ratio	5%	5%

# NOTES TO FINANCIAL STATEMENTS

## NOTE 45 :

The Company's manufacturing facility at Khandala, Maharashtra has been granted "Mega Project Status" by Government of Maharashtra and hence is eligible for Industrial Promotion Subsidy (IPS) under Package Scheme of Incentive, 2007 in the form of refund of VAT paid to Maharashtra Government, exemption on electricity duty and stamp duty within a period of 9 years from the date of commencement of commercial production, restricted to a maximum of 100% of fixed capital investment as per the Eligibility Certificate issued by Director of Industries, Government of Maharashtra. In terms of the Accounting Standard (AS 12) "Accounting for Government Grants" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, eligible incentive as mentioned above amounting to ₹ 134.11 crores for year ended 31<sup>st</sup> March, 2016 (Previous Year - ₹ 108.96 crores) is credited to Statement of Profit and Loss under the head "Other operating income" on accrual basis.

## NOTE 46 : EARNINGS PER SHARE

	Year 2015-2016	Year 2014-2015
a) Basic and diluted earnings per share in rupees (face value – ₹ 1 per share)	16.65	13.84
b) Profit after tax as per Statement of Profit and Loss (₹ in crores)	1,597.43	1,327.40
c) Weighted average number of equity shares outstanding	95,91,97,790	95,91,97,790

## NOTE 47 : ACQUISITION OF ESS BATHROOM PRODUCTS PRIVATE LIMITED

During the previous year, the Company acquired the entire front end sales business including brands, network and sales infrastructure of Ess Bathroom Products Private Limited effective 1<sup>st</sup> June, 2014 for a consideration of ₹ 36.48 crores. As a result of this transaction, intangible assets consisting of Goodwill of ₹ 38.58 crores and Brand of ₹ 4.28 crores has been recognized in the Financials of the Company in the previous year. The financial results of this business for the year ended 31<sup>st</sup> March, 2016 are reported as a separate segment under 'Home Improvement' in Segment Reporting (Refer Note 49).

## NOTE 48 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS-18) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016.

### a) Joint Venture: (In which the Company has 50% equity interest)

#### i. PPG Asian Paints Private Limited.

Wholly owned subsidiaries of PPG Asian Paints Private Limited:

#### a) Faaber Paints Private Limited.

#### b) PPG Asian Paints Lanka Private Limited.

#### ii. Asian Paints PPG Private Limited.

### b) Subsidiaries:

#### Direct Subsidiaries:

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015
Asian Paints (Nepal) Private Limited	Nepal	51.00	51.00
Asian Paints (International) Limited	Mauritius	100.00	100.00
Asian Paints Industrial Coatings Limited	India	100.00	100.00
Multifacet Infrastructure (India) Limited *	India	100.00	100.00
Maxbhumi Developers Limited	India	100.00	100.00
Sleek International Private Limited	India	51.00	51.00

\* The company has filed an application for striking off the name of Company under the "Fast Track Exit mode" under Section 560 of Companies Act, 1956. (Refer Note 51B)

# NOTES TO FINANCIAL STATEMENTS

## NOTE 48 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS-18) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016. (Contd.)

### Indirect Subsidiaries:

#### i) Subsidiaries of the wholly owned subsidiary, Asian Paints (International) Limited, Mauritius

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015
Asian Paints (Lanka) Limited	Sri Lanka	99.18	99.18
Berger International Private Limited ^	Singapore	100.00	100.00
Asian Paints (Tonga) Limited #	Kingdom of Tonga	-	100.00
Asian Paints (South Pacific) Limited #	Fiji Islands	-	54.07
Asian Paints (Bangladesh) Limited #	Bangladesh	-	89.78
Asian Paints (S.I.) Limited #	Solomon Islands	-	75.00
Asian Paints (Middle East) LLC #	Sultanate of Oman	-	49.00
SCIB Chemicals S.A.E. #	Egypt	-	60.00
Samoa Paints Limited #	Samoa	-	80.00
Asian Paints (Vanuatu) Limited #	Republic of Vanuatu	-	60.00

#### ii) Subsidiaries of Berger International Private Limited ^.

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015
Berger Paints Singapore Pte Limited	Singapore	100.00	100.00
Enterprise Paints Limited	Isle of Man, U.K.	100.00	100.00
Universal Paints Limited	Isle of Man, U.K.	100.00	100.00
Lewis Berger (Overseas Holdings) Limited	U.K.	100.00	100.00
Kadisco Paint and Adhesive Industry Share Company @	Ethiopia	51.00	51.00
PT Asian Paints Indonesia	Indonesia	100.00	100.00
PT Asian Paints Color Indonesia *	Indonesia	100.00	-
Asian Paints (Tonga) Limited #	Kingdom of Tonga	100.00	-
Asian Paints (South Pacific) Limited #	Fiji Islands	54.07	-
Asian Paints (S.I.) Limited #	Solomon Islands	75.00	-
Asian Paints (Bangladesh) Limited #	Bangladesh	89.78	-
Asian Paints (Middle East) LLC #	Sultanate of Oman	49.00	-
SCIB Chemicals S.A.E. #	Egypt	60.00	-
Samoa Paints Limited #	Samoa	80.00	-
Asian Paints (Vanuatu) Limited #	Republic of Vanuatu	60.00	-

# During the year, as part of consolidation of investments in overseas subsidiaries, Asian Paints (International) Limited, Mauritius, a wholly owned subsidiary of the Company, has transferred its entire holding in subsidiaries to its wholly owned subsidiary, Berger International Private Limited ^, Singapore. This does not have any impact on the financial results.

\* PT Asian Paints Color Indonesia has been incorporated in Indonesia as a wholly owned subsidiary of Berger International Private Limited ^ during the year.

@ Berger International Private Limited ^, Singapore ("BIPL"), a wholly owned indirect subsidiary of the Company, acquired 51% stake in Kadisco Paint and Adhesive Industry Share Company for a consideration of US\$ 18.95 million (₹ 117 crores) in cash, on 9<sup>th</sup> February, 2015.

^ During the previous year, Berger International Private Limited (BIPL) (formerly known as Berger International Limited) has become a wholly owned subsidiary of Asian Paints (International) Limited (APIL).

# NOTES TO FINANCIAL STATEMENTS

## NOTE 48 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS-18) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016. (Contd.)

### iii) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015
Nirvana Investments Limited	Isle of Man, U.K.	100.00	100.00

### iv) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015
Berger Paints Emirates Limited	U.A.E.	100.00	100.00

### v) Subsidiary of Universal Paints Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015
Berger Paints Bahrain W.L.L.	Bahrain	100.00	100.00

### vi) Subsidiaries of Lewis Berger (Overseas Holdings) Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015
Berger Paints Jamaica Limited	Jamaica	51.00	51.00
Berger Paints Trinidad Limited	Trinidad	70.00	70.00
Berger Paints Barbados Limited	Barbados	100.00	100.00

### vii) Subsidiary of Sleek International Private Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015
Kitchen Grace (India) Private Limited **	India	-	100.00

\*\* During the year, Kitchen Grace India Private Limited has been merged with Sleek International Private Limited pursuant to a scheme of amalgamation approved by Honourable High Court of Bombay, effective 1<sup>st</sup> April, 2015.

### c) Key Managerial Personnel:

Name of the Director	Designation
Shri K.B.S. Anand	Managing Director & CEO
Shri Jayesh Merchant	CFO & Company Secretary, President – Industrial JVs

### d) Promoters and their relatives having control:

Directors:	
Shri Ashwin Choksi	Non-Executive Chairman
Shri Ashwin Dani	Non-Executive Vice Chairman
Shri Mahendra Choksi	Non-Executive Director
Shri Abhay Vakil	Non-Executive Director
Shri Malav Dani	Non-Executive Director
Ms. Amrita Vakil	Non-Executive Director



# NOTES TO FINANCIAL STATEMENTS

## NOTE 48 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS-18) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016. (Contd.)

### Relatives of promoters who are under the employment of the Company:

Shri Jalaj Dani\*  
 Shri Manish Choksi\*\*  
 Shri Jigish Choksi (upto 3<sup>rd</sup> April, 2015)  
 Shri Varun Vakil  
 Shri Vivek Vakil (upto 29<sup>th</sup> July, 2015)

\* Shri Jalaj Dani, a relative of Company's Non-Executive Vice Chairman was also a Non-Executive Chairman of Berger International Private Limited, till 9<sup>th</sup> September, 2015, Director on the Board of one of the subsidiary companies and one of the joint venture companies.

\*\* Shri Manish Choksi, a relative of Company's Non-Executive Director is also a Non-Executive Chairman of Berger International Private Limited w.e.f. 10<sup>th</sup> September, 2015, Director on the Board of some of the subsidiary companies and one of the joint venture companies.

### e) Companies controlled by Directors/Relatives of Directors :

AR Intertect Design Pvt. Ltd.	Hitech Plast Ltd.	Riash Realty Private Ltd.
ARI Designs LLP *	Hitech Skills Development P Ltd.	Ricinash Oil Mill Ltd.
Asteroids Trading and Investments Pvt. Ltd.	Hitech Specialities Solutions (India) Ltd.	Rituh Holding and Trading Company Pvt. Ltd.
Avinash Holding and Trading Co. Pvt. Ltd.	Hydra Trading Pvt. Ltd.	Rupen Investment and Industries Pvt. Ltd.
Canes Venatici Trading Company Pvt. Ltd.	ISIS Holding and Trading Co. Pvt. Ltd.	S.C. Dani Research Foundation Pvt. Ltd.
Castle Investment and Industries Pvt. Ltd.	Jalaj Trading and Investments Pvt. Ltd.	Sadavani Investments and Trading Co. Pvt. Ltd.
Centaurus Trading and Investments Pvt. Ltd.	Jaldhar Trading and Investments Pvt. Ltd.	Sapan Investments Pvt. Ltd.
Clear Mipak Packaging and Solutions Ltd.	Kalica Paper Industries Pvt. Ltd.	Satyadhama Investments and Trading Co. Pvt. Ltd.
Dani Charitable Foundation	Lambodar Investment and Trading Co. Ltd.	Smiti Holding and Trading Co. Pvt. Ltd.
Dani Finlease Ltd.	Lyon Investment and Industries Pvt. Ltd.	Sudhanva Investments and Trading Co. Pvt. Ltd.
Doli Trading and Investments Pvt. Ltd.	Murahar Investments and Trading Co. Ltd.	Suptaswar Investments and Trading Co. Pvt. Ltd.
Elcid Investments Ltd.	Navbharat Packaging Industries Ltd.	Suryakant Paint Accessories Pvt. Ltd.
ELF Trading and Chemicals Mfg. Ltd.	Nehal Trading and Investments Pvt. Ltd.	Unnati Trading & Investments P. Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Paladin Paints and Chemicals Pvt. Ltd. #	Vikatmev Containers Ltd.
Germinait Solutions Pvt. Ltd.	Parekh Plast India Ltd.	
Gujarat Organics Ltd.	Pragati Chemicals Ltd.	
Hiren Holdings Pvt. Ltd.	Rayirth Holding and Trading Co. Pvt. Ltd.	
Hitech Insurance Broking Services Ltd.	Resins and Plastics Ltd.	

\* w.e.f. 13<sup>th</sup> June, 2015

# w.e.f. 22<sup>nd</sup> April, 2015

### f) Employee Benefit Funds where control exists:

Asian Paints Office Provident Fund  
 Asian Paints Factory Employees' Provident Fund  
 Asian Paints Management Cadres' Superannuation Scheme  
 Asian Paints (India) Limited Employees' Gratuity Fund

### g) Other entity over which there is a significant influence:

Asian Paints Charitable Trust

# NOTES TO FINANCIAL STATEMENTS

## NOTE 48 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS-18) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016. (Contd.)

### h) Details of related party transactions during the year ended 31<sup>st</sup> March, 2016: (₹ in Crores)

Particulars	Joint Venture		Subsidiaries		Key Managerial Personnel (1)		Promoters & their relatives having control (1)		Companies Controlled by Directors/Relatives		Employee benefit plans where control exists	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Sale of goods and other miscellaneous items	16.88	21.36	23.28	26.16	-	-	-	-	0.89	1.80	-	-
Processing of goods (Income)	29.44	29.34	-	-	-	-	-	-	-	-	-	-
Royalty Received	10.09	8.87	34.34	25.46	-	-	-	-	-	-	-	-
Other recoveries	13.25	10.52	6.86	6.31	-	-	-	-	-	-	-	-
Sitting Fees Received (from subsidiaries for nominee directors)	-	-	0.54	0.49	-	-	-	-	-	-	-	-
Other services - receipts	-	-	2.58	2.16	-	-	-	-	-	-	-	-
Other services - Paid	0.01	0.01	-	-	-	-	-	-	0.17	0.11	-	-
Reimbursement of Expenses - received	2.04	2.35	5.25	4.31	-	-	-	-	-	-	-	-
Dividend received	-	-	3.05	2.41	-	-	-	-	-	-	-	-
Purchase of goods	0.85	0.66	-	-	-	-	-	-	375.29	391.48	-	-
Remuneration	-	-	-	-	10.60	8.64	6.05	5.41	-	-	-	-
Retiral benefits	-	-	-	-	-	-	0.22	0.21	-	-	-	-
Commission to Promoter Non-executive Directors	-	-	-	-	-	-	1.70	1.47	-	-	-	-
Sitting Fees Paid to Promoter Non-executive Directors	-	-	-	-	-	-	0.34	0.25	-	-	-	-
Indemnification Expenses Paid/(Recovery)	-	(0.32)	-	-	-	-	-	-	-	-	-	-
Reimbursement of Expenses - paid	0.03	0.05	3.58	1.20	-	-	-	-	-	-	-	-
Receipt of Employee Leave Liabilities	0.11	-	-	-	-	-	-	-	-	-	-	-
Payment of Employee Leave Liabilities	0.19	-	0.04	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	#	#	66.44	61.31	262.71	242.52	28.34	41.37
Contributions during the year	-	-	-	-	-	-	-	-	-	-	-	-
Equity contribution (* Refer Note. 50)	-	-	143.16	15.50*	-	-	-	-	-	-	-	-
Loan given	-	-	0.20	0.28	-	-	-	-	-	-	-	-
Repayment of loan given	-	-	-	0.40	-	-	-	-	-	-	-	-
Sale of assets	0.09	0.09	0.11	-	-	-	-	-	0.24	0.49	-	-
Outstanding as at 31 <sup>st</sup> March	-	-	-	-	-	-	-	-	-	-	-	-
Advances Given	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	0.20	-	-	-	-	-	-	-	-	-
Amount receivables	8.76	8.58	57.40	30.25	-	-	-	-	0.12	0.23	-	-
Amount payable	0.30	0.01	0.32	0.12	3.50	2.40	1.70	1.47	24.87	6.93	4.00	5.16

# Dividend paid to Key Managerial Personnel - current year ₹ 1,755 (Previous year ₹ 1,620).

1. Key Managerial Personnel and relatives of promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per AS-15 (Revised) on Employee Benefits in the financial statements. As these employee benefits are lumpsum amounts provided on the basis of actuarial valuation, the same is not included above.

The Company has issued letters of comfort to banks on behalf of some of its operating subsidiaries from time to time and the financial support based on such letters is limited to ₹ 18.16 crores as on 31<sup>st</sup> March, 2016 (₹ 37.29 crores as on 31<sup>st</sup> March, 2015).

# NOTES TO FINANCIAL STATEMENTS

## NOTE 48 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS-18) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016. (Contd.)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

	(₹ in Crores)	
	2015-16	2014-15
<b>Sale of goods</b>		
PPG Asian Paints Private Limited	10.61	14.03
Asian Paints PPG Private Limited	6.27	7.33
Asian Paints (Nepal) Private Limited	11.34	11.99
Asian Paints (Bangladesh) Limited	4.32	5.10
Others	8.51	10.87
	<b>41.05</b>	<b>49.32</b>
<b>Purchase of Goods</b>		
Hitech Plast Limited	238.04	260.80
Parekhplast India Limited	96.42	87.76
Others	41.68	43.58
	<b>376.14</b>	<b>392.14</b>
<b>Royalty Received</b>		
SCIB Chemicals S.A.E., Egypt	11.74	11.91
Asian Paints PPG Private Limited	6.58	5.70
Asian Paints (Bangladesh) Limited	7.14	2.03
Berger International Private Limited	4.56	3.52
Others	14.41	11.17
	<b>44.43</b>	<b>34.33</b>
<b>Contributions during the year</b>		
Asian Paints Office Provident Fund	10.29	9.17
Asian Paints Factory Employees' Provident Fund	5.52	5.26
Asian Paints Management Cadres' Superannuation Scheme	2.28	1.98
Asian Paints (India) Limited Employees' Gratuity Fund	10.25	24.96
	<b>28.34</b>	<b>41.37</b>
<b>Processing of Goods (Income)</b>		
PPG Asian Paints Private Limited	16.05	17.53
Asian Paints PPG Private Limited	13.39	11.81
	<b>29.44</b>	<b>29.34</b>
<b>Other Recoveries</b>		
PPG Asian Paints Private Limited	6.78	6.29
Asian Paints PPG Private Limited	6.47	4.23
Sleek International Private Limited	4.74	2.54
Others	2.12	3.77
	<b>20.11</b>	<b>16.83</b>
<b>Reimbursement of Expenses – Received</b>		
Asian Paints PPG Private Limited	1.90	1.94
Berger International Private Limited	0.99	1.09
Others	4.40	3.63
	<b>7.29</b>	<b>6.66</b>

# NOTES TO FINANCIAL STATEMENTS

## NOTE 48 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS-18) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016. (Contd.)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year: (Contd.)

	(₹ in Crores)	
	2015-16	2014-15
<b>Reimbursement of Expenses – Paid</b>		
Asian Paints Industrial Coatings Limited	2.29	-
Berger Paints Singapore Pte Limited Singapore	0.04	0.41
SCIB Chemicals S.A.E	0.48	0.58
Others	0.80	0.26
	<b>3.61</b>	<b>1.25</b>
<b>Sitting Fees Received</b>		
Berger International Private Limited	0.54	0.49
	<b>0.54</b>	<b>0.49</b>
<b>Others Services Receipt</b>		
Asian Paints (International) Limited	0.76	0.61
Asian Paints (Lanka) Limited	0.28	0.13
PT Asian Paints Indonesia	0.62	-
SCIB Chemicals S.A.E.	-	0.54
Berger Paints Bahrain W.L.L	-	0.28
Others	0.92	0.60
	<b>2.58</b>	<b>2.16</b>
<b>Other Services Paid</b>		
AR Intertect Design Private Limited	-	0.11
Asian Paints PPG Private Limited	0.01	0.01
ARI Designs LLP	0.17	-
	<b>0.18</b>	<b>0.12</b>
<b>Dividend Received</b>		
Asian Paints (Nepal) Private Limited	3.05	2.41
	<b>3.05</b>	<b>2.41</b>
<b>Remuneration</b>		
Shri K.B.S. Anand	7.77	6.10
Shri Manish Choksi	2.92	2.56
Shri Jalaj Dani	2.77	2.37
Shri Jayesh Merchant	2.83	2.54
Others	0.36	0.48
	<b>16.65</b>	<b>14.05</b>
<b>Retiral Benefits</b>		
Shri Ashwin Choksi	0.07	0.07
Shri Ashwin Dani	0.07	0.07
Shri Abhay Vakil	0.08	0.07
	<b>0.22</b>	<b>0.21</b>

# NOTES TO FINANCIAL STATEMENTS

## NOTE 48 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS-18) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016. (Contd.)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year: (Contd.)

	(₹ in Crores)	
	2015-16	2014-15
<b>Commission to Promoter - Non Executive Directors</b>		
Shri Mahendra Choksi	0.27	0.24
Shri Amar Vakil	-	0.03
Shri Ashwin Choksi	0.34	0.28
Shri Ashwin Dani	0.30	0.26
Shri Abhay Vakil	0.26	0.22
Shri Malav Dani	0.27	0.22
Ms. Amrita Amar Vakil	0.26	0.22
	<b>1.70</b>	<b>1.47</b>
<b>Sitting Fees Paid to Promoter - Non Executive Directors</b>		
Shri Mahendra Choksi	0.06	0.05
Shri Ashwin Choksi	0.04	0.03
Shri Ashwin Dani	0.06	0.05
Shri Abhay Vakil	0.08	0.05
Shri Malav Dani	0.05	0.04
Ms. Amrita Amar Vakil	0.05	0.04
	<b>0.34</b>	<b>0.26</b>
<b>Indemnification Expenses Paid/(Recovery)</b>		
Asian Paints PPG Private Limited	-	(0.32)
	-	<b>(0.32)</b>
<b>Payment of Employee Leave Liabilities</b>		
Asian Paints PPG Private Limited	0.19	-
Asian Paints Industrial Coatings Limited	0.04	-
	<b>0.23</b>	<b>-</b>
<b>Receipt of Employee's Leave Liabilities</b>		
Asian Paints PPG Private Limited	0.11	-
	<b>0.11</b>	<b>-</b>
<b>Equity Contribution</b>		
Maxbhumi Developers Limited (Refer Note 50)	-	15.50
Asian Paints International Limited	143.16	-
	<b>143.16</b>	<b>15.50</b>
<b>Loan Given</b>		
Maxbhumi Developers Limited	0.20	0.28
	<b>0.20</b>	<b>0.28</b>
<b>Repayment of Loan</b>		
Maxbhumi Developers Limited	-	0.40
	-	<b>0.40</b>
<b>Sale of Asset</b>		
Resins & Plastics Limited	0.24	0.28
PPG Asian Paints Private Limited	0.09	-
Asian Paints (Lanka) Limited	0.05	-
Gujarat Organics Limited	-	0.12
Asian Paints PPG Private Limited	-	0.09
Ricinash Oil Mills Limited	-	0.08
Others	0.06	0.01
	<b>0.44</b>	<b>0.58</b>

# NOTES TO FINANCIAL STATEMENTS

## NOTE 48 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS-18) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016. (Contd.)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year: (Contd.)

(₹ in Crores)

	2015-16	2014-15
<b>Dividend Paid</b>		
Smiti Holding and Trading Company Private Limited	35.15	32.45
ISIS Holding and Trading Company Private Limited	34.37	31.73
Others	259.63	239.65
	<b>329.15</b>	<b>303.83</b>

## NOTE 49 : SEGMENT REPORTING

As per the requirements of Accounting Standard 17 – Segment Reporting, the Company has identified Paints and Home Improvement as its business segments with effect from the previous financial year. Home Improvement business represents bath fittings business acquired by the Company effective 1<sup>st</sup> June, 2014.

(₹ in Crores)

	2015-16			2014-15		
	Paints	Home Improvement	Total	Paints	Home Improvement	Total
<b>REVENUE</b>						
External Sales (Net)	12,539.64	106.24	12,645.88	11,566.99	81.84	11,648.83
Other Income	90.56	0.83	91.39	62.67	-	62.67
<b>Total Revenue</b>	<b>12,630.20</b>	<b>107.07</b>	<b>12,737.27</b>	<b>11,629.66</b>	<b>81.84</b>	<b>11,711.50</b>
<b>RESULT</b>						
<b>Segment result</b>	<b>2,631.50</b>	<b>(30.24)</b>	<b>2,601.26</b>	<b>2,059.03</b>	<b>(9.82)</b>	<b>2,049.21</b>
<b>Unallocated Corporate expenses</b>			<b>(268.68)</b>			<b>(226.69)</b>
<b>Operating Profit</b>			<b>2,332.58</b>			<b>1,822.52</b>
Finance costs			(23.40)			(27.13)
Interest Income			11.00			5.30
Dividend received			67.25			68.86
Exchange difference			2.37			7.53
Profit on sale of short-term investments			3.81			2.07
Profit on sale of long-term investments			24.70			27.54
Profit on sale of Assets			8.89			(0.15)
Miscellaneous Income			8.34			5.56
Sundry balances written back (net)			7.56			7.43
Exceptional items			(65.35)			14.04
Income taxes			(780.32)			(606.17)
<b>Net Profit</b>			<b>1,597.43</b>			<b>1,327.40</b>

# NOTES TO FINANCIAL STATEMENTS

## NOTE 49 : SEGMENT REPORTING (Contd.)

(₹ in Crores)

	2015-16			2014-15		
	Paints	Home Improvement	Total	Paints	Home Improvement	Total
<b>OTHER INFORMATION</b>						
Segment assets	5,536.23	86.29	5,622.52	5,107.68	93.63	5,201.31
Unallocated corporate assets			2,741.63			2,072.57
<b>Total assets</b>			<b>8,364.15</b>			<b>7,273.88</b>
Segment liabilities	2,342.53	29.25	2,371.78	2,126.74	28.17	2,154.91
Unallocated corporate liabilities			1,029.21			888.71
<b>Total liabilities</b>			<b>3,400.99</b>			<b>3,043.62</b>
Capital expenditure	807.77	0.71	808.48	209.24	48.07	257.31
Unallocated corporate capital expenditure			43.47			29.14
<b>Total</b>			<b>851.95</b>			<b>286.45</b>
Depreciation/ impairment	191.21	6.57	197.78	186.08	5.13	191.21
Unallocated corporate depreciation/ impairment			40.58			34.31
<b>Total</b>			<b>238.36</b>			<b>225.52</b>

**NOTE 50 :** During the previous year, the Board of Directors of the Company approved the conversion of outstanding loan to Maxbhumi Developers Limited (a wholly owned subsidiary) amounting to ₹ 14.99 crores into 3,57,084 equity shares of Maxbhumi Developers Limited of face value ₹ 10/- per equity share at a premium of ₹ 410/- per equity share based on an independent valuation carried out. In addition to the above, the Company also subscribed to an additional 11,916 equity shares of the face value of ₹ 10/- per equity share at a premium of ₹ 410/- per equity share during the year ended 31<sup>st</sup> March, 2015.

## NOTE 51 : EXCEPTIONAL ITEMS

(₹ in Crores)

	2015-16	2014-15
Provision for diminution in the value of non-current investment (Refer Note A and B below)	65.35	-
Voluntary Retirement/ Separation Scheme compensation (Refer Note C below)	-	25.16
Provision for Impairment of Fixed Assets (Refer Note D below)	-	2.41
Reversal of provision for diminution in the value of non-current investment (Refer Note E below)	-	(14.04)
<b>Total exceptional items (net)</b>	<b>65.35</b>	<b>13.53</b>

- A. The Company has made an assessment of the fair value of investment made in its subsidiary, Sleek International Private Limited ('Sleek') taking into account the past business performance, prevailing business conditions and revised expectations of the future performance given the understanding built up since acquisition. Based on above factors and as a matter of prudence, the Company has made a provision for diminution in the value of investment made in Sleek to the tune of ₹ 65.30 crores in the year ended 31<sup>st</sup> March, 2016. The same is disclosed under "Exceptional items" in the Statement of Profit and Loss.
- B. The Company's wholly owned non-operating subsidiary company, Multifacet Infrastructure (India) Limited ('Multifacet') has made an application to Registrar of Companies on 21<sup>st</sup> March, 2016 for strike off under fast track exit mode under the provision of Section 560 of the Companies Act, 1956. Consequently, the Company has made a provision for diminution in the value of investment in Multifacet for ₹ 0.05 crores in the year ended 31<sup>st</sup> March, 2016. The same is disclosed under "Exceptional items" in the Statement of Profit and Loss.
- C. The Company had discontinued the manufacturing activities at its Bhandup Plant with effect from 5<sup>th</sup> May, 2014. A "Voluntary Retirement / Separation Scheme" along with an alternate option of relocation to other factories/establishments of the Company was offered to all the workmen at the plant in the month of April, 2014. All workmen had accepted either the Voluntary Retirement/ Separation Scheme or relocation to another factory/establishment of the Company. The liability on account of the above amounting to ₹ 25.16 crores was recognized and disclosed in "Exceptional Items" in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2015.

# NOTES TO FINANCIAL STATEMENTS

- D. The Company had recognized provision for impairment in respect of Fixed Assets at Bhandup Plant for an amount of ₹ 2.41 crores in the previous year. The same was included under "Impairment" in Note 10 and disclosed in "Exceptional Items" in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2015.
- E. The Company was carrying a provision of ₹ 14.04 crores in respect of the diminution in carrying value of its investment in Asian Paints (International) Limited, Mauritius made in the earlier years. Based on the assessment of the fair value of the investment as at 31<sup>st</sup> March, 2015, the provision for diminution was reversed in the previous year. The same was disclosed in "Exceptional Items" in the Statement of Profit and loss for the year ended 31<sup>st</sup> March, 2015.

**NOTE 52 :** During the year, based on queries received from certain shareholders and the Securities Exchange Board of India ("SEBI"), the Company conducted preliminary internal investigations and discovered certain irregularities at M/s Sharepro Services (India) Private Limited ("Sharepro"), the Company's erstwhile Registrar and Share Transfer Agent. Subsequently the Company has filed a criminal complaint against Sharepro and its employees. Pursuant to the directions issued by SEBI in its interim order dated 22<sup>nd</sup> March, 2016, the Company has appointed an independent external agency to conduct a thorough audit of the records and systems of Sharepro with respect to the past transactions. The Company will take appropriate steps based on the findings of the audit by the independent external agency and in accordance with the directions of SEBI or any other regulatory authorities.

## NOTE 53 : CORPORATE SOCIAL RESPONSIBILITY EXPENSES

A. Gross amount required to be spent by the Company during the year 2015-16 - ₹ 33.75 crores (Previous year - ₹ 29.87 crores)						
B. Amount spent during the year on: (₹ in Crores)						
	2015-16			2014-15		
	In cash*	Yet to be paid in cash	Total	In cash*	Yet to be paid in cash	Total
i Construction/Acquisition of any assets	-	-	-	-	-	-
ii Purposes other than (i) above	31.86	2.59	34.44	15.46	3.55	19.01
	<b>31.86</b>	<b>2.59</b>	<b>34.44</b>	<b>15.46</b>	<b>3.55</b>	<b>19.01</b>
C. Related party transactions in relation to Corporate Social Responsibility	NIL			NIL		
D. Provision movement during the year						
Opening provision		3.55			-	
Addition during the year		2.59			3.55	
Utilised during the year		(3.55)			-	
Closing provision		2.59			3.55	

\* Represents actual outflow during the year.

**Note 54 :** Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year classification/disclosure.

As per our report of even date

For and on behalf of the Board of Directors of  
**Asian Paints Limited**  
CIN:L24220MH1945PLC004598

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Ashwin Choksi**  
Chairman  
DIN: 00009095

**K.B.S. Anand**  
Managing Director & CEO  
DIN: 03518282

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070

**M. K. Sharma**  
Director  
DIN: 00327684

**Jayesh Merchant**  
CFO & Company Secretary,  
President - Industrial JVs

Mumbai  
11<sup>th</sup> May, 2016

Mumbai  
11<sup>th</sup> May, 2016



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**CONSOLIDATED  
FINANCIAL STATEMENTS**

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# INDEPENDENT AUDITORS' REPORT

## To the Members of Asian Paints Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Asian Paints Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled companies, comprising the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, Consolidated Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interest in Joint Ventures). The respective Board of Directors of the companies included in the Group and of its jointly controlled companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its jointly controlled companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and jointly controlled companies, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group and its jointly controlled companies as at 31<sup>st</sup> March, 2016;
- ii) in the case of the Consolidated Statement of Profit and Loss, of the consolidated profits for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date

### Other Matter

We did not audit the financial statements of subsidiaries and jointly controlled companies as mentioned in Annexure I to this report, whose financial statement reflect total assets of ₹ 2,319.82 crores

as at 31<sup>st</sup> March, 2016, total revenues of ₹ 2,650.94 crores and net cash inflows amounting to ₹ 124.37 crores for the year then ended, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and the jointly controlled companies and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled companies, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Sub-section (3) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of a subsidiaries and jointly controlled companies, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the relevant assertion contained in the audit reports on standalone financial statements of each subsidiary company and the jointly controlled companies which are incorporated in India, none of the

Directors of any such company are disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a Director of that company in terms of Sub-section (2) of Section 164 of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company, subsidiaries and jointly controlled companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" and
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiaries and jointly controlled companies, as noted in the 'Other Matter' paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company, its subsidiary companies and its jointly controlled companies – Refer note 26(a) and note 34 to the consolidated financial statements.
  - ii. The Holding Company, its subsidiary companies and jointly controlled companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and jointly controlled companies incorporated in India.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070  
Mumbai  
11<sup>th</sup> May, 2016

# ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date)

The following subsidiaries have not been audited by B S R & Co. LLP, which are considered for the consolidation of Asian Paints Limited.  
(₹ In Crores)

Name of the Company	Accounting Period	Subsidiary	Total Assets*	Total Revenue*	Net cash inflow / (outflow)*	Name of Auditor
Asian Paints (Nepal) Private Limited	15 <sup>th</sup> Mar 15 - 13 <sup>th</sup> Mar 16	Direct	154.44	165.92	28.88	T.R Upadhyya & Co.
Asian Paints (International) Limited (APIL) # APIL Consolidated comprising of:-	Apr 15 - Mar 16	Direct	419.45	13.36	(1.35)	Deloitte, Mauritius
• Asian Paints (Lanka) Limited	Apr 15 - Mar 16	Indirect	61.25	96.97	4.01	KPMG, Sri Lanka
• Berger International Private Limited, Singapore ## (Formerly known as Berger International Limited)	Apr 15 - Mar 16	Indirect	1,396.98	1,302.61	90.78	Deloitte & Touche LLP
• Asian Paints (South Pacific) Limited **	Apr 15 - Mar 16	Indirect	-	74.36	-	Ernst & Young
• Asian Paints (Tonga) Limited **	Apr 15 - Mar 16	Indirect	-	4.03	-	Ernst & Young
• Asian Paints (S.I) Limited **	Apr 15 - Mar 16	Indirect	-	7.89	-	Ernst & Young
• Asian Paints (Vanuatu) Limited**	Apr 15 - Mar 16	Indirect	-	4.39	-	Ernst & Young
• Asian Paints (Middle East) LLC**	Apr 15 - Mar 16	Indirect	-	50.01	-	Ernst & Young
• SCIB Chemicals S.A.E**	Apr 15 - Mar 16	Indirect	-	407.53	-	Saleh, Barsoum and Abdel Aziz
• Samoa Paints Limited **	Apr 15 - Mar 16	Indirect	-	3.77	-	Ernst & Young
• Asian Paints (Bangladesh) Limited **	Apr 15 - Mar 16	Indirect	-	-	-	Rahman Rahman Huq, KPMG

# Represents figures of Standalone financial statements of Asian Paints (International) Limited.

## Represent figures of consolidated financial statements (as per Indian Generally Accepted Accounting Principles) of Berger International Private Limited (formerly known as Berger International Limited).

\* Total assets and Net cash flow are computed at closing conversion rate. Total revenue are computed at average conversion rate.

\*\* During the year, as part of consolidation of investments in overseas subsidiaries, Asian Paints (International) Limited, Mauritius, a wholly owned subsidiary of the Parent Company, has transferred its entire holding of these subsidiaries to its wholly owned subsidiary, Berger International Private Limited, Singapore (formerly known as Berger International Limited). The revenue amount as mentioned above is up to the date of such transfer.

## i) Subsidiaries of Berger International Private Limited, Singapore (formerly known as Berger International Limited)

	Accounting Period
Berger Paints Singapore Pte Ltd.	Apr 15 - Mar 16
Enterprise Paints Limited	Apr 15 - Mar 16
Universal Paints Limited	Apr 15 - Mar 16
Lewis Berger (Overseas Holdings) Limited	Apr 15 - Mar 16
Kadisco Paint and adhesive Industry S.C. Ethiopia	Apr 15 - Mar 16
PT Asian Paints Indonesia	Apr 15 - Mar 16
PT Asian Paints Color Indonesia	Apr 15 - Mar 16
Asian Paints (South Pacific) Limited @	Apr 15 - Mar 16
Asian Paints (Tonga) Limited @	Apr 15 - Mar 16
Asian Paints (S.I) Limited @	Apr 15 - Mar 16
Asian Paints (Vanuatu) Limited @	Apr 15 - Mar 16
Asian Paints (Middle East) LLC @	Apr 15 - Mar 16
SCIB Chemicals S.A.E @	Apr 15 - Mar 16
Samoa Paints Limited @	Apr 15 - Mar 16
Asian Paints (Bangladesh) Limited @	Apr 15 - Mar 16

@ During the year, as part of consolidation of investments in overseas subsidiaries, Asian Paints (International) Limited, Mauritius, a wholly owned subsidiary of the Parent Company, has transferred its entire holding in its certain subsidiaries to its wholly owned subsidiary, Berger International Private Limited, Singapore (formerly known as Berger International Limited).

**ii) Subsidiary of Enterprise Paints Limited:**

Nirvana Investments Limited	Apr 15 - Mar 16
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**iii) Subsidiary of Nirvana Investments Limited**

Berger Paints Emirates LLC	Apr 15 - Mar 16
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**iv) Subsidiaries of Lewis Berger (Overseas Holdings) Limited:**

Berger Paints Jamaica Limited	Apr 15 - Mar 16
Berger Paints Trinidad Limited	Apr 15 - Mar 16
Berger Paints Barbados Limited	Apr 15 - Mar 16

**v) Subsidiary of Universal Paints Limited:**

Berger Paints Bahrain W.L.L.	Apr 15 - Mar 16
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**vi) Jointly controlled company has not been audited by B S R & Co. LLP (in which the Company has 50% equity interest)**

PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited), a joint venture between the parent company and PPG Industries Securities LLC., U.S.A., wherein the parent company has 50% equity participation:

(₹ In Crores)

Name of the Company	Accounting Period	Joint Venture	Proportionate share of Total Assets*	Proportionate share of Total Revenues*	Proportionate net cash inflow / (outflow)*	Name of Auditor
PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited) ^	Apr 15- Mar 16	Direct	287.70	520.10	2.05	Price Waterhouse & Co Bangalore LLP

^ Represents figures of consolidated financial statements of PPG Asian Paints Private Limited.

\* Total assets and Net cash flow are computed at closing conversion rate. Total revenue are computed at average conversion rate.

**vii) Subsidiary of PPG Asian Paints Private Limited**

Faaber Paints Private Limited	Apr 15 - Mar 16
PPG Asian Paints Lanka Private Limited	Apr 15 - Mar 16

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070  
Mumbai  
11<sup>th</sup> May, 2016

# ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Asian Paints Limited ("the Holding Company") as of and for the year ended 31<sup>st</sup> March, 2016, we have audited the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and jointly controlled entities, incorporated in India as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled entities, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company, its subsidiary companies and jointly controlled entities, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal controls over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls over financial reporting insofar as it relates to one jointly controlled entity, which is a company incorporated in India, is based on the corresponding report of the auditor of such company.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070  
Mumbai  
11<sup>th</sup> May, 2016

# CONSOLIDATED BALANCE SHEET

as at 31<sup>st</sup> March, 2016

(₹ in Crores)

	Notes	As at 31.03.2016	As at 31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	95.92	95.92
Reserves and Surplus	3	5,509.33	4,646.44
		<b>5,605.25</b>	<b>4,742.36</b>
Minority Interest		294.21	263.67
<b>NON CURRENT LIABILITIES</b>			
Long Term Borrowings	4	74.91	78.28
Deferred Tax Liability (Net)	5	217.60	180.14
Other Long Term Liabilities	6	10.57	10.91
Long Term Provisions	7	124.36	119.89
		<b>427.44</b>	<b>389.22</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	8	231.08	331.62
Trade Payables			
Due to Micro and Small Enterprises	9	21.51	12.81
Due to Others	9	1,568.59	1,535.94
Other Current Liabilities	10	1,231.95	999.67
Short Term Provisions	7	763.30	639.41
		<b>3,816.43</b>	<b>3,519.45</b>
<b>TOTAL</b>		<b>10,143.33</b>	<b>8,914.70</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	11 A	3,074.59	2,290.16
Intangible Assets	11 B	130.82	124.07
Capital work-in-progress		110.80	196.00
		<b>3,316.21</b>	<b>2,610.23</b>
Goodwill on Consolidation	27 C	197.66	245.81
Non-Current Investments	12	539.25	400.88
Deferred Tax Assets (Net)	5	0.51	0.20
Long Term Loans and Advances	13	179.32	278.46
Other Non Current Assets	14	49.75	40.15
<b>CURRENT ASSETS</b>			
Current Investments	15	1,558.94	1,186.91
Inventories	16	2,064.00	2,258.52
Trade Receivables	17	1,248.26	1,182.07
Cash and Bank Balances	18	420.43	204.39
Short Term Loans and Advances	13	288.98	261.95
Other Current Assets	19	280.02	245.13
		<b>5,860.63</b>	<b>5,338.97</b>
<b>TOTAL</b>		<b>10,143.33</b>	<b>8,914.70</b>

Notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of

**Asian Paints Limited**

CIN:L24220MH1945PLC004598

For B S R &amp; Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia

Partner

Membership No: 042070

Mumbai

11<sup>th</sup> May, 2016

Ashwin Choksi

Chairman

DIN: 00009095

M. K. Sharma

Director

DIN: 00327684

Mumbai

11<sup>th</sup> May, 2016

K.B.S. Anand

Managing Director &amp; CEO

DIN: 03518282

Jayesh Merchant

CFO &amp; Company Secretary,

President - Industrial JVs



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2016

	Notes	Year 2015-16	Year 2014-15
(₹ in Crores)			
<b>(I) INCOME</b>			
Revenue from sale of goods and services (Net of discounts)	20 A	16,946.82	15,473.19
Less: Excise duty		1,616.10	1,467.86
Revenue from sale of goods and services (Net of discounts and excise duty)		<b>15,330.72</b>	<b>14,005.33</b>
Other Operating Revenue	20 B	203.42	177.48
Other Income	21	200.72	169.71
<b>TOTAL REVENUE (I)</b>		<b>15,734.86</b>	<b>14,352.52</b>
<b>(II) EXPENSES</b>			
Cost of Materials Consumed	22A	7,311.09	7531.17
Purchases of Stock-in-Trade	22B	723.20	588.37
Changes in inventories of finished goods, work in progress and stock-in-trade	22C	171.30	(148.07)
Employee Benefits Expense	23	1,017.84	907.11
Other Expenses	24	3,502.09	3068.82
<b>TOTAL (II)</b>		<b>12,725.52</b>	<b>11947.40</b>
<b>EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I) - (II)</b>			
		<b>3,009.34</b>	<b>2405.12</b>
Depreciation and Amortisation Expense	11	287.97	265.92
Finance Costs	25	40.51	34.76
<b>PROFIT BEFORE EXCEPTIONAL ITEM &amp; TAX</b>		<b>2,680.86</b>	<b>2104.44</b>
Exceptional Items	28	52.45	27.57
<b>PROFIT BEFORE TAX</b>		<b>2,628.41</b>	<b>2,076.87</b>
<b>Less : Tax Expenses</b>			
Current Tax		812.18	657.61
Minimum alternate tax (MAT) credit utilised		3.43	1.09
MAT Credit entitlement of earlier years		(1.60)	-
(Excess) tax provision for earlier years		(4.47)	(1.11)
Deferred Tax expense / (benefit)	5	39.60	(8.05)
Total Tax Expenses		<b>849.14</b>	<b>649.54</b>
<b>PROFIT AFTER TAX</b>		<b>1,779.27</b>	<b>1427.33</b>
Minority Interest		53.06	32.18
<b>Net Profit Attributable to shareholders</b>		<b>1,726.21</b>	<b>1395.15</b>
Earnings per share (₹) Basic and diluted	32	<b>18.00</b>	<b>14.54</b>
(Face value of ₹ 1 each)			
Notes are an integral part of the financial statements.			

As per our report of even date

For and on behalf of the Board of Directors of

**Asian Paints Limited**

CIN:L24220MH1945PLC004598

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Ashwin Choksi  
Chairman  
DIN: 00009095

K.B.S. Anand  
Managing Director & CEO  
DIN: 03518282

Bhavesh Dhupelia  
Partner  
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M. K. Sharma  
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Jayesh Merchant  
CFO & Company Secretary,  
President - Industrial JVs

Mumbai  
11<sup>th</sup> May, 2016

Mumbai  
11<sup>th</sup> May, 2016

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31<sup>st</sup> March, 2016

	(₹ in Crores)	
	Year 2015-16	Year 2014-15
<b>(A) Cash Flow From Operating Activities</b>		
<b>Profit Before Tax</b>	2,628.41	2,076.87
Adjustments for :		
Depreciation, amortisation and exceptional item	287.97	268.33
(Profit) on sale of long term investments	(24.71)	(27.56)
(Profit) on sale of short term investments	(5.37)	(4.26)
(Profit) on Sale of assets	(10.94)	(2.69)
Finance costs	40.51	34.76
Provision for doubtful debts and advances	11.02	10.66
Bad debts written off	3.47	2.80
Interest income	(22.62)	(10.78)
Dividend income	(69.78)	(70.61)
Other Non-cash items (Refer Note 28 A)	52.45	-
Net unrealised foreign exchange (gain)/ loss	(10.98)	8.27
Effect of exchange rates on translation of operating cashflows	17.54	(14.92)
<b>Operating Profit before working capital changes</b>	<b>2,896.97</b>	<b>2,270.87</b>
Adjustments for :		
Decrease/(Increase) in Inventories #	194.52	(144.22)
(Increase) in Trade and Other Receivables #	(166.08)	(154.87)
Increase/(decrease) in Trade and Other Payables #	223.24	(151.15)
<b>Cash generated from Operating activities</b>	<b>3,148.65</b>	<b>1,820.63</b>
Income Tax paid (net of refund) #	(815.37)	(632.94)
<b>Net Cash generated from operating activities</b>	<b>2,333.28</b>	<b>1,187.69</b>
<b>(B) Cash Flow from Investing Activities</b>		
Purchase of fixed assets #	(824.43)	(453.78)
Sale of fixed assets	18.51	16.13
Purchase of long term investments	(282.33)	(242.79)
Sale/(Purchase) of short term investments	30.50	(62.20)
Sale of long term investments	168.68	335.54
Proceeds from sale of short term Investments (net)	5.37	4.26
(Investments)/Maturity of bank deposits (having original maturity more than three months)	(70.15)	3.29
Interest received	14.93	10.99
Dividend received	69.78	70.61
Amount paid towards Ess Ess business acquisition [Refer note 27 C (c)]	-	(36.48)
Amount paid towards additional stake acquisition in subsidiary	-	(6.79)
Amount paid towards stake acquisition in subsidiary [Refer note 27 C (a)]	-	(116.54)
<b>Net Cash used in investing activities</b>	<b>(869.14)</b>	<b>(477.76)</b>

(₹ in Crores)

	Year 2015-16	Year 2014-15
<b>(C) Cash Flow from Financing Activities</b>		
Proceeds from long term borrowings #	6.77	43.16
Repayment of long term borrowings	(1.63)	(8.79)
Proceeds from short term borrowings #	1.69	195.60
Repayment of short term borrowings # \$	(120.69)	(76.89)
Finance costs paid	(40.09)	(34.51)
Dividend and Dividend tax paid (including dividend paid to Minority Shareholders)	(764.23)	(694.66)
<b>Net Cash used in financing activities</b>	<b>(918.18)</b>	<b>(576.09)</b>
<b>(D) Net Increase/(Decrease) In Cash and Cash equivalents (A+B+C)</b>	545.96	133.84
<b>Cash and cash equivalents as at 1<sup>st</sup> April</b>	1,066.93	920.32
Net effect of exchange gain on cash and cash equivalents	0.08	2.47
Cash and Cash Equivalents acquired pursuant to stake acquisition in subsidiary [Refer note 27C (a)]	-	10.30
<b>Cash and cash equivalents as at 31<sup>st</sup> March</b>	1,612.97	1,066.93
# Previous year figures are net of adjustments pursuant to stake acquired in subsidiary [Refer note 27 C (a)] and adjustments pursuant to Ess Ess acquisition [Refer note 27 C (c)].		
\$ Previous year figures includes repayment of borrowings taken over pursuant to acquisition (Refer note 27 C (c)).		

**Notes :**

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.

(b) Cash and Cash Equivalent comprises of :

	As at 31.03.2016	As at 31.03.2015
Cash on hand	0.59	1.18
Balances with Banks:		
- Current Accounts	217.36	136.35
- Cash Credit Accounts	7.93	3.70
- Deposits with Bank with maturity less than 3 months	87.40	23.12
Cheques on hand	27.04	31.14
Cash and cash equivalents (Refer note 18)	340.32	195.49
Investment in Liquid mutual funds and Government Securities - (Unquoted [Refer note 15 (I) A])	23.74	24.85
Investment in Liquid mutual funds - Quoted [Refer note 15 (II) B]	1,248.91	846.59
	<b>1,612.97</b>	<b>1,066.93</b>

(c) Previous year's figures have been regrouped, wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors of  
Asian Paints Limited  
CIN:L24220MH1945PLC004598

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Ashwin Choksi**  
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Mumbai  
11<sup>th</sup> May, 2016

Mumbai  
11<sup>th</sup> May, 2016

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Note 1: SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of preparation of Consolidated Financial Statements

#### (a) Basis of Accounting

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounts) Rules, 2014.

#### (b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities at the end of reporting period.

#### (c) Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. it is expected to be realized or settled or is intended for sale or consumption in the Group's normal operating cycle;
- ii. it is expected to be realized or settled within twelve months from the reporting date;
- iii. in the case of an asset,
  - it is held primarily for the purpose of being traded; or
  - it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date
- iv. in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current / non-current classification of assets and liabilities, all the Group companies have ascertained their normal operating cycle as 12 months. This is based on the nature of services and the

time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

### 1.2 Tangible and Intangible Assets

#### (a) Tangible Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and impairment. The cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Know-how related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant tangible asset heads.

Pursuant to the requirements under Schedule II of the Companies Act, 2013, the Company, its subsidiaries and Joint Venture companies have identified and determined the cost of each component of an asset separately when the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Profit or loss on disposal of tangible assets is recognized in the Consolidated Statement of Profit and Loss. Tangible Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately under 'Other Current Assets'. Any expected loss is recognized immediately in the Consolidated Statement of Profit and Loss.

#### (b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or loss on disposal of intangible assets is recognised in the Consolidated Statement of Profit and Loss.

#### Goodwill

Goodwill arising on the acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the business recognised at the

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the business combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised in goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

## (c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

## (d) Depreciation and Amortization

Depreciation on tangible fixed assets is provided using the Straight Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss. The estimate of the useful life of the assets has been assessed based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life.

The residual value, useful life and method of depreciation of an asset is reviewed at each financial year end and adjusted prospectively.

Depreciation on tinting systems leased to dealers, is provided under Straight Line Method over the estimated useful life of nine years as per technical evaluation.

Leasehold land and Leasehold improvements are amortized over the primary period of lease.

Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life. Purchase cost, user license fees and consultancy fees for major software are amortized over a period of four years. Acquired Goodwill is amortised over a period of ten years.

Estimated useful life of each acquired Brand is assessed separately for the purpose of amortisation. Brand acquired pursuant to acquisition of bath fittings business is amortised over a period of two years.

## (e) Impairment

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment of the carrying amount of the Group's fixed assets. If any such indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount upto an extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of an impairment loss or reversal of an impairment loss, as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), over its remaining useful life.

## 1.3 Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax / VAT and net of returns and discount. Sales are stated gross of excise

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

duty as well as net of excise duty (on goods manufactured and outsourced); excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of 'changes in inventories of finished goods, work in progress and stock in trade'.

Revenue from painting and related service is recognised by reference to the stage of completion of the transaction at the Balance Sheet date determined by services performed to date as a percentage of total services.

Revenue from other sale of services is recognized as per the completed service contract method.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

Processing income is recognized on accrual basis as per the contractual arrangements.

## 1.4 Lease Accounting

### Assets taken on lease:

In respect of operating leases, lease rentals are recognised as an expense in the Statement of Profit and Loss on straight line basis over the lease term.

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The excess of lease payments over the recorded lease obligations are treated as 'finance charges' which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

### Assets given on lease:

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

In respect of assets given on operating lease, lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

## 1.5 Inventory

- (a) Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables

and stock-in trade are carried at the lower of cost and net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are valued at net realizable value.

- (b) In determining cost of raw materials, packing materials, stock-in trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- (c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other cost incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

## 1.6 Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which are expected to be realized within 12 months from Balance Sheet date is also presented under "Current Investments" as "Current portion of long term investments" in consonance with the current / non-current classification of Schedule III of the Act.

Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary, in the opinion of the management. Reversal of such provision for diminution is made when there is a rise in the value of long-term investments, or if the reasons for the decline no longer exist.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1.7 Transactions and translations in foreign currency

### (a) Initial recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and loss of the year.

### (b) Measurement of foreign currency items at the Balance Sheet date

Foreign currency monetary items are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss of the year.

### (c) Forward exchange contracts

The Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognised as an expense/income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or expense for the period.

### (d) Translation of financial statements of foreign entities

In case of foreign subsidiaries, being Non-Integral Foreign Operations, income and expense items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rate prevailing at the end of the year. The resultant translation gains and losses are disclosed as 'Foreign Currency Translation Reserve' under 'Reserves and Surplus'.

## 1.8 Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful. Discounts due, yet to be quantified at the customer level are included under Other Current Liabilities.

## 1.9 Employee Benefits

### (A) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Group recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

### (B) Post-employment benefits:

#### (a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any of the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

The Parent Company and its Indian subsidiaries/ Joint Ventures operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Parent Company operates a Superannuation scheme for eligible employees. Few Indian Subsidiaries and one of the Joint Ventures also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

#### (b) Defined benefit plans

##### (i) Provident Fund Scheme (Funded)

The Parent Company and one of its Joint Venture operate a provident fund scheme by paying contribution into separate entities (funds). The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. These entities have an obligation to make good the shortfall, if any, between the return on

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

investments of the trust and the notified interest rate.

(ii) Gratuity Scheme (Funded)

The Parent Company, its Indian subsidiaries/ Joint Ventures and some of its foreign subsidiaries operate a gratuity scheme for employees. The contribution is paid to a separate entity (a fund) or to a financial institution, towards meeting the Gratuity obligations.

(iii) Pension and Leaving Indemnity Scheme (Unfunded)

The Parent Company and some of its foreign subsidiaries operate a pension and leaving indemnity plan for certain specified employees and is payable upon the employee satisfying certain conditions.

(iv) Post-Retirement Medical benefit plan (Unfunded)

The Parent Company and some of its foreign subsidiaries operate a post-retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is recognised immediately to the extent that the benefits are already vested, else is amortised on a straight-line basis over the average period until the amended benefits become vested. In case of certain foreign subsidiaries, liabilities have been provided on an estimated basis. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss in the year in which they arise.

The defined benefit obligations recognised in the Balance Sheet represent the present value of the defined benefit obligation reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognised representing the present value of available refunds and reductions in future contributions to the plan.

The Group presents the above liabilities as current and non-current in the Balance Sheet as per actuarial valuations by the independent actuary.

(c) Other long term employee benefits (unfunded)

Entitlements to annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leaves. The Parent Company and its Indian subsidiaries and Joint Ventures determine the liability for such accumulated leave using the Projected Accrued Benefit Method with actuarial valuations being carried out at each Balance Sheet date.

The Group presents this liability as current and non-current in the balance sheet as per actuarial valuations by the independent actuary.

## 1.10 Research and Development

Research and Development expenditure of a revenue nature is expensed out under the respective heads of account in the year in which it is incurred.

Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

## 1.11 Provision for taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with applicable taxation laws), and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under applicable taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and each subsidiary/joint venture company, as per their applicable laws and then aggregated.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective group company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

## 1.12 Provisions and Contingencies

The Group creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

## 1.13 Earnings Per Share

The Basic and Diluted Earnings Per Share (“EPS”) is computed by dividing the profit after tax attributable to shareholders for the year by weighted average number of equity shares outstanding during the year.

## 1.14 Proposed Dividend

Dividend recommended by the Board of directors is provided for in the accounts, pending approval at the Annual General Meeting.

## 1.15 Borrowing Cost

Borrowing cost includes Interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period they occur.

## 1.16 Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of Cash flow statement comprise of cash and cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments where the original maturity is three months or less.

## 1.17 Segment Reporting

Segments are identified having regard to the dominant source and nature of risks and returns and internal organisation and management structure. The Group has considered business segments as the primary segments for disclosure. The business segments are ‘Paints’ and ‘Home Improvement’. The geographical segments are Domestic and International operations. Domestic segment includes operations of the Parent Company and its Indian subsidiaries and Joint Ventures.

Revenues and expenses have been identified to the segment based on their relationship to the business activity of the segment. Revenue and expenses, which relate to the company as a whole and are not allocable to segments on a reasonable basis, have been included under “Un-allocated corporate expenses net of un-allocated income”.

## 1.18 Government Grants and Subsidies

The Parent Company is entitled to subsidy from Government Authorities in respect of manufacturing units located in specified regions.

- Grants in the nature of subsidy which are non-refundable are credited to the Statement of Profit and Loss on accrual basis where there is reasonable assurance that the Group will comply with all the necessary conditions attached to them.
- Grants in the nature of subsidy which are refundable are shown as Liabilities in the Balance Sheet.

## 1.19 Measurement of EBITDA

The Group has elected to present earnings before interest (finance cost), tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the year. The Group measures EBITDA on the basis of profit/(loss) from continuing operations.

## 1.20 Principles of consolidation:

- The Consolidated Financial Statements have been prepared to comply in all material respect with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and which continue to apply under Section 133 of the Companies Act, 2013 (‘the Act’) read with rule 7 of the Companies (Accounts) Rules, 2014.
- The financial statements of Asian Paints Limited together with audited financial statements of its subsidiaries and joint Ventures as described in note number 27 have been considered for the purpose of consolidation.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (iii) The financial statements of the Parent Company and its subsidiaries and joint ventures as described in note number 27 have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The results of subsidiaries acquired or disposed off during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate. All significant intra group balances and transactions have been eliminated on consolidation. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post – acquisition increase in the relevant reserves of the subsidiaries/joint ventures.
- (iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's financial statements.
- (v) Minority interest in the net income and net assets of the consolidated financial statements are computed and shown separately. Losses applicable to minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group.
- (vi) The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date.
- (vii) The excess of cost to the company of its investments in subsidiaries/joint ventures over its share of the equity of

the subsidiaries at the date on which the investment in the subsidiaries/joint ventures are made, is recognized as "Goodwill on Consolidation" being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary companies/joint ventures as on the date of the investment is in excess of cost of investment of the Company, it is recognized as "Capital Reserve" and shown under the head "Reserves and Surplus", in the consolidated financial statements. Impact of Currency Translation on such "Goodwill" and "Capital Reserve" is adjusted in the respective carrying amounts.

The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the business combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised in goodwill is not reversed in a subsequent period.

On disposal of cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

<b>NOTE 2 : SHARE CAPITAL</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>Authorised</b>		
99,50,00,000 (Previous year 99,50,00,000) Equity Share of ₹ 1 each	99.50	99.50
50,000 (Previous year 50,000) 11% Redeemable Cumulative Preference shares of ₹ 100/- each	0.50	0.50
	<b>100.00</b>	<b>100.00</b>
<b>Issued, Subscribed and Paid up capital</b>		
95,91,97,790 (Previous year 95,91,97,790) Equity Share of ₹ 1 each	95.92	95.92
	<b>95.92</b>	<b>95.92</b>

## a) Reconciliation of shares outstanding at the beginning and at the end of the year

Equity Shares	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
<b>At the beginning of the year</b>	95,91,97,790	95.92	95,91,97,790	95.92
Add: Issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>95,91,97,790</b>	<b>95.92</b>	<b>95,91,97,790</b>	<b>95.92</b>

## b) Terms/rights attached to equity shares

The Parent Company has only one class of shares referred to as equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

## c) Details of Shareholders holding more than 5% equity shares in the parent company @

Name of Shareholders	As at 31.03.2016		As at 31.03.2015	
	No. of Equity Shares	Percentage holding	No. of Equity Shares	Percentage holding
Equity Shares of ₹ 1 each held by:				
1. Smiti Holding And Trading Company Private Limited	5,40,84,120	5.64	5,40,84,120	5.64
2. ISIS Holding and Trading Company Private Limited	5,28,84,120	5.51	5,28,84,120	5.51
3. Geetanjali Trading and Investment Private Limited	4,92,67,440	5.14	4,92,67,440	5.14
4. Life Insurance Corporation of India	5,08,91,803	5.31	4,68,39,707	4.88

@ As per the records of the Parent Company, including its register of members (as at 31<sup>st</sup> March, 2016).

As per the Companies Act 2013, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the event of liquidation of the company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Crores)	
<b>NOTE 3 : RESERVES AND SURPLUS</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>(a) Capital Reserve on consolidation</b>		
As per last Consolidated Balance Sheet	39.16	39.16
<b>(b) Capital Reserve [₹ 5,000, (Previous year ₹ 5,000)]</b>	*	*
<b>(c) Capital Redemption Reserve</b>	5.37	5.37
<b>(d) General Reserve</b>		
As per last Consolidated Balance Sheet	3,571.94	2,876.57
Less: Loss on Merger/Stake change in subsidiary [Refer Note 27 C (d)]	(2.61)	(1.71)
Add : Transfer from surplus in Consolidated Statement of Profit and Loss	661.68	697.08
	<b>4,231.01</b>	<b>3,571.94</b>
<b>(e) Foreign Currency Translation Reserve</b>		
As per last Consolidated Balance Sheet	29.97	22.20
Add : Currency translation gain During the year	3.82	7.77
	<b>33.79</b>	<b>29.97</b>
<b>(f) Surplus in Consolidated Statement of Profit and Loss</b>		
As per last Consolidated Balance Sheet	1,000.00	1,000.00
Add : Net profit after tax transferred from Consolidated Statement of Profit and Loss for the year	1,726.21	1,395.15
<b>Amount available for appropriation</b>	<b>2,726.21</b>	<b>2,395.15</b>
<b>Less: Appropriations</b>		
Dividend on Equity shares:		
- Interim dividend [Amount per share ₹ 2.20 (Previous year ₹ 1.80 per equity share of ₹ 1 each)]	211.02	172.66
- Proposed Final Dividend [Amount per share ₹ 5.30 (Previous year ₹ 4.30 per equity share of ₹ 1 each)]	508.37	412.46
Income Tax on Dividend (includes income tax on proposed dividend)	145.14	112.95
Transfer to General Reserve	661.68	697.08
<b>Closing balance</b>	<b>1,200.00</b>	<b>1,000.00</b>
<b>TOTAL</b>	<b>5,509.33</b>	<b>4,646.44</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 4 : LONG TERM BORROWINGS @	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Secured</b>				
Loan taken from National Skill Development Corporation ^	0.06	0.06	-	-
Term Loan +	40.50	42.97	12.30	0.01
Deferred payment liabilities				
Interest free loan from Financial Institution (Sales tax deferment scheme - State of Uttar Pradesh)#	-	-	-	3.24
Interest free loan - State of Haryana##	9.31	3.41	-	-
Finance Lease liability###	2.04	2.35	0.67	0.63
<b>Unsecured</b>				
Deferred payment liabilities				
Sales tax deferment scheme - State of Andhra Pradesh§	22.18	28.62	6.44	4.24
Sales tax deferment scheme - State of Maharashtra*	0.82	0.87	0.17	0.15
	<b>74.91</b>	<b>78.28</b>	<b>19.58</b>	<b>8.27</b>
Amount included under the head "other current liabilities" (Refer note 10)	-	-	(19.58)	(8.27)
<b>TOTAL</b>	<b>74.91</b>	<b>78.28</b>	<b>-</b>	<b>-</b>

## Notes:

- ^ The Parent Company has partnered with National Skill Development Corporation (NSDC) for undertaking a painter skill development project. Under the arrangement, the Parent Company is granted a financial assistance of ₹ 0.31 crores from NSDC disbursable in five tranches. The assistance is secured by a bank guarantee provided by the Parent Company to NSDC on the outstanding amount. The assistance carries an interest @ 6% p.a and is repayable over a period of nine years including a moratorium of three years on the principal amount, starting from the date of first disbursement. During the year 2014-15, the Parent Company has received ₹ 0.06 crores as per the schedule of disbursement and no amounts are repayable during the next one year.
- + Secured against mortgage on Building and Plant & Equipments of one of the subsidiary company. Non-current portion is repayable in quarterly installments by December 2020. [Interest rate : 4% p.a. (2014-15 - Nil)].
- # Interest free loan from The Pradeshiya Industrial Corporation of U.P. Limited (PICUP) under Sales Tax Deferment Scheme of Government of Uttar Pradesh was secured by a first charge on the Parent Company's immovable properties of the paint plant at Kasna and by way of hypothecation of all movable properties at the above location. This interest free loan had a deferment period of 10 years and was repayable in 9 yearly installments starting from May, 2007 as per repayment schedule. Out of the total sales tax deferment loan of ₹ 30.60 crores, the Parent Company had already repaid ₹ 27.36 crores till 31<sup>st</sup> March, 2015 and balance amount of ₹ 3.24 crores was paid during the current year by 31<sup>st</sup> May 2015. Pursuant to the repayment of loan, the charge on Company's immovable properties was released.
- ## The Parent Company is eligible to avail interest free loan in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April 2010. For the year ended 31<sup>st</sup> March, 2011 and 31<sup>st</sup> March, 2012, the Parent Company has already received the interest free loan of ₹ 3.41 crores and ₹ 5.90 crores. This loan is secured by way of a bank guarantee issued by the Parent Company and is repayable after a period of 5 years from the date of receipt of interest free loan. For the year ended 31<sup>st</sup> March, 2013, 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2015, the Parent Company has made the necessary application to the Haryana Government for the issue of eligibility certificate and for the year ended 31<sup>st</sup> March, 2016, the Company is in the process of making the necessary application.
- ### Secured by assets taken on finance lease by the respective subsidiaries. ₹ 1.55 crores of non current portion is repayable within 2-5 years and remaining ₹ 0.49 crores is repayable after 5 years. [Effective interest rate: 2015-16: 2.22% - 16.25% p.a. (2014-15: 2.17% - 16.25% p.a.)]
- § Sales tax deferment scheme- State of Andhra Pradesh represents sales tax deferment availed under the Sales tax deferment scheme of the Government of Andhra Pradesh. It has a deferment period of 14 years and is repayable over 9 years as per repayment schedule starting from April 2012. Out of the total sales tax deferment loan of ₹ 40.70 crores the Parent Company has already repaid ₹ 12.08 crores till 31<sup>st</sup> March, 2016 and balance amount of ₹ 28.62 crores is repayable in next 4 years upto February, 2020.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

\* Sales tax deferral scheme - Maharashtra represents interest free loan availed by the respective subsidiary under the Sales tax deferment scheme of Government of Maharashtra. This interest free loan has a deferment period of 10 years and is repayable in 5 yearly installments starting from April 2011 as per repayment schedule.

@ Default in terms of repayment of principal and interest - NIL

## NOTE 5 : DEFERRED TAX

The Group has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS 22) – Accounting for Taxes on income.

The major components of deferred tax (liabilities)/assets arising on account of timing differences as at 31<sup>st</sup> March, 2016 are as follows:

(₹ in Crores)

	Deferred Tax Liability - Net		Deferred Tax Assets - Net	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Deferred tax liabilities</b>				
Difference between Written Down Value/Capital work-in-progress of fixed assets as per the books of accounts and Income Tax.	(271.72)	(229.22)	(1.84)	(1.79)
Unremitted income	-	(1.85)	-	-
Retirement Benefit Plans	(1.76)	(2.56)	-	-
Expense allowed for tax purpose on payment basis (Amount paid under protest)	(8.79)	(10.47)	-	-
Others	(2.00)	(0.70)	-	-
<b>Total deferred tax liabilities</b>	<b>(284.27)</b>	<b>(244.80)</b>	<b>(1.84)</b>	<b>(1.79)</b>
<b>Deferred tax assets</b>				
Provision for expense allowed for tax purpose on payment basis	45.83	42.60	1.63	1.10
Provision for doubtful debts and advances	0.38	3.32	0.05	0.40
Expenditure debited to Statement of Profit and Loss but allowed in Income Tax over a longer period	18.62	17.31	0.67	0.39
Capital losses carried forward under Income Tax*	1.84	1.43	-	0.10
<b>Total deferred tax assets</b>	<b>66.67</b>	<b>64.66</b>	<b>2.35</b>	<b>1.99</b>
<b>Net deferred tax (liability)/assets</b>	<b>(217.60)</b>	<b>(180.14)</b>	<b>0.51</b>	<b>0.20</b>
<b>Net deferred tax expense/(benefit) for the year</b>			<b>37.15</b>	<b>(7.88)</b>
Currency translation loss/(gain)			0.58	(0.04)
Net Deferred tax assets/(liability) of earlier years			1.87	(0.13)
<b>Net Deferred tax expense/(benefit) for the year</b>			<b>39.60</b>	<b>(8.05)</b>

\* Deferred tax assets recognised by Parent Company of ₹ 1.43 crores on capital losses carried forward under Income Tax Act, 1961 in the previous year has been utilised against the capital gains arising from sale of land during the year.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 6 : OTHER LONG TERM LIABILITIES	Non-Current		Current	
	As at	As at	As at	As at
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Other Payables				
- Retention monies relating to capital expenditure	1.68	0.13	46.82	16.66
- Trade Deposits	5.75	6.74	2.22	4.72
- Others	3.14	4.04	-	-
	<b>10.57</b>	<b>10.91</b>	<b>49.04</b>	<b>21.38</b>
Amount included under the head "Other current liabilities" (Refer note 10)	-	-	(49.04)	(21.38)
<b>TOTAL</b>	<b>10.57</b>	<b>10.91</b>	<b>-</b>	<b>-</b>

(₹ in Crores)

NOTE 7 : PROVISIONS	Long term		Short term	
	As at	As at	As at	As at
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Provision for Employee Benefits				
Provision for Compensated absences	99.51	92.43	18.22	11.66
Provision for Gratuity and Pension (funded) (Refer note 31)	3.79	1.42	0.85	3.44
Provision for Pension, Leaving Indemnity and Medical Plan (unfunded) (Refer note 31)	18.87	24.65	8.78	0.87
Others	0.14	0.22	-	-
Other Provisions				
Provision for Excise (Refer note 34)	-	-	0.96	1.23
Provision for Sales Tax and Other Statutory Liabilities (Refer note 34)	2.05	1.17	24.39	19.87
Provision for Warranties (Refer note 34)	-	-	2.35	2.13
Proposed Dividend	-	-	508.37	412.46
Provision for Income tax on Proposed Dividend	-	-	102.87	83.97
Provision for Income Tax (Net)	-	-	96.51	103.78
<b>TOTAL</b>	<b>124.36</b>	<b>119.89</b>	<b>763.30</b>	<b>639.41</b>

(₹ in Crores)

NOTE 8 : SHORT TERM BORROWINGS	As at	As at
	31.03.2016	31.03.2015
<b>(a) Loan repayable on demand from banks <sup>^</sup></b>		
<b>Secured</b>		
Banks / Financial Institutions #	2.54	48.64
Cash Credit / Overdraft Accounts #	5.58	12.78
<b>Unsecured</b>		
Banks / Financial Institutions ##	211.98	263.01
Cash Credit / Overdraft Accounts ###	10.86	7.19
<b>(b) Other loans from banks</b>		
<b>Unsecured</b>		
Foreign Currency Loan (Buyers' credit)	0.12	-
<b>TOTAL</b>	<b>231.08</b>	<b>331.62</b>

# Secured against the debtors, stock and plant & machinery of one of the subsidiary company carries interest rate @ 4.5% - 9% p.a. (2014-15: 9.5% - 13% p.a.)

## Bank loans bear interest at rates ranging from 1.51% to 1.67% p.a. (2014-15 : 0.91% p.a. to 1.42% p.a.) and are repayable in June 2016.

### Unsecured cash credit with banks carries interest rate of 8.37% - 9.35% p.a (2014-15 - 9.75% - 11% p.a.)

<sup>^</sup> Default in terms of repayment of principal and interest - NIL

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)		
<b>NOTE 9 : TRADE PAYABLES</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>Trade Payables (including acceptances)</b>		
Due to Micro and Small Enterprises	21.51	12.81
Due to others	1,568.59	1,535.94
<b>TOTAL</b>	<b>1,590.10</b>	<b>1,548.75</b>

(₹ in Crores)		
<b>NOTE 10 : OTHER CURRENT LIABILITIES</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>(a) Current maturities of long term borrowings (Refer note 4)</b>	19.58	8.27
<b>(b) Current portion of other long term liabilities (Refer note 6)</b>	49.04	21.38
<b>(c) Investor Education and Protection Fund#</b>		
(i) Unpaid/ Unclaimed dividend	8.19	7.13
(ii) Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years	0.04	0.04
	<b>8.23</b>	<b>7.17</b>
<b>(d) Other Payables</b>		
Statutory Payables -		
Payable towards Central Sales Tax and VAT	145.10	131.85
Payable towards Excise & Service tax	22.30	25.03
Payable towards TDS under Income tax	29.26	15.88
Payable towards Provident Fund, Profession Tax and ESIC	4.31	3.97
Payable towards other taxes	10.36	9.90
Payable towards Capital expenditure	79.89	53.63
Payable towards Services received	209.94	168.34
Payable towards Stores, spares and consumables	16.85	13.39
Payable to Employees	151.05	133.87
[including ₹ 3.50 crores due to Managing Director (Previous year ₹ 2.40 crores)]		
Payable to Bank towards unamortised premium on forward exchange contracts	0.01	-
Interest accrued but not due on borrowings	0.75	0.33
Advance received from customers	12.44	2.22
Advance received against asset held for disposal	-	2.75
Book Overdraft	0.34	-
Payable towards Minimum Alternate Tax	0.11	-
Provision for discounts, sales promotion and other expenses	472.39	401.69
[including ₹ 3.66 crores due to Non-Executive Directors (Previous year ₹ 3.16 crores)]		
	<b>1,155.10</b>	<b>962.85</b>
<b>TOTAL</b>	<b>1,231.95</b>	<b>999.67</b>

# There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on 31<sup>st</sup> March, 2016. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Gross Block			Depreciation/Amortisation			Impairment			Net Block		
	As at 01.04.15	As at 31.03.16	As at 01.04.15	Translation Difference	Additions / Adjustments during the year	Deductions / Adjustments during the year	As at 01.04.15	Translation Difference	Additions / Adjustments during the year	Deductions / Adjustments during the year	As at 31.03.16	As at 31.03.16
<b>NOTE 11 : FIXED ASSETS</b>												
<b>A. Tangible Assets :</b>												
Land :												
Freehold	126.86	198.16	-	-	-	-	-	-	-	-	-	198.16
Leasehold	123.90	231.48	9.55	(0.01)	1.32	-	10.86	-	-	-	-	220.62
Buildings :												
Freehold	900.31	1,065.59	165.90	(0.19)	28.68	0.34	194.05	7.03	-	-	7.03	864.51
Leasehold	49.68	67.36	40.65	2.50	1.60	7.51	37.24	-	-	-	-	30.12
Leasehold improvements	11.95	12.57	8.40	-	1.27	-	9.67	-	-	-	-	2.90
Plant and Equipment	2,132.13	2,757.95	944.94	2.68	190.74	13.18	1,125.18	5.15	-	0.34	4.81	1,627.96
Scientific Research:												
Buildings	38.98	-	8.49	-	1.30	-	9.79	-	-	-	-	29.19
Equipment	53.61	-	33.22	-	5.93	-	39.15	0.21	-	-	0.21	18.97
Furnitures & Fixtures	82.88	92.20	45.10	0.57	8.79	3.60	50.86	0.56	-	0.08	0.48	40.86
Vehicles	14.01	15.32	9.06	0.17	2.08	0.68	10.63	-	-	-	-	4.69
Office Equipment	78.90	86.29	49.76	0.80	10.30	7.01	53.85	0.63	-	0.07	0.56	31.88
Assets given on Operating Lease:												
Tinting systems	8.95	8.78	5.54	(0.35)	0.82	0.05	5.96	-	-	-	-	2.82
Assets Taken on Finance Lease:												
Vehicles	3.56	4.04	1.37	0.07	0.68	(0.01)	2.13	-	-	-	-	1.91
<b>Total Tangible Assets (A)</b>	<b>3,625.72</b>	<b>4,637.05</b>	<b>1,321.98</b>	<b>6.24</b>	<b>253.51</b>	<b>32.36</b>	<b>1,549.37</b>	<b>13.58</b>	<b>-</b>	<b>0.49</b>	<b>13.09</b>	<b>3,074.59</b>
<b>B. Intangible Assets :</b>												
Brand	38.78	38.78	7.52	-	5.60	-	13.12	-	-	-	-	25.66
Trademark	12.79	12.88	11.94	-	0.19	-	12.13	-	-	-	-	0.75
Goodwill	53.41	53.41	6.45	-	6.07	-	12.52	-	-	-	-	40.89
Computer Software	124.76	159.68	80.82	0.13	22.51	5.60	97.86	0.75	-	0.75	-	61.82
Others	10.78	10.81	8.74	-	0.04	-	8.78	0.31	0.05	-	0.36	1.67
Scientific Research:												
Computer Software	0.20	0.20	0.12	-	0.05	-	0.17	-	-	-	-	0.03
<b>Total Intangible Assets (B)</b>	<b>240.72</b>	<b>275.76</b>	<b>115.59</b>	<b>0.13</b>	<b>34.46</b>	<b>5.60</b>	<b>144.58</b>	<b>1.06</b>	<b>0.05</b>	<b>0.75</b>	<b>0.36</b>	<b>130.82</b>
<b>Total (A+B)</b>	<b>3,866.44</b>	<b>4,912.81</b>	<b>1,437.57</b>	<b>6.37</b>	<b>287.97</b>	<b>37.96</b>	<b>1,693.95</b>	<b>14.64</b>	<b>0.05</b>	<b>1.24</b>	<b>13.45</b>	<b>3,205.41</b>

Note: The Group has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1<sup>st</sup> April, 2015. The reassessed useful life of the components identified is in line with the existing useful life of the asset used by the Group for the purpose of depreciation. The impact of this reassessment is not material and has been charged to the Consolidated Statement of Profit and loss of the current year.

Following are the tangible assets held for disposal (Refer Note 19):

Tangible Assets	Net Block		
	Gross Block (A)	Accumulated Depreciation/ Impairment (B)	(A-B)
Freehold Land	0.49	-	0.49
Plant & Equipment	4.14	2.80	1.34
Tinting Systems	0.98	0.98	-
Building	3.49	1.03	2.46
Furnitures and Fixtures	0.04	0.04	-
<b>Total</b>	<b>9.14</b>	<b>4.85</b>	<b>4.29</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Gross Block										Depreciation/Amortisation				Impairment		Net Block		
	As at 01.04.14	Translation Difference	Pursuant to acquisition of subsidiary ^	Additions during the year	Deductions /Adjustments during the year##	As at 31.03.15	As at 01.04.14	Translation Difference	Pursuant to acquisition of subsidiary ^	Additions during the year	Deductions /Adjustments during the year##	As at 31.03.15	As at 01.04.14	Translation Difference	Additions during the year*	Deductions /Adjustments during the year**	As at 31.03.15	As at 31.03.15	
<b>A. Tangible Assets :</b>																			
Land :																			
Freehold	129.66	(0.24)	-	-	2.56	126.86	-	-	-	-	-	-	-	-	-	-	-	-	126.86
Leasehold	117.71	(0.18)	1.40	4.97	-	123.90	8.10	(0.06)	0.21	1.30	9.55	-	-	-	-	-	-	-	114.35
Buildings :																			
Freehold	876.11	(1.99)	-	31.53	5.34	900.31	136.34	(0.01)	-	30.61	165.90	4.62	-	2.41	-	-	-	-	7.03
Leasehold	43.56	0.08	5.91	0.13	-	49.68	37.17	0.01	2.28	1.19	40.65	-	-	-	-	-	-	-	9.03
Leasehold improvements	11.32	-	-	1.67	1.04	11.95	7.96	-	-	1.48	8.40	-	-	-	-	-	-	-	3.55
Plant and Equipment	2,053.89	(0.46)	7.94	132.45	61.69	2,132.13	814.09	0.62	4.45	176.16	944.94	11.07	(0.03)	(0.04)	5.85	-	-	-	1,182.04
Scientific Research:																			
Buildings	38.79	-	-	0.19	-	38.98	7.20	-	-	1.29	8.49	-	-	-	-	-	-	-	30.49
Equipment	49.62	-	-	4.44	0.45	53.61	28.21	-	-	5.44	33.22	0.21	-	-	-	-	-	-	20.18
Furnitures & Fixtures	70.97	0.06	0.22	14.09	2.46	82.88	36.78	(0.01)	0.16	8.02	45.10	0.68	-	-	0.12	-	-	-	37.22
Vehicles	12.16	(0.11)	2.21	1.53	1.78	14.01	7.61	(0.05)	1.13	1.70	9.06	-	-	-	-	-	-	-	4.95
Office Equipment	66.81	0.06	0.33	13.58	1.88	78.90	42.06	0.16	0.22	9.09	49.76	0.64	-	-	0.01	-	-	-	28.51
Assets Given on Operating Lease :																			
Timing systems	11.36	0.41	-	0.53	3.35	8.95	6.76	0.23	-	1.06	5.54	0.80	-	-	0.80	-	-	-	3.41
Assets Taken on Finance Lease:																			
Vehicles	2.13	0.07	-	1.52	0.16	3.56	1.05	(0.01)	-	0.49	1.37	-	-	-	-	-	-	-	2.19
<b>Total Tangible Assets (A)</b>	<b>3,484.09</b>	<b>(2.30)</b>	<b>18.01</b>	<b>206.63</b>	<b>80.71</b>	<b>3,625.72</b>	<b>1,135.33</b>	<b>0.88</b>	<b>8.45</b>	<b>237.83</b>	<b>1,321.98</b>	<b>18.02</b>	<b>(0.03)</b>	<b>2.37</b>	<b>6.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,290.16</b>
<b>B. Intangible Assets :</b>																			
Brand **	34.50	-	4.28	-	-	38.78	2.29	-	-	5.23	7.52	-	-	-	-	-	-	-	31.26
Trademark	11.93	-	-	0.86	-	12.79	11.93	-	-	0.01	11.94	-	-	-	-	-	-	-	0.85
Goodwill **	14.83	-	38.58	-	-	53.41	1.02	-	-	5.43	6.45	-	-	-	-	-	-	-	46.96
Computer Software	105.80	(0.08)	-	19.05	0.01	124.76	63.97	(0.06)	-	16.90	80.82	0.24	-	0.51	-	-	-	-	43.19
Others	10.80	(0.02)	-	-	-	10.78	8.73	-	-	0.01	8.74	0.33	(0.02)	-	-	-	-	-	1.73
Scientific Research:																			
Computer Software	0.18	-	-	0.02	-	0.20	0.08	-	-	0.04	0.12	-	-	-	-	-	-	-	0.08
<b>Total Intangible Assets (B)</b>	<b>178.04</b>	<b>(0.10)</b>	<b>42.86</b>	<b>19.93</b>	<b>0.01</b>	<b>240.72</b>	<b>88.02</b>	<b>(0.06)</b>	<b>-</b>	<b>27.62</b>	<b>115.59</b>	<b>0.57</b>	<b>(0.02)</b>	<b>0.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124.07</b>
<b>Total (A+B)</b>	<b>3,662.13</b>	<b>(2.40)</b>	<b>60.87</b>	<b>226.56</b>	<b>80.72</b>	<b>3,866.44</b>	<b>1,223.35</b>	<b>0.82</b>	<b>8.45</b>	<b>265.45</b>	<b>1,437.57</b>	<b>18.59</b>	<b>(0.05)</b>	<b>2.88</b>	<b>6.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,414.23</b>
^ Refer Note 27 C (a)																			
* Refer Note 28 B																			
** Addition pursuant to acquisition of Net assets of Ess Ess Bathroom Products Pvt. Ltd. by the parent company w.e.f. 1 <sup>st</sup> June, 2014. Refer Note 27C (c).																			
In accordance with Schedule II of Companies Act 2013, the Parent Company and its Indian Subsidiaries and Joint Ventures have assessed the estimated useful life of certain class of assets through technical evaluation during the year 2014-15. The reassessed estimated useful life is in line with the existing useful life of the assets used by the Parent Company and its Indian Subsidiaries and Joint Ventures for the purpose of depreciation. This reassessment does not materially impact the consolidated financials.																			
# Deductions/ adjustments includes the following Tangible Assets held for disposal (Refer Note 19):																			
Tangible Assets	Gross Block	Depreciation/ Impairment	Net Block (A-B-C)																
Freehold Land	2.56	-	-	-	-	2.56													
Plant & Equipment	35.28	27.43	4.64	3.22															
Timing Systems	2.94	2.23	0.70	0.01															
Building	3.49	0.91	-	2.57															
Furnitures and Fixtures	0.04	0.04	-	-															
Office Equipment	0.01	0.01	-	-															
<b>Total</b>	<b>44.32</b>	<b>30.62</b>	<b>5.34</b>	<b>8.36</b>															

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 12 : NON-CURRENT INVESTMENTS	Nos.	Face value (₹)	Non-Current		Current	
			31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>I. Unquoted</b>						
<b>A. Trade Investments:</b>						
<b>1. Investment in Equity shares</b>						
(a) Patancheru Enviro-tech Limited	12,900	10	0.01	0.01	-	-
(b) SIPCOT Common Utilities Limited	2,830	100	0.03	0.03	-	-
(c) Narmada Clean Tech Limited	497,833	10	0.50	0.50	-	-
(d) Paints and Coatings Skill Council (10 shares allotted for cash at face value, during the year)	10	25,000	0.03	-	-	-
			<b>0.57</b>	<b>0.54</b>	-	-
<b>B. Other Investments:</b>						
<b>1. Other Entities</b>						
SKH Metals Limited	62,500	10	0.50	0.50	-	-
Shares of Saraswat Co-op. Bank (₹ 25,000)	2,500	10	*	*	-	-
			<b>0.50</b>	<b>0.50</b>	-	-
<b>2. Investment in Government Securities</b>						
National Savings Certificates, Indira Vikas Patra and Defence Certificates deposited with Government Authorities [₹ 39,500 (Previous year ₹ 39,500)]			*	*	-	-
<b>3. Investment in Bonds</b>						
Abay Dam bond	2,500	ETB 1000	0.78	0.75	-	-
			<b>0.78</b>	<b>0.75</b>	-	-
<b>Total Non-Current Unquoted Investments (I)</b>			<b>1.85</b>	<b>1.79</b>	-	-
<b>II. Quoted</b>						
<b>A. Other Investments:</b>						
<b>1. Investment in Equity Shares</b>						
Akzo Nobel India Limited	20,10,626	10	41.30	41.30	-	-
Housing Development Finance Corporation Limited	4,65,000	2	0.12	0.12	-	-
Apcotex Industries Limited (6,836 shares allotted pursuant to issue of bonus shares during the year)	13,672 (6,836)	5 (5)	0.01	0.01	-	-
Pan United Corp	7,000		0.02	0.02	-	-
			<b>41.45</b>	<b>41.45</b>	-	-
<b>2. Investment in Mutual Funds</b>						
DWS Fixed Maturity Plan Series 53 - Direct Plan - Growth (1,40,00,000 units matured during the year)	(1,40,00,000)	10	-	-	-	14.00
BIRLA Sun Life Fixed Term Plan Series KE (412 Days) - Growth. Direct (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
HDFC Fixed Maturity Plan 453 Days Series 29 Direct Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
IDFC Fixed Term Plan Series 66 Direct Plan - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
KOTAK Fixed Maturity Plan Series 133 Direct Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 12 : NON-CURRENT INVESTMENTS (Continued)	Nos.	Face value (₹)	Non-Current		Current	
			31.03.2016	31.03.2015	31.03.2016	31.03.2015
LIC Nomura MF Fixed Maturity Plan Series 77 - 396 Days - Direct Growth Plan - LICL7 (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
RELIANCE Fixed Horizon Fund XXV - Series 17 - Direct Plan - Growth Plan - WLAG (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
RELIANCE Fixed Horizon Fund XXV- Series 16 - Direct Plan - Growth Plan - WKAG (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
SUNDARAM Fixed Term Plan EU 446 Days Direct Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	-	-	10.00
AXIS Fixed Term Plan - Series 49 (437) Days - Direct Growth - Z7DG (80,00,000 units matured during the year)	(80,00,000)	10	-	-	-	8.00
DWS Fixed Maturity Plan Series - 45 - Direct Plan Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	-	-	5.00
SBI Debt Fund Series A2 - 15 Months Direct Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	-	-	5.00
RELIGARE Invesco Fixed Maturity Plan Series 22 (15 Months) Direct Plan Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	-	-	5.00
IDFC Yearly Series Interval Fund Regular Plan Series - II Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	-	-	5.00
ICICI Prudential Interval Fund Annual Interval Plan IV - Direct Plan - Growth (33,17,035 units matured during the year)	(33,17,035)	15	-	-	-	5.00
ICICI Prudential Interval Fund Series VII Annual Interval Plan C - Direct Plan - Cumulative (80,00,000 units matured during the year)	(80,00,000)	10	-	-	-	8.00
ICICI Prudential Fixed Maturity Plan - Series 73 - 369 Days - Plan T Direct Plan Cumulative (2,00,00,000 units matured during the year)	(2,00,00,000)	10	-	-	-	20.00
Kotak Fixed Maturity Plan - Series 155 (370 Days) - Direct - Growth (2,00,00,000 units matured during the year)	(2,00,00,000)	10	-	-	-	20.00
Reliance Fixed Horizon Fund XXVI - Series 8 - Direct Plan - Growth Plan (2,00,00,000 units matured during the year)	(2,00,00,000)	10	-	-	-	20.00
Tata Fixed Maturity Plan - Series 47 - Scheme J - Direct Plan - Growth (1,30,00,000 units matured during the year)	(1,30,00,000)	10	-	-	-	13.00
Reliance Fixed Horizon Fund XXIV - Series 25 - Direct Plan - Growth Plan - 9UAG	2,00,00,000	10	-	20.00	20.00	-
SBI Debt Fund Series 45 DP Growth	50,00,000	10	-	5.00	5.00	-
Birla Sunlife Fixed Term Plan-Series JA - Growth Direct	2,00,00,000	10	-	20.00	20.00	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 12 : NON-CURRENT INVESTMENTS (Continued)	Nos.	Face value (₹)	Non-Current		Current	
			31.03.2016	31.03.2015	31.03.2016	31.03.2015
UTI Fixed Term Income Fund Series XVII - Direct Growth Plan	2,00,00,000	10	-	20.00	20.00	-
IDFC Fixed Term Plan Series 49 Direct Plan - Growth	1,10,00,000	10	-	11.00	11.00	-
RELIGARE Invesco Fixed Maturity Plan Series XXI Plan E Direct Plan - Growth	2,10,00,000	10	-	21.00	21.00	-
HDFC FMP 371D December 2013 (2) Series -29 Direct Growth	80,00,000	10	-	8.00	8.00	-
SBI Debt Fund Series 49 DP Growth	3,10,00,000	10	-	31.00	31.00	-
ICICI Prudential Fixed Maturity Plan Series 73- Plan B Direct Plan Cumulative	1,00,00,000	10	10.00	10.00	-	-
Reliance Fixed Horizon Fund XXV - Series 4 - Direct Plan - Growth Plan - 9YAG	1,00,00,000	10	-	10.00	10.00	-
Tata Fixed Maturity Plan Sereis 45 Scheme C- Direct Plan - Growth	60,00,000	10	-	6.00	6.00	-
BIRLA Sun Life Interval Income Fund- Annual Plan IX - Growth - Direct	1,50,00,000	10	-	15.00	15.00	-
Religare Invesco Fixed Maturity Plan - Series XXV Plan A (1098 Days) - Direct Plan Growth	2,00,00,000	10	20.00	20.00	-	-
Reliance Fixed Horizon Fund XXVIII - Series 4 - Direct Plan - Growth Plan	80,00,000	10	8.00	8.00	-	-
ICICI Prudential Fixed Maturity Plan - Series 76 - 1103 Days - Plan F Direct Plan Cumulative	2,00,00,000	10	20.00	20.00	-	-
Sundaram Fixed Term Plan - Plan GU (1120 Days) - Direct - Growth	2,00,00,000	10	20.00	20.00	-	-
ICICI Prudential Fixed Maturity Plan - Series 76 - 1100 Days - Plan G - Direct Plan Cumulative	1,00,00,000	10	10.00	10.00	-	-
Kotak Fixed Maturity Plan - Series 171 (1099 Days) - Direct - Growth	1,00,00,000	10	10.00	10.00	-	-
Reliance Fixed Horizon Fund XXVIII - Series 7 - Direct Plan - Growth Plan - ZVAG	1,50,00,000	10	15.00	15.00	-	-
HDFC FMP - 1157D - February 2015 (1) - Direct Growth - Series 33	1,00,00,000	10	10.00	10.00	-	-
Religare Invesco Fixed Maturity Plan - Series XXV - Plan D (1141 Days) - Direct Plan Growth	1,00,00,000	10	10.00	10.00	-	-
DWS Fixed Maturity Plan - Series 85 - Direct Plan - Growth	50,00,000	10	5.00	5.00	-	-
DWS Fixed Maturity Plan - Series 87 - Direct Plan - Growth	1,50,00,000	10	15.00	15.00	-	-
Religare Invesco Fixed Maturity Plan - Series XXV - Plan F (1126 Days) - Direct Plan Growth	1,00,00,000	10	10.00	10.00	-	-
Sundaram FTP - Plan GW - Direct Plan - Growth	2,00,00,000	10	20.00	-	-	-
SBI Magnum DFS - B - 16 - Direct Plan - Growth	2,50,00,000	10	25.00	-	-	-
SBI Magnum DFS - B - 17 - Direct Plan - Growth	2,00,00,000	10	20.00	-	-	-
SBI Magnum DFS - B - 26 - Direct Plan - Growth	1,50,00,000	10	15.00	-	-	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 12 : NON-CURRENT INVESTMENTS (Continued)	Nos.	Face value (₹)	Non-Current		Current	
			31.03.2016	31.03.2015	31.03.2016	31.03.2015
Reliance Fixed Horizon Fund 29 - Series 10 - Direct Plan - Growth	1,60,00,000	10	16.00	-	-	-
Reliance Fixed Horizon Fund 29 - Series 14 - Direct Plan - Growth	1,00,00,000	10	10.00	-	-	-
Reliance Fixed Horizon Fund 29 - Series 18 - Direct Plan - Growth	1,00,00,000	10	10.00	-	-	-
Reliance Fixed Horizon Fund 28 - Series 19 - Direct Plan - Growth	1,00,00,000	10	10.00	-	-	-
Sundaram Fixed Term Plan - Plan HA - Direct Plan - Growth	2,00,00,000	10	20.00	-	-	-
Sundaram Fixed Term Plan - Plan HB - Direct Plan - Growth	2,00,00,000	10	20.00	-	-	-
ICICI Prudential Fixed Maturity Plan - S 78 - Plan E - Direct Plan	1,50,00,000	10	15.00	-	-	-
UTI Fixed Term Income Fund - Series XXIII - Plan 15 - Direct Plan	1,50,00,000	10	15.00	-	-	-
UTI Fixed Term Income Fund - Series XXIII - Plan 7 - Direct Plan	70,00,000	10	7.00	-	-	-
Religare Invesco FMP - Series XXVII - Plan A - Direct Plan	70,00,000	10	7.00	-	-	-
Kotak Fixed Maturity Plan - Series 182 - Direct Plan - Growth	1,20,00,000	10	12.00	-	-	-
Religare Invesco Fixed Maturity Plan - Series XXVI - Plan E - Direct Plan	1,50,00,000	10	15.00	-	-	-
HDFC Fixed Maturity Plan - January 2016 (35) - 1 - Direct Plan - Growth	1,50,00,000	10	15.00	-	-	-
SBI Debt Fund Series A2 - 15 Months Direct Growth	50,00,000	10	5.00	-	-	-
			420.00	330.00	167.00	208.00
Amount included under the head "Current Investment" (Refer note 15)					(167.00)	(208.00)
			420.00	330.00	-	-
<b>3. Investment in Debt Instruments</b>						
7.93 % Rural Electrification Corporation (REC) Tax Free Bonds	1,22,476	1,000	12.25	12.25	-	-
8.20 % Power Finance Corporation (PFC) Tax Free Bonds	1,00,000	1,000	10.07	10.07	-	-
7.11 % Power Finance Corporation (PFC) Tax Free Bond	51,341	1,000	5.13	-	-	-
11.50% L&T Finance Limited Perpetual 2021	50	10,00,000	5.32	5.32	-	-
7.11% NTPC Limited Tax Free Bond	62,457	1,000	6.25	-	-	-
7.07 % Indian Railway Finance Corporation Limited (IRFC) Tax Free Bond	2,26,500	1,000	22.65	-	-	-
7.14% National Highways Authority of India (NHAI) Tax Free Bond	1,42,849	1,000	14.28	-	-	-
			75.95	27.64	-	-
<b>Total Non-Current Quoted Investments (II)</b>			<b>537.40</b>	<b>399.09</b>	-	-
<b>Total Non-Current Investments (I) + (II)</b>			<b>539.25</b>	<b>400.88</b>	-	-
Aggregate market value of Non-Current Quoted Investments			<b>850.15</b>	<b>726.90</b>	-	-

Figures in brackets indicate that of previous year.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 13 : LOANS AND ADVANCES	Long Term		Short Term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>A. Secured and Considered good:</b>				
Capital Advances #	1.34	63.00	-	-
<b>B. Unsecured and Considered good:</b>				
(a) Capital Advances	15.44	71.29	-	-
(b) Sundry deposits	66.63	50.34	18.97	18.67
(c) <b>Other loans and advances</b>				
i) Advances/claims recoverable in cash or in kind	63.01	56.32	110.44	136.98
ii) Advance payment of Income Tax (Net)	22.32	24.36	-	-
iii) Balances with Government authorities	9.57	11.03	150.53	97.79
iv) Minimum alternate tax credit entitlement	0.66	1.82	-	-
v) Advances to employees	0.35	0.30	9.04	8.51
	<b>179.32</b>	<b>278.46</b>	<b>288.98</b>	<b>261.95</b>
<b>C. Unsecured and Considered doubtful:</b>				
Advances/claims recoverable in cash or in kind	0.03	-	0.08	0.08
Less: Provision for doubtful advances/claims recoverable in cash or in kind	(0.03)	-	(0.08)	(0.08)
	-	-	-	-
<b>TOTAL</b>	<b>179.32</b>	<b>278.46</b>	<b>288.98</b>	<b>261.95</b>

# Secured against Bank Guarantee

(₹ in Crores)

NOTE 14 : OTHER NON CURRENT ASSETS	As at 31.03.2016	As at 31.03.2015
Long Term Trade Receivables (Refer note 17)	4.84	4.45
Non-current bank balances (Refer note 18)	3.20	3.45
<b>Others</b>		
Finance Lease Receivables [Refer note 33 (IV)]	0.08	0.25
Employee Benefit Asset (Refer note 31)	8.71	12.09
Other Receivables	2.39	2.85
Subsidy Receivable from State Government	30.53	17.06
<b>TOTAL</b>	<b>49.75</b>	<b>40.15</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

<b>NOTE 15 : CURRENT INVESTMENTS</b>	Nos.	Face value (₹)	<b>As at 31.03.2016</b>	As at 31.03.2015
<b>I. Unquoted</b>				
<b>A. Investments with original maturity less than three months</b>				
Treasury bills			23.71	24.82
Premium Money Market Fund - Bank of Nova Scotia			0.03	0.03
<b>Total Unquoted Current Investments with original maturity less than three months</b>			<b>23.74</b>	<b>24.85</b>
<b>B. Investments with original maturity more than three months but less than twelve months:</b>				
Treasury bills			51.29	15.47
<b>Total Unquoted Current Investments (I)</b>			<b>75.03</b>	<b>40.32</b>
<b>II. Quoted</b>				
<b>A. Current Portion of Long Term Investment (Valued at cost) (Refer Note 12)</b>			<b>167.00</b>	<b>208.00</b>
<b>B. Current Investments (Valued at lower of cost and fair value)</b>				
<b>1. Investments in Liquid Mutual Funds:</b>				
Kotak floater short term - Growth	11,546 (6,048)	1,000	2.86	1.39
Kotak liquid scheme Plan A - Growth	(3,833)	1,000	-	1.09
UTI Money market fund institutional plans - G	45,386 (48,094)	1,000	7.68	7.52
LIC Nomura MF Liquid Fund - Growth	(2,217)	1,000	-	0.56
UTI Treasury Advantage fund - Institutional Plan - Growth	80,897 (83,387)	1,000	16.74	15.80
Kotak Floater - ST - Growth	10,884 (15,259)	1,000	2.70	1.54
Dsp BlackRock Liquidity fund-Instnl Plan-Growth	(5,006)	1,000	-	1.00
Reliance Liquid Fund - TP - Growth	688 (754)	1,000	0.26	0.26
SBI Premier Liquid Fund - Regular Plan - Daily Dividend	2,08,103	1,000	20.88	-
HDFC Liquid Fund - Growth (35,47,753 units matured during the year)	(35,47,753)	10	-	9.27
ICICI Prudential Liquid - Regular - Growth (4,630 units matured during the year)	(4,630)	10	-	0.09
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth (1,32,06,031 units matured during the year)	(1,32,06,031)	10	-	31.59
Religare Invesco Ultra Short Term Fund - Direct Plan - Growth (2,33,907 units matured during the year)	(2,33,907)	1,000	-	45.34
ICICI Prudential Flexible Income - Regular Plan - Growth (4,83,383 units matured during the year)	(4,83,383)	100	-	12.70
IDFC Ultra Short Term Fund - Regular Plan - Growth (1,21,50,692 units matured during the year)	(1,21,50,692)	10	-	23.70
Birla Sun Life Savings Fund - Growth - Regular Plan (54,86,803 units matured during the year)	(54,86,803)	100	-	147.42
ICICI Prudential Money Market Fund - Regular Plan - Growth (11,91,821 units matured during the year)	(11,91,821)	100	-	23.02



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 15 : CURRENT INVESTMENTS (Continued)	Nos.	Face value (₹)	As at 31.03.2016	As at 31.03.2015
<b>B. Current Investments (Valued at lower of cost and fair value) (Continued)</b>				
<b>1. Investments in Liquid Mutual Funds: (Continued)</b>				
Axis Liquid Fund - Growth - CFGP (2,14,131 units matured during the year)	(2,14,131)	1,000	-	33.15
JM High Liquidity Fund - Growth Option (81,48,017 units matured during the year)	(81,48,017)	10	-	31.07
JP Morgan India Liquid Fund - Super Institutional Plan - Growth Option (2,32,43,465 units matured during the year)	(2,32,43,465)	10	-	42.07
Sundaram Money Fund - Regular - Growth (47,66,498 units matured during the year)	(47,66,498)	10	-	14.04
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth (5,25,46,750 units matured during the year)	(5,25,46,750)	10	-	97.30
Kotak Treasury Advantage Fund - Growth (Regular Plan) (77,88,251 units matured during the year)	(77,88,251)	10	-	17.32
L&T Liquid Fund - Growth (2,10,967 units matured during the year)	(2,10,967)	1,000	-	40.42
LIC Nomura MF Liquid Fund - Growth Plan - LICLF (2,34,817 units matured during the year)	(2,34,817)	1,000	-	59.45
Reliance Liquid Fund - Cash Plan - Direct Growth Plan -CPAG (1,47,404 units matured during the year)	(1,47,404)	1,000	-	33.19
SBI Magnum Insta Cash Fund - Regular Plan - Growth (84,211 units matured during the year)	(84,211)	1,000	-	26.01
Tata Money Market Fund - Plan A - Growth (1,28,661 units matured during the year)	(128,661)	1,000	-	28.29
Franklin India Low Duration Fund - Direct - Growth (6,62,60,519 units matured during the year)	(6,62,60,519)	10	-	101.99
Baroda Pioneer Liquid Fund - Plan A - Growth	6,19,888	1,000	107.41	-
Birla Sun Life Savings Fund - Direct Plan- Growth	53,28,516	100	156.29	-
DHFL Pramerica Insta Cash Plus Fund - Growth	12,71,204	100	24.94	-
DHFL Pramerica Ultra Short-Term Fund - Direct Plan- Growth	4,90,13,941	10	89.91	-
HDFC Liquid Fund - Growth	54,130	1,000	16.14	-
ICICI Prudential Flexible Income Plan - Direct Plan - Growth	36,01,946	100	103.12	-
IDFC Cash Fund - Regular - Growth	1,20,277	1,000	22.09	-
JM High Liquidity - Growth	4,03,14,775	10	166.45	-
L&T Liquid Fund - Growth	1,73,776	1,000	36.01	-
LIC Nomura MF Liquid Fund - Growth	2,53,964	1,000	69.55	-
Reliance Medium Term Fund - Direct Plan - Growth	70,06,886	10	22.19	-
Religare Invesco Credit Opportunities Fund - Growth	5,67,965	1,000	98.19	-
SBI Magnum Insta Cash - Cash Plan	29,930	1,000	10.00	-
SBI Ultra Short Term Debt Fund - Direct Plan - Growth	2,58,462	1,000	50.32	-
Tata Liquid Fund - Regular - Growth	39,576	1,000	11.03	-
Tata Money Market Fund - Regular - Growth	3,00,338	1,000	71.43	-
UTI Money Market - IP - Growth	1,00,705	1,000	17.04	-
Axis Liquid Fund - Growth	6,01,205	1,000	100.68	-
Reliance Interval Fund - Quarterly Series II - Direct Plan - Growth	97,57,573	10	20.00	-
UTI FTIF - Series XXIV - Plan 7 - Direct Plan - Growth	50,00,000	10	5.00	-
			1,248.91	846.59

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

<b>NOTE 15 : CURRENT INVESTMENTS (Continued)</b>	Nos.	Face value (₹)	As at 31.03.2016	As at 31.03.2015
<b>2. Investments with original maturity more than three months but less than twelve months:</b>				
ICICI Prudential Fixed Maturity Plan - S 78 - Plan L - Direct Plan - Growth	1,00,00,000	10	10.00	-
UTI Fixed Income Interval Fund - Quarterly Plan III - Direct - Growth	1,23,81,938	10	25.00	-
HDFC Fixed Maturity Plan - March 2016 (35) - 1 - Direct Plan - Growth	1,50,00,000	10	15.00	-
ICICI Prudential Interval Fund Annual Interval Plan IV - Direct Plan	33,17,035	15	5.00	-
IDFC Yearly Series Interval Fund Regular Plan Series - II Growth	50,00,000	10	5.00	-
ICICI Prudential Interval Fund Series VII Annual Interval Plan C - Direct Plan - Cumulative	80,00,000	10	8.00	-
HDFC Fixed Maturity Plan - February 2015 (1) - Direct - Growth - Series 33	(1,20,00,000)	10	-	12.00
(1,20,00,000 units matured during the year)				
Kotak Quarterly Interval Plan Series 6 - Direct Plan - Growth	(1,43,14,097)	10	-	25.00
(1,43,14,097 units matured during the year)				
ICICI Prudential Interval Fund III - Quarterly Interval - Direct Plan -Growth	(1,68,43,069)	10	-	25.00
(1,68,43,069 units matured during the year)				
Reliance Quarterly Interval Fund - Series II - Direct Growth Plan Growth Option - K5AG	(1,32,11,855)	10	-	25.00
(1,32,11,855 units matured during the year)				
Fixed Maturity Plan - Religare Invesco FMP-Sr. 23-Plan E (382 Days) - Direct Plan - Growth	(50,00,000)	10	-	5.00
(50,00000 units matured during the year)				
			68.00	92.00
<b>Total Quoted Current Investments (II)</b>			<b>1,483.91</b>	<b>1,146.59</b>
<b>Total Current Investments (I) + (II)</b>			<b>1,558.94</b>	<b>1,186.91</b>
<b>Aggregate market value of quoted current investments</b>			<b>1,528.17</b>	<b>1,171.93</b>

Figures in brackets indicate that of previous year.

(₹ in Crores)

<b>NOTE 16 : INVENTORIES</b>	As at 31.03.2016	As at 31.03.2015
(At lower of cost and net realisable value)		
(a) Raw materials	656.44	690.62
Raw materials-in-transit	101.33	68.60
	<b>757.77</b>	<b>759.22</b>
(b) Packing materials	56.19	52.69
(c) Finished goods	935.75	1,169.92
Finished goods-in-transit	21.78	1.64
	<b>957.53</b>	<b>1,171.56</b>
(d) Work-in-progress	73.45	102.14
(e) Stores, spares and consumables	59.05	53.93
(f) Stock-in-trade (acquired for trading)	156.81	115.26
Stock-in-trade (acquired for trading) in-transit	3.20	3.72
<b>TOTAL</b>	<b>2,064.00</b>	<b>2,258.52</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

NOTE 17 : TRADE RECEIVABLES	Non - Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Unsecured</b>				
(a) Overdue for more than six months				
Considered good	-	-	11.94	13.46
Considered doubtful	5.25	-	59.97	47.65
	<b>5.25</b>	<b>-</b>	<b>71.91</b>	<b>61.11</b>
(b) Others				
Considered good	4.84	4.45	1,236.32	1,168.61
Considered doubtful	-	-	6.32	11.83
	<b>4.84</b>	<b>4.45</b>	<b>1,242.64</b>	<b>1,180.44</b>
	<b>10.09</b>	<b>4.45</b>	<b>1,314.55</b>	<b>1,241.55</b>
Less: Provision for doubtful trade receivables	5.25	-	66.29	59.48
	<b>4.84</b>	<b>4.45</b>	<b>1,248.26</b>	<b>1,182.07</b>
Amount included under the head "Other Non Current Assets" (Refer Note 14)	(4.84)	(4.45)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>1,248.26</b>	<b>1,182.07</b>

(₹ in Crores)

NOTE 18 : CASH AND BANK BALANCES	Non - Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>A. Cash and cash equivalents</b>				
(a) Cash on hand			0.59	1.18
(b) Balances with Banks:				
(i) Current Accounts <sup>#</sup>			217.36	136.35
(ii) Cash Credit Accounts <sup>##</sup>			7.93	3.70
(iii) Deposits with Banks with maturity less than 3 months			87.40	23.12
			<b>312.69</b>	<b>163.17</b>
(c) Cheques on hand			27.04	31.14
<b>B. Other Bank Balances</b>				
(a) Unpaid dividend and sales proceeds of Fractional Bonus Shares account <sup>§</sup>	-	-	8.23	7.17
(b) Deposits with Banks with maturity more than 3 months but less than 12 months	-	-	71.83	1.73
(c) Deposits with Banks with maturity more than 12 months	1.96	2.35	0.05	-
(d) Term deposits held as margin money against bank guarantee and other commitments	1.24	1.10	-	-
	<b>3.20</b>	<b>3.45</b>	<b>80.11</b>	<b>8.90</b>
Amount included under the head "Other Non Current Assets" (Refer Note 14)	(3.20)	(3.45)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>420.43</b>	<b>204.39</b>

# Overdraft in current account carries interest rate @ 12.50% to 12.75% p.a.

## Secured by hypothecation of inventories and trade receivable and carries interest rate @ 9.95% to 12.50% p.a.

§ The Group can utilise these balances only towards settlement of unclaimed dividend and fractional shares.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)		
<b>NOTE 19 : OTHER CURRENT ASSETS</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
Interest accrued on investments and deposits	10.20	2.51
Quantity discount receivable	127.34	81.81
Royalty receivable	0.31	0.12
Duty credit entitlement	0.90	6.20
Insurance claim receivable	0.11	0.42
Subsidy Receivable from State Government	119.48	119.04
Tangible Assets Held for Disposal (Refer Note 11)	4.29	8.36
Other Receivables	17.39	26.67
<b>TOTAL</b>	<b>280.02</b>	<b>245.13</b>

(₹ in Crores)		
<b>NOTE 20 : REVENUE FROM OPERATIONS</b>	<b>Year 2015-16</b>	<b>Year 2014-15</b>
<b>(A) Revenue from sale of goods and services:</b>		
<b>Sale of goods:</b>		
Home Market (Net of Returns)	17,858.44	16,125.30
Exports	178.86	199.92
Turnover	<b>18,037.30</b>	<b>16,325.22</b>
Less: Discounts	1,128.15	886.09
<b>Sale of goods (Net of Discounts)</b>	<b>16,909.15</b>	<b>15,439.13</b>
<b>Sale of services:</b>		
Revenue from Home Solutions operations	9.69	7.83
Revenue from painting and related services	21.78	21.37
Colour Consultancy Income	2.94	2.09
Other Services	3.26	2.77
<b>TOTAL</b>	<b>16,946.82</b>	<b>15,473.19</b>
<b>(B) Other Operating Revenues:</b>		
Processing and service income	55.05	54.37
Scrap sales	11.86	12.13
Subsidy from State Government (Refer Note 29)	134.21	109.06
Lease Rent	1.48	1.40
Others	0.82	0.52
<b>TOTAL</b>	<b>203.42</b>	<b>177.48</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in Crores)	
<b>NOTE 21 : OTHER INCOME</b>		<b>Year</b>	<b>Year</b>
		<b>2015-16</b>	<b>2014-15</b>
(a)	Interest		
(i)	From Current investments	9.72	5.06
(ii)	From Non Current investments	4.02	2.46
(iii)	From others	8.88	3.99
		<b>22.62</b>	<b>11.51</b>
(b)	Insurance claims received	0.63	1.17
(c)	Dividend received		
(i)	From Non Current investments	4.77	15.74
(ii)	From Current investments	65.01	54.87
		<b>69.78</b>	<b>70.61</b>
(d)	Royalty received	8.91	7.97
(e)	Profit on sale of Long Term Investments (Net) #	24.71	27.56
(f)	Profit on sale of Short Term Investments (Net)	5.37	4.26
(g)	Profit on sale of fixed assets (Net)	10.94	2.69
(h)	Net gain on foreign currency transactions and translations (Other than considered as finance cost)	1.30	8.35
(i)	Other non-operating income	56.46	35.59
<b>TOTAL</b>		<b>200.72</b>	<b>169.71</b>

# As at 31<sup>st</sup> March, 2015 these Long term investments were classified under Current investments as their maturity period was less than 12 months.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in Crores)	
<b>NOTE 22 :</b>		<b>Year</b>	<b>Year</b>
		<b>2015-16</b>	<b>2014-15</b>
<b>(A) COST OF MATERIALS CONSUMED</b>			
<b>Raw Materials Consumed</b>			
Opening Stock		759.22	768.55
Add : Purchases		6,018.27	6,243.75
Add : Acquired pursuant to investment in subsidiary company [Refer note 27 C (a)]		-	33.38
		<b>6,777.49</b>	<b>7,045.68</b>
Less: Closing Stock		757.77	759.22
		<b>6,019.72</b>	<b>6,286.46</b>
<b>Packing Materials Consumed</b>			
Opening Stock		52.69	51.12
Add : Purchases		1,294.87	1,244.81
Add : Acquired pursuant to investment in subsidiary company [Refer note 27 C (a)]		-	1.47
		<b>1,347.56</b>	<b>1,297.40</b>
Less : Closing Stock		56.19	52.69
		<b>1,291.37</b>	<b>1,244.71</b>
<b>Total Cost of Materials Consumed</b>		<b>7,311.09</b>	<b>7,531.17</b>
<b>(B) PURCHASES OF STOCK-IN-TRADE</b>		<b>723.20</b>	<b>588.37</b>
<b>(C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>			
<b>Stock at the beginning of the year</b>			
Finished Goods (including goods in transit)		1,171.56	1,036.08
Work-in-Progress		102.14	87.09
Stock-in-trade (acquired for trading) (including goods in transit)		118.98	84.90
Acquired pursuant to investment in subsidiary company [Refer note 27 C (a)]		-	4.97
<b>TOTAL</b>		<b>1,392.68</b>	<b>1,213.04</b>
<b>Stock at the end of the year</b>			
Finished Goods (including goods in transit)		957.53	1,171.56
Work-in-Progress		73.45	102.14
Stock-in-trade (acquired for trading) (including goods in transit)		160.01	118.98
<b>TOTAL</b>		<b>1,190.99</b>	<b>1,392.68</b>
<b>Changes in inventories</b>		201.69	(179.64)
Increase in Excise duty on finished goods		(30.39)	31.57
<b>Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		<b>171.30</b>	<b>(148.07)</b>

		(₹ in Crores)	
<b>NOTE 23 : EMPLOYEE BENEFITS EXPENSE</b>		<b>Year</b>	<b>Year</b>
		<b>2015-16</b>	<b>2014-15</b>
Salaries and wages		881.40	772.56
Contribution to Provident and other Funds (Refer Note 31)		54.71	64.11
Staff welfare expenses		81.73	70.44
<b>TOTAL</b>		<b>1,017.84</b>	<b>907.11</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

<b>NOTE 24 : OTHER EXPENSES</b>	<b>Year 2015-16</b>	<b>Year 2014-15</b>
Consumption of Stores, spares and consumables	52.23	42.85
Power and fuel	112.15	125.72
Processing charges	120.03	110.64
Repairs and Maintenance:		
Buildings	17.38	21.33
Machinery	31.90	33.00
Other assets	55.54	51.94
	<b>104.82</b>	<b>106.27</b>
Rent	185.46	163.63
Rates and taxes	48.29	39.51
Water Charges	5.11	4.96
Insurance	13.48	12.17
Printing, stationery and communication expenses	51.13	46.88
Travelling expenses	120.44	100.45
Donations	2.51	13.14
Corporate Social Responsibility expenses	34.65	19.13
Commission to Non Executive Directors	3.66	3.16
Directors' sitting fees	1.81	1.43
Payment to Auditors	5.40	4.67
Bank Charges	8.28	7.48
Premuim on forward exchange contract amortized	1.83	1.38
Information Technology expenses	42.91	30.12
Legal and professional expenses	43.39	37.23
Training and recruitment	39.04	29.77
Freight and handling charges	808.32	708.86
Advertisement and sales promotional expenses	904.90	743.86
Cash discount	628.78	567.55
Bad debts written off	3.47	2.80
Provision for doubtful debts and advances	11.02	10.66
Miscellaneous expenses	148.98	134.50
<b>TOTAL</b>	<b>3,502.09</b>	<b>3,068.82</b>

(₹ in Crores)

<b>NOTE 25 : FINANCE COSTS</b>	<b>Year 2015-16</b>	<b>Year 2014-15</b>
Interest on Bank Borrowings	12.68	9.75
Interest on Bill Discounting	17.20	24.25
Net loss /(gain) on Foreign Currency Transactions and Translation on borrowings (considered as finance cost)	3.94	(2.77)
Other Interest	6.69	3.53
<b>TOTAL</b>	<b>40.51</b>	<b>34.76</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 26 : CONTINGENT LIABILITIES AND COMMITMENTS:

### (a) Contingent Liabilities

		(₹ in Crores)	
		As at 31.03.2016	As at 31.03.2015
1	Performance Bonds and Immigration Bonds given by Subsidiaries	2.58	1.98
2	Claims against the Group not acknowledged as debts		
	i. Tax matters in dispute under appeal	197.70	139.14
	ii. Others	16.25	13.02
3	Berger International Private Limited and its subsidiary, Berger Paints Trinidad Limited, are engaged in litigation initiated by its former Regional Managing Director. The company upon discontinuing his services has paid him compensation as per his contract of employment and the same has been charged to income statement. Berger Paints Trinidad Limited filed a counter claim for the recovery of the amounts due from former Regional Managing Director. This matter is subject to Trinidad and Tobago's High Court Action No.3085 of 2004. Based on the information presently available, the likely outcome of this trial cannot be determined with any reasonable certainty. Therefore, no further provision has been made in these financial statements for this matter. However, in the event that this case is ruled against the Group, the likely impact is not expected to be material, based on management's best estimate.		

### (b) Commitments

		(₹ in Crores)	
		As at 31.03.2016	As at 31.03.2015
1.	Estimated amount of contracts remaining to be executed on capital account and not provided for.	128.24	410.34
2.	Letters of Credit and Bank Guarantees issued by bankers and outstanding as on 31 <sup>st</sup> March, 2016.	109.35	111.17
3.	The Parent Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.		

The forward exchange contracts outstanding as at 31<sup>st</sup> March, 2016 are as under:-

As at 31.03.2016				As at 31.03.2015			
Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)	Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
USD	67	4.36	28.89	-	-	-	-



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 27 : DETAILS OF SUBSIDIARIES AND JOINT VENTURES:

### (A) Subsidiaries:

The subsidiary companies considered in the consolidated financial statements are:

#### i. Direct Subsidiaries:

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015	Accounting period
Asian Paints (Nepal) Private Limited	Nepal	51.00%	51.00%	15 <sup>th</sup> March, 2015 – 13 <sup>th</sup> March, 2016
Asian Paints (International) Limited	Mauritius	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Asian Paints Industrial Coatings Limited	India	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Multifacet Infrastructure (India) Limited (Refer Note 27 C (e))	India	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Maxbhumi Developers Limited	India	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Sleek International Private Limited	India	51.00%	51.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016

#### ii. Indirect Subsidiaries:

##### a) Subsidiaries of the wholly owned subsidiary, Asian Paints (International) Limited, Mauritius

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015	Accounting period
Asian Paints (Lanka) Limited	Sri Lanka	99.18%	99.18%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Berger International Private Limited ^	Singapore	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Asian Paints (Tonga) Limited *	Kingdom of Tonga	-	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Asian Paints (South Pacific) Limited*	Fiji Islands	-	54.07%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Asian Paints (S.I.) Limited *	Solomon Islands	-	75.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Asian Paints (Bangladesh) Limited *	Bangladesh	-	89.78%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Asian Paints (Middle East) LLC*	Sultanate of Oman	-	49.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
SCIB Chemicals S.A.E.*	Egypt	-	60.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Samoa Paints Limited*	Samoa	-	80.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Asian Paints(Vanuatu) Limited *	Republic of Vanuatu	-	60.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016

^ During the previous year, Berger International Private Limited (BIPL) (formerly known as Berger International Limited) has become a wholly owned subsidiary of Asian Paints (International) Limited.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 27 : DETAILS OF SUBSIDIARIES AND JOINT VENTURES: (Continued)

### (A) Subsidiaries: (Continued)

#### ii. Indirect Subsidiaries: (Continued)

#### b) Subsidiaries of Berger International Private Limited.

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015	Accounting period
Berger Paints Singapore Pte Limited	Singapore	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Enterprise Paints Limited	Isle of Man, U.K.	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Universal Paints Limited	Isle of Man, U.K.	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Lewis Berger (Overseas Holdings) Limited	U.K.	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Kadisco Paint and Adhesive Industry Share Company [Refer Note 27 C (a) ]	Ethiopia	51.00%	51.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
PT Asian Paints Indonesia	Indonesia	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
PT Asian Paints Color Indonesia [Refer Note 27 C (b) ]	Indonesia	100.00%	-	7 <sup>th</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Asian Paints (Tonga) Limited *	Kingdom of Tonga	100.00%	-	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> Mar 2016
Asian Paints (South Pacific) Limited*	Fiji Islands	54.07%	-	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Asian Paints (S.I.) Limited *	Solomon Islands	75.00%	-	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Asian Paints (Bangladesh) Limited *	Bangladesh	89.78%	-	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Asian Paints (Middle East) LLC*	Sultanate of Oman	49.00%	-	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
SCIB Chemicals S.A.E.*	Egypt	60.00%	-	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Samoa Paints Limited *	Samoa	80.00%	-	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Asian Paints (Vanuatu) Limited *	Republic of Vanuatu	60.00%	-	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016

\* During the year, as part of consolidation of investments in overseas subsidiaries, Asian Paints (International) Limited, Mauritius, a wholly owned subsidiary of the Parent Company, has transferred its entire holding in its certain subsidiaries to its wholly owned subsidiary, Berger International Private Limited, Singapore. This does not have any impact on the consolidated financial results.

#### c) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015	Accounting period
Nirvana Investments Limited	Isle of Man, U.K.	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 27 : DETAILS OF SUBSIDIARIES AND JOINT VENTURES: (Continued)

### (A) Subsidiaries: (Continued)

#### ii. Indirect Subsidiaries: (Continued)

#### d) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015	Accounting period
Berger Paints Emirates LLC	U.A.E.	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016

#### e) Subsidiaries of Lewis Berger (Overseas Holdings) Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015	Accounting period
Berger Paints Jamaica Limited	Jamaica	51.00%	51.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Berger Paints Trinidad Limited	Trinidad	70.00%	70.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
Berger Paints Barbados Limited	Barbados	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016

#### f) Subsidiary of Universal Paints Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015	Accounting period
Berger Paints Bahrain W.L.L.	Bahrain	100.00%	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016

#### g) Subsidiary of Sleek International Private Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015	Accounting period
Kitchen Grace (India) Private Limited [Refer Note 27 C (d)]	India	-	100.00%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016

### B. Joint Ventures: (In which the Parent Company has 50% equity interest)

There are two Joint Ventures between the Parent Company and PPG Industries Securities LLC, U.S.A., wherein the Parent Company has 50% equity participation.

- PPG Asian Paints Private Limited
- Asian Paints PPG Private Limited

Subsidiaries of PPG Asian Paints Private Limited:

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2016	% of Holding as on 31.03.2015	Accounting period
Faaber Paints Private Limited	India	100%	100%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016
PPG Asian Paints Lanka Private Limited	Sri Lanka	100%	100%	1 <sup>st</sup> April, 2015 – 31 <sup>st</sup> March, 2016

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 27 : DETAILS OF SUBSIDIARIES AND JOINT VENTURES: (Continued)

- C. a) Berger International Private Limited, Singapore (“BIPL”), a wholly owned indirect subsidiary of the Company, acquired 51% stake in Kadisco Paint and Adhesive Industry Share Company for a consideration of US\$ 18.95 million (₹ 117 crores) in cash, on 9<sup>th</sup> February, 2015.
- Goodwill on consolidation arising from the stake acquired in Kadisco amounting to ₹ 99.98 crores had been recognised in the consolidated Balance Sheet in the previous year.
- b) PT Asian Paints Color Indonesia has been incorporated in Indonesia as a wholly owned subsidiary of Berger International Private Limited, Singapore (an indirect wholly owned subsidiary of the Company) during the year.
- c) During the previous year, the Parent Company acquired the entire front end sales business including brands, network and sales infrastructure of Ess Ess Bath Products Private Limited effective 1<sup>st</sup> June, 2014 for a consideration of ₹ 36.48 crores. As a result of this transaction, intangible assets consisting of Goodwill of ₹ 38.58 crores and Brand of ₹ 4.28 crores has been recognised in the consolidated balance sheet in the previous year. The results for the period ended 31<sup>st</sup> March, 2016 of this business are reported as a separate segment under ‘Home Improvement’ in Segment Reporting.
- d) During the year, Kitchen Grace (India) Pvt Ltd. (wholly owned subsidiary of Sleek International Private Limited) has been merged with Sleek International Private Limited, pursuant to scheme of amalgamation approved by Hon’ble High Court of Bombay effective 1<sup>st</sup> April, 2015.
- e) Multifacet Infrastructure (India) Limited, a wholly owned non-operating subsidiary of the company, has, on 21<sup>st</sup> March 2016, filed an application for striking off the name under the “Fast Track Exit mode” under Section 560 of Companies Act, 1956.

(₹ in Crores)

<b>NOTE 28 : EXCEPTIONAL ITEMS</b>		<b>2015-2016</b>	2014-2015
A	Impairment loss on Goodwill on Consolidation	52.45	-
B	Provision for Impairment of Fixed Assets	-	2.41
C	Voluntary Retirement/ Separation Scheme compensation	-	25.16
<b>Total exceptional items (net) (A+B+C)</b>		<b>52.45</b>	<b>27.57</b>

- A. The Group has made an assessment of the fair value of investment made in its subsidiary, Sleek International Private Limited (Sleek) taking into account the past business performance, prevailing business conditions and revised expectations of the future performance given the understanding built up since acquisitions. Based on above factors and as a matter of prudence, the Company has recognised an impairment loss on the ‘Goodwill on Consolidation’ of ₹ 52.45 crores which was recognised on acquisition of Sleek in the year ended 31<sup>st</sup> March, 2016. The same is disclosed under “Exceptional items” in the Statement of Profit and Loss.
- B. The Parent Company had recognized provision for impairment in respect of Fixed Assets at Bhandup Plant for an amount of ₹ 2.41 crores in the previous year. The same was included under “Impairment” in Note 11 and disclosed in “Exceptional Items” in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2015.
- C. The Parent Company had discontinued the manufacturing activities at its Bhandup Plant with effect from 5<sup>th</sup> May, 2014. A “Voluntary Retirement / Separation Scheme” along with an alternate option of relocation to other factories/establishments of the Company was offered to all the workmen at the plant in the month of April, 2014. All workmen had accepted either the Voluntary Retirement/Separation Scheme or relocation to another factory/establishment of the Company. The liability on account of the above amounting to ₹ 25.16 crores was recognized and disclosed in “Exceptional Items” in the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2015.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 29 :

The Parent Company's manufacturing facility at Khandala, Maharashtra has been granted "Mega Project Status" by Government of Maharashtra and hence is eligible for Industrial Promotion Subsidy (IPS) under Package Scheme of Incentive, 2007 in the form of refund of VAT paid to Maharashtra Government, exemption on electricity duty and stamp duty within a period of 9 years from the date of commencement of commercial production, restricted to a maximum of 100% of fixed capital investment as per the Eligibility Certificate issued by Director of Industries, Government of Maharashtra. In terms of the Accounting Standard (AS 12) "Accounting for Government Grants" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, eligible incentive as mentioned above amounting to ₹ 134.11 crores for year ended 31<sup>st</sup> March, 2016 (Previous Year - ₹ 108.96 crores) is credited to Statement of Profit and Loss under the head "Other operating income" on accrual basis.

## NOTE 30 : INTEREST IN JOINT VENTURES

Pursuant to Accounting Standard (AS 27) - Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statements of PPG Asian Paints Private Limited and Asian Paints PPG Private Limited (hereinafter referred to as JVs), the Joint Ventures between the Parent company and PPG Industries Securities Inc., U.S.A. have been consolidated using proportionate consolidation method.

- The Parent company's share of each of the assets, liabilities, income and expenses of the JVs has been included in the consolidated financial statements.
- The aggregate amounts of assets, liabilities, income and expenses related to the Parent Company's Interest in the JVs as at 31<sup>st</sup> March, 2016 is as follows -

(₹ in Crores)

	As at 31.03.2016	As at 31.03.2015
<b>a) Details of Assets</b>		
<b>Non-current assets</b>		
Tangible assets	59.48	66.65
Intangible assets	0.51	1.34
Capital work in progress	4.21	0.44
Goodwill on consolidation	1.43	1.43
Long-term loans and advances	53.60	39.65
Other non-current assets	1.97	2.22
<b>Current assets</b>		
Current investments	23.83	2.80
Inventories	128.51	123.35
Trade receivables	150.24	137.10
Cash and bank balance	8.45	6.31
Short-term loans and advances	23.65	20.68
Other current assets	0.64	0.29
<b>b) Details of Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liability (net)	3.02	1.69
Long term provision	6.34	5.91
<b>Current liabilities</b>		
Trade payables	97.89	85.32
Other current liabilities	22.30	19.79
Short-term provisions	3.54	2.21

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Crores)

<b>NOTE 30 : INTEREST IN JOINT VENTURES (Continued)</b>	<b>Year 2015-16</b>	<b>Year 2014-15</b>
<b>c) Details of Income</b>		
Revenue from operations	671.62	637.62
Other income	3.77	3.16
<b>d) Expenses</b>		
Cost of materials consumed	348.48	360.00
Purchases of stock in trade	74.43	64.55
Changes in inventories of finished goods, work-in-progress and stock in trade	(0.20)	(2.92)
Employee benefits expense	48.70	48.97
Finance costs	0.26	0.21
Depreciation and amortization expenses	7.78	7.41
Other expenses	146.03	129.79
Tax expenses	13.66	7.37
	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>e) Other Matters</b>		
Contingent Liabilities	30.42	24.43
Capital Commitments	3.53	2.82
Other Commitments	2.22	3.83

## NOTE 31: EMPLOYEE BENEFITS

### 1) Short term employee benefits:

The liability towards short term employee benefits for the year ended 31<sup>st</sup> March, 2016 has been recognised in the Statement of Profit and Loss.

### 2) Post-employment benefits:

The following disclosures are made in accordance with AS 15 (Revised) pertaining to Defined Benefit Plans:

#### a) Gratuity, Pension, Leaving Indemnity and Medical benefit plans

(₹ in Crores)

	Gratuity and Pension (Funded)		Pension, Leaving Indemnity, Gratuity and Medical Plan (Unfunded)	
	<b>31.03.2016</b>	31.03.2015	<b>31.03.2016</b>	31.03.2015
<b>Amount Recognised in Balance Sheet</b>				
Present Value of Funded Obligations	272.95	248.27	-	-
Fair Value of Plan Assets	(277.02)	(255.50)	-	-
Present Value of Unfunded Obligations	-	-	27.25	25.13
<b>Net (Asset) / Liability</b>	<b>(4.07)</b>	<b>(7.23)</b>	<b>27.25</b>	<b>25.13</b>
<b>Amounts in Balance Sheet</b>				
Liability	4.64	4.86	27.25	25.13
Assets	(8.71)	(12.09)	-	-
<b>Net (Asset) / Liability</b>	<b>(4.07)</b>	<b>(7.23)</b>	<b>27.25</b>	<b>25.13</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 31: EMPLOYEE BENEFITS: (Continued)

### 2) Post-employment benefits: (Continued)

#### a) Gratuity, Pension, Leaving Indemnity and Medical benefit plans (Continued)

(₹ in Crores)

	Gratuity and Pension (Funded)		Pension, Leaving Indemnity, Gratuity and Medical Plan (Unfunded)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>Expense Recognised in the Statement of Profit and Loss</b>				
Current Service Cost	14.20	13.98	2.13	2.36
Interest on Defined Benefit Obligation	19.07	16.75	1.87	1.96
Expected Return on Plan Assets	(19.60)	(16.84)	-	-
Net Actuarial Losses / (Gains) Recognized in Year	1.72	13.73	(0.67)	1.75
Past Service Cost	0.99	2.19	-	-
<b>Total Included in "Employee Benefit Expense"</b>	<b>16.38</b>	<b>29.81</b>	<b>3.33</b>	<b>6.07</b>
Actual Return on Plan Assets	21.48	26.85		
<b>Movement in the asset recognised in the balance sheet:</b>				
Opening Net (Asset) / Liability	(7.23)	(10.37)	25.13	19.96
Currency translation difference	(0.33)	(0.35)	0.60	0.46
Total charge as above	16.38	29.81	3.33	6.07
Contribution paid	(12.89)	(26.32)	(1.81)	(1.72)
Pursuant to acquisition [Refer Note 27 C (a)]	-	-	-	0.36
<b>Closing Net (Asset) / Liability</b>	<b>(4.07)</b>	<b>(7.23)</b>	<b>27.25</b>	<b>25.13</b>
<b>Reconciliation of Benefit Obligations &amp; Plan Assets For the Period</b>				
<b>Change in Defined Benefit Obligation</b>				
Opening Defined Benefit Obligation	248.27	203.44	25.13	19.96
Current Service Cost	14.20	13.98	2.13	2.36
Interest Cost	19.07	16.75	1.87	1.96
Actuarial Losses / (Gain)	0.86	23.70	(0.67)	1.75
Past Service Cost	0.99	2.19	-	-
Annuities Purchased	1.83	0.37	-	-
Exchange Difference on Foreign Plans	2.38	2.63	0.60	0.46
Member Contributions	1.43	1.47	-	-
Pursuant to acquisition [Refer note 27 C (a)]	-	-	-	0.36
Benefits Paid	(16.08)	(16.26)	(1.81)	(1.72)
<b>Closing Defined Benefit Obligation</b>	<b>272.95</b>	<b>248.27</b>	<b>27.25</b>	<b>25.13</b>
<b>Change in Fair Value of Assets</b>				
Opening Fair Value of Plan Assets	255.50	213.81	-	-
Expected Return on Plan Assets	19.60	16.84	-	-
Actuarial Gain / (Losses)	(0.86)	9.97	-	-
Contributions by Employer	12.89	26.32	1.81	1.72
Annuities Purchased	1.83	0.37	-	-
Exchange Difference on Foreign Plans	2.71	2.98	-	-
Member Contributions	1.43	1.47	-	-
Benefits Paid	(16.08)	(16.26)	(1.81)	(1.72)
<b>Closing Fair Value of Plan Assets</b>	<b>277.02</b>	<b>255.50</b>	<b>-</b>	<b>-</b>
<b>Summary of the Actuarial Assumptions</b>				
Discount Rate	4.5% to 10.88%	5% to 11%	4.5% - 10.88%	4.5% to 11.97%
Expected Rate of Return on Assets	4.0% to 8.80%	4.0% to 8.50%		

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 31 : EMPLOYEE BENEFITS: (Continued)

### 2) Post-employment benefits: (Continued)

#### a) Gratuity, Pension, Leaving Indemnity and Medical benefit plans (Continued)

##### Experience Adjustments for the current and previous Four periods

	(₹ in Crores)				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
<b>Gratuity and Pension (Funded)</b>					
Defined Benefit Obligation	272.95	248.27	203.44	187.84	163.67
Plan Assets	277.02	255.50	213.81	193.96	175.28
Surplus	4.07	7.23	10.37	6.12	11.61
Experience adjustment on plan Liabilities	1.25	(2.76)	(2.37)	(0.18)	(0.06)
Experience adjustment on plan assets	1.37	(8.90)	(5.89)	1.90	(2.60)
<b>Pension, Gratuity and Medical Plan (Unfunded)</b>					
Defined Benefit Obligation	27.25	25.13	19.96	16.73	15.12
Plan Assets	-	-	-	-	-
(Deficit)	(27.25)	(25.13)	(19.96)	(16.73)	(15.12)
Experience adjustment on plan Liabilities	1.14	0.19	(0.15)	0.65	(2.46)
Experience adjustment on plan assets	-	-	-	-	-

#### Notes:

- The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The Group estimates that the amount to be contributed to the gratuity and pension fund for the financial year 2016-17 will be ₹ 7.38 crores.

#### b) Provident Fund

The provident fund assets and liabilities of the Parent Company and one of its Joint Venture (PPG Asian Paints Private Limited) is managed by its respective provident fund trusts.

The guidance on Implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer established provident fund, which require interest shortfalls to be recompensed, are to be considered as defined benefit plans. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015.

The details of benefit obligation and plan assets of the provident funds as at 31<sup>st</sup> March, 2016 is as given below:

	(₹ in Crores)	
Particulars	As at 31.03.2016	As at 31.03.2015
Present value of benefit obligation at period	389.35	332.39
Plan assets at period end, at fair value, restricted to	389.35	332.39
Asset recognised in the balance sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee are as under:

Particulars	As at 31.03.2016	As at 31.03.2015
Discount Rate	7.87% to 7.90%	7.78% to 7.90%
Expected Guaranteed interest rate	8.80%	8.75%



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<b>NOTE 32 : EARNINGS PER SHARE</b>	<b>Year 2015-16</b>	<b>Year 2014-15</b>
Basic and diluted earnings per share attributable to shareholders in rupees (face value - ₹ 1 per share)	18.00	14.54
Profit attributable to shareholders as per Statement of Profit & Loss (₹ in crores)	1,726.21	1,395.15
Weighted average number of equity shares outstanding	95,91,97,790	95,91,97,790

## NOTE 33 : PURSUANT TO THE ACCOUNTING STANDARD (AS-19) – LEASES, THE FOLLOWING INFORMATION IS GIVEN:

### I. Assets given on operating leases

- a) The parent company and certain subsidiaries has provided tinting systems to its dealers on an operating lease basis. The lease period varies between four to nine years. The lease rentals are payable monthly by the dealers. A refundable security deposit is collected at the time of signing the agreement.
- b) Future minimum lease rentals receivable as at 31<sup>st</sup> March, 2016 as per the lease agreements:

(₹ in Crores)

	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
i) Not later than one year	0.31	0.25
ii) Later than one year and not later than five years	0.08	0.08
iii) Later than five years	-	-
<b>TOTAL</b>	<b>0.39</b>	<b>0.33</b>

The information pertaining to future minimum lease rentals receivable is based on the lease agreements entered into between the respective companies and the dealers and variation made thereto. The lease rentals are reviewed periodically taking into account prevailing market conditions.

- c) The initial direct cost relating to acquisition of tinting system is capitalised
- d) The information on gross amount of leased assets, depreciation and impairment is given in Note 11.

### II. Assets taken on operating leases

- a) The parent company has taken certain assets such as Vehicles, Computers and Information Technology hardware on an operating lease basis. The lease rentals are payable by the parent company on a monthly and quarterly basis.
- b) In addition, certain overseas subsidiaries have also taken certain assets on operating lease.
- c) Future minimum lease rentals payable as at 31<sup>st</sup> March, 2016 as per the lease agreements:

(₹ in Crores)

	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
i) Not later than one year	18.91	16.55
ii) Later than one year and not later than five years	30.21	28.57
iii) Later than five years	22.74	34.29
<b>TOTAL</b>	<b>71.86</b>	<b>79.41</b>

- d) Lease payments recognized in the statement of profit and loss for the period is ₹ 26.50 crores. (Previous year ₹ 19.84 crores).

### III. Assets taken on finance lease

- a) Certain subsidiaries have taken plant and equipment on finance lease which effectively transferred to the respective subsidiaries substantially all of the risks and benefits incidental to the ownership.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 33 : PURSUANT TO THE ACCOUNTING STANDARD (AS-19) – LEASES, THE FOLLOWING INFORMATION IS GIVEN: (Continued)**

### III. Assets taken on finance lease (Continued)

- b) Future minimum lease rentals payable as at 31<sup>st</sup> March, 2016 as per the lease agreements:

(₹ in Crores)

	As at 31.03.2016			As at 31.03.2015		
	Minimum lease payments	Finance charge allocated to future periods	Present value	Minimum lease payments	Finance charge allocated to future periods	Present value
i) Not later than one year	0.98	0.30	0.67	0.97	0.34	0.63
ii) Later than one year and not later than five years	1.98	0.42	1.55	2.34	0.51	1.83
iii) Later than five years	0.78	0.29	0.49	0.85	0.33	0.51
	<b>3.74</b>	<b>1.01</b>	<b>2.71</b>	<b>4.16</b>	<b>1.18</b>	<b>2.97</b>

- c) The information on gross amount of leased assets, depreciation and impairment is given in Note 11.

### IV. Assets given on finance lease

- a) Certain subsidiaries have leased some of their plant and equipment on finance lease which effectively transferred substantially all of the risks and benefits incidental to the ownership.
- b) The total gross investment in these leases and the present value of minimum lease payment receivable as on 31<sup>st</sup> March, 2016 is as under:

(₹ in crores)

	As at 31.03.2016			As at 31.03.2015		
	Gross investment in lease	Unearned finance income	Present value receivables	Gross investment in lease	Unearned finance income	Present value receivables
i) Not later than one year	0.81	0.28	0.53	1.63	0.88	0.75
ii) Later than one year and not later than five years	0.08	-	0.08	0.32	0.07	0.25
iii) Later than five years	-	-	-	-	-	-
	<b>0.89</b>	<b>0.28</b>	<b>0.61</b>	<b>1.95</b>	<b>0.95</b>	<b>1.00</b>

**NOTE 34 : PURSUANT TO THE ACCOUNTING STANDARD (AS 29) – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS, THE DISCLOSURE RELATING TO PROVISIONS MADE IN THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 IS AS FOLLOWS:**

(₹ in Crores)

	Provision for Excise <sup>(1)</sup>		Provision for Sales Tax <sup>(2)</sup>		Provision for Other Statutory Liabilities <sup>(3)</sup>		Provision for Warranties <sup>(4)</sup>	
	2015 – 16	2014 – 15	2015 – 16	2014 – 15	2015 – 16	2014 – 15	2015 – 16	2014 – 15
Opening Balance	1.23	1.27	19.74	13.77	1.31	2.25	2.13	2.10
Additions	0.09	0.01	6.63	6.65	-	-	0.05	0.16
Utilisations	(0.09)	(0.03)	(0.26)	(0.44)	(0.29)	(0.06)	(0.01)	(0.03)
Reversals	(0.27)	(0.02)	(0.01)	(0.24)	(0.67)	(0.88)	-	-
Currency translation	-	-	-	-	-	-	0.18	(0.10)
<b>Closing Balance</b>	<b>0.96</b>	<b>1.23</b>	<b>26.10</b>	<b>19.74</b>	<b>0.35</b>	<b>1.31</b>	<b>2.35</b>	<b>2.13</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 34 : PURSUANT TO THE ACCOUNTING STANDARD (AS 29) – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS, THE DISCLOSURE RELATING TO PROVISIONS MADE IN THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 IS AS FOLLOWS: (Continued)**

- 1) Excise provision made towards matters disputed at various appellate levels.
- 2) Sales tax provisions made towards non receipt of 'C' forms and towards matters disputed at various appellate level.
- 3) Provision for other statutory liabilities represent provision for probable outflow towards employee related statutory liabilities.
- 4) Provision for warranties represents management's best estimate of the liability for warranties granted on paints by some of the subsidiaries based on past experience of claims.

**NOTE 35 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS) – 18 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016.**

**a) Key Managerial personnel:**

Name of the Director	Designation
K.B.S. Anand	Managing Director & CEO
Jayesh Merchant	CFO & Company Secretary, President – Industrial JVs

**b) Promoters and their relatives having control:**

**Directors:**

Shri Ashwin Choksi	Non-Executive Chairman
Shri Ashwin Dani	Non-Executive Vice Chairman
Shri Mahendra Choksi	Non-Executive Director
Shri Abhay Vakil	Non-Executive Director
Shri Amar Vakil (retired on 26 <sup>th</sup> June, 2016)	Non-Executive Director
Shri Malav Dani	Non-Executive Director
Ms. Amrita Vakil	Non-Executive Director

**Relatives of promoters, who are under the employment of the Company:**

Shri Jalaj Dani\*\*  
 Shri Manish Choksi\*\*\*  
 Shri Jigish Choksi (upto 3<sup>rd</sup> April, 2015)  
 Shri Varun Vakil  
 Shri Vivek Vakil (upto 29<sup>th</sup> July, 2015)

\*\* Shri Jalaj Dani, a relative of Company's Non-Executive Vice Chairman is also a Non-Executive Chairman of Berger International Private Limited till 9<sup>th</sup> September, 2015, Director on the Board of one of the subsidiary company and one of the joint venture company.

\*\*\* Shri Manish Choksi, a relative of Company's Non-Executive Director is also a Non-Executive Chairman of Berger International Private Limited w.e.f. 10<sup>th</sup> September, 2015, Director on the Board of some of the subsidiary company and one of the joint venture company.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 35 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS) – 18 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016. (Continued)

### c) Companies over which the Directors have significant influence or control:

AR Intertext Design Pvt. Ltd.	Hitech Plast Ltd.	Resins and Plastics Ltd.
ARI Designs LLP *	Hitech Skills Development Pvt. Ltd.	Riash Realty Private Ltd.
Asteroids Trading and Investments Pvt. Ltd.	Hitech Specialities Solutions (India) Ltd.	Ricinash Oil Mill Ltd.
Avinash Holding and Trading Co. Pvt. Ltd.	Hydra Trading Pvt. Ltd.	Rituh Holding and Trading Company Pvt. Ltd.
Canes Venatici Trading Company Pvt. Ltd.	ISIS Holding and Trading Co. Pvt. Ltd.	Rupen Investment and Industries Pvt. Ltd.
Castle Investment and Industries Pvt. Ltd.	Jalaj Trading and Investments Pvt. Ltd.	S.C. Dani Research Foundation Pvt. Ltd.
Centaurus Trading and Investments Pvt. Ltd.	Jaldhar Trading and Investments Pvt. Ltd.	Sadavani Investments and Trading Co. Pvt. Ltd.
Clear Mipak Packaging and Solutions Ltd.	Kalica Paper Industries Pvt. Ltd.	Sapan Investments Pvt. Ltd.
Dani Charitable Foundation	Lambodar Investment and Trading Co. Ltd.	Satyadhama Investment and Trading Co. Pvt. Ltd.
Dani Finlease Ltd.	Lyon Investment and Industries Pvt. Ltd.	Smiti Holding and Trading Co. Pvt. Ltd.
Doli Trading and Investments Pvt. Ltd.	Murarah Investments and Trading Co. Ltd.	Studio JAS Boutique LLP
Elcid Investments Ltd.	Naradiya Commercial LLP	Sudhanva Investments and Trading Co. Pvt. Ltd.
ELF Trading and Chemicals Mfg. Ltd.	Navbharat Packaging Industries Ltd.	Suptaswar Investments and Trading Co. Pvt. Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Nehal Trading and Investments Pvt. Ltd.	Suryakant Paint Accessories Pvt. Ltd.
Germinait Solutions Pvt. Ltd.	Paladin Paints and Chemicals Pvt. Ltd. #	Unnati Trading & Investments Pvt. Ltd.
Gujarat Organics Ltd.	Parekh Plast India Ltd.	Vikatmev Containers Ltd.
Hiren Holdings Pvt. Ltd.	Pragati Chemicals Ltd.	
Hitech Insurance Broking Services Ltd.	Rayirth Holding and Trading Co. Pvt. Ltd.	

\*w.e.f. 13<sup>th</sup> June, 2015

#w.e.f. 22<sup>nd</sup> April, 2015

### Associates, promoters and affiliates of subsidiary companies / joint Ventures:

LKP Hardware, Solomon Islands	PPG Industries Securities LLC
Sultan Bin Sulayem, UAE	PPG Industries Inc.
Santo Hardware Ltd.	PPG India Private Limited
Asset Management Unit, Vanuatu	Orasscom Construction Industries
Port Villa Hardware Ltd.	Al Hassan Investment & Trading LLC
Aladdin Investments Limited	Germinait Solutions Private Limited
Kitchen Creations Private Limited	Cross-Tab Marketing Services Pvt. Ltd.
M/s. Sleek International	Just Legal Corporate Advisors Pvt. Ltd.
Thakur T. Ahuja HUF	Palmleaf Furnitech Private Limited
Shri Thakur T. Ahuja	Star Solutions
Shri Rajesh T. Ahuja	Borderless Access Panels Pvt. Ltd.
Shri Monesh T. Ahuja	Quasar Consolidated Services Private Limited
AU Bon Marche	M/s. MRJ Industries
Haish Holding And Trading Company Private Limited	M/s. Ess Ess Industries
Vijal Holding And Trading Company Private Limited	Monesh T. Ahuja HUF
Canes Venatici Trading Private Limited	Mrs. Seema P. Ahuja
Cronus Merchandise LLP	Al Hasan Engineering Co. SAOG
B-More Consulting LLP	Vikatmev Containers Ltd.
Super Coaters HUF	
Jatayu Investments Limited	

### d) Employee Benefit Funds where control exists:

Asian Paints Office Provident Fund  
 Asian Paints Factory Employees' Provident Fund  
 Asian Paints Management Cadres' Superannuation Scheme  
 Asian Paints (India) Limited Employees' Gratuity Fund  
 Sleek International Pvt. Ltd. Employees' Group Gratuity Trust  
 Kitchen Grace India Pvt. Ltd. Employees' Group Gratuity Trust

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 35 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS) – 18 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016. (Continued)

### e) Other entities over which there is a significant control:

Asian Paints Charitable Trust  
Sleek Foundation Trust

### f) Details of Related Party Transactions during the year ended 31<sup>st</sup> March, 2016:

(₹ in Crores)

Particulars	Key Management Personnel <sup>^</sup>		Companies/Firms/Sole prop/HUF controlled by Directors/Relatives		Employee benefit plans where control exists		Promoters & their relatives having control <sup>^</sup>	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Sale of goods and Other Miscellaneous items	-	-	0.89	1.80	-	-	4.03	4.40
Other recoveries	-	-	-	-	-	-	0.19	1.03
Purchase of goods	-	-	375.99	395.78	-	-	8.26	9.39
Remuneration	10.60	8.64	-	-	-	-	6.05	5.41
Retiral Benefits	-	-	-	-	-	-	0.22	0.21
Commission to Promoter Non-executive Directors	-	-	-	-	-	-	1.70	1.47
Sitting Fees Paid to Promoter Non-executive Directors	-	-	-	-	-	-	0.34	0.25
Dividend paid	#	#	329.15	303.83	-	-	-	-
Contributions during the year	-	-	-	-	28.34	41.37	-	-
Rent Paid	-	-	0.01	0.05	-	-	0.43	0.41
Other services - Paid	-	-	0.17	0.11	-	-	-	0.05
Purchase of Assets	-	-	-	-	-	-	0.19	0.03
Sale of assets	-	-	0.33	0.49	-	-	-	-
Security Deposits paid	-	-	0.36	0.02	-	-	-	0.53
Security Deposits Refunded	-	-	0.02	0.03	-	-	-	-
<b>Outstanding as at 31<sup>st</sup> March</b>								
Amount receivable	-	-	0.13	0.24	-	-	1.37	1.27
Amount payable	3.50	2.40	24.87	6.93	4.00	5.16	1.72	2.83

# Dividend paid to Key managerial personnel – current year ₹ 1,755 (previous year ₹ 1,620).

<sup>^</sup> Key management personnel and relatives of promoters who are under the employment of the Group are entitled to post-employment benefits and other long term employee benefits recognised as per AS-15 (Revised) Employee Benefits in the financial statements. As these employee benefits are lumpsum amounts provided on the basis of actuarial valuation, the same is not included above.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 35 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS) – 18 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016. (Continued)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

	(₹ in Crores)	
	2015-16	2014-15
<b>Sale of goods</b>		
Resins & Plastics Ltd.	0.77	1.34
Santo Hardware Ltd	0.75	0.95
Port Villa Hardware Ltd	1.63	1.15
Orasscom Construction Industries	0.51	0.38
Al Hasan Engineering Co. SAOG	0.78	1.42
Others	0.48	0.96
	<b>4.92</b>	<b>6.20</b>
<b>Other Recoveries</b>		
PPG Industries Securities LLC	0.19	1.03
	<b>0.19</b>	<b>1.03</b>
<b>Purchase of goods</b>		
Hitech Plast Ltd.	238.04	260.80
Parekh Plast India Limited	96.42	87.76
Others	49.79	56.61
	<b>384.25</b>	<b>405.17</b>
<b>Remuneration</b>		
Shri K.B.S. Anand	7.77	6.10
Shri Jayesh Merchant	2.83	2.54
Shri Jalaj Dani	2.77	2.37
Shri Manish Choksi	2.92	2.56
Others	0.36	0.48
	<b>16.65</b>	<b>14.05</b>
<b>Retiral Benefits</b>		
Shri Ashwin Choksi	0.07	0.07
Shri Ashwin Dani	0.07	0.07
Shri Abhay Vakil	0.08	0.07
	<b>0.22</b>	<b>0.21</b>
<b>Commission to Promoter Non-executive Directors</b>		
Shri Mahendra C Choksi	0.27	0.24
Shri Amar A Vakil	-	0.03
Shri Ashwin Choksi	0.34	0.28
Shri Ashwin Dani	0.30	0.26
Shri Abhay Vakil	0.26	0.22
Shri Malav Dani	0.27	0.22
Ms. Amrita Amar Vakil	0.26	0.22
	<b>1.70</b>	<b>1.47</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 35 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS) – 18 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016. (Continued)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year: (Continued)

	(₹ in Crores)	
	2015-16	2014-15
<b>Sitting Fees Paid to Promoter Non-executive Directors</b>		
Shri Mahendra C Choksi	0.06	0.05
Shri Amar A Vakil (Amount Paid is ₹ 20,000)	-	*
Shri Ashwin Choksi	0.04	0.03
Shri Ashwin Dani	0.06	0.05
Shri Abhay Vakil	0.08	0.05
Shri Malav Dani	0.05	0.04
Ms. Amrita Amar Vakil	0.05	0.04
	<b>0.34</b>	<b>0.25</b>
<b>Contributions during the year</b>		
Asian Paints Office Provident Fund	10.29	9.17
Asian Paints Factory Employees Provident Fund	5.52	5.26
Asian Paints (I) Ltd. Employees Gratuity Fund	10.25	24.96
Asian Paints Management Cadres Superannuation Scheme	2.28	1.98
	<b>28.34</b>	<b>41.37</b>
<b>Rent Paid</b>		
Shri Thakur Ahuja	0.43	0.41
M/s. MRJ Industries	0.01	0.05
	<b>0.44</b>	<b>0.46</b>
<b>Other services - Paid</b>		
AR Intertect Design Private Ltd.	0.17	0.11
Shri Thakur T. Ahuja	-	0.05
	<b>0.17</b>	<b>0.16</b>
<b>Purchase of Assets</b>		
PPG Industries Securities LLC	0.19	0.03
	<b>0.19</b>	<b>0.03</b>
<b>Sale of assets</b>		
Resins & Plastics Ltd.	0.24	0.28
Ricinash Oil Mills Ltd. (Amount: ₹ 7,721)	*	0.08
Pragati Chemicals Ltd.	-	0.01
Gujarat Organics Limited	-	0.12
M/s. Ess Ess Industries	0.08	-
	<b>0.32</b>	<b>0.49</b>
<b>Security Deposits paid</b>		
Shri Rajesh T. Ahuja	0.18	0.18
Shri Monesh T. Ahuja	0.18	0.18
Shri Thakur T. Ahuja	-	0.18
Others	-	0.01
	<b>0.36</b>	<b>0.55</b>
<b>Security Deposits refunded</b>		
M/s. MRJ Industries	0.02	0.02
Others	-	0.01
	<b>0.02</b>	<b>0.03</b>
<b>Dividend paid to companies controlled by Directors / Relatives</b>		
Smiti Holding and Trading Company Private Limited	35.15	32.45
ISIS Holding and Trading Company Private Limited	34.37	31.73
Others	259.63	239.65
	<b>329.15</b>	<b>303.83</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 36 : SEGMENT INFORMATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### (i) Primary segment information - Business segment:

(₹ in Crores)

	2015-16			2014-15		
	Paints	Home Improvement*	Total	Paints	Home Improvement*	Total
<b>REVENUE</b>						
External Sales (Net)	15,292.20	241.94	15,534.14	13,981.18	201.63	14,182.81
Inter-Segment Sales	-	-	-	-	-	-
Other Income	49.13	1.00	50.13	38.84	0.05	38.89
<b>Total Revenue</b>	<b>15,341.33</b>	<b>242.94</b>	<b>15,584.27</b>	<b>14,020.02</b>	<b>201.68</b>	<b>14,221.70</b>
<b>RESULT</b>						
Segment result	2,891.40	(51.94)	2,839.46	2,237.57	(30.07)	2,207.50
Unallocated expenses			(268.68)			(226.69)
<b>Operating Profit</b>			<b>2,570.78</b>			<b>1,980.81</b>
Finance costs			(40.51)			(34.76)
Interest Income			22.62			11.51
Dividends			69.78			70.61
Profit on sale of short term investments			5.37			4.26
Profit on sale of long term investments			24.71			27.56
Profit on sale of fixed assets			10.94			2.69
Other non-operating income			17.17			14.19
Exceptional Item			(52.45)			-
Income taxes			(849.14)			(649.54)
<b>Profit after tax</b>			<b>1,779.27</b>			<b>1,427.33</b>
<b>OTHER INFORMATION</b>						
Segment assets	7,187.32	214.38	7,401.70	6,602.19	239.94	6,842.13
Unallocated assets			2,741.63			2,072.57
<b>Total assets</b>			<b>10,143.33</b>			<b>8,914.70</b>
Segment liabilities	3,447.08	61.79	3,508.87	3,229.96	53.67	3,283.63
Unallocated liabilities			1,029.21			888.71
<b>Total liabilities</b>			<b>4,538.08</b>			<b>4,172.34</b>
Capital expenditure	950.35	6.09	956.44	268.66	53.16	321.82
Unallocated capital expenditure			43.47			29.14
<b>TOTAL</b>			<b>999.91</b>			<b>350.96</b>
Depreciation, Amortisation and Impairment	230.99	16.40	247.39	219.15	14.87	234.02
Unallocated depreciation/Impairment			40.58			34.31
<b>TOTAL</b>			<b>287.97</b>			<b>268.33</b>

\* Home Improvement business is identified as a separate business segment which includes Sleek International Private Limited acquired by the parent company on 8<sup>th</sup> August, 2013 and bath fittings business acquired by the parent company effective 1<sup>st</sup> June, 2014 [Refer Note 27 C (c)].



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 36 : SEGMENT INFORMATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Continued)

### (ii) Secondary segment information - Geographical Segment:

(₹ in crores)

	2015-16			2014-15		
	Domestic Operations	International Operations	Total	Domestic Operations	International Operations	Total
Segment revenue	13,498.69	2,085.58	15,584.27	12,436.17	1,785.53	14,221.70
Carrying cost of segment assets	8,483.04	1,660.29	10,143.33	7,569.63	1,345.07	8,914.70
Additions to fixed and intangible assets*	906.08	179.03	1,085.11	202.10	85.33	287.43

\* FY 2014-15 includes additions pursuant to acquisition of stake in Kadisco Paint and Adhesive Industry Share Company [Refer note 27 C (a)].

## NOTE 37: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND JOINT VENTURE COMPANIES:

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)				Share in Profit or Loss			
	2015-16		2014-15		2015-16		2014-15	
	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Net Assets	As % of Consolidated profit or loss	Profit/(Loss)	As % of Consolidated profit or loss	Profit/(Loss)
<b>Parent Company</b>								
Asian Paints Limited	83.3	4,907.44	83.9	4,200.54	90.4	1,606.84	91.9	1,311.08
<b>Indian Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
Asian Paints Industrial Coatings Limited	0.2	10.36	0.2	9.52	0.0	0.84	0.0	0.38
Multifacet Infrastructure (India) Limited *	0.0	-	0.0	(0.04)	0.0	-	0.0	(0.01)
Maxbhumi Developers Limited	0.0	(1.29)	0.0	(1.25)	0.0	(0.24)	(0.1)	(0.96)
Sleek International Private Limited	(0.1)	(5.45)	(0.1)	(6.43)	(0.6)	(10.27)	(0.6)	(8.53)
<b>Indirect Subsidiaries</b>								
Kitchen Grace (India) Private Limited #	-	-	0.0	1.38	-	-	0.1	1.01
<b>Foreign Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
Asian Paints (Nepal) Private Limited	0.8	46.68	0.8	38.39	0.7	11.64	0.6	9.02
Asian Paints (International) Limited	2.2	128.90	2.3	118.21	(0.3)	(3.26)	(0.3)	(4.23)
<b>Indirect Subsidiaries</b>								
Samoa Paints Limited	0.0	1.66	0.0	0.83	0.1	1.15	0.0	0.60
Asian Paints (South Pacific) Limited	0.5	29.20	0.3	15.57	0.4	6.70	0.5	6.74
Asian Paints (Tonga) Limited	0.0	0.19	0.0	0.49	0.0	0.87	0.1	1.25
Asian Paints (S I) Limited	0.1	3.90	0.1	3.23	0.2	3.51	0.3	3.74
Asian Paints (Vanuatu) Limited	0.0	0.32	0.0	0.24	0.1	0.95	0.0	0.35
Asian Paints (Middle East) LLC	0.4	26.49	0.5	24.58	0.2	2.78	0.2	2.60
Asian Paints (Bangladesh) Limited	1.0	60.10	0.9	44.93	0.6	11.40	0.5	6.49
SCIB Chemicals S.A.E.	1.9	112.42	1.7	86.39	1.5	27.10	1.2	17.78
Asian Paints (Lanka) Limited	0.0	0.93	0.1	3.78	0.0	(0.72)	(0.1)	(2.03)
Berger International Private Limited	(0.1)	(4.06)	(1.8)	(89.34)	(0.7)	(11.94)	(0.2)	(2.20)
Berger Paints Singapore Pte Limited	(1.1)	(65.45)	(1.1)	(57.31)	(0.2)	(3.92)	(0.1)	(1.13)
Berger Paints Bahrain W.L.L.	0.8	48.60	0.8	39.84	0.8	14.49	0.8	11.89
Berger Paints Emirates Limited	0.8	47.24	0.6	31.51	0.7	12.40	0.3	4.47
Nirvana Investments Limited	0.0	2.20	0.0	2.08	0.0	0.00	0.0	0.00
Enterprise Paints Limited	(0.4)	(20.84)	(0.4)	(19.94)	0.0	0.00	0.0	0.00
Universal Paints Limited	0.1	4.88	1.5	74.13	0.1	1.48	0.0	0.00

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 37: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND JOINT VENTURE COMPANIES: (Continued)

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)				Share in Profit or Loss			
	2015-16		2014-15		2015-16		2014-15	
	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Net Assets	As % of Consolidated profit or loss	Profit/(Loss)	As % of Consolidated profit or loss	Profit/(Loss)
Lewis Berger (Overseas Holdings) Limited	0.1	8.20	0.1	5.75	(0.1)	(0.96)	0.0	(0.25)
Berger Paints Jamaica Limited	0.0	1.05	0.0	0.02	0.2	3.45	0.3	4.43
Berger Paints Trinidad Limited	0.1	6.01	0.2	8.10	0.0	(0.83)	0.1	1.25
Berger Paints Barbados Limited	0.6	34.69	0.6	29.04	0.3	5.29	0.2	3.43
Kadisco Paint and Adhesive Industry Share Company	0.3	16.59	0.1	2.82	1.1	18.89	0.2	2.81
PT Asian Paints Indonesia	(0.1)	(6.04)	0.0	(0.09)	(0.4)	(6.41)	0.0	(0.09)
PT Asian Paints Color Indonesia	0.0	(1.13)	0.0	-	(0.1)	(1.28)	0.0	-
Minority Interests in all subsidiaries	5.0	294.21	5.2	263.67	3.0	53.06	2.3	32.18
<b>Joint Venture companies (as per proportionate consolidation)</b>								
<b>Indian</b>								
PPG Asian Paints Private Limited	3.2	186.27	3.1	155.47	1.7	30.80	1.9	26.80
Subsidiaries of PPG Asian Paints Private Limited								
Faaber Paints Private Limited	0.1	6.26	0.1	4.41	0.1	1.86	0.1	1.15
PPG Asian Paints Lanka Private Limited	0.0	0.86	0.0	0.83	0.0	0.20	0.0	0.09
Asian Paints PPG Private Limited	0.3	18.07	0.3	14.68	0.2	3.40	(0.2)	(2.78)
<b>TOTAL</b>	<b>100</b>	<b>5,899.46</b>	<b>100</b>	<b>5,006.03</b>	<b>100</b>	<b>1,779.27</b>	<b>100</b>	<b>1,427.33</b>

\* Refer note 27 C (e)

# Refer note 27 C (d)

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31<sup>st</sup> March, 2016.

## NOTE 38 : PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED/ RECLASSIFIED WHEREVER NECESSARY TO CORRESPOND WITH THE CURRENT YEAR CLASSIFICATION / DISCLOSURE.

### Signatures to Notes to Financial Statements

As per our report of even date

For and on behalf of the Board of Directors of  
Asian Paints Limited  
CIN:L24220MH1945PLC004598

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Ashwin Choksi**  
Chairman  
DIN: 00009095

**K.B.S. Anand**  
Managing Director & CEO  
DIN: 03518282

**Bhavesh Dhupelia**  
Partner  
Membership No: 042070

**M. K. Sharma**  
Director  
DIN: 00327684

**Jayesh Merchant**  
CFO & Company Secretary,  
President - Industrial JVs

Mumbai  
11<sup>th</sup> May, 2016

Mumbai  
11<sup>th</sup> May, 2016

**FORM AOC-I : STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES AND JOINT VENTURES.  
(PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)  
PART "A" : SUBSIDIARIES**

(All figures except exchange rates in ₹ crores)

Name of the Subsidiary	Reporting Currency	Exchange Rate		Reporting period		Share Capital		Reserves & Surplus		Total Liabilities		Total Assets		Investments ~		Turnover		PBT		Tax provision		PAT		Dividends for the year (including proposed)		% of Share Holding	
		Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period		
Asian Paints (Bangladesh) Ltd	Taka	0.85	0.82	Apr 15 to Mar 16	Apr 14 to Mar 15	33.40	32.30	14.58	4.11	93.01	107.75	140.99	144.16	-	-	315.00	268.56	24.36	12.56	(5.22)	(1.13)	10.86	7.34	2.50	-	89.78	
Asian Paints (International) Ltd	US \$	66.25	62.50	Apr 15 to Mar 16	Apr 14 to Mar 15	225.82	154.80	181.02	84.82	12.62	11.43	419.45	251.05	-	-	11.59	26.79	(0.72)	(1.13)	10.86	25.67	-	-	-	-	100	
Asian Paints (Middle East) LLC	OMR	172.69	162.78	Apr 15 to Mar 16	Apr 14 to Mar 15	19.38	18.26	41.19	35.27	83.77	70.02	144.34	123.55	-	-	122.14	109.13	6.43	6.15	(0.71)	(0.71)	5.72	5.44	1.94	-	49.00	
Asian Paints (Nepal) Pvt Ltd	Nepal Rs	0.63	0.63	15 Mar 15 to 13 Mar 16	15 Mar 14 to 14 Mar 15	2.02	2.01	85.99	69.07	65.77	49.38	153.72	120.46	-	-	163.32	157.32	28.50	22.39	(5.76)	(4.84)	22.74	17.55	6.06	5.04	51.00	
Asian Paints (S.I.) Ltd	SI \$	8.41	8.11	Apr 15 to Mar 16	Apr 14 to Mar 15	0.53	0.51	9.71	9.65	6.94	5.94	17.18	16.10	1.80	1.74	15.64	13.86	4.62	4.90	0.12	(0.01)	4.74	4.89	5.05	4.86	75.00	
Asian Paints (South Pacific) Ltd	Fiji \$	32.09	30.64	Apr 15 to Mar 16	Apr 14 to Mar 15	1.52	1.46	59.46	47.61	18.14	16.67	79.12	65.73	2.60	2.47	96.98	88.27	15.87	14.50	(3.21)	(2.65)	12.66	11.85	3.05	1.46	54.07	
Asian Paints (Tonga) Ltd	\$ Top	29.20	30.29	Apr 15 to Mar 16	Apr 14 to Mar 15	0.35	0.36	6.64	6.20	2.75	2.00	9.73	8.56	0.91	0.86	8.80	7.75	1.13	1.40	(0.29)	(0.20)	0.84	1.20	0.18	0.18	100	
Asian Paints (Vanuatu) Ltd	Vatu	0.61	0.60	Apr 15 to Mar 16	Apr 14 to Mar 15	1.88	1.86	3.09	1.70	1.98	1.00	6.55	4.55	0.01	0.01	7.77	5.40	1.56	0.56	-	-	1.56	0.56	0.18	0.78	60.00	
Asian Paints Industrial Coatings Ltd	₹	1.00	1.00	Apr 15 to Mar 16	Apr 14 to Mar 15	30.45	30.45	10.36	9.52	3.38	3.48	44.19	43.45	27.28	26.36	9.73	8.28	(0.15)	0.23	0.99	0.14	0.84	0.38	-	-	100	
Asian Paints Lanka Ltd	SL Rs	0.45	0.48	Apr 15 to Mar 16	Apr 14 to Mar 15	35.70	37.82	(6.45)	(6.10)	32.00	30.73	61.25	62.44	-	-	90.78	92.22	0.08	(1.89)	(0.84)	(0.26)	(0.76)	(2.15)	-	-	99.18	
Berger International Private Ltd	SG\$	49.15	45.49	Apr 15 to Mar 16	Apr 14 to Mar 15	401.25	163.42	(152.30)	(192.38)	227.56	343.22	476.51	314.25	-	-	55.45	3.40	0.09	(0.73)	55.54	2.67	-	-	-	-	100	
Berger Paints Bahrain W.L.L	BHD	176.34	165.67	Apr 15 to Mar 16	Apr 14 to Mar 15	7.37	6.92	46.78	38.31	18.74	16.99	72.89	62.22	-	-	97.80	92.24	14.82	12.27	-	-	14.82	12.27	8.82	15.24	100	
Berger Paints Barbados Ltd	Barbados \$	33.24	31.25	Apr 15 to Mar 16	Apr 14 to Mar 15	6.25	5.88	32.04	26.17	6.73	6.74	45.01	38.79	-	-	57.62	53.30	6.34	4.66	(0.73)	(0.46)	5.61	4.19	1.16	1.09	100	
Berger Paints Emirates LLC	AED	18.10	17.02	Apr 15 to Mar 16	Apr 14 to Mar 15	1.81	1.70	43.62	29.06	96.17	97.28	141.60	128.05	-	-	249.31	222.01	12.71	4.36	-	-	12.71	4.36	-	-	100	
Berger Paints Jamaica Ltd	Jamaican \$	0.55	0.55	Apr 15 to Mar 16	Apr 14 to Mar 15	7.76	7.74	28.84	23.51	27.32	26.52	63.93	57.77	-	-	112.19	101.19	7.76	4.32	(1.08)	(0.66)	6.68	3.66	1.41	2.31	51.00	
Berger Paints Singapore Pte Ltd	SG\$	49.15	45.49	Apr 15 to Mar 16	Apr 14 to Mar 15	71.47	66.16	(44.04)	(37.13)	41.39	25.61	68.82	54.64	0.02	0.02	81.43	93.23	(4.82)	(1.36)	0.89	0.30	(3.93)	(1.06)	-	-	100	
Berger Paints Trinidad Ltd	Trinidad \$	10.09	9.83	Apr 15 to Mar 16	Apr 14 to Mar 15	5.96	5.81	22.72	23.69	19.80	14.49	48.47	43.98	-	-	56.60	59.49	1.18	2.91	(0.56)	(0.73)	0.63	2.18	0.42	0.41	70.00	
Kodiso Paint and Adhesive Industry Share Company ^	Ethiopian Birr	3.10	3.06	Apr 15 to Mar 16	Jul 14 to Mar 15	30.99	30.62	41.48	7.49	19.59	26.78	92.06	64.89	0.77	0.77	182.33	110.36	52.12	24.72	(15.65)	(8.13)	36.47	16.59	-	-	23.82	
Enterprise Paints Ltd	GBP	95.69	92.74	Apr 15 to Mar 16	Apr 14 to Mar 15	1.39	1.35	(16.22)	(15.72)	14.84	20.00	0.01	5.63	-	-	-	-	-	-	-	-	-	-	-	-	-	100
Lewis Berger (Overseas Holdings) Ltd	GBP	95.69	92.74	Apr 15 to Mar 16	Apr 14 to Mar 15	17.89	17.34	18.97	18.19	1.68	0.35	38.54	35.88	-	-	6.28	5.62	1.89	2.03	(0.73)	(0.61)	1.16	1.42	0.96	4.77	100	
Madhumi Developers Limited	₹	1.00	1.00	Apr 15 to Mar 16	Apr 14 to Mar 15	#	0.42	13.64	13.88	0.26	0.01	14.32	14.31	-	-	(0.24)	(0.96)	-	-	-	-	(0.24)	(0.96)	-	-	100	
Nirvana Investments Ltd	₹	95.69	92.74	Apr 15 to Mar 16	Apr 14 to Mar 15	#	#	1.81	1.75	-	-	1.81	1.75	-	-	-	-	-	-	-	-	-	-	-	-	100	
Samoa Paints Ltd	WST \$	28.73	27.54	Apr 15 to Mar 16	Apr 14 to Mar 15	0.26	0.25	4.97	4.38	2.11	0.72	7.34	5.35	-	-	8.08	6.79	1.98	1.02	(0.54)	(0.29)	1.44	0.77	1.03	-	80.00	
SCIB Chemicals S.A.E.	EGP	7.49	8.21	Apr 15 to Mar 16	Apr 14 to Mar 15	13.48	14.78	160.34	153.56	129.92	94.05	303.75	262.40	75.86	40.56	431.56	428.73	56.26	45.42	(13.49)	(13.73)	42.77	31.70	20.22	31.21	60.00	
Universal Paints Ltd	GBP	95.69	92.74	Apr 15 to Mar 16	Apr 14 to Mar 15	4.11	3.98	13.50	82.10	-	-	17.61	86.08	-	-	9.87	14.11	-	-	-	-	9.87	14.11	81.08	0.01	100	
Multifacet Infrastructure (India) Ltd *	₹	1.00	1.00	Apr 15 to Mar 16	Apr 14 to Mar 15	0.05	0.05	(0.05)	(0.04)	-	0.01	-	0.01	-	-	(0.01)	(0.01)	-	-	-	-	(0.01)	(0.01)	-	-	100	
Sheek International Private Limited	₹	1.00	1.00	Apr 15 to Mar 16	Apr 14 to Mar 15	0.12	0.12	95.43	117.98	32.54	23.56	128.09	141.66	-	-	5.00	138.35	121.81	(19.54)	(16.73)	(0.61)	(20.15)	(16.73)	-	-	51.00	
Kitchen Grace (India) Private Limited +	₹	1.00	1.00	-	Apr 14 to Mar 15	-	1.39	-	10.89	-	-	15.45	-	-	-	9.65	-	2.23	-	-	-	-	2.23	-	-	-	
1. Names of subsidiaries which are yet to commence operations:																											
PT Asian Paints Indonesia #	IDR	0.005	0.005	Apr 15 to Mar 16	23 Dec 14 to Mar 15	71.98	-	(6.73)	(0.08)	4.19	0.19	69.44	0.10	-	-	(6.64)	(0.08)	-	-	-	-	(6.64)	(0.08)	-	-	-	100
PT Asian Paints Color Indonesia @	IDR	0.005	-	7th Apr 15 to Mar 16	-	4.42	-	(1.33)	-	1.05	-	4.14	-	-	-	(1.33)	-	-	-	-	-	(1.33)	-	-	-	-	100
2. Names of subsidiaries which have been liquidated or sold during the year.																											

\* Application has been filed for striking off the name of the Company under the Fast Track Exit mode under Section 560 of Companies Act, 1956.

^ Refer Note 27 C (a) of Notes to Consolidated Financial Statements.

+ During the year, Kitchen Grace (India) Private Limited (wholly owned subsidiary of Sheek International Private Limited (Sheek)) has been merged with Sheek pursuant to scheme of amalgamation w.e.f. 1<sup>st</sup> April, 2015.

# PT Asian Paints Indonesia was incorporated as a wholly owned subsidiary of Berger International Private Limited during the previous year. The shares in this subsidiary were subscribed in the current year.

@ Refer Note 27 C (b) of Notes to Consolidated Financial Statements.

~ Investments other than in subsidiary companies.

# Amounts less than ₹ 1 Lakh.

Note - Indian rupees equivalent of the foreign currency translated at the exchange rate as at 31.03.2016 for current period and 31.03.2015 for previous period.

**PART “B”: JOINT VENTURES**

Sl No.	Name of Joint Ventures	Asian Paints PPG Private Limited	PPG Asian Paints Private Limited
1.	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2016
2.	Shares of Joint Ventures held by the company as at year end Number Amount of Investment in Joint Venture Extend of Holding %	5,243,961 ₹ 30.47 Cr 50%	28,518,112 ₹ 81.43 Cr 50%
3.	Description of how there is significant influence	Not Applicable	Not Applicable
4.	Reason why the joint venture is not consolidated	Consolidated	Consolidated
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 48.54 Cr	₹ 274.82 Cr
6.	(Loss) / Profit for the year		
	i. Considered in Consolidation	₹ 3.40 Cr	₹ 32.86 Cr
	ii. Not Considered in Consolidation	NIL	NIL

- Names of joint ventures which are yet to commence operations - NIL
- Names of joint ventures which have been liquidated or sold during the year - NIL

For and on behalf of the Board of Directors of  
**Asian Paints Limited**  
CIN:L24220MH1945PLC004598

**Ashwin Choksi**  
Chairman  
DIN: 00009095

**K.B.S. Anand**  
Managing Director & CEO  
DIN: 03518282

**M. K. Sharma**  
Director  
DIN: 00327684

**Jayesh Merchant**  
CFO & Company Secretary,  
President - Industrial JVs

Mumbai  
11<sup>th</sup> May, 2016

**Form No. SH-13**  
**Nomination Form**

*[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies  
(Share Capital and Debentures) Rules 2014]*

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

I/We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio. No	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR

- (a) Date of birth:
- (b) Date of attaining majority:
- (c) Name of guardian:
- (d) Address of guardian:

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder: (i) Relationship with the minor nominee

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name of the Security Holder (s): \_\_\_\_\_

Signature: \_\_\_\_\_

Witness with name and address: \_\_\_\_\_







asianpaints

**Asian Paints Limited**

CIN: L24220MH1945PLC004598

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

**ATTENDANCE SLIP**

DP ID \_\_\_\_\_

(To be presented at the entrance)

Folio No./Client ID \_\_\_\_\_

I/We hereby record my/our presence at the **70<sup>th</sup> ANNUAL GENERAL MEETING** of the Company at Yashwantrao Chavan Pratishthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021 on Tuesday, 28<sup>th</sup> June, 2016 at 11.00 a.m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

\_\_\_\_\_  
Signature of the Member/ Proxy



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

**PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No. / Client ID: \_\_\_\_\_

DP ID: \_\_\_\_\_

I/ We being the member(s) of \_\_\_\_\_ shares of the above named Company hereby appoint:

(1) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him;

(2) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him;

(3) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ or failing him;

as my/ our proxy to attend and vote (on a poll) for me/us and on my/befalf at the 70<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 28<sup>th</sup> June, 2016 at 11.00 a.m. at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No(s).	Resolutions	For	Against
1	Adoption of the audited financial statements including audited consolidated financial statement of the Company for the financial year ended 31 <sup>st</sup> March, 2016 together with the reports of the Board of Directors and Auditors' thereon		
2	Declaration of final dividend on equity shares		
3	Re-appointment of Shri Mahendra Choksi (DIN: 00009367) as a Director of the Company		
4	Re-appointment of Shri Malav Dani (DIN: 01184336) as a Director of the Company		

Resolution No(s).	Resolutions	For	Against
5	Appointment of M/s. B S R & Co. LLP, Chartered Accountants (FRN No. 101248W/W – 100022) as Statutory Auditors of the Company		
6	Appointment of M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration Number - 117366W/W-100018) as Statutory Auditors of the Company		
7	Ratification of remuneration payable to M/s. RA & Co., Cost Accountants (FRN: 000242) Cost Auditors of the Company for the financial year ending 31 <sup>st</sup> March, 2017		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of the Shareholder \_\_\_\_\_

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder


\_\_\_\_\_  
Signature of third proxy holder

Affix Revenue Stamp
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**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



# ROUTE MAP TO THE VENUE OF THE AGM

 **Yashwantrao Chavan Pratishthan Auditorium**  
YB Chavan Centre  
General Jagannath Bhosale Marg  
Next to Sachivalaya Gymkhana  
Mumbai - 400 021









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Asian Paints Limited, 6A, Shantinagar,  
Santacruz (East), Mumbai - 400 055.  
CIN: L24220MH1945PLC004598  
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