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APL/SEC/38/2024-25/08

31<sup>st</sup> May 2024

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
Security Code: 500820

National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400 051  
Symbol: ASIANPAINT

Sir/Madam,

**Sub: Integrated Annual Report for the FY 2023-24 and Notice convening the 78<sup>th</sup> Annual General Meeting**

This is with reference to our letter no. APL/SEC/32/2024-25/3 dated 9<sup>th</sup> May 2024, wherein the Company had informed that the 78<sup>th</sup> Annual General Meeting (“AGM”) of the Company is scheduled to be held on Tuesday, 25<sup>th</sup> June 2024 at 11:00 a.m. IST through video conference and/or other audio visual means, in compliance with relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India (“SEBI”).

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening the 78<sup>th</sup> AGM and the Integrated Annual Report of the Company, including the Business Responsibility and Sustainability Report, for the financial year 2023-24.

In accordance with the aforesaid circulars, the Notice of the AGM and the Integrated Annual Report of the Company for the financial year 2023-24 is being sent through electronic mode to all those members of the Company whose email addresses are registered with the Company and/or Depository Participant(s) and the physical copies of the same will be provided to the members on request.

The Notice of the AGM along with the Integrated Annual Report for the financial year 2023-24 is also uploaded on the Company's website at <https://www.asianpaints.com/AnnualReports.html> and the website of National Securities Depository Limited at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

This is for your information and record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

**R J JEYAMURUGAN**  
**CFO & COMPANY SECRETARY**

Encl.: As above



# Bringing joy to people's lives<sup>®</sup>

Empathising. Propelling. Celebrating.



Integrated Annual Report 2023-24





# Bringing joy to people's lives<sup>®</sup>

Asian Paints is India's leading paint and décor company and ranks among the top 10 Decorative Coating companies globally. In financial year 2023-24, we continued to uplift spaces, transcend the boundaries of colour and design, creating a positive impact in the lives of our customers. At Asian Paints, our legacy is not just about paints; we make enduring impressions with a focus on:

## Empathising

Our ability to understand customer's emotions and perspective guides us in crafting spaces that are unique to them. We offer them comfort and vibrancy, enhancing their lives with our thoughtful approach.

## Propelling

We empower our customers to dream, create, and celebrate through colour and design. We fuel inspiration by providing personalised solutions and pushing the boundaries of innovation to create better homes sustainably.

## Celebrating

Embracing the significance of various occasions, milestones, and festivities, we deliver a range of solutions that enable our customers to create lasting, memorable experiences, enriching their lives and the spaces they inhabit.

### Colour of the year 2024

## TERRA

In a world that often feels disconnected, Terra's raw earthiness reflects the desire for familiarity, comfort and emotional grounding. Its rich primal tones, which are reflected in our Integrated Annual Report, echo the feeling of a homecoming. Terra is the thread that stitches us back to the fabric of our being, a colour that quietly whispers the language of belonging.

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# About this report

## Approach to reporting

The Asian Paints 2023-24 Integrated Annual Report has been prepared in alignment with the Integrated Reporting <IR> Framework laid down by the IFRS Foundation. This report has been made as per the Companies Act, 2013 (and the rules made thereunder), Indian Accounting Standards, Securities and Exchange Board of India Act, 1992 (and the regulations issued thereunder), Secretarial Standards issued by the Institute of Company Secretaries of India, and National Guidelines on Responsible Business Conduct (NGRBC).

In preparation of this report, Global Reporting Initiative (GRI) Standards 2021, United Nations Sustainable Development Goals (UN SDGs), and Task Force on Climate-related Financial Disclosures (TCFD) were referenced. This report outlines a comprehensive view of our strategic, financial, operational, environmental, and social performance.

This report covers the performance updates on our sustainability initiatives around Environment, Social and Governance (ESG). Additionally, the report also provides insight into our climate change strategy and risk assessment as per TCFD recommendations as well as our sustainable supply chain framework.

### HOW TO READ THIS REPORT

- + Pg. XX** Jump marks are linked to content within the PDF.
- 🌐** The 'Online' button links you to additional content on the Internet.
- A** Indicates a Key Performance Indicator that has limited or reasonable assurance.
- 🏠** Indicates activities contributing to our ESG commitments in FY 2023-24.

## Integrated thinking at Asian Paints

### LED BY

#### Our purpose

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

### HOW WE ACT

#### Values

- 1 Standing for each other's success
- 2 Creative zeal
- 3 Integrity
- 4 Audacity
- 5 Scientific rigor
- 6 Customer passion

### WHAT WE FOCUS ON

#### Material topics

Our material topics are those that have a significant impact on our ability to create value for our stakeholders.

[+ Pg 43](#)

### WHO WE BENEFIT

#### Stakeholders

- Customers**
- Employees**
- Investors**
- Communities**
- Vendors**
- Government and regulatory bodies**
- Influencers**

[+ Pg 38](#)

### HOW WE MEASURE PERFORMANCE

#### ESG pillars

Sustainable operations

Synergising relationships

Governance

[+ Pg 8](#)

## Scope of report

### Reporting period

1<sup>st</sup> April 2023 - 31<sup>st</sup> March 2024

### Reporting scope and boundary

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

**Financial:** All reported financial numbers pertain to standalone and consolidated operations of Asian Paints Limited.

**Non-Financial:** All reported non-financial and operational numbers pertain to standalone operations of Asian Paints Limited, unless otherwise specified.

### External assurance

Reasonable and limited assurance engagement on the agreed indicators in the Integrated Annual Report including the Business Responsibility and Sustainability Report has been provided by Price Waterhouse Chartered Accountants LLP, in accordance with the Standard on Sustainability

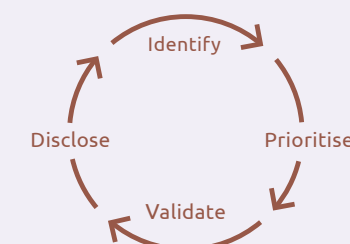
Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements (SAE) 3410, "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI, the International Standards on Assurance Engagements (ISAE) 3000 (revised), ISAE 3410, and Assurance Engagements on Greenhouse Gas Statements issued by the International Auditing and Assurance Standard Board (IAASB).

## Key concepts

### Addressing stakeholder concerns

We believe that stakeholder participation is critical in driving transformation and innovation. In line with this, we conducted a materiality assessment in FY 2020-21, where we assessed stakeholder inputs to identify material topics.

### Materiality assessment process



### How we consider materiality and material topics

We apply the principle of materiality in assessing what information should be included in integrated annual report. Our material topics, outlined on page 43 influence our strategy, short-term (one year), medium-term (two to three years), and long-term (five years or more) ESG commitments.

### Priority material topics

- Consumer Delight
- Climate Change
- Financial Performance
- Business Ethics and Corporate Governance
- Diversity & Inclusion
- Toxic Emissions, Waste and Effluents
- Technology, Innovation and Digitalisation
- Occupational Health, Safety and Well-being

### ESG commitments

We prioritise long-term sustainability, and we know that attaining this objective requires robust and steady ESG performance. By maintaining a consistent emphasis on Environmental, Social, and Governance aspects, we strive to guarantee that our endeavors provide favorable outcomes.

Our ESG commitments are reviewed by the Board. The Stakeholders Relationship Committee of the Board provides an oversight on execution of the ESG strategy and gives direction to the management on its implementation.

### Contribution to UN SDGs



**GRI 2-1:** Organisational details **GRI 2-2:** Entities included in the organisation's sustainability reporting.

**GRI 2-3:** Reporting period, frequency and contact point **GRI 2-5:** External assurance



## About this report

### Report structure

This report is structured around our ESG commitments and how they are integrated into our business strategy. In line with our stakeholder expectations and material topics, we have established a robust ESG framework. Our focus on **creating sustainable operations**, supported by **empowered people** and **world-class governance** helps us build and grow our business seamlessly and deliver on our commitment to bring joy to people's lives.



#### Environment: Sustainable operations

As we grow our business, we remain committed to having a positive impact on nature through integrating sustainability into our operations and product portfolio.

##### ESG focus areas

###### Energy conservation

Setting standards for energy neutrality and optimum resource utilisation

###### Water neutrality

Ensuring water neutral operations

###### Product stewardship

Providing industry-leading environmentally sustainable product options in every category

###### Nature positive

Achieving near-zero waste and emissions and foster circularity through the 3R principles

##### Aligned with material topics

- Climate change
- Toxic emission, waste and effluents
- Water management
- End-of-life management of products and packaging
- Supplier sustainability
- Product stewardship
- Technology, innovation, and digitalisation
- Biodiversity



#### Social: Synergising relationships

Our mission is to promote societal well-being by upholding human rights, implementing fair labour practices, promoting diversity and inclusion, and developing communities.

##### ESG focus areas

###### Community ownership, Customer celebrations

Fostering the development of our communities and deliver customer delight

###### Water stewardship

Assisting local communities with their water requirements

###### Energising, equitable & inclusive workplace

Creating a workplace that celebrates diversity and values performance

###### Safe workplace

Providing healthy and safe work environment

##### Aligned with material topics

- Consumer delight
- Diversity & Inclusion
- Consumer health and safety
- Occupational health, safety, and well-being
- Talent management and employee engagement
- Local communities
- Industrial workforce management
- Influencer management
- Human Rights



#### Governance

We remain committed to transparency. Our robust governance principles empower our Board and management team to provide effective oversight and facilitate informed decision-making.

##### ESG focus areas

###### World-class governance

Being amongst the best governed companies

###### Ethics, transparency, quality and accountability

Developing robust business strategies, agile operations, strong risk management, and foster a culture of innovation and adaptability

###### Sustainable supply chain management

Prioritising ethical sourcing, reduce environmental impact, and promote social responsibility

##### Aligned with material topics

- Business ethics and corporate governance
- Organisational resilience
- Policy advocacy
- Anti-competitive behaviour
- Anti-corruption and anti-bribery
- Responsible supply chain
- Financial performance



#### Beyond ESG

##### Return to shareholders

ESG issues linked to organisational profitability

##### Qualitative score

Qualitative assessment of confidence from the investor community

#### Board Responsibility Statement

The Board acknowledges its responsibility of ensuring the integrity of this Integrated Annual Report. In the Board's opinion, this report addresses all the issues that are material to Asian Paints' ability to create value and presents a balanced overview of Asian Paints' performance.

**The Board of Asian Paints approved this Integrated Annual Report on 9<sup>th</sup> May 2024.**

##### Feedback

Share your feedback or queries on this report

##### R J Jeyamurugan

CFO & Company Secretary

+91-22-6218 1139 | investor.relations@asianpaints.com

Asian Paints Limited, 6A, Shantinagar, Santacruz (East), Mumbai - 400055, India

##### Forward-looking statements

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

GRI 2-1: Organisational details | GRI 2-3: Reporting period, frequency and contact point



# FY 2023-24 key highlights

## Strong financial performance

**₹ 30,727.7 Crores**  
Revenue from sale of products and services

▲ 2.6%

**₹ 7,855.0 Crores**  
Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA)

▲ 23.9%

**₹ 3,571.0 Crores**  
Free cash flow

▲ 18.5%

**41.2%**  
Return on Capital Employed (RoCE)

▲ 8.4%

+ Pg. 152



## Powered through sustainable operations

**45%**  
Reduction of our absolute Scope 1 and 2 GHG emissions compared with our baseline\*

**65.8%**  
Share of renewable electricity in total electricity consumed across paint manufacturing factories

**36%**  
Reduction in specific electricity consumption compared with our baseline

**387%**  
Water replenishment

+ Pg 44

\*Baseline year is FY 2013-14

## Created by synergised relationships

**680,000+**  
Participants trained at Asian Paints Colour Academy

**1.39**  
Total Recordable Frequency Rate (TRFR)

**79%**  
Employee engagement score

**73**  
Net Promoter Score (NPS)

+ Pg 62



## Built on world-class governance

**54%**  
Independent Directors on the Board

**AA**  
ESG Rating by MSCI

**42.5%**  
Time spent by the Board of Directors on matters of strategic importance

**5 out of 6**  
Committees chaired by Independent Director

+ Pg 96



# ESG performance snapshot



## Environment: Sustainable operations ^

### Energy Conservation

Metric	Baseline value	Performance 2023-24	Target 2025	Target 2030
Share (%) of renewable electricity in total electricity consumed across paint manufacturing factories	<b>0.1</b> FY 2013-14	<b>65.8</b>	<b>75</b>	<b>100</b> <sup>®</sup>
Reduction in specific electricity consumption per KL of finished product (KWh/KL)	<b>116</b> FY 2013-14	<b>74.2</b> (36% reduction)	<b>60.5</b> <sup>#</sup> (48% reduction)	<b>54.4</b> <sup>#</sup> (53% reduction)

### Water Neutrality

Metric	Baseline value	Performance 2023-24	Target 2025	Target 2030
Reduction in specific non-process water (KL/KL)	<b>0.97</b> FY 2013-14	<b>0.44</b> (54% reduction)	<b>0.27</b> (72% reduction)	<b>0.24</b> (75% reduction)
Water replenishment as a percentage of freshwater consumption (%)	<b>0.1</b> FY 2013-14	<b>387</b>	<b>400</b>	<b>600</b>

### Product Stewardship

Metric	Baseline value	Performance 2023-24	Target 2025	Target 2030
Greenhouse Gases (GHGs) footprint reduction through formulation optimisation (tCO <sub>2</sub> e)	<b>3,700</b> FY 2020-21	Cumulative reduction of <b>50,803</b> from FY 2022-23	Cumulative reduction of <b>24,000</b> from FY 2022-23	Cumulative reduction of <b>49,000</b> from FY 2022-23
Lead and heavy metals-free paint	<b>100%</b> Products free of lead and added heavy metals FY 2020-21	<b>100%</b> Products free of lead and added heavy metals	<b>100%</b> Architectural coatings to be lead and heavy metal free by 2025 <sup>§</sup>	

### Product Stewardship

Metric	Baseline value	Performance 2023-24	Target 2025	Target 2030
Minimising & eliminating CMR* raw materials in products	<b>19.9 kg/KL</b> FY 2020-21 (with Styrene)	<b>19.4 kg/KL</b> (with Styrene) (3% reduction)	<b>15%</b> reduction	<b>25%</b> reduction
	<b>4.5 kg/KL</b> FY 2020-21 (without Styrene)	<b>3.0 kg/KL</b> (without Styrene) (33% reduction)		
Renewable/bio-based raw materials in product offerings (%)	<b>6.5%</b> FY 2020-21	<b>7.2%</b> renewable content (11% increase)	<b>20%</b> increase in renewable content	<b>30%</b> increase in renewable content

### Nature Positive

Metric	Baseline value	Performance 2023-24	Target 2025	Target 2030
Reduction in specific (scope 1&2) emission per KL of finished product (Kg CO <sub>2</sub> e/KL)	<b>131.2</b> FY 2013-14	<b>32.6</b> (75% reduction)	<b>32.8</b> (75% reduction)	<b>26.2</b> (80% reduction)
Collection of plastic packaging from painters and consumers across states	-	<b>Piloted</b>	<b>100</b> collection points across 25 towns/cities	<b>500</b> collection points across 100 towns/cities
Proportion of recycled plastic used in our packaging (%)	-	<b>20%</b> in Green Seal certified products	<b>30</b>	<b>60</b>
		<b>15%</b> in other plastic packaging		

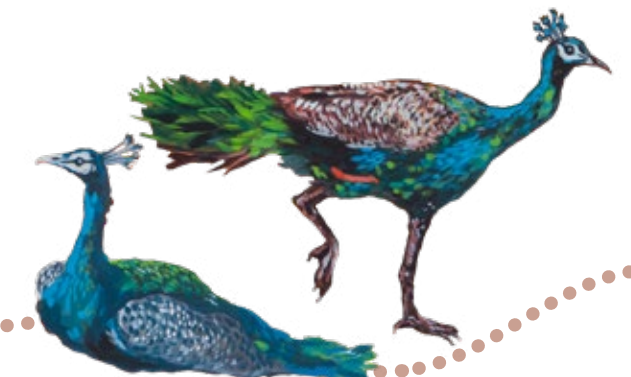
<sup>^</sup> The energy, emissions, water, waste & wastewater indicators pertain to decorative paint manufacturing factories

<sup>®</sup> We aspire to achieve 100% renewable electricity share subject to state policies relating to minimum grid utilisation requirements & banking policies

<sup>#</sup> Assuming planned product mix; in case of significant adverse change in mix, the number shall be recalculated

<sup>§</sup> No heavy metals are added to products as part of our formulation. We intend to measure heavy metals contained in raw materials and eliminate these and make our products free from heavy metals.

\* CMR stands for carcinogenic, mutagenic, reprotoxic substances



## ESG performance snapshot

### Environment: Sustainable operations <sup>^</sup>

Nature Positive				
Metric	Baseline value	Performance 2023-24	Target 2025	Target 2030
Reduction in specific hazardous waste per KL of finished product (Kg/KL)	<b>2.7</b> FY 2013-14	<b>0.61</b> (77% reduction)	<b>0.5</b> (81% reduction)	<b>0.45</b> (83% reduction)
Reduction in specific Non-hazardous waste per KL of finished product (Kg/KL)	<b>14.1</b> FY 2013-14	<b>7.53</b> (47% reduction)	<b>6.7</b> (52% reduction)	<b>6.0</b> (57% reduction)
Reduction in specific effluent generated per KL of finished product (L/KL)	<b>82.4</b> FY 2013-14	<b>16.1</b> (80% reduction)	<b>17.5</b> (79% reduction)	<b>15.8</b> (81% reduction)

### Social: Synergising relationships

Community Ownership				
Metric	Baseline value	Performance 2023-24	Target 2025	Target 2030
Participants trained at Asian Paints Colour Academy	<b>199,000+</b> FY 2020-21	<b>680,000+</b>	<b>600,000</b>	<b>1,000,000</b>
Beneficiaries impacted through healthcare initiatives	<b>170,000+</b> FY 2020-21	<b>353,000+</b>	<b>500,000</b>	<b>650,000</b>

Customer Celebrations				
Metric	Baseline value	Performance 2023-24	Target 2025	Target 2030
St+art/community sites	<b>-</b>	<b>450+</b>	<b>500</b>	<b>1,000</b>
NPS	<b>-</b>	<b>73</b>	<b>70</b>	<b>70</b>

Water Stewardship				
Metric	Baseline value	Performance 2023-24	Target 2025	Target 2030
Water harvesting potential created as % of annual freshwater consumption every year	<b>8.1</b> FY 2013-14	<b>217</b>	<b>&gt;70</b>	<b>&gt;70</b>

<sup>^</sup> The energy, emissions, water, waste & wastewater indicators pertain to decorative paint manufacturing units

### Social: Synergising relationships

Energising, Equitable & Inclusive Environment and Safe Workplace				
Metric	Baseline value	Performance 2023-24	Target 2025	Target 2030
Total Recordable Frequency Rate (TRFR)	<b>2.9</b> FY 2020-21	<b>1.39</b>	<b>&lt;/=0.98</b>	To sustain as global benchmark in safety
Total Severity Rate (TSR)	<b>200</b> FY 2020-21	<b>231.09</b>	<b>&lt;/=150</b>	To sustain as global benchmark in safety
Tier-1 process safety incidents	<b>-</b>	<b>2</b>	<b>&lt;/=3</b>	To sustain as global benchmark in safety
Employee engagement score (%)	<b>67</b> FY 2020-21	<b>79</b>	<b>80</b>	<b>80</b>
Psychological safety score (out of 10)	<b>-</b>	<b>7.7</b>	<b>7</b>	<b>7</b>
Wellness initiative score (out of 10)	<b>-</b>	<b>8.8</b>	<b>8</b>	<b>8</b>

### Governance

Metric	Target 2025
World-class governance	Committed to achieving best-in-class governance as rated by investors and third-party governance firm
Ethics, transparency, quality and accountability	100% of risk impacting business resilience: Annual assessment and score Qualitative assessment from investor community
Sustainable supply chain management	Proactive engagement with value chain partners to educate, empower, and align them with our ESG commitments





# EMPOWERING EXCELLENCE

## INSIDE THIS SECTION

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Founded in 1942, Asian Paints has grown to become the leading integrated home décor player in India. Crafting our legacy on the pillars of innovation, superior quality, and customer delight, we consistently deliver exceptional services, empowering our customers to discover beauty in self-expression.



Eight decades of celebrating creativity, tradition, and spirit

### Asian Paints Then

In our initial stages of operation, we observed a distinctive demand for paints. During the Pongal festival in Tamil Nadu and the Pola festival in Maharashtra, villagers traditionally adorn their bull's horns with vibrant colours, where they required paint in small quantities. Recognising this niche, we seized the opportunity by introducing small packs and helped them celebrate the festival.

### Now

Kolkata's iconic tram became a canvas on wheels on the occasion of its 150<sup>th</sup> anniversary, and the 40<sup>th</sup> anniversary of Asian Paints Sharad Shamman, an annual excellence award given to the most well-decorated Durga Puja Pandal in the city. Moving down south, 22 MTC (Metropolitan Transport Corporation) buses in Chennai were revamped as part of Asian Paints' 'Tribute to Tamil Nadu' campaign to celebrate Pongal. The cornerstones of the state's culture and traditions were depicted on the buses.





# Asian Paints at a glance

At Asian Paints, vibrant colours meet innovative solutions. Our rich heritage and commitment to excellence has led to the creation of extraordinary masterpieces. As India's most trusted brand, we pride ourselves on delivering exceptional quality products and services that enhances the joy of everyday living.

## Portrait of sustained growth

**#1**  
Paint company in India

**#1**  
Integrated home décor player

**#1**  
in Decorative lighting

**#2**  
in Fabric and Furnishing



## Purpose

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

## Values

### Standing for each other's success

Always being selfless, ensuring success of all groups and individuals, like we would for ourselves

### Creative zeal

Passionately striving to cause disruption by a constant search for innovative, out of the box and differentiated solutions and executing with velocity and attention to detail

### Integrity

We honour our word, always

### Audacity

Fearless in challenging the usual way of doing things, stretching for bold goals as a way of life

### Scientific rigor

Adopting a data-analysis driven approach to decision making and continuous experimentation towards building world class practices and products

### Customer passion

Treating our customers the way we would want to be treated. Customer First!

## Continuing the journey of democratising décor

Our collaboration with St+art India immerses us in the rich history and essence of the land, where one can witness celebrations and cultural transformations manifested in street art forms across various cities in India.



Artist Name: Yip Yew Chong  
Artwork Name: Impressions of Lodhi  
Project Name: Lodhi Art Festival 2019



# Asian Paints at a glance

## Business segments



### Decorative business

India's leading paint and décor company offering wide range of products and services along with largest-of-its-kind painting service in the world.

#### Products & Services

- Interior wall finishes
- Exterior wall finishes
- Waterproofing
- Wood finishes
- Enamels
- Adhesives
- Tools
- Undercoats

#### Revenue

**₹ 31,205.1 Crores\***

Contribution of revenue from sale of products and services (Decorative and Home décor business): **88.2%**

\* Includes Obgenix Software Private Limited ('White Teak') revenues from the date it became subsidiary



### Home Décor business

Expansive offering to provide a complete one-stop home décor solution to customers.

#### Products & Services

- Modular kitchens
- Bath fittings
- Decorative lightings
- uPVC windows and doors
- Wall coverings
- Furniture
- Fabric & Furnishings
- Rugs



### International business

Taking forward the legacy of Asian Paints to cater to a wide cross-section of customers across geographies and bring delight to millions of households.

#### Regions

- Asia
- Middle East
- Africa
- South Pacific

#### Revenue

**₹ 3,061.5 Crores**

Contribution of revenue from sale of products and services: **8.7%**



### Industrial business

Provider of high-quality custom-formulated products for the automotive and industrial business.

#### Entities with product category and related services

##### PPG Asian Paints Pvt. Ltd. (PPG-AP)

- Automotive (OEM & refinish), General industrial, Packaging & Marine

##### Asian Paints PPG Pvt. Ltd. (AP-PPG)

- Industrial protective coatings, powder coatings, floor coatings and road markings

#### Revenue

**₹ 1,115.5 Crores^**

Contribution of revenue from sale of product and services: **3.1%**

^ Excluding PPG-AP revenues as it is an Associate Company

## Brand universe



### ★ Stature

**#2**

Paint company in Asia

**#8**

Paint company in the world

### 🌐 Scale

**27**

In-house paint manufacturing facilities worldwide

**60+**

Countries served

**1,850,000**

Installed in-house decorative paint manufacturing capacity in India (KL/annum)^

^ Over and above, our Company has also tied up with outside processing centres (OPCs) for manufacture and purchase of certain products

### 📍 Reach

**60**

Beautiful Homes stores across India

**160,000+**

Retail touchpoints across India

**9,000,000+**

Beautifulhomes.com visitors during the year

### 👤 People

**12,000+**

Employees globally

**240+**

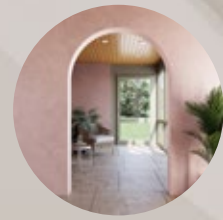
Scientists driving innovation



# Our products and services

## Products

We have been at the forefront of innovation, offering traditional paints and comprehensive décor solutions. Our product range includes Decorative and Industrial paints that fulfill the diverse requirements of interior and exterior wall applications.



Paints



Wall Coverings



Textures and Painting Aid



Waterproofing



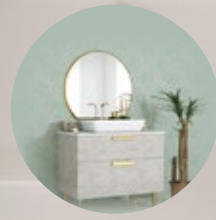
Mechanised Tools



Adhesives



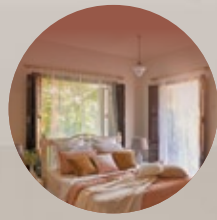
Modular Kitchens and Wardrobes



Bath fittings and Sanitaryware



Decorative Lightings



uPVC Windows and Door Systems



Fabric, Furnishings & Rugs

## Snapshot of our new launches



### NeoBharat Latex

Special polymer tech offering smooth latex finish with 3x durability at the price of distemper



### Apolite Insectshield Enamel

First-of-its-kind insect-repellent paint which is effective against mosquitoes, ants, cockroaches, and flies



### Apex Ultima Protek Duralife Basecoat

Offering 15 years of waterproofing warranty, making it the industry's highest



### SmartCare Damp Proof Play

First of its kind with acrylic tintable coating: tile-like finish, waterproofing, and rain protection



### SmartCare Damp Sheath Interior Waterproofing Primer

Prevents surface dampness from manifesting itself on top coat and enhances the life of a top coat



### SmartCare Damp Proof Xtreme

Effective on terraces in extreme moisture and against exterior efflorescence with 10 years warranty



### WoodTech Emporio PU

Boasts top-of-the-line self-healing properties, unparalleled in its category



### WoodTech Flash

Best-in-class gloss and grain filling at the most competitive price against local polish



## Our products and services



### Highlights

#### Sabyasachi for Nilaya

Our fourth collaboration with Sabyasachi has resulted in the exquisite Paris-Calcutta Collection. Reflecting the vibrance of both cities, the collection of wallpapers and fabrics blends sophisticated craftsmanship and cultural opulence. With over 30 wallpapers and 120 fabrics across four distinct books, the collection showcases the finest selections tailored to meet the tastes of our customers in India and worldwide.

#### Timeless grandeur with festive pack

Celebrating the people and culture of West Bengal, Tamil Nadu and Kerala, we launched unique heritage-inspired pack.

The packaging features augmented reality (AR) that allows customers to scan the can and embark on a journey through the region's cultural heritage.

#### 'Smoothing' the way to success

During FY 2023-24, our abrasive category showed remarkable resilience and growth. The growth signifies our dedication to providing value and enhancing productivity for our partners. While sanding paper has traditionally been integral to our abrasives category, newer products have emerged alongside it, presenting enhanced value propositions.

#### Graceful simplicity: Introducing the 2023 Soft Décor Collection

Pushing beyond conventional boundaries, our Soft Décor Collection 2023 unveils an impressive line-up of 58 new collections in furnishings fabric across Ador, PURE-Royale, and Nilaya. Building upon our soft décor journey, this collection features an array of décor products, showcasing new collections that embody the essence of luxury.



### Services\*

We have fortified our leadership in the paints and home décor industry through the consistent introduction of new concepts, including Colour Ideas, Beautiful Homes Painting Services, Colour Next, and the Asian Paints Beautiful Homes Stores.

#### Beautiful Homes Service

An exclusive, end-to-end solution that offers customers a personalised interior design service, complete with professional execution, to help them create their dream homes.



**9,000,000+**  
Beautifulhomes.com  
visitors during the year

**1,700+**  
Sites serviced in  
FY 2023-24

#### Beautiful Homes Painting Services

We offer our customers hassle-free service and reliable painting solutions with the highest safety standards. We have introduced with 'On Time Painting' as a key promise of the service. Our brand has continuously evolved to meet the dynamic demands of its customers. This evolution has given rise to a new brand identity to our Safe Painting Services as Beautiful Homes Painting Service, a holistic experience that delivers beautiful homes through its superior products and credible dealer-led painting services.



**140,000+**  
Customers used the Beautiful  
Homes Painting Services

**3,000+**  
Dealers participating in  
Beautiful Homes Painting  
Services

#### Trusted Contractor Service

We facilitate access to painting contractors who have undergone our rigorous training and have long-standing affiliations with our Company.



**65,000+**  
Contractors listed on  
Contractor finder portal

**13,700+**  
Unique pin codes covered for  
lead servicing

\* Services include Colour Consultancy, Projects, Beautiful Homes Painting Services, Beautiful Home Services, Waterproofing Solutions, Wood Solutions, and Bathroom Design Services.

Read more on [+ Pg. 64](#)

# Our global footprint

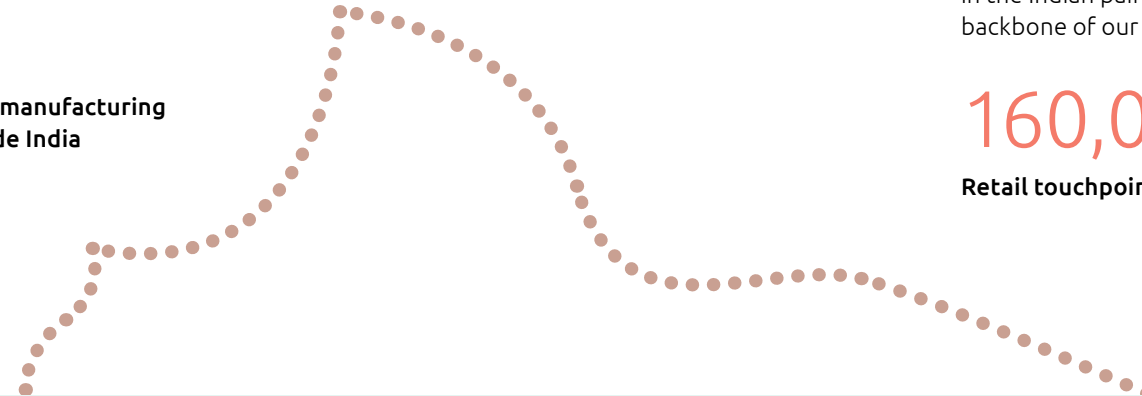
We operate in emerging economies through our seven corporate brands, viz. Asian Paints, Apco Coatings, Asian Paints Berger, Asian Paints Causeway, SCIB Paints, Taubmans, and Kadisco Asian Paints.

## On the world stage

**14**  
Countries in which we operate outside of India

**17**  
In-house paint manufacturing facilities outside India

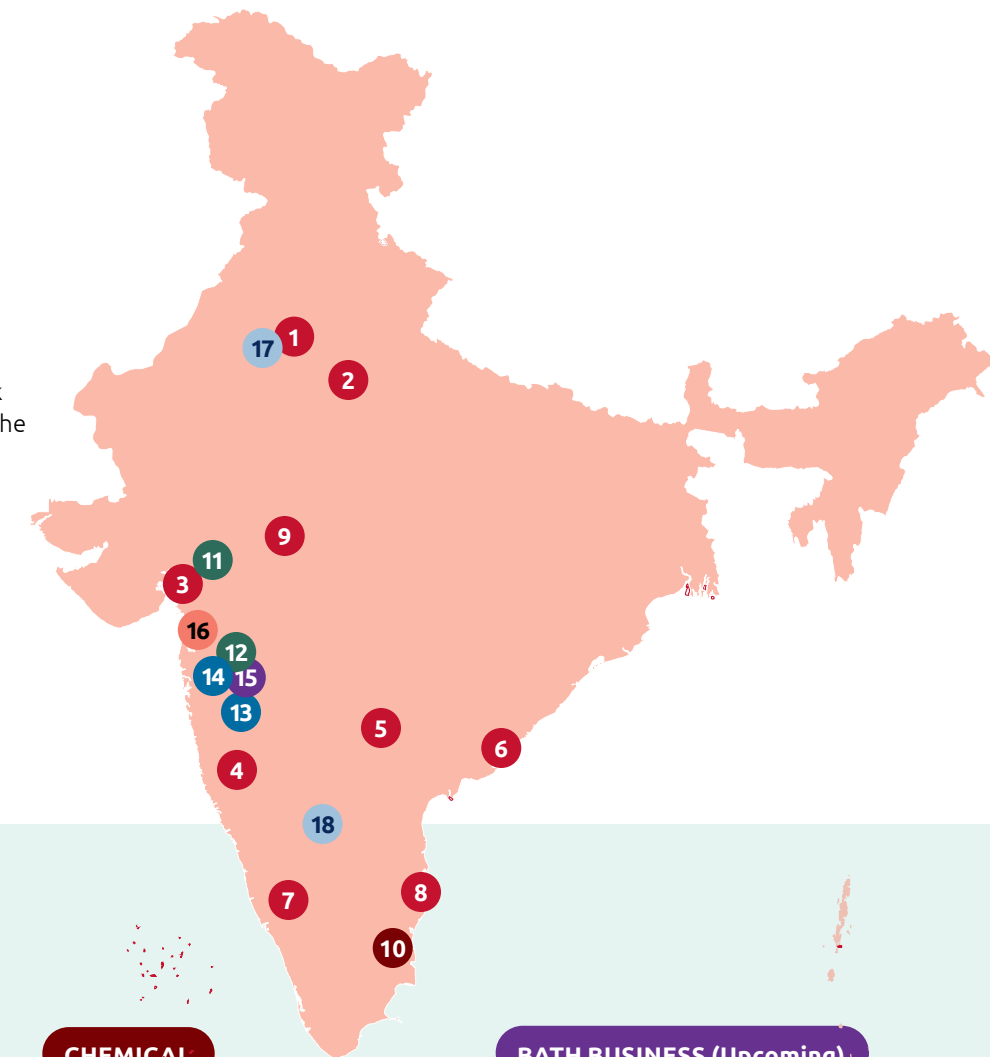
**₹ 3,061.5 Crores**  
International business revenue from the sale of products and services



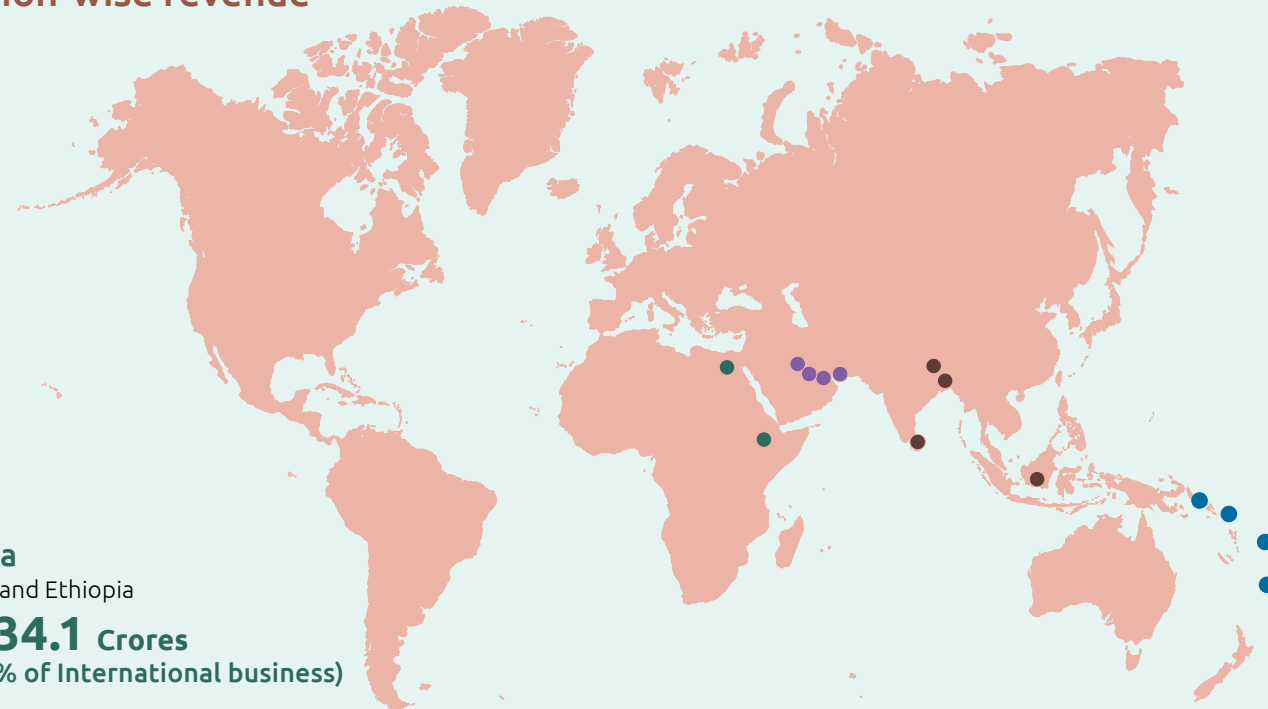
## From manufacturing locations to retail outlets

We place great emphasis on creating an inclusive ecosystem. We have the largest distribution and retail network in the Indian paints industry, and it is the backbone of our performance.

**160,000+**  
Retail touchpoints in India



## Region-wise revenue\*



**Africa**  
Egypt and Ethiopia  
**₹ 734.1 Crores**  
(23.6% of International business)

**Middle East**  
Oman, Bahrain, UAE and Qatar  
**₹ 1,004.9 Crores**  
(32.2% of International business)

**Asia**  
Bangladesh, Nepal, Sri Lanka and Indonesia  
**₹ 1,216.4 Crores**  
(39.1% of International business)

**South Pacific**  
Fiji, Solomon Islands, Samoa and Vanuatu  
**₹ 158.3 Crores**  
(5.1% of International business)

\* Region-wise break-up excludes inter-company elimination

## Manufacturing locations in India^^

(Installed capacity/annum)

### DECORATIVE COATINGS

- 1 **Rohtak**, Haryana  
400,000 KL
- 2 **Kasna**, Uttar Pradesh  
100,000 KL
- 3 **Ankleshwar**, Gujarat  
130,000 KL
- 4 **Khandala**, Maharashtra  
400,000 KL
- 5 **Patancheru**, Telangana  
80,000 KL
- 6 **Visakhapatnam**, Andhra Pradesh  
300,000 KL
- 7 **Mysuru**, Karnataka  
300,000 KL
- 8 **Sriperumbudur**, Tamil Nadu  
140,000 KL
- 9 **Pithampur**, Madhya Pradesh#

### CHEMICAL

- 10 **Cuddalore**, Tamil Nadu  
8,760 MT  
(Pentaerythritol)

### INDUSTRIAL COATINGS

- 11 **Sarigam**, Gujarat\*  
7,200 MT
- 12 **Taloja**, Maharashtra  
14,000 KL

### SLEEK\*

- 13 **Pune**, Maharashtra
- 14 **Wada**, Maharashtra

### BATH BUSINESS (Upcoming)

- 15 **Wada**, Maharashtra

### VAM/VAE (Upcoming)\*

- 16 **Dahej**, Gujarat

### WEATHERSEAL\*

- 17 **Rewari**, Haryana
- 18 **Hoskote**, Karnataka

# Proposed plant  
\* Facility of subsidiary company  
^^ Over and above, our Company has also tied up with outside processing centres (OPCs) for manufacture and purchase of certain products, where we do not have operational control.

Note: Map not to scale



# A legacy of performance and excellence



## Dear Shareholders,

I feel very privileged to put forth my first communication to all of you, as the Chairman of the Board of Directors of this widely admired organisation. I took over this responsibility from my esteemed predecessor, Mr. Deepak Satwalekar, who had been an integral part of our Board over the last two decades and had stepped into the role of Chairman during FY 2021-22. I take this opportunity to express, on behalf of the Board, my deep gratitude to Mr. Satwalekar for the invaluable guidance and wise advice that he had provided to the organisation over the years.

I have always known Asian Paints as a pioneering leader in the industry and over the years, I have come to greatly respect and admire the Company, its values, its people and their capabilities. The Asian Paints Charter and the values embedded in it remain the founding stone of our organisation, seamlessly driving the actions and behaviours of all our employees, led by an effective management team.

## Consistent Performance

Against a very dynamic business environment clouded by unprecedented inflation and geopolitical tensions, our Company has delivered a solid performance relentlessly pursuing innovation to bring out products and services to provide newer and enhanced value propositions for all its consumers. Our foray in the home décor space has taken a quantum leap over the past few years catapulting us into the position of being the leading integrated home décor player.



Our Industrial business has grown exponentially over the past few years, and we have been able to expand our reach and capabilities backed by a sturdy technology base which has enabled us to gain significantly in the market.

FY 2023-24 saw consumption demand moderating on the back of the lingering impact of retail inflation, particularly in the rural markets. This led to the revenue growth trajectory tapering down to single digits for the FY 2023- 24. Despite this subdued revenue growth, we delivered strong profit growth supported by the correcting raw material prices as well as various internal cost optimisation initiatives. On a medium-term basis, we have maintained our double-digit revenue growth trajectory delivering mid-teen compounded growth rates.

## Our Long-term Commitment to ESG

ESG has consistently been at the core of all our business objectives and operations. We firmly believe that a persistent focus on ESG is fundamental for long-term success and resilient value creation. We consider supporting our local communities, respecting our environment and sharing the collective fruits of our work as imperatives for our social licence to operate. I encourage you to read our Integrated Annual Report and the Business Responsibility and Sustainability Report to gain a comprehensive understanding of the progress we have made on our ESG commitments.

## Board Leadership

Our Company is founded on the highest standards of governance, integrity, ethics and transparency. These attributes have been sustained and reinforced over the years through the calibre of our Board.

During the year, Mr. Ashwin Dani, Non – Executive Promoter Director, departed for his heavenly abode. He had been associated with the Company since 1968 and had been a strong force in heralding the Company to technological excellence. He joined the Board in the year 1970 and contributed in various capacities through his long association. Under his visionary leadership, Asian Paints expanded its operations across the globe, solidifying its place as one of the world's leading paint companies. For the period between 2018 to 2021, he held the position of Chairman of the Board. He was not just a business leader but a pioneer and philanthropist who left an indelible mark on both the paint industry and society as a whole. I place on record our profound appreciation for his valuable contribution.

As mentioned earlier, Mr. Deepak Satwalekar, Independent Director and Chairman, retired from the Board on 30<sup>th</sup> September 2023. Also, during the year, we had three Independent directors completing their tenure on our Board. Ms. Vibha Paul Rishi, chairing both the Stakeholders Relationship Committee and the Risk Management Committee as well as member of the Audit Committee and Corporate Social Responsibility Committee ceased to be Director upon completion of her tenure.

Ms. Pallavi Shroff, member of both the Audit and Risk Management Committee, completed her tenure as Director. Mr. Suresh Narayanan, chairman of the Nomination and Remuneration Committee, and member of the Investment Committee completed his tenure as well. I would like to thank all of them for their immensely valuable contribution and guidance to our Board and the Company.

Furthermore, I am delighted to welcome Ms. Ireena Vittal, Mr. Soumitra Bhattacharya and Dr. Gopichand Katragadda as Independent Directors to the Board. Their extensive experience will significantly add value to our company and enhance our capacity to grow and develop our business.

## Moving Forward

Good results are the product of an effective management team and a professional and committed workforce. The energy and talent of all our 12,000+ employees across geographies truly came to the fore during the year. I would like to express my deep gratitude to our people and their families. It is clear to me that we have, within the organisation, profound commercial acumen, proven capabilities and a tremendous culture of fostering leaders.

I believe there is not a more exciting economy in the world than our own here in India. It is a nation brimming with opportunity and enterprise looking to modernise, expand and accommodate the rising aspirations of its growing population. We are well-positioned to capitalise on this exponential growth opportunity. Our focused growth strategy and hunger

**“ESG has consistently been at the core of all our business objectives and operations. We firmly believe that a persistent focus on ESG is fundamental for long-term success and resilient value creation”.**

for cutting edge technology and innovation will lead the way forward. The widening competitive landscape has given us an added impetus to excel, further strengthening our growth ambitions. This increasing competitive interest also highlights the strong growth potential of the industry, benefitting our consumers with numerous choices and inspiring all players to put their best foot forward.

We are all here, as an organisation, to deliver value to our customers, our shareholders, our employees and all stakeholders. Over the past few decades, our Company has created tremendous value for all, and I remain confident that we will continue to do so in the future as well. I look forward to your continued support in this pursuit.

Warm regards,

**R Seshasayee**  
Chairman





# Delivering on the promise of growth

## Dear Shareholders,

It is great to be connecting with all of you. The geopolitical instability continued during the FY 2023-24 with the ongoing conflict in Ukraine and renewed conflict in the Middle East. Inflation remained above the targeted norms, despite moderating from the previous year's highs, thereby preventing the anticipated easing of monetary policies in major economies, and causing continued market volatility. Despite this, India emerged to be a strong source of growth, resulting in many economists improving their growth forecast for the coming year. Stability and commitment to its economic agenda have helped India remain resilient in the face of global challenges. Investments in infrastructure and connectivity were the key drivers for the economic advancement of the country. With rapid digital transformation, India has established itself as a hub for innovation and technology services, boosting its economy and positioning it as a key player in the future of the digital economy.

## Reminiscing the Year Gone By

The year saw strong consumption demand post-COVID tapering down due to the continued effect of high inflation, especially in the rural areas. This led to the revenue growth trajectory moderating to low single digits – for the industry as well as for us. However, even in this challenging environment, we continued to drive volumes across all segments registering a near double-digit volume growth for the year. This has been our commitment for the last many quarters and we have grown at strong CAGR volume growth over 4 years.

Capitalising on its natural synergy with our coatings' product and service offerings, we further strengthened our décor foray with new collections, network, and store expansions. The record performance of our Industrial Paints segment, in partnership with PPG Industries Inc., USA, has been one of the key highlights of the year. Our International Business, though supported by growth in the Middle East and parts of Africa, remained constrained by macroeconomic challenges, inflation, and forex unavailability in key geographies of South Asia and Egypt.

The moderating raw material prices and our diligent efforts in achieving sourcing and formulation efficiencies provided a healthy cushion to our margins. We also took this opportunity to pass on some of these benefits to our consumers and support the consumption demand.

## Decorative Business, India

Our steady approach to cater to consumer requirements across varied price points with strong value propositions continued to hold us in good stead. Both our Luxury and Economy range of products experienced good demand across our Decorative business. Our focused drive to expand the organised market and strengthen our foray into the bottom of the pyramid segment delivered good results as seen in the increased portion of Economy



products in our mix. However, driven by price increases taken in previous years to tackle the unprecedented raw material inflation, our premium products grew at a slower clip. With price moderation at play, this segment is likely to see some bounce back going forward.

Our Projects and Institutional business maintained a robust growth trajectory, supported by builders, factories, and the government sector. Our approach of looking at customer requirements holistically, across all product categories, and our commitment to provide products as per varied requirements, have positioned us as the largest player in this segment. Further, this presence has been significantly strengthened with our expanding range of offerings in the waterproofing and construction chemicals segment.

Our distribution footprint, the largest in the industry, saw a further expansion in the year, to over 1.6 Lakhs retail touchpoints and the addition of a substantial number of Colour World tinting machines. Our recent inroads into the cement distribution space have also added to our market connection. As we consistently augment our network strength, a majority of our connections have been maintained across generations of dealer families, as we partnered with them during our retailing innovation journey. These relationships have only become stronger with time as we have built on our supply chain capabilities ensuring efficient and industry-best servicing levels for our entire network. Training and upskilling the contractor community has also ensured that we live up to our commitment to delivering a superior experience to our customers.

**“We continued to drive volumes across all segments registering a near double-digit volume growth for the year. This has been our commitment for the last many quarters and we have grown at strong CAGR volume growth over 4 years”.**



## Beautiful Homes

The year saw significant progress in our evolution from 'share of surface' to 'share of space'. Complementing our Decorative Coatings' product offerings, this segment has made Asian Paints a key partner in our customers' home décor journey to create their 'Beautiful Home'.

The home décor product and services market remained highly segmented amongst several regional and category-level players. We are the country's leading integrated home décor player, offering a unique 'Phygital' experience to our customers through our omnichannel presence. Our inspirational digital property beautifulhomes.asianpaints.com is visited by over 90 Lakhs visitors annually and has over 5 Lakhs Instagram followers generating numerous leads. The network of 60 Beautiful Homes Stores across 45 cities allows our customers to experience all our products and services under one roof. During the year, 'the next frontier of this store format' called the Beautiful Homes Studio came up in Chennai. Spread across 17,000 sq ft with a high-end luxury focus, this store is comparable to any large, branded store world over.

Our home décor product offerings span across our Kitchen and Bath segments. Both businesses have seen a challenging year compared to the growth in the previous few years. We expect the businesses to gain from further integration with our Beautiful Homes network, and towards this end, we have initiated the process of amalgamating Sleek International Pvt Ltd, our modular kitchens, wardrobes and fitted furniture business, with Asian Paints Limited. Our strong partnerships with White Teak and Weatherseal – two established names in the decorative and designer lighting and uPVC windows and door systems space, respectively – continued to grow well during the year. These businesses gained from the synergies of our pan-India dealer network as well as their expanding portfolio. The fabrics and furnishing portfolio also expanded further during the year and has gained significant ground across these product categories over the past three years. We are now the leading decorative lighting and integrated kitchens brand. We are also among the leading players in the wallpapers, textures, fabrics and furnishings businesses in the country.

Through our omnichannel presence, we not only offer bespoke home décor concepts and products to our

customers but also partner with them to bring these concepts to life. Our flagship Beautiful Homes Service is an end-to-end home interior design and execution offering that offers digital visualisation and professional execution across 11 cities in India. We also offer the largest painting services available across approximately 650 cities. Introduced as Safe Painting Services during COVID, it was rebranded to Beautiful Homes Painting Services during the year. One of the hallmarks of this service is the mechanised painting service that we offer for activities such as sanding, spraying, and others. A first from Asian Paints, we are looking at evolving from the traditional brushing and rolling techniques to more technology-led spraying and levelling mechanisms leading to higher productivity and improved quality and finish for our consumers.

In FY 2023-24, our revenue contribution from the home décor space was at approximately 4% of our Decorative revenues. We are committed to growing exponentially as we move forward to our next goal to make this business about 8 to 10% of our overall Decorative business in the next 3 years.

## MD & CEO's message

### Building on our Brand

We continued to invest in the saliency of our brand 'Asian Paints' during the year. We have been constantly reinforcing our 'Har Ghar Kuch Kehta Hai' proposition. Our campaign 'Where the Heart is', connects us to millions of people across the country. We have also gone big on our digital marketing initiatives. During the festive season, we ran an innovative campaign that saw us graduate from the 'Mera Wala Colour' to 'Mera Wala Mood'. A face scan technology was enabled to capture the expressions and moods of our customers and link them to colour preferences. This was received well by our target audiences and is a playbook example of combining innovation with technology.

Furthermore, we continue to be the voice of the industry for our colour and material trends. Our commitment to understanding the dynamic relationship between colour and lifestyle is realised through our ColourNext initiative. The forecast process maps consumer behaviour, consumption patterns, socio-cultural sentiments and lifestyle shifts, and is put together by some of the country's prominent personalities from the fields of architecture, art, interiors, fashion, sociology and media. To mark the 21<sup>st</sup> year of Asian Paints ColourNext, we launched 'Terra' as our Colour of the Year, a cocooning, comforting shade that encapsulates warmth for the new-age living spaces. Terra, mirrors the language of belonging and solace with a lingering impact.

Our collaboration with St+art India Foundation to democratise art and transform urban landscapes in India has also been impactful. We are truly proud of the 7 art districts and 450+ murals that had a meaningful imprint on communities across the country. This year, on World Braille Day, we aligned with them to create a one-of-a-kind tactile museum that made art

accessible to the visually impaired. This event was a milestone for our coatings brand, setting a precedent for inclusive initiatives.

### Excitement through Innovation

Innovation has always been one of the key pillars of our success. Over the last 4 years, we have introduced 120+ new products, with chemistries and features that are unique in the market. During this time, we have filed for 85+ patents, of which, 60 have been granted and about 50% are commercialised. In FY 2023-24, new products contributed to over 11% of our revenue.

Across both Coatings and home décor, the market has witnessed a lot of 'firsts' through our innovation. Our 'Nilaya Naturals' ecosystem, consisting of undercoats and topcoats with its 90% organic composition and ocean-recycled plastic packaging, has found high appeal in the Luxury segment. Our Royale Glitz's crack-free performance coupled with its flawless stain-repellent nature promises to keep spaces blemish-free. Our recently introduced Neo Bharat Latex Paint is set to revolutionise and disrupt the Economy category. Introduced as an affordable alternative to distemper, we aim to democratise the Decorative Paints sector with this product. It uses special polymer technology that provides a superior finish, higher coverage, and better washability.

On the home décor front, we have launched several new products, from our Economy range of Ador wallpaper to our high-end Luxury Painted Forest wallpaper collection. We also added new product categories such as our Royale range of wardrobes, our fitted furniture collection, as well as Nilaya, a range of furniture with European sensibilities for Indian comfort. In the area of Bath, we introduced Lotus 25 faucets with a hydrophobic coating to prevent corrosion and water stains, thereby increasing product life.

### Industrial Business

Both our Industrial businesses have registered double-digit revenue growth and much-improved profit margins in the year. The collaborative way of working between our Decorative and Industrial business teams, understanding our customers, and meeting all their needs have worked well for us. In addition, our partnership with PPG Industries Inc., USA, has enabled us to push sales of differentiated and technology-driven product solutions thus making inroads in some key sectors.

Growth in our Automotive Industrial Coatings business was driven by the automotive segment as well as the refinish space. We launched 'Cartisan', our premium car detailing and décor business, with the opening of a flagship centre in Maharashtra. The key highlight of this service is the fair degree of customisation it offers, with car owners having the choice to enhance the look and feel of their vehicle as per their preference.

The Non-automotive Industrial Coatings business has doubled in 3 years, driven by exceptional growth in the Protective and Powder Coatings space. Our Metacare Asset Protection programme has seen good traction with several industrial players benefitting from the comprehensive asset assessment and preventive maintenance programme offered under this service.

### International Business

Progress in this business was constrained due to the macroeconomic challenges, an inflationary environment and forex unavailability in key geographies of South Asia and Egypt. The Middle East market grew well both on the retail and project side, supported by robust new product introduction work.

In South Asia, macroeconomic challenges continued to impact Bangladesh and the liquidity crunch triggered softer sales in Nepal. At the same time, stabilising economic conditions supported recovery in Sri Lanka. Our waterproofing and painting services across markets have given us a strong edge and will continue to strengthen our performance in the international markets as we look at enhancing our brand presence in these markets.

### Progress on ESG

We have always taken pride in the way we operate our businesses, with Environment, Social and Governance being a critical element of designing all our processes. This year as well, we continued to advance our commitments on ESG.

Last year, we established and published our ESG targets through 2030. Resource efficiency is at the centre of these targets. Our renewable energy consumption is now at 65.8% of our total electricity consumption at our decorative paint manufacturing locations. On the water consumption front, we have been water-neutral for some time now. This year, we replenished 3.9x of our freshwater consumption through various initiatives in water harvesting, water regeneration and educating local communities. The health and safety of the communities around our manufacturing locations is of utmost importance to us. We impacted and touched the lives of more than 3.53+ Lakhs people through our various health initiatives. Our commitment to disclosures, ethical business practices, impartiality, and mutual trust, has enabled us to emerge as a leading company for over 50 years.

**"Innovation has always been one of the key pillars of our success. Over the last 4 years, we have introduced 120+ new products, with chemistries and features that are unique in the market. During this time, we have filed for 85+ patents, of which, 60 have been granted and about 50% are commercialised. In FY 2023-24, new products contributed to over 11% of our revenue".**



### Looking Ahead

As we enter FY 2024-25, I know more reinvention is ahead of us. We are eager to build on the progress we have achieved in the last few years and strengthen our market leadership position. The year has also seen the competitive landscape evolve, thus demanding a continued and deeper effort from our side to maintain our 'preferred brand status.' We remain focused on our consumers, keeping their interests at the forefront, as we have been doing for decades. As a leader, we also recognise the need to expand the per capita consumption of paint and widen the industry through an increase in painting frequencies and innovations with an eye on affordability.

In FY 2022-23, we announced investments of about ₹ 8,750 Crores across the key areas of backward integration, futuristic technology, and capacity expansions through both greenfield and brownfield projects. This year, we made significant progress on these. Our Khandala (Maharashtra) and Kasna (Uttar Pradesh) brownfield expansions have been completed, augmenting capacity by 120,000 KL/annum. Brownfield expansions at both, Ankleshwar (Gujarat) and Mysuru (Karnataka) will also come on stream shortly. Our greenfield plant in Madhya Pradesh has been allotted land at Pithampur. We are now progressing towards the next phase of set-up and construction.

A large part of this capital expenditure plan was also towards setting up an integrated Vinyl Acetate Ethylene Emulsion (VAE) and VAM (Vinyl Acetate Monomer) manufacturing capabilities to help us develop environment friendly and technologically superior products. We received all the statutory approvals for the VAE and VAM project and are progressing as per schedule.

The backward integration project in white cement being set up in the UAE is also moving as per schedule.

In the medium term, volatility in the macroeconomic environment is expected to continue as concerns over political transitions rise, particularly in Asia-Pacific, Europe, and North America. India remains well-poised to deliver strong economic growth and its strong correlation with the domestic paint industry will ensure that we continue to grow well.

Guided by an experienced and engaged Board of Directors and supported by an extremely committed team, we will 'Elevate' ourselves to build on our leadership position, 'Engrave' a deeper mark on the industry led by innovation, and 'Evolve' as we move forward in our relentless pursuit of creating shareholder value.

Warm regards,

**Amit Syngle**  
Managing Director & CEO



# Board of Directors

## R Seshasayee

Chairman /  
Independent Director

IC \*  
NRC



## Manish Choksi

Vice-Chairman /  
Non-Executive Director

NRC  
IC



## Ireena Vittal\*

Independent Director

RMC \*  
AC



## Soumitra Bhattacharya^

Independent Director

NRC \*  
AC, IC



## Amit Syngle

Managing Director & CEO

CSRC  
IC



## Malav Dani

Non-Executive Director

CSRC \*  
IC



## Dr. Gopichand Katragadda§

Independent Director

SRC \*  
CSRC



## Vibha Paul Rishi#

Independent Director



## Amrita Vakil

Non-Executive Director

CSRC  
IC



## Jigish Choksi

Non-Executive Director

SRC  
RMC



## Suresh Narayanan#

Independent Director



## Pallavi Shroff#

Independent Director



## Nehal Vakil

Non-Executive Director

SRC  
RMC



## Milind Sarwate

Independent Director

AC \*  
RMC



**AC** Audit Committee

**SRC** Stakeholders Relationship Committee

**CSRC** Corporate Social Responsibility Committee

**NRC** Nomination and Remuneration Committee

**RMC** Risk Management Committee

**IC** Investment Committee

\* Chairperson

\* Appointed w.e.f. 25<sup>th</sup> July 2023

^ Appointed w.e.f. 26<sup>th</sup> October 2023

§ Appointed w.e.f. 1<sup>st</sup> April 2024

# Ceased to be the Independent Directors of our Company w.e.f. close of business hours on 31<sup>st</sup> March 2024, upon completion of their respective terms.

**Note:** The Committee composition is as on the date of this Report.



# How we create value

Bringing joy to people's lives



## OUR PURPOSE

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

## OUR VALUES

- Standing for each other's success
- Audacity
- Creative zeal
- Scientific rigor
- Integrity
- Customer passion

### HELPS US TO UTILISE OUR INPUTS

#### Financial resources

Strong balance sheet supporting our growth plans.

- Shareholder's funds: ₹ 18,425.1 Crores
- Debt: ₹ 92.6 Crores

#### Manufacturing capabilities

Pan-India State-of-the-art manufacturing facilities securing high levels of productivity and product excellence.

- Property, plant, and equipment: ₹ 3,750.2 Crores
- In-house installed decorative paint capacity: 1,850,000 KL/annum
- Manufacturing facilities (in-house): 10
- Processing centres (Outsourced): 28

#### Technology and innovation

Robust digital infrastructure and strong R&T capabilities.

- Spend on Research and Development: ₹ 120.3 Crores
- Scientists at Research & Technology Centre: 240+
- Patents filed: 21
- Investment in Information Technology: ₹ 103.2 Crores

#### People and capabilities

Talented, diverse team of 30,000+ people.

- Permanent employees: 9,482
- Contractual employees: 21,189
- Investment in Learning & Development: ₹ 23 Crores

#### Communities

Beneficiaries of our numerous CSR projects across India.

- Spend on CSR activity: ₹ 90.8 Crores

#### Relationship with value chain partners

Pan-India network of dealers and suppliers

- Retail touchpoints: 160,000+
- Supplier base: 21,000+

#### Natural resources

Utilisation of various natural resources such water, oil etc.

- Renewable electricity consumption: 65.8%
- Spend on water conservation: ₹ 23.3 Crores
- Specific non-process water consumption: 0.44 KL/KL
- Specific electricity consumption: 74.2 KWh/KL

### TO DRIVE BUSINESS ACTIVITIES

- Customer life cycle management
- Innovation-led products and services
- Strategic supply chain management
- Sustainable and safe manufacturing
- Brand value propagation
- Deliver products and services
- Management process

### SUSTAINABLY

#### Sustainable operations

##### Energy conservation

Setting standards for energy neutrality and optimum resource utilisation

##### Water neutrality

Ensuring water neutral operations

##### Product stewardship

Providing industry-leading environmentally sustainable product options in every category

##### Nature positive

Achieving near-zero waste and emissions and foster circularity through the 3R principles

+ Pg. 44

#### Synergising relationships

##### Community ownership, Customer celebrations

Fostering the development of our communities and deliver customer delight

##### Water stewardship

Assisting local communities with their water requirements

##### Energising, equitable & inclusive workplace

Creating a workplace that celebrates diversity and values performance

##### Safe workplace

Providing healthy and safe work environment

+ Pg. 62

#### Governance

##### World-class governance

Being amongst the best governed companies

##### Ethics, transparency, quality and accountability

Developing robust business strategies, agile operations, strong risk management, and foster a culture of innovation and adaptability

##### Sustainable supply chain management

Prioritising ethical sourcing, reduce environmental impact, and promote social responsibility

+ Pg. 96





# How we create value



## PRIVY OF THE EXTERNAL ENVIRONMENT

- Political factors
- Economic factors
- Social factors
- Technological factors
- Legal factors
- Environmental factor

### IDENTIFY WHAT IS MATERIAL

#### Key material topics

- Consumer delight
- Climate change
- Financial performance
- Business ethics and corporate governance
- Diversity & inclusion
- Toxic emissions, waste and effluents
- Technology, innovation and digitalisation
- Occupational health, safety, and well-being

Read more on **+ Pg. 43**

### ADDRESS RISKS AND OPPORTUNITIES ASSOCIATED

Shifting consumer preferences	★▲	People	★▲
Competition	★▲	Safety	▲
Climate	★▲	Fraud	▲
Reputation	★▲	Information/cyber security	▲
Evolving regulatory landscape	▲	New business complexities	▲
Process and product technology	★	Large capex execution and management	▲
Counterfeit products	▲		

▲ Risk ★ Opportunities

Read more on **+ Pg. 109**

## LEAD US TO DELIVER

### Products

- Paints
- Waterproofing
- Bath Fittings and Sanitaryware
- Adhesives
- Decorative Lightings
- Mechanised Tools
- Modular Kitchens and Wardrobes
- Textures / Painting Aid
- Furniture, Furnishings and Rugs
- Wall Coverings
- uPVC Windows and Door Systems

- Manufactured/traded
- Traded

### Services

- Colour Consultancy
- Projects
- Beautiful Homes Painting Services
- Beautiful Homes Services
- Waterproofing Solutions
- Wood Solutions
- Bathroom Design Services

## AND CREATE VALUE TO ALL OUR STAKEHOLDERS



### Customers

- Best-in-class products and services
- Net Promoter Score (NPS): **73**
- New products launched: **24**
- Customer complaints resolved: **91.5%**
- Awards for manufacturing sites across various category: **25**
- Patent granted: **19**



### Employees

- Protecting and nurturing our employees
- Loss Time Injury Frequency Rate (LTIFR): **0.40**
- Employee engagement score: **79%**
- Retention rate: **82%**
- Training hours: **183,000+**



### Investors

- Optimal resource utilisation leads to higher investor returns
- Revenue growth: **2.6%**
- EBITDA growth: **23.9%**
- EPS: **55.5**
- RoCE: **41.2%**



### Influencers

- Partnering for mutual success
- Number of AID collaborations: **5,000+**
- Business Influencers: **267,000+**



### Government and regulatory bodies

- Maximise our positive direct and indirect impact on the economy.
- Taxes paid: **₹ 4,193.2 Crores**



### Vendors

- Creating an inclusive ecosystem for partners
- Procurement of materials from local suppliers: **76.2%**
- New suppliers evaluated based on social and environmental parameters: **100%**



### Communities & planet

#### Empowering through our sustainability and CSR activities\*

- Lives touched through health initiatives: **353,000+**
- Reduction in specific effluent generation: **80%**
- Reduction in specific hazardous waste disposal: **77%**
- Reduction in emission intensity: **75%**
- Water replenishment: **387%**
- Reduction in specific electricity consumption: **36%**
- Reduction in specific non-process water consumption: **54%**
- Water harvesting potential created: **217%**

\* Environmental performance pertains to decorative paint manufacturing units



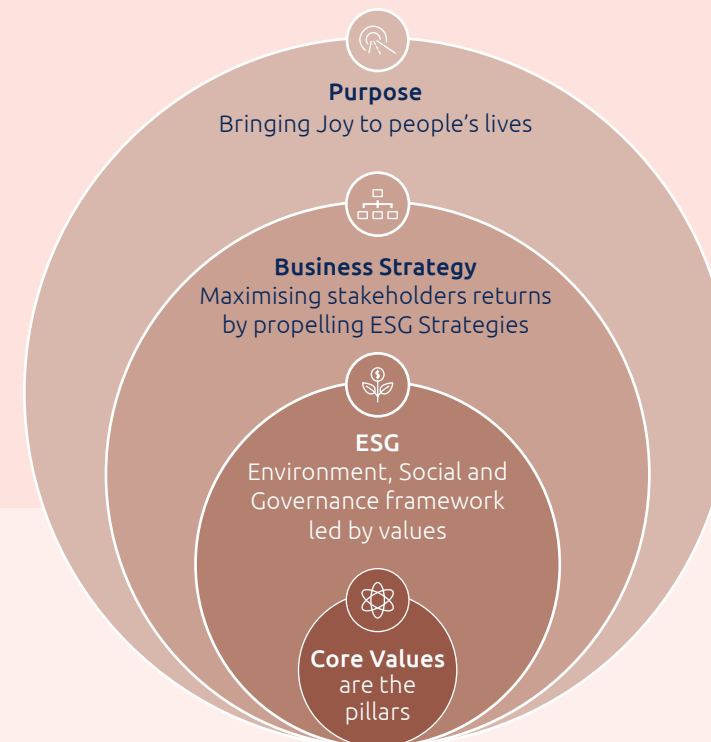
# ESG PERFORMANCE REVIEW



## INSIDE THIS SECTION

38 Stakeholder engagement    43 Materiality  
 44 Sustainable operations    62 Synergising relationships    96 Governance

Our robust ESG framework that is deeply tied to our core values guides us towards sustainable value creation. Through responsible business practices across our ESG focus areas, we fulfill our commitment towards our People, Planet and Profit objectives.



### Five Elements of Value Creation through ESG

#### Focus on growth

Attract B2B and B2C customers with more sustainable products, and improved access to resources

#### Resource optimisation

Lower energy consumption, improve material efficiency and water consumption intensity

#### Responsible corporate citizen

Setting standards for governance through self-regulation

#### Inspire employees

Values-led employees, best employee experience creating ambassadors for Asian Paints

#### Sustainable investments

Allocation of capital that enhances returns and also ensure long-term sustainability

### ESG focus areas



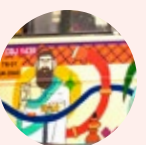
#### Environment : Sustainable Operations

Energy conservation  
 Water neutrality  
 Product stewardship  
 Nature positive



#### Social : Synergising relationships

Customer celebrations  
 Community ownership  
 Water stewardship  
 Energising, equitable & inclusive workplace  
 Safe workplace



#### Governance

World-class governance  
 Ethics, transparency, quality and accountability  
 Sustainable supply chain management



# Stakeholder engagement

Establishing strong relationship with stakeholders across the value chain drives informed decision-making. By consistently engaging with them and prioritising their requirements, we foster an environment of growth, transformation, and innovation.

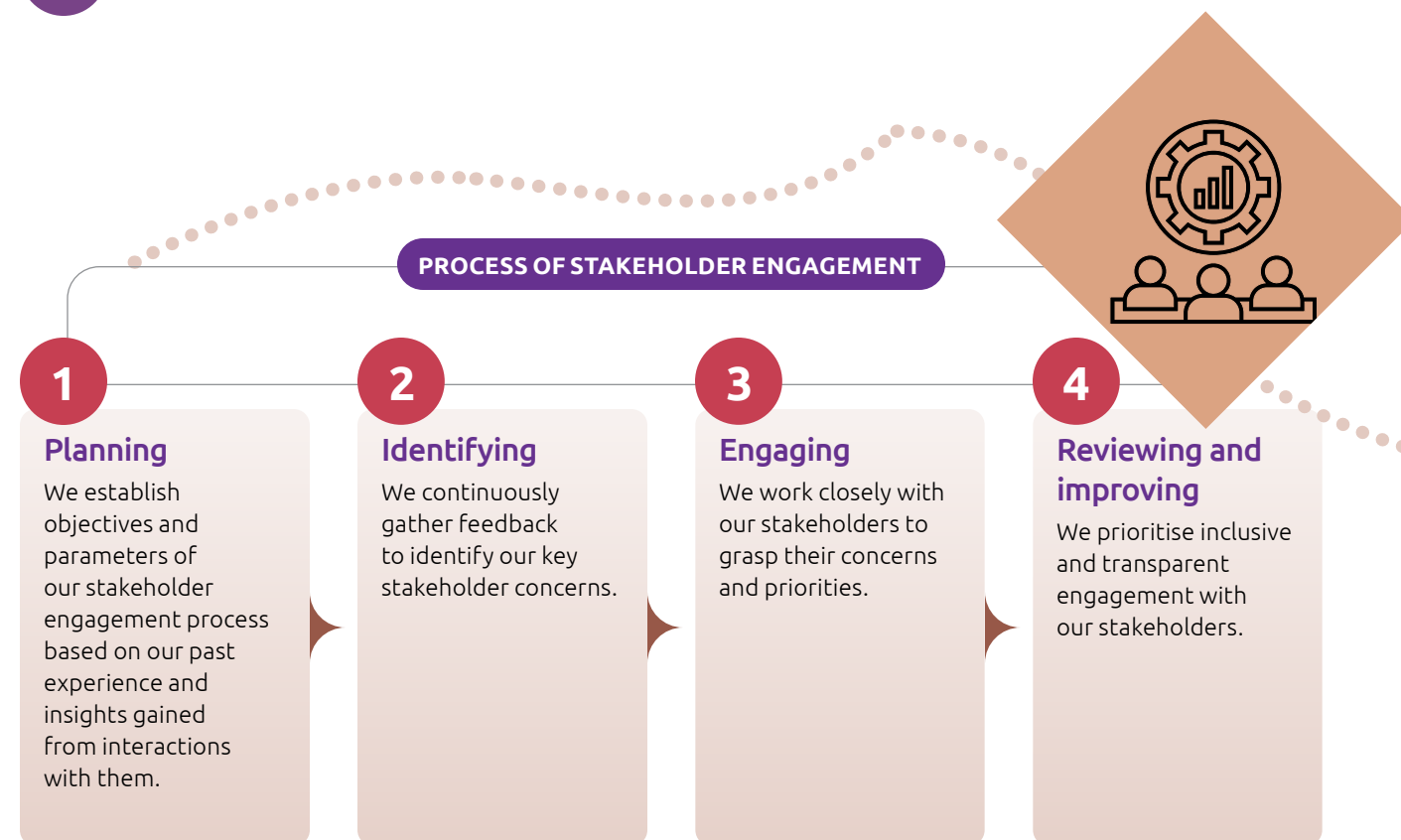
## Our stakeholder universe



## Purpose of stakeholder engagement

We prioritise active engagement with both internal and external stakeholders to understand their concerns and identify significant issues affecting our Company, industry, and the communities we serve. Stakeholder engagement is integral to our innovation journey, shaping the design of our products, services, and solutions. We continuously engage with our stakeholders on identified material topics to determine mitigation measures.

Read more about our materiality assessment process to understand the role of stakeholders in identifying the material topics. [+ Pg. 43](#)



GRI 2-29 Approach to Stakeholder engagement

## Customers

Through consistent engagement, we aim to drive customer satisfaction and gather insights for innovation, thereby building brand loyalty and reputation.

We help our customers transform their homes into spaces of joy. In FY 2023-24, we launched new products and expanded our home décor offerings to cater to their evolving needs.

**73**  
Net Promoter Score

### How we engage with them

- Partnering in their journey from products to services
- Digital channels such as mobile applications, TV commercials, Company website, social media platforms, etc.
- One-on-one interactions
- Customer satisfaction surveys
- Customer service helpline
- Feedback surveys and calls post-redressal of complaints
- Dealer/contractor meets

### Key imperative

- Delightful experience through the décor journey
- Product safety and value for money
- Anticipating requirements
- Innovative products
- Creating value
- Convenience
- Solution and not just products
- Better services
- Sustainable products and services



Frequency of engagement: Ongoing





## Stakeholder engagement

### Employees

**1.39**  
Total Recordable  
Frequency Rate (TRFR)

**7.7**  
Psychological Safety Score  
(out of 10)

We create a culture of belongingness to boost employee engagement and performance while attracting and developing a diverse pool of talent and retaining them.

Through various initiatives, we strengthen employee health and safety, and ensure their physical and mental well-being, while offering them a conducive work environment that focuses on growth and advancement.

#### How we engage with them

- Programmes to ensure employee well-being and safety
- Employee engagement surveys
- Digital engagement
- One-on-one engagement, Townhall meetings
- Personalised learning and development programmes
- Regular performance review and feedback
- Intranet portal
- Engaging with potential campus hires in leading campuses
- Exit interviews

#### Key imperative

- Employee well-being
- Learning and development
- Occupational health and safety
- Equity and diversity
- Robust rewards and recognition programmes
- Growth
- Fair wages

Frequency of engagement: Ongoing

### Vendors

A robust and seamless supply chain enables us to develop affordable and innovative products, thus improving our operations.

We are continuously strengthening our relationships and are partnering to implement our sustainable supply chain framework by engaging with them on three levels – Awareness, Assessment and Association.

**100%**  
New vendors assessed  
on environmental and  
social criteria

#### How we engage with them

- Supplier meets
- One-on-one interactions
- Digital channels such as supplier portal
- Forums and seminars
- Collaboration with vendors
- Onboarding and ESG assessment

#### Key imperative

- Value creation
- Fairness in business dealings
- Timely payment and recurring orders
- Necessary knowledge and infrastructure support

Frequency of engagement: Ongoing

### Investors

Our investors are a critical link in our journey to success, providing us with the resources to successfully expand and maintain our operations.

Our robust balance sheet, showcasing a RoCE of over 30% in the past 10 years, is complemented by a consistent dividend payout ratio.

**18.5%**  
**₹ 3,571.0 Crores**  
Free cash flow in FY 2023-24

**60%**  
Dividend payout ratio in  
FY 2023-24

#### How we engage with them

- Annual general meeting
- Quarterly earning conference calls and analyst meets
- Integrated Annual Reports and Sustainability Reports
- One-on-one engagement/ meeting
- Media updates – communicate business and financial performance and progress on priorities
- Filings with regulatory bodies
- Investor support and communication

#### Key imperative

- Consistent return on investments
- Long-term viability and sustainable growth
- Timely disclosures and compliance
- Good governance

Frequency of engagement: Periodic

### Communities

We prioritise open dialogue, collaboration and mutual respect to foster meaningful relationships and address community needs effectively.

We continue with our target approach in the areas of water stewardship, healthcare, and skilling. As a result, we succeed in increasing our reach and driving positive change.



**353,000+**  
Beneficiaries impacted through  
healthcare initiatives

#### How we engage with them

- CSR and sustainability initiatives
- Collaboration with non-government organisations
- Field visits
- Skill development
- One-on-one interactions
- Employee volunteering activities

#### Key imperative

- Social concerns such as health and hygiene, skilling, and water management
- Sustainable way of carrying on the business
- Empower underprivileged sections of society/vulnerable and marginalised groups through CSR activities

Frequency of engagement: Ongoing



## Stakeholder engagement

### Government and regulatory bodies

Meaningful engagement leads to improved compliance with regulations. We collaborate and engage with government and regulatory bodies on several key issues concerning the industry.

▲ 22.2 %  
**₹ 4,193.2 Crores**  
 Taxes paid



#### How we engage with them

- E-mails and letters
- Conferences
- Industry forums
- Regulatory filings
- Meetings with officials
- Representations

#### Key imperative

- Compliance with all applicable statutes
- Collaboration on national agendas
- Inputs for ease of doing business and regulatory reform
- Support the Make in India movement
- Adopting and following sustainable business practices

Frequency of engagement: Periodic



### Influencers

We engage with influencers who have the ability to influence consumption and behaviour.

We believe that a home is not just a place but also a space for creativity, warmth, and love. In FY 2023-24, we released the seventh season of 'Where the Heart Is' in which we discover seven beautiful homes and meet the influencers who have poured their hearts into creating these spaces.

**267,000+**  
 Business Influencers

#### How we engage with them

- Meetings
- Conferences
- Digital platforms

#### Key imperative

- Business collaboration
- Value addition
- Upgradation of products and offerings

Frequency of engagement: Ongoing



## Materiality

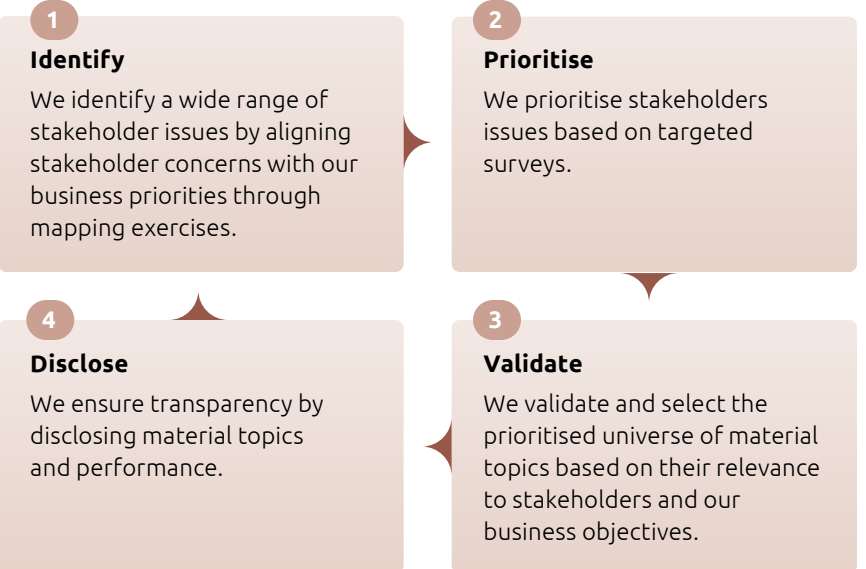
Our sustainability strategy is built on materiality, allowing us to concentrate our efforts and resources effectively to achieve our goals.

### Materiality assessment process

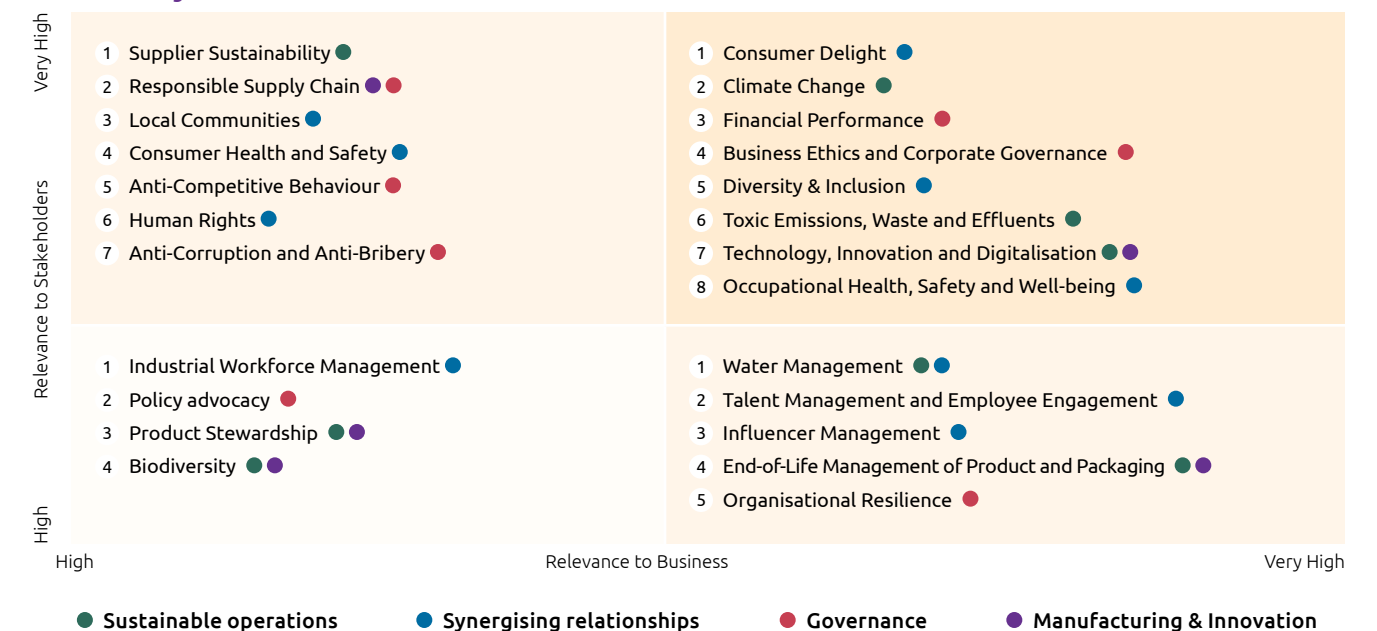
Our materiality assessment enables us to identify and address the challenges that lie ahead, turning them into opportunities.

### Materiality assessment conducted

In FY 2020-21, with the aim of 'Bringing joy to people's lives' we conducted our first materiality assessment. With those identified topics, we formulated our ESG framework and set targets for 2025 and 2030.



### Materiality matrix



Read more on how our material topics are linked to our risks on [Pg. 109](#)

[GRI 3-1:](#) Process to determine material topics [GRI 3-2:](#) List of material topics [GRI 3-3:](#) Management of material topics



# Sustainable operations

Sustainability is an integral part of our decision-making process, enabling us to mitigate risks, seize opportunities, and build long-lasting operating models that align with our ESG agenda. We intend to continue this journey towards achieving operational and product sustainability as part of our ESG agenda.

## FY 2023-24 highlights

**65.8%**  
Electricity from renewable sources at decorative paint manufacturing units

**387%**  
Freshwater replenished

**10,324 tonnes**  
Recycled plastic used in packaging <sup>A</sup>



## ESG strategy

Energy conservation

Product stewardship

Water neutrality

Nature positive

## Key material topics

- Climate Change
- Toxic Emissions, Waste, and Effluents
- Water Management
- End-of-Life Management of Product and Packaging
- Product Stewardship
- Biodiversity
- Supplier Sustainability
- Technology, Innovation and Digitisation

## SDGs impacted



## Stakeholders impacted



## CASE STUDY

### Setting new standards

Formulation optimisation and efficiency enhancement is key enabler towards minimising the carbon footprint of our products. This strategy entails reducing the dependence on high-emission contributing raw materials through formulation and process innovations such as scattering and dispersion efficiency of raw materials to reduce their consumption. Cumulatively, we have been able to reduce **50,803 tCO<sub>2</sub>e** of GHG emissions since FY 2022-23 onwards, surpassing our 2030 ESG commitment.

- Our standalone reporting boundary in this section now includes all paint and chemical manufacturing units, R&T center, and owned corporate offices.
- Targets mentioned in this section pertain to decorative paint manufacturing units.



## Sustainable operations

### Advancing operational and product sustainability

Our climate ambitions are centred on increasing renewable energy and energy efficiency within our operations and working closely with our suppliers to reduce emissions across the value chain. We have achieved a reduction of 75% in our specific Scope 1 and Scope 2 emissions from the baseline year of 2013-14. Under our supply chain sustainability programme Samaveta,

we work with our value chain partners and collectively make a positive difference. We also focus on increasing the resiliency of our sites as part of our climate change adaptation strategy.

Our customer-focused product stewardship process ensures that product safety and sustainability are considered throughout the life cycle. Our Sustainably Advantaged Products provide the customer with cutting-edge products that meet specific sustainability criteria. These products are distinguished by criteria such as reduced energy and

emissions, health and well-being, superior durability and circularity. The portfolio is constantly expanding and now contributes to over 36% of our revenue.

We continue to raise the bar in resource efficiency by advancing energy conservation, water neutrality, waste and wastewater minimisation, and plastic stewardship. The achievements in these domains are showcased here, illustrating our significant performance over the past decade.



### Management approach

Climate change influences our supply chain, customers, and operations, and its effect is already palpable worldwide. To businesses, the impact does not only entail the responsibility of moving to a low-carbon transition but also to continue creating value by safeguarding our assets from climate events and meeting regulatory and customer expectations, while building a sustainable future along the value chain. Thus, we have a systematic approach wherein we focus on mitigating climate change by adopting low-carbon transition and building resilience.

We have been tracking our Scope 1 and Scope 2 emissions for a decade now and have recorded a significant reduction in both absolute and intensity terms. We also have set our 2025 and 2030 targets to further reduce the intensity of our Scope 1 and Scope 2 emissions. We inventoried our Scope 3 emissions last year and formulated strategies to reduce value chain emissions, with our sustainable supply chain programme being the key enabler. Further, to expand our understanding of likely impacts and refine our response to climate change, we proactively undertook a climate scenario analysis, risk assessment, and planning activities. These activities adhere to the Task Force on Climate-related Disclosures (TCFD).

### Determining our impact

We participate in the programme established by CDP – the nonprofit, global environmental disclosure system. Asian Paints achieved a score of A– in CDP’s 2023 climate change questionnaire, which earned it the ‘Leadership’ status.

The Leadership level recognises the comprehensiveness of our approach toward managing climate change related risks and opportunities, as well as the completeness and transparency of our climate reporting.



### Climate change mitigation

Our approach toward minimising our carbon footprint includes considering the emissions from our operations and the value chain. As part of our Scope 1 and Scope 2 GHG emissions reduction plan, we continue to focus on key enablers of Energy Efficiency and Renewable Energy. Additionally, we have inventoried Scope 3 emissions across our value chain, identified crucial enablers, and crafted a comprehensive action plan.

### Own operations – Scope 1 and Scope 2 emissions

Metric	Performance in FY 2023-24	Target 2025	Target 2030
<b>Emission reduction</b>			
Reduction in specific (Scope 1 & 2) emission per KL of finished product (KgCO <sub>2</sub> e/KL)	32.6 75% ▼	32.8 75%	26.2 80%
<b>Energy conservation</b>			
Reduction in specific electricity consumption (KWh/KL)	74.2 36% ▼	60.5 48% ▼	54.4 53% ▼
Renewable electricity across paint manufacturing facilities	65.8%	75%*	100%*

\* The aspiration towards renewable electricity share is subject to favorable state policies pertaining to minimum grid utilisation requirements and banking policies.

### A decade of sustainability

#### Energy

Total electricity consumed per KL of paint produced

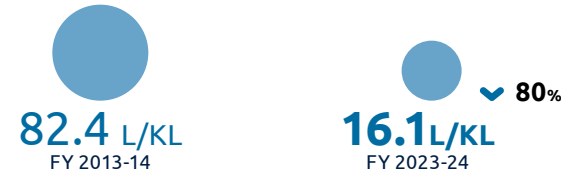


Renewable electricity as a proportion of total electricity consumption



#### Waste

Total effluent generated per KL of paint produced



Hazardous waste disposed per KL of paint produced



#### Emissions

Scope 1 and Scope 2 emission per KL of paint produced



Absolute Scope 1 and Scope 2 emissions in tCO<sub>2</sub>e



#### Water

Total non-process water consumed per KL of paint produced



Water replenished as a percentage of freshwater consumed



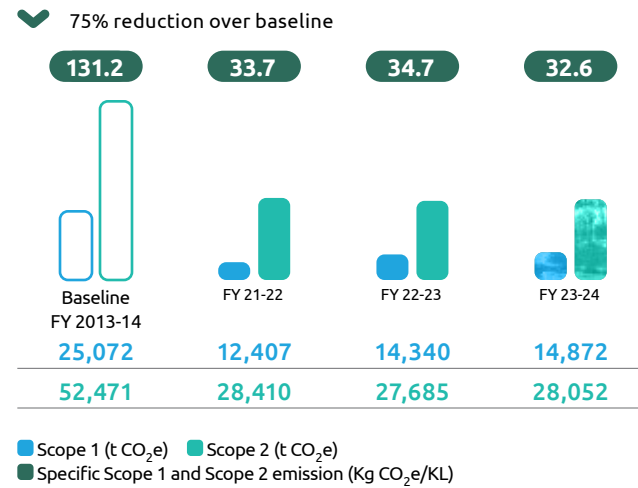
Performance is across decorative paint manufacturing units

## Sustainable operations

Over the decade, we have achieved significant reductions in absolute Scope 1 and Scope 2 emissions in our decorative paint business. We have reduced our Scope 1 emissions by 41% and our Scope 2 emissions by 47% from FY 2013-14. In addition, our emission intensity decreased by 75% from the baseline year, achieving the 2025 commitment ahead of schedule.

The Scope 1 and Scope 2 emissions on a standalone basis during the year were 72,794 tCO<sub>2</sub>e & 44,357 tCO<sub>2</sub>e respectively. The emission intensity was 88.6 KgCO<sub>2</sub>e/KL. Biogenic emission due to the combustion of biofuels was 338 tCO<sub>2</sub>e.\*

### Scope 1 & Scope 2 GHG emissions at decorative paint manufacturing units



### Energy efficiency

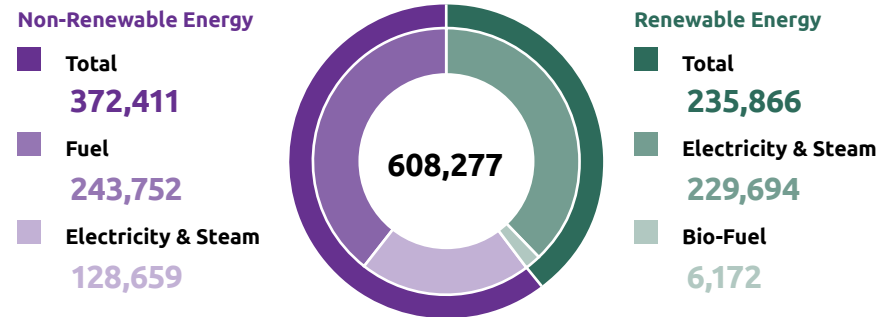
Efficient energy consumption is a key enabler of the reduction of our Scope 1 and Scope 2 emissions. Our commitment to lower energy usage depends on process enhancements, investments in advanced technologies, and upgrading existing infrastructure to incorporate energy-efficient assets.

During the year, the total energy consumption at our decorative paint manufacturing units stood at 608,277 GJ, and renewable energy consumption contributed 235,866 GJ.

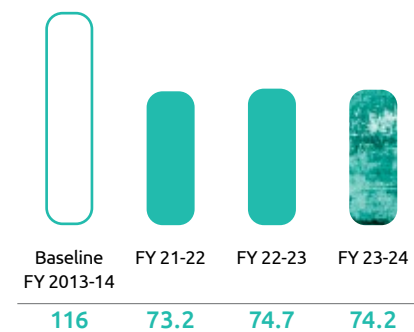
We have been monitoring and concentrating on Specific Electricity Consumption reduction at our decorative paint manufacturing units.

In FY 2023-24, total energy consumption on a standalone basis stood at 1,292,545 GJ, of which 933,022 GJ contributed to direct energy consumption and 359,523 GJ contributed to indirect energy consumption. During the year, 12,329 GJ of steam was procured and included in indirect energy. The energy intensity was 0.98 GJ/KL.<sup>^</sup>

### Energy consumption by source at decorative paint manufacturing units (GJ)



### Specific electricity consumption at decorative paint manufacturing units (KWh/KL)



The electricity consumption for the year includes increased consumption on account of expansion projects in multiple existing sites.

Through the monitoring of extensive data across plants using the Energy Management System (EMS) software, we track inefficiencies and generate insights for improvements. In addition, to strengthen our procedures, we have an effective energy audit system. With multiple interventions during the year, we were able to reduce our energy consumption by 1,972 GJ at our decorative paint manufacturing units.<sup>#</sup>

<sup>^</sup>GRI 302-1: Energy consumption within the organisation <sup>^</sup>GRI 302-3: Energy Intensity <sup>#</sup>GRI 302-4: Reduction of energy consumption

<sup>\*</sup>GRI 305-1: Direct (Scope 1) GHG emissions <sup>\*</sup>GRI 305-2: Energy indirect (Scope 2) GHG emissions <sup>\*</sup>GRI 305-4: GHG emissions intensity

### Reduction initiatives

#### Powder container tilting station at Mysuru and Visakhapatnam

Powdered raw materials utilised in the manufacturing of paint used to be received in jumbo bags and subsequently transferred to silos using Flexible Intermediate Bag Containers (FIBCs) based on production requirements. We introduced a container tilter, allowing the powder to be transported in bulkers with a capacity of 20 tonnes, significantly speeding up the transfer process. This initiative has helped us in saving energy while also reducing waste generation.

#### Power consumption reduction at Kasna

We undertook several initiatives at the Kasna plant to reduce specific power consumption. By optimising the basket mill's operation on the cooling circuit, savings of about 1.2 KWh/KL were achieved. Installation of actuators in condenser circuits, controlled by the Distributed Control System, reduced cooling tower power consumption by 1.5 KWh/KL. Additionally, initiatives like leakage controls and air pressure optimisation led to 0.8 KWh/KL savings in compressed air power. These efforts collectively enhanced energy efficiency while reducing operational costs at the plant.

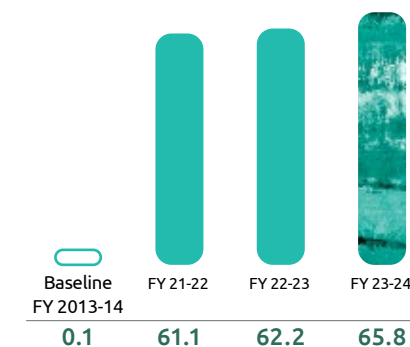
#### Fuel consumption reduction at Rohtak

At Rohtak plant, condensate lines for reactors and pre-heated vessels (PHVs) were segregated, allowing condensate from PHVs to be connected to a recovery system and transferred to the boiler make-up water tank separately. This segregation resulted in the availability of hot water (60° C) and subsequently reduced fuel consumption in the boiler. Additionally, the plant commissioned a PNG boiler, increasing thermal efficiency from 92% to 95%, further contributing to fuel savings.

### Renewable energy

Over the past decade, we have made consistent progress in our transition to renewable energy through ongoing investments in solar and wind electricity projects. Currently, our decorative paint manufacturing plants feature an installed capacity of 48.9 MW, with 24.6 MW from solar installations and 24.3 MW from wind installations. The overall contribution of renewables to our electricity consumption has risen to 65.8%, up from 62.2% in the previous year. Notably, we avoided emitting 6,164 tCO<sub>2</sub>e through the increased use of renewable electricity at our decorative paint manufacturing units against last year's base\*. Furthermore, we are now working on increasing our reliance on biofuels for heating requirements.

### Renewable electricity consumption out of total electricity consumed across decorative paint manufacturing units (%)



<sup>\*</sup>GRI 305-5: Reduction of GHG emissions

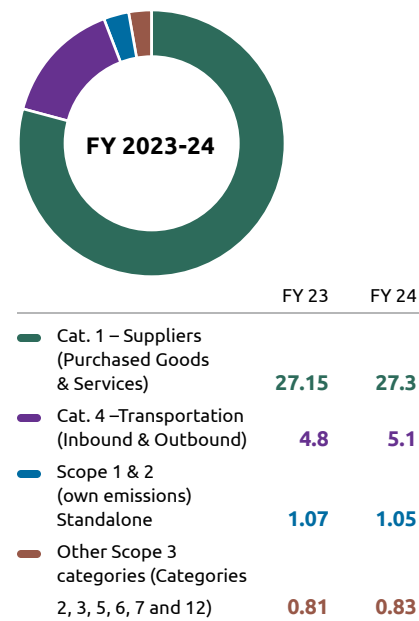


## Sustainable operations

### Value Chain - Scope 3 emissions

During the year, our total Scope 3 emissions were estimated at 33.2 Lakhs tCO<sub>2</sub>e\*.

#### Category-wise emission: (Lakhs tCO<sub>2</sub>e)



As we transition to low carbon, we prioritise reducing Scope 3 emissions by targeting key themes identified to mitigate emissions at the supplier and transportation stages, where 94% of our emissions originate.

### Sustainable optimisation of products and services

We have been working on formulation optimisation and efficiency to reduce the overall carbon footprint of the products. This involves reducing high-emission contributing raw materials through multiple formulations and process innovations such as improving the scattering efficiency of rutile and other raw materials.

**30,413 tCO<sub>2</sub>e avoided in FY 2023-24.**

### Lesser-carbon-intensive raw material alternatives

We evaluate low embodied carbon alternatives for existing raw materials such as alternate grades, alternate chemistries as well as increased renewable/bio-based content, suppliers with efficient operations.

We target to significantly increase renewable/bio-based raw materials by 20% and 30% by 2025 and 2030, respectively. Similarly, we strive to increase the recycled content in our plastic packaging to 30% by 2025 and 60% by 2030.

A significant step in this regard would be our planned investment in the establishment of low-carbon-intensive Vinyl Acetate Monomer and Vinyl Acetate Ethylene emulsion production facilities.

**7.2% of renewable/bio-based raw materials and 14.6% of recycled content in plastic packaging. Recycled content resulted in the avoidance of ~10,638 tCO<sub>2</sub>e tonnes of carbon emission.**

### Engagement with suppliers to reduce emissions

Our Code of Conduct for Business Partners (the Code) sets the foundation for driving the ESG agenda across our value chain. Leveraging our sustainable supply chain framework, we aim to sensitise awareness, assess and engage with our suppliers on ESG concerns/issues to promote/foster sustainability in their operations. We encourage our suppliers to transition to the use

of renewable energy sources and collaborate with us to increase the use of renewable raw materials. We encourage our suppliers to transition to the use of renewable energy sources and work with us to increase the use of renewable raw materials.

**5% of our total Scope 3 GHG emissions was calculated using supplier specific data. This is 7% of our upstream supplier linked emissions.**

### Transportation and distribution

We focus on reducing our logistics footprint through greener modes of transport as well as upsizing of trucks employed for transporting our material. We adopted multimodal transportation focussing on rail and sea despatches, employed cleaner fuel-powered vehicles, etc. We collaborate with leading FMCG/FMCD industries for load pooling and reverse logistics synergies. We look for opportunities that the National Logistics policy provides to augment these initiatives further and embrace green logistics.

**Sea dispatch: Over 8,500 tonnes of raw material and finished goods dispatched using sea instead of road dispatch**

**Multimodal dispatch: Over 50,000 tonnes of raw material and finished goods dispatched using multimodal including rail**

**Resulting in avoidance of more than 5,500 tCO<sub>2</sub>e of GHG emissions.**

### Supplier Engagement<sup>#</sup>

Procurement from our suppliers contributes nearly 80% of our GHG emissions. Supplier engagement is critical to our decarbonisation strategy. Guided by our Code of Conduct for Business Partners (Code), the Sustainable Supply Chain framework defines our approach and expectations towards embedding sustainability and resiliency across our value chain.

During the year, we introduced our Supply Chain Sustainability programme 'Samaveta' to institutionalise the establishment of an ESG baseline and maturity while identifying areas for potential collaboration.

As part of the programme, we assess the maturity and impact of our suppliers using the ESG criteria. Based on this, we conduct site-based or virtual assessments for suppliers with significant ESG footprints. Capacity building and common minimum programmes will also be initiated to engage our suppliers on key impact areas of energy and process efficiency, increased use of renewables as well as other environmental footprint indicators.

We will continue to engage with our key suppliers to align their strategies with our sustainability goals to reduce our overall carbon footprint. Through close partnerships, we identify innovative products and solutions vital for cutting emissions throughout our supply chain. Engaging closely with partners, we identify innovative products and solutions vital for reducing emissions across our supply chain.

	FY 2022-23	FY 2023-24
Partners acknowledged the Code of Conduct for Business Partners (No.)	1,279	2,793
RM & PM suppliers acknowledged Code of Conduct for Business Partners (% of spend)	>65%	>90%
Suppliers assessed on ESG criteria (% of spend)	-	77%

Our vendor selection and onboarding criteria consist of a mandatory evaluation using environmental and social criteria. The criteria includes compliance with environment-related regulations such as valid consent, authorisations, availability of environment policy and management system, and the self-declaration on key Human Rights principles. During the year, 149 suppliers were on-boarded based on the evaluation using above criteria.

**75%**  
of suppliers assessed are focused on their environment footprint

<sup>#</sup>GRI 2-6: Activities, value chain and other business relationships

<sup>#</sup>GRI 308-2: Negative environmental impacts in the supply chain and actions taken

\* GRI 305-3: Other indirect (Scope 3) GHG emissions



## Sustainable operations

### Climate change adaptation

During FY 2022-23, we carried out a climate risk assessment in line with the TCFD recommendations. The assessment covered Physical and Transition Risks and involved identifying and engaging all relevant internal stakeholders, gathering inputs on key issues, prioritising climate risks, utilising scenarios to spot risks and opportunities, evaluating business impact, devising potential responses, and disclosing the findings.

The assessment helped us understand the Physical and Transition Risks we are exposed to, and while the exposure was minimal, it encouraged us to strengthen our adaptation strategy with stronger resilience measures. The potential climate change adaptation risks are part of our Risk Management framework.

The detailed outcome of the assessment has been discussed in our Sustainability Report for FY 2022-23. Learn more about our approach to risk management in our TCFD Index.

### Physical Risk Analysis

The Physical Risk Analysis analysed acute and chronic risks caused by extreme weather events and long-term changes in climate patterns at our 8 decorative paint manufacturing locations in India. The risks were analysed over the short-term (2030) and long-term (2050), using IPCC RCP 4.5 (moderate climate change scenario) and RCP 8.5 (high climate change scenario). To facilitate effective decision-making, a composite risk rating was calculated based on the likelihood and impact of the risks considering RCP 4.5 as a probable scenario and short-term (2030) time horizon for risks such as heatwaves, drought, cyclones and floods.

Resilience measures are already part of the design for climate events like cyclones, and floods depending on the geography. Similarly, our approach towards addressing water risks already encompasses the reduction of non-process water consumption as well as increasing rainwater and greywater utilisation across our plants. As per Central Ground Water Board's classification, none of our sites are located in water-stressed areas. For other physical risks, resilience measures have been identified and are being implemented to mitigate them. During the year, we have undertaken projects to improve ventilation

on the floor, augment rainwater harvesting capacity within the plant, and intensify our training and awareness efforts for heatwave and monsoon preparedness.

**Physical risks were analysed over the short-term (2030) and long-term (2050), using IPCC RCP 4.5 (moderate climate change scenario) and RCP 8.5 (high climate change scenario).**

### Transition Risk Analysis

Transitioning to a lower-carbon economy may entail policy and legal, technology, and market changes that create both risks and opportunities. Transition Risks include policy and legal risks, market risks, reputational risks and technology risks as well as opportunities under categories of products and services, resource efficiency and energy source. To analyse the risks we could face, we conducted a comprehensive assessment aligned with the International Energy Agency's scenarios (IEA SDS) and India's Net Zero commitments and current and anticipated policies. Our comprehensive ESG agenda strengthens our preparedness and response to various identified risks while also leveraging the opportunities they present.



## Product stewardship



### Management approach

We believe that by managing the environmental impacts of our products, we can create value for our stakeholders, including customers, employees, suppliers, and communities. Our strategy is to make sure that the sustainability and safety of the product are considered at every stage of its life cycle,

from extraction of raw materials to manufacture, formulation, transportation, application, and end-of-life. This Life Cycle approach towards product stewardship has enabled us to come up with a sustainable proposition in the form of 'Sustainably Advantaged Products'.

Our company possesses advanced Life Cycle assessment (LCA) tools

and knowledge to calculate the environmental effects and carbon footprints of our products. During the year, we carried out independent third-party life cycle assessments (LCAs) for 53 products, including paints, wood finishes, waterproofing, and colourants, to get a better knowledge of the environmental impact of our products. These assessments followed the guidelines outlined in ISO 14044.

Metric	Performance FY 2023-24	Target 2025	Target 2030
GHGs footprint reduction through formulation optimisation (tCO <sub>2</sub> e)	30,413 tCO <sub>2</sub> e in FY 2023-24, cumulative 50,803 tCO <sub>2</sub> e	Cumulative reduction of 24,000 from FY 2022-23	Cumulative reduction of 49,000 from FY 2022-23
Renewable/bio-based raw materials in product offerings (%)	7.2% (11% increase in renewable content)	20% (Increase in renewable content)	30% (Increase in renewable content)
Lead and heavy metals-free paint	100% architectural products free from lead & added heavy metals	100% architectural coatings to be lead and heavy-metal-free by 2025	
Minimising/eliminating the use of CMR raw materials	With styrene 3% reduction, without styrene 33% reduction	15% reduction	25% reduction

### Certified sustainable products and service offerings

Third-party certifications are an important tool to assure customers of our products' adherence to strict environmental standards. Our product range is covered under different types of environmental certifications such as the Green Seal, APL's Green Assure\*, and CII-IGBC's GreenPro. The certified products undergo a rigorous evaluation process, which includes product

and packaging testing, verification, and review of our manufacturing processes and supply chain. One of the important criteria evaluated is VOC.

Among our 47 products meeting APL's Green Assure standards, 4 are certified by US Green Seal. Additionally, our range includes 258 products covered under the GreenPro certification by CII-IGBC. These certifications span various categories such as distemper, primer, putty, enamel, interior and exterior water-based paint, wood finishes, and waterproofing products.

### Certification / Standard

	31 <sup>st</sup> March 2024 <b>4</b>
	31 <sup>st</sup> March 2023 <b>3</b>
	31 <sup>st</sup> March 2024 <b>47</b>
	31 <sup>st</sup> March 2023 <b>30</b>
	31 <sup>st</sup> March 2024 <b>258</b>
	31 <sup>st</sup> March 2023 <b>203</b>

\*Green Assure is a stringent internal standard adopted by Asian Paints to evaluate products through a rigorous criteria including verification.



## Sustainable operations

### Sustainable optimisation of products and services

Our efforts in formulation optimisation and efficiency enhancement are directed towards minimising the carbon footprint of our products. This strategy entails reducing the dependence on high-emission contributing raw materials through formulation and process innovations. We have focused on improving the scattering efficiency of the rutile grade of titanium dioxide, which plays a significant role in the cradle-to-gate product carbon footprint. Similar initiatives have been undertaken for other raw materials as well.

**30,413 tCO<sub>2</sub>e**  
GHG reduction through formulation optimisation during FY 2023-24, cumulative reduction of 50,803 from FY 2022-23

### Elimination of harmful ingredients

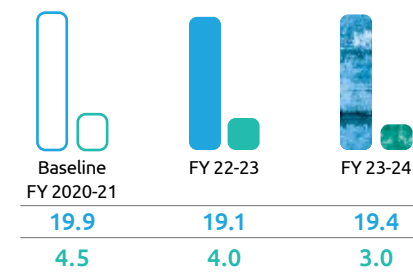
We are proactive in our efforts to eliminate harmful ingredients from our products. We achieve this by undertaking meticulous testing, substituting with safer alternatives, and ensuring compliance with applicable regulations and standards.

We have established an IT platform-based, robust stage-gate system with screening protocols for introducing raw materials. This system acts as a formidable barrier, preventing the inclusion of any hazardous or harmful ingredients.

Since 2008, all our architectural paints have been crafted to be free from lead and added heavy metals. Our formulations have never contained heavy metals, and our commitment goes beyond that. We thoroughly assess the heavy metal content in the raw materials used and take deliberate steps to eradicate any traces, guaranteeing that our architectural products are entirely free of heavy metals.

We are committed to eliminating or reducing CMR raw materials, through the development of alternates. Our proposed investment in setting up Vinyl Acetate Monomer and Vinyl Acetate Ethylene Emulsion manufacturing capabilities is a significant step in this direction.

#### Reduction of CMR substances in our products



■ With Styrene (Kg/KL)\*  
■ Without Styrene (Kg/KL)

\* We have been tracking and reducing CMR raw materials in our formulations and reducing and eliminating such raw materials over the years. Styrene was classified as CMR in 2020, hence is monitored and reported separately.

### Renewable content in product offerings

Renewability is at the centre of our product at Asian Paints. We accomplish this by integrating eco-friendly and renewable raw materials into our formulations. Our product line-up proudly features items that incorporate renewable content, including plant-based resins and raw materials derived from biomass.

**7.2%**  
Usage of renewable/bio-based raw materials by volume in product offering (not including water)

### Durability: Enhancing product life

We prioritise the development of paints that deliver stunning aesthetics and withstand the test of time, ensuring long-lasting protection for surfaces. High-durability paints offer environmental advantages as they reduce the need for frequent repainting, thereby conserving resources and minimising waste generation. Our scientists consistently explore innovative formulations to enhance the durability of our paint products. Moreover, we focus on extending the in-can shelf life of our products to ensure optimal usability for our customers.

**18**  
Products with durability between 5-7 years

**15**  
Products with durability of 7+ years

### Sustainably Advantaged Products

Our efforts in product stewardship have helped us provide consumers with sustainable product offerings across product categories. Our 'Sustainably Advantaged Products' go beyond industry standards, meeting specific criteria that showcase their exceptional sustainability. These products exemplify our dedication to a greener future.

#### Reduced energy and emissions

- Designing products that offer resource efficiency benefits in the use phase or products that have been formulated in a manner that brings down emissions
- **SmartCare Damp Proof** range of waterproofing products that provide surface temperature reduction up to 12°C

#### Long lasting performance

- Developing durable products that protect surfaces for longer, thereby helping consumers reduce costs while saving resources and reducing carbon emissions over the life of the product
- **33 Products** with durability of more than 5 years

#### Health and well-being benefits

- Developing products that bring health advantages to customers, such as helping to improve indoor air quality and hygiene of surfaces
- **4 Green Seal**-certified products amongst our 47 Green Assure range of low-VOC products

#### Reduce, Reuse and Recycle

- Developing products which use less materials, reuse or recycle waste material, reduce waste and utilise higher bio-based or renewable content, enhancing circularity
- **Nilaya Naturals'** product range is a First-of-its-kind paint which contains more than 90% of its materials from natural origin

**36.3%**  
Contribution of Sustainably Advantaged Products to FY 2023-24 revenue

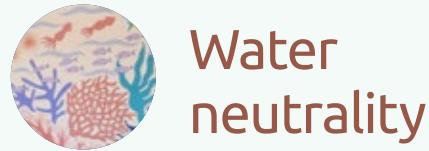


Putty Primer Top coat





## Sustainable operations



### Management approach\*

Water is a critical resource for our business operations and, therefore, a material topic. Water stewardship is an essential element of our sustainability efforts at Asian Paints. As a responsible paint manufacturer, we bring together water conservation, quality management, and community engagement to safeguard this resource. We have developed a comprehensive water management strategy that includes risk assessment, water conservation, and replenishment both within and outside our factories.

Our sites in India are assessed on water stress risk in line with guidance from the Central Ground Water Board (CGWB) groundwater block classification as recommended by SEBI under BRSR disclosure. As of 31<sup>st</sup> March 2024, none of our manufacturing plants falls under the water-stressed area. Further, as part of the climate risk assessment, we evaluated RCP 4.5 and RCP 8.5 scenarios for all our decorative paint manufacturing locations. The outcome of that has been discussed in the climate adaptation section.

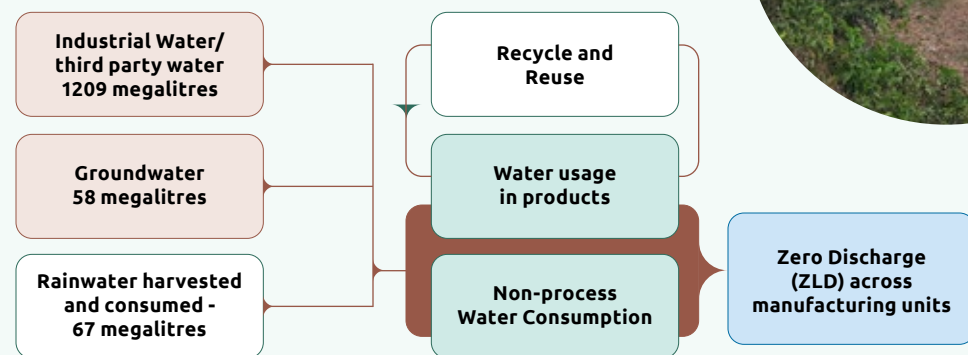
Metric	Performance FY 2023-24	Target 2025	Target 2030
Reduce specific non-process water intensity (KL/KL)	0.44	0.27	0.24
Water replenishment as a percentage of freshwater consumption	387%	400%	600%

### Optimising water usage at Asian Paints

Across our operations, water withdrawal occurs through two primary sources: groundwater and third-party water. We have augmented rainwater harvesting capacity within the plant in the form of reservoirs which than being used in our processes. A part of the total water withdrawn is used in the product, while the remainder is directed towards domestic, utility, and gardening purposes. Our world-class water treatment infrastructure, along with our dedication to water reuse and recycling within the premises, ensures Zero Liquid Discharge (ZLD).

During the year, at the standalone level, we withdrew 1,334 megalitres of total water including harvested and consumed 67 megalitres of rainwater. The water withdrawal with Total Dissolved Solids  $\geq 1000$  mg/L was 6.3 megalitres.

Additional details on water withdrawal and consumption have been provided in BRSR Principle 6 Essential 3&4.#



### Water replenishment and conservation inside factory premises

At Asian Paints, we have undertaken extensive efforts to drive water conservation within our plants. This includes harvesting and utilising rainwater in our processes, all aimed at reducing our overall water footprint.

#### Rainwater harvested and consumed within the factory (megalitres)

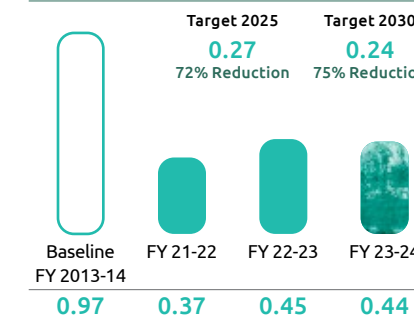


The use of rainwater in the process is an important focus area along with efficiency improvement. However, during the year, lower rainfall across different plant locations resulted in the reduction of rainwater use in plants.

### Non-process water consumption at our decorative paint manufacturing units

For over a decade now, we have been focusing on the reduction of our non-process water consumption. Our efforts have resulted in a reduction of specific non-process water by 54% from the baseline year of FY 2013-14.

#### Specific non-process water (KL/KL)



The water consumption for the year includes increased consumption on account of expansion projects in multiple existing sites. Additionally, the lower rainfall during the year resulted in increased consumption on account of cooling and gardening requirements as compared to previous years.

### Implementation of Green Sewage Treatment Plant at Kasna

Kasna plant adopted Green Sewage Treatment Plant (STP) technology for wastewater treatment. The state-of-the-art green STP is a patented robust technology with multiple benefits such as no moving parts leading to energy efficiency, no bio-sludge formation leading to safer operations, one-time media installation leading to lower operational costs, long life and ease of operation resulting in ~61% savings in operational costs as compared to conventional STP. The treated water is used for gardening purposes minimising fresh water consumption.

**387%** Water replenishment as a percentage of freshwater consumption at paint manufacturing units



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



## Sustainable operations



Nature positive

### Management approach

At Asian Paints, Nature Positive embodies our holistic approach to sustainability. It conscientiously evaluates the environmental footprint of our operations to generate positive outcomes for both our Company and the planet. The theme covers our endeavours in waste reduction, air emissions management, and biodiversity conservation.

### Waste management\*

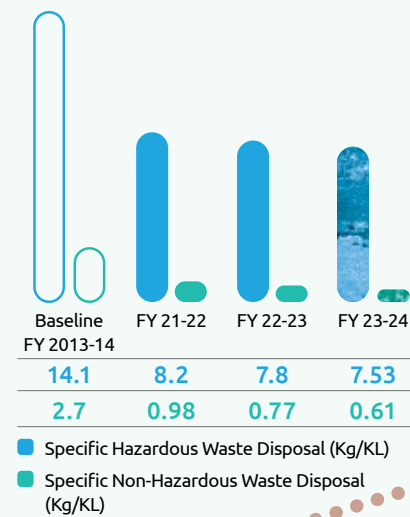
Our waste management is based on the systematic tracking of our material flows and adheres to a well-defined hierarchy. We aim to avoid waste to the best of our ability by continuously optimising our processes or developing new production methods. If the avoidance is not possible, we assess whether they can be recycled or reused within our operations. For instance, wash water is used in our process, recover and reuse waste solvents, and manufacture economy-grade paint. With stringent processes, we ensure the safe, proper, and environmentally responsible disposal of materials that cannot be recycled and reused.

At our paint manufacturing unit, specific hazardous waste disposal (Kg/KL) has seen a consistent year-on-year reduction since the baseline year of 2013-14. Specific Hazardous Waste Disposal saw a 21% decrease from last year and a 77% decrease from FY 2013-14.

Metric	Performance FY 2023-24	Target 2025	Target 2030
Number of collection points for plastic packaging from painters and consumers across states	<b>Piloted</b>	<b>100</b>	<b>500</b>
Proportion of recycled plastic used in our packaging (%)	<b>20%, 15%#</b>	<b>30%</b>	<b>60%</b>
Reduction in specific hazardous waste per KL of finished product (Kg/KL)	<b>0.61</b>	<b>0.5</b>	<b>0.45</b>
Reduction in specific non-hazardous waste per KL of finished product (Kg/KL)	<b>7.53</b>	<b>6.7</b>	<b>6.0</b>
Reduction in specific effluent generated per KL of the finished product (L/KL)	<b>16.1</b>	<b>17.5</b>	<b>15.8</b>

# 20% in GS-11 products, 15% in other plastic packaging

### Waste disposal at decorative paint manufacturing units (Kg/KL)



During the year, at our decorative paint manufacturing units, 787 MT of hazardous waste and 9,759 MT of non-hazardous waste were disposed of from our units.

At the standalone level, 1,363 MT of hazardous waste and 12,317 MT of non-hazardous waste were sent for disposal.

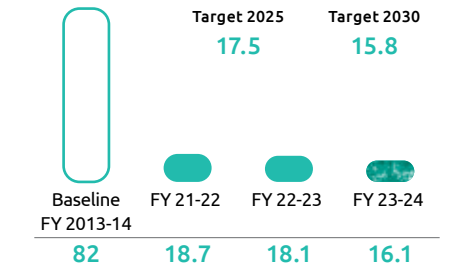
Additional details related to waste generated and disposed have been provided in the BRSR Principle 6 Essential 9.<sup>^</sup>

### Wastewater management\*

Industrial effluent is generated during paint processing and then during equipment and pipeline cleaning. Our wastewater management strategy has two important components:

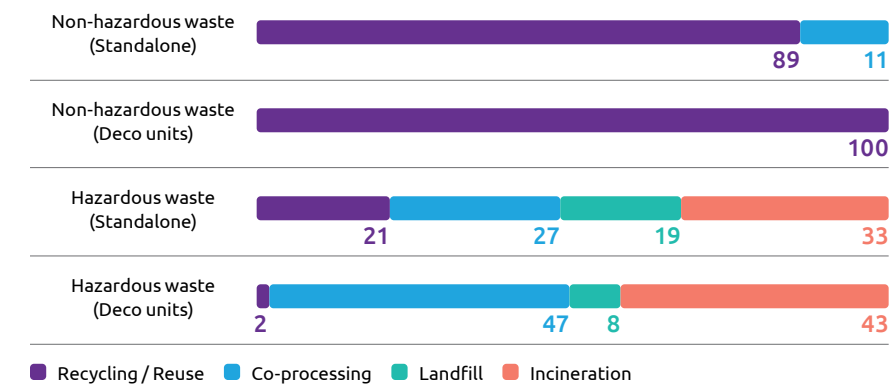
- Source reduction: A major area of focus for us, and over the years we have achieved a significant reduction in the same using pressure cleaning systems and enhanced utilisation of resultant wash water back in our process. Similarly, there has been a significant focus on utility blowdowns, and condensate recovery to reduce utility contribution.

### Specific Trade Effluent Generation at decorative paint manufacturing units (KL)



- Recycle: Effluent that cannot be reused in the process and is recycled in our ETP advanced treatment systems. This recycled water is then used in process and non-process requirements making our units ZLD.

### Waste by disposal method (%)



<sup>f</sup>GRI 303-2: Management of water discharge related impact | <sup>g</sup>GRI 303-4: Water Discharge  
<sup>h</sup>GRI 306-3: Waste generated | <sup>i</sup>GRI 306-4: Waste diverted from disposal  
<sup>j</sup>GRI 306-5: Waste directed to disposal

### CASE STUDY

#### Achieving ZLD at 100% of our sites

Recognising the criticality of water as a shared resource, we developed a comprehensive strategy focused on water conservation, reuse and recycling. We identified and implemented cutting-edge wastewater treatment technologies to promote the recycling of wastewater and eliminate the impact of discharge on local ecosystems, achieving Zero Liquid Discharge (ZLD).

The solution consists of advanced systems such as high-recovery Reverse Osmosis plants, followed by efficient evaporation techniques. The permeate from the RO plant is recycled and used for process requirements, while the reject passes through the evaporation system. The reliance on such systems has helped our manufacturing sites achieve ZLD, and highlights our dedication to sustainability and environmental stewardship.



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



## Sustainable operations

### Circularity in operation

#### Recycled plastic\*

We increased the use of recycled plastic in a host of our product packaging. The total quantity of recycled plastic used in our packaging was 10,324 tonnes in FY 2023-24. This accounts for 14.6% of total plastic packaging.

#### Waste to value: Plastic Waste Management (PWM)^

We have been ensuring the collection and safe disposal of our packaging waste through the Extended Producer Responsibility (EPR) approach since 2018. Under plastic EPR, we have collected over 7,200 MT of flexible and MLP plastics and over 70,000 MT of rigid plastic, which represents 100% of our liability in respective categories.

The collection and responsible channelisation were ensured across 25 states. Nearly 95% of the total plastic collected was channelised for recycling while the remaining was co-processed.

#### Wash water\*

Wash water is the amount utilised for washing and rinsing the production tanks and mixers daily. In FY 2023-24, we utilised 35,760 MT of wash water in our products, resulting in the avoidance of freshwater consumption and generation of waste sludge through the wash water.

#### Waste solvent reuse\*

We continued to recover and reuse waste solvents in our products. In FY 2023-24, we were able to reuse 471 MT of solvent in products. In addition to this, we also use recovered solvents for cleaning purposes.

### Economy grade paint

In case of materials where source segregation or development of reuse scheme is not possible, we collect and use these materials in producing an economy-grade paint. We have been able to segregate, reprocess, and produce 2,928 MT of economy-grade paint in FY 2023-24.

#### Plastic Pail Take-back Programme

Since 2018, Asian Paints has been taking responsibility for plastic packaging waste introduced in the market through its EPR programme. We have been collecting and disposing of 100% flexible plastic packaging even before it was made mandatory under Plastic Waste Management Rules, 2016, and amendments thereafter.

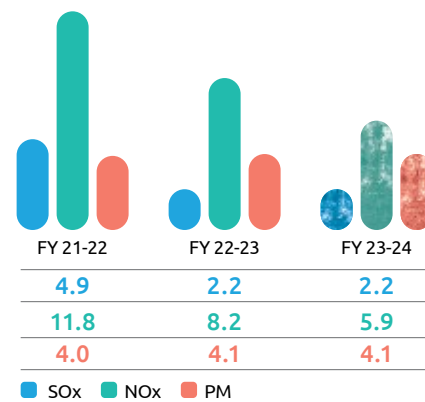
Now, going ahead with our plastic stewardship commitment, we are offering consumers, painters, and contractors the opportunity to return paint buckets at 7 locations across Bengaluru in exchange for a monetary incentive. This initiative was launched in the year in partnership with Saahas Zero Waste, and the scalability across different cities will be based on the responses we receive.

[Click here to know more](#)

### Other emissions

We have made the transition to cleaner fuels, replaced diesel-based DG sets with gas-based ones, and reduced boiler usage by employing community steam boilers and heat recovery units. In our decorative paint units, absolute SOx, NOx and PM emissions were 2.8 MT, 7.7 MT and 5.3 MT, respectively. At standalone levels, absolute SOx, NOx and PM emissions were 13.1 MT, 44.4 MT and 14.0 MT respectively.#

#### Other emissions at decorative paint manufacturing units (g/Kl)



### Biodiversity

Prioritising biodiversity conservation in and around our operational areas has been a longstanding focus at Asian Paints. We lead this approach by conducting thorough baseline studies and crafting comprehensive action plans, followed by phased implementation of interventions aligned with these plans.

By the nature of our operations, our impact on biodiversity is limited. During the year, we assessed our manufacturing locations using the Integrated Biodiversity Assessment Tool (IBAT) for mapping biodiversity-protected areas from the World Database on Protected Areas (WDPA) which meets the IUCN definition of protected areas.

Based on the assessment, we identified that none of our manufacturing units are situated within or close to these protected areas\*. Moreover, we conducted comprehensive ecosystem service dependency and impact risk assessments across all eight of our manufacturing plants, employing a location-specific approach. By estimating ecosystems within a 10 km radius of our operations, including those adjacent to our facilities, we gained insights into our dependencies on ecosystem services and potential impacts on surrounding ecosystems using the Ecosystem Service Matrix (ESM) based on CII India Business and Biodiversity Initiative's ESM methodology. This matrix serves as a strategic tool for identifying areas of low to high impact or dependency on ecosystem services, allowing us to prioritise conservation efforts effectively. While our assessments generally indicate low to medium impacts on ecosystems, we remain committed to addressing any gaps, particularly in areas of medium-high impact/dependency^.

Moreover, we adhere to legal requirements for green belt development and implement additional measures to enhance local biodiversity. This includes cultivating native plant species within our facilities, refraining from clearing existing forests, and safeguarding wildlife habitats.

#### CASE STUDY

### Reflexology Park and Herbal Garden at Khandala

#### "A walk-in nature walks the soul back home" - Mary Davis

Reflexology is a type of massage that involves applying different amounts of pressure to the feet, hands, and ears. It is based on the theory that these body parts are connected to certain organs and body systems. Reflexology rests on the ancient Chinese belief that qi (pronounced 'Chee'), or 'vital energy' flows through each person. When a person feels stressed, their body blocks qi.

At our Khandala plant, we have designed a 'Reflexology Park' with the intent of bringing the healing and nourishing power of nature to employees. This park has been designed to improve the physical and mental well-being of our employees.

Seven benefits of reflexology:

- Address headaches, sinus problems, and stomach issues
- Clear channels of blocked energy through blood flow and nerve impulses
- Cleanse the body of toxins
- Boost immunity
- Improve circulation
- Promote healing
- Balance energy

#### Herbs are not just for physical ailments, but also for emotional and spiritual imbalances.

A Herbal Garden has been created near the Reflexology park.

The herbal garden aims to raise awareness among employees and visitors about the conservation and traditional uses of herbs and medicinal plants, facilitating the identification and preservation of these valuable species. Planted varieties such as Tulsi, Garlic Chives, Costus, Lemon Grass, Pepper Mint, and Stevia serve as rich sources of raw materials for medicinal remedies and possess aromatic properties. These plants are beneficial in treating common ailments like headaches, indigestion, and insect bites, promoting better nutrition and healthy eating habits. Knowledge sharing is facilitated through visual display boards. Employees have been inspired by the garden, with some even replicating it at home.



\*GRI 301-2: Recycled Input Material used - Recycled plastic content as a percentage of total plastic packaging procured

^GRI 301-3: Reclaimed products and their packaging materials #GRI 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

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

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

#GRI 308-2: Negative environmental impacts in the supply chain and actions taken



# Synergising relationships

At Asian Paints, we have consistently prioritised building long-lasting relationships with our employees, customers and the communities we operate in. Adhering to this guiding philosophy, we have effectively generated transformative value for all our stakeholders.

## FY 2023-24 highlights

9,482

Total on-roll employees

183,000+

Employee training hours

353,000+

Lives touched through healthcare initiatives

## ESG strategy

Customer celebrations

Community ownership

Water stewardship

Energising, equitable & inclusive environment

Safe workplace

## Key material topics

- Consumer Delight
- Water Management
- Influencer Management
- Local Communities
- Consumer Health and Safety
- Human Rights
- Diversity & Inclusion
- Occupational Health, Safety and Well-being
- Talent Management and Employee Engagement
- Industrial Workforce Management

## SDGs impacted



## Stakeholders impacted



## Kamyabi ke Rang – Colours of Success

In the journey of excellence, every stroke of colour tells a story of triumph and progress. It is an initiative that celebrates the inspiring journey of painters who have transformed their lives through dedication, hard work and the vibrant world of colours. It not only celebrates individual achievements but also brings their stories of triumph to the forefront, painting a vivid picture of hope, perseverance and success.

### Success meets impact

Aneesh's journey into the world of painting began with a heartfelt desire to enhance the quality of life in his hometown in Kerala. Initially, he worked as a driving instructor, but his passion for knowledge compelled him to explore the ways he could give back to his community, leading him to create his mark in the field of painting. Today, Aneesh offers employment to 85 individuals. His spirit for innovation and giving back is going strong, as he looks towards making a greater impact.

Watch Aneesh's journey to success here [🌐](#)

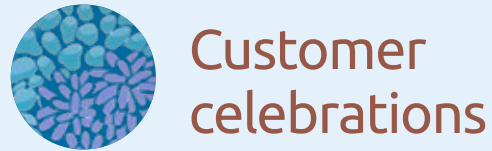
### A passion for design

Akriti, a creative and ambitious individual from Banaras, has been fascinated with art and craft since childhood. She pursued her passion for interior design with the goal of standing out in her field. Inspired by videos from the Colour Academy, she decided to undergo training at the institution. After completing her training, she founded a contracting business with the support of her partner and equipment from Asian Paints and is dedicated to delivering exceptional client experiences and providing comprehensive painting solutions across Uttar Pradesh.

Watch Akriti's dreams come true here [🌐](#)



## Synergising relationships



### Customer celebrations

#### Management approach

At Asian Paints, our commitment to understand and fulfill the unique needs of each customer is at the heart of everything we do. With a comprehensive range of products, services and support, we empower customers to transform their spaces into expressions of their individuality and style, ensuring satisfaction and delight with each brushstroke. We cater to dealers, contractors, interior designers, painters as well as end consumers.

Addressing the evolving demands of our customers, we have adopted an omnichannel strategy for customer engagement through 'phygital' touchpoints which is a blend of physical and digital interactions.

#### Policies

Customer policy

Metric	Performance FY 2023-24	Target 2025	Target 2030
Net Promoter Score (NPS)	73	70	70
Number of St+art/community sites	450+	500	1,000

#### Customer touchpoints

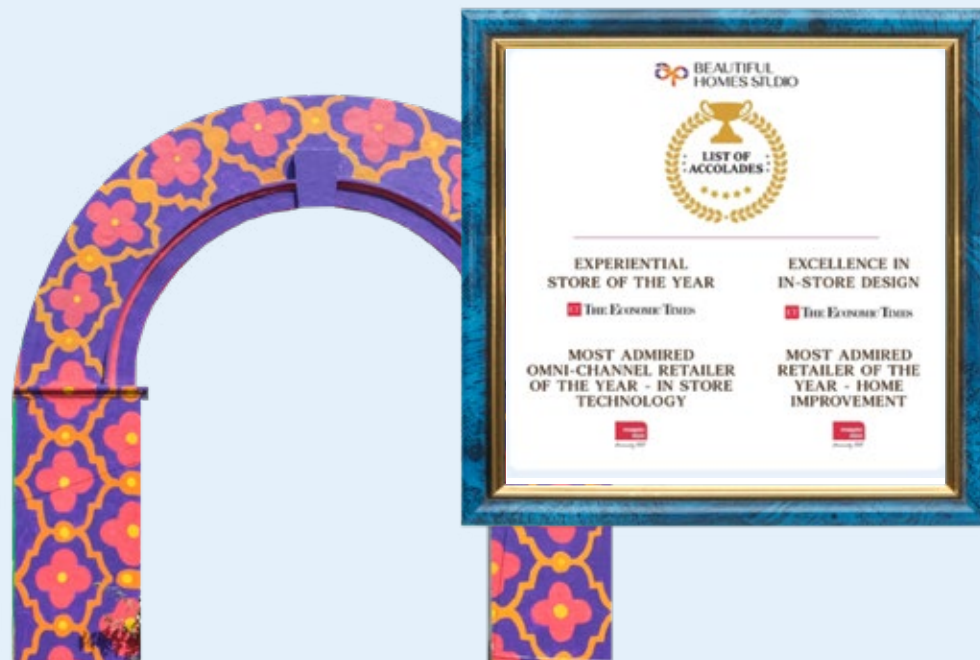
##### Physical

We have 1.6 Lakhs+ retail touchpoints to connect our brand with customers at all stages of their purchase journey. Our store format ranges from a humble hardware store to grand experience store.

To give our customers more enriched experience, we introduced Beautiful Homes which has been a key pillar of our omnichannel home décor strategy with 60 operational stores. It is a one-stop solution for entire spectrum of home décor needs of our customers with a unique

proposition of in-store design consultation. Each such interaction is an opportunity to inspire creativity, build trust, and transform spaces into expressions of personal style and imagination. These stores have received numerous awards for their exceptional interior design and use of innovative in-store technology.

We have various formats of these stores, including Beautiful Homes Boutique (experience stores), Beautiful Homes Stores (flagship home décor stores), and Beautiful Homes Studio (a lifestyle destination for luxury designer décor).



#### Beautiful Homes Studio: Elevating luxury décor

The establishment of Beautiful Homes Studio marked the beginning of a transformative era in India's décor industry. Over the years, we have leveraged our understanding of home aesthetics to drive revolutionary growth in the segment. The culmination of this remarkable progress is exemplified by the launch of the Beautiful Homes Studio, a testament to Asian Paints commitment to elevate the consumer experience in luxury décor.

The new 17,000 sq ft Beautiful Homes Studio in Chennai (Tamil Nadu) is a six-level showroom designed as a homage to the local vernacular design while maintaining a contemporary ambiance. Each piece curated by us embodies functionality while retaining its distinct visual appeal.



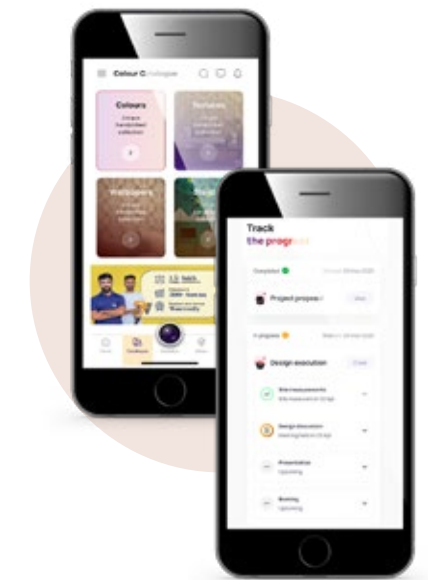
#### CUSTOMER TESTIMONIAL

The Asian Paints team demonstrated exceptional punctuality and efficiency. Their digital colour selection process facilitated easy decision-making, and their thorough post-painting cleaning service ensured a hassle-free experience.

Piyush, Mumbai

#### Digital

We harbour an engaging digital vision to develop technology platforms that drive innovation centred around customer needs. Our ever-active social media campaigns and product-specific digital initiatives across various platforms have experienced significant growth. We have been enhancing the visualisation capabilities of our visualiser tool allowing consumers to experiment with different designs and décor style making the design process interactive.



- 'Colour with Asian Paints' is our 'One tap' mobile app that lets users to reimagine their home by trying out range of wall colours, wall textures, and wallpaper designs.
- The BHS Customer App offers customers a dashboard to monitor their site's progress and facilitate collaborative communication with dedicated designers.
- Our mobile applications for contractors provides support during onboarding and cash settlements.



## Synergising relationships

### Customer centricity ▲

Customer satisfaction drives our success. We prioritise empowering and supporting our customers, understanding their needs, and delivering high-quality products and services. By staying connected with our customers throughout the journey, we build lasting trust and loyalty, viewing customer engagement as a continuous process.

### Grievance redressal mechanism

There is a robust grievance redressal mechanism comprising multiple channels. Our system is tailored to efficiently understand and swiftly address customer concerns. We log and track grievances using our consumer complaint management system, ensuring transparency and speedy resolution. Our commitment to resolve all issues within 5 days is a testament to our prioritisation of customer satisfaction.

#### Grievance redressal process

Complaint registration

4 Hours

Setting up appointment

48 Hours

First visit

120 Hours

Final resolution

Our Net Promoter Score (NPS) is calculated through feedback obtained after the resolution of each complaint which further evidences commitment to our 'customer-first' approach. We focus on increasing our NPS by resolving customer issues promptly, ensuring faster complaint resolution, and transparently explaining compensation details to uphold satisfaction and loyalty.

**73%**  
NPS in FY 2023-24  
(500 bps y-o-y growth)

**91.5%**  
Customer complaints closed in FY 2023-24

In our vision for the future, we aim to establish accessible customer service channels for guidance on product usage and safety. Detailed user manuals and robust retailer training programme will reinforce our safety practices and product education.

#### CUSTOMER TESTIMONIAL

After discovering a leak in my terrace, I reached out to Asian Paints for assistance. The supervisor promptly assessed the site, recommended the appropriate product, and oversaw its application by the team. Within a week, the work was completed, resolving the issue entirely. I am thoroughly pleased with the seamless experience provided.



### The customer quotient journey

In our endeavour to cultivate a more comprehensive customer-centric approach and enhance employee awareness of customer needs, our Company has launched the 'Customer Quotient' initiative. During the month-long initiative, employees from all functions visited customers directly to get firsthand feedback on products and services. Over 1,300 employees participated with great enthusiasm and came back with invaluable insights that were fed into their respective work areas.

#### What do our employees say?

We visited Asian Paints Beautiful Homes dealer and Colour Ideas store in the city of Nashik. It was a great experience of witnessing a décor story at market. Dealers were excited to share their experience with AP and also suggested areas of further improvement.

#### Ajay Patel



We visited our dealers and contractors in Surat as part of the customer-centricity initiative. It was satisfying to hear customers expressing their gratitude for Asian Paints and their enthusiasm for the brand. The discussion helped to gain insights about new products market acceptance and other demands.

#### Atul Ahire

### A platform for creative expression ▲

As partners with a shared philosophy of #ArtForAll, St+art, and Asian Paints have collaborated for over 10 years. We have been an active and dynamic patron across multiple festivals and public art projects organised by St+art India across Indian cities. The collaboration sees the transformation of urban spaces into vibrant, artistic expressions, enhancing the aesthetic appeal of communities and building a deeper connection with customers. Together, we have over 450+ murals and 7 public art districts across 29 cities, aiming to make traditional and vernacular art forms more accessible and inclusive.

**450+**  
St+art sites in FY 2023-24

#### Tracking our impact

##### Public art districts

We have created 7 public art districts across India to drive tourism. Our recent addition in Chennai – the Marina Art District is the 7<sup>th</sup> art district in the country and the state's third open-air and open-to-all public art gallery. St+art and Asian Paints aspire to develop Marina Art District as one of the major destinations for art and experiential tourism in the country.



Artist Name: Sayan Mukherji  
Project Name: Tribute To West Bengal



Artist Name: Sadhna Prasad  
Project Name: Tribute To Tamil Nadu



#### Donate a wall

In collaboration with the public, we transform walls in urban spaces annually. From iconic buildings to theatres to public societies, we have transformed 30 landmark locations until now. This year's edition of 'Donate a wall' was held in Gujarat to celebrate the vibrant cities of Ahmedabad, Vadodara and Surat.

#### St+art transit

As part of the 'Tribute To Tamil Nadu' initiative, buses in Chennai were redesigned with images of depicting the state's culture and customs. We also unveiled a special heritage-inspired festive pack of Asian Paints Royale Glitz to honour Tamil Nadu's culture. In Kolkata on Pujo, the

Tram was reimaged to celebrate its 150 years in the city by turning public transportation modes into moving canvases.

#### St+art Care

Asian Paints and St+art India Foundation have created India's first-of-its-kind art museum at the Rajasthan Netraheen Kalyan Sangh school in Jaipur. The project involved transforming the school into a tactile art museum, offering visually impaired students a fresh perspective on art. Murals were designed using Asian Paints' Royale Play range of textured paints, incorporating the Bandhej technique and Braille.

The initiative focuses on impacting these children's lives in a meaningful way.

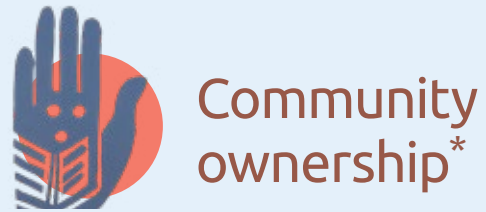
Through Project Sparsh, we aim to broaden young minds to new ways of experiencing art while sharing their pride in the vibrant and cultural heritage of Rajasthan on which the designs of the murals are based. This initiative promotes inclusivity and accessibility in art and education.

Artist Name: Shruti Katiyar  
Artwork Name: Indoor Tactile Museum  
Project Name: Project Sparsh





## Synergising relationships



### Management approach

In our commitment to foster inclusivity and stakeholder engagement, we have designed our CSR vision to deliver maximum impact with trust, fairness and care being our guiding principles. Governed by our CSR Policy and Code of Conduct for Business Partners, we strive to create shared value for all stakeholders, contribute to the well-being of society, and build a sustainable future for generations to come.

Together with our communities, we are painting a canvas of progress and prosperity.

### Our CSR focus areas & expenditure\* (₹ in Crores)

- Enhancing vocational skills **49.75**
- Health and hygiene **12.72**
- Water Stewardship **23.26**
- Disaster management **0.02**

\* Excludes expenditure on CSR overheads

Metric	Performance FY 2023-24	Target 2025	Target 2030
Beneficiaries impacted through healthcare initiatives	<b>353,000+</b>	<b>500,000</b>	<b>650,000</b>
Participants trained at Asian Paints Colour Academy	<b>680,000+</b>	<b>600,000</b>	<b>1,000,000</b>

Our CSR initiatives in the relevant focus areas are implemented through partnerships with NGOs and relevant stakeholders. The progress of our endeavours is regularly assessed by the management, the CSR Committee, and the Board of Directors. All initiatives, projects, programmes, and activities undertaken fall within the scope of Schedule VII of the Companies Act, 2013, and align with the UN SDGs.

**₹ 90.8 Crores**  
CSR expenditure in FY 2023-24

#### Policies

- Corporate Social Responsibility Policy
- Code of Conduct for Business Partners

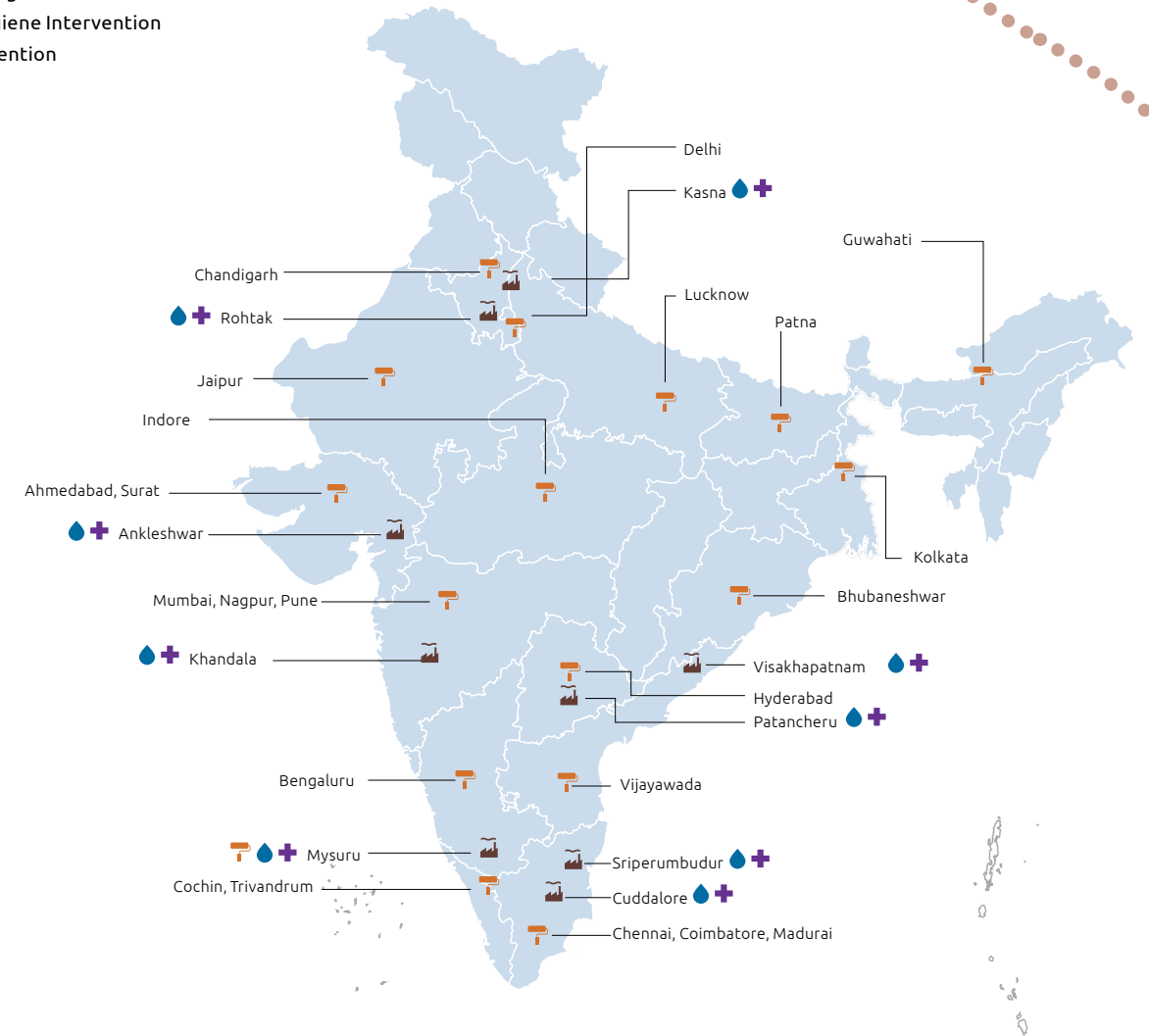


\*GRI 413-1: Operations with local community engagement, impact assessment and development programmes

\*GRI 203-1: Infrastructure investments and services supported

## Transforming communities across India

- Colour Academy
- Manufacturing Units
- Health & Hygiene Intervention
- Water Intervention



\* We undertake CSR intervention covering 100% of our operations.

Note: Map not to scale



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



## Synergising relationships

### Enhancing vocational skills

The Asian Paints Colour Academy empowers communities by providing specialised vocational training in paint application, carpentry, plumbing, and masonry trainings for the benefit of our local communities.

Our fixed academies are situated in Tier 1 cities and major metropolitan areas, while our mobile academies serve Tier 2 cities, ensuring nationwide accessibility. Additionally, our website [apcolouracademy.in/](http://apcolouracademy.in/) offers access to curated training courses that can be accessed anytime, anywhere.

Each course is designed to enhance the skills of our participants. Our wide range of courses covers textures, waterproofing, wood finishes, and more, aiming to familiarise participants with products and application processes.

**680,000+**  
Trainings provided in FY 2023-24

**1,278**  
Towns covered by Colour Academy



### Empowering communities

We embarked on numerous initiatives across various communities to create opportunities for the members to lead fulfilling lives and become self-sufficient earners.

#### Training for women in Gadchiroli

In partnership with Yuva Parivartan, Asian Paints Mobile Colour Academy in Nagpur arranged a 6 day basic painting course for 40 women in Godalwahi town, Gadchiroli.

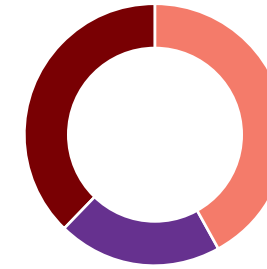
Through our hands-on-training session, participants were educated on the significance of safety in painting and methods to maintain a secure working environment. Subsequently, they were acquainted with the fundamental skills such as surface preparation, paint application, and brush techniques, with visual and practical demonstrations provided for each step to enhance proficiency. The 40 women received certificates, marking the successful completion of their training.

They then commenced painting work and undertook projects at various locations within the Gram Panchayat, including the community hall, toilets, anganwadi, classrooms, and wall compounds. The participants expressed gratitude for the opportunity provided by us, as it has the potential to transform their lives and support them in earning an income.

#### Courses

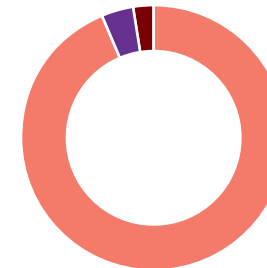
- Basic Painter Course
- Designer Finishes
- Mechanisation
- Wallpaper
- Waterproofing
- Next Gen Contractor Pro
- Shop Manager Mantra
- Carpentry
- Plumbing
- Basic Financial Management Course
- Soft Skill Course
- Basic Sanitisation Course and many more

#### Modes of training in FY 2023-24 (%)



Physical training **42.00**  
Digital training **20.43**  
Virtual training **37.57**

#### Training across different verticals in FY 2023-24 (%)



Painter training\* **93.82**  
Plumber training\* **3.75**  
Carpentry training\* **2.43**

### Measuring impact

We performed impact assessment studies as required by law to assess the social impact of our colour academies, health and water projects. The results indicated that our initiatives had profound impact on people's lives by addressing critical needs in skilling, healthcare, environment sustainability and livelihood enhancement. The recommendations of the study helps to formulate future programmes.

Detailed impact assessment reports are available at [www.asianpaints.com](http://www.asianpaints.com)



#### Voices that matter

I initially learned basic painting from my father but sought further education to advance my career. The Colour Academy was highly recommended by my dealer. Under their guidance, I saw a vast improvement in my work quality, especially in textures, waterproofing, and wood finishes. Now with a team of 10, I simultaneously manage multiple projects efficiently.

**Heena<sup>^</sup>**, Nagpur

<sup>^</sup>Name changed to protect identity





## Synergising relationships

### Health and Hygiene

We adopt a dual-pronged approach to healthcare, tailoring initiatives to cater to the various segments of society and address the specific health needs. This strategy enables us to maximise the benefits our healthcare initiatives and improve health outcomes across different communities.

The balanced approach of curative and proactive healthcare ensures that communities receive both immediate assistance and resources to maintain their health over time.

#### Curative health

We ensure quality health care services are accessible to the marginalised community in the times of need through our curative healthcare initiatives.

**340,000+**

Lives impacted through curative health programmes

#### Mobile Medical Units

Through our Mobile Medical Units (MMU), we aim to bridge gaps in healthcare access, reaching populations that may have limited resources or face barriers to access healthcare facilities. The services include consultation, treatment, medicine provision, diagnosis, and referrals.

We also extend specialised healthcare assistance to bedridden patients, conduct informative sessions covering various health topics, and facilitate access to government health schemes.

**163,000+**

Lives impacted under MMU initiative

#### Static Medical Units

Static medical units enable communities to access primary healthcare services, lab test facilities, preventive care, health education on a consistent basis, promoting long-term health outcomes and well-being.

**115,000+**

Lives impacted under static medical unit initiative

#### Safar programme

Under our Safar programme, we take care of the healthcare needs of truckers by providing consultation, treatment and end-to-end medication. Additional services like physiotherapy, nutrition and lifestyle counselling are also provided.

**61,000+**

Lives impacted under Safar programme

### Proactive health

Our focus under proactive healthcare is to improve health outcomes and diminish disease prevalence among adolescent girls, pregnant and lactating women and children, through counselling and Behaviour Change Communication facilitated by AAAs (Anganwadi Workers, Accredited Social Health Activists, and Auxiliary Nurse Midwives).

**12,900+**

Lives impacted through proactive health programmes

**79**

Villages covered



#### CASE STUDY

### A story of resilience from Nirog clinics

A 54-year-old woman from Patancheru, Telangana is from a below-poverty-line family. Over time, her health declined due to her financial and social circumstances. She found accessible healthcare through our Nirog clinics that provided free medication and counselling services. Through the clinic's support, she witnessed a significant improvement in her health, showcasing the positive impact of Asian Paints' commitment to community welfare.

#### CASE STUDY

### A healthier tomorrow

In a concerted effort to combat under-nutrition, a series of key interventions were implemented with precision and care:

- Regular screening of weight and height
- Providing iron-folic acid and protein supplements for 90 days
- Diet diversity counselling for the parents
- Deworming tablets for children
- Enrolling children in the Integrated Child Development Services programme

An assessment of 1,722 children (baseline to ending gap is 10 months) shows 86% decline in Moderate acute malnourished (MAM) cases, and 44% decline in borderline cases. Severe acute malnourished (SAM) cases also saw a remarkable shift from 148 to 0 and a considerable improvement was seen for overweight (17%) and obese (25%) categories.

Through proactive measures and sustained efforts, tangible improvements in child health and nutrition outcomes were achieved, signalling a promising path toward a healthier future.

#### CASE STUDY

### Behind the wheel of change

A driver from Bihar, was addicted to tobacco and alcohol. In 2021, he crossed paths with Safar, seeking guidance to combat his addictions. Through consistent counselling for two years, he has undergone a remarkable transformation. Today, not only does he attend regular counselling sessions at the clinic, but he also inspires fellow drivers to break free from addiction.





## Synergising relationships

# Water stewardship



### Management approach ▲

To demonstrate commitment to environmental sustainability and social responsibility, aiming to positively impact both the environment and the well-being of local communities by safeguarding water. Transforming the community's connection with water in every form – Leaving a lasting 'Watermark' - is a CSR initiative by Asian Paints which involves efforts to address water-related challenges through various projects and programmes. This includes initiatives focused on water conservation, promoting water efficiency, improving water quality, and enhancing access to clean water in communities where we operate.

**217%**  
Water harvesting potential created as % of annual freshwater consumption

By implementing a well-researched, data-driven, and flexible approach encompassing demand, supply, and qualitative interventions, we aim to instigate a cultural shift towards self-sustaining water practices. We envision creating our own impact assessment model, leveraging technology and data to measure the transformative impact on communities in terms of socio-economic development, gender equality, inclusivity, and equity.

### Leaving a watermark

We have consolidated our community-focused initiatives in the space of water under the umbrella of Watermark initiative. The initiative addresses several challenges to combat the deteriorating condition of water and land resources, aiming to secure a sustainable future for communities affected by these issues.

#### CHALLENGES

Limited availability of drinking and irrigation water severely affects communities, hindering access to clean water for daily use and farming needs.

Climate change's impact on agriculture could distort the distribution and quality of India's natural resource and affect people's livelihoods.

Poor water quality increases waterborne diseases, worsening public health. Inadequate sewage treatment infrastructure worsens water scarcity problems.

There is a growing need to further push innovative solutions for sustainable water management practices.

#### INTERVENTIONS

**Supply-side:** Focus on augmenting the efficiency of water harvesting structures. Examples of interventions include rejuvenation of water bodies, Integrated Watershed Development, canal lining, and check dam rejuvenation.

**Demand side:** Promotion of judicious use of existing water resources to ensure enhanced water use efficiency. Examples of interventions include silt application, a system of rice intensification, and horticulture plantation.

**Safe drinking water:** To ensure access to clean drinking water.

**Solutions:** Treatment of sewage into usable water. Recharge pits to enhance groundwater table.

## Supply Side Interventions

### Rejuvenation of Water Bodies

Rejuvenation of Water Bodies (RWB) involves finding and cleaning dried-up or underused natural or man-made tanks to increase their capacity. With active projects in Cuddalore, Kasna, Khandala, Mysuru, Patancheru, Sriperumbudur, and Visakhapatnam, a total of 67 water bodies have been fixed, creating a total potential storage capacity of 903,531 CuM.

### Collaboration for the water wellness

We came up with the Participatory Water Resource Management for Enhancing Livelihood for improving lives of residents of Visakhapatnam (Vizag), Andhra Pradesh. The project created a total of 3.8 Lakhs KL of water potential in 15 villages of the Anakapalli district near Vizag.

The project targeted villages where the access to surface water from the existing resources like traditional tanks and canal irrigation infrastructure become limited. Some of the key projects include:

1. Revival of 13 Traditional Tanks by desilting the tanks.
2. Improvement of 3 Major Canal Irrigation System by repairing the head regulators and installing the gates in the head regulators.
3. Community engagement to foster a sense of ownership, resilience, and self-reliance within the communities.
4. Capacity building to ensure the long-term sustainability of water resource management initiatives in the villages.





## Synergising relationships

### Integrated Watershed Management (IWSM)

IWSM aims to improve both nature and community in rural areas by managing land and water together. This includes actions like building Gully Plugs, Continuous Contour Trenches, Stone Bunds, renovating and constructing Earthen/Cement Nala Bunds, and planting trees.

### Canal Lining

Canal Lining provides a waterproof layer to the bottom and sides of a canal to make it last longer and carry more water. Without this lining, about 50 to 60% of the water leaks out through the ground. This project is saving water in villages near the Rohtak manufacturing unit. So far, we have completed 415 meters of lining.

### Check Dam Construction/Renovation

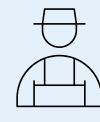
A check dam is a structure built across a river or stream to slow down the water flow to prevent soil erosion, store more water, and recharge the groundwater. In Gujarat's Narmada district, we are working on water projects by fixing or building new check dams in four areas mostly inhabited by tribal communities. So far, we have created the potential to store 18,122 cubic meters of water through these projects.

Metric	Performance FY 2023-24	Target 2025	Target 2030
Water harvesting potential created as % of annual freshwater consumption every year	217	>70	>70

### Measuring our progress towards 'Watermark'



**24,401**  
Number of farmers benefited



**7,032**  
Small and marginal farmers benefited



**222**  
Number of villages

### Impact

#### Supply side Interventions

**141**  
Water bodies

**2,396,407 KL**  
Water potential created

**63**  
Water use group formed

#### Demand side interventions

**80 Hectares**  
Area under water-efficient agriculture

**1,543,000 CuM**  
Silt applied

**1,937 Hectares**  
Area under which silt applications were done



### CASE STUDY

#### The value of water

A farmer from Singayyankere village in Mysuru, faced challenges from the scarcity of irrigation water, which restricted crop cultivation to just one season on his 2-acre farmland. With the assistance provided by Asian Paints water resource development programme, he took the initiative to apply silt across all 2 acres, thereby enhancing soil fertility. This step has amplified water accessibility, facilitating cultivation along improved soil conditions leading to a significant rise in banana and coconut yields and increased income.

### CASE STUDY

#### Improving productivity

A farmer from Yellamaguda Village, Patancheru, Telangana reaped the benefit of improved soil quality after using deposited silt from a rejuvenated pond in his area. This significantly increased the yield. The silt applied is of excellent quality as it has been deposited in the pond for several years. He expressed gratitude as the intervention by Asian Paints created a potential of 11,000 KL of water.

### Employee volunteering

Employees dedicate their time and skills to community projects, environmental initiatives and social causes supported by our Company. Employee volunteering not only benefits the communities served but also fosters team spirit and personal development among employees.

Our aim is to establish Asian Paints as a frontrunner in employee volunteering through our **SPARSH programme**. SPARSH aligns with our CSR goals, enabling employees to connect with their communities.

**1,500+**

Number of employees participated in FY 2023-24\*

**4,500+**

Hours of volunteering undertaken during FY 2023-24

\* In addition, 400+ off-roll employees have also contributed to several employee volunteering activities.



### Disaster management

As part of our disaster management efforts, we contribute to relief, rehabilitation, and reconstruction activities in case of an emergency. Our focus is on mitigating the impact of crises caused by natural disasters, pandemics, and similar events.



## Synergising relationships

### A glimpse into our volunteering activities

#### Tech warriors

A recurring four week intervention to optimise the knowledge pool of the employees for the benefit of the community. It includes sessions on Power BI, Data Science, Artificial Intelligence and ChatGPT etc.



#### Vein warriors

Blood donation drives have been a part of the APL Culture for the last 20 years. This year onwards, we have branded the drive as 'Vein Warriors', as a recognition to all the donors who selflessly come forward and donate their blood.

**862**  
Units of blood collected

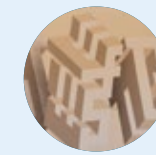
#### Water warriors

Our water warriors embarked on a journey to raise awareness amongst school kids from underprivileged communities to sensitise them on 'Water Positive Behaviour'.



#### Visionary warriors

Our HR department embarked on a skill development journey with youth students at Udaan India Foundation with interventions on cognitive and personality development and career readiness.



## Energising, equitable and inclusive workplace

### Management approach

Our employees are the most valuable asset of our Company and are vital to our growth strategy. Effective talent management, nurturing skills and competencies of our employees and providing a safe and inclusive work environment is the key to create an unbeatable human capital.

Our Talent Management philosophy enables Asian Paints to create 'Leaders for Life' by facilitating their all-round and holistic development. We believe in creating an open, psychologically safe and inclusive workplace which champions diversity in capability and thought leadership. We cultivate positive labour relations through open communication and engagement with workers across all levels.

Metric	Performance FY 2023-24	Target 2025	Target 2030
Employee engagement score (%)	79	80	80
Psychological safety score (out of 10)	7.7	7	7
Wellness initiative score (out of 10)	8.8	8	8

#### Policies

Code of Conduct for Employees

Code of Conduct for Board Members and Senior Management Personnel

Policy for Prevention, Prohibition, and Redressal of Sexual Harassment of Women at Workplace

Policy on Equal Opportunity and Non-Discrimination

[Click here to know more](#)

People collaboration and engagement through periodic surveys.

Strengthen leadership and succession through precision talent management.

**Our strategic people agenda**

Movement of talent across verticals through institutionalisation of a democratic process.

Strengthening organisation structure and support new acquisition.



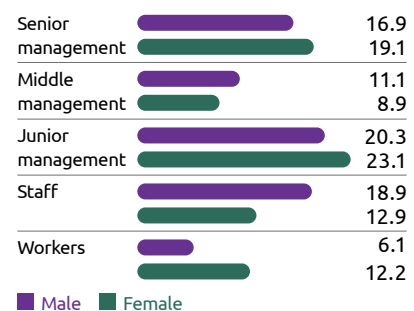
## Synergising relationships

### Learning and Development

At Asian Paints, we aim to create a pool of capable leaders and implement smooth succession planning throughout our Company. Our 'Leaders for Life' philosophy promotes comprehensive growth and development for all team members. We collaborate with each function to understand their unique requirement, which is followed by the design and implementation of learning interventions across our verticals. We employ a structured annual People Review Process (PRP) to identify individual development needs and career possibilities, emphasising values-based behaviours. This process includes regular performance evaluations and feedback sessions, tailored especially for managerial staff, to ensure individual and functional growth within our Company. Further, we encourage our employees to utilise 360° feedback tool for their self-improvement. More than 100 managers utilised this tool during the year. Our employees also benefit from access to numerous e-learning courses for self-development.

#### Learning and development dashboard for FY 2023-24\*

(Average hours of training per year per employee)



### Senior management

To build a wide worldview and enhance their skill set, we offer leadership development programmes:

- An engaging journey tailored for our senior leadership, offering exploration across diverse industries and guidance from globally renowned coaches
- A programme designed for CXO-level leaders offering best-in-class functional courses from globally recognised institutions

#### At the zenith of transformation

During the year, we launched Zenith, a transformative leadership development for several leaders across different verticals. This programme, lasting approximately six months, is in partnership with a renowned leadership consultancy firm. Its purpose is to empower our leaders to become game changers capable of bringing significant change within our Company. Additionally, our leaders from finance function attended the Chief Financial Officer programme at the London Business School.

### Middle management

We provide an extensive array of development initiatives aimed at bolstering the managerial and leadership capabilities of our mid-level management. Transition programmes facilitate a seamless shift for managers and leaders stepping into new roles, with a focus on self-awareness, values-driven conduct, leadership prowess, and strategic financial acumen.



\*GRI 404-1: Average hours of training per year per employee

### Leaders Transition Programme

The programme is designed to assist recently promoted senior managers to make a smooth transition into their roles and exhibit expected leadership behaviours.

#### Phase 1

##### Self-awareness Assessment

Self-awareness assessment is conducted using the psychometric tool 'Hogan', followed by one-on-one debriefing conversations to help individuals understand their strengths and areas for development.

#### Phase 2

##### Strategic and Financial Acumen Program

The program focuses on developing skills in managing managers, collaborating with diverse stakeholders, making strategic choices, and enhancing financial acumen.

#### Phase 3

##### Delta Coaching Program

This builds high-performance teams through a nine-month journey comprising individual and group coaching sessions, facilitated by an external certified coach. Several participants have benefited from the program in FY 2023-24, providing overwhelmingly positive feedback, with an overall rating of 9 out of 10.

### Empowering middle management: Broadening perspectives

We provide an outside-in perspective to middle management through **Xchange Program**: In the year, we successfully implemented the Xchange Program in collaboration with leading companies in the automobile and e-commerce sectors. Participants had the opportunity to gain firsthand insights into the best practices in supply chain and logistics functions within these industries. We view the programme as a valuable opportunity for our middle management to expand their knowledge, learn from industry leaders, and engage in peer collaboration across different organisations.



#### LEARNING FOR ALL

### The next step through LinkedIn Learning

We launched LinkedIn Learning for our 7,800+ employees, democratising learning and addressing upskilling needs. This platform enriched the existing learning ecosystem, offering access to expert-led content and fostering a community of learning through certifications. Activation campaigns and challenges boosted platform adoption, with a remarkable 72% activation and 69% repeat learners in the first month. The organisation witnessed a shift towards managerial and leadership content.

**5,000+**  
Hours of learning

**Explorer Series:** Throughout the year, we offered our team fresh perspectives through learning sessions led by renowned business leaders. These sessions covered topics such as providing valuable insights. We also introduced the Design Inspiration Series for our design team with speakers sharing insights on design trends and creative problem-solving. These series aim to inspire and motivate team members to think creatively, innovate, and lead with purpose.



## Synergising relationships

### Emerging Leaders\*

We have a range of initiatives for emerging leaders to develop managerial skills, values-based behaviours, cross-functional exposure, and business acumen skills such as:

**Emerging Leaders Transition Programme:** This programme aids employees' growth and development during their transition period and covers topics such as team management, conflict management and delegation.

**96**

**Of our employees attended the Emerging Leaders Program in FY 2023-24. Received positive feedback of 8.6/10.**

**Business Management Programme:** Our premier management programme, done in partnership with IIM Bangalore, provides managers with a comprehensive understanding of general management, focusing on

sales, marketing, and supply chain. In the last year, participants from diverse departments have engaged in this educational journey, with the programme receiving praise and an impressive rating of 4.4/5 from participants.

### Values-Based Behaviour Programmes

This year, we have engaged over 100 managers in our Audacity, Creative Zeal and Scientific Rigor programmes. They aim to offer diverse perspectives and firsthand experiences, both internally and externally. The programme received a positive response, with an overall feedback rating of 8.9/10.

### Improving cross-functional expertise

**The Impact Programme is a strategic developmental initiative designed specifically for Assistant Managers at Asian Paints. Its primary objective is to enhance cross-functional understanding and provide a platform for applying acquired skills in real-world scenarios.**

### F.I.R.E. – Field Readiness

We empower our employees with skills and knowledge essential for success. Our Field Readiness function focuses on enhancing sales capabilities through tailored learning programs across verticals like Retail, Project Sales, Services, Marketing, and Décor. We employ a 6-D framework to ensure effective learning transfer and alignment with business metrics for program participants. In FY 2023-24, we conducted tailored learning programmes, including induction and skill-building sessions for 3,500+ employees across various verticals. These initiatives, totalling 52 programmes and 71,000 training hours are directed towards employee development.

### DISHA - In the right direction

**In 2023-24, under our flagship programme DISHA, we trained 709 new joiners, equipping them with essential competencies like product knowledge and customer acquisition skills. DISHA includes a rigorous assessment process to evaluate retail executives' readiness for their roles. DISHA has played a pivotal role in laying a solid foundation for employee success and significantly contributing to our growth.**



### Document

Results are documented and stringent evaluations are undertaken to enable the next cycle of the framework.



### Deploy

Ensure that managers recognise their duty to facilitate learning, allocating resources for instruction and performance support wherever applicable and necessary.



### Drive

Focus transferring these learnings back to our Company's objectives and targets through establishing systems and processes which actively encourage and manage this transfer process.



### Define

Understand stakeholder needs, assess training necessity, analyse performance gaps, align learning objectives with business goals and illustrate benefits through business outcomes.



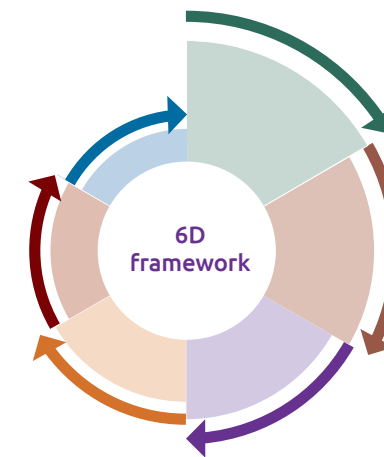
### Design

Design a learner's holistic experience, consequently improving the training's efficacy and ensuring learning translates to enhanced performance.



### Deliver

Ensure learning translates into action by starting with desired outcomes and selecting strategies that bridge the gap between learning and application.



IIM Bangalore - Business Management Programme 2023 Batch

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



## Synergising relationships

### Employee well-being ▲

Employee engagement and well-being are our top priorities as we recognise our workforce as the cornerstone of our Company's values. Open channels for communication and feedback ensure a positive environment where employees can thrive authentically. We conduct surveys to help gauge satisfaction, motivation, and commitment levels, covering various aspects of the overall employee experience such as work environment, company culture, psychological safety, openness and work-life balance.

We analyse the survey results to identify trends, strengths, and areas for improvement, informing decisions aimed at enhancing employee engagement and organisational performance.

This data-driven approach is applied at each unit, allowing for tailored improvement strategies with the involvement of respective leaders and developing both short-term and long-term action plans.

We ensure holistic well-being, addressing mental, physical, and financial aspects through various interventions conducted throughout the year. Physical wellness activities focus on core strength, flexibility, and nutrition, aiming to improve areas such as sleep patterns influenced by prevalent dietary and

lifestyle choices. Financial wellness sessions cover money management, investments, and retirement planning to empower employees with financial security options.

Recognising the importance of mental wellness, we provide resources on stress management and performance improvement, drawing on expertise from diverse domains globally. We also conduct skilling and socialisation interventions for managers and engage in leadership discussions to improve psychological safety. We understand that overall well-being significantly impacts an individual's life. We go a step forward and ensure that the wellness initiatives facilitated by experts are not only relevant but also relatable.

### Employee wellness initiatives in FY 2023-24

**Global Step and Plank Challenge:** We organised a company-wide Global Plank Challenge and Global Step Challenge, with progress tracking and live leaderboards to build motivation. We tailored the rewards based on various demographics, which were designed to encourage participation and foster camaraderie.

**Train your mind for peak performance:** Sessions with prominent sports personalities to be inspired and imbibe the qualities of resilience, equanimity, and discipline.

### Employee incentives\*

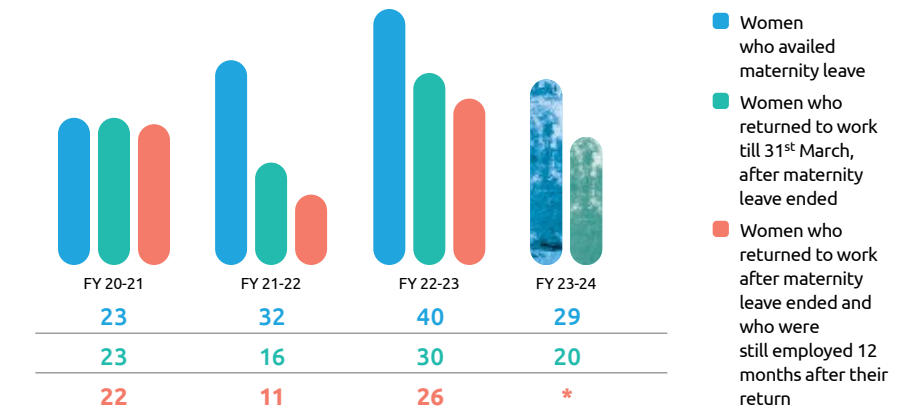
We implemented an ESOPs plan in the year 2021-22. The aim of the plan is to motivate, retain, and attract key employees through a performance-based stock option programme, improve shareholder value, instil a sense of ownership among employees, in addition to offering a tool for wealth creation that aligns medium and long-term compensation with our performance.

### Diversity and inclusion ▲

At Asian Paints, Inclusion, Equity, and Diversity (IED) shape our work environment, and encourage our employees to openly share their thoughts and perspectives. This fosters creativity and innovation that ultimately benefits our diverse customer base. Aligned with our IED commitment, we aim to improve inclusion, engagement, and employee well-being, setting representation targets for women, individuals with disabilities, and other gender identities.



### Women employees who availed maternity leave and resumed work\*



#### Notes:

- All employees are entitled to avail parental leave.
- During the year, 29 female employees took maternity leave, of which 20 returned to work till 31<sup>st</sup> March 2024 after their leave ended.
- Of these, the number of male and female employees who would still be employed with our Company, 12 months after their return, would be assessed in the year 2024-25.
- During the year 2023-24, 442 male employees took paternity leave out of which as of 31<sup>st</sup> March 2024, 440 male employees are still employed with the organisation.
- The return to work rate for both male and female employees is 100% during the year 2023-24.
- The retention rate for male employees is 89% and female employees is 87% during the year 2023-24.
- 370 male employees returned to work in the reporting period after their leave ended and who were still employed 12 months after their return.

### Asian Paints IED Vision

Being a progressive world-class organisation, we have created a psychologically safe and inclusive environment which champions diversity in capability and thought leadership.

### Building a future-ready and diverse talent pool

We aim to recruit, retain, and nurture talented individuals from diverse backgrounds. Our workplaces foster an open, supportive, and inclusive atmosphere. We are committed to being an equal opportunity employer, devoid of discrimination based on gender, race, religion, caste, creed, or other such criteria. Moreover, we prioritise compensation linked to performance.

### Encouraging empathy

During the year, there was an enhanced focus on sensitising our employees on IED. We covered 57% of managerial cadre and 39% of executives through various sensitisation initiatives across various departments.

We have initiated efforts to share our work in the Décor Inclusion space with communities through collaboration with St+art India in Elle Décor magazine. For the first time ever, we have also hired 12 Persons with Disabilities (PwDs) across various locations, with 6 in plant locations and the remainder in central functions. We have ensured basic accessible infrastructure such as ramps and railings to facilitate their mobility and access. Furthermore, we have initiated a website accessibility audit to ensure our website is accessible for PwDs.

We became a proud member of EPIC (Equal Pay International Council). We are glad to be the first organisation from India to join this esteemed coalition led by the International Labour Organisation (ILO), UN Women, and the OECD. This is a significant stride in line with our charter promise on IED.

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

\*GRI 401-3: Parental leave



## Synergising relationships

### Specific sensitisation initiatives launched in FY 2023-24

- **IED e-Module launched:** We created an e-module on IED that covered the vision of Asian Paints on IED. It also aimed to give our employees an understanding of IEDs through practical scenarios at the workplace.
- **Celebrating Pride Month:** We have built a culture of inclusion where we celebrate the uniqueness of all our employees. In June 2023, we celebrated Inclusion Month with various sensitisation sessions on IED across different locations.
- **Awareness and sensitisation of IED:** We have sensitised over 3,000 employees through sessions held across locations. Additionally, we have conducted activities aimed at building empathy within our workforce.
- **Immersive theatre-based session on navigating unconscious biases:** Sessions with immersive learning experience using different theatre techniques helped participants reflect and share their experiences of inclusion and exclusion and how they can navigate their biases.

- **Disability Inclusion Month:** We conducted sensitisation sessions using empathy-building games, allowing participants to experience the challenges faced by Persons with Disabilities (PwDs) and understand their perspectives better, leading to a more inclusive environment.
- **Inclusion stories series:** We launched the series with leaders sharing what inclusion means to them, their experiences of inclusion and exclusion, inclusive behaviours they practice with their teams, and how managers can create an inclusive culture for their teams. We released 22 such inclusion stories that garnered more than 21,000 views on our internal platform Yammer.

#### CASE STUDY

### Harmony in diversity

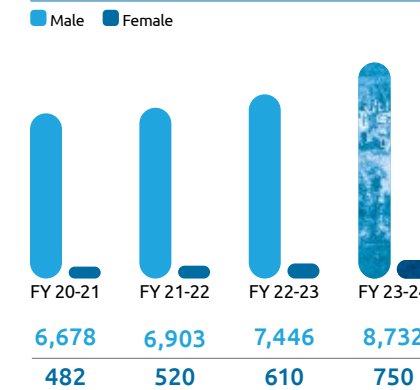
We launched our Transgender Internship Programme with a batch of 9 interns across different locations in sales and marketing, and manufacturing. To facilitate a smooth transition, we conducted sensitisation and onboarding calls with the managers across these locations.

### United by purpose

Embarking on the path of becoming an inspired and purpose driven ONE team, our Collaboration Index survey measures the charter values of 'Standing for Each Other's Success' and 'Integrity'. The survey, applicable to Senior Managers and above, as well as identified managers across Asian Paints, including Group companies, bolsters our capacity to collaborate effectively across diverse functions horizontally.

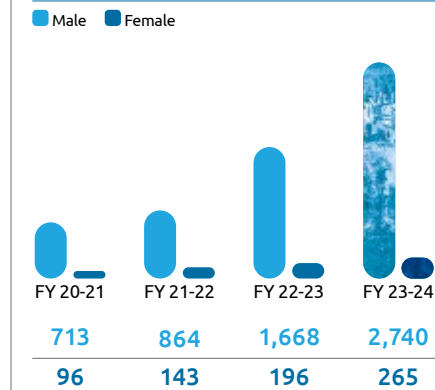
## Employee snapshot\*

### Total employees by gender



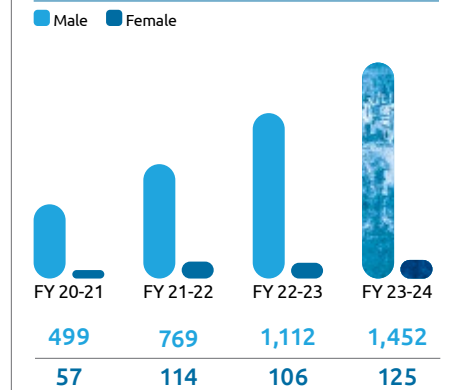
Includes one transgender person

### New hires by gender



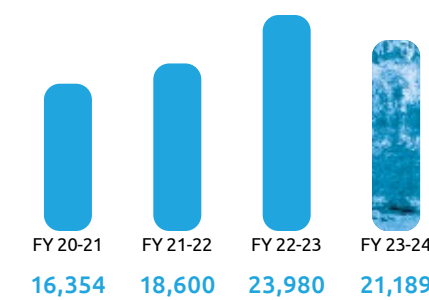
Hire rate by gender for FY 2023-24: Male - 33.9% and Female - 38.9%.

### Employee attrition by gender

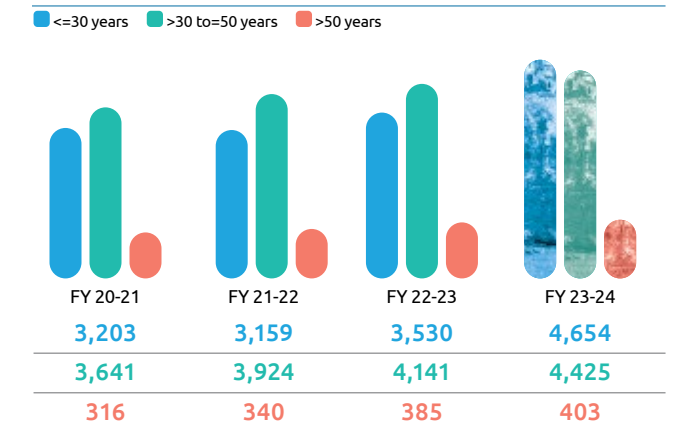


Attrition rate by gender for FY 2023-24: Male - 18% and Female - 18.4%

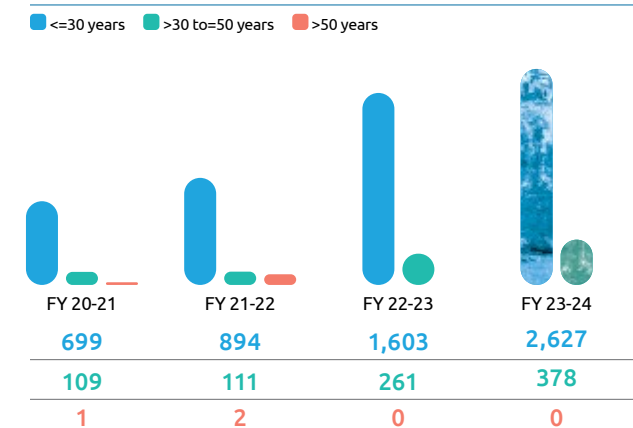
### Total temporary and contractual employees #



### Total employees by age

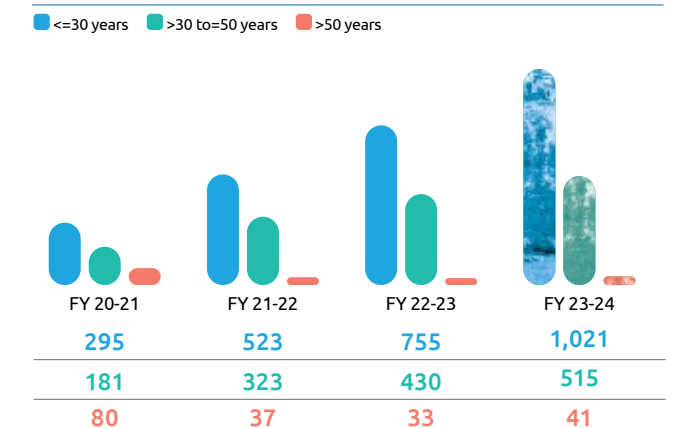


### New hires by age



Hire rate by age group for FY 2023-24: <=30 years - 64.2%, >30 to=50 years - 8.8%, >50 years - 0%

### Employee attrition by age



Attrition rate by age group for FY 2023-24: <=30 years - 25%, >30 to=50 years - 12%, >50 years - 10.4%

\*GRI 2-7: Employees #GRI 2-8: Workers who are not employees

\*GRI 401-1: New employees hires and employee turnover #GRI 405-1: Diversity of employees



## Synergising relationships

### Total employees per category by gender

Category	Male	Female	TOTAL
Senior Management	16	1	17
Middle Management	316	25	341
Junior Management	1,043	214	1,257
Staff	5,685	504	6,189
Workers	1,672	6	1,678

### Total employees per category by age

Category	<=30 YEARS	>30 TO=50 YEARS	>50 YEARS	TOTAL
Senior Management	0	8	9	17
Middle Management	4	295	42	341
Junior Management	427	804	26	1,257
Staff	4,042	2,091	56	6,189
Workers	181	1,227	270	1,678

### Total employees per category by age and gender

Category	<=30 years	>30 to=50 years	>50 years
Senior Management (Male: 94.1%; Female: 5.9%)	0	47.1	52.9
Middle Management (Male: 92.7%; Female: 7.3%)	1.2	86.5	12.3
Junior Management (Male: 83%; Female: 17%)	34.0	64.0	2.1
Staff (Male: 91.9%; Female: 8.1%)	65.3	33.8	0.9
Workers (Male: 99.6%; Female: 0.4%)	10.8	73.1	16.1

\*GRI 2-23: Policy commitments

\*GRI 408-1: Operations and suppliers at significant risk for incidents of child labor

\*GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor

#GRI 2-30: Collective bargaining agreements

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

#GRI 402-1: Minimum notice periods regarding operational changes

## Human rights\*

Our Code of Conduct (CoC) for employees is founded on the human rights principles, prohibiting forced and child labour and discrimination. Regular training sessions ensure alignment with these values, and our stance on human rights is publicly available on our website at [www.asianpaints.com](http://www.asianpaints.com). We have a robust Policy on Prevention of Sexual Harassment at Workplace, backed by an Internal Complaints Committee. Furthermore, our Environment Policy, Health and Safety Policy emphasises the importance of employee well-being and safety, demonstrating our dedication to adhering to human rights principles within our Company.

## Collective bargaining#

We respect our employees' rights to association and civic engagement within legal boundaries, creating open communication channels and constructive dialogue with representatives to address concerns. Our trade unions across manufacturing plants facilitate collective bargaining, harmony, and operational continuity. Through transparent collective bargaining, productivity and wage settlements are negotiated with unions for agreed periods, with a minimum 21-day notice provided for changes affecting unionised employees' conditions or rights.

We generally engage with employee unions every three years or as per settlement period. Our management engages with plant union representatives beforehand to establish an understanding of finances and wage-productivity linkage. Several discussions focused towards operational flexibility and manufacturing excellence boost worker involvement, ensuring both parties enter negotiations with shared objectives and principles.

## Safe workplace

### Management approach\*

At Asian Paints, we strive to set the global standard for safety in the coatings industry and provide a healthy and safe work environment for our people. Our Occupational Health and Safety (OHS) system is built upon a robust foundation of protocols and comprehensive training and awareness programmes. It prioritises prevention, intervention, and cooperation to ensure a safe workspace. Adopting a holistic approach, in the medium term, we aim to invest in innovative technologies and efficient processes to reduce the risks and hazards linked to manual interactions with machinery.

The Vyansamadhanam initiative introduced by our management embodies the motto of "Commitment towards life and breath".



Through the adoption of innovative and cutting-edge technologies, we have pioneered advancements, setting a high standard for safety practices and environmentally responsible waste management system on a global scale.

All Asian Paints' plants are ISO 45001 certified with our 8 decorative paint manufacturing plants being British Safety Council (BSC) five-star certified.

### POLICIES

Health and Safety Policy

\*GRI 403-1: Occupational health and safety management system

Metric	Performance FY 2023-24	Target 2025	Target 2030
Total Recordable Frequency Rate (TRFR)	1.39	</=0.98	To sustain as global benchmark in safety
Total Severity Rate (TSR)	231.09	</=150	
Tier-1 process safety incidents	2	</=3	

## Safety at every step

We are at the forefront of implementing advanced technological solutions to minimise human interaction with machines, ultimately enhancing process efficiency and safety.

- At the design stage, a Hazard and Operability (HAZOP) study is conducted to decide the configuration of manufacturing equipment.
- Manufacturing of paints and intermediates is done through an automated process with a Distributed Control System (DCS).

- All solvent and monomer tanks have two independent controls to prevent overfilling of materials and all solid raw materials are transferred to paint processing equipment through a pneumatic conveying system.
- Automated system of packing lines of paints, transportation, and sorting of packing material.
- Robots are employed for palletising paint containers.





## Synergising relationships

### Putting our employees first<sup>\*^</sup>

We ensure the well-being and safety of our workforce through our OHS framework. This framework includes periodic assessments of potential health risks conducted by an industrial hygienist every three years to identify and mitigate hazards within our plant premises. Weekly monitoring of Volatile Organic Compound (VOC) emissions and fortnightly sampling for Respirable Suspended Particulate Matter (RSPM) are carried out at selected locations. These samples undergo analysis by accredited external labs. Additionally, ventilation studies are conducted biennially or in response to any changes in design or processes by qualified professionals across all our plant areas to maintain a safe working environment.

### Emergency Response Plan (ERP)

We have an ERP in place across our facilities to handle unexpected incidents. Our Emergency Response Team comprises specialists in distinct roles, including the Site Main Controller, Incident Controller, Fire Fighting Team, First Aiders, Communications Team, and Power and Utility Teams. Each member is assigned specific duties and tasks

To ensure best practices at our plants, in addition to statutory audits, we undertake:

- Non-statutory safety inspections by plant personnel at various frequencies
- British Safety Council five-star certification audit once every three years
- ISO 45001 Management system surveillance audits

to address emergencies efficiently and effectively. To ensure swift action, we release an updated list of regulatory agencies and local hospitals with relevant contact information. The effectiveness of our plan is assessed via mock drills that are conducted every six months.

### Safety monitoring mechanism<sup>#</sup>

Our OHS framework is structured to identify work-related hazards through Hazard Identification and Risk Assessment (HIRA), process safety hazards via Bow-tie Analysis, HAZOP, Quantitative Risk Assessment (QRA), fire risks through Fire Risk Assessment, and manual material handling through Manual Material Handling Risk Assessment.

Additionally, we have rolled out a robust incident reporting portal called 'iSafe' across all our manufacturing plants. In the event of an incident, a dedicated investigation team promptly assembles at the respective plant. Using methodologies like the 5-Why Analysis and Fishbone diagrams, they meticulously analyse the incident to determine the probable causes.

The findings, potential causes, and corrective and preventive Actions (CAPA) undergo discussion at various levels within our Company. These insights are then disseminated across all plants, fostering a culture of shared learning. Furthermore, incident reports along with the CAPA are presented to the Board of Directors every quarter.

### Strengthening warehouse safety

To guarantee maximum safety across all our warehouses, we focus on electrical and fire safety regulations, effective man-machine interface protocols, and proper maintenance of material handling equipment, racking systems, and visual management standards, in addition to adhering to the basic requirements and statutory norms.

Furthermore, we address electrical audit observations and develop a comprehensive manual for standard warehouse amenities. We have also introduced engineering innovations such as forklift cameras to enhance safety and efficiency.

Completed electrical and fire safety audits in 63 Sales Depots



### Building a culture of safety

Asian Paints has extended diverse training programmes to its employees and their families, including digitalised and gamified modules to build upon our existing safety culture. Through initiatives like presentations, newsletters and booklets, and toolbox talks, we have strengthened our efforts in the area of safety awareness. In FY 2023-24, we launched WING (Workplace Insight for Nurturing Growth) which focused on legal frameworks and ensuring collaborative learning.

### Health and Safety (H&S) Hour at the Khandala plant

Safety Hour is a vital platform that is embraced by everyone in Khandala plant, wherein production is halted for an hour for discussions on H&S. These sessions are a prime example of a bottom-up approach, facilitated by contractors, to foster a culture that allows open conversations about safety and well-being.

The minutes of these sessions are shared in the local language, and each meeting addresses the closure of previously identified problems, status updates on action items, and their resolutions.



Mock drill being performed at Khandala Plant

#### CASE STUDY

### Leading the way

Our leadership team spearheaded a health and safety initiative with the 'Vyansamadhanam Saga by Leaders' video series. Through personal anecdotes and insights, leaders passionately endorsed safety, sparking discussion and reflections on how safety is an integral part of daily life. This series marks a pivotal step in transitioning safety from a directive to a shared value embedded in our organisational DNA.

**1,000+**  
Impressions on every video on Yammer

#### CASE STUDY

### Rethinking workflows

Having identified that a significant portion of our workforce engages in man-machine interactions (MMI) within the FG block at our Visakhapatnam plant, we initiated a layout study of the area and made a strategic adjustment to the area, leading to a reduction in our MMI risk by 79%.

#### CASE STUDY

### Passport to safety: Contractor Training Passport System (CTPS)

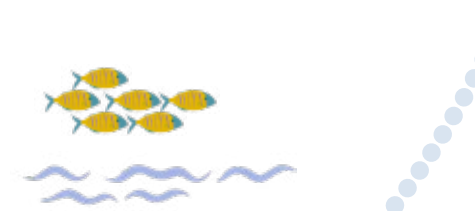
Our contractors handle hazardous chemicals in paint manufacturing, necessitating competency building and effective management. Inspired by passport systems we developed the Contractor Training Passport System (CTPS) for our Khandala facility. The CTPS involves identifying contractors, phased training in local languages, issuing colour-coded passports based on risk levels, integration with work permits, and mandatory firefighting training. We ensure continuous capability building through regular refresher training and integration with re-induction processes. This system has ensured that 100% of our contractors undergo job-specific training, **earning us Gold recognition in the Confederation of Indian Industry (CII).**

**100%**  
Contractors undergo job-specific safety training

<sup>\*</sup>GRI 403-2: Hazard identification, risk assessment, and incident investigation    <sup>^</sup>GRI 403-3: Occupational health services

<sup>#</sup>GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships





## Synergising relationships

### Our Behaviour-Based Safety journey

Acknowledging the profound impact of individual attitudes and behaviours on safety, we have undertaken a comprehensive journey into Behaviour-Based Safety (BBS) across all our decorative plants. By addressing individual behaviours that could result in risks and striving to achieve a generative level of cultural maturity, BBS encourages us to cultivate a culture of mutual reliance that goes beyond the workplace.



● Nukkad Natak performed at Kasna plant to create safety related awareness

### Benchmarking safety culture at each plant

Plant	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
ANKLESHWAR	📍		📍				📍		📍	📍	📍
PATANCHERU			📍		📍			📍	📍	📍	📍
KASNA								📍	📍	📍	📍
SRIPERUMBUDUR					📍			📍	📍	📍	📍
ROHTAK					📍				📍	📍	📍
KHANDALA					📍			📍	📍	📍	📍
MYSURU								📍	📍	📍	📍
VISAKHAPATNAM								📍	📍	📍	📍

📍 Chaotic   📍 Reactive   📍 Calculative   📍 Proactive   📍 Generative

## Technology: Enhancing health and safety

### CASE STUDY

#### Pioneering IoT integration

To accelerate our journey towards digitalisation, we have taken a significant step forward by integrating IoT (Internet of Things) technology. This advancement has resulted in the development of a pioneering system that operates swiftly and responds proactively to critical process safety interlocks. With this technology, we are able to detect and notify real-time deviations in critical process safety interlocks, enabling us to take proactive steps to prevent any unforeseen failures that could result in process safety incidents.

#### Key outcomes of the project

**Detects process safety incidents and Tier-3 process safety near-misses**

**Detects deviation log whenever necessary**

**Provides alerts and mail notification information when an abnormality is detected**

### CASE STUDY

#### Management of Change (MOC) Industry Operating Systems (OS) at Kasna Plant

During the year, we implemented MOC with Industry OS. It uses iLOL™ (Information Layered over Layout) a cutting-edge technology for digitalising assets and floor layouts along with MOC workflow. This initiative involved the creation of a digital twin of their plant, all information, specification and process linked to the equipment is digitalised. It created numerous advantages in approving any change request:

#### Streamlined Change Management

All process and equipment details are readily available during the change request and approval stages. This accessibility allows users to expedite the change management process, thereby enhancing operational agility and ensuring informed decision-making for MOC approval.

#### Enhanced Change Control

All modifications undergo thorough scrutiny and approval, preventing unauthorised alterations. If there are changes in specifications, the system seamlessly executes a Like-to-Like (Replacement in Kind) change.





## Synergising relationships

### CASE STUDY

#### AutoBeacon 2.0: Safety on the go

Safety incidents are closely monitored as part of our Total Recordable Frequency Rate (TRFR) and Total Severity Rate (TSR) metrics.

Last year, we introduced AutoBeacon – a pioneering road safety mobile app designed to enhance awareness, send prompt alert to relevant parties, and facilitate immediate corrective actions among our employees.

During this year, we enhanced the app with new features:

- Enhanced real-time driving alerts with voice and vibration
- Hindi language support
- Reminders for expiry of important driving documents (Vehicle Registration, Insurance, Driving License, PUC)
- SMS to emergency contact in case of detection of a potential crash

- Real-time voice alert in case of entry into accident prone area
- Improved over-speeding threshold in case of highways and expressways

**1,500+**  
Active users of AutoBeacon

### Awards and recognition

We are honoured to have received numerous awards for our exceptional focus on safety, and this tradition of excellence continues this year as well.

- Rohtak, Visakhapatnam, and Mysuru plants recognised with 'Sword of Honour' for demonstrating excellence in health and safety standards by the British Safety Council
- Rohtak plant won three national awards during the second edition of CII – in Electrical Safety, Power, Quality and Reliability
- Visakhapatnam plant awarded with Global Safety Awards 2023 in platinum category
- Ankleshwar recognised with a platinum award in 2<sup>nd</sup> National HR Conclave by Quality Circle Forum of India



### Keeping track of safety

Metric	FY 2022-23	FY 2023-24
Recordable Work Injury <sup>A</sup>	60	63
Fatalities <sup>A</sup>	0	3
LTI <sup>A</sup>	30	30
LTIFR <sup>A</sup>	0.43	0.40
Severity Rate <sup>A</sup>	10.22	252.60
Frequency Severity Index <sup>A</sup>	0.0021	0.0101
Manhours Worked <sup>A</sup>	69,750,725	74,985,112

LTI: Lost Time Injury

LTIFR: Lost Time Injury Frequency Rate

Recordable work related ill health is Nil for the years aforesaid<sup>^</sup>. We are taking various preventive and mitigation measures to reduce occupational health and safety impacts such as quantitative risk assessment for manufacturing operations<sup>#</sup>.

- 1) The details of safety related incidents include all the locations.
- 2) The lost time injury details for manufacturing locations and R&T Centre, is as per the criteria defined in Factories Act, 1948. For non-manufacturing locations, where Factories Act, 1948 is not applicable, man days lost >= 2 has been considered.
- 3) The fatalities pertain to road accidents during on duty travel.

## Proactive engagement and response towards stakeholders

### Value chain partners

We are committed to conducting business with integrity, fairness, and legality, while also prioritising social and environmental responsibility. We acknowledge the significance of our business partners within our ecosystem and encourage them to adhere to similar standards of corporate citizenship. To highlight our areas of priority such as business ethics, human rights, labour practices, and environmental stewardship, we have developed a Code of Conduct specifically tailored for our business partners.

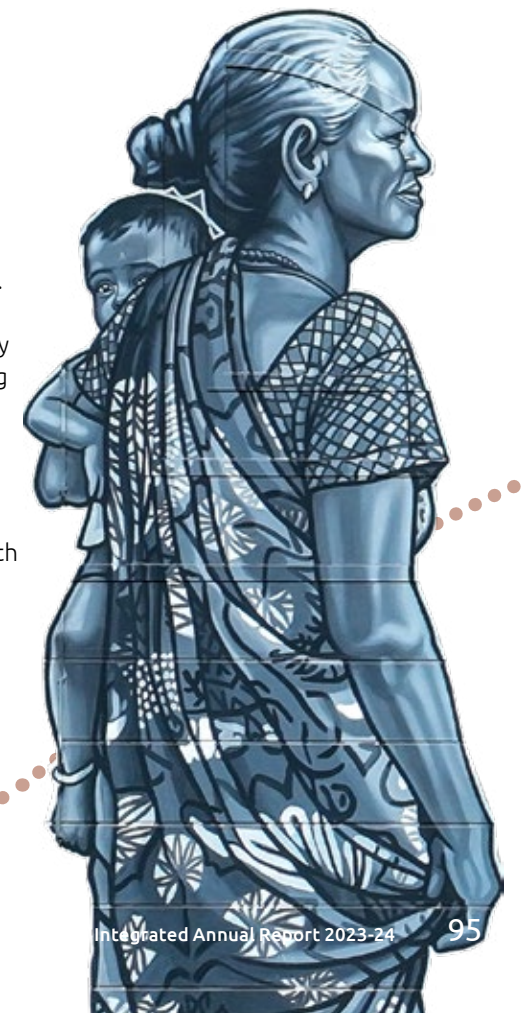
Please read more about supplier initiatives [+ Pg. 117](#)

### Government and regulatory bodies

We align with national and international priorities, engaging in multi-stakeholder dialogues and responding to public consultations. As industry leaders, we robustly identify and comply with regulatory requirements, actively participating in discussions with government bodies through industry associations to bridge policy and implementation gaps.

Read about key engaging issues with the government in FY 2023-24 on

[+ Pg. 42](#)



<sup>^</sup>GRI 403-9: Work related injuries

<sup>#</sup>GRI 403-10: Work related ill health



# Governance

Our corporate governance philosophy is the bedrock of our ethical and resilient Company, enabling our continued leadership. Through good governance, we arrive at effective decision-making that are aligned with our values.

## FY 2023-24 highlights

5 out of 6

Committees chaired by Independent Director

7 out of 13

Directors as of 31st March 2024 were Independent

42.5%

Time spent by the Board of Directors on matters of strategic importance

100%

Of our new suppliers are screened based on our Environmental and Social criteria\*

\*GRI 308-1: New suppliers that were screened using environmental criteria

\*GRI 414-1: New suppliers that were screened using social criteria

## ESG strategy

World-class governance

Ethics, transparency, quality and accountability

Sustainable supply chain management

## Key material topics

- Business Ethics and Corporate Governance
- Organisation Resilience
- Policy Advocacy
- Anti-competitive Behaviour
- Anti-corruption and Anti-bribery
- Responsible Supply Chain
- Financial Performance

## SDGs impacted



## Stakeholders impacted

- Customers
- Employees
- Investors
- Communities
- Vendors
- Government and regulatory bodies
- Influencers

## CASE STUDY

### Code of Conduct Compass – Make the wise choice



The Code of Conduct (CoC) Campaign at Asian Paints is designed to embed ethical practices into our corporate culture. Through awareness, we promote an ethical environment, and ensure compliance, with an aim to uphold our reputation as a responsible and trustworthy organisation. This campaign is a testament to our unwavering commitment to integrity and excellence in all our endeavours.

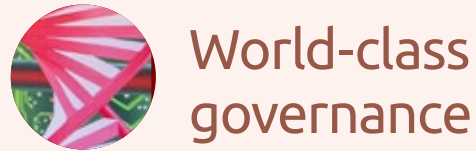
- CoC training for all employees via e-learning modules, workshops and sessions
- Regular updates through newsletters to keep ethical conduct top of the mind
- Posters and signage across Company locations to remind employees of key principles
- Robust feedback mechanism allowing employees to ask questions and report concerns anonymously
- CoC Awareness Week was conducted to sensitise employees

91.8%

Employees completed the CoC training in FY 2023-24



## Governance



World-class governance

### Management approach

Governance at Asian Paints is based on robust systems and processes that encourage collaboration and partnership to achieve high levels of sustainability, transparency and ethics. Our management approach goes beyond the prescribed regulatory requirements, embodying the highest standards of corporate governance principles. Corporate governance is upheld through strong Board governance processes, internal control systems, and stringent audit mechanisms. These principles are detailed in our governance policies, Codes of Conduct, charters of Board Committees, disclosures and reporting procedures.

#### 2025 TARGET

Committed to achieving best-in-class governance as rated by investors and third-party governance firms

### ESG Scores - Leading governance rating agencies

#### S&P Global Sustainability Yearbook 2024

An "Industry Mover (IM)" as per S&P Global Sustainability Yearbook - 2024 rankings, our Company ranked # 2 in Chemical industries in India and in top 30 companies globally.

IM

#### ISS Scorecard

We moved to "Leadership" score (1) in the Institutional Shareholder Services scorecard.

1

#### CDP Climate Change Score

We have been upgraded to the "Leadership (A-)" category from the Management (B).

A-

#### MSCI ESG Ratings

We have sustained "AA ESG rating (Leader)" for three consecutive years.

AA

### Recognitions

#### Best Governed Company in Listed Segment - Large Category

The Institute of Company Secretaries of India (ICSI) honoured our Company with the 23<sup>rd</sup> ICSI National Awards for 'Excellence in Corporate Governance' in 2023.

#### India's Best Annual Report Awards 2023

The Free Press Journal, in partnership with CareEdge Analytical Group, honoured our Company for excellence, clarity, and transparency in its Annual Report, in the paints category.

#### Silver Award

The Institute of Chartered Accountants of India (ICAI) awarded our Company with the ICAI Sustainability Reporting Awards 2022-23.

#### Excellence in Corporate Governance

Our Company was awarded with the 'Golden Peacock' Award by the Institute of Directors for 'Excellence in Corporate Governance - 2023' in the paints category.



## Corporate Governance at Asian Paints

Governance at Asian Paints is built on pillars of a holistic Governance structure, Board effectiveness and implementing the best practices across the group through Group Governance.

Governance structure

Board effectiveness

Group governance

### Governance structure<sup>\*^</sup>

Our governance structure plays a crucial role in shaping the decision-making process, ensuring that it is aligned with our strategic objectives and the interests of all the stakeholders.

Shareholders	
<b>Board of Directors<sup>@</sup></b> Our experienced and diverse directors provide astute oversight, rigorous counsel and an independent examination in integrated thinking.  The Board establishes and steers strategic direction, oversees and monitors performance, manages risk, and ensures accountability and compliance with policies.  Read more about our Board of Directors on <a href="#">+ Pg. 221</a>	<b>Auditors</b> Comprises Statutory Auditors, Secretarial Auditors, Cost Auditors and Internal Auditors.  Our Company also engages with external agencies to carry out due diligence and review on an assignment basis.  Read more about our Auditors on <a href="#">+ Pg. 186</a>

Board Committees
Our six Board Committees play a significant role in the governance structure. These Committees oversee specialised areas of operations and provide recommendations based on expertise. Committee Chairpersons relays relevant matters to the other Board Committees as required and provides updates on Committee activities to the Board at its meeting.  Read more about our Board Committees on <a href="#">+ Pg. 229</a>

<b>Audit Committee (AC)</b>	<b>Nomination and Remuneration Committee (NRC)</b>	<b>Corporate Social Responsibility Committee (CSRC)</b>
<b>Risk Management Committee (RMC)</b>	<b>Stakeholders Relationship Committee (SRC)</b>	<b>Investment Committee (IC)</b>
Management	One Link	Employees
<ul style="list-style-type: none"> <li>Responsible for the day-to-day management and implementation of policies and procedures</li> <li>Appropriately empowered to execute the strategy</li> </ul>	<ul style="list-style-type: none"> <li>The One Link comprises of the General Managers, Associate Vice Presidents, Vice Presidents, Senior Vice Presidents, Presidents and the Managing Director &amp; CEO. The Managing Director &amp; CEO leads One Link</li> <li>Spearheads transformation initiatives that ignite change</li> </ul>	<ul style="list-style-type: none"> <li>Responsible for working to deliver on our Purpose, whilst adhering to the standards of behaviour set out in our values and CoC</li> </ul>

<sup>^</sup>as on 31<sup>st</sup> March 2024

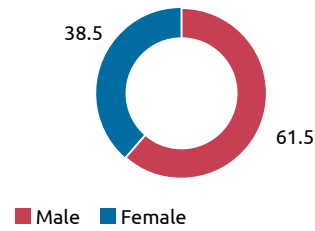
<sup>\*</sup>GRI 2-9: Governance structure and composition <sup>@</sup>GRI 2-13: Delegation of responsibility for managing impacts



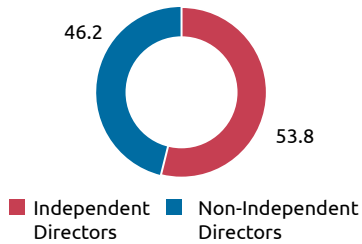
# Governance

## Board Statistics (%)^

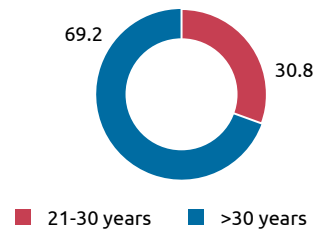
### Diversity#



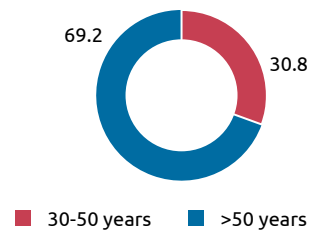
### Independence



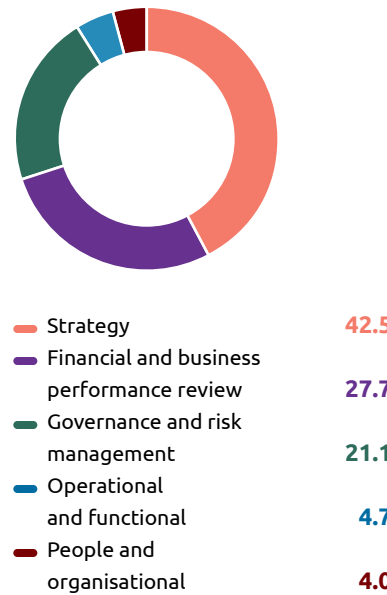
### Experience



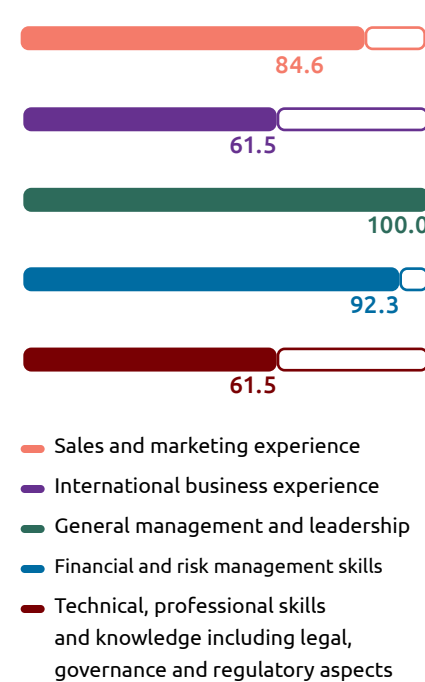
### Age profile



### Insight into Board discussions (%)



### Expertise of our Board members (%)



**5 years**  
Average tenure of Board of Directors@

**Our Company is led by an Independent Non-Executive Chairman\$**

### Board committee membership

Committee	Members	Independent Directors
Audit Committee*	5	5
Nomination and Remuneration Committee*	3	2
Corporate Social Responsibility Committee^	4	1
Risk Management Committee*	6	3
Stakeholders Relationship Committee*	3	1
Investment Committee*	7	3

\* Chaired by Independent Director

^ Chaired by Non-Executive Director

## Board effectiveness^

NRC has developed a structured assessment process for Board evaluation. The process has been designed to measure the effectiveness of the Board by evaluating the functioning of the Board, its Committees, and individual Directors annually. We believe that the collective effectiveness of the Board significantly impacts our performance.

Therefore, the Board performance is closely assessed based on the roles and responsibilities outlined in the statute and our Company's policy.

Once in every three years, an externally facilitated independent evaluation is carried out under the guidance of NRC.

The Board evaluation process provides an opportunity to identify greater efficiencies, maximise strengths, and highlight areas of further development to enable the Board to continually improve its performance and effectiveness.

Read more about the criteria for the evaluation, outcomes thereto and the action plan in our Report of Corporate Governance on [Pg. 235](#)

### Cross-functional expertise for Board effectiveness

Corporate governance is most effective with the overlap of members across committees. This ensures effective bifurcation of responsibilities, consistency and alignment of strategies, goals, and decisions across different areas of our Company. It facilitates transparency, holistic decision-making, and promotes integration and collaboration within our Company.

Name of the Committees	Shared members with other Committees	Name of the overlapping Committees
AC	✓	NRC, RMC, SRC, CSRC, IC
NRC	✓	AC, IC
CSRC	✓	IC, SRC, AC, RMC
RMC	✓	AC, SRC, CSRC
SRC	✓	AC, RMC, CSRC
IC	✓	AC, CSRC, NRC

The CFO and Company Secretary acts as the Secretary to all the Committees of the Board of Directors.

### Double Focus on Materiality in ESG

Shared members between RMC and SRC ensure that our ESG issues are addressed with a focus on both internal risk management and external stakeholder relationships in an integrated manner.

### Additional Oversight in the area of Risk

Shared members between RMC and AC ensure that AC has additional oversight of financial risk and controls. This ensures efficient communication, coordination for risk management, leading to streamlined processes and enhanced organisational performance.

### Familiarisation Programme

Our Familiarisation Programme is extended to Independent and Non-Executive Directors, covering business strategy plans for the entire Group, as well as legal and regulatory updates.

The programmes, conducted from time to time, aim to provide an understanding of the business and its operations, business strategies, management structure, risk management framework, and the regulatory environment.

Directors are encouraged to engage in professional programmes to stay abreast of legal amendments and regulatory changes. In addition, they are continually familiarised with our Company's performance, risk management, HR processes, IT, CSR, safety, sustainability, and governance initiatives, and more.

This year an external session on cybersecurity awareness was conducted.

[Click here to know more](#)

^as on 31<sup>st</sup> March 2024

@GRI 2-9: Governance structure and composition

\$GRI 2-11: Chair of the highest governance body

#GRI 405-1: Diversity of governance bodies

^GRI 2-18: Evaluation of the performance of the highest governance body



## Governance

### Policies and position statements

Our business policies and position statements are aligned with the Group's overarching values and principles. We empower our employees to comprehend and apply these policies effectively, enabling them to achieve and establish new benchmarks. Our policies provide guidance and clarity on expected behaviour for stakeholders and encourages ethical decision-making and responsible business practices.

The policies are adopted post-approval by the Board of Directors or Managing Director & CEO. Further, these policies are communicated to the relevant stakeholders and periodic awareness sessions are carried out to ensure understanding and sensitivity among all involved.

Our CoC serves as a guiding framework and ensures adherence to legal, regulatory, and internal standards. It also encourages ethical decision-making and provides clarity on expected behaviour from stakeholders and promotes responsible business practices. The policies delineate procedures for disciplinary actions, when necessary, ultimately upholding integrity and accountability within our Company.

### Nomination and Remuneration Policy<sup>§</sup>

Our Nomination and Remuneration Policy ensures that our personnel have the required resources and advanced capabilities needed to support our ambitions and are recognised and rewarded fairly for their performance and the value they create for our stakeholders.

#### Key objectives of our Nomination and Remuneration Policy and broad responsibilities of our NRC

##### Board membership

- Formulate the criteria for appointing Director
- Identify people as potential candidates who are qualified to be Directors
- Nominate candidates for approval of the Board

##### Performance evaluation

Determine a process for effective evaluation of performance of the Board, its Committees and individual Directors

##### Appointment of senior management

Approve the appointment for Senior Management positions

### Remuneration of Directors, Senior Management and Employees

- Review the executive compensation
- Determine the remuneration payable to the Non-Executive Directors
- Review the performance of the Senior Management
- Review the remuneration structure for Company employees

#### Administrator to Employee Stock Option Plan

Plays the role of the Compensation Committee and administers our Company's ESOP Plan

#### Succession planning

NRC assesses the policy for succession planning and oversees the development of a diverse pipeline for succession of both Board members and Senior Management

#### Policy Advocacy

We engage with governments and regulators in public policy discussions directly and through institutional bodies to share our views and the perspectives of our stakeholders on issues relevant to our business. We perform the function of policy advocacy in a transparent and responsible manner.

### Legal and regulatory requirements

Compliance forms the foundation of our operations and we prioritise all legal and regulatory obligations, ensuring strict adherence, both in letter and spirit. Our experienced team of legal and regulatory professionals help us establish and maintain best practices across our global operations. The teams monitor the relevant laws and their updates, conducts risk assessments, formulates internal policies, provides training, reviews contracts, investigates incidents, collaborates with external experts, and reports to our Company's leadership.

Timely compliance is a priority, and it is crucial to us that every employee understands and complies with our policies and all relevant and applicable legal requirements. We also adopt the latest technology to ensure and facilitate streamlined compliance processes. This helps us adhere to product safety standards, environmental regulations, antitrust laws, data privacy rules, intellectual property protection, maintenance of unpublished and confidential information, and labour laws, among others.

### ESG Governance\*

The Board of Directors of our Company has developed ESG framework of our Company and laid down ESG strategies and targets. The Board has empowered the SRC to provide direction to the management and exercise oversight on the implementation of targets committed under ESG and reviews our Company's progress and performance on its long term targets.

Further, the Board has empowered the RMC to evaluate ESG risks (including climate related risks and opportunities) along with mitigation strategies.

The Managing Director & CEO and One Link is responsible in implementing ESG objectives and ESG risk mitigation strategies. The Management along with relevant Business teams, Sustainability team and Functional heads executes, monitors and reports these targets.

### Group Governance

At Asian Paints, we have well-defined governance structure embedded across the Group. We serve as an interconnected entity within a corporate ecosystem.

#### Extending policies to group companies

Several of our policies extend to the Group company level, aligning our goals across the Group. The extension reinforces oversight and fosters better governance practices within each Group company, ensuring transparency, accountability, and ethical practices.

The following policies are extended to our Group companies and are adopted by them to the extent relevant:

- Whistle Blower Policy
- Code of Conduct for employees
- Code of Conduct for business partners
- Policy on engagement of Statutory Auditors
- Communications and Social Media Policy
- Environment Policy
- Health and Safety Policy
- Policy on equal opportunity and non-discrimination

### Oversight measures

The Audit Committee reviews the performance of the Group companies and consolidated financial results, including investments made by unlisted subsidiaries. Additionally, it conducts review of the consolidated financial statements. The Committee also reviews related party transactions entered into by the subsidiaries as per applicable laws. Any significant transactions and arrangements entered by unlisted subsidiaries are periodically brought to the attention of the Audit Committee and the Board of Directors.

We do not have any material subsidiary companies. Further, the synopsis of the minutes of the Board meetings of our subsidiary companies is presented at our Company's Board meetings every quarter. These minutes are also made accessible to Directors through a secured web-based platform.

### During the year, the following Policies were reviewed and revised to align with amendments in laws, evolving practices and with leading industry practices:

- Nomination and Remuneration Policy
- Environment Policy
- Policy for Determination of Materiality of Events/Information
- Code of Conduct for Employees
- Code of Conduct for Board Members and Senior Management Personnel
- Communications and Social Media Policy\*
- Investors' Grievances Redressal Policy

To know more about our Policies, please click here

To know more about our Position Statements, please click here

\* This policy is not available in public domain.

<sup>§</sup>GRI 2-10: Nomination and selection of the highest governance body <sup>§</sup>GRI 2-19: Remuneration policies <sup>§</sup>GRI 2-20: Process to determine remuneration

<sup>§</sup>GRI 2-14: Role of the highest governance body in sustainability reporting



## Governance



# Ethics, transparency, quality and accountability<sup>^</sup>

Our Company values transparency and operates with the highest ethical and integrity standards. We are developing robust business strategies, and strong risk management practices to ensure transparency, quality and accountability.

To empower our stakeholders to make informed decisions, we ensure that all pertinent information is disclosed to them in a timely and transparent manner.

### 2025 TARGET

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

Qualitative assessment from the investor community

### Shareholder's Corner

We offer shareholders a platform to access the relevant information, submit requests, and review our policies. Central to our stakeholders relationship governance is the commitment to listen to and consider their perspectives.

We also have a grievance policy outlining procedures along with a dedicated team to help investors quickly resolve their complaints.

We have also made available on our website responses to frequently asked questions with respect to investor related services.

[Click here to know more](#)

### Investor engagement

- We actively engage with our investors on a regular basis and understand their concerns and suggestions
- We participate in various investor meetings/conferences. These interactions help our Company showcase its offerings, financials, and goals to the investor community and clarify apprehensions, if any, thus building investor confidence and helping them in making informed decisions

[Read more on](#) Pg. 41

### Related party transactions

- We have a policy on dealing with and materiality of related party transactions
- We follow strong internal rules before opting to do business with related parties
- Our Company enters into related party transactions only with the approval of AC which comprises only Independent Directors

[Read more on](#) Pg. 188

### Conflict of interest\*

- Our Company's CoC for the Board of Directors and Senior Management Personnel, and CoC for the employees provide clear guidelines for avoiding and disclosing actual or potential conflicts of interest with our Company
- Employees are required to report the conflict of interest
- Conflict of interest reported are reviewed by the Chief Human Resources Officer and Internal Auditors to mitigate any potential conflict which might hamper our Company's interest
- Directors abstain from participating in agenda items at the Board/Committee meetings in which they are interested or are deemed to be interested

[Click here to know more](#)

### Stakeholders and corporate governance

Our stakeholders ensure accountability in our actions and that we continue to operate responsibly and ethically. Their involvement helps maintain transparency and encourages long-term sustainable practices. We constantly strive to serve the interests of all our stakeholders, following a value-led approach.

### Supplier management

- We have a CoC for Business Partners and a Responsible Procurement Policy
- We do engagement activities (trainings, courses, meets, forums and seminars) with our value chain partners

[Read more on](#) Pg. 126

### Employee welfare

- We provide benefits to our employees towards wealth creation
- ESOP plans are in place to reward, incentivise and retain employees

[Read more on](#) Pg. 84

### Culture of integrity

Our commitment to integrity drives our efforts to prevent corruption, protect data, and promote human rights. We have a robust policy framework to address fraud, including the CoC and Whistle Blower Policy that encourages our employees to provide feedback and voice any concerns. We maintain a zero-tolerance approach towards violations of our CoC.

We have a stringent anti-bribery and gifting policy that deters employees and their immediate family members from giving or receiving any favours from suppliers, vendors, or competitors.

There were no confirmed cases of corruption during the year<sup>^</sup>.

### Whistle Blower Policy

- We have a Whistle Blower Policy which provide an effective vigil mechanism system to our Directors, employees and business associates to voice concerns responsibly and effectively regarding suspected unethical behaviours
- Protected Disclosure can be made directly to the Chairperson of the Audit Committee if the whistleblower has a reasonable doubt that the members of the Ethics Committee or the Investigating Officer are part of the Protected Disclosure

[Click here to know more](#)



<sup>^</sup>GRI 2-16: Communication of critical concerns

<sup>^</sup>GRI 2-15: Conflicts of interest

<sup>^</sup>GRI 205-3: Confirmed incidents of corruption and actions taken



## Governance

### Data privacy

We ensure that we have an appropriate framework with enhanced legal and security standards to safeguard the data of our stakeholders. We have implemented systems and procedures to prevent instances of non-compliance that could lead to data breaches. Our network architecture and information security controls adhere to industry best practices, ensuring compliance with our Data Privacy framework.

We have deployed Data Classification and Digital Rights Management capabilities across our Company and configured data leakage prevention systems on computers, emails and file-sharing services. Organization believes in creating strong awareness and conducting regular assessment through ethical phishing mails to identify potential training needs.

An annual cycle of assessment is performed on our cyber programme and it is rated each year.

In our ISO 27001 audits, we have received no major observations and non-conformance, which boosts our continued efforts to keep our platforms secure.

In our IT Plan for FY 2024-25, we aim to implement top-notch technologies and foster a security-focused culture to ensure a safe digital workspace by March 2025.

### Technology, innovation and digitisation

Our Board recognises the critical importance of technology and digitisation for our Company's current and future success. It is committed to integrating the latest innovations in a way that aligns with our strategic objectives, ensuring the long-term sustainability of our business and promoting the cause of corporate governance.

At Asian Paints, IT enhances customer interactions, optimises partner collaborations, empowers sales teams, streamlines employee experiences, and enables data-driven decisions.

### Compliance<sup>^</sup>

We recognise the significance of adhering to legal, regulatory, and ethical obligations, understanding their impact on our operations and our accountability to all our stakeholders.

The Compliance function employs a control and risk-based approach, considering the nature, scale, and complexity of our business to ensure the enforcement of good governance, efficiency, effectiveness and robust compliance structure. Behaving ethically is a business imperative as we strive to meet regulatory compliances with all applicable laws.

### Managing risks

Efficient risk management is vital for achievement of sustainable growth and strategic objectives. To achieve this, we have Risk Management Process that pre-emptively identifies emerging risks and instil measures to mitigate its implications on our Company. This includes building a risk-aware culture through governing bodies, conducting frequent risk assessments and employee training. We conduct discussions with several functional heads to gauge, understand and evaluate relevant risks and take corrective actions.

Our resilient risk management framework is guided by our Risk Management Committee (RMC), chaired by an Independent Director and comprising Independent and Non-executive Directors and Senior Management. The RMC oversees implementation of the risk management policy, including evaluating the adequacy of risk management systems, providing insights for effective risk mitigation, and ensuring that key strategic and business risks are identified and addressed by the management.

The risk management function formulates policies, identify risks, and monitor mitigation measures, with functional heads responsible for the implementation as per the Committee's direction. The management uses the ISO 31000 framework as a guiding tool in its risk management process. This ensures accurate risk identification and accommodates decentralised risk management practices.

#### Approach

Our Company operates under a charter approved by our Board. The RMC works in line with an approved risk management policy to have a balanced approach to Risk and Opportunities. It defines the risk appetite and tolerance levels across organisational objectives, categorising risks along two axes. The RMC meetings were convened three times during the year to review the risk management practices and structure and recommend changes to ensure their adequacy.

We follow a materiality matrix to identify critical risks.

Each critical risk has a detailed risk management framework, outlining controls and responsible parties for both overall risk management and individual mitigation plans. For us, the PESTLE factors (Political, Economic, Social, Technological, Legal and Environmental) continue to present dynamic risks however we successfully manage these risks and strengthen our position.

#### We evaluate risks based on the following areas of impact:

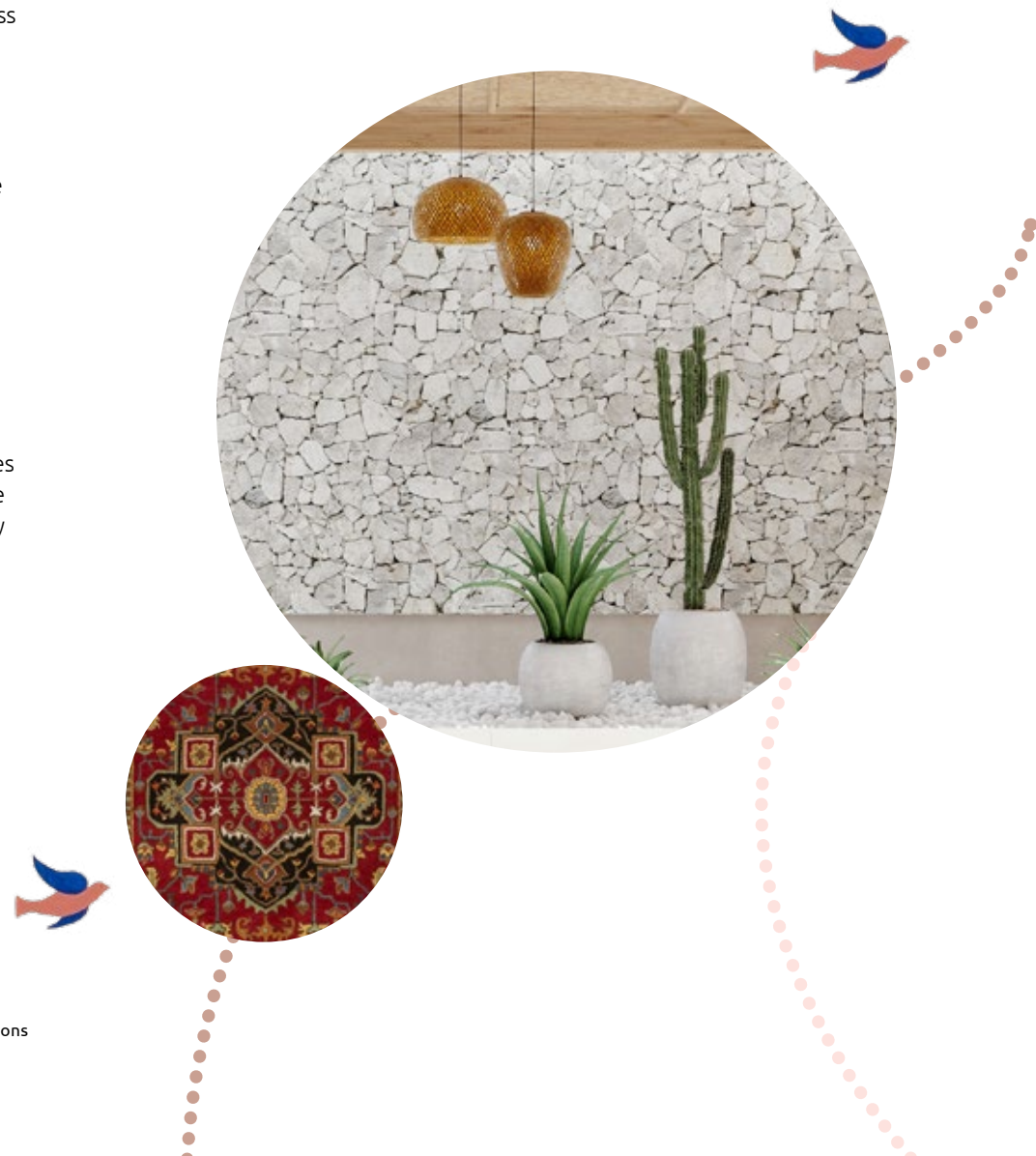
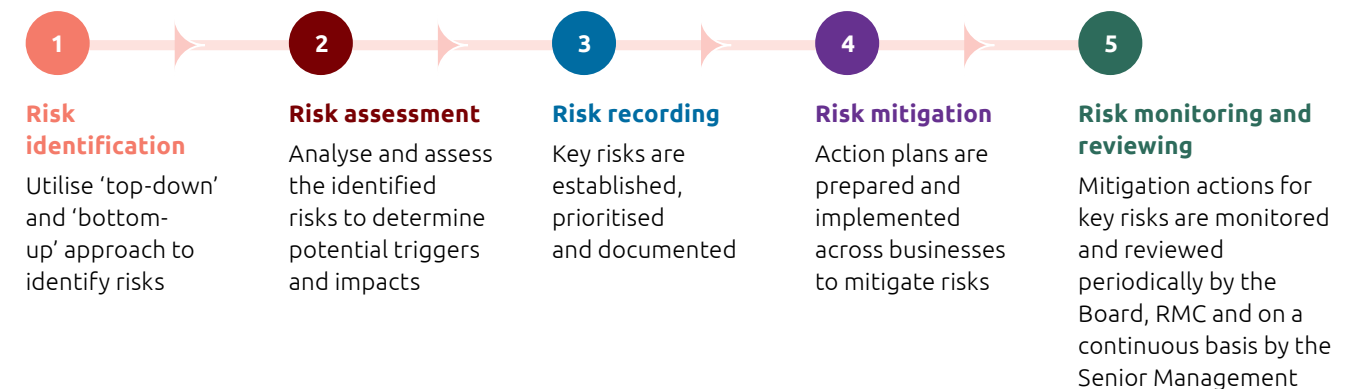
- Financial objectives
- Overall strategy of Asian Paints
- Operations of Asian Paints
- Statutory non-compliance
- Damage to reputation
- Reporting objectives

#### Climate-related risks:

- Climate-related physical and transition risks & opportunities identified are integrated with our Risk management framework.

### Risk management process

We have established a 5 stage comprehensive risk management process to help us streamline our risks and ensure proper implementation of our Action Plan.



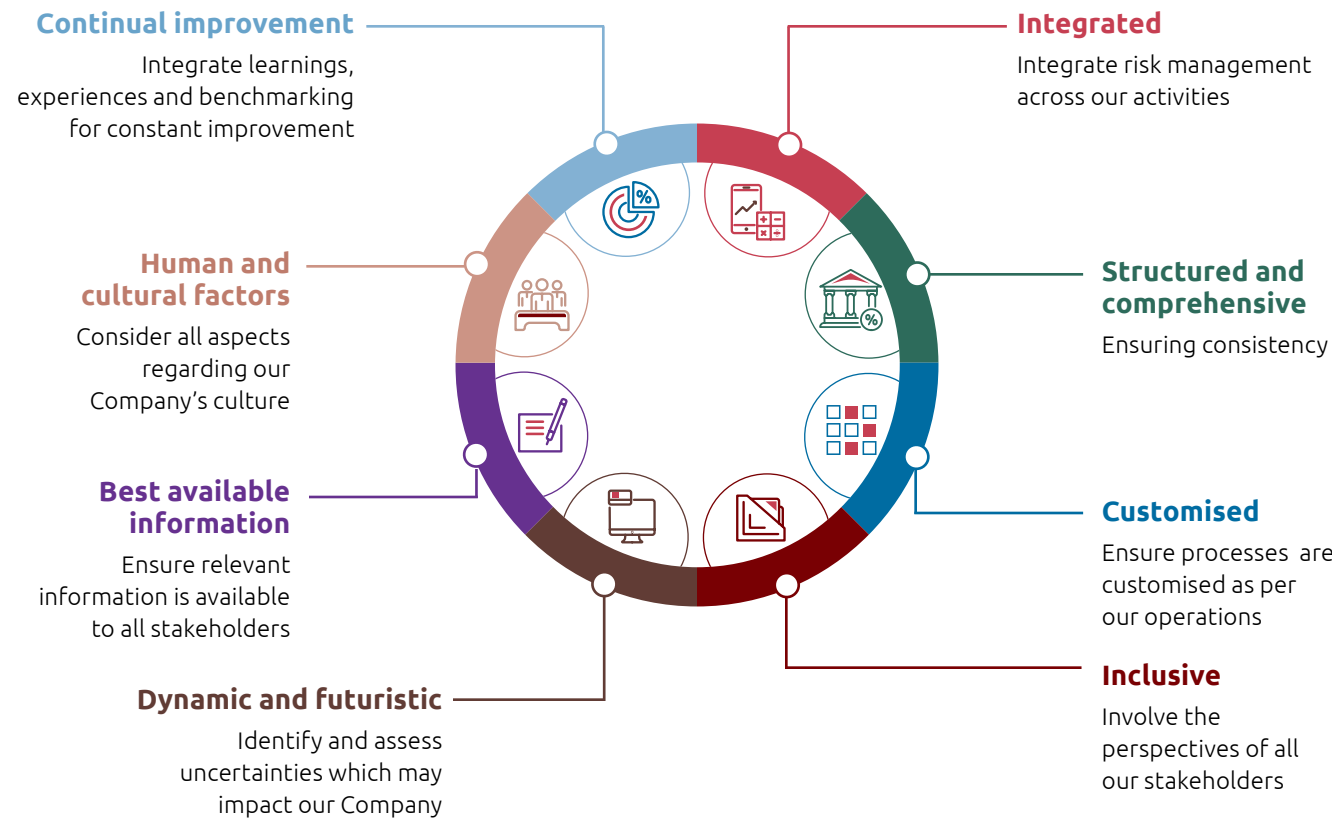
<sup>^</sup>GRI 2-27: Compliance with laws and regulations



## Governance

### Enterprise Risk Management

Our Enterprise Risk Management (ERM) process is instrumental in creating value amidst uncertainty, ensuring good governance, meeting stakeholder expectations, and enhancing organisational resilience for sustainable growth. Our ERM is guided by eight principles:



### Risk matrix

We categorise our risks using a matrix, with two axes and four quadrants for tolerance. The horizontal axis represents endogenous (caused by internal factors emerging from business) and exogenous (caused by external events) factors, and the vertical axis represents strategic and operational considerations.

Strategic	<ul style="list-style-type: none"> <li>1 People risk</li> <li>2 New business complexities</li> </ul>	<ul style="list-style-type: none"> <li>1 Shifting consumer preferences</li> <li>2 Competition risk</li> <li>3 Climate risk</li> <li>4 Reputation risk</li> </ul>
	<ul style="list-style-type: none"> <li>1 Evolving regulatory landscape</li> <li>2 Process and Product Technology</li> <li>3 Safety risk</li> <li>4 Fraud risk</li> <li>5 Large capex execution and management</li> </ul>	<ul style="list-style-type: none"> <li>1 Counterfeit products</li> <li>2 Information/Cyber Security risk</li> </ul>
Operational	Endogenous	Exogenous

### Critical risks and mitigation measures

We have identified key material topics and mitigation strategies for each:

No Change ↔ Decrease ↓ Increase ↑



#### We have mitigation measures for all the key risks in FY 2023-24:

#### Linkage to materiality matrix

- Consumer Delight
- Financial Performance
- Climate Change
- Biodiversity
- Supplier Sustainability
- Organisational Resilience
- Industrial Workforce Management
- Anti-Corruption and Anti-Bribery
- Product Stewardship
- Anti-Competitive Behaviour
- Toxic Emissions, Waste and Effluents
- Local Communities
- Influencer Management
- Technology, Innovation and Digitalisation
- Occupational Health, Safety and Well-Being
- End-of-life Management of Product and Packaging
- Consumer Health and Safety
- Business Ethics and Corporate Governance
- Water Management
- Responsible Supply Chain
- Policy Advocacy
- Diversity and Inclusion
- Human Rights
- Talent Management and Employee Engagement

#### Shifting consumer preferences

##### Impact

- Increase/Decrease in sales
- Gain/Loss in market share

##### Description

Consumer preferences are shifting towards greener products, integrated solutions, niche offerings and socially responsible brands

##### Rationale for identifying Risk/Opportunity

Shifting consumer preferences necessitate aligning our offerings with evolving preferences, presenting both risks and opportunities when delivering differentiated solutions to consumers

##### Mitigation strategies

- Greater focus on differentiated and wholesome solutions and services like Beautiful Home Services
- Providing customers with greener products through our range of certified low-VOC products, products with high durability, cool coating, and other sustainable propositions
- Have a healthy new product pipeline offering value for money and catering to the specific needs of the consumer
- Tie-ups to provide consumers a choice from a wider range of products and price points in the décor segment
- Aggressively target the home décor and services space for building long-term connect with the consumer; introduced the Beautiful Homes Studio that offers unique furniture, furnishing, lighting and their customisation
- Identify unique products and technologies basis patent landscaping, academic research, and competitor literature for exploration in new product development

Linkage to materiality matrix



## Governance

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### Competition

Impact	Description	Rationale for identifying Risk/Opportunity	
<ul style="list-style-type: none"> <li>Increase/Decrease in sales</li> <li>Gain/Loss in market share</li> </ul>	Migration of end consumers/dealers due to a higher number of choices	<b>Risk:</b> Loss of market share on account of increased competition	<b>Opportunity:</b> Upgradation of the consumers from the unorganised market to brand-based product offerings. Launch of differentiated solutions to consumers

**Mitigation strategies**

- Launch of differentiated products, new variants in our existing portfolio, focus on ease of use as well as differentiated features
- Launch of décor and painting solutions to revolutionised customer experiences thereby creating a differentiator vis-à-vis competition
- Building on current relationships with dealers and ensuring dealer's profitable growth
- Upgradation of influencers, constant engagement through training, schemes, etc.

Linkage to materiality matrix

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### Reputation

Impact	Description	Rationale for identifying Risk/Opportunity	
Increase/Decrease in brand value and market capitalisation	Positive or negative perceptions regarding our Company and our products/services can have implications on customer relations, revenues, and interactions with regulatory bodies	<b>Risk:</b> Negative publicity from any news/reports arising out of any act/inaction by our Company	<b>Opportunity:</b> Improved brand presence and reputation through proactive engagement with stakeholders

**Mitigation strategies**

- Active monitoring of feedback on social media and addressing concerns in a timely manner
- Actively addressing product complaints and creating a delight for the customers at the end of the complaint redressal
- Ensuring product and service delivery as promised
- Compliance with all regulatory norms
- Strengthening corporate governance norms, including adherence to the code of conduct

Linkage to materiality matrix

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### Climate\*

Impact	Description	Rationale for identifying Risk/Opportunity	
Increase/Decrease our impact on our operations	Climate change-related impact on operations	<b>Risk:</b> Changes in climate conditions manifest in the form of increased physical and transition risks which if not managed appropriately could impact business operations	<b>Opportunity:</b> Minimise the negative environmental impact of our operations and maximise the positive impact

**Mitigation strategies**

- Identifying and assessing climate related physical and transitional risks in line with TCFD recommendations
- Action on short-term & long-term mitigation plans for addressing the impact of climate change on the operations of our Company
- Include climate change in our long-term strategies and decision-making
- Focus on energy conservation, improving renewable energy footprint, using alternate water sources, and ensuring water neutrality, emission reduction across operations and logistics, engaging with our suppliers to reduce their emissions
- Extended producer responsibility to manage plastic waste

Linkage to materiality matrix

\*GRI 201-2: Financial implications and other risks and opportunities due to climate change

⚙️
↔️

### Evolving regulatory landscape

Impact	Description	Rationale for identifying Risk/Opportunity	
Penalties and other impact due to non-compliance	Changes in current regulations or the emergence of new regulations may have an impact on our operations	<b>Risk:</b> Non-compliance and penalties may have a direct impact on our operations and cause financial stress	

**Mitigation strategies**

- Being the next level in the paint industry (ahead of the prevalent statutes) in India through benchmarking with the best in the world
- Prioritise compliance with existing regulations and maintain agility to swiftly adapt to new legislation
- Review of all applicable compliances through a third-party compliance tool
- Compliance review by the senior management and Board on quarterly basis
- Well-governed compliance framework and internal controls
- Active engagement with policymakers and trade associations

Linkage to materiality matrix



## Governance

### Process and product technology

#### Impact

Significant decrease in cost

#### Description

Technology as a disruptor continues to be a top uncertainty. The digital economy has disrupted the interface of the customer with the industry. Product and manufacturing technology continues to provide opportunities to disrupt the offering to the customer with high efficiency and reliability

#### Rationale for identifying Risk/Opportunity

**Opportunity:** Product and manufacturing technology continually provides opportunities for efficient and reliable offerings to the customer

#### Mitigation strategies

- Have a robust pipeline of ideas for patenting and implementation
- Regular benchmarking with global players and internationally granted patents in paint and other allied industries
- Identify players for tie ups on areas where there is a technology gap in the product portfolio
- Consciously invest in emerging digital technology and create a first-mover advantage with a differentiated offering
- Scanning and early adoption of efficient and cutting-edge processing technologies

Linkage to materiality matrix

### Counterfeit products

#### Impact

Decrease in revenue

#### Description

Counterfeit and spurious products pose a widespread global challenge, affecting nearly every sector and resulting in substantial losses for both industries and governments

#### Rationale for identifying Risk/Opportunity

**Risk:** Counterfeit and duplicate products pose a serious risk to the entire industry causing loss of revenue, poor performance of products, and less reliability of the brand

#### Mitigation strategies

- Work with agencies and local authorities across states to identify and target spurious and counterfeit products manufacturers, including label printers, and conducting regular raids and legal action
- Augmenting/enhancing anti-counterfeit measures in our packaging

Linkage to materiality matrix

### People

#### Impact

- Increase in diversity of thought through induction of laterals
- Loss of talent

#### Description

Potential challenges and uncertainties associated with the employees.

#### Rationale for identifying Risk/Opportunity

**Risk:** Attrition of key talent impacting succession pipeline.

**Opportunity:** Introduction of lateral talent within the workforce and opportunities for growth to the existing employees.

#### Mitigation strategies

- Identifying and developing the talent pipeline for all individuals in leadership position
- Regular engagement, evaluation and identification of pain points for employees with conscious efforts to improve on such identified areas
- Pegging of remuneration and benefits with the industry
- Driving efforts on Inclusion, Equity and Diversity (IED)

Linkage to materiality matrix

### Safety

#### Impact

Increase in the number of incidents occurred

#### Description

Our manufacturing operations involve employees interacting with machinery and material handling equipment, posing inherent risks of injury and potential exposure to hazardous materials or waste

#### Rationale for identifying Risk/Opportunity

**Risk:** Injury or occupational hazard

#### Mitigation strategies

- Adherence to standards pertaining to OHS, our Company's EHS policy, and highest operational standards for handling hazardous materials
- Continuous engagement with suppliers for identifying any new threats/better options to mitigate the risks
- Periodic risk assessments using quantitative risk assessment and closure of action plans arising out of such assessments
- Having a comprehensive Emergency response plan (ERP) in place
- Plant design to adhere to inherent safe design based on various applicable standards and adopting process Safety as a disciplined framework and closed loop handling of hazardous material
- Continuous progress in the Behaviour Based Safety journey by all plants

Linkage to materiality matrix



## Governance

**Fraud**

<b>Impact</b>	<b>Description</b>	<b>Rationale for identifying Risk/Opportunity</b>
Financial loss	Financial loss and hesitation to reporting of frauds	<b>Risk:</b> Frauds lead to financial losses and stress on control systems

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**Mitigation strategies**

- Awareness sessions / trainings to encourage reporting of frauds and malpractices; new e-module released for online training
- Weekly reminders through 'CoC Compass – make the wise choice' issues released to guide employees on the decisions to be made in case of dilemma
- Investigations and disciplinary actions; investigation guidelines defined
- Stringent action against erring employees/entities involved
- Strengthening of fraud detection mechanism and periodic fraud risk assessments (FRA) through Fraud Risk Management governance framework

Linkage to materiality matrix

**Information/cyber security**

<b>Impact</b>	<b>Description</b>	<b>Rationale for identifying Risk/Opportunity</b>
Leakage of information	Threats to external cyber-attacks/hacking and internal leakage/modification of information/failure to protect information	<b>Risk:</b> Loss of sensitive and confidential information and impact on the reputation of our Company

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**Mitigation strategies**

- 5 level architecture in place to curb information and cyber security risk – Data Centre, Network, Application, Device and User Security
- Cyber Program Maturity (CPM) assessment by an external agency
- Vulnerability assessment done on a regular basis to identify weaknesses
- Continuous protection of confidential information across the IT landscape
- Investment in contemporary IT tools like firewall, VPN, identity management, email security, antivirus, etc. to ensure adequate protection of underlying data
- Periodic audits to ensure adherence to the processes

Linkage to materiality matrix

**New business complexities**
NEW

<b>Impact</b>	<b>Description</b>	<b>Rationale for identifying Risk/ Opportunity</b>
Financial loss	Tackling complexities of new business like: <ul style="list-style-type: none"> <li>Requirement of unique technical expertise</li> <li>Managing different set of raw material and their safety requirements</li> <li>Compliance to new laws and regulations</li> </ul>	<b>Risk:</b> Difficulty in managing issues due to lack of experience in the new business leading to delayed commencement or financial loss.

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**Mitigation strategies**

- Engaging with external advisors on niche roles having relevant knowledge experience.
- Involving technical and safety experts right from plant design stage to ensure safety related risks are minimised
- Involvement of expert to ensure all compliances are adhered to

Linkage to materiality matrix

**Large capex execution and management**
NEW

<b>Impact</b>	<b>Description</b>	<b>Rationale for identifying Risk/ Opportunity</b>
<ul style="list-style-type: none"> <li>Delay in completion</li> <li>Cost overrun</li> <li>Safety incidents</li> </ul>	<ul style="list-style-type: none"> <li>Delay in commissioning on account of design change/rework, delay from vendor, manpower constraints, and other unforeseeable reasons or increase in capex cost due to delay or otherwise.</li> <li>Safety incidents that cause harm to people, property, and interrupt operations</li> </ul>	<b>Risk:</b> Overrun in the budgeted capital expenditure and timeline and safety incidents.

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**Mitigation strategies**

- Before beginning any capex project, desired outcome from the project is identified and timeline within which it needs to be achieved is aligned
- Progress report is periodically prepared along with the Project Management team to track the actual spend against budget
- Safety based inputs incorporated at the designing stage itself
- Safety Manual containing detailed steps and precautions is available
- Basis Failure Mode and Effects Analysis (FMEA) and Hazard and Operability (HAZOP) study problems that may represent risks to personnel or equipment, or prevent efficient operation have been identified
- Permits system in place for evaluating the situation before critical operations are undertaken

Linkage to materiality matrix



## Governance

### Residual risks

While our Company endeavours to mitigate risks within its articulated risk appetite, certain remote possibilities such as acts of God or macroeconomic factors may exceed these boundaries. Despite proactive measures, these risks persist, necessitating ongoing efforts to minimise their impact.

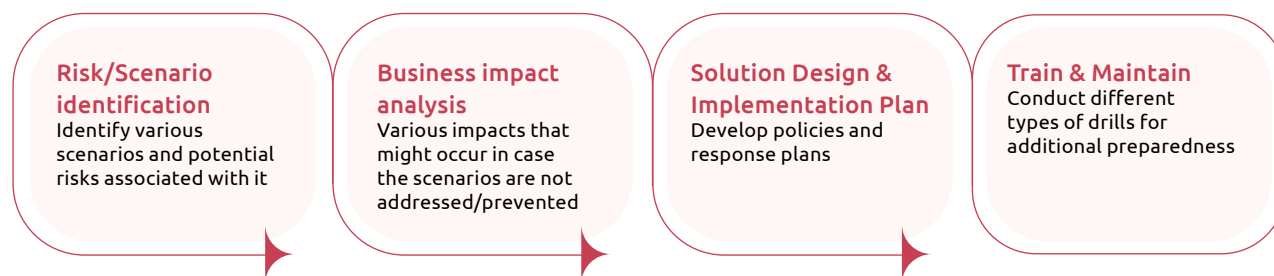
### Emerging risks

The Management has identified additional uncertainties such as supply chain disruptions due to political or geographical issues in foreign countries, as well as market risks associated with e-commerce. Proactive measures are being implemented as needed to mitigate the impact of these uncertainties.



## Business continuity plan

We have implemented a comprehensive Business Continuity Plan (BCP) to address, prevent or swiftly recover from any major disruption to its operations.



### Quality Assurance Review

During the year, our Company engaged with a reputed external agency to conduct an External Quality Assurance Review (QAR) of our Internal Audit function. The review aimed to independently evaluate the effectiveness of our Internal Audit function and assess the maturity of our audit processes. It encompassed various aspects such as structure, risk assessment, audit planning and delivery, compliance, methodologies, technology usage, knowledge management, and quality assurance. The review focused on three main pillars: process, people, and positioning, to determine if our internal audit processes, team, and positioning within the business were conducive to fulfilling our role effectively.

The assessment revealed that our Internal Audit function was at an advanced level in most sub-areas, with some areas identified for improvement, which were duly addressed. The outcomes, maturity assessment, and action plan status were reviewed by our Audit Committee.

### Trustees of tomorrow

Our employees are trustees of our Company's legacy – its resources, assets and opportunities. At Asian Paints, we ensure that we work towards the benefit of all our stakeholders.

### 'Kavach' Campaign: Securing Every Click

To address the increasing significance of information security, our Company launched a comprehensive campaign called 'Kavach.' This initiative is designed to raise awareness, educate employees, and mitigate cyber threats. Several strategies have been rolled out under the 'Kavach' campaign:

- Educational video snippets
- Email campaigns
- Phishing campaigns and training
- E-learning modules
- Awareness sessions

**11,300+**  
Employees received training under 'Kavach' in FY 2023-24\*

\* Additionally, 2851 off-roll staff has done training.



## Sustainable supply chain management@

Our effective supply chain management keeps us competitive by delivering an outstanding contribution to our top and bottom-line growth through impeccable product quality and excellent timely service while maintaining cost optimality. Through ethical sourcing, we minimise our environmental impact and actively promote social responsibility to create a more sustainable supply chain.

### 2025 TARGET

Proactive engagement with value chain partners to educate, empower and align them with our ESG commitments.

approach to engage with business partners resulting in increased awareness, deep collaboration, improved sustainability performance, and better disclosures. Further, we employ a rigorous stage-gate process for supplier evaluation, considering quality, delivery, price, and ESG factors such as environmental policies and human rights compliance.

### Sustainable supply chain framework

Our Code of Conduct for Business Partners outlines our expectations for suppliers regarding their ESG performance. In line with this, we

have formalised our Sustainable Supply Chain Framework and established a Responsible Procurement Policy to align internal procurement decisions with our ethical standards.

The framework focuses on criteria under the themes of Environment, Social and Governance. The criteria are based upon international sustainability standards such as United Nations Global Compact principles, International Labour Organisation (ILO) conventions, Global Reporting Initiative (GRI) standards, ISO 26000 standards, and CERES principles.

## Performance highlights

**~76.2%**

**Procurement from local suppliers<sup>^</sup>**  
All purchases of materials within the geographical location of India have been considered as local.

**~90%**

**RM/PM suppliers by value acknowledged the CoC for Business Partners**

**~77%**

**RM/PM of suppliers assessed for ESG maturity and impact under Program Samaveta**

### Approach

We are committed to embedding sustainability and resiliency across our value chain through our Sustainable Supply Chain Framework. This involves adopting a systematic

Sustainable supply chain		
Types of suppliers	Process	Tools
All suppliers	Acknowledge Code of Conduct for Business Partners	Supplier outreach
	ESG criteria in new supplier screening	Supplier onboarding process
	ESG Disclosure	
Critical suppliers*	Comprehensive Site Assessment	Program Samaveta
	Capturing Environment performance data	
Foundation: Code of Conduct for Business Partners & Responsible Procurement Policy		

\* Business partners that fall in the top quartile (75%) of value by spend or suppliers having a significant ESG footprint

@GRI 2-6: Activities, value chain and other business relationships

^GRI 204-1: Proportion of spending on local suppliers

@GRI 308-2: Negative environmental impacts in the supply chain and actions taken





## Governance

### Vendor selection and onboarding criteria

Our vendor selection and onboarding criteria include the mandatory evaluation of compliance with environment-related regulations, such as valid consent and other authorisations, availability of environment policy and management system as well as self-declaration on key human rights principles. During the year, 149 suppliers were onboarded based on the evaluation.

### Code of Conduct for Business Partners

Our Code of Conduct for Business Partners sets the foundation for driving the ESG agenda across our value chain. The Code of Conduct for Business Partners has been acknowledged by 2,793 suppliers, accounting for 90% of the total raw material and packaging material suppliers.

### Engagement with suppliers – Program Samaveta

During the year, we rolled out our Supply Chain Sustainability program “Samaveta”, to institutionalise collaboration on Sustainability by establishing the ESG baseline & maturity and identifying areas of possible collaboration. We seek information from suppliers through self-declaration forms (SDFs) and also assess publicly disclosed information.

Under this program, 77% of our RM/PM suppliers by value were assessed on maturity and impact using ESG criteria.

### Assessing our suppliers on ESG parameters

We circulated a detailed Self-Declaration Form (SDF) to our suppliers to gain insights into their ESG practices, assess their impact and identify collaboration opportunities. Over 80% of raw material procurement by value is certified to meet social and environmental standards like SA 8000, ISO 14001/EMS, OHSAS 18001/ISO 45001, and EcoVadis ratings or relevant labels. We also conduct site-based or virtual assessments for suppliers with significant ESG footprints and plan to undertake capacity-building initiatives and common minimum programmes to engage them on key ESG aspects.

#### Key ESG criteria covered

##### Environment

- Energy and emissions
- Waste management
- Biodiversity
- Water

##### Social<sup>^</sup>

- Child labour and forced labour prohibition
- Human rights
- Healthy and safety
- Promoting work culture amongst suppliers
- Anti-discrimination
- Freedom of associations and right to collective bargaining
- Training, career and development
- Fair compensation

##### Governance

- General laws and regulations
- Business management and continuity
- Anti-bribery and Anti-corruption

#### Key highlights from the assessment through SDFs:

**75%**

of suppliers working on their environmental footprint

**70%**

of suppliers have documented human rights policies or position statements

**66%**

of suppliers have anti-bribery & anti-corruption policy / position statement

<sup>^</sup>GRI 408-1: Operations and suppliers at significant risk for incidents of child labor

<sup>^</sup>GRI 408-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor

## Profile of the Board of Directors<sup>^#</sup>

### R Seshasayee

Chairman/Independent Director

**Age** 75 years

#### Date of Appointment

23<sup>rd</sup> January 2017

**Skill/Expertise:** ●●●●●

R Seshasayee is a member of the Institute of Chartered Accountants of India.

Seshasayee was the Managing Director of Ashok Leyland Limited from 1998 to 2011, the Executive Vice Chairman from 2011 to 2013 and the Non-Executive Vice Chairman from 2013 to 2016. He was also the Non-Executive Chairman of IndusInd Bank from 2007 to 2019. He has served as an Independent Director on the Boards of various companies, including ICICI Bank and Infosys Ltd (Chairman from 2015 to 2017). Seshasayee was also the President of the Society of Indian Automobile Manufacturers from 2001 to 2003 and the President of the Confederation of Indian Industry from 2006 to 2007.

He also serves on the Boards of other reputed companies.

### Manish Choksi

Vice Chairman/  
Non-Executive Director

**Age** 56 years

#### Date of Appointment

22<sup>nd</sup> October 2018

**Skill/Expertise:** ●●●●●

Manish Choksi joined Asian Paints Limited in the year 1992 as an Executive, progressing through the ranks, holding various positions across Sales, Information Technology, Supply Chain, Chemicals, International Business and HR functions of the Company.

Before being inducted as the Non-Executive Director on the Board of Directors of the Company, he held the position of President – International Business, IT, HR and Chemicals. He was a member of the Executive Council of the Asian Paints Group and reported to the Managing Director & CEO of the Company. Manish Choksi spearheaded the Information Technology function of the Company and has been instrumental in leveraging IT solutions across the enterprise, leading to enhanced business performance and efficiency.

He was also the head of the International Business of the Company and spearheaded efforts in the expansion of its Emerging

Markets portfolio. He has been a catalyst for the Company’s foray into Home Improvement businesses. Manish Choksi has made significant contributions to achieving the Company’s growth plans, more particularly in the critical areas of implementation of Supply Chain Management solutions. He played an active role in restructuring the Joint Venture companies of the Company with PPG Industries Inc., USA.

A leader in the IT community and the past Chairman of INDUS, a 1100+ company network of SAP users. He has been on the advisory Boards of IBM’s Collaboration business, the Asia Pacific Executive Advisory Board of SAP APAC, a member of the Global Chemical Executive Advisory Board of SAP SE and a member of SUGEN, a global executive network of all SAP user groups worldwide.

He is an active angel investor with a particular interest in companies that champion cross-leveraging of physical and e-commerce models with a focus on consumers and data/ analytics.

<sup>^</sup> Directors as on the date of this Report.

<sup>#</sup>GRI 2-17: Collective knowledge of the highest governance body



## Governance

### Amit Syngle

Managing Director and CEO

**Age** 57 years

**Date of Appointment**

1<sup>st</sup> April 2020

**Skill/Expertise:** ●●●●●

Amit Syngle holds a BE – Mechanical degree from Panjab Engineering College and has done MBA from CBM Panjab University. He has been working with Asian Paints for the last 31 years in various capacities across Sales, Marketing, Supply Chain, Business Development, and Research & Technology.

He joined the Company as a Management Graduate and initially spent eight years in Sales and headed the North and Central regions of India. He went on to spearhead the Kasma Plant in North India where he ushered new-age manufacturing excellence and big reforms in the IR environment. In 2001, he donned the mantle of General Manager – Marketing and gave the brand ‘Asian Paints’ a modern, contemporary yet traditional emotional identity. He soon took over as the Vice President of Sales & Marketing for the Decorative Business. He became the President in 2012 and was responsible for the Sales & Marketing as well as Research & Technology function, where he ushered in a huge culture of Innovation that has resulted in over 90 innovative launches.

He conceptualised and gave wings to diversification in Waterproofing and Chemicals, Adhesives, and Wallpapers, strengthening the brand in a big way. He held the position of Chief Operating Officer

for two years, heading the Indian Decorative business. Under this business, he headed Supply Chain, Sales & Marketing and Research & Technology as well. In addition, he also spearheaded the newly acquired businesses of Kitchens and Bath Spaces in the Home Improvement vertical of Asian Paints.

Amit Syngle has been appointed as the Managing Director & CEO of the Company w.e.f. 1<sup>st</sup> April 2020. Post taking over, he has propelled the brand from a zone of having a ‘share of surface’ to a ‘share of space’ in homes bringing Home Décor categories like Furniture, Lighting, Fabrics and Furnishing into play. He has been a fast tracker and has been responsible for propelling the Asian Paints brand into a league of its own. He has been the principal force for heralding the brand in the Home Space. He has initiated several initiatives and innovation platforms to grow the business, catapulting it into exponential growth over the last 20 years. He is closely associated with colour, decor and design and is the so-called ‘Gamechanger’ for introducing Colour and Retailing into the AP strategy. He is also a member of the Colour Marketing Group (CMG), USA, and has been honoured with various awards by the Indian and International marketing fraternity.

### Amrita Vakil

Non-Executive Director

**Age** 43

**Date of Appointment**

14<sup>th</sup> May 2014

**Skill/Expertise:** ●●●●●

Amrita Vakil began her career at Asian Paints Limited, in the year 2003 in the Human Resource department and was responsible for end-to-end training of the Executives cadre of the Company. She was also instrumental in the launch of the employees’ intranet portal of Asian Paints Limited.

In the year 2005, she joined Frost & Sullivan, an American Consulting Company as a Senior HR Executive and managed a Generalist HR profile. She handled HR operations for all their India & Middle East offices. She spent a total of 5 years at Frost and Sullivan and then she quit the organisation to pursue her passion in the hospitality sector and she continues to work towards it.

She is also an avid angel investor with a particular interest in investing in startups.

### Malav Dani

Non-Executive Director

**Age** 48

**Date of Appointment**

21<sup>st</sup> October 2013

**Skill/Expertise:** ●●●●●

Malav Dani joined Asian Paints Limited as Manager-Quality in 2005 and worked on various customer-centricity initiatives. He was appointed as a Non-Executive Director on the Board of the Company in 2013 and serves as the Chairman of the CSR Committee of the Board from October 2015. Malav was the Executive Director of Hitech Specialties Solutions Ltd from 2007 to 2011, and has been the Managing Director of Hitech Corporation Ltd since 2012.

His formal education was rounded off with a six-year stint at General Electric (GE), during which he completed the Information Management Leadership (MLP) Program as well as the Quality Six Sigma Black Belt Program. He worked with GE’s Corporate Treasury department and the project he helmed won the ‘Alexander Hamilton Corporate Treasury Award’.

He is currently the Chairman of the Indian American International Chamber of Commerce (IAICC) International Board. By fostering bilateral trade and investment globally, he has been working with the vision to promote economic development and strengthening relations between the two countries and with the rest of the world.

He was also the Chairman of the Young Leaders Forum Committee of the Indian Merchants Chamber from 2009-2013. During his tenure, he was felicitated by Mr. Narendra

Modi in 2010. He was appointed as the Chairman of the ‘‘Ease of Doing Business Committee’’ of the Indian Merchants Chamber from 2015 to 2018 where he had an opportunity to present the roadmap for India to improve its ease of doing business ranking to the Joint Parliamentary Standing Committee on Commerce of Rajya Sabha.

He made a presentation on World Peace to the American Council of Young Political Leaders, an initiative of the Trump administration in 2015. In line with his core beliefs, he delivered a presentation on Compassionate Capitalism at the Ernst & Young CXO Roundtable event, in Silicon Valley, U.S in 2016 on a new form of capitalism that holds the potential for improving corporate performance while simultaneously advancing the quality of life.

He is a recipient of the ‘Yuva Icon Award’ presented by Dr. A.P.J Abdul Kalam. He received the ‘Business Excellence and Innovative Best Practices Award’ from Dr. Pranab Mukherjee. In addition to this, he is also the recipient of the ‘Asia Pacific Entrepreneurship Award 2015’, India and the ‘Corporate Excellency Award 2018’ from Enterprise Asia. In the year 2020, he was bestowed with the ‘AsiaOne Young Asian Entrepreneur Award 2019-20’ for his efficacious contribution to society and the world at large.

Recognising his calling and his deep-rooted desire to contribute to humanity, he has also set up a foundation called ‘Sab ka Mangal Ho’ with a goal to implement holistic solutions at grassroots levels to generate social transformation.

### Jigish Choksi

Non-Executive Director

**Age** 43

**Date of Appointment**

1<sup>st</sup> April 2019

**Skill/Expertise:** ●●●●●

Jigish Choksi began his career with Asian Paints Limited in the year 2010 in the Sales & Marketing function. During his 5-year long stint with the Company, he worked as an Area Manager-Project Sales for 3 years, and thereafter, he was a part of the Marketing team wherein he was in charge of several products that were launched under the Waterproofing range.

Jigish Choksi is the Managing Director of Elf Trading & Chemicals Manufacturing Limited – an agro-chemical company. His key goal is to look at diversification of trading portfolios to include more value-added products.

Jigish Choksi is also extensively involved in his family businesses. He works with Navbharat Packaging Industries Limited, a corrugated box manufacturer that operates with a single manufacturing capacity located at Ankleshwar, wherein he is actively involved in market and customer acquisition initiatives as well as in the diversification of the product portfolio. He also looks after his ‘Family Office’ practice which invests in public equity and debt instruments as well as in startups.





## Governance

### Nehal Vakil

Non-Executive Director

Age 47

#### Date of Appointment

1<sup>st</sup> March 2022

Skill/Expertise ●●

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

She commenced her career with Asian Paints Limited in 1999. She was a part of the Finance function of the Company, wherein she was, *inter alia*, responsible for monitoring budgets, revenue, and variance trends for the corporate centre. She was also involved in the compilation of quarterly financial reports consolidated at Company and group levels.

She is presently the Director in charge of the operations of Vikatmev Containers Limited, a leading container manufacturer in Mumbai, wherein she heads a team that strategises and devises new approaches to boost customer numbers, growth, and revenue. She exercises oversight over cost controls to meet budget restrictions and maximise profitability.

She also manages the other family businesses and investments of the family-owned companies. She works closely with the wealth advisors to supervise and develop investment strategies, evaluate, and analyse the investment performance and benchmark portfolio composition to maximise returns on investments. She also serves as a Director on the Board of a few other public and private limited companies.

Nehal Vakil is also an avid traveller, and ardent follower of cricket, and has a keen interest in movies and music.

### Milind Sarwate

Independent Director

Age 64

#### Date of Appointment

21<sup>st</sup> October 2021

Skill/Expertise ●●●●

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

He is the Founder & CEO of Increate Value Advisors LLP – ‘Increate’ means ‘Uncreated’ or ‘Undiscovered’. He provides advice and mentorship in business, and social value creation, governance, and capability-building, leveraging his 38-year experience which includes long stints as CFO and CHRO in Marico and Godrej.

He invests in promising businesses and social enterprises. He recently set up a not-for-profit company, Increate Foundation, that will focus on SEWA segments: Specially-abled, Education, Women and Aspirant under-privileged. He also serves on the Advisory Board of Educo, a School Support NGO.

He has been awarded the ICAI CFO Award (2011), the CNBC TV-18 CFO Award (2012) and the CFO India Hall of Fame Induction (2013).

He has been on listed company Boards and chaired audit committees since 2005. His current Independent directorships, and audit committee roles, cover a range of listed and unlisted companies.

### Ireena Vittal

Independent Director

Age 55

#### Date of Appointment

25<sup>th</sup> July 2023

Skill/Expertise ●●●●

Ireena Vittal holds a Bachelor’s degree in Science (Electronics) from Osmania University, Hyderabad. She is also a Post Graduate Diploma in Business Management from the Indian Institute of Management, Calcutta.

She is amongst India’s most respected consultants. She was a partner with McKinsey & Co. for 16 years, where she served global companies on issues of growth and sustainable scale-up. She has co-authored several studies relating to agriculture and urbanisation. She has also served at government and public institutions, designing and implementing solutions core to India’s development, such as inclusive urban development and sustainable rural growth. She is a recognised thought partner to consumer-facing companies looking to build large-scale, profitable businesses in emerging markets.

She is an expert in strategy including digital, finance, marketing (consumer behaviour and insights) and sales/channel evolution and has vast experience in agriculture, urbanisation and the rural sector. She also serves on the Boards of other reputed companies.

### Soumitra Bhattacharya

Independent Director

Age 63

#### Date of Appointment

26<sup>th</sup> October 2023

Skill/Expertise: ●●●●●●

Soumitra Bhattacharya is a Chartered Accountant from the Institute of Chartered Accountants of India and holds a degree in Bachelor of Commerce, Accounting and Finance from Kanpur Vishwavidyalay, Kanpur, U.P.

He has been associated with the Bosch Group for more than 28 years. Over the years he has handled roles as varied as Vice President, Commercial Functions for the Nashik and Jaipur plants of Bosch in India and also served as the General Manager of Robert Bosch GmbH’s Feuerbach Plant, the company’s largest diesel systems manufacturing facility and one of its oldest. From 2005 to 2009, he headed the Commercial Function at Bosch Turkey, which won the EFQM award for the second time in 2008.

He served as the Managing Director of Bosch Limited, and Regional President for the Bosch Group in India and retired on 30<sup>th</sup> June 2023. His responsibilities included regional contribution to Robert Bosch’s strategy and business development activities including cross-selling for the Bosch Group in India. He was also responsible for Human Resources, Government Relations, and Corporate Social Responsibility for the region. He is currently the Non-Executive Chairman of Bosch Limited.

Soumitra Bhattacharya’s career spans 39 years of professional experience in the Corporate World. He is a CA by profession from the Institute of

Chartered Accountants of India and completed his Articleship from Price Waterhouse. Before Bosch Limited, from 1984 to 1995, he served in various key management positions at TATA Steel (IPITATA), INDAL (Indian Aluminium Company Limited) and was one of the founding members of Tanishq of Titan Company Limited.

He has led as Chair of the CII (Confederation of Indian Industry) National Committee on MNCs from 2020 till 2023 and done stints as Chairman (2013-2014) for the Karnataka State Council for CII in India and as Co-Chair (2017-2019) for Skills Committee-CII at the National Level and as a CII National Council Member, and has been able to further share his passion for business excellence, building agile corporate environments, economics, and finance. He loves travelling and social service.

Since September 2023, Bhattacharya has taken up the role of CEO and Director for IFQM (Indian Foundation for Quality Management) an industry-led initiative focused on Quality, Excellence, and Innovation.

He is married to Dr. (Mrs.) Chandana Bhattacharya and has two children.

### Gopichand Katragadda

Independent Director

Age 56 years

#### Date of Appointment

1<sup>st</sup> April 2024

Skill/Expertise: ●●●●●●

Dr. Gopichand Katragadda has a Ph.D. in Electrical Engineering from Iowa State University, Ames, Iowa, USA and holds degree of M.S. in Electrical Engineering from Iowa State University, Ames, Iowa, USA and B.E. in Electronics Engineering from Bangalore University, Bengaluru, India.

He is the Founder and CEO of Myelin Foundry, an AI company with a vision to transform human experiences and outcomes in media & entertainment, industrial IoT and automotive. He is an Independent Director of Bosch India Limited and ICICI Securities Limited. He is also the President of the Institute of Engineering and Technology (IET), Board of Trustees, UK. He is an advisor for the NASSCOM CoE for Data Science and AI. He is the Chairman of the CII Knowledge Management Summit and the CII SR Startup Task Force. He is an investor and advisor in early-stage deep tech startups.

Till January 2019, Dr. Gopichand Katragadda was the Group Chief Technology Officer and Innovation Head of Tata Sons. Prior to joining the Tata Group, he was the Chairman and Managing Director of GE India Technology Centre.

Dr. Gopichand Katragadda is the immediate past Chairman of the CII National Technology Committee. He is a GE Certified Six Sigma Master Black Belt.

He has authored a book on innovation titled ‘SMASH,’ currently in its second edition. In addition to this, he has over 30 journal publications, five patents, several invited presentations, and citations of his research work.

Dr. Gopichand Katragadda has an overall experience of 35 years in the IT industry.

#### Skills/Expertise

- Sales and Marketing experience
- International Business experience
- General management and leadership
- Financial and risk management skills
- Technical, professional skills and knowledge including legal, governance and regulatory aspects





# MANUFACTURING AND INNOVATION

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Our state-of-art manufacturing facilities coupled with strong research-backed process improvement drives our growth. Consistently refining both products and processes allows us to fully utilise the capabilities of our manufacturing facilities, ensuring timely delivery of products. With over 160,000+ touchpoints across India, we ensure material connectivity within 4-6 hours. Our investments in digital technologies, such as cloud computing and artificial intelligence, enable real-time visibility, collaboration, and optimisation across our supply chain network.



## ESG strategy

Energy conservation • Water neutrality • Product stewardship  
Nature positive • Safe workplace • Sustainable supply chain

## Key material topics

Climate Change  
Occupational Health, Safety and Well-Being  
End-of-life management of product and packaging  
Product Stewardship  
Technology, Innovation and digitisation

## Stakeholders impacted



Customers



Vendors



Employees



## Manufacturing and Innovation

# How we source

Our supply chain is designed to meet evolving customer preferences and increasing complexities. This approach gives us a competitive advantage and helps deliver superior value to customers. Our supply chain is designed to be a lean, agile, and reliable means for giving quality products at the right place, time and quantity and at optimum costs to enable customer delight.

### Approach to supply chain

Our approach to supply chain is holistic in nature as our demand forecasting mechanisms serve as the foundation of the entire process, utilising real-time and historical data, market intelligence, and advanced statistical models, including machine learning algorithms, to generate accurate estimates at the depot SKU level. We leverage machine learning to further improve our processes enabling us to achieve industry-leading forecast accuracy.

Cutting-edge planning solutions are integrated in the supply chain by aligning production, deployment, and procurement plans with demand, optimising material availability while minimising procurement and consumption costs.

Our planning process is seamlessly complemented by state-of-the-art execution, enabled by control towers providing real-time status updates and decision support for smooth service-to-market operations. We configure warehousing and logistics to handle scale and diversity effectively.



### Supplier evaluation

We follow a thorough stage-gate process to evaluate and onboard potential suppliers on various parameters. The evaluation covers quality, delivery, price competitiveness, legal compliance and critical ESG (Environmental, Social, and Governance) factors such as the comprehensiveness of environmental policies, implementation of management systems, and self-declaration on human rights issues.

### Supplier engagement

We ensure our suppliers adhere to regulations beyond local standards, with tailored processes reflecting criticality, practicality, and business engagement nature. Our goal is to shape and enhance sustainability and governance practices through the implementation of different stages of Awareness, Assessment, and Association. During the year we organised 'RAWCON' a gathering of all our key suppliers under one roof to align our vision and enable mutual value creation. This event was attended by over 150 vendors.

# How we manufacture

At Asian Paints, we constantly strengthen our manufacturing capabilities in the aspects of capacity, flexibility, scalability, safety and sustainability. Our comprehensive manufacturing processes ensure the timely delivery of quality products.

### Manufacturing excellence

Our focus on manufacturing excellence has enabled us to successfully transform our production processes and establish world-class facilities. With over a decade of manufacturing expertise to our name, we have seamlessly integrated all 8 of our decorative paint plants and contract facilities. We have extended support to our Indian and international subsidiaries ensuring safe, efficient, and reliable product delivery with empowered teams.

A total of 40 multi-disciplinary teams and 135 shift teams reinforce our principles of Manufacturing Excellence across our Company.

In this year, we have made tremendous progress in our manufacturing excellence journey:

**12,500**

**Kaizen ideas suggested and 7,000 implemented across our plants**

**6,000**

**Problem-solving initiatives were identified with 5,000 of them closed**

**80**

**Coach coachee pairs identified for team leader capability building**

**165+**

**Improvement projects across manufacturing facilities which led to cost savings**

**25**

**Awards received by manufacturing sites across various categories**

Our ongoing efforts to enhance our manufacturing excellence are supported by robust pillars that enable us to integrate and adopt best practices effectively.

### CASE STUDY

#### Packed with Potential: Sriperumbudur

Our Sriperumbudur packing team successfully transformed their 5S and autonomous maintenance practices, selecting one packing machine as a model. They brainstormed, sought external support, and studied best practices from other plants to boost their productivity and morale. Improvements included enhancing ergonomics, changing spare parts, colour-coding pipes, and implementing visual aids.

With training and adherence to new standards, machine operations vastly improved within three months, leading to increased uptime, consistent output, and a happier workforce. This enormous success prompted the plant management to expand the model to other areas and spread the knowledge, facilitating transformation across various operations and bringing us one step closer to world-class standards.

#### Before



#### After

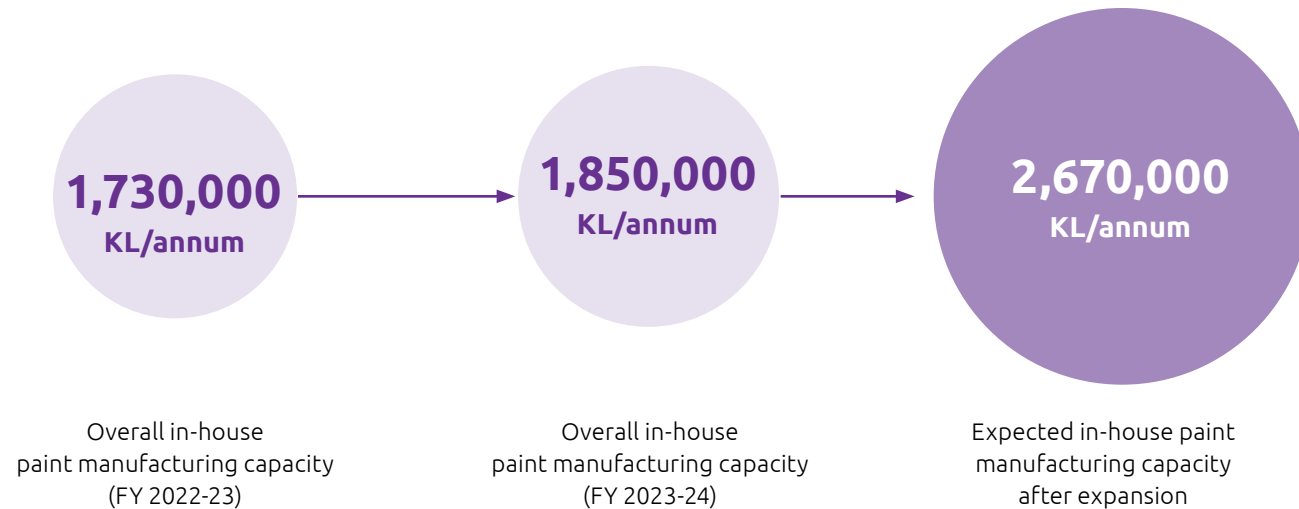




## Manufacturing and Innovation

### Decorative coatings

#### Cumulative Installed in-house decorative paint capacity



### Highlights of our decorative paint manufacturing facilities

#### Rohtak

Established in **2010** Capacity (per annum) **400,000 KL**

Rohtak, our flagship manufacturing facility is renowned for its expertise in pioneering new chemistries, launching innovative products, and embracing technological advancements.

#### Visakhapatnam

Established in **2019** Capacity (per annum) **300,000 KL**

Our Visakhapatnam plant is distinguished by its excellence in production, quality, and safety with prestigious accolades to back it up such as the British Safety Council's Sword of Honour and a five-star safety rating.

#### Ankleshwar

Established in **1981** Capacity (per annum) **130,000 KL**

As Asia's inaugural generative plant in Behaviour-Based Safety, our Ankleshwar facility meets diverse national demands under one roof.

The plant is expanding and is set to become the largest SKU hub in our Company with an annual capacity of 250,000 KL and a wide SKU portfolio. We are adopting the latest manufacturing technologies to enable a seamless transition which safeguards our workforce and our operations.

#### Kasna

Established in **1990** Capacity (per annum) **100,000 KL**

Kasna plant plays a significant role in servicing critical markets of North and North East, delivering value across all parameters of manufacturing excellence.

We completed the upgradation of our plants' paint production capacity to 100,000 KL from 80,000 KL during the year with zero safety incidents, ensuring uninterrupted service delivery.

#### Patancheru

Established in **1985** Capacity (per annum) **80,000 KL**

Our Patancheru plant is known for its reliability and high Right First Time (RFT) rate, it caters to diverse markets nationwide with a wide array of SKUs and shades. It is also recognised for its flexibility and innovative spirit and plays a crucial role in new product development and commercialisation.

#### Sriperumbudur

Established in **2005** Capacity (per annum) **140,000 KL**

Our Sriperumbudur plant, spearheads advancements in technologies such as emulsion manufacturing and powder conveying and has recently received environmental clearance to expand its capacity to 200,000 KL per annum.

#### Khandala

Established in **2013** Capacity (per annum) **400,000 KL**

Our Khandala plant is one of our largest fully automated paint manufacturing facilities. It offers a diverse range of over 500 SKUs across 16 shade streams in both water and solvent-based paints. Additionally, it also has in house redispersible polymer (RDP) manufacturing facility.

We have successfully expanded the Khandala plant's water-based processing block, added another 100,000 KL capacity and transformed it into a 400,000 KL per annum manufacturing facility.

#### Mysuru

Established in **2018** Capacity (per annum) **300,000 KL**

Our Mysuru plant is a fully automated facility, featuring state-of-the-art material handling systems. We are expanding our Mysuru plant to serve the growing markets of southern part of the country. Doubling the paint production capacity from 300,000 KL to 600,000 KL, along with adding capacities for various intermediates and paints, establishing it as the world's largest paint manufacturing facility.

### Fortifying our leadership

During the year, significant progress has been made in strengthening our leadership within the industry. In addition to expansion at Khandala and Kasna, we have acquired land for new greenfield plant in Madhya Pradesh, slated to accommodate a capacity of 400,000 KL per annum. This state-of-the-art facility will be one of our largest automated paint manufacturing plants, with operations expected to commence within the next four years. Our commitment to innovation and backward integration is evident in the ongoing development of our VAM VAE manufacturing project as well as our white cement plant in Fujairah, UAE. These strategic endeavors, coupled with our capacity expansions, will not only enhance operational efficiencies but also uphold our steadfast commitment to delivering unparalleled quality.

### Adjacencies

#### White Cement

White Cement (Portland cement) is commonly used as a hydraulic binder in cement-based putty and waterproofing products, providing binding strength to the inorganic matrix upon hydration with water. We are in the process of establishing in-house manufacturing capabilities which enables customisation of cement grades for diverse applications in the undercoat and waterproofing segments.

#### Putty

To serve diverse markets with a bold service level promise, we have maintained and improved high-quality standards while enhancing procurement efficiency in FY 2023-24. A notable achievement in our manufacturing expansion was the establishment of our in-house Putty plant in Rohtak. Furthermore, our efforts to enhance formulation efficiency have played a key role in customising our offerings to meet diverse market demands while effectively managing overall costs.



## Manufacturing and Innovation

# How we innovate

At Asian Paints, the culture of innovation is deeply ingrained. We harness the power of technology and research to improve existing products and launch new ones. To lead the way, we have adopted backward integration for our core business and improved productivity through upskilling.

### Research & Technology

Asian Paints' Research & Technology (R&T) is a team of 240+ scientists driven by the purpose of bringing consistent breakthroughs in product innovation and strongly partnering with internal stakeholders for creating value for overall organisation. Throughout the year, scientists demonstrated their technical expertise by enhancing capabilities in nanotechnology, new resin chemistries, unique process capabilities, and sustainable technologies. To pioneer solutions for architectural, industrial, and other applications, we have secured patents and performed detailed life cycle assessments for select newly commercialised products.

Life Cycle Assessment at design level is being done for all new products in the premium and luxury category of water based paints.

**142**  
Patents filed till date  
21 additional filed in FY 2023-24

**72**  
Patents granted till date  
19 added in FY 2023-24

**5**  
International research paper  
published in FY 2023-24

The initiatives taken by R&T team during the year have resulted in improved product performance by:

Design and scale-up of nanomaterial for various functional attributes

Spray capabilities for high solid re-dispersible polymers

Formulation of polyurethane dispersions for various applications

Powder coatings capable of curing at lower temperature

**24**  
New products launched in  
Decorative Paints

**16**  
New products launched in  
Industrial Paints

**21**  
Breakthrough projects in  
FY 2023-24

**₹ 120.3 Crores**  
Spent on Research and  
Development

**240+**  
Scientists

### Delivering value at the right price: Project Anveshan

Building on the success of our previous breakthrough project 'Srijan,' we launched the 'Anveshan' project in FY 2023-24, with a quest for disruptive innovation in the areas of economical water based interior paints, functional water based interior paints in health and hygiene space, economical wood finishes with superior performance properties, high end exterior finishes and interior waterproofing product with enhanced warranty.

The Project Anveshan has yielded three flagship products:

- NeoBharat, a pioneering product in the value-for-money interior paints category
- Upgraded Damp Sheath Interior, the first waterproofing undercoat with a three-year warranty in the value-for-money category
- Flash, a distinctive wood polish offering superior grain filling and gloss



### Right First Time

We place a significant emphasis on delivering right the first time, ensuring that our products meet the highest standards of quality, every time. Our R&T team led the charge in ensuring that our design, processing, and product validation protocols were world-class, resulting in impeccable product quality that resonated with our customers.

### Backward integration

We made significant progress in our backward integration projects, achieving critical milestones in the year. Some of the notable accomplishments include substantial progress in the development of Vinyl Acetate Ethylene Emulsion (VAE) based polymers, with ongoing evaluations of prototypes for integration into products.

### Project Samarthya

The project on backward integration of specialty additives, Project Samarthya yielded critical additives at attractive price points. This has reduced our vulnerability concerning the availability of critical additives and has also helped us to deliver enhanced performance properties in products at optimal price points.

The economically developed functional raw materials have also paved the way for enhancing product properties at unprecedented price points. In addition to advancing product performance, the knowledge base cultivated from our initiatives has strengthened our understanding of the relationship between structure-property relationship and process engineering.

### Characterisation of products

Our Physical Characterisation and Analytical Research (PCAR) team collaborated closely with the resin and product development teams to establish the characteristics of the raw materials, intermediates and products developed by applying modern in-house techniques during backward integration. Under this initiative, we were able to develop test methods for analysing and characterising additives, as well as gaseous analytes essential for VAE manufacturing.

### Sikshalaya – Asian Paints' Training Academy

Asian Paints' training academy, Sikshalaya, continues to maintain its focus on providing technical training and skill development for R&T employees. Six specialised courses in the fields of colour science, dispersion, statistical techniques, and microbiology are offered, and employees receive comprehensive training from external experts of global repute to enhance proficiency across various domains.

The certificate course on Paint Formulation and Characterisation has been particularly beneficial for lateral recruits and freshers from non-paint backgrounds. Overall, about 150 R&T employees have benefited from these programmes.



## Manufacturing and Innovation

### Exchanging ideas at the Alchemy Conclave

Aligned with our vision of sustainable growth, the conclave featured a case study on coatings converting sunlight into electricity. We hosted the inaugural session of Alchemy, a pioneering conclave inviting 2,119 aspiring scientists and included a conversation with Nobel laureate Dr. Frances Arnold and students from campuses worldwide. Alchemy serves as a dynamic platform facilitating idea exchange among industry leaders, academia, and budding scientists.

We witnessed the active involvement of students and working professionals from India and various foreign countries, representing diverse academic backgrounds such as BTech, MTech, MSc, and PhD in Chemical, Paint, and Polymer specialisations. After rigorous screening rounds, 10 teams were selected to present their cases to a distinguished jury panel which included Dr. Swaminathan Sivaram. Following an intense competition, six participants emerged as winners, and were awarded Ph.D. sponsorships and cash prizes.

### Testimonial

"I wish to express my profound gratitude for the enriching experience I had at Alchemy by Asian Paints, an event that left a lasting impression on me. Encountering knowledgeable scientists from Asian Paints and engaging in discussions with fellow participants was truly enlightening and validating. Every aspect of the event exceeded my expectations, leaving an indelible mark on me. I hold this experience dear and will cherish it for a lifetime."

- a PhD participant, from IIT Bombay



## Technology at Asian Paints


During the year, we focused on business intelligence by emphasising on data-informed decision-making and reducing time for data collation through analytics. We strengthened our data analytics capabilities and upgraded our manufacturing data platform by incorporating the latest technologies to elevate the quality and efficiency of our processes.

**₹ 103.2 Crores**  
Spend on Information Technology

### Tech-enabled supply chain

We have employed analytics and technology across all our areas for data monitoring and insights, using control towers and dashboards. Through our initiatives such as material planning engines, we are enabling global optimisation to minimise procurement and consumption costs. We are also focusing on formulation optimisation and recommendation engines to enhance cost-effectiveness.

We have unlocked a spectrum of analytical possibilities which has empowered us to address crucial aspects of our operations.

- 1 Diagnostic and descriptive**  
 We have optimised power and fuel consumption to improve our sustainability efforts and lower operational costs. We have reduced cycle times and streamlined workflows through our manufacturing data platform. We have undertaken cross-plant comparison which facilitates horizontal knowledge sharing.
- 2 Prescriptive**  
 We have improved material addition accuracy and focused on precision across our manufacturing processes through a data file recommender supported by a prescriptive statistical model.
- 3 Video analytics and Gen-AI**  
 We use vision detection mechanisms to safeguard ourselves from potential fraud, ensuring that we are secured. We introduced a Chatbot based on Gen AI to integrate our Admin and Safety Manual.
 
- 4 Automated demand fulfilment**  
 Automation across our operations helps us in prioritising the selection and dispatching of critical SKUs. This has significantly enhanced our service delivery across the nation. This system has been deployed at key production sites, leading to improved efficiency and effectiveness in fulfilling critical orders.
- 5 Data democratisation**  
 We use data analytics and insights to make informed decisions. We have conducted training sessions to develop data engineers to disseminate our practices across our plants leading to cost savings. Data analytics is also used in quality assurance and predictive safety monitoring.

## Sustainability

Through our innovation and technological expertise, we spearheaded numerous initiatives across these sustainability parameters:

### Green Product certifications

Our Company's 4 products are certified by internationally renowned 'Green Seal', 258 products are CII GreenPro certified, and 47 products from our own 'Green Assure' certification.

### Carcinogenic, mutagenic and reprotoxic (CMR) substance reduction

We undertook specific projects to reduce the exposure of employees and customers to toxic substances which are classified as CMR.

### Greenhouse Gas emissions

We reduced our CO<sub>2</sub> emissions through formula optimisations.

### Renewable raw materials

We introduced raw materials from renewable resources that has increased the overall renewable content of paint.

Read more about our sustainable products on [Pg. 55](#)





## Manufacturing and Innovation

### Brand management and customer acquisition

We conducted cost-effective customer acquisition campaigns across various channels using our exceptional digital marketing platform which led to a remarkable customer conversion rate. We have also launched brand portals for brand managers and designers to increase our visibility. Additionally, we bolstered our call centre operations to maintain a 99.9% uptime and implemented a Product Information Management (PIM) system to centralise all our digital assets into a single repository.



Night view of our Ankleshwar plant

### Customers and channel partners

We made several advancements in the realm of recommendation engines and loyalty programmes. Our B2B recommendation engine underwent a major overhaul and significantly boosted recommendation-based sales. Additionally, we revamped our 'MyAwaaz' mobile application to include nudges for recommendations, enhancing user engagement.

Furthermore, we are currently working on developing new mobile applications to further enhance our customer experience. Read more on customer related apps in customer celebration on [Pg. 65](#)

### Employees

In FY 2023-24, we prioritised the automation and streamlining of processes such as onboarding, offboarding, and asset allocation, leveraging tools like Autopilot for automated asset allocation. Additionally, we made investments towards learning platforms like LinkedIn to enrich the learning experience for our people.

During the year, our businesses transitioned to a cloud-based CRM system to increase efficiency and effectiveness in operations. This automation has empowered our sales teams and leadership team to make real-time data-driven decisions, leading to increased market opportunities, sales pipelines, and conversions.

### Influencers

We built a robust backend technology platform to facilitate seamless digital interactions with influencers such as contractors, painters, architects, and interior designers. Moving forward, this platform will enable our businesses to adopt a tech-first approach to influencer outreach activities, ensuring effective engagement with our key stakeholders.

### Cyber security

Security is a non-negotiable aspect of our operations. We employ top-tier tools and processes to protect our intellectual property and IT infrastructure. With advanced threat monitoring and prevention measures, we ensure early detection and mitigation of cyber-threats across our Group. Furthermore, we have introduced IT solutions catering to several of our stakeholders through focused initiatives.

## How we distribute

Our networking infrastructure and data platforms provide ease of business to all stakeholders, right from the factory staff to our customers. The continued partnerships with sustainable fleet solutions ensure we achieve this last-mile delivery responsibly.

### Logistics

Optimising logistics has become crucial over the years for enhancing customer satisfaction amidst evolving preferences. We focus on customer-centricity, employing lean, agile, and reliable methods to deliver quality products promptly and utilise demand forecasting for real-time and historical data, supported by advanced statistical models and machine learning algorithms, resulting in significantly reduced errors post-COVID. We are actively incorporating machine learning models to enable frequent demand sensing, enhancing inventory management and minimising stockouts, ultimately improving order fill rates. We have also deployed a more advanced

Order Fill Rate (OFR) tracking. Our dealer feedback indicates noticeable enhancements in material servicing, reflecting the effectiveness of automation in prioritising and dispatching critical SKUs across the country.

Furthermore, we have deployed a new inventory optimiser tool which has led to reduced inventory norms by approximately 5%, enhancing service levels. Direct material dispatch to customers without warehousing has yielded significant cost savings and faster delivery times, in FY 2023-24. Moreover, we are increasing regional distribution centres to further accelerate servicing for slow-moving items while reducing freight costs.

#### CASE STUDY

##### OUR MULTI-MODAL APPROACH

We have collaborated with established logistics providers and new entrants to ensure a diverse range of innovative supply solutions with reliable support. Through strategic partnerships such as with Indian Railways, our multimodal finished goods dispatch has increased by over 30% compared to last year, resulting in significant savings in freight cost and a reduction of nearly 4,000 tCO<sub>2</sub>e emissions. We have also been leading from the front in collaborating with leading FMCG/ FMCD industries in the country for load pooling and reverse logistics synergies.





# MANAGEMENT DISCUSSION AND ANALYSIS



## INSIDE THIS SECTION

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### Macro-economic landscape

Brief analysis and description of the macro-economic landscape we operate in. It covers the global and Indian economic scenario, along with the outlook.

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### Business review

Analysis and description of:

- Decorative business in India
- Home Décor
- Kitchen business
- Bath fittings and sanitaryware
- International business
- Industrial business in India

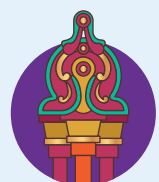
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### Financial review

Key indicators and analysis of our balance sheet, profit and loss statement, and cash flow statement.



## Management Discussion and Analysis



### Macro-economic landscape

During FY 2023-24, the global environment continued to be challenged by the continuing war in Europe and it was further disturbed by the ongoing conflict in the Middle East. Uncertainty around both these conflicts and their resultant impact on the supply chain routes led to volatility in the global financial and commodity markets. On the other hand, the US economy demonstrated resilience amidst the challenging environment putting the recession fears to rest. Inflation that had hit historically high levels in the previous year, took a breather and its effect was a huge support in a subdued demand environment across many geographies. Contrary to the year's beginning expectations, the slowing inflation was not enough to push the monetary authorities to look at a dovish monetary stance.

At the same time, the rapid developments in Artificial Intelligence (AI) and its adoption across streams of business

processes, along with enhanced digitalisation, data sciences and the growing focus on sustainability, are transforming business operations. Businesses and financial institutions focused on innovation, efficiency, and sustainability as they strived to further their business objectives and meet the changing customer preferences.

Despite the challenging global landscape during the year, India emerged as the fastest-growing major economy, driven by a robust push in capital formation with public investment leading the path. The large domestic consumption basket in the country also supported this growth, though overall, it showed signs of moderation from the earlier years. Government-led strategic reforms, substantial investments in physical and digital infrastructure, and initiatives like 'Make in India' and the Production-Linked Incentive (PLI) scheme bolstered the country's growth, resilience, and self-reliance.

The National Statistical Office (NSO) projected a real GDP growth of 7.6% for FY 2023-24, supported by a broad-based strengthening of industrial sectors, particularly manufacturing, and the financial services sector playing a pivotal role in driving the economic momentum.

Inflation moderated to a four-month low of 4.9% in the third quarter of FY 2023-24, as a result of the Reserve Bank of India's prudent management, balancing inflation control with growth stimulation. This is believed to have created a stable interest rate environment conducive to long-term investments and spending. Government strategies have continued to focus on onshoring and friend-shoring production, leveraging AI to maintain competitiveness in digital services, and achieving non-fossil fuel power generation targets.

### Outlook

The International Monetary Fund (IMF) projects global growth to remain at the same levels as the past year, indicating a stabilising global economy with monetary policies finding new balance. However, it is anticipated to be a year of diverging growth trends emerging in various economies, especially in the major developed economies where US growth is expected to be stable while the Euro Zone outlook looks uncertain. Similar uncertainties also abound on the growth outlook in China where the authorities have been experimenting for some time now, to shift the growth focus towards domestic consumption, albeit with marginal success. Developing Asian economies are likely to see accelerated growth, while regions like the Middle East and North Africa and Sub-Saharan Africa anticipate modest growth, emphasising the need for vigilance and adaptability in navigating the complex global environment.

Amidst the broader global economic context, India remains strongly on its path of sustained economic growth with ongoing reforms across critical sectors such as healthcare, energy and MSMEs. The large public and private investment cycle and strong domestic consumption potential augur well for continuity of its growth momentum. Inflation, though above the target levels of the monetary authority, is expected to be largely in control with the expected good monsoon season providing further room for cooling. Infrastructure development, propelled by public policies, is set to drive gross fixed capital formation, while initiatives like the PM Garib Kalyan Anna Yojana are aimed at bolstering rural demand. In this vibrant economic landscape, the banking sector and rapidly evolving fintech space are anticipated to further financial inclusion to the last mile, thereby supporting manufacturing, job

creation, income augmentation, and infrastructure investment.

India is also well positioned to enhance its participation in global value chains with its policy reform agenda, thereby nurturing vertical markets with a sustained growth phase. The influx of foreign direct investment (FDI) and the expansion of the digital infrastructure is expected to create an opportune environment—where India is looked at not just as a consumption market considering its strong domestic consumption potential but also as a market offering superior technology skill sets to cater to evolving aspirations of global players across sectors.





## Business review

### Decorative business in India

FY 2023-24 began with positive consumer sentiments for the Decorative business both in the retail and large user business segments. From Q2 onwards, we saw a dip in demand owing to reduced household spending. Domestic growth was supported by the continuing push in public investments while household consumption was impacted on the back of persistent inflation.

The subdued consumption impacted the demand for Premium range of our product portfolio, especially in the rural regions, looking at downtrading to counter the price impact. Strong growth was seen in the Economy range of products strengthening our 'bottom of the pyramid' segment. The Luxury range of products continued to do well with various new products offering superior value propositions, driving strong interest from the consumers.

Overall for the year, we delivered a robust high-single-digit volume growth of 9% with a value growth of 3%. Putting the consumer first has always been at the core of our business, in whatever initiative we undertake, whether in terms of the launch of new products or service offerings. This year, too, we brought delight to consumers with a range of new product launches and offerings. The year witnessed 24 products getting launched in the decorative coatings space.



At the top end of the spectrum, we launched Emporio Self Heal, a top-of-the-line wood finish product with self-healing properties, which is the first of its kind in this category. Our Damp Proof Play offers decor plus protection solutions for terraces. Apcolite Insect Shield Enamel is a pioneering enamel paint, which is effective against mosquitoes, ants, cockroaches, and flies.

Continuing with our work on one of our focus areas of democratising décor and enabling every Indian to create a beautiful home, we have introduced 'Neo Bharat' – a latex paint reinforced with special polymer technology, which gives a smooth finish and three times better durability than distempers and local paints. Another such groundbreaking innovation is 'Flash' in the space of wood finishes. It provides best-in-class gloss and grain filling at the most competitive price against local polishes.

### We have introduced 'Neo Bharat' - a latex paint reinforced with special polymer technology, which gives a smooth finish and three times better durability than distempers and local paints.

Asian Paints has been an integral part of the cultural fabric of the nation, inseparable from festivities across the decades. In an industry first, we launched limited-edition festive packaging this year to celebrate the rich culture and heritage of West Bengal, Tamil Nadu and Kerala during the Durga Puja, Pongal, and Onam festivals respectively.

Equipped with new packaging technology, the Asian Paints Royale Glitz festive pack and Ultima Protek pack featured an exciting Augmented Reality (AR) feature. By scanning the QR code on the pack, consumers were taken on a delightful journey through AR.

We created a new paradigm in our relationship with our contractors with the introduction of instant direct benefit transfer (DBT), enabling an immediate and anytime redemption of loyalty points. We also introduced an industry-first 'Legends' programme, which rewards contractors for their long-term loyalty towards Asian Paints. We are also the only player to provide health insurance to contractors. Our contractor finder service continues to provide direct business to thousands of contractors.

We have been studying colour and its varied influences on lifestyle since 2003, and we remain fascinated by the big and small stories that emerge out of the vibrant landscape in the world. Every year, we collaborate with experts from a range of

creative disciplines – architecture, art, interiors, fashion, sociology, media and FMCG – to put together a comprehensive forecast of design directions in colours, materials, textures and finishes that are relevant to the world. 'Dessert Love', a Terra shade, is anointed the 'Colour of the Year' 2024, amidst a growing desire for familiarity, comfort, and emotional grounding in these ever-changing times. Resonating with our deepest memories, it takes us on a journey of self-discovery. It echoes the warmth of a homecoming, where familiarity envelops us in the sanctuary of emotional stability. In a world that often feels disconnected, Terra is the thread that stitches us back to the fabric of our being, a colour that speaks the language of belonging.

In the areas of Projects and Large User segments, we have sustained our leadership position amongst builders, government and cooperative housing societies. Our stand-out product range and customised value-added service offerings have carved out a distinctive niche among customers. We have developed a concerted strategy to cater to the needs of large corporates and infrastructure projects by collaborating closely with national civil construction companies and consultants engaged in such projects. This, coupled with collaborated way of working with our Industrial Coatings joint ventures has catapulted us to being a comprehensive solutions provider for all surface needs. Our strategy for creating long-term customer value in large government projects has yielded us consistent business results. Our newer forays in product categories of admixtures, flooring and repair products continue to help us develop our leadership and become a one-stop solution provider for our customers.






## Management Discussion and Analysis

### Home Décor

Asian Paints is establishing itself as the foremost integrated home décor brand in India. This ambition will be realised through the development of a robust Phygital network – digital presence via the website and social media platforms and strategically located physical stores to enable unparalleled consumer accessibility.

At the heart of the digital experience for décor are inspirational content, engagement, and good design curation to build a new-age home décor brand that is tasteful, approachable, and trustworthy.

 The digital décor engine [www.beautifulhomes.asianpaints.com](http://www.beautifulhomes.asianpaints.com), continues to be India's leading destination for home décor enthusiasts and design professionals for home décor inspiration, design services, and products.

### Beautiful Homes Stores

It has been an incredible year for the network of Beautiful Homes Stores as we expanded our presence across 45 towns with 60 stores. This expansion came with a continued focus on providing the best-in-class consumer experience through expert consultation, 3D visualisation, endless customisation and one-stop shop for décor, enabled by cutting-edge technology, the best physical store elements, and other exceptional services to our consumers, resulting in us earning amongst the highest Net Promoter Score (NPS) for such services.

We continued to augment our décor offerings for our décor conscious customers. Our range now includes products in furniture, furnishings, lights, rugs, modular kitchens, bath solutions, wooden flooring, home automation and doors and windows. We continued to reinvigorate our furnishings fabrics by offering new and exciting collections which helped us become one of the leading players in the Indian furnishing fabric industry.

Wall coverings saw unprecedented action with the launch of 50+ collections to almost double our range. This was a mix of in-house collections as well as new international partnership with iconic brands. We also launched our economy wall coverings range to further expand our offerings into the economy segment. We launched the latest collection in wallcoverings and fabrics from the master designer Sabyasachi Mukherjee called Paris-Calcutta. With hand-painted motifs created by The Sabyasachi Art Foundation, this collection of wallpapers and fabrics, co-created with Asian Paints, brings together the sophisticated artistry and cultural heritage.

In FY 2023-24, we set the groundwork for further developing our Beautiful Homes Stores brand, enhancing our services, and aiming to reach higher NPS. Our priority includes a comprehensive digitising of our services – from customer interactions to internal operations. We anticipate robust traction on this initiative as a result of the positive customer experiences.

**Asian Paints is establishing itself as the foremost integrated home décor brand in India. This ambition will be realised through the development of a robust Phygital network – digital presence via the website and social media platforms and strategically located physical stores to enable unparalleled consumer accessibility.**

### Décor Pro

In our endeavour to deepen market penetration and improve our relationship with our value chain partners – Architects and Interior Designers (AIDs), we strategically implemented 'Category Expertise' programmes for our executive cadres across paint and décor categories in the top 11 cities. This initiative not only bolstered our understanding of market dynamics but also facilitated our collaboration with 150+ leading AIDs. By functioning as a channel with direct primary-secondary billing capabilities encompassing PU+, paint categories, fabrics, wallpaper, decorative lighting, Kitchen, and uPVC, we have established a robust framework for sustained growth and comprehensive market coverage.

### White Teak

During the year, we consolidated our position as the market leader in decorative lights, achieving revenue of ₹ 133 Crores, a 23% y-o-y increase from ₹ 109 Crores in FY 2022-23. We have introduced innovative retail formats, transitioning from a Company Owned, Company Operated (COCO) model to a Franchise Owned, Company Operated (FOCO) model, together with ramping up the establishment of Beautiful Homes Stores and Beautiful Home Studios. Adding to our footprint, we opened nine full-format stores of White Teak during the year, with additional five stores in the pipeline.

Our innovation strength helped us unveil a design blitz, featuring the launch of 150+ decorative light families, 60 new fan designs, and 500 Décor artifacts. This has fuelled excitement around the White Teak brand, especially with the introduction of a customised design vertical for decorative lights that significantly contributes to our topline growth. We also scaled up a new business arm focused on architectural lights, with a dedicated team driving product innovation across interiors and façades. To strengthen our omni-channel model, we bolstered online engagement, which witnessed a substantial increase in monthly unique visitors to our website from approximately 10 Lakhs to a peak of 25 Lakhs. Through these initiatives, we have successfully engaged with 1,200+ AID firms.

### Weatherseal

We made remarkable strides in positioning ourselves as a dominant player in uPVC windows and doors category, doubling our topline from ₹ 25 Crores in FY 2022-23 to ₹ 52 Crores in FY 2023-24. This impressive achievement has solidified our position as the second-largest organised player in this category in the domestic market. Our concerted efforts in network expansion resulted in increased Weatherseal touchpoints in 20+ new cities, extending the Weatherseal proposition to a broader audience.

We also undertook significant backend scale-up initiatives

enhancing operational efficiency and our capacity in a complex made-to-measure category. The introduction of a custom profile through an exclusive partnership further enhanced the branded experience for our consumers.

### Décor and consumer services

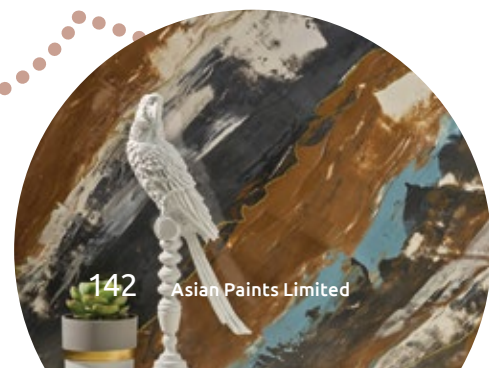
Beautiful Homes Service, our flagship interior design service is now available in 13+ cities. A Phygital end-to-end décor service, it has been growing in strength offering superior products as well as credible dealer-led painting services.

Our products are made keeping in mind the urban sensibilities of homeowners. The offering includes a comprehensive solution for homeowners seeking designs that blend adaptability and functionality, style, and personalisation. With the addition of newer categories such as wall panels, false ceilings Beautiful Homes Service will become the most sought-after brand in the world of interior design.

Additionally, our brand's Trusted Contractor Service and Beautiful Home Painting Services connects customers with trained

contractors, providing affordable options and further enhancing customer satisfaction.

With an extensive network and innovative features like real-time dealer dashboarding, product scanning for secondary liquidation visibility, and geotagging capabilities, we continue to redefine excellence in the professional painting services landscape. Demonstrating remarkable growth, adaptability, and innovation, we continue to improve our painting services and boast a service partner footprint spanning hundreds of towns across India, catering to the needs of 2.5+Lakhs consumers. During the year, we solidified our position as the largest painting service brand in the country, further elevating our service through superior workmanship, attention to detail and customisation as per individual tastes and preferences together with premium quality products and professionalism. Our Platinum tier of service has continued to be well-received across the country. Through a further scaling up of our Contractor Service across geographies, we have continued to build strong relationships with trained contractors, who also act as influencers, and with our customers who have access to cost-effective paint solutions.





## Management Discussion and Analysis

### Kitchen Business

Sleek International Private Limited (Sleek), our wholly owned subsidiary, operates in both the Kitchen Components and Full Modular Kitchen Solutions sectors. Within the Kitchen Components segment, we distribute a comprehensive range of kitchen hardware, accessories, and kitchen appliances through a wide distribution network. In the Full Modular Kitchen Solutions segment, we offer end-to-end design-to-execution services for complete kitchens, wardrobes, and fitted furniture through a robust network of Sleek showrooms owned by franchisees nationwide. Our premium kitchen offerings represent our technical, material, and design excellence, accommodating a diverse range of preferences across consumer demographics. Additionally, we have a specialised team dedicated to providing Full Modular Kitchen Solutions for new constructions, particularly in upcoming residential projects. During the year, the Board of Directors of Asian Paints and Sleek approved the Scheme of Amalgamation of Sleek with Asian Paints to generate revenue synergies through shared consumer insights and optimise back-end operations.

**Luxury kitchens contributed to about one-third of the value sales in FY 2023-24 further strengthening Sleek's brand positioning as a premium player in the market.**



### Business performance

During FY 2023-24, Sleek registered sales of ₹ 394 Crores. Luxury kitchens contributed to about one-third of the value sales in FY 2023-24, further strengthening Sleek's brand positioning as a premium player in the market. Wardrobes made significant gains in numbers across the country with a variety of options across different price points. Top-end walk-in wardrobes were added to the luxury segment options as well. Fitted furniture made gains in the latter part of the year.

Our premium offerings under the 'Crest 2.0' label have been a runaway success. For the next financial year, metal carcass and waterproof kitchen concepts have been developed providing unique, relevant, and new-to-industry options in the ever-evolving kitchen solutions landscape, which is seeing increasing traction owing to changing lifestyle aspirations. The additional manufacturing set-up at Wada in Maharashtra, commissioned

during the year will drive further cost efficiencies for the business.

The overall business performed in line with industry growth rates, supported by the launch of new products and expansion of the portfolio beyond kitchen hardware and accessories. Raw material prices were relatively stable during the year. We have been focusing on indigenisation for the past few years, and this positions the business favourably in the coming years. During the year, we continued to focus on expansion in underdeveloped markets in order to expand our geographical reach, market penetration of products, and achieve a greater distribution depth. Together with an enhanced portfolio, the Sleek Select programme was launched for improved product showcasing, better collaboration with contractors and interior designers and lead generation through digital and physical means.



**We continued to broaden our network and product range, providing innovative bath products and solutions, offering consumers a range of tailored solutions to meet diverse functional, design, and décor requirements.**

### Bath Fittings and Sanitaryware

In the Bath Fittings and Sanitaryware business, we continued to broaden our network and product range, providing innovative bath products and solutions, offering consumers a range of tailored solutions to meet diverse functional, design, and décor requirements.

### Business performance

The Bath industry had a challenging year with price reductions, a strong base effect, competition from new entrants in the business and rapid commoditisation in some product segments. Furthermore, sales from exports saw a substantial decrease. The business recorded revenues of ₹ 340 Crores during the year, leveraging the network and product expansion initiatives undertaken.

Given the challenges of the year and industry changes, we maintained a strong focus on premiumisation. The product and network portfolio are undergoing a shift towards a higher contribution from new and top-tier products, along with

deeper integration within our adopted and partnered networks. The Bathsense CANVAS range has made a strong impact on architects and top-end channel partners. This is a differentiated offering with a superior coating that has been developed with the in-house R&D expertise and provides a 25-year warranty with its unique Lotus-25 hydrophobic technology.

During the year, Bathsense also introduced top-end thermostatic options supporting the technical superiority of the product offerings and attractively positioned Bathsense in the market as a partner of choice. The business also launched Ess Ess Sanitaryware, which offers competitively priced products, and Ess Ess Ezyclean faucets in neutral colours of white and grey that guarantee protection against stains

and damages due to pitting, patina, or salt marks.

Bathsense's Bespoke design service, available through the website and dealer partners, has accelerated the sale of high-end products while supporting dealers in addressing consumer demand for diverse design and décor options. Bathsense Bespoke Pro is an end-to-end service available in seven select towns and cities in the country. As before, plumber training and knowledge development have been focal points during the year, and these were driven by accreditation-led programs. Our commitment to strong after-sales service standards remains a significant factor that sets us apart in both project-based and retail channels.





## Management Discussion and Analysis

### Supply chain

From the perspective of supply chain, the year presented a contrasting picture. While on the one hand, we encountered significant deflation in upstream raw materials, we also experienced a chain of events across the globe that disrupted the supply chain.

In this context, our integrated supply chain approach – that spans sourcing, procurement, manufacturing, logistics, manufacturing technology, sustainability and joint value creation – provided the strategic and tactical lever that ensured that we were able to offer differentiated products as well as opportunities to delight our customers together with our commitment to service excellence.

In line with the highest commitment to servicing that we hold ourselves for, we continued to surpass our world-class same-day order fulfilment benchmarks. This achievement was supported by process improvements driven by the Next Generation Planning and Execution engines. Even as we foray into multiple product categories and continue to launch a plethora of innovative products, a segmented supply chain approach has allowed us to remain agile and adaptive. We strived to ensure that we maintain optimum working capital despite the complex business conditions leading to challenging demand forecasting environment.

The rapid changes in India's logistics sector continue to present opportunities to optimise costs. We have adopted multi-modal transport options that enable us to reduce both our costs as well as our carbon footprint. We are also changing the game through cross industry collaboration, such as the uberisation of trucks with leading companies, first ever palletised dispatches using customised trucks on dedicated high-volume routes. This helps us create a world-class, unmatched service delivery infrastructure that will serve as the foundation for meeting our delivery needs at scale, enabling us to accommodate the diverse requirements and flexibility demanded by our customers.

We continued to work on bringing in sourcing and formulation efficiencies by collaborating with our suppliers, intensifying our R&D endeavours. These endeavours will not only bolster our performance in the current year but also create a long term advantage for us.

Through our joint value creation program, we institutionalised a culture and process of impactful collaboration with suppliers. This led to rapid innovation in our raw material sourcing, granting us early access to technology, supported by cost advantage and the unique value proposition of our products. Our strong focus on innovation in packaging allowed us to increase the percentage of recycled materials in our containers, thereby contributing to our sustainability agenda.

During the year, our factories continued on the maturity curve of the lean excellence program that saw strong engagement from our shopfloor teams. This led to the highest ever 12,500+ Kaizens and 130+ Blitz and Profit Improvement projects, thus creating a substantial measured value on the ground.

Under the Vyansamadhanam initiative, we continued to demonstrate our sincere commitment towards the safety and well-being of our people and operations. Four of our plants have achieved the 'Generative Stage' in Behaviour Based Safety (BBS) – up from one plant last year – and four other plants are in the 'Proactive Stage' This year also, the focus was also to go beyond the factory and sensitise our teams on road safety and contract workforce safety. Our process safety approach strives to protect our assets by systematic risk profiling, using a 14-element framework of process safety management. We are also creating a one-of-a-kind digital twin of our critical operations to give proactive and reliable detection of process safety incidents and escalation in case of deviations.



Asian Paints (Middle East) SPC at the Interior Design Furnishing exhibition

### International Business

Beyond India, Asian Paints operates in 14 countries spanning across four regions globally: Asia (including South Asia and Indonesia), the Middle East, Africa, and the South Pacific. Our products and services are marketed under seven corporate brands: Asian Paints, SCIB Paints, Apco Coatings, Asian Paints Berger, Taubman, Asian Paints Causeway, and Kadisco Asian Paints. The group remains dedicated to expanding its footprint in high-growth emerging markets, particularly in Asia and Africa.

### Operating environment

In FY 2023-24, many economies experienced a deflationary trend in raw materials and packaging materials. This created a more favourable environment compared to FY 2022-23, allowing us to concentrate on overall business growth. However, interest rates continued to be at a record high in many of the economies we operate in. Inflation in Egypt and Ethiopia continued its upward trend, as a result of which steep price increases were resorted to in the Egypt and Ethiopia markets to protect margins. Operating costs were also under

tremendous pressure across these markets owing to the inflationary environment. The Israel-Palestine conflict and the Red Sea crisis added to supply chain bottlenecks intermittently. The US Dollar remained strong across most of the markets, significantly impacting business in Egypt, Ethiopia, and Bangladesh. Demand environment in Nepal remained extremely challenging with tight liquidity conditions across the trade channel severely impacting the business.

The Egyptian Pound continued to be under pressure and depreciated by close to 53% by the end of FY 2023-24 on the back of an almost 66% depreciation in the previous year. With political stability and International Monetary Fund (IMF) support, the situation is expected to improve in FY 2024-25. A series of fiscal and non-fiscal measures were undertaken by the government in some of the countries that we operate in, to improve overall confidence. Sri Lanka continued to take extensive measures to promote tourism and investment. Its currency appreciated against the US Dollar during the year as a result of these measures and committed support from the IMF. The Bangladesh Taka remained under pressure together with the low availability of the

US dollar, leading to issues in raw material supplies. Ethiopia, which has been experiencing US Dollar shortages for many years now, continued to face intense pressure.

### Business performance

We have consistently focused on efficient business operations across all geographies, especially the ones impacted by high inflation and US Dollar shortages. Initiatives for better working capital management, margin protection and cash preservation were carried out at all our units. Price increases were undertaken wherever necessitated by the inflation in raw material and packing material.

In all the markets, our strategy was to capture new network counters, enrol new contractors and improve consumer mind share. An enhanced portfolio of premium-luxury products played a pivotal role in meeting our objectives and in enabling deeper shop-shares in existing critical and competitive retailers. We also continued our focus on product value propositions and worked on launching/revamping products across markets, ensuring better quality and comprehensive offerings to consumers.

Our above strategy has led to significant growth in waterproofing category. Based on our learnings from the success of our well-established waterproofing portfolio in India, we leveraged valuable insights and synergies to enhance our offerings. Our Beautiful Home Painting Service, introduced in FY 2020-21 across various regions, continued to thrive. The décor and painting solutions offered under this initiative have been widely acclaimed, transforming customer experiences and establishing a compelling point of differentiation from our competitors.



## Management Discussion and Analysis

### Asia (South Asia and Indonesia)

Nepal, one of our largest international subsidiary, continued to be impacted in both the paints and sanitary business by the lack of liquidity and overall slowdown. Collections have been under tremendous pressure and this is an area where we have maintained a sharp focus. Adequate steps were taken by the subsidiary there to provide assistance to customers in areas of financing and secondary sales. It was in Nepal that we inaugurated our first ever Beautiful Home Boutique store outside India in September 2023, providing enhanced customer experience in the areas of home décor.

Uncertainty in Bangladesh's economy due to elections, concerns over forex availability and inflation pressurised the business across all segments. The top line faced challenges during the year. However, the profitability improved due to reduction in material prices. We extensively focused on working capital management despite the uncertain business scenario. In Bangladesh, the Safe Painting Service brand continues to perform well year on year, seizing considerable mind share of the consumer.

Sri Lanka's revival journey has been nothing short of heroic. The country took extensive confidence-building measures and the currency strengthened with IMF intervention at regular

intervals. We also undertook several measures to promote growth in the market and achieved a much better than expected performance. Products were launched to cater to the demand generated by an improved scenario in Sri Lanka. At the same time, demand for existing products was created through marketing campaigns and enhanced network reach.

In Indonesia, we also made extensive efforts to grow the waterproofing business and promote premium products, along with seeding products in the 'Value for Money' segment. Extensive work was carried out in the areas of activation, demand generation and overall network reach. Cost optimisation remained a strong pillar for sustainable business operations. The growth journey in Indonesia remains tough with growing pressure on profitability and working capital management.

### Africa

The Egyptian market remained uncertain and volatile. Unprecedented inflation and US Dollar shortage created panic several times during the year. However, a series of price increases were taken in line with competition to ensure that margins are protected. The Safe Painting Service continued to do well, and cost reduction initiatives were undertaken across all areas to ensure minimal impact on profitability. Working capital management and supplier

relationships were managed delicately, thereby ensuring availability of cash and supplies.

In Ethiopia, civil unrest continued in parts of the country, creating supply chain bottlenecks. We took sufficient measures to ensure the supply of raw material, which resulted in a performance exceeding expectations at all fronts. The US Dollar shortage continues to be the biggest challenge to operate in the country.

### Middle East

The Middle East region, untouched by currency issues, has been a strong contributor in the overall success of our operations. A deflationary environment aided overall profitability in the region. Cash flow issues were managed effectively across the region through various initiatives across segments. The premium luxury product category along with waterproofing and construction chemicals continued to be the strategic focus areas. We invested in engaging with contractors and consultants to create a long-term partnership. The Protective Coating and Project business segment performed well in the UAE. In Oman, we received the prestigious 'Oman Most Trusted Brand' award in the Paint category. Retail business in Bahrain continued to be slow, and with decent growth in the Projects segment, the overall market share was maintained. We formed a 100% owned subsidiary in Qatar for enhanced customer experience and growth in the region.

### South Pacific

Operations in South Pacific were impacted by the increased movement of manpower to nearby regions. Recovery in tourism has been good and aided overall growth. Our unit in the region continues to perform well in a difficult and uncertain terrain.

### Industrial Business in India

Asian Paints operates in the Industrial Coatings segment through two 50:50 JVs with PPG Industries Inc. USA – PPG Asian Paints Pvt. Ltd. (PPG-AP) and Asian Paints PPG Pvt. Ltd. (AP-PPG).

### Automotive, industrial, refinish, packaging and marine coatings

PPG-AP is the first 50:50 JV of our Company with PPG Industries Inc., USA. One of the largest industrial coatings suppliers in India, PPG-AP manufactures and trades in paints, coatings, adhesives and sealants for automotive Original Equipment Manufacturers (OEMs), industrial segments, the automotive refinish segment, and the packaging and marine segments.

### Operating environment

Automotive OEMs have ramped up production and India is now the world's 3<sup>rd</sup> largest automotive market. Almost all automotive OEMs have committed to substantial investments in either expanding their capacities or building infrastructure for EVs and batteries. Some new entrants are also joining the fray. The Government of India is also enabling the sector with Faster Adoption and Manufacturing of Electric Vehicles (FAME) and PLI schemes to drive EV penetration.

During FY 2023-24, the two-wheeler industry remained muted, especially in H1. However H2 has seen a good recovery with overall demand picking up well. Over the past few years, the increase of mobility options has led to the emergence of E-scooters as a popular mode of individual transportation in urban areas.

### Business performance

During the year, PPG-AP registered double digit growth in terms of sales, with a significant improvement in profitability across all businesses. The year witnessed softer raw material costs and stable currency. All plants – from Sriperumbudur and Dahej to Moraiya and Puducherry – delivered higher y-o-y volumes. Innovation in formulation, sourcing efficiency and other cost optimisation efforts helped to further improve profitability.

PPG-AP remains committed to continuously enhance the value proposition for its customers leveraging the technological expertise from its parents, PPG Industries Inc., USA and Asian Paints.



Cartisan by PPG Asian Paints



## Management Discussion and Analysis

### Non-auto industrial coatings

AP-PPG, the second 50:50 JV of our Company with PPG Industries Inc., USA, serves the non-automotive industrial coatings market of India and operates in the protective coatings, powder coatings and road markings segments, catering to clients in infrastructure, oil and gas, power, construction, machinery and equipment, and functional and domestic appliances sectors, among others.

### Operating environment

Multiple factors have contributed to growing share of the non-automotive industrial segment over the past few years. This solid growth is bolstered by government spending on infrastructure and incentives to boost domestic manufacturing, coupled with strong fundamentals with respect to infrastructure, renewable energy, and allied industries, which have fuelled demand for industrial coatings.

Manufacturing activity, however, remained subdued throughout the year due to weak consumer sentiments and high interest rates. The industry experienced a favourable development with the softening of raw material prices from their previous highs. Price corrections in crude oil and other essential components also resulted in improved margins

### Business performance

AP-PPG recorded a robust double-digit revenue growth with notable rise in profitability. The strategy of offering better value to customers through superior quality and wide product range, top-notch service standards, and improved delivery capabilities led to enhanced customer confidence and trust in



Saudi Aramco Marjan II - Offshore Platform project at Hazira, Surat by Asian Paints PPG (Contractor - L&T Hydrocarbon)

the brand. Further, expansion of the network coupled with partner loyalty programs and digitisation initiatives elevated AP-PPG's share in certain key segments and improved its industry standing.

The topline growth of industrial liquid paints was driven by major infrastructure investments, including the construction of airports, commercial buildings, ports, and power generation (renewable and thermal). Increased awareness of safety also fuelled the demand for passive fire protection solutions. Export fabrication, building and factories, and wind power sectors experienced increased capital expenditure, further boosting demand.

AP-PPG's powder coatings are a sustainable alternative to liquid paint, with further expansion in powder coatings to the Pipe and Valves segments during the year. Growth in the domestic appliance market, driven by the 'Make in India' initiative and supportive policies for infrastructure development, continued to spur the demand for powder coatings.

### ESG integration

ESG considerations have been integrated into every facet of our business strategy, including our investment evaluation process. We are committed to maintain an optimal balance between People, Planet and Profits objectives. We have set targets across our Environment, Social and Governance focus areas in 2021 and are regularly tracking process progress of it. As an industry leader, ESG-related due diligence has become a pivotal component of our investment procedure. This enables us to make our operations more sustainable, build stronger relationships with our stakeholders and create a strong governance structure.

### ₹ 60.4 Crores Capex invested to improve ESG impact of our products and processes

Read more on how we make our operations more sustainable on [+ Pg. 44](#)

Read more on how we build strong relationships with our stakeholder universe on [+ Pg. 62](#)

Read more on how we work towards creating a stronger governance structure on [+ Pg. 96](#)

### Internal control systems and their adequacy

Asian Paints has implemented robust internal control systems to ensure the effectiveness and efficiency of its operations, reliability of financial reporting, and compliance with applicable laws and regulations which are commensurate with the size, nature of business, geographical presence, and complexity of the business. The governance structure assigns responsibilities to the Committees of the Board, function heads, and process owners. Policies and procedures are reviewed periodically to keep them relevant in the changing business environment.

Detailed standard operating procedures and their controls are well documented and embedded in business processes to mitigate risks in operations, reporting, and compliance. Our Company's ERP, system infrastructure and checks are integral parts of the internal control system. Our Company leverages data analytics, predictive and visualisation tools to identify data exceptions

and trends, and actively invests in moving from manual to automated controls. A strong compliance management system monitors the compliance status online and updates compliance requirements with the latest changes in statutes and business operations.

Our Company's key functions and processes are certified with ISO 9001, ISO 14001, ISO 45001, and ISO 27001, focused on quality, environment, occupational health & safety, and information security. Regular communication and awareness towards the Code of Conduct, whistle blower process, and various policies and procedures are done to ensure common understanding through leveraging e-modules and online training sessions.

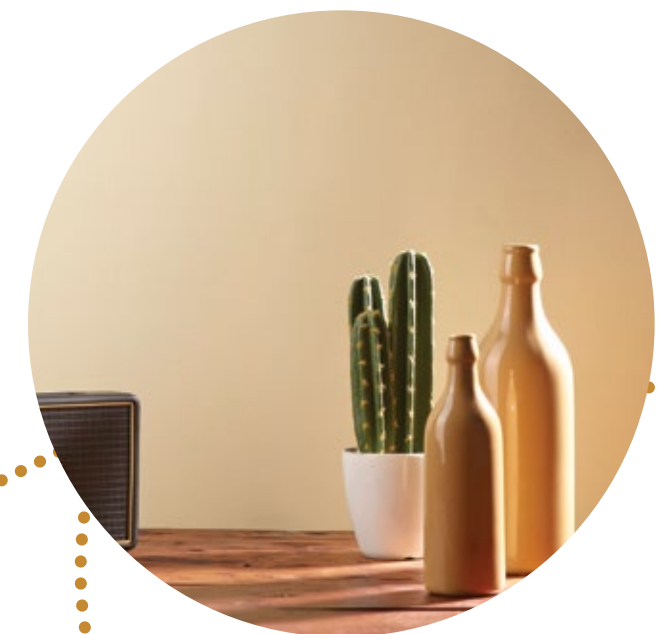
Our Company has strong internal audit governance to assure the adequacy and effectiveness of internal controls. The risk-based internal audit plan is approved by the Audit Committee, which periodically reviews the adequacy and effectiveness of our Company's internal financial controls.

### Enterprise Risk Management

Our Company has implemented an advanced enterprise risk management process to assess and monitor risks in the business operations for their likelihood and probable impact on the business and to ensure their mitigation. The constantly evolving business environment, customer preferences, and compliance landscape have led to significant changes in the variety of risks faced by our Company, which are addressed by the Enterprise Risk Management process.

For more details on Enterprise Risk Management, please read more on [+ Pg. 108](#).

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





## Management Discussion and Analysis



### Financial review

#### Standalone results

	(₹ in Crores)	
	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Revenue from sale of products and services	30,727.7	29,953.1
EBITDA	7,855.0	6,338.5
Net profit	5,321.6	4,100.2
EPS (in ₹)	55.5	42.8

#### Consolidated revenue

	(₹ in Crores)	
	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Decorative & home décor business	31,205.1	30,327.8
International business	3,061.5	3,084.4
Industrial business	1,115.5	955.6

#### Key financial ratios

	Standalone		Consolidated	
	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
Debtors turnover ratio	8.7	9.4	7.4	8.1
Inventory turnover ratio (on cost of goods sold)	3.3	3.5	3.3	3.4
Interest coverage ratio	184.9	158	63.4	72.0
Current ratio	2.3	2.4	2.1	2.1
Debt equity ratio	0.005	0.006	0.059	0.062
Operating profit margin (%)	25.5%	21.1%	23.3%	19.3%
Net profit margin (%)*	17.2%	13.6%	15.7%	12.2%
Return on net worth (%) (RONW)**	31.3%	28.3%	31.0%	27.4%

\* Net Profit Margin increased on account of declining material prices

\*\* RONW has increased in FY 2023-24 by 10.4% (Standalone) and 13.2% (Consolidated) mainly due to increased profitability

#### Creating long-term investor value

Over the past two decades, our market capitalisation had experienced a remarkable CAGR of 25.5%, soaring from ₹ 2,892 Crores as of March 31, 2004, to ₹ 273,060 Crores as of March 31, 2024. Committed to delivering sustained value, we have consistently prioritised the interests of our stakeholders. Over the last 5 years, we have diligently increased our dividend payout ratio raising it to 60% in FY 2022-23. We have maintained the dividend payout ratio of 60% even for the financial year 2023-24 in line with our Dividend Distribution Policy which recommends a dividend pay-out ratio between 55% to 65% of our annual standalone Profit After Tax (PAT). Emphasising responsible financial management and growth, we provide sustainable returns, ensuring our shareholders continue to benefit from our progress.

Our Board has established various mechanisms aimed at promptly resolving any issues encountered by our shareholders. This includes the Stakeholders' Relationship Committee, dedicated to safeguarding their interests. Additionally, our Investors' Grievance Redressal Policy ensures efficient service and timely resolution of investor concerns.

#### Economic value creation\*

	(₹ in Crores)	
	FY 2023-24	FY 2022-23
<b>Direct Economic Value Generated<sup>#</sup></b>	<b>31,674.7</b>	<b>30,596.4</b>
Revenue from sale of products and services	30,727.7	29,953.2
Other operating revenue	122.4	125.2
Other income	824.6	518.0
<b>Economic Value distributed</b>	<b>29,541.9</b>	<b>28,991.5</b>
Operating cost	22,830.9	23,515.8
Employee Wages and Benefits	1,747.9	1,513.9
Payments to Providers of Capital	3,194.1	2,460.3
Payments to Government <sup>^</sup>	1,678.2	1,424.3
Community Investments	90.8	77.2
<b>Economic Value Retained</b>	<b>2,132.8</b>	<b>1,604.9</b>

<sup>#</sup> Direct Economic Value generated includes financial assistance/grants accrued from Government authorities by our Company in the form of subsidies and export duty credits amounting to ₹ 62.7 Crores for FY 2023-24 and ₹ 62.1 Crores for FY 2022-23

<sup>^</sup> It does not include the amount paid by our Company towards Goods and Services Tax (₹ 2461.2 Crores for FY 2023-24 and ₹ 2,016.9 Crores for FY 2022-23)





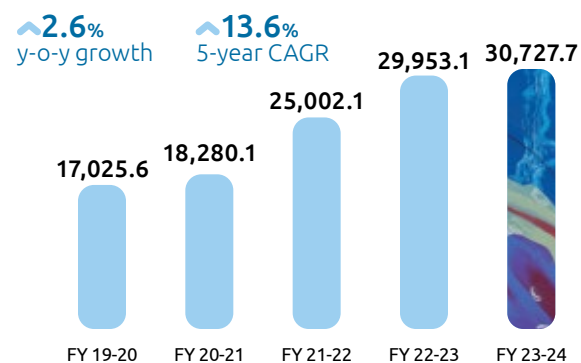
# Management Discussion and Analysis

## Numbers that make us proud

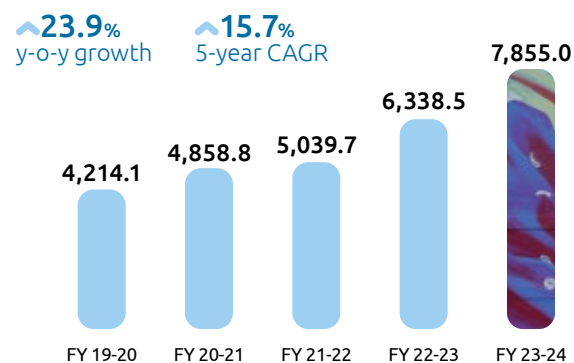
All figures here are on Standalone basis

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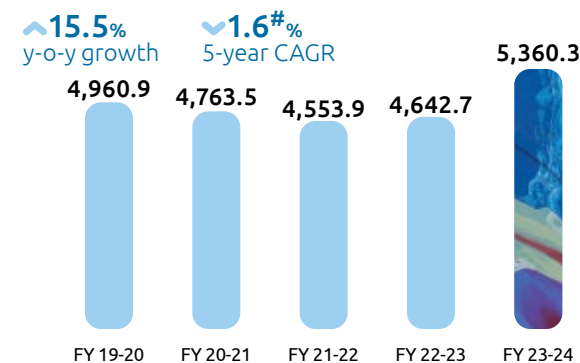
### Revenue from sales of products and services (₹ in Crores)



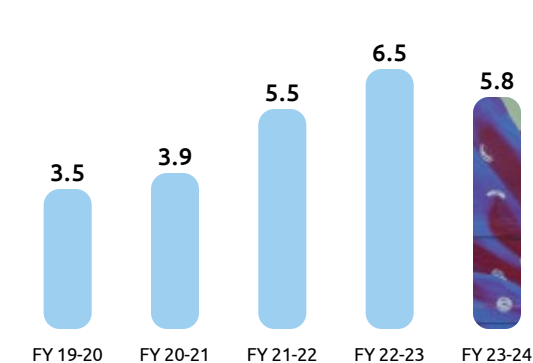
### Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (₹ in Crores)



### Net fixed Assets (₹ in Crores)



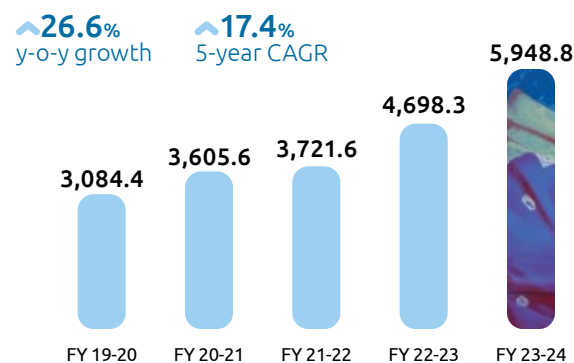
### Asset turnover ratio (x times)



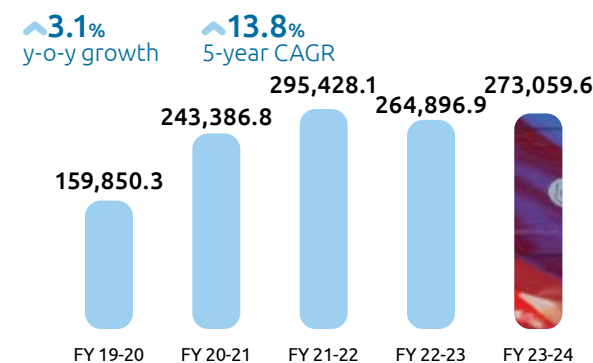
### EBITDA margin (%)



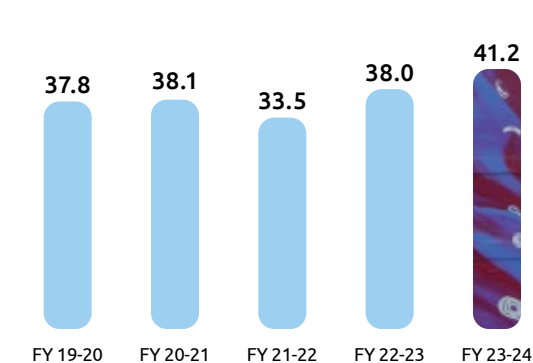
### Cash profit (₹ in Crores)



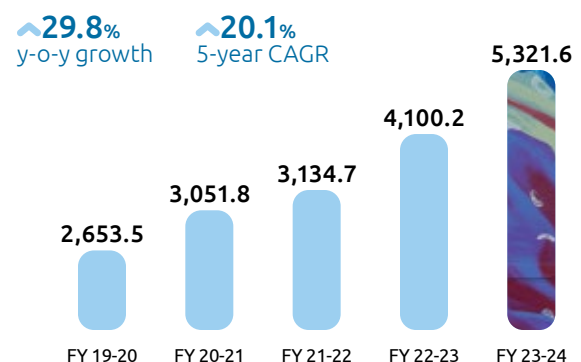
### Market capitalisation (₹ in Crores)



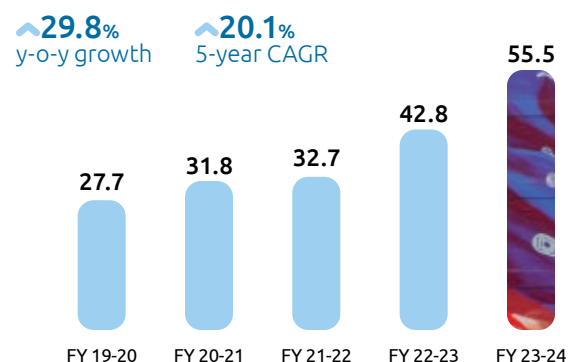
### Return on Capital Employed (RoCE) (%)



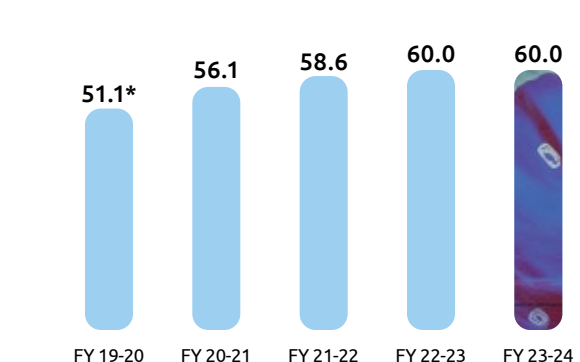
### Profit After Tax (PAT) (₹ in Crores)



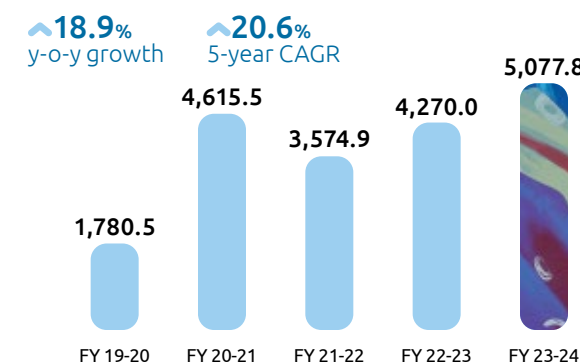
### Earnings Per Share (EPS) (₹)



### Dividend Payout Ratio (%)



### Surplus cash (₹ in Crores)



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

\* Includes Dividend Distribution Tax

# Degrowth in CAGR due to high base of fixed assets (capitalisation of plants in Mysuru and Visakhapatnam) in the FY 2018-19.



# Awards & Recognition



Asian Paints recognised as the **'Best Governed Company'** in the listed segment under Large Category at the 23<sup>rd</sup> Institute of Company Secretaries of India National Awards for Excellence in Corporate Governance.



Asian Paints recognised with the **'Golden Peacock'** Award for Excellence in Corporate Governance - 2023 by the Institute of Directors in the paints category.



Asian Paints wins Honours at the FICCI Chemicals & Petrochemicals Awards 2023 - **Recognised for Innovation & Sustainability**. TruGrip Dynamo Advance recognised under the **Product Innovator of the year** category. Other recognitions includes **Best Green Product** and **Front Runner in GHG Emission Reduction**.

- Asian Paints ranked amongst the Top 15 **Most Sustainable Companies in India** for 2022-23 by Business World magazine in association with Sustain Labs Paris.
- Asian Paints recognised with the **Silver Award** by the Institute of Chartered Accountants of India for 'Sustainability Reporting'.
- Asian Paints recognised for the **excellence, clarity, transparency** in its Annual Report for the FY 2022-23, by the Free Press Journal, in partnership with CareEdge Analytical Group.
- (Late) Mr. Ashwin Dani recognised for his contribution to industry at the **CNBC – Indian Business Leader awards** ceremony.
- Asian Paints ranked **8<sup>th</sup> amongst Top Paint & Coatings companies in the world** (Coatings World: July-Aug 2023 report).
- Asian Paints Shared Services wins **Best Automation Adoption award**, instituted by UBS Forums.
- Asian Paints bagged 6 medals at the Indian Marketing Awards, including a gold in **'Best Use of Integrated Marketing Campaign'** for their **'Spotlight of India'** campaign. Additionally, our Company clinched 3 silver and 2 bronze medals across various categories, showcasing **Excellence in creativity and innovation in the marketing ecosystem**.
- Asian Paints rated as the **7<sup>th</sup> Most Valuable Brand in India** – Sept 2023 (Compiled by brand equity research expert Kantar).
- Rohtak, Visakhapatnam and Mysuru plants recognised with **'Sword of Honour'** for demonstrating **Excellence in health and safety stands** by the British Safety Council.
- Asian Paints Beautiful Homes Stores won prestigious awards for Store Design
  - **Experiential store of the year** by Economic Times.
  - **Excellence in store design** by Economic Times.
  - **Most admired omni-channel retailer of the year** by MAPIC India.
  - **Runner up for In-store tech and Digital experience** by VMRD.
- Rohtak plant recognised at CII National Energy Efficiency Circle Competition
  - **Winner - Best Managed Electrical System for Energy Efficiency.**
  - **1<sup>st</sup> Runner Up - Best Application & Uses of Renewable Energy.**
- Visakhapatnam plant awarded with the **Global Safety Awards 2023 in Platinum category** by Energy and Environment Foundation at the Petro-coal Congress Conference for Evolving safe work practices in operations.
- Ankleshwar plant bags **'Special Appreciation Award'** at CII Gujarat State Level KAIZEN Competition.
- Khandala plant recognised with the **Golden Peacock Occupational Health & Safety Award** – 2023.
- Khandala plant bags **Gold and Runners up** award at the CII IQ National Excellence Practice Competition for presenting **CTPS - Contractor Training Passport System**.
- Asian Paints Internal Audit team won **'IIA Excellence Award – Audit Team Productivity 2024'** by the Institute of Internal Auditors (IIA).





# Ten year review

(Standalone)

Results for the financial year	2023-24	2022-23	2021-22	2020-21*	2019-20**	2018-19*	2017-18*	2016-2017*	2015-2016*	2014-2015**
<b>INCOME STATEMENT</b>										
Revenue from sale of products and services (Net Sales)	30,727.7	29,953.1	25,002.1	18,280.1	17,025.6	16,209.4	13,923.3	12,524.5	11,643.1	11,485.7
Other operating revenue	122.4	125.3	186.4	236.8	168.5	182.3	230.4	198.3	187.2	163.2
Revenue from Operations	30,850.1	30,078.4	25,188.5	18,516.9	17,194.1	16,391.8	14,153.7	12,722.8	11,830.3	11,648.8
Growth Rates (%)	2.6%	19.4%	36.0%	7.7%	4.9%	15.8%	11.2%	7.5%	1.6%	11.8%
Materials Cost	17,219.4	18,327.5	15,609.0	10,082.5	9,506.2	9,410.6	7,982.7	6,944.1	6,584.9	6,439.8
% to Net Sales	56.0%	61.2%	62.4%	55.2%	55.8%	58.1%	57.3%	55.4%	56.6%	56.1%
Gross Margin (Net Sales - Material Cost)	13,508.3	11,625.6	9,393.1	8,197.5	7,519.4	6,981.8	5,940.6	5,058.2	5,045.8	5,045.8
Gross Margin % to Net Sales	44.0%	38.8%	37.6%	44.8%	44.2%	41.9%	42.7%	44.6%	43.4%	43.9%
Gross Contribution (Revenue from Operations - Material Cost)	13,630.7	11,750.9	9,579.6	8,434.3	7,687.9	6,981.2	6,171.0	5,778.7	5,245.5	5,209.0
Gross Contribution % to Revenue from Operations	44.2%	39.1%	38.0%	45.5%	44.7%	42.6%	43.6%	45.4%	44.3%	44.7%
Overheads	6,600.3	5,930.4	4,991.8	3,941.6	3,831.4	3,476.4	3,250.5	3,107.9	2,768.5	3,198.5
Operating Profit (EBITDA)	7,850.0	6,338.5	5,039.7	4,858.8	4,214.1	3,789.6	3,198.0	2,971.0	2,726.4	2,197.3
Finance Costs	115.4	93.1	70.3	71.7	78.4	78.6	21.1	18.9	23.4	27.1
Depreciation and Amortisation Expense	734.5	755.8	721.6	697.5	690.0	540.8	311.1	295.4	234.5	223.1
Profit Before Tax and Exceptional Items	7,005.0	5,489.6	4,247.9	4,089.7	3,445.7	3,170.3	2,865.8	2,656.7	2,403.1	1,947.1
% to Net Revenue from Operations	22.7%	18.3%	16.7%	22.1%	19.8%	19.3%	20.2%	20.9%	20.3%	16.6%
Profit After Tax	5,321.6	4,100.2	3,134.7	3,051.8	2,653.5	2,132.2	1,894.8	1,801.7	1,622.8	1,327.4
Return on average capital employed (ROCE) (%)	41.2%	38.0%	33.5%	38.1%	37.8%	38.4%	38.7%	40.9%	45.0%	49.9%
Return on average net worth (RONW) (%)	31.3%	28.3%	24.6%	28.3%	29.0%	25.6%	25.4%	27.7%	32.0%	33.9%
<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
Other Equity	18,329.2	15,489.6	13,253.2	11,993.3	9,356.2	8,747.0	7,702.2	6,998.8	5,829.8	4,134.3
Borrowings	92.6	93.8	19.6	27.4	31.3	13.5	14.9	17.1	38.0	39.6
Tangible Fixed Assets and Intangible Assets (incl. Right-of-Use Assets)	7,921.2	5,620.7	4,779.4	4,882.0	5,237.5	5,400.5	3,960.4	2,824.4	2,721.8	2,105.0
Investments	5,704.6	4,911.7	3,810.6	5,179.3	2,496.5	2,964.0	2,573.3	2,913.6	2,796.6	1,893.8
Debt-Equity Ratio	0.005:1	0.006:1	0.001:1	0.002:1	0.003:1	0.002:1	0.002:1	0.002:1	0.001:1	0.01:1
Market Capitalisation	273,060	264,897	295,428	243,387	159,850	143,180	107,469	83,297	77,820	
<b>PER SHARE DATA</b>										
Earnings Per Share (EPS)(₹)*	55.5	42.8	32.7	31.8	27.7	22.2	19.8	18.8	16.9	13.8
Diluted Earnings Per Share (EPS)(₹)*	55.5	42.8	32.7	31.8	27.7	22.2	19.8	18.8	16.9	13.8
Dividend (%)	3,330%	2,565%	1,915%	1,785%	1,200%	1,050%	870%	1,030%	750%	610%
Dividend Payout Ratio (%)	60.0%	60.0%	58.6%	56.1%	51.1%	56.7%	53.0%	53.1%	53.4%	52.6%
Book Value (₹)	192.1	162.5	139.2	126.0	98.5	92.2	81.3	74.0	61.8	44.1
<b>OTHER INFORMATION</b>										
Number of Employees	9,482	8,056	7,423	7,134	6,751	6,456	6,238	6,156	6,067	5,897
Number of Shareholders	1,148,193	1,129,040	987,176	522,165	315,626	220,538	191,561	202,988	165,986	147,143

\* EPS is calculated on Net Profit after Exceptional Items.

# Figures for FY 2014-15 are as per old accounting standards (AS) and hence not comparable to subsequent years.

§ Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years.

~ The figures for FY 2018-19 have been restated on account of retrospective application of Ind AS 116 - Leases. The cumulative impact of this retrospective application in prior years has been adjusted in opening retained earnings as at 1<sup>st</sup> April, 2018 (reducing the same by ₹42.0 Crores).

\*\* The figures for FY 2019-20 and FY 2020-21 have been restated on account of amalgamation of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited with the Company with the appointed date of 1<sup>st</sup> April, 2019.

(Consolidated)

Results for the financial year	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19*	2017-18*	2016-2017*	2015-2016*	2014-2015**
<b>INCOME STATEMENT</b>										
Revenue from sale of products and services (Net Sales)	35,382.1	34,367.8	28,923.5	21,485.2	20,048.3	19,070.7	16,619.8	14,978.7	14,083.2	14,005.3
Other operating revenue	112.6	120.8	177.8	227.6	162.9	177.8	224.0	189.5	179.9	177.5
Revenue from Operations	35,494.7	34,488.6	29,101.3	21,712.8	20,211.3	19,248.5	16,843.8	15,168.2	14,263.2	14,182.8
Growth Rates (%)	2.9%	18.5%	34.0%	7.4%	5.0%	14.3%	11.0%	6.3%	0.6%	11.5%
Material Cost	20,090.2	21,156.5	18,300.8	12,097.2	11,383.5	11,272.9	9,710.4	8,435.1	8,041.3	7,971.5
% to Net Sales	56.8%	61.6%	63.3%	56.3%	56.8%	59.1%	58.4%	56.3%	57.1%	56.9%
Gross Margin (Net Sales - Material Cost)	15,291.9	13,211.3	10,622.7	9,388.0	8,664.9	7,797.8	6,909.4	6,543.6	6,041.9	6,033.9
Gross Margin % to Net Sales	43.2%	38.4%	36.7%	43.7%	43.2%	40.9%	41.6%	43.7%	42.9%	43.1%
Gross Contribution (Revenue from Operations - Material Cost)	15,404.5	13,332.1	10,800.5	9,615.6	8,827.8	7,975.6	7,133.4	6,733.1	6,221.8	6,211.3
Gross Contribution % to Revenue from Operations	43.4%	38.7%	37.1%	44.3%	43.7%	41.4%	42.4%	44.4%	43.6%	43.8%
Overheads	7,819.5	7,072.3	5,996.9	4,760.0	4,666.0	4,210.0	3,935.8	3,746.7	3,452.7	3,975.9
Operating Profit (EBITDA)	8,272.9	6,646.3	5,183.6	5,158.7	4,466.1	3,998.6	3,418.2	3,248.9	2,982.5	2,405.1
Finance Costs	205.2	144.5	95.4	91.6	102.3	105.3	35.1	30.0	40.7	34.8
Depreciation and Amortisation Expense	853.0	858.0	816.4	791.3	780.5	622.1	360.5	334.8	275.6	265.9
Profit Before Tax and Exceptional Items (Including share of profit of associate)	7,347.8	5,737.7	4,303.4	4,304.4	3,634.0	3,311.9	3,068.5	2,933.7	2,699.7	2,104.4
% to Revenue from Operations	20.7%	16.6%	14.8%	19.8%	18.0%	17.2%	18.2%	19.3%	18.9%	14.8%
Growth Rates (%)	28.1%	33.3%	0.0%	18.4%	9.7%	7.9%	4.6%	8.7%	28.3%	14.1%
Exceptional Items	-	(48.9)	(115.7)	-	-	-	-	-	(52.5)	(27.6)
Profit Before Tax and after Exceptional Items	7,347.8	5,688.8	4,187.7	4,304.4	3,634.0	3,311.9	3,068.5	2,933.7	2,647.3	2,076.9
% to Revenue from Operations	20.7%	16.5%	14.4%	19.8%	18.0%	17.2%	18.2%	19.3%	18.6%	14.6%
Profit for the year (after Tax and Minority Interest)	5,460.2	4,106.5	3,030.6	3,139.3	2,705.2	2,155.9	2,038.9	1,939.4	1,745.2	1,395.2
Return on average capital employed (ROCE) (%)	39.7%	35.6%	29.6%	35.4%	34.4%	34.1%	34.8%	37.6%	40.5%	45.3%
Return on average net worth (RONW) (%)	31.0%	27.4%	22.8%	27.4%	24.1%	24.1%	25.5%	27.5%	28.9%	31.8%
<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
Other Equity	18,632.4	15,896.3	13,715.6	12,710.4	10,034.2	9,374.6	8,314.3	7,508.0	6,428.9	4,646.4
Borrowings	1,146.3	1,016.7	779.1	353.8	361.6	629.2	533.4	560.3	323.3	418.2
Tangible Fixed Assets and Intangible Assets (incl. Right-of-Use Assets)	9,845.0	6,790.1	5,945.5	6,041.5	6,412.6	6,706.2	4,857.4	3,415.1	3,371.2	2,610.2
Investments	4,587.9	4,261.7	3,247.5	4,736.8	2,018.9	2,568.6	2,140.7	2,652.0	2,712.1	1,587.8
Debt-Equity Ratio	0.06:1	0.06:1	0.06:1	0.03:1	0.04:1	0.07:1	0.06:1	0.07:1	0.05:1	0.09:1
<b>PER SHARE DATA</b>										
Basic Earnings Per Share (EPS) (₹)*	56.9	42.8	31.6	32.7	28.2	22.5	21.3	20.2	18.2	14.5
Diluted Earnings Per Share (EPS) (₹)*	56.9	42.8	31.6	32.7	28.2	22.5	21.3	20.2	18.2	14.5
Book Value (₹)	195.2	166.7	144.0	133.5	105.6	98.7	87.7	79.3	68.0	49.4

\* EPS calculated on Net Profit (including share of profit of associate) after exceptional items.

# Figures for FY 2014-15 are as per old accounting standards (AS) and hence not comparable to subsequent years.

§ Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years.

~ The figures for FY 2018-19 have been restated on account of retrospective application of Ind AS 116 - Leases. The cumulative impact of this retrospective application in prior years has been adjusted in opening retained earnings as at 1<sup>st</sup> April, 2018 (reducing the same by ₹46.9 Crores).



# STATUTORY REPORTS & FINANCIAL STATEMENTS



## Statutory Reports

### INSIDE THIS SECTION

Notice • Board's Report • Report on Corporate Governance  
General Shareholder Information • Business Responsibility and Sustainability Report



## Financial Statements

### INSIDE THIS SECTION

Standalone • Consolidated





## Notice

### Asian Paints Limited

**CIN:** L24220MH1945PLC004598

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

**Email:** [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com); **Website:** [www.asianpaints.com](http://www.asianpaints.com)

**Phone No.:** (022) 6218 1000

**NOTICE** is hereby given that the **SEVENTY-EIGHTH ANNUAL GENERAL MEETING** of Asian Paints Limited will be held on **Tuesday, 25<sup>th</sup> June 2024 at 11.00 a.m. IST** through video conference or other audio visual means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at 6A, Shantinagar, Santacruz (East), Mumbai – 400 055.

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the:

- (A) audited standalone financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024 together with the reports of the Board of Directors and Auditors thereon; and
- (B) audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024 together with the report of Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024 together with the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby approved and adopted.

**RESOLVED FURTHER THAT** the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024 together with the report of the Auditors thereon, as circulated to the Members, be and are hereby approved and adopted.”

2. To declare the final dividend on equity shares for the financial year ended 31<sup>st</sup> March 2024 and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** approval be and is hereby accorded for declaration and payment of final dividend of ₹ 28.15 (Rupees twenty-eight and paise fifteen only) per equity share of the face value of ₹ 1 each fully paid up, of the Company, as recommended by the Board of Directors for the financial year ended 31<sup>st</sup> March 2024.”

3. To appoint a Director in place of Mr. Jigish Choksi (DIN: 08093304), who retires by rotation and being eligible, offers himself for re-appointment and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) read with Article 107 of the Articles of Association of the Company, Mr. Jigish Choksi (DIN: 08093304), who retires by rotation at this ensuing Annual General Meeting of the Company, and being eligible, seeks re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation, on such remuneration as may be recommended by the Board of Directors from time to time which shall be within the maximum limits as approved by the shareholders of the Company.”

#### SPECIAL BUSINESS:

4. To appoint Ms. Nehal Vakil (DIN: 00165627) as a Non-Executive Director of the Company and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** Ms. Nehal Vakil (DIN: 00165627) who was appointed by the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, as a

Non-Executive Director of the Company with effect from 1<sup>st</sup> March 2022 in casual vacancy caused by the sad demise of Late Mr. Abhay Vakil, and who holds office up to this Annual General Meeting and in accordance with Sections 152, 161, and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, be and is hereby appointed as a Non-Executive Director of the Company with effect from 25<sup>th</sup> June 2024, liable to retire by rotation, on such remuneration as may be recommended by the Board of Directors from time to time which shall be within the maximum limits as approved by the shareholders of the Company.

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

5. To ratify the remuneration payable to Joshi Apte & Associates, Cost Accountants (Firm Registration No.: 000240), Cost Auditors of the Company for the financial year ending 31<sup>st</sup> March 2025 and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

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

Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to Joshi Apte & Associates, Cost Accountants (Firm Registration No.: 000240), who were appointed by the Board of Directors as the Cost Auditors of the Company, based on the recommendation of the Audit Committee, to audit the cost records of the Company for the financial year ending 31<sup>st</sup> March 2025, amounting to ₹ 9,00,000 (Rupees nine lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified.

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

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

**R J Jeyamurugan**  
CFO & Company Secretary

Mumbai, 9<sup>th</sup> May 2024

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



## Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of business to be transacted at the 78<sup>th</sup> Annual General Meeting ("AGM"), as set out under Item Nos. 4 and 5 above and the relevant details of the Directors as mentioned under Item Nos. 3 and 4 above as required by Regulation 36(3) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto.
2. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular No. 09/2023 dated 25<sup>th</sup> September 2023, other Circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time, Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11<sup>th</sup> July 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7<sup>th</sup> October 2023 issued by SEBI ("the Circulars"), companies are allowed to hold AGM through video conference or other audio visual means ("VC/OAVM") upto 30<sup>th</sup> September 2024, without the physical presence of members at a common venue. Accordingly, the AGM of the Company is being held through VC/OAVM, and video recording and transcript of the same shall be made available on the website of the Company. National Securities Depository Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the AGM through VC/OAVM and e-Voting during the AGM.
3. As the AGM will be conducted through VC/OAVM, the facility for appointment of proxy by the members is not available for this AGM and hence, the proxy form is not annexed to this Notice. Further, attendance slip including route map is not annexed to this Notice.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Company, in compliance with the Listing Regulations will be webcasting the proceedings of the AGM on NSDL's website. Members can view the proceedings by logging on the e-Voting website of NSDL at [www.evoting.nsd.com](http://www.evoting.nsd.com) using their secure login credentials. The link will be available in shareholder login where EVEN (128616) of the Company will be displayed.
6. Authorised representatives of the corporate members intending to participate in the AGM pursuant to Section 113 of the Act, are requested to send to the

Company, a certified copy (in PDF/JPG format) of the relevant Board Resolution/Authority Letter, etc. authorising them to attend the AGM, by email to [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com).

Institutional Shareholders/Corporate Members (i.e., other than individuals, HUF, NRI, etc.) are requested to upload their Board Resolution/Power of Attorney/Authority Letter by clicking on 'Upload Board Resolution/Authority Letter' displayed under 'e-Voting' tab in their login or send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer at [asianpaints.scrutinizer@asianpaints.com](mailto:asianpaints.scrutinizer@asianpaints.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).

### Process for dispatch of the Integrated Annual Report and registration of email address for obtaining a copy of the same

7. In compliance with the Circulars, Notice of the AGM along with the Integrated Annual Report for the financial year 2023-24 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depository Participants ("DPs").

In case any Member is desirous of obtaining physical copy of the Integrated Annual Report for the financial year 2023-24 and Notice of the 78<sup>th</sup> AGM of the Company, he/she/they may send a request to the Company by writing at [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com) or Link Intime India Private Limited ("LIPL"), Company's Registrar and Share Transfer Agent ("RTA") at [csg-unit@linkintime.co.in](mailto:csg-unit@linkintime.co.in) mentioning their DP ID and Client ID/folio no.

Members may note that the Notice and the Integrated Annual Report for the financial year 2023-24 will also be available on the Company's website at [www.asianpaints.com](http://www.asianpaints.com), websites of the Stock Exchanges on which the equity shares of the Company are listed i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com), and on the website of NSDL at [www.evoting.nsd.com](http://www.evoting.nsd.com).

### Process for registration of email address for obtaining Notice of the 78<sup>th</sup> AGM along with the Integrated Annual Report for the financial year 2023-24

8. If your email address is not registered with the DPs (for shares held in demat form)/Company (for shares held in physical form), you may register the same on

or before 5.00 p.m. IST on Monday, 17<sup>th</sup> June 2024 to receive the Notice of the AGM along with the Integrated Annual Report for the financial year 2023-24 by completing the process as under:

- a. Visit the link [https://liiplweb.linkintime.co.in/EmailReg/Email\\_Register.html](https://liiplweb.linkintime.co.in/EmailReg/Email_Register.html).
- b. Select the name of the Company 'Asian Paints Limited' from dropdown.
- c. Enter details in respective fields such as DP ID and Client ID (for shares held in demat form)/folio no. and certificate no. (for shares held in physical form), shareholder name, PAN, mobile no., and email id.
- d. Click on continue button.
- e. System will send One Time Password ("OTP") on the mobile no. and email id.
- f. Click on verify OTP.
- g. Enter OTP received on mobile no. and email id and click on submit.

After successful submission of the email address, NSDL will email a copy of this AGM Notice along with the Integrated Annual Report for the financial year 2023-24. In case of any queries, members may write to [csg-unit@linkintime.co.in](mailto:csg-unit@linkintime.co.in) or [evoting@nsdl.com](mailto:evoting@nsdl.com).

9. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company at [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com).

### Procedure for joining the 78<sup>th</sup> AGM through VC/OAVM

10. Members may note that the VC/OAVM facility allows participation of at least 1,000 members on a first-come-first-served basis and shall open 30 minutes before the time scheduled for the AGM.
11. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned in note no. 17(e). After successful login, members can click on the link "VC/OAVM link" placed under the "Join Meeting" tab against the Company name. The link for VC/OAVM will be available in the Shareholder/Member login where the EVEN (128616) of the Company will be displayed.
12. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in this Notice.

13. Members who need assistance before and during the AGM, can contact Mr. Amit Vishal, Deputy Vice President, NSDL or Ms. Pallavi Mhatre, Senior Manager, NSDL at [evoting@nsdl.com](mailto:evoting@nsdl.com) or call at no.: (022) 4886 7000.

### Procedure to raise questions/seek clarifications with respect to the Integrated Annual Report at the ensuing 78<sup>th</sup> AGM of the Company

14. Members are encouraged to express their views/send their queries in advance mentioning their name, DP ID and Client ID/folio no., email address, and mobile no. at [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com). Questions/queries received by the Company till 5.00 p.m. IST on Sunday, 23<sup>rd</sup> June 2024, shall only be considered and responded to during the AGM.
15. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker, by sending request from their registered email address mentioning name, DP ID and Client ID/folio no., and mobile no. at [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com) upto 5.00 p.m. IST on Tuesday, 18<sup>th</sup> June 2024. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
16. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

### 17. Procedure for remote e-Voting and e-Voting during the AGM

- a. All the shareholders of the Company are encouraged to attend and vote in the AGM to be held through VC/OAVM.
- b. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Company is providing facility of remote e-Voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency.

c. The remote e-Voting period will commence on **Friday, 21<sup>st</sup> June 2024 at 9.00 a.m. IST** and will end on **Monday, 24<sup>th</sup> June 2024 at 5.00 p.m. IST**. During this period, members holding shares either in physical form or in dematerialised form, as of Tuesday, 18<sup>th</sup> June 2024 i.e., cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. A person who is not a Member as of the cut-off date should treat this Notice for information purposes only.

Members have the option to cast their vote on any of the resolutions set out in this Notice using the remote e-Voting facility either during the period commencing from Friday, 21<sup>st</sup> June 2024 to Monday, 24<sup>th</sup> June 2024 or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.

d. The members who have cast their vote by remote e-Voting may also attend the AGM, but shall not be entitled to cast their vote again.





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

- Step 1:** Access to the NSDL e-Voting system
- Step 2:** Cast your vote electronically and join the virtual meeting on NSDL e-Voting system.

**Details on Step 1 are mentioned below:**

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

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9<sup>th</sup> December 2020 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MRD/ MRD-PoD-2/P/CIR/2023/166 dated 6<sup>th</sup> October 2023), on 'e-Voting facility provided by Listed Companies', e-Voting process has been enabled to all the individual demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants ("DPs") in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the E-Voting Service Provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile no. and email address in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
	<p><b>B. E-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>Open web browser by typing the following URL: <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> either on a personal computer or on a mobile phone.</li> <li>Once the home page of e-Voting system is launched, click on the icon '<b>Login</b>' which is available under '<b>Shareholder/Member</b>' section.</li> <li>A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against the Company name or <b>ESP – NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> </ol> <p><b>C. Shareholder/Member can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.</b></p> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">     </div> <div style="text-align: center;">     </div> </div>
<b>Individual shareholders holding securities in demat mode with Central Depository Services (India) Limited ("CDSL")</b>	<p><b>A. CDSL Easi/Easiest facility</b></p> <p><b>If you are already registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>Users can login through their existing User ID and Password. An option will be made available to reach the e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use the existing Easi username and password.</li> <li>After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the ESP for casting your vote during the remote e-Voting period. Additionally, the links have been provided to access the system of all ESP's, so that the user can visit the ESP's websites directly.</li> </ol> <p><b>If you are not registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered mobile and email address as recorded in the demat account.</li> </ol> <p><b>B. E-Voting website of CDSL</b></p> <p>After successful authentication, the user will be able to see the e-Voting option where the e-Voting is in progress and also will be able to directly access the system of all ESP's.</p>
<b>Individual shareholders (holding securities in demat mode) logging through their DPs</b>	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility.</li> <li>Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on options available against Company name or <b>ESP – NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> </ol>

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



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

Login type	Helpdesk details
a) Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at no.: (022) 4886 7000.
b) Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or call at toll free no.: 1800 22 55 33.

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

How to login to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com) either on a personal computer or on a mobile phone.
- Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP, and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL e-Services i.e., IDeAS, you can login at <https://eservices.nsdl.com> with your existing IDeAS login. Once you login to NSDL e-Services after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e., cast your vote electronically.
- Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is
a) For members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
b) For members who hold shares in demat account with CDSL	16 Digit Beneficiary ID. For example, if your Beneficiary ID is 12***** then your User ID is 12*****
c) For members holding shares in Physical Form	EVEN followed by folio no. registered with the Company. For example, if EVEN is 128616 and folio no. is 001*** then User ID is 128616001***

- Your password details are given below:
  - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email address is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email address. Trace the email sent to you from NSDL in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e., a .pdf file. The password to open the .pdf file is your 8-digit Client ID for NSDL account, last 8 digits of Beneficiary ID for CDSL account or folio no. for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - In case you have not registered your email address with the Company/Depositories, please follow instructions mentioned below in this Notice.

- If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
  - Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio no., PAN, name, and registered address.
  - Members can also use the OTP based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, click on agree to 'Terms and Conditions' by selecting on the check box.
- Now, you will have to click on 'Login' button.
- After you click on the 'Login' button, home page of e-Voting will open.

### Details on Step 2 are mentioned below:

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

- After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN (128616)" of the Company for which you wish to cast your vote during the remote e-Voting period and during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- Upon confirmation, the message 'Vote cast successfully' will be displayed and you will receive a confirmation by way of a SMS on your registered mobile no. from Depository.

- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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

Shareholders/Members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring User ID and Password for e-Voting by providing below mentioned documents:

- Members whose shares are held in physical mode, are requested to provide folio no., name, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), and Aadhaar (self-attested scanned copy of Aadhaar Card).
- Members whose shares are held in demat mode, are requested to provide DP ID Client ID (16 digit DP ID + Client ID for NSDL demat accounts or 16 digit Beneficiary ID for CDSL demat accounts), name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), and Aadhaar (self-attested scanned copy of Aadhaar Card). If you are an individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained in note no. 17(e) "Step 1: Access to NSDL e-Voting system".

### General guidelines for shareholders

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries for remote e-Voting, you may refer to the Frequently Asked Questions ("FAQs") for shareholders and e-Voting user manual for shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call at no.: (022) 4886 7000 or send a request to Mr. Amit Vishal, Deputy Vice President, NSDL or Ms. Pallavi Mhatre, Senior Manager, NSDL at [evoting@nsdl.com](mailto:evoting@nsdl.com).

- f. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after the Notice is sent through email and holds shares as of the cut-off date i.e., Tuesday, 18<sup>th</sup> June 2024 may obtain the User ID and Password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or to the Company at [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com). Further, if you are already registered with NSDL for remote e-Voting, then you can use your existing User ID and Password for casting your vote. If you forgot your password, you can reset your password by using the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call at no: (022) 4886 7000. In case of individual shareholders holding shares in demat mode who acquire shares of the Company and become a Member of the Company after sending the Notice and who hold shares as of the cut-off date i.e., Tuesday, 18<sup>th</sup> June 2024 may follow steps mentioned in this Notice under note no. 17(e) "Step 1: Access to NSDL e-Voting system".
- g. Mr. Makarand Joshi (Membership No.: 5533, COP: 3662), failing him Ms. Kumudini Bhalerao (Membership No.: 6667, COP: 6690), Partners, Makarand M. Joshi & Co., Practising Company Secretaries, have been appointed as the Scrutinizer for conducting voting process in a fair and transparent manner.
- h. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- i. The voting results shall be declared within two working days from conclusion of the AGM and the resolutions shall be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared results along with the report of the Scrutinizer shall be placed on the website of the Company ([www.asianpaints.com](http://www.asianpaints.com)) and on the website of NSDL ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) immediately after the declaration of results by the Chairman or a person authorised by him. The results along with the report of the Scrutinizer shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

### 18. Intimation of details of the agreement, if any under the Listing Regulations

Shareholders are informed that in terms of the provisions of the Listing Regulations, the Company is required to intimate the Stock Exchanges the details of the agreements entered into by the shareholders, promoter(s), members of the promoter(s) group, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.

Accordingly, it is hereby advised to the shareholders to inform the Company about such agreement to which the Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements. The Company will inform the details of such agreements to the Stock Exchanges on it becoming aware of it within the prescribed timelines.

[Explanation: For the purpose of this clause, the term "directly or indirectly" includes agreements creating an obligation on the parties to such agreements to ensure that the listed entity shall or shall not act in a particular manner.]

### 19. Documents open for inspection

- Relevant documents referred to in the accompanying Notice and the Explanatory Statement pursuant to Section 102 of the Act shall be available for inspection through electronic mode. Members are requested to write to the Company at [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com) for inspection of the said documents.
- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act and the Certificate from the Secretarial Auditors in respect of the Asian Paints Employee Stock Option Plan 2021 prescribed under Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021,

will be available for inspection by the members during the AGM by following the steps mentioned at note no. 17(e) "Step 1: Access to NSDL e-Voting system". After successful login members will be able to view the documents for inspection by clicking on the link available against the EVEN (128616) of the Company.

### 20. Dividend related information

- The Board of Directors of the Company at their meeting held on 9<sup>th</sup> May 2024 have, *inter alia*, approved and recommended payment of final dividend of ₹ 28.15 (Rupees twenty-eight and paise fifteen only) per equity share of the face value of ₹ 1 (Rupee one) each fully paid up for the financial year ended 31<sup>st</sup> March 2024 ("final dividend"), subject to the approval of shareholders at the ensuing AGM.
- Final dividend for the financial year ended 31<sup>st</sup> March 2024, if approved by the members at the ensuing AGM, will be paid on or after Thursday, 27<sup>th</sup> June 2024, to those members whose names appear in the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on the record date i.e., Tuesday, 11<sup>th</sup> June 2024.
- Members holding shares in physical/demat form are hereby informed that the bank particulars registered with RTA or their respective DP, as the case may be, will be considered by the Company for payment of final dividend.
- Members holding shares in physical/demat form are required to submit their bank account details, if not already registered, as mandated by the SEBI.
- In case the Company's dividend banker is unable to process the final dividend to any Member by electronic mode, due to non-availability of the details of the bank account or for any other valid reason whatsoever, the Company shall dispatch the dividend warrants/demand drafts to such members by post.

### 21. TDS on dividend

- As per the Income Tax Act, 1961, dividends paid or distributed by the Company after 1<sup>st</sup> April 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source ("TDS") at the prescribed rates from the dividend to be paid to the shareholders, subject to requisite approvals. For the prescribed rates

for various categories, please refer to the Finance Act, 2020 and the amendments thereof.

- A separate email communication was sent to the members on Friday, 10<sup>th</sup> May 2024 informing the relevant procedure to be adopted by them/ documents to be submitted for availing the applicable tax rate. The said communication and draft of the exemption forms and other documents are available on the Company's website at <https://www.asianpaints.com/TDSExemptionForms.html>.
- The resident and non-resident shareholders should send the scanned copies of the requisite documents to LIPL at [csg5exemptforms2425@linkintime.co.in](mailto:csg5exemptforms2425@linkintime.co.in) on or before Thursday, 13<sup>th</sup> June 2024 to enable the Company to determine the appropriate TDS/withholding tax rate, as may be applicable. The resident individual shareholders also have the option to upload the exemption documents directly at <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>.
- Members are requested to note that in case the tax on dividend is deducted at a higher rate in the absence of receipt of the requisite details/ documents, there would still be an option available to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

### 22. Investor Education and Protection Fund ("IEPF") related information

- Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends that are unpaid or unclaimed for a period of 7 consecutive years from the date of their transfer are required to be transferred by the Company to the IEPF, administered by the Central Government. Further, according to the said IEPF Rules, shares in respect of which dividends remain unclaimed by the shareholders for 7 consecutive years or more shall also be transferred to the demat account of the IEPF Authority. The Company requests all the members to encash/ claim their respective dividends within the prescribed period.
- The dividend amount and shares transferred to the IEPF can be claimed by the concerned shareholder(s)/legal heir(s) from the IEPF



Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at <https://www.asianpaints.com/IEPF.html> and the said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link [www.iepf.gov.in](http://www.iepf.gov.in). Please refer the 'General Shareholder Information' section forming part of this Integrated Annual Report for further details with respect to unclaimed dividends and transfer of dividends/shares to the IEPF.

### 23. Updation of PAN, KYC and nomination details

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May 2024), in supersession of earlier Circular(s) issued on the subject, has prescribed common and simplified norms for processing investor service requests by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature), and nomination details.

As per the said Circular, it is mandatory for the shareholders holding securities in physical form to, *inter alia*, furnish PAN, KYC, and nomination details. Physical folios wherein the said details are not available would be eligible for lodging grievance or any service request only after registering the required details. Any payments including dividend in respect of such folios shall only be made electronically with effect from 1<sup>st</sup> April 2024 upon registering the required details.

If a shareholder holding shares in physical form desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she/they may submit the same in the prescribed form. Shareholders holding shares in demat form who have not furnished nomination nor have submitted declaration for opting out of nomination, are required to register or opt out from nomination, as the case may be, on or before 30<sup>th</sup> June 2024, failing which their demat account shall be frozen for debits.

The Company has sent individual letters to all the shareholders holding shares of the Company in physical form for furnishing their PAN, KYC, and nomination details. The relevant Circular(s) and necessary forms in this regard have been made available on the website of the Company

at <https://www.asianpaints.com/ShareholderServiceRequest.html> and its RTA at <https://liiplweb.linkintime.co.in/client-downloads.html>.

Accordingly, the members are advised to register their details with the RTA or DPs, in compliance with the aforesaid SEBI guidelines for smooth processing of their service requests and trading without any hindrance.

### 24. Issue of securities in dematerialised form

- a. SEBI vide its notification dated 24<sup>th</sup> January 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, the members are advised to dematerialise their holdings.
- b. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January 2022 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May 2024) has mandated listed companies to issue securities for the following investor service requests only in dematerialised form: (i) issue of duplicate securities certificate; (ii) claim from unclaimed suspense account; (iii) renewal/exchange of securities certificate; (iv) endorsement; (v) sub-division/splitting of securities certificate; (vi) consolidation of securities certificates/folios; (vii) transmission; and (viii) transposition.

The manner and process of making application as per the aforesaid revised framework and operational guidelines thereto is available on the website of the Company at <https://www.asianpaints.com/ShareholderServiceRequest.html> and the RTA at <https://liiplweb.linkintime.co.in/client-downloads.html>.

### 25. Process for availing various investor service requests

Members are requested to refer to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May 2024) for common and simplified norms for processing any service requests before making an application to the Company/RTA. Please refer the 'General Shareholder Information' section forming part of this Integrated Annual Report for further details.

## EXPLANATORY STATEMENT

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

#### Resolution No. 4

The Board of Directors of the Company at their meeting held on 1<sup>st</sup> March 2022, based on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Nehal Vakil (DIN: 00165627) as a Non-Executive Director of the Company to fill the casual vacancy caused by the sad demise of Late Mr. Abhay Vakil.

Further, in accordance with the provisions of Section 161(4) of the Companies Act, 2013 ("the Act"), the appointment of Ms. Nehal Vakil was approved by the shareholders of the Company, with a requisite majority, by way of a resolution passed through Postal Ballot on 20<sup>th</sup> April 2022.

In case of appointment of a Director in casual vacancy in terms of Section 161(4) of the Act, the Director so appointed shall hold office only upto the date upto which the Director in whose place she is appointed would have held office, if it had not been vacated. Accordingly, Ms. Nehal Vakil holds office upto the date of this AGM.

The Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Ms. Nehal Vakil for the office of Director of the Company.

The profile and other relevant information as required under the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the 'Annexure' to this Notice.

The Company has received all statutory declarations/disclosures from Ms. Nehal Vakil including the following:

- (i) consent to act as a Director in Form DIR-2 pursuant to Section 152 of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014;
- (ii) confirmation that she is not disqualified from being appointed as a Director in Form DIR-8 pursuant to Section 164 of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014; and

- (iii) declaration that she has not been debarred from holding the office of Director by virtue of any order passed by the Securities and Exchange Board of India or any such authority.

Further, the Company has obtained a certificate from MMJB & Associates, LLP, Company Secretaries, confirming that Ms. Nehal Vakil is not debarred from being appointed as a Director of the Company.

#### Skills/expertise/competence

Ms. Nehal Vakil has rich and varied experience and meets the following skills and capabilities required for the role as a Non-Executive Director, as identified by the Nomination and Remuneration Committee:

- i. General management and leadership: Strategic planning, sustainability, and protect interest of all stakeholders; and
- ii. Financial and risk management skills: Understanding the financial statements and financial controls, systems and processes & mergers and acquisitions.

Accordingly, in the opinion of the Nomination and Remuneration Committee and Board of Directors of the Company, the appointment of Ms. Nehal Vakil on the Board would add value to the deliberations in Board and Committee meetings and overall functioning of the Company.

Ms. Nehal Vakil is related to the Company's Non-Executive Director, Ms. Amrita Vakil and is a member of the Promoter(s) Group of the Company.

Other than Ms. Nehal Vakil, Ms. Amrita Vakil, and their relatives, to whom the resolution relates, none of the Directors, Key Managerial Personnel, or their relatives are in any way, concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the proposed Ordinary Resolution as set out in Resolution No. 4 of this Notice.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee, propose the appointment of Ms. Nehal Vakil as a Non-Executive Director of the Company, liable to retire by rotation and recommend the Ordinary Resolution as set out in Resolution No. 4 of this Notice for the approval by the members of the Company.

## Resolution No. 5

The Board of Directors of the Company at their meeting held on 9<sup>th</sup> May 2024, based on the recommendation of the Audit Committee, appointed Joshi Apte & Associates, Cost Accountants (Firm Registration No.: 000240), as the Cost Auditors of the Company for the audit of the cost records maintained by the Company for the financial year ending 31<sup>st</sup> March 2025, at a remuneration not exceeding ₹ 9,00,000 (Rupees nine lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) (collectively referred to as "the Cost Audit Rules"), maintenance of cost records and audit thereof is applicable in respect of Thinners, Sealers (Smartcare range, PU Magnum & Construction chemical), Pentaerythritol, Emulsions, Alkyds & other Resins, Bath fittings and other applicable products, which contributes to around 3% of the overall operating income of the Company.

The overall remuneration proposed to be paid to the Cost Auditors for the financial year ending 31<sup>st</sup> March 2025 is commensurate to the scope of the audit to be carried out by the Cost Auditors.

Joshi Apte & Associates, Cost Accountants, have confirmed that they hold a valid certificate of practice under Section 6(1) of the Cost and Works Accountants Act, 1959 and are free from any disqualifications specified under the provisions of the Act.

In accordance with the provisions of Section 148(3) of the Act, read with the Cost Audit Rules, the remuneration payable to Cost Auditors is required to be ratified by the shareholders of the Company.

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

None of the Directors, Key Managerial Personnel, or their relatives, are in any way, concerned or interested, financially or otherwise, except to the extent of their respective shareholding in the Company, if any, in the proposed Ordinary Resolution as set out in Resolution No. 5 of this Notice.

The Board of Directors, based on the recommendation of the Audit Committee, propose the ratification of the remuneration payable to Joshi Apte & Associates as the Cost Auditors of the Company for the financial year ending 31<sup>st</sup> March 2025 and recommend the Ordinary Resolution as set out in Resolution No. 5 of this Notice for approval by the members of the Company.



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

**R J Jeyamurugan**  
CFO & Company Secretary

Mumbai, 9<sup>th</sup> May 2024

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

## ANNEXURE

Name of the Director(s)	Mr. Jigish Choksi (DIN: 08093304)	Ms. Nehal Vakil (DIN: 00165627)
Photograph		
Age (Years)	43	47
Brief resume along with experience and qualifications	<p>Mr. Jigish Choksi began his career with Asian Paints Limited ("the Company") in the year 2010 in the Sales and Marketing function. During his 5 year long stint with the Company, he has worked as an Area Manager – Project Sales for 3 years and thereafter, he was a part of the Marketing team wherein he was in charge of several products that were launched under the Water Proofing range.</p> <p>Mr. Choksi is the Managing Director of ELF Trading and Chemicals Manufacturing Private Limited – an agro-chemical company. His key goal is to look at diversification of trading portfolio to include more value-added products.</p> <p>Mr. Choksi is also extensively involved in his family businesses. He works with Navbharat Packaging Industries Limited, a corrugated box manufacturer that operates with a single manufacturing capacity located at Ankleshwar, wherein he is actively involved in market and customer acquisition initiatives as well as in diversification of the product portfolio. He also looks after his "Family Office" practice which invests in public equity and debt instruments as well as in startups.</p>	<p>Ms. Nehal Vakil holds a degree in Bachelor of Arts with specialization in Finance from Eli Broad College of Business, Michigan State University – East Lansing, Michigan, USA.</p> <p>Ms. Nehal Vakil commenced her career with Asian Paints Limited ("the Company") in the year 1999. She was a part of the Finance function of the Company, wherein she was, <i>inter alia</i>, responsible for monitoring budgets, revenue, and variance trends for the corporate center. She was also involved in compilation of quarterly financial reports consolidated at Company and group levels.</p> <p>Ms. Vakil is presently the Director incharge of the operations of Vikatmev Containers Limited, ("Vikatmev") a leading container manufacturer in Mumbai. At Vikatmev, she heads a team that strategises and devises new approaches to boost customer numbers, growth, and revenue. She exercises oversight over cost controls to meet budget restrictions and maximise profitability.</p> <p>Ms. Vakil also manages the other family businesses and investments of the family-owned companies. She works closely with the wealth advisors to supervise and develop investment strategies, evaluate and analyse the investment performance and benchmark portfolio composition to maximise returns on investments.</p> <p>Ms. Vakil also serves as a Director on the Board of a few other public and private limited companies.</p> <p>Ms. Nehal Vakil is also an avid traveller, an ardent cricket follower and has a keen interest in movies and music.</p>
Expertise in specific functional areas	General Management, Strategy and Sales & Marketing	General Management, Strategy and Finance
Date of first appointment on the Board	1 <sup>st</sup> April 2019	1 <sup>st</sup> March 2022
Shareholding in the Company as on the date of Notice (self and beneficial basis)	19,95,180 equity shares of face value of ₹ 1 each  (0.21% of the paid-up share capital of the Company)	57,38,489 equity shares of face value of ₹ 1 each  (0.60% of the paid-up share capital of the Company)



<b>Name of the Director(s)</b>	<b>Mr. Jigish Choksi</b> (DIN: 08093304)	<b>Ms. Nehal Vakil</b> (DIN: 00165627)												
<b>Terms and conditions of appointment/re-appointment</b>	Non-Executive Director, liable to retire by rotation	Non-Executive Director, liable to retire by rotation												
<b>Details of remuneration last drawn (FY 2023-24)</b>	₹ 56,00,000 (Includes sitting fees and commission)	₹ 54,00,000 (Includes sitting fees and commission)												
<b>Details of proposed remuneration</b>	The aforesaid remuneration is within the limits approved by the shareholders at their 68 <sup>th</sup> Annual General Meeting of the Company held on 26 <sup>th</sup> June 2014 for the remuneration payable to the Non-Executive Directors of the Company in a financial year not exceeding 1% of the net profit of the Company calculated under Section 198 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.													
<b>Details of proposed remuneration</b>	Sitting fees and commission as may be approved by the Board of Directors/shareholders in accordance with applicable provisions of law. The detailed criteria is available in the Nomination and Remuneration Policy of the Company.													
<b>Inter-se relationships between</b>														
• <b>Directors</b>	Cousin of Mr. Manish Choksi	Cousin of Ms. Amrita Vakil												
• <b>Key Managerial Personnel</b>	Nil	Nil												
<b>Number of meetings of the Board attended</b>	<table border="1"> <thead> <tr> <th>Financial Year(s)</th> <th>No. of meetings attended</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>8 of 8</td> </tr> <tr> <td>2023-24</td> <td>8 of 8</td> </tr> </tbody> </table>	Financial Year(s)	No. of meetings attended	2022-23	8 of 8	2023-24	8 of 8	<table border="1"> <thead> <tr> <th>Financial Year(s)</th> <th>No. of meetings attended</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>8 of 8</td> </tr> <tr> <td>2023-24</td> <td>8 of 8</td> </tr> </tbody> </table>	Financial Year(s)	No. of meetings attended	2022-23	8 of 8	2023-24	8 of 8
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2023-24	8 of 8													
Financial Year(s)	No. of meetings attended													
2022-23	8 of 8													
2023-24	8 of 8													
<b>Chairpersonship/Membership of the Committee(s) of the Board of Directors of the Company as on the date of Notice</b>	<ul style="list-style-type: none"> <li>Member of the Risk Management Committee</li> <li>Member of the Stakeholders Relationship Committee</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Risk Management Committee</li> <li>Member of the Stakeholders Relationship Committee</li> </ul>												
<b>Other companies in which he/she is a Director excluding Directorship in private and Section 8 companies as on date of Notice</b>	Nil	<b>Listed Companies:</b> Nil <b>Unlisted Companies:</b> <ul style="list-style-type: none"> <li>Vikatmev Containers Limited</li> <li>Lambodar Investments and Trading Company Limited</li> <li>Stack Pack Limited</li> </ul>												
<b>Chairpersonship/Membership of the Committee(s) of Board of Directors of other companies in which he/she is a Director excluding private and Section 8 companies as on date of Notice</b>	Nil	Nil												
<b>Listed companies from which the person has resigned in the past three years</b>	Nil	Nil												

## INFORMATION AT A GLANCE

Particulars	Details
Day, date, and time of AGM	Tuesday, 25 <sup>th</sup> June 2024 at 11.00 a.m. IST
Mode	Video conference/other audio visual means
Participation through video conference	<a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>
Final dividend record date	Tuesday, 11 <sup>th</sup> June 2024
Final dividend payment date	On or after Thursday, 27 <sup>th</sup> June 2024
Cut-off date for e-Voting	Tuesday, 18 <sup>th</sup> June 2024
E-Voting start time and date	Friday, 21 <sup>st</sup> June 2024 at 9.00 a.m. IST
E-Voting end time and date	Monday, 24 <sup>th</sup> June 2024 at 5.00 p.m. IST
E-Voting website of NSDL	<a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>
Last date for speaker registration	Tuesday, 18 <sup>th</sup> June 2024 till 5.00 p.m. IST
Last date for sending questions	Sunday, 23 <sup>rd</sup> June 2024 till 5.00 p.m. IST
Name, address, and contact details of e-Voting service provider	<b>National Securities Depository Limited</b> Trade World, A wing, 4 <sup>th</sup> Floor Kamala Mills Compound Lower Parel, Mumbai – 400 013 <b>Mr. Amit Vishal</b> Deputy Vice President – NSDL <b>Ms. Pallavi Mhatre</b> Senior Manager – NSDL <b>Contact Details:</b> Email address: <a href="mailto:amityv@nsdl.com">amityv@nsdl.com</a> <a href="mailto:pallavid@nsdl.com">pallavid@nsdl.com</a> <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> Helpline No. for VC participation and e-Voting: (022) 4886 7000
Name, address, and contact details of Registrar and Share Transfer Agent	<b>Link Intime India Private Limited</b> C-101, 1 <sup>st</sup> Floor, 247 Park Lal Bahadur Shastri Marg Vikhroli (West), Mumbai – 400 083 Tel No.: +91 810 811 8484 Toll Free No.: 1800 2100 124 (Exclusive for the shareholders of Asian Paints Limited) Email address: <a href="mailto:csg-unit@linkintime.co.in">csg-unit@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

# Board's Report

Dear Members,

The Board of Directors are pleased to present the 78<sup>th</sup> Integrated Annual Report of the Company along with the audited financial statements (standalone and consolidated) for the financial year ended 31<sup>st</sup> March 2024.

## FINANCIAL RESULTS AND STATE OF COMPANY AFFAIRS

The Company's financial performance for the year ended 31<sup>st</sup> March 2024 is summarised below:

Particulars	Standalone			Consolidated		
	2023-24	2022-23	Growth (%)	2023-24	2022-23	Growth (%)
Revenue from sales and other operating income	30,850.12	30,078.40	2.6	35,494.73	34,488.59	2.9
<b>Earnings before Interest, Taxes, Depreciation and Amortisation</b>	<b>7,854.95</b>	<b>6,338.49</b>	<b>23.9</b>	<b>8,272.94</b>	<b>6,646.32</b>	<b>24.5</b>
Less: Finance Costs	115.42	93.06		205.17	144.45	
Less: Depreciation and Amortisation Expense	734.49	755.83		853.00	858.02	
<b>Profit for the period before share of profit in associate</b>	<b>7,005.04</b>	<b>5,489.60</b>	<b>27.6</b>	<b>7,214.77</b>	<b>5,643.85</b>	<b>27.8</b>
Share of profit of Associate	-	-		133.00	93.85	
<b>Profit before exceptional items &amp; tax</b>	<b>7,005.04</b>	<b>5,489.60</b>	<b>27.6</b>	<b>7,347.77</b>	<b>5,737.70</b>	<b>28.1</b>
Exceptional Items*	-	-		-	48.87	
<b>Profit before Tax</b>	<b>7,005.04</b>	<b>5,489.60</b>	<b>27.6</b>	<b>7,347.77</b>	<b>5,688.83</b>	<b>29.2</b>
Less: Tax Expense	1,683.49	1,389.42		1,790.08	1,493.50	
<b>Profit for the period</b>	<b>5,321.55</b>	<b>4,100.18</b>	<b>29.8</b>	<b>5,557.69</b>	<b>4,195.33</b>	<b>32.5</b>
Attributable to:						
Shareholders of the Company	5,321.55	4,100.18	29.8	5,460.23	4,106.45	33.0
Non-Controlling Interest	-	-		97.46	88.88	
Other Comprehensive Income (net of tax)	27.6	67.35		31.96	13.04	
<b>Total Comprehensive Income</b>	<b>5,349.15</b>	<b>4,167.53</b>	<b>28.4</b>	<b>5,589.65</b>	<b>4,208.37</b>	<b>32.8</b>
Attributable to:						
Shareholders of the Company	5,349.15	4,167.53	28.4	5,502.37	4,130.96	33.2
Non-Controlling Interest	-	-		87.28	77.41	
<b>Opening balance in Retained Earnings<sup>^</sup></b>	<b>11,136.92</b>	<b>8,953.07</b>		<b>11,340.92</b>	<b>9,167.34</b>	
<b>Amount available for Appropriation<sup>^</sup></b>	<b>16,464.50</b>	<b>13,045.78</b>		<b>16,807.82</b>	<b>13,266.48</b>	
Dividend						
Interim - FY 2023-24	494.04	-		494.04	-	
Interim - FY 2022-23	-	422.08		-	422.08	
Final - FY 2022-23	2,038.34	-		2,038.34	-	
Final - FY 2021-22	-	1,486.78		-	1,486.78	
Gross obligation towards further acquisition in subsidiary	-	-		256.78	16.22	
Transfer to other Reserve	-	-		-	0.48	
ESOP exercised during the year	0.03	-		0.03	-	
<b>Closing balance in Retained Earnings<sup>^</sup></b>	<b>13,932.09</b>	<b>11,136.92</b>		<b>14,018.63</b>	<b>11,340.92</b>	

\*For consolidated financial results, exceptional items for the previous year represents impairment provision towards goodwill recognised on acquisition of Causeway Paints Lanka (Pvt) Limited ("Causeway"), subsidiary company, and exchange loss arising on foreign currency obligations of Causeway due to devaluation of Sri Lankan Rupee.

<sup>^</sup>Includes re-measurement of defined benefit plans.

## COMPANY PERFORMANCE OVERVIEW

### During the financial year 2023-24:

- Revenue from operations on a standalone basis increased to ₹ 30,850.12 crores as against ₹ 30,078.40 crores in the previous year – a growth of 2.6%.
- Cost of goods sold as a percentage to revenue from operations decreased to 55.8% as against 60.9% in the previous year.
- Employee cost as a percentage to revenue from operations increased to 5.7% (₹ 1,747.89 crores) as against 5.0% (₹ 1,513.89 crores) in the previous year.
- Other expense as a percentage to revenue from operations increased to 15.7% (₹ 4,852.45 crores) as against 14.7% (₹ 4,416.49 crores) in the previous year.
- Profit before exceptional items and tax for the current year is ₹ 7,005.04 crores as against ₹ 5,489.60 crores in the previous year – a growth of 27.6%.
- Profit after tax for the current year is ₹ 5,321.55 crores as against ₹ 4,100.18 crores in the previous year – a growth of 29.8%.
- On a consolidated basis, the Group achieved revenue of ₹ 35,494.73 crores as against ₹ 34,488.59 crores – a growth of 2.9%.
- Net profit after non-controlling interest for the Group for the current year is ₹ 5,460.23 crores as against ₹ 4,106.45 crores in the previous year – a growth of 33.0%.

### Management Discussion and Analysis Report:

Pursuant to Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Management Discussion and Analysis Report forms an integral part of this Integrated Annual Report and gives the details, *inter alia*, about the performance of the Decorative, Décor and consumer services, and Industrial Businesses of the Company in India and International Operations, important changes in these businesses, supply chain, external environment, and economic outlook during the year under review.

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

### Confirmations:

- There were no revisions of financial statements and the Board's Report of the Company during the year under review; and

- There were no material changes and commitments that affect the financial position of the Company which have occurred between the end of the financial year 2023-24 and the date of this Report.

## FINANCIAL SALIENCY

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

Cash and bank balances, current/non-current term deposits, investments in mutual funds, and debentures/bonds on a standalone basis as of 31<sup>st</sup> March 2024, stood at ₹ 5,077.83 crores as against ₹ 4,269.98 crores in the previous financial year. Cash and investments, on both standalone and consolidated basis, include deposits with banks and financial institutions with high credit ratings by international and domestic credit rating agencies. As a result, liquidity risk towards such balances is limited. The ratings are monitored periodically.

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

## CAPITAL EXPENDITURE

During the year under review, the Company on a standalone basis spent ₹ 1,968.33 crores towards capital expenditure against ₹ 1,057.27 crores in the previous financial year. This mainly comprises manufacturing capacity expansion, regular capital expenditure at various plant locations and other company offices/warehouses, technological advancements, safety and ESG expenditure, backward integration projects, and general maintenance.

### Expansion of installed production capacity

#### a. Khandala Plant

During the year under review, the Company has increased the original installed production capacity at the Khandala plant from 3,00,000 KL per annum to 4,00,000 KL per annum, at an investment of approximately ₹ 385 crores, to meet the medium-term capacity requirements of the Company.

#### b. Kasna Plant

During the year under review, the Company has increased the installed production capacity at the Kasna plant from 80,000 KL per annum to 1,00,000 KL per annum, at an investment of ₹ 124.7 crores.



## Board's Report (Contd.)

### TRANSFER TO RESERVES

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

### DIVIDEND

The Board of Directors at their meeting held on 9<sup>th</sup> May 2024, has recommended payment of ₹ 28.15 (2815%) per equity share of ₹ 1 each fully paid-up as final dividend for the financial year 2023-24. The record date for payment of final dividend is Tuesday, 11<sup>th</sup> June 2024. The final dividend, subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM") of the Company, will be paid on or after Thursday, 27<sup>th</sup> June 2024. During the year under review, the Company also paid an interim dividend of ₹ 5.15 (515%) per equity share of ₹ 1 each to the shareholders on 13<sup>th</sup> November 2023.

The total dividend for the financial year 2023-24, including the proposed final dividend, amounts to ₹ 33.30 per equity share of ₹ 1 each, and would involve a total outflow of ₹ 3,194.14 crores translating into a dividend payout of 60% (as against ₹ 25.65 per equity share of ₹ 1 each with the outflow of ₹ 2,460.35 crores in the financial year 2022-23 resulting in a dividend pay-out ratio of 60%) of the standalone profits of the Company.

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

Details of the dividend paid by the Company during the financial year 2023-24 are stated below:

Particulars	(₹ in Crores)		
	Gross amount of dividend*	Tax deducted at source	Net amount of dividend
Final Dividend FY 2022-23	2,038.34	218.70	1,819.64
Interim Dividend FY 2023-24	494.04	53.82	440.22
<b>Total</b>	<b>2,532.38</b>	<b>272.52</b>	<b>2,259.86</b>

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

The aforesaid interim and final dividend(s) are being paid by the Company from its profits for the respective financial years.

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

The DD Policy sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and/or the utilisation of the retained profits earned by the Company. The Board of Directors of the Company, considering the business & financial parameters and external factors as mentioned in the DD Policy, endeavours to maintain the range of dividend pay-out ratio in a financial year between 55% to 65% of its annual standalone profit after tax.

### ASIAN PAINTS GROUP

The Company has 30 subsidiary companies (22 international subsidiary companies), and 2 joint venture companies as on 31<sup>st</sup> March 2024, which includes subsidiaries acquired or incorporated during the year.

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

### International Business

Outside India, the Company has operations in 14 countries across four regions of the world – Asia (Bangladesh, Nepal, Sri Lanka and Indonesia), the Middle East (Oman, Bahrain, United Arab Emirates (UAE) and Qatar), Africa (Egypt and Ethiopia) and South Pacific (Fiji, Solomon Islands, Samoa and Vanuatu).

### Financial Performance

A list of bodies corporates that are subsidiaries/joint ventures of the Company is provided as part of the notes to Consolidated Financial Statements ("CFS"). The financial performance of the Company's select subsidiary and joint venture companies for the financial year 2023-24 is provided below:

#### i. Asian Paints International Private Limited

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

On a consolidated basis, the revenue of APIPL was ₹ 2,726.43 crores (growth of 7.3% year-on-year) with a net profit of ₹ 68.37 crores (against net loss of ₹ 60.18 crores in the previous year).

Further, the Board of Directors at its meeting held on 28<sup>th</sup> March 2024, approved an investment of approximately ₹ 200 crores by way of subscription of equity shares of APIPL, for repayment of borrowings.

#### ii. Asian Paints (Nepal) Private Limited

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

The revenue of AP Nepal was ₹ 335.04 crores (de-growth of 38.5% year-on-year) with a net profit of ₹ 40.20 crores (de-growth of 57.9% year-on-year).

#### iii. Obgenix Software Private Limited

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

The revenue of White Teak was ₹ 133.43 crores (growth of 23.0% year-on-year) with a net profit of ₹ 2.37 crores (de-growth of 78.5% year-on-year).

#### iv. Asian Paints PPG Private Limited

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

The revenue of APPPG was ₹ 1,145.95 crores (growth of 12.6% year-on-year) with a net profit of ₹ 100.18 crores (growth of 59.7% year-on-year).

#### v. PPG Asian Paints Private Limited

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

On a consolidated basis, the revenue of PPGAP was ₹ 2,014.71 crores (growth of 10.3% year-on-year) with a net profit of ₹ 264.91 crores (growth of 50.2% year-on-year).

During the year, PPGAP paid final dividend of ₹ 42.78 crores for FY 2022-23 and interim dividend of ₹ 65.59 crores for FY 2023-24.

#### vi. Weatherseal Fenestration Private Limited

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

The revenue of Weatherseal was ₹ 51.68 crores (growth of 110.0% year-on-year) with a net loss of ₹ 18.41 crores.

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

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

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

### Scheme of Amalgamation of Maxbhumi Developers Limited and Sleek International Private Limited with the Company

The Board of Directors at its meeting held on 28<sup>th</sup> March 2024, approved the Scheme of Amalgamation of Maxbhumi Developers Limited ("Maxbhumi") and Sleek International Private Limited ("Sleek"), wholly-owned subsidiaries of Asian Paints Limited, with the Company, with effect from 1<sup>st</sup> April 2024, being the appointed date, in accordance with the provisions of the Act and other applicable laws, subject to necessary statutory and regulatory approvals, including approval of the Hon'ble National Company Law Tribunal, Mumbai.

Upon the Scheme of Amalgamation becoming effective, all shares issued by Maxbhumi and Sleek shall stand cancelled and extinguished.

### Consolidated Financial Statements

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

In accordance with the provisions of the Act, Regulation 33 of the Listing Regulations, and applicable Indian Accounting Standards ("Ind AS"), the audited CFS of the Company for the financial year 2023-24, together with the Auditor's Report forms part of this Integrated Annual Report.

## Board's Report (Contd.)

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

### NEW PROJECTS AND STRATEGIC ALLIANCES

#### White cement manufacturing facility

##### Incorporation of Asian White Inc. FZE

On 2<sup>nd</sup> May 2023, Asian White Cement Holding Limited ("AWCHL"), a joint venture company between the Company, Riddhi Siddhi Crusher & Land Transport, Fujairah, UAE, Associated Soap Stone Distributing Company Private Limited, India, and others, was incorporated, to carry out the business of manufacturing and exporting white cement and white cement clinkers by setting up an operating company. The Company holds 70% of the equity share capital of AWCHL. Consequently, it has become a subsidiary of the Company with effect from 2<sup>nd</sup> May 2023.

On 26<sup>th</sup> June 2023, a wholly-owned subsidiary of AWCHL was incorporated in the name of Asian White Inc. FZE, in Fujairah Free Zone, UAE, for carrying out the business of manufacturing, trading, and exporting white cement. Consequently, Asian White Inc. FZE has become a subsidiary of the Company with effect from 26<sup>th</sup> June 2023.

#### Investment in emulsion of the future

Asian Paints (Polymers) Private Limited ("APPPL") a wholly-owned subsidiary of the Company, was incorporated on 11<sup>th</sup> January 2023, for the purpose of setting up an in-house manufacturing facility for manufacturing of Vinyl Acetate Ethylene Emulsion ("VAE") and Vinyl Acetate Monomer ("VAM") in Dahej, Gujarat.

During the year, the Company invested ₹ 200 crores in APPPL, by way of subscription of 20,00,00,000 equity shares of ₹ 10/- each, in two equal tranches. At present, the paid-up share capital of APPPL stands at ₹ 400 crores divided into 40,00,00,000 equity shares of ₹ 10/- each.

#### Continuing the journey of Home Décor

##### Increase in stake in Obgenix Software Private Limited

On 23<sup>rd</sup> June 2023, the Company acquired an additional 11% of the equity share capital of Obgenix Software Private Limited (popularly known by the brand name "White Teak") from the promoters of White Teak for a consideration of ₹ 53.77 crores.

The Company now holds 60% of the equity share capital of White Teak. Consequently, it has become a subsidiary of the Company with effect from 23<sup>rd</sup> June 2023.

White Teak is engaged in the business of decorative lighting products, fans and other décor accessories. Its tech-enabled web platform [www.whiteteak.com](http://www.whiteteak.com), is one of the strongest platforms offering customers an extensive range of decorative lighting products, fans and other décor accessories, further supplemented by its excellent store network across many key urban cities in India.

As per the definitive agreements entered into with the shareholders of White Teak, the Company has agreed to acquire the remaining 40% stake in White Teak in a staggered manner.

#### Incorporation of Asian Paints Doha Trading W.L.L.

On 5<sup>th</sup> November 2023, Asian Paints International Private Limited, Singapore, wholly-owned subsidiary of the Company, incorporated a company with limited liability namely Asian Paints Doha Trading ("APDT") in Qatar. Consequently, APDT has become a step-down subsidiary of the Company with effect from 5<sup>th</sup> November 2023.

APDT has been incorporated to carry out the business of trading in paints, coatings, and allied products, chemical material related to building & construction works, and Home Décor products.

#### Partnership for Nanotechnology

##### Acquisition of stake in Harind Chemicals and Pharmaceuticals Private Limited

On 14<sup>th</sup> February 2024, the Company acquired 51% of the equity share capital of Harind Chemicals and Pharmaceuticals Private Limited ("Harind"). Consequently, Harind has become a subsidiary of the Company with effect from 14<sup>th</sup> February 2024.

Harind is a speciality chemicals company built with nanotechnology at its core, primarily in the area of surface coating and care. Harind is, *inter alia*, engaged in the business of nanotechnology-based research, manufacturing, and sale of a range of additives and specialised coatings. Nanotechnology has the potential to be the next frontier in the world of coatings, and the Company would be able to manufacture commercially viable high-performance coatings and additives with this technology.

Further, Harind has a wholly-owned subsidiary named Nova Surface-Care Centre Private Limited ("Nova").

Consequent to the acquisition of the stake in Harind, Nova has become a subsidiary of the Company with effect from 14<sup>th</sup> February 2024.

As per the definitive agreements entered into with the shareholders of Harind, the Company has agreed to further acquire 39% stake in Harind in a staggered manner.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Board of Directors

As of 31<sup>st</sup> March 2024, the Board of Directors comprised 13 Directors (including 5 women Directors), 7 of which were Independent Director(s), 5 were Non-Executive Director(s)/Promoter Director(s) and a Managing Director & CEO.

#### Sad Demise of Mr. Ashwin Dani, erstwhile Non-Executive Director of the Company

Mr. Ashwin Dani, erstwhile Non-Executive Director of the Company, left for heavenly abode on 28<sup>th</sup> September 2023.

Late Mr. Ashwin Dani was associated with the Company since 1968 and was a strong force in heralding the Company to technological excellence. He joined the Company's Board in 1970. He held the position of Vice Chairman and Managing Director of the Company from 1998 to 2009.

Since 2009 he continued on the Board as the Non-Executive Director & Vice Chairman of the Board and the Company. For the period between 2018 to 2021, he held the position of Chairman of the Board and the Company. His sad demise is an irreparable loss to the Company.

The Board of Directors express their deep condolences and pay tribute to the late Mr. Ashwin Dani. The Board places on record profound appreciation for his valuable contribution in channelising the growth and development of the Company, in particular, his stewardship in ensuring the Company's technological leadership.

#### Appointment of Chairman

The Board of Directors at their meeting held on 25<sup>th</sup> July 2023, appointed Mr. R Seshasayee (DIN: 00047985), Independent Director, as the Chairman of the Board and the Company with effect from 1<sup>st</sup> October 2023 up to the conclusion of his second term of appointment on 22<sup>nd</sup> January 2027, in place of Mr. Deepak Satwalekar (DIN: 00009627) who retired as the Independent Director and the Chairman of the Board and the Company with effect from the close of business hours on 30<sup>th</sup> September 2023, upon completion of his term.

### Change in Directorate

#### i. Appointment of Directors Independent Directors

The Board of Directors at their meetings held on 25<sup>th</sup> July 2023, 26<sup>th</sup> October 2023, and 28<sup>th</sup> March 2024, based on the recommendations of the Nomination and Remuneration Committee, *inter alia*, approved the following appointments, respectively, to the Board of Directors of the Company, subject to the approval of the shareholders of the Company:

- Appointment of Mrs. Ireena Vittal (DIN: 05195656) as an Additional and Independent Director of the Company for a period of five years with effect from 25<sup>th</sup> July 2023 to 24<sup>th</sup> July 2028.
- Appointment of Mr. Soumitra Bhattacharya (DIN: 02783243) as an Additional and Independent Director of the Company for a period of five years with effect from 26<sup>th</sup> October 2023 to 25<sup>th</sup> October 2028.
- Appointment of Dr. Gopichand Katragadda (DIN: 02475721) as an Additional and Independent Director of the Company for a period of five years with effect from 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2029.

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

The requisite declarations and eligibility confirmations under the provisions of the Act and SEBI Regulations were received from Mrs. Ireena Vittal, Mr. Soumitra Bhattacharya, and Dr. Gopichand Katragadda for considering their appointment as Independent Directors.

The brief profiles of Mrs. Ireena Vittal, Mr. Soumitra Bhattacharya, and Dr. Gopichand Katragadda are given in the Governance section forming part of this Integrated Annual Report and is also available on the Company's website at <https://www.asianpaints.com/GovernanceStructure.html>.

The appointment of Mrs. Ireena Vittal, Mr. Soumitra Bhattacharya, and Dr. Gopichand Katragadda as the Independent Directors of the Company for the term as mentioned above was subsequently approved by the shareholders of the Company through special



## Board's Report (Contd.)

resolutions passed with the requisite majority by way of postal ballot via remote e-voting on 15<sup>th</sup> September 2023, 22<sup>nd</sup> December 2023, and 8<sup>th</sup> May 2024, respectively. Details of the same are provided in the Report of Corporate Governance, forming part of this Integrated Annual Report.

### Non-Executive Director

The Board of Directors at their meeting held on 9<sup>th</sup> May 2024, based on the recommendation of the Nomination and Remuneration Committee, *inter alia*, approved the appointment of Ms. Nehal Vakil (DIN: 00165627) as a Non-Executive Director of the Company with effect from the date of the ensuing AGM of the Company, subject to approval of the shareholders, in terms of Sections 152 and 161 of the Act, liable to retire by rotation.

Ms. Nehal Vakil was appointed as a Non-Executive Director by the Board of Directors of the Company at their meeting held on 1<sup>st</sup> March 2022 with effect from the said date, based on the recommendation of the Nomination and Remuneration Committee, to fill the casual vacancy created on the Board on account of the sad demise of Mr. Abhay Vakil, erstwhile Non-Executive Director. The shareholders thereafter approved the said appointment of Ms. Nehal Vakil to hold office up to the date that late Mr. Abhay Vakil would have held office i.e. up to the date of the ensuing AGM, through ordinary resolution passed with the requisite majority by way of postal ballot via remote e-voting on 20<sup>th</sup> April 2022.

The brief profile of Ms. Nehal Vakil is given in the Governance section forming part of this Integrated Annual Report and is also available on the Company's website at <https://www.asianpaints.com/GovernanceStructure.html>.

The appropriate resolution for the appointment of Ms. Nehal Vakil as a Non-Executive Director is being placed for the approval of the shareholders of the Company at the ensuing AGM. Details with respect to her experience, attributes, skills, disclosure of relationship between directors inter-se, directorships held in other companies and committee memberships, etc., as stipulated under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("ICSI"), have been disclosed in the Annexure to the Notice of the AGM.

### ii. Retirement of Independent Directors

In terms of Section 149(11) of the Act, the following Independent Directors have retired during the year:

- Mr. Deepak Satwalekar (DIN: 00009627) retired with effect from the close of business hours on 30<sup>th</sup> September 2023, upon completion of his second term of appointment as an Independent Director. He joined the Board in the year 2000. He was the Chairman of the Board & the Company and a Member of the Corporate Social Responsibility Committee & Investment Committee.
- Mrs. Vibha Paul Rishi (DIN: 05180796) retired with effect from the close of business hours on 31<sup>st</sup> March 2024, upon completion of her second term. She joined the Board in the year 2014. She was the Chairperson of the Risk Management Committee & Stakeholders Relationship Committee and a Member of the Audit Committee & Corporate Social Responsibility Committee.
- Mr. Suresh Narayanan (DIN: 07246738) retired with effect from the close of business hours on 31<sup>st</sup> March 2024, upon completion of his first term of five years. He joined the Board in the year 2019. He was the Chairman of the Nomination and Remuneration Committee and a Member of the Investment Committee.
- Mrs. Pallavi Shroff (DIN: 00013580) retired with effect from the close of business hours on 31<sup>st</sup> March 2024, upon completion of her first term of five years. She joined the Board in the year 2019. She was a Member of the Audit Committee and Risk Management Committee.

The Board places on record sincere appreciation for their outstanding contribution towards the success of the Company, during their tenure as Independent Directors on the Board of the Company.

### iii. Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act and the Articles of Association of the Company, Mr. Jigish Choksi (DIN: 08093304), Non-Executive Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment.

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

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

The appropriate resolution for the re-appointment of Mr. Jigish Choksi is being placed for the approval of the shareholders of the Company at the ensuing AGM. Details with respect to his experience, attributes, skills, disclosure of relationship between directors inter-se, directorships held in other companies and committee memberships, etc., as stipulated under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by ICSI, have been disclosed in the Annexure to the Notice of the AGM.

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

During the year under review, no Director of the Company has resigned. Further, none of the Director of the Company is a director on the Board of the subsidiaries as of 31<sup>st</sup> March 2024.

### Key Managerial Personnel

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

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2024, the applicable Accounting Standards have been followed and there are no material departures from the same;

- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2024 and of the profits of the Company for the financial year ended 31<sup>st</sup> March 2024;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a 'going concern' basis;
- proper internal financial controls laid down by the Directors are followed by the Company and that such internal financial controls are adequate and operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

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

### Declaration from Directors

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

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

## Board's Report (Contd.)

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

None of the Director of the Company are disqualified from being appointed as Directors as specified under Section 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) or are debarred or disqualified by the Securities and Exchange Board of India ("SEBI"), Ministry of Corporate Affairs ("MCA") or any other such statutory authority.

All members of the Board and Senior Management have affirmed compliance with the Code of Conduct for Board and Senior Management for the financial year 2023-24.

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

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

### NUMBER OF MEETINGS OF THE BOARD

During the year under review, 8 meetings of the Board of Directors were held. The details of the meetings of the Board of Directors of the Company held and attended by the Directors during the financial year 2023-24 are given in the Report of Corporate Governance forming part of this Integrated Annual Report.

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

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

## COMMITTEES

As of 31<sup>st</sup> March 2024, the Board has 6 Committees: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders Relationship Committee, and Investment Committee.

During the year under review, the Board of Directors of the Company have delegated the authority to approve the transmission, dematerialisation of shares, etc. to a Managing Committee comprising the Managing Director & CEO and CFO & Company Secretary of the Company. A summary of approved transmissions, dematerialisation of shares, etc. is placed before the Board of Directors from time to time as per the Listing Regulations.

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

A detailed note on the composition of the Board and its Committees, governance of committees including its terms of reference, number of committee meetings held during the financial year 2023-24, and attendance of the members, is provided in the Report of Corporate Governance forming part of this Integrated Annual Report. The composition and terms of reference of all the Committees of the Board of Directors of the Company are in line with the provisions of the Act and the Listing Regulations.

## AUDITORS AND AUDITOR'S REPORT

### Statutory Auditors

Deloitte Haskins & Sells LLP ("DHS"), Chartered Accountants (Firm's Registration No. 117366W/W-100018), were re-appointed as the Statutory Auditors of the Company at the 75<sup>th</sup> AGM held on 29<sup>th</sup> June 2021, to hold office till the conclusion of the 80<sup>th</sup> AGM for the financial year 2025-26.

DHS has confirmed that they are not disqualified from continuing as Statutory Auditors of the Company and satisfy the independence criteria. The profile of the Statutory Auditors is available on the Company's website at <https://www.asianpaints.com/Auditors.html>.

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

The Statutory Auditors have issued an unmodified opinion on the financial statements for the financial year 2023-24 and the Statutory Auditor's Report forms part of this Integrated Annual Report.

### Secretarial Auditors

The Board of Directors of the Company, on the recommendation made by the Audit Committee, has re-appointed Dr. K. R. Chandratre, Practising Company Secretary (Certificate of Practice No. 5144), as the Secretarial Auditors to conduct an audit of the secretarial records for the financial year 2024-25, based on the confirmation of the eligibility and consent received from Dr. K. R. Chandratre. The Secretarial Auditor has confirmed that he is not disqualified to be appointed as such.

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

The Secretarial Audit Report received from Dr. K. R. Chandratre, for the financial year 2023-24 under Section 204 of the Act read with Rules made thereunder and Regulation 24A of the Listing Regulations, is set out in Annexure (A-1) to this Report.

The Secretarial Compliance Report received from Dr. K. R. Chandratre, for the financial year 2023-24, in relation to compliance with all applicable SEBI Regulations/Circulars/Guidelines issued thereunder, Secretarial Standards issued by ICSI, pursuant to requirement of Regulation 24A of the Listing Regulations, is set out in Annexure (A-2) to this Report. The Secretarial Compliance Report has been voluntarily enclosed as good disclosure practice.

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

The Secretarial Audit Report and Secretarial Compliance Report for the financial year 2023-24, does not contain any qualification, reservation, or adverse remark.

### Cost Auditors

The Board of Directors of the Company, on the recommendation made by the Audit Committee, appointed Joshi Apte & Associates, Cost Accountants (Firm Registration No. 000240), as the Cost Auditors of the Company for the financial year 2023-24 at a remuneration of ₹ 9,00,000 plus applicable taxes and reimbursement of out-of-pocket expenses at actuals. Joshi Apte & Associates, being eligible, consented to act as the Cost Auditors of the Company for the financial year 2023-24. Joshi Apte & Associates were appointed in place of RA & Co.,

Cost Accountants (Firm Registration No. 000242), who had incurred a disqualification to continue as the Cost Auditors of the Company under Section 141(3) read with Section 148 of the Act and consequently vacated their office as the Cost Auditors of the Company with effect from 19<sup>th</sup> March 2024.

The shareholders of the Company ratified the proposed remuneration payable to Joshi Apte & Associates to audit the cost records of the Company for the financial year ending 31<sup>st</sup> March 2024, by way of an ordinary resolution passed with the requisite majority by way of postal ballot via remote e-voting on 8<sup>th</sup> May 2024, details of which are given in the Report of Corporate Governance forming part of this Integrated Annual Report.

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

The Company has maintained cost records for certain products as specified by the Central Government under Section 148(1) of the Act. Joshi Apte & Associates, the Cost Auditors, are in the process of carrying out the cost audit for applicable products during the financial year 2023-24.

Further, the Board of Directors of the Company, on the recommendation made by the Audit Committee, re-appointed Joshi Apte & Associates, as the Cost Auditors of the Company to conduct the audit of cost records of applicable products for the financial year 2024-25 at a remuneration of ₹ 9,00,000 plus applicable taxes and reimbursement of out-of-pocket expenses at actuals. Joshi Apte & Associates, being eligible, have consented to act as the Cost Auditors of the Company for the financial year 2024-25 and have confirmed that they are not disqualified to be appointed as such.

Appropriate resolution for ratification of the proposed remuneration payable to Joshi Apte & Associates to audit the cost records of the Company for the financial year ending 31<sup>st</sup> March 2025, is being placed for the approval of the shareholders of the Company at the ensuing AGM.

The Cost Audit Report for the financial year 2022-23 does not contain any qualification, reservation, or adverse remark. The Cost Audit Report for the financial year 2023-24 will be submitted within the prescribed timelines.



## Board's Report (Contd.)

### Internal Auditors

The Company has in place a robust Internal Audit function, which is led by Mr. Alok Agrawal, Chief Internal Auditor, and ably supported by a team of chartered accountants, certified internal auditors, ISO-certified audit professionals, and an electrical engineer. The Internal Audit function also partners with professional firms in the area of fraud investigation, market intelligence, IT audits, and with other firms having expertise in certain specific areas. The audit conducted by the Internal Audit team is based on an internal audit plan, which is reviewed each year by the Audit Committee. These audits are based on risk and control-based methodology and, *inter alia*, involve the review of internal controls and governance processes, adherence to management policies, and review of statutory compliances.

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

The Internal Audit team use cutting edge technology to conduct audits, data analysis, fraud focused analysis, managing audits, etc. The Chief Internal Auditor shares his findings on financial, safety, information security, compliance, reporting risks and other critical risks on a periodic basis with the Audit Committee along with the corrective and preventive action plan.

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

### Report from an independent firm

During the year under review, the Company engaged a firm of accountants to conduct quality assurance review and maturity assessment for Internal Audit function. It was affirmed that the current state of the Internal Audit function is in conformance with the approved Internal Audit framework and current industry practices as per the internal audit standards issued by the Institute of Internal Auditors ("IIA").

### Reporting of Frauds by Auditors

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

### RELATED PARTY TRANSACTIONS

#### Related party transactions at Asian Paints

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

The related parties with which the Company contracts:

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

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

The Company follows robust internal processes before entering into transactions with related parties and the considerations which govern the transactions with related parties are the same as those applicable for other vendors of the Company. All the transactions are undertaken for the benefit of the Company and in compliance with the applicable laws.

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

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

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

### Policy

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

During the year under review, the Audit Committee approved revisions to the Framework for transactions with related parties of the Company, to further enhance the governance mechanism.

### Review

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

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

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

### Statutory Disclosures

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

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

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

### INTERNAL CONTROLS

The Company has in place well-established and robust internal control systems which are commensurate with the nature of its business, size & scale and complexity of its operations and are implemented across all processes, units and functions. Internal control systems comprising of policies and procedures are designed to ensure sound management of the Company's operations, safekeeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of the Company's operations. The Audit Committee also periodically reviews the adequacy and effectiveness of internal control systems and provides guidance for further strengthening them.

During the year under review, no material observation has been made by the Internal Auditor or Statutory Auditors of the Company in relation to the efficiency and effectiveness of such controls.

### INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has designed and implemented a comprehensive Internal Financial Controls System over financial reporting to ensure that all transactions are authorised, recorded and reported correctly in a timely manner. The Company's Internal Financial Controls over financial reporting provide reasonable assurance over the integrity and reliability of the financial statements of the Company.

The Company has detailed work instructions, Standard Operating Procedures, policies, processes and manuals that lays down roles, responsibilities, and actions required. Functional heads are responsible for ensuring compliance with all laws and regulations and also with the policies and procedures laid down by the management.

## Board's Report (Contd.)

The Company's Enterprise Resource Planning ("ERP") system of SAP S/4 HANA is well leveraged and implemented towards day-to-day transaction accounting and financial reporting. The Company's ERP along with allied information technology solutions provides a strong technology architecture for financial reporting controls. The Company's investment in an advanced automation system to enable automated accounting and financial closing procedures in various areas has resulted in better accuracy and faster financial reporting with fewer manual interventions. The financial statement preparation has been automated to ensure end-to-end system-driven reporting across the Group reducing the scope of manual errors.

The Company's Shared Services Center has taken ahead the digitalisation journey and delivered aggressive targets for on-time payment processing with near zero errors. The efforts towards digital processing, touchless processing, use of a virtual assistant, on-the-fly intelligence tools, use of optical character reader technology, mobile apps for employee reimbursements, car hire, hotel and travel booking, have created strong delight to stakeholders with related efficiencies in the process. The Company is continuously investing in new technology to enable smoother and error-proof processes.

The Company actively tracks all changes in Accounting Standards, the Act, and other applicable regulations and makes changes to the underlying systems, processes, and financial controls to ensure adherence to the same. With increased business complexities, detailed accounting and financial treatment are decided for dealing with newer products, services, assets, commitments, contracts, and arrangements. All resultant changes to the policy and impact on financials are disclosed after due validation with the Statutory Auditors, to the Audit Committee.

The Company has refreshed the Risk Assessment and Control Matrix for all processes involved in financial reporting and periodically tested them for design and operating effectiveness. The results of these tests are reported to the Audit Committee.

The Company gets its standalone financial results audited every quarter by its Statutory Auditors. The policies ensuring uniform accounting treatment are followed by the subsidiary companies as well. International subsidiaries provide the information required for the consolidation of accounts in the format prescribed by the Company. The accounts of the subsidiary and joint venture companies are audited and certified by their respective Statutory Auditors for consolidation. The Company has implemented audit trail on the books of accounts.

### VIGIL MECHANISM

The Company promotes ethical behaviour in all its business activities and is in line with the best governance practices. The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by the Board of Directors of the Company in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations.

The Company has engaged an agency to manage the "Ethics Hotline" which can be used to, *inter alia*, report any instances of financial irregularities, breach of code of conduct, abuse of authority, disclosure of financial/unpublished price sensitive information other than for legitimate purposes, unethical/unfair actions concerning Company vendors/suppliers, malafide manipulation of Company records, discrimination to the Code of Conduct in an anonymous manner.

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

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

The Whistle Blower Policy aims to:

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

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

### COMPLIANCE MANAGEMENT

The Company has in place a comprehensive and robust legal compliance management digital tool, which is devised to ensure compliance with all applicable laws which impact the Company's business. Automated alerts are sent to compliance owners to ensure compliance within stipulated timelines. The portal has a dedicated license module wherein all the licenses applicable to various locations of the Company are updated and tracked for renewal. Alerts for renewal of licenses is sent at the frequency set in the portal based on regulatory requirements.

This proactive measure helps keep everyone on track and avoid any penalties or other legal issues that could arise from non-compliance. The compliance owners certify the compliance status which is reviewed by compliance approvers and a consolidated dashboard is presented to the respective functional heads and Compliance Officer. A certificate of compliance with all applicable laws and regulations along with the corrective and preventive action, if any, is placed before the Audit Committee and Board of Directors on a quarterly basis.

Additionally, the Company has also implemented a centralised automated tool designed to streamline the monitoring and management of show cause notices/inspection reports/visit reports/other communication ("notices") received from the statutory authorities. It automatically sends alerts to Central Functions and Business Heads when a notice is uploaded and allows them to suggest modifications to responses to the notices prepared by the team. This tool enables the Company to efficiently track the status of notices received across all locations and link related notices from the same authority. It also supports the generation of customised reports and dashboards, providing a clear view of the notices received and their status, thereby facilitating a seamless review process.

### NOMINATION AND REMUNERATION POLICY

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

During the year under review, the Nomination and Remuneration Policy was amended to, *inter alia*, include the revised definition of senior management to reflect the intent of the law in letter and spirit.

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

### REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

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

Mr. Amit Syngle, Managing Director & CEO of the Company, has not received any remuneration or commission from any of the subsidiary companies. Further, the Company does not have any holding company, hence, a circumstance of any remuneration or commission from a holding company does not arise.

The information required under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors and employees of the Company is set out in Annexure (C) to this Report.

### BOARD EVALUATION

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for effective evaluation of the performance of the Directors, Committees of the Board, and the Board as a whole. During the year under review, the Nomination and Remuneration Committee engaged Egon Zehnder, external consultant, to conduct the evaluation of the Board, Committees thereof, and the Directors.

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

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

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

The 2021 Plan was introduced to incentivise, retain, and attract key talent through a performance-based stock option grant program and consequently enhance shareholder value.

The 2021 Plan aims to create a sense of ownership among the eligible employees and to align their medium and long-term compensation with the Company's performance.



## Board's Report (Contd.)

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

The equity shares transferred under the 2021 Plan pursuant to exercise ranks *pari-passu* with the existing equity shares of the Company.

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

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

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

### CORPORATE SOCIAL RESPONSIBILITY ("CSR")

During the financial year 2023-24, the Company has spent ₹ 91.26 crores towards CSR expenditure, including set-off of excess CSR spends of ₹ 0.22 crore made by the Company in the previous financial years, in terms of the CSR annual action plan approved by the CSR Committee and the Board of Directors, from time to time. The CSR initiatives of the Company were under the thrust area of health & hygiene, enhancing vocational skills, water stewardship, and disaster management.

The CSR annual action plan of the Company for the financial years 2023-24 and 2024-25 is available on the Company's website at <https://www.asianpaints.com/about-us.html>.

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

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31<sup>st</sup> March 2024, in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") is set out in Annexure (E) to this Report. During the year, no revision was made to the CSR Policy of the Company.

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

### RISK MANAGEMENT

The Company recognises that risk is an integral and inevitable part of business and it is fully committed to managing the risks proactively and efficiently. Our success as an organisation depends on our ability to identify and leverage the opportunities while managing the risks. The Company has a disciplined process for continuously assessing risks, in the internal and external environment along with minimising the impact of risks. The Company incorporates the risk mitigation steps in its strategy and operating plans.

The objective of the Risk Management process in the Company is to enable value creation in an uncertain environment, promote good governance, address stakeholder expectations proactively, and improve organisational resilience and sustainable growth.

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

During the year, the Company has also reviewed its Risk Management Policy and no revision was made in the said Policy. The Company regularly identifies uncertainties and after assessing them, devises short-term and long-term actions to mitigate any risk which could materially impact the Company's long-term plans. Mitigation plans for significant risks are well integrated with business plans and are reviewed on a regular basis by the senior leadership.

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

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

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

### INTEGRATED ANNUAL REPORT

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

The Global Reporting Initiative reported in this Integrated Annual Report have been subject to Reasonable/Limited Assurance. The Assurance Report issued by Price Waterhouse Chartered Accountants LLP has been annexed to this Integrated Annual Report.

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

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

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

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

### Corporate Governance Report

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

### Business Responsibility and Sustainability Report

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

### ANNUAL RETURN

In accordance with Section 92(3) read with Section 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as of 31<sup>st</sup> March 2024 in Form MGT-7, is available on the Company's website at <https://www.asianpaints.com/AnnualReports.html>. The Annual Return will be submitted to the Registrar of Companies within the timelines prescribed under the Act.

### POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. Further, the Policy also gives shelter to contract workers, probationers, temporary employees, trainees, apprentices of the Company and any person visiting the Company at its office.

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

Complaints of sexual harassment received during the financial year 2023-24 by the Company were investigated in accordance with the procedures prescribed and adequate steps were taken to resolve them. Further details with respect to the complaints of sexual harassment are provided in the Report on Corporate Governance forming part of this Integrated Annual Report.

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

## Board's Report (Contd.)

### REGISTRAR AND SHARE TRANSFER AGENT

Pursuant to an Order dated 18<sup>th</sup> December 2023 passed by the Mumbai Bench of the National Company Law Tribunal, TSR Consultants Private Limited, Registrar and Share Transfer Agent of the Company has been amalgamated with Link Intime India Private Limited ("LIPL") with effect from 22<sup>nd</sup> December 2023.

LIPL is the Registrar and Share Transfer Agent of the Company.

### SHARE CAPITAL

During the financial year 2023-24, there was no change in the authorised, issued, subscribed, and paid-up share capital of the Company.

#### Confirmations:

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

### UNCLAIMED DIVIDEND

In terms of applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), unclaimed dividend amounting to ₹ 2.51 crores was transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Government of India, during the year under review.

Further, 8,32,780 shares were transferred to the demat account of the IEPF Authority during the year under review, in accordance with the IEPF Rules, as the dividend(s) has not been claimed by the shareholders for 7 consecutive years or more.

The details of unclaimed dividend lying in the unclaimed dividend accounts of the Company and details of resultant benefits arising out of shares already transferred to IEPF as on 31<sup>st</sup> March 2024 is provided in the General Shareholder Information section forming part of this Integrated Annual Report.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

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

### LOANS AND INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31<sup>st</sup> March 2024, are set out in Note no. 35(B) to the standalone financial statements of the Company.

### DEPOSITS

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

### COMPLIANCE WITH SECRETARIAL STANDARDS

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

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

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

### AWARDS AND ACCOLADES

The details of some of the significant accolades earned by the Company during the financial year 2023-24 have been provided as part of this Integrated Annual Report.

### OTHER DISCLOSURES

During the year under review:

- a. No credit rating has been obtained by the Company with respect to its securities. Further, the details of the credit rating obtained by the Company with respect to its long-term and short-term borrowings have been provided separately in the General Shareholder Information section of this Integrated Annual Report.

- b. No application has been made under the Insolvency and Bankruptcy Code, 2016. Hence, the requirement to disclose the details of the application made or any proceeding pending under the said Code during the year along with their status as at the end of the financial year is not applicable.
- c. The requirement to disclose the details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

### APPRECIATION

The Board of Directors places on record sincere gratitude and appreciation for all the employees of the Company. Our consistent growth has been possible through their hard work, solidarity, cooperation, and dedication during the year.

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

For and on behalf of the Board of Directors

**R Seshasayee**  
Chairman  
(DIN: 00047985)

Place: Mumbai  
Date: 9<sup>th</sup> May 2024



## Annexure (A-1) to Board's Report

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2024 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2024 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period).

- (vi) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
- (a) The Water (Prevention and Control of Pollution) Act, 1974 and the Water (Prevention and Control of Pollution) Rules, 1975;
  - (b) The Air (Prevention and Control of Pollution) Act, 1981 and the Air (Prevention and Control of Pollution) Rules, 1982;
  - (c) The Environment Protection Act, 1986 and Rules & Regulations thereunder;
  - (d) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
  - (e) The Legal Metrology Act, 2009 and Rules & Regulations thereunder;

- (f) The Regulation on Lead Contents in Household and Decorative Paints Rules, 2016; and
- (g) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

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

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

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

#### **I further report that**

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

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

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

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

**I further report that** during the audit period, the Board of Directors of the company at its meeting held on 28 March 2024 approved the Scheme of Amalgamation of Maxbhumi Developers Limited (Transferor Company 1) and Sleek International Private Limited (Transferor Company 2), wholly-owned subsidiaries of Asian Paints Limited (Transferee Company/the Company), with the Company [Scheme] in accordance with the provisions of sections 230 to 232 of the Companies Act, 2013 and other applicable laws, subject to other necessary statutory and regulatory approvals, including approval of the Hon'ble National Company Law Tribunal, Mumbai [NCLT]. The appointed date for the said Scheme is 1 April 2024 or such other date as may be approved by the NCLT or any other Competent Authority.

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

Place: Pune  
Date: 9<sup>th</sup> May 2024

UDIN: F001370F000341094  
Peer Review Certificate No.: 1206/2021

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

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

### Annexure to the Secretarial Audit Report

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

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

- Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

- Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
- The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.
- The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place: Pune  
Date: 9<sup>th</sup> May 2024

UDIN: F001370F000341094  
Peer Review Certificate No.: 1206/2021

## Annexure (A-2) to Board's Report

### SECRETARIAL COMPLIANCE REPORT OF ASIAN PAINTS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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

I have examined:

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

for the year ended **31 March 2024** ("Review Period") in respect of compliance with the provisions of:

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

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

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the listed entity during the Review Period);

- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not applicable to the listed entity during the Review Period);
- Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the listed entity during the Review Period);
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and clauses 6(A) and 6(B) of the circular no. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries";

and based on the above examination, I hereby report that, during the Review Period:

- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
- The listed entity has taken the following actions to comply with the observations made in the previous reports:- Not Applicable.

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

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
1.	<b>Secretarial Standards</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).	Yes	-
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors of the listed entity; and</li> <li>All the policies are in conformity with SEBI Regulations and have been reviewed and timely updated, as per the regulations/circulars/guidelines issued by SEBI.</li> </ul>	Yes	-



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

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

### Assumptions and Limitation of Scope and Review:

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

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

Place: Pune  
Date: 9<sup>th</sup> May 2024

UDIN: F001370F000341149  
Peer Review Certificate No.: 1206/2021

## Annexure (B) to Board's Report

### FORM AOC-2

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

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

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

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

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

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

During the financial year 2023-24, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis and were approved by the Audit Committee of the Company.

For and on behalf of the Board of Directors

**R Seshasayee**  
Chairman  
(DIN: 00047985)

Place: Mumbai

Date: 9<sup>th</sup> May 2024

## Annexure (C) to Board's Report

### STATEMENT OF DISCLOSURE OF REMUNERATION

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

#### A. Remuneration details of Directors and Key Managerial Personnel of the Company for the financial year 2023-24 is as follows:

Sr. No.	Name	Designation	Remuneration (in ₹)	Ratio to median Remuneration <sup>6</sup>	Percentage Increase/Decrease in the Remuneration
1.	R Seshasayee*	Independent Director & Chairman	66,00,000	5.22	0.61
2.	Manish Choksi	Non-Executive Director & Vice-Chairman	63,00,000	4.98	(0.32)
3.	Amit Syngle*	Managing Director & CEO	18,82,19,851	148.73	2.27
4.	Malav Dani	Non-Executive Director	58,00,000	4.58	2.11
5.	Amrita Vakil	Non-Executive Director	56,00,000	4.43	2.19
6.	Jigish Choksi	Non-Executive Director	56,00,000	4.43	6.06
7.	Nehal Vakil	Non-Executive Director	54,00,000	4.27	4.65
8.	Milind Sarwate	Independent Director	65,00,000	5.14	3.50
9.	Ireena Vittal <sup>5</sup>	Independent Director	43,00,000	3.40	@
10.	Soumitra Bhattacharya <sup>5</sup>	Independent Director	31,50,000	2.49	@
11.	Deepak Satwalekar <sup>7</sup>	Independent Director & Chairman	27,00,000	2.13	@
12.	Ashwin Dani <sup>^</sup>	Non-Executive Director	26,75,000	2.11	@
13.	Vibha Paul Rishi <sup>#</sup>	Independent Director	69,00,000	5.45	9.18
14.	Suresh Narayanan <sup>#</sup>	Independent Director	62,00,000	4.90	0.32
15.	Pallavi Shroff <sup>#</sup>	Independent Director	58,00,000	4.58	5.07
16.	R J Jeyamurugan**	CFO & Company Secretary	4,31,09,020	34.06	16.75

\* Mr. R Seshasayee was appointed as the Chairman of the Board and the Company with effect from 1<sup>st</sup> October 2023.

<sup>5</sup> Mrs. Ireena Vittal and Mr. Soumitra Bhattacharya were appointed as Independent Directors with effect from 25<sup>th</sup> July 2023 and 26<sup>th</sup> October 2023, respectively.

<sup>7</sup> Mr. Deepak Satwalekar ceased to be an Independent Director and Chairman of the Board and the Company with effect from the close of business hours on 30<sup>th</sup> September 2023 upon completion of his term.

<sup>^</sup> Mr. Ashwin Dani passed away on 28<sup>th</sup> September 2023.

<sup>#</sup> Mrs. Vibha Paul Rishi, Mr. Suresh Narayanan, and Mrs. Pallavi Shroff ceased to be the Independent Directors of the Company with effect from the close of business hours on 31<sup>st</sup> March 2024, upon completion of their respective terms.

#### Notes:

- The aforesaid details are calculated on the basis of remuneration for the financial year 2023-24 and include commission and sitting fees paid to Directors during the financial year.
- The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
- @ Percentage increase/decrease in remuneration is not reported as they were holding directorship for part of the financial year 2023-24 and/or they were appointed during the financial year 2023-24.
- \* The remuneration paid includes commission of ₹ 8,82,00,000 (50% of the variable pay) as compared to last year of ₹ 10,19,00,000 (65% of the variable pay) and excludes ₹ 8,82,00,000 worth of stock options granted in accordance with the Asian Paints Employee Stock Option Plan ("2021 Plan") for the financial year 2023-24. The stock options would vest on fulfilment of vesting conditions in accordance with the 2021 Plan. Taxable value of perquisite for car allowance has been considered in the aforesaid computation.
- \*\* The remuneration paid during the year includes variable pay for the financial year 2022-23. Further, the remuneration paid excludes ₹ 61,00,000 worth of stock options granted in accordance with the 2021 Plan for the financial year 2023-24. The stock options would vest on fulfilment of vesting conditions in accordance with the 2021 Plan.
- <sup>6</sup> The median remuneration of all employees per annum was ₹ 12,65,503 and ₹ 11,90,904 for the financial year 2023-24 and 2022-23, respectively. The increase in median remuneration of employees for the financial year 2023-24, as compared to financial year 2022-23 is 6.26%.
- The increase in average salary of employees (other than Key Managerial Personnel) for the financial year 2023-24, as compared to financial year 2022-23 is 14.78% (including performance-based incentive) for those employees who are present throughout last & current financial year.
- The increase in remuneration of employees other than the Key Managerial Personnel is in line with the increase in remuneration of Key Managerial Personnel.



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

### B. Number of permanent employees on rolls of the Company as on 31<sup>st</sup> March 2024:

	No. of employees
Executive/Manager cadre	1,615
Staff	6,189
Operators/Workmen	1,678
<b>Total</b>	<b>9,482</b>

- C. It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Nomination and Remuneration Policy of the Company.
- D. The statement containing names of the top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of this Report is open for inspection by the members through electronic mode. Any member interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board of Directors

**R Seshasayee**  
Chairman  
(DIN: 00047985)

Place: Mumbai  
Date: 9<sup>th</sup> May 2024

## Annexure (D) to Board's Report

### DISCLOSURE IN RELATION TO ASIAN PAINTS EMPLOYEE STOCK OPTION PLAN 2021

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

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

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

Refer Note no. 34(3) forming part of the standalone financial statements and Note no. 32(3) of the consolidated financial statements for the financial year 2023-24. Please note that the said disclosure is provided in accordance with the Indian Accounting Standards (Ind AS) 102 – Share Based Payment.

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

Refer Note no. 31 forming part of the standalone financial statements and Note no. 30 of the consolidated financial statements for the financial year 2023-24. Please note that the said disclosure is provided in accordance with the Indian Accounting Standards (Ind AS) 33 – Earnings per share.

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

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

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

Sr. No.	Particulars	Details of 2021 Plan
(f)	Source of shares (primary, secondary or combination)	The 2021 Plan envisages a combination of fresh issue of shares and secondary (market) purchase of shares of the Company [through Asian Paints Employee Stock Ownership Trust ("ESOP Trust") to the extent of the secondary market purchase] subject to the regulatory approvals. The Administrator (being the NRC) has the sole discretion to determine the break-up between primary issuance and secondary acquisition – to the extent that there may be only primary issuance (and no secondary acquisition) or only secondary acquisition (and no primary issuance) during the tenure of the 2021 Plan.
(g)	Variation in terms of options	No variation/modification/amendment was made in the term of options during the financial year 2023-24.
(ii)	<b>Method used to account for stock options</b>	Fair Value Method
(iii)	<b>Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company</b>	Not Applicable
(iv)	<b>Option movement during the year:</b>	
	Number of options outstanding at the beginning of the period	3,37,957
	Number of options granted during the year	12,891
	Number of options forfeited/lapsed during the year	8,997
	Number of options vested during the year	88,378
	Number of options exercised during the year	2,084
	Number of shares arising as a result of exercise of options	2,084
	Money realised by exercise of options (₹), if scheme is implemented directly by the Company	Not Applicable
	Loan repaid by the Trust during the year from exercise price received	₹ 0.32 crore
	Number of options outstanding at the end of the year	3,39,767
	Number of options exercisable at the end of the year	99,392
(v)	<b>Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock</b>	Refer Annexure 1
(vi)	<b>Employee wise details of options granted during FY 2023-24 to:</b>	
(a)	Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Refer Annexure 2
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Refer Annexure 2
(c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None

Sr. No.	Particulars	Details of 2021 Plan
(vii)	<b>Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</b>	
(a)	Weighted-average values of share price Exercise price Expected volatility Expected option life Expected dividends Risk-free interest rate Any other inputs to the model	Refer Annexure 1
(b)	The method used and the assumptions made to incorporate the effects of expected early exercise	The fair value of options has been calculated by using Black Scholes Model
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility?	Refer Annexure 1
(d)	Whether and how any other features of the option granted were incorporated into the measurement of fair value, such as a market condition?	Not Applicable
(viii)	<b>Disclosures in respect of grants made in three years prior to IPO under each ESOS</b>	Not Applicable

### (D) Details related to Trust:

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

#### (i) General information on 2021 Plan:

Sr. No.	Particulars	Details
(a)	Name of the Trust	Asian Paints Employees Stock Ownership Trust
(b)	Details of the Trustee(s)	1) Barclays Wealth Trustees (India) Private Limited - Designated Trustee 2) Mr. Amit Kumar Singh - Other Trustee 3) Mr. Sachin Singh - Other Trustee
(c)	Amount of loan disbursed by the Company/any company in the Group, during the year	Nil
(d)	Amount of loan outstanding (repayable to Company/any company in the Group) as at the end of the year	₹ 110.68 crores
(e)	Amount of loan, if any, taken from any other source for which Company/any company in the Group has provided any security or guarantee	Nil
(f)	Any other contribution made to the Trust during the year	Nil



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

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

Sr. No.	Particulars	Details
(a)	Number of shares held at the beginning of the year (1 <sup>st</sup> April 2023)	3,57,659
(b)	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
(c)	Number of shares transferred to the employees/sold along with the purpose thereof	Number of shares sold by the Trust in FY 2023-24: 1,210 Number of shares transferred to the employee in FY 2023-24 pursuant to exercise: 874
(d)	Number of shares held at the end of the year (31 <sup>st</sup> March 2024)	3,55,575

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

Sr. No.	Shares	In number	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
(a)	Held at the beginning of the year	3,57,659	0.04%
(b)	Acquired during the year	Nil	Nil
(c)	Sold during the year	1,210	*
(d)	Transferred to the employees during the year	874	*
(e)	Held at the end of the year	3,55,575	0.04%

\*Less than 0.01%

#### Notes:

- There was no change in the 2021 Plan since its implementation and the 2021 Plan is in compliance with the SEBI SBEB Regulations.
- Grant for FY 2023-24**  
1,90,744 stock options were granted to the eligible employees for the financial year 2023-24, by the NRC at its meeting held on 27<sup>th</sup> April 2024, basis their performance for the financial year 2023-24.

For and on behalf of the Board of Directors

**R Seshasayee**  
Chairman  
(DIN: 00047985)

Place: Mumbai  
Date: 9<sup>th</sup> May 2024

### Annexure 1

### a) Details of stock options granted during the year:

Particulars	Grant 3*	Grant 4^	Grant 5^	Grant 6^	Grant 7^
Financial Year	2021-22	2022-23	2022-23	2022-23	2022-23
Grant Date	10 <sup>th</sup> February 2022	6 <sup>th</sup> June 2022	8 <sup>th</sup> September 2022	19 <sup>th</sup> January 2023	31 <sup>st</sup> March 2023
Vesting Date	1 <sup>st</sup> April 2025	31 <sup>st</sup> March 2026 & 1 <sup>st</sup> April 2026	1 <sup>st</sup> April 2026	1 <sup>st</sup> April 2026	1 <sup>st</sup> April 2026
Fair Value at Grant Date (₹)	1,884.83	1,768.00	2,098.00	1,769.00	1,649.00
Exercise Price (₹)*	1,632.53	1,478.00	1,706.00	1,505.00	1,412.00
Options outstanding at the beginning of the year	3,741	1,22,346	6,312	1,174	1,124
Options granted during the year	238	12,653	0	0	0
Options exercised during the year	0	0	0	0	0
Options forfeited during the year	0	0	0	0	0
Options lapsed during the year	129	3,916	344	590	294
Balance as at year end	3,850	1,31,083	5,968	584	830
Exercisable at period end	73	1,121	-	-	-
Weighted-average remaining contractual life (years)	2	3	3	3	3

\*During the year, NRC approved an additional grant of stock options for the financial year 2021-22.

^Grants have been revised basis performance for the financial year 2022-23, in financial year 2023-24 as per the 2021 Plan.

\* Represents weighted average exercise price for respective option series.

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

Fair Value of stock options was calculated using the Black Scholes Model. The key assumptions used for calculating the option fair value are as follows:

Grant date	Risk free interest rate	Expected option life	Expected volatility	Expected dividend	Market price at the time of grant of the option (₹)	Exercise price
<b>Assumptions</b>	Zero Coupon Sovereign Bond Interest Rate equivalent for option life (%)	Tenure to vesting of option and half of exercise period assuming even exercise of options during exercise period	Based on daily volatility for period equivalent for option life (%)	Dividend yield is calculated as dividend paid in last FY divided by current share price (%)	Market price at the time of grant of the option (₹)	50% of Reference Share Price
Grant 3 10 <sup>th</sup> February 2022	5.57	3.63 years	33.93	0.55	3,228.35	1,632.53
Grant 4 6 <sup>th</sup> June 2022	7.17	4.32 years	33.76	0.66	2,886.90	1,478.00
Grant 5 8 <sup>th</sup> September 2022	7.08	4.06 years	34.71	0.56	3,400.35	1,706.00
Grant 6 19 <sup>th</sup> January 2023	7.22	3.69 years	34.75	0.65	2,945.25	1,505.00
Grant 7 31 <sup>st</sup> March 2023	7.28	3.50 years	34.59	0.69	2,770.50	1,412.00

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

### Annexure 2

#### Details of stock options granted during the year to senior managerial personnel as on 31<sup>st</sup> March 2024 and details of employee to whom stock options more than 5% was granted during the year:

Sr. No.	Participants	Designation	Grant 3 <sup>#</sup>	Grant 4 <sup>*</sup>	Grant 5 <sup>*</sup>	Grant 7 <sup>*</sup>
1.	Amit Syngle <sup>@</sup>	Managing Director & CEO	-	30,996	-	-
2.	Aashish Kshetry	Vice President - Systems	-	1,697	-	-
3.	Alok Agrawal	General Manager - Internal Audit & Risk	-	679	-	24
4.	Amit Kumar Singh	Associate Vice President - Corporate Affairs & CSR	-	2,037	-	-
5.	Gagandeep Kalsi	Associate Vice President - Strategy, Business Development	-	1,697	690	-
6.	Harish Lade	Senior Vice President - Supply Chain	-	2,715	-	-
7.	Pragyan Kumar	Chief Executive - Asian Paints International Private Limited, wholly-owned subsidiary	-	2,433	-	-
8.	Rahul Bhatnagar	President - Project Sales, R&T, Industrial JVs	-	7,071	-	-
9.	R J Jeyamurugan	CFO & Company Secretary	-	2,715	-	-
10.	Sameer Salvi	Vice President - Backward Integration Businesses, Mantech & Strategy	-	2,037	-	-
11.	Savitha Shivsankar	Chief Human Resources Officer	238	3451	-	-
12.	Shyam Swamy	Vice President - Home Improvement, Décor, Services & Retailing	-	1,245	-	-
13.	Vishu Goel	Associate Vice President - Retail Sales, Commercial & Marketing	-	1,245	483	-

<sup>#</sup> During the year, NRC approved an additional grant of stock options for the financial year 2021-22.

<sup>\*</sup> Grants have been revised based on performance for the financial year 2022-23, in the financial year 2023-24 as per the 2021 Plan.

<sup>@</sup> Stock options granted were more than 5% of the stock options granted for the financial 2022-23.

#### Notes:

- The exercise price of Grant 3 is ₹ 1,632.53, Grant 4 is ₹ 1,478.00, Grant 5 is ₹ 1,706.00 and Grant 7 is ₹ 1,412.00 per stock option. The exercise price of stock options granted to eligible employees is at 50% of the "Reference Share Price" of the Company, as defined under the 2021 Plan.
- No stock options were granted under Grant 6 to the senior managerial personnel.
- 91,229 stock options were granted to Mr. Amit Syngle and the senior management, for the financial year 2023-24, by the NRC at its meeting held on 27<sup>th</sup> April 2024, basis their performance for the financial year 2023-24.

## Annexure (E) to Board's Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

#### 1. Brief Outline of CSR Policy

Over the years, the Company has been focusing on its vision of 'Bringing joy to people's lives' through responsible business practices that not only cover the business activities, but also the communities around us. The CSR activities are designed to deliver maximum impact with trust, fairness, and care being our guiding principles. Governed by our CSR Policy, we strive to uplift marginalised communities by addressing key social, economic, and environmental issues.

The Company's CSR philosophy is based on the keystones of:

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

As a reflection of our commitment, the Company has adopted Environmental, Social and Governance ("ESG") goals which will serve as a road map to navigate forward, *inter alia*, relating to:

- Community ownership**
  - skilling at 'Colour Academy', and
  - beneficiaries impacted through healthcare initiatives
- Water stewardship**

As a responsible Company, we also focus towards mitigating the effects of the crisis created by natural disasters, pandemic, or likewise.

The Company has partnered with the Government on various instances to provide support and aid and have also worked with different partners for supporting communities during time of crisis under the thrust area of disaster management.

#### Key highlights of the activities undertaken during the year:

##### a. Enhancing Vocational Skills

Colour Academy empower communities by providing specialised vocational training in paint application, carpentry, plumbing, and masonry trainings for the benefit of our local communities. Our brick and mortar academies are situated in Tier 1 cities and major metropolitan areas, while our mobile academies serve Tier 2 cities, ensuring nationwide accessibility.

Additionally, our website offers access to curated training courses that can be accessed anytime, anywhere. We embarked on numerous initiatives across various communities to create opportunities for them to lead fulfilling lives and become self-sufficient earners.

##### b. Water Stewardship

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

The Company envisions in creating its own impact assessment mode by leveraging technology and data to measure the transformative impact on communities. Innovation is the key in realising the Company's 'Watermark,' with various models tailored to implementation strategies.

#### AMOUNT SPENT ON CSR ACTIVITIES DURING FY 2023-24

Enhancing Vocational Skills	Water Stewardship	Health & Hygiene	Disaster Management
₹ 49.75 Crores	₹ 23.26 Crores	₹ 12.72 Crores	₹ 0.02 Crore



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

### c. Health & Hygiene

We adopted a dual-pronged approach to healthcare, tailoring initiatives to cater to the various segments of society and address specific health needs based on geographical areas. This strategy enabled us to maximise the value of our healthcare initiatives and improve health outcomes across different communities.

### d. Disaster Management

As part of our disaster management efforts, we contributed to relief, rehabilitation, and reconstruction activities. Our focus was on mitigating the impact of crises caused by natural disasters, pandemics, and similar events.

### Employee Volunteering

Our aim is to be establish Asian Paints as a frontrunner in employee volunteering by 2025 through our 'SPARSH' programme. SPARSH aligns with our CSR goals, enabling employees to connect with their communities. It fosters holistic employee development, emphasising empathy, sensitivity, and responsibility.

By nurturing interpersonal and intrapersonal skills, the employee volunteering activities undertaken during the year were focused on promoting a culture of social responsibility and personal growth within our workforce.

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

## 2. Composition of CSR Committee

Sr. No.	Name of Members	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i.	Malav Dani, Chairman	Non-Executive Director	4	4
ii.	Amit Syngle	Managing Director & CEO	4	4
iii.	Amrita Vakil	Non-Executive Director	4	4
iv.	Deepak Satwalekar*	Independent Director	1*	0
v.	Vibha Paul Rishi <sup>&amp;</sup>	Independent Director	4	4

#### Notes:

- \* Mr. Deepak Satwalekar ceased to be a member of the Committee with effect from close of business hours on 30<sup>th</sup> September 2023, upon completion of his tenure as an Independent Director.
- <sup>&</sup> Mrs. Vibha Paul Rishi ceased to be a member of the Committee with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of her tenure as an Independent Director.
- Dr. Gopichand Katragadda, Independent Director, has been appointed as a member of the Committee with effect from 1<sup>st</sup> April 2024.
- Mr. R J Jeyamurugan, CFO & Company Secretary of the Company, acts as the Secretary to the CSR Committee.

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

Sr. No.	Particulars	Web-links
i.	Composition of CSR Committee	<a href="https://www.asianpaints.com/CommitteeComposition.html">https://www.asianpaints.com/CommitteeComposition.html</a>
ii.	CSR Policy	<a href="https://www.asianpaints.com/CSRPolicy.html">https://www.asianpaints.com/CSRPolicy.html</a>
iii.	CSR Projects	<a href="https://www.asianpaints.com/CSRProjects2023-24.html">https://www.asianpaints.com/CSRProjects2023-24.html</a>

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

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

During the year under review, the Company had engaged 5 independent agencies to conduct the impact assessment of 14 eligible CSR projects undertaken by the Company in the previous financial years as per the provisions of the Act.

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

Particulars	Health & Hygiene (ICU Infrastructure and Oxygen Support Infrastructure)	Health & Hygiene (Mobile Healthcare Unit)	Water Stewardship (Water Resource Management, Development and Rainwater Harvesting)	Water Stewardship (Water Resource Management, Water Rejuvenation, Integrated Water Resource Management and Canal Channel Lining)	Enhancing Vocational Skills (Colour Academy)
Name of Independent agency conducting Impact Assessment	Mott MacDonald Private Limited	Renalysis Consultants Private Limited (CSR Box)	Renalysis Consultants Private Limited (CSR Box)	KPMG Assurance and Consulting Services LLP	Ormax Consultants
Scope of Project	<ol style="list-style-type: none"> <li>Rural hospital readiness to provide treatment during the 'Golden Hour' of when an accident/emergency occurs.</li> <li>To extend support to set up an oxygen plant at the Government area hospital, ensuring readiness to generate and supply adequate oxygen to patients, at the time of a medical emergency.</li> </ol>	<ol style="list-style-type: none"> <li>Consultation to beneficiaries visiting the Static Healthcare Unit (SHU) and Mobile Health Care Unit (MHU).</li> <li>Referral of patients to secondary and tertiary care for further treatment.</li> <li>Conducting home visits of bedridden and follow-up patients.</li> <li>Conducting basic lab tests and treatment for general weakness.</li> <li>Conducting health camps, awareness drives, and distribution of support equipment.</li> </ol>	<ol style="list-style-type: none"> <li>Construction of Cement and Earthen Nala bunds.</li> <li>Desilting of nala sites.</li> <li>Establishment of community led institutions.</li> <li>Construction of water retention tanks.</li> <li>Rejuvenation of water retention structure.</li> </ol>	<ol style="list-style-type: none"> <li>Repairing of check dam and construction of check dam.</li> <li>Rejuvenation of water bodies.</li> <li>Construction of canal lining.</li> <li>Promotion of agriculture activities through training, demonstrations and plantations.</li> <li>Management for enhancing livelihood.</li> </ol>	<ol style="list-style-type: none"> <li>To provide vocational and skills-based training to painting contractors and plumbers.</li> </ol>
Key highlights of impact created	<ol style="list-style-type: none"> <li>Improved infrastructure at rural area hospitals has reduced visits of villagers to other health facilities.</li> <li>Rural hospital is ready to handle emergency cases, critical medical cases and critical accident cases.</li> <li>Villagers preferred to get treatment at the area hospital rather than other health facilities.</li> </ol>	<ol style="list-style-type: none"> <li>100% reduction in out-of-pocket expenditure on medical services.</li> <li>Reduced visit of villagers to the nearby hospital, as MHU is conveniently located within walking distance.</li> <li>Issues such as long travel time, loss of daily wages, and treatment cost were eradicated through MHU, impacting a considerable portion of respondents highlighting financial and continuity-of-care through MHU.</li> </ol>	<ol style="list-style-type: none"> <li>Increase in brand awareness on water conservation amongst villagers.</li> <li>Increase in multi-season cropping led by availability of water for irrigation.</li> <li>Increase in the average income of farmers.</li> <li>Increase in livestock owned by farmers.</li> <li>Increase in social return on investment.</li> </ol>	<ol style="list-style-type: none"> <li>Increase in groundwater level in wells/borewells.</li> <li>Increase in the number of months of availability of water post-monsoon.</li> <li>Increase in multi-season cropping led by availability of water for irrigation.</li> <li>Improvement in soil health due to balanced use of fertilizer, adoption of recommendations of soil testing report, and application of organic fertilizers.</li> </ol>	<ol style="list-style-type: none"> <li>Professional Impact: <ol style="list-style-type: none"> <li>Enhanced confidence and professionalism.</li> <li>Diversification of skills and business.</li> <li>Better customer handling by understanding their needs.</li> <li>Improved adaptability to face challenges</li> </ol> </li> </ol>

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



Particulars	Health & Hygiene (ICU Infrastructure and Oxygen Support Infrastructure)	Health & Hygiene (Mobile Healthcare Unit)	Water Stewardship (Water Resource Management, Development, and Rainwater Harvesting)	Water Stewardship (Water Resource Management, Integrated Water Resource Management and Canal Channel Lining)	Enhancing Vocational Skills (Colour Academy)
<b>Key highlights of impact created</b>				<ul style="list-style-type: none"> <li>v. Improvement in the knowledge level of the farmers regarding improved agricultural practices resulting in increase in net income of villagers.</li> <li>vi. Increase in water availability on productivity of livestock animals.</li> <li>vii. Reduction in expenses on drinking water.</li> <li>viii. Increased labour opportunities locally.</li> </ul>	<ul style="list-style-type: none"> <li>ii. <u>Financial Impact:</u> <ul style="list-style-type: none"> <li>a. Improved standard of living.</li> <li>b. Prioritising savings and investments thereby reducing financial stress and uncertainty.</li> </ul> </li> <li>iii. <u>Interpersonal Impact:</u> <ul style="list-style-type: none"> <li>a. Adding value to every project by offering suitable solutions.</li> <li>b. Certification to participants resulting in credibility and trustworthiness from customers.</li> </ul> </li> </ul>
<b>Recommendation</b>	<ul style="list-style-type: none"> <li>i. Raise awareness about the Intensive Care Unit (ICU) facility among the community and the health workers in the village, to enhance accessibility to the area hospital for emergencies and effective beneficiary tracking.</li> <li>ii. Capacity building activities and training for existing staff.</li> <li>iii. To have/onboard trained staff, surgeons &amp; doctors specifically for the ICU facility.</li> </ul>	<ul style="list-style-type: none"> <li>i. To allocate resources for strategic outreach and awareness campaigns to enhance the visibility of the MHU within the community.</li> <li>ii. To engage with the relevant government authorities to foster collaboration and alignment with existing healthcare infrastructure and policies.</li> <li>iii. Streamlining and efficient system for patient referrals and information exchange between the MHU and the Company's clinic could enhance the continuity of care for beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>i. To provide revolving funds to farmers, encourage regular meetings and inter-learning practices.</li> <li>ii. To establish proper sewage management systems to prevent the mixing of sewage water with pond water.</li> <li>iii. Farmers should explore fish culture and cultivate fruits and vegetables in the bunds constructed.</li> </ul>	<ul style="list-style-type: none"> <li>i. To enhance community by including women participation, that will enable knowledge sharing, and sustainability of the interventions being carried out.</li> <li>ii. To ensure the sustainability of the interventions, local governance mechanisms/institutions must be further strengthened.</li> <li>iii. To leverage technology in agriculture, to move it from subsistence to enterprise level cultivation.</li> </ul>	<ul style="list-style-type: none"> <li>i. Courses should include aspects such as Time Management, Customers Negotiation and a dedicated course should be designed for Safety Training.</li> <li>ii. To include courses on new designs more frequently which shall help in meeting customer expectations and keeping up with trends to retain competitive edge.</li> </ul>

Particulars	Health & Hygiene (ICU Infrastructure and Oxygen Support Infrastructure)	Health & Hygiene (Mobile Healthcare Unit)	Water Stewardship (Water Resource Management, Development, and Rainwater Harvesting)	Water Stewardship (Water Resource Management, Integrated Water Resource Management and Canal Channel Lining)	Enhancing Vocational Skills (Colour Academy)
<b>Particulars</b>	<ul style="list-style-type: none"> <li>iv. To create awareness of the installation of the oxygen plant among the community and also among the health workers.</li> <li>v. To dedicate technical resource who is responsible for the maintenance of the oxygen plant to reduce any non-functionality of the oxygen plant.</li> <li>vi. To focus on educating and engaging community health workers to drive increased patient engagement and participation.</li> </ul>	<ul style="list-style-type: none"> <li>iv. To expand services such as deploy female doctor (once a week) to provide gynaecology services, the inclusion of IV fluids and other emergency medications to cater to urgent medical needs, etc.</li> <li>v. To deploy Alternate Human Resources (in absence of regular resources).</li> <li>vi. To explore uncharted locations and accordingly, revise the schedule of services provided by MHU.</li> </ul>	<ul style="list-style-type: none"> <li>iv. To initiate construction work for water retention tank, nala bund, etc., in March and complete by May which will help in storage of rainwater of current year.</li> <li>v. To calculate the dimensions of the channel such that the water remains stored in the Earthen Nala bunds long enough for groundwater to rejuvenate.</li> </ul>	<ul style="list-style-type: none"> <li>iv. To ensure inclusiveness of all strata of the society, concrete beneficiary selection mechanism can be devised to ensure there is equal participation and equitable benefits sharing in the operational geography.</li> <li>v. Considering the improved water availability and accessibility, judicious water usage shall be promoted through formation of Water User Group/Farmers Field School.</li> </ul>	<ul style="list-style-type: none"> <li>iii. To integrate engaging training methods such as integrate interactive elements, real-world examples, gamification, and Q&amp;A sessions.</li> <li>iv. Training on invoicing, payment terms and policies, record keeping and legal aspects with the help of case studies.</li> </ul>
<b>Recommendation</b>					

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



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

5. Sr. No.	Particulars	Amount (₹ in Crores)
a.	Average net profit of the Company as per Section 135(5) of the Act	4,540.36
b.	Two percent of the average net profit of the Company as per Section 135(5) of the Act	90.81
c.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	0.00
d.	The amount required to be set-off for the financial year, if any	0.22
e.	Total CSR obligation for the financial year (5b+5c-5d)	90.59

6. Sr. No.	Particulars	Amount (₹ in Crores)
a.	Amount spent on CSR Projects (both ongoing projects and other than ongoing projects)	85.97*
b.	Amount spent on Administrative Overheads	4.54
c.	Amount spent on Impact Assessment	0.75
d.	Total amount spent for the financial year (6a+6b+6c)	91.26*

\* The amount spent on CSR activities for the financial year includes the set-off of the excess amount spent by the Company on CSR activities in the previous financial years of ₹ 0.22 crore.

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

Total amount spent for the financial year (₹ in Crores)	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		The amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
91.26*	-	-	-	-	-

\* The amount spent for the financial year includes the set-off of the excess amount spent by the Company on CSR activities in the previous financial years of ₹ 0.22 crore.

f. Excess amount for set off:

Sr. No.	Particulars	Amount (₹ in Crores)
i.	Two percent of the average net profit of the Company as per Section 135(5) of the Act	90.81
ii.	Total amount spent for the financial year	91.26*
iii.	Excess amount spent for the financial year [F(ii)-F(i)]	0.45
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
v.	The amount available for set off in succeeding financial years [F(iii)-F(iv)]	0.45

\* The amount spent for the financial year includes the set-off of the excess amount spent by the Company on CSR activities in the previous financial years of ₹ 0.22 crore.

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

Sr. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135(6) of the Act (₹ in Crores)	Balance Amount in Unspent CSR Account under Section 135(6) of the Act as on 1 <sup>st</sup> April 2023 (₹ in Crores)	Amount spent in the reporting financial year (₹ in Crores)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act, if any		Amount remaining as on 31 <sup>st</sup> March 2024 to be spent in succeeding financial years (₹ in Crores)	Deficiency, if any
					Amount (₹ in Crores)	Date of transfer		
i.	2020-21*	14.78	0.88	0.88	-	-	-	-

\* The unspent amount earmarked for ongoing projects had been spent during the financial year.

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year: No

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

For and on behalf of the CSR Committee

**Malav Dani**  
Chairman of CSR Committee  
(DIN: 01184336)

**Amit Syngle**  
Managing Director & CEO  
(DIN: 07232566)

Place: U.S.A.  
Date: 9<sup>th</sup> May 2024

Place: Mumbai  
Date: 9<sup>th</sup> May 2024

## Annexure (F) to Board's Report

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

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

#### 1. CONSERVATION OF ENERGY

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

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

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

##### i. Measures taken or impact on conservation of energy

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

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

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

##### ii. Utilising alternate sources of energy

The Company has an installed capacity of 24.6 MW of solar energy and 24.3 MW capacity of wind energy. The overall contribution of renewables to electricity consumption stands at 65.8% for decorative paint plants.

##### iii. Capital investment on energy conservation equipments

The Company has spent about ₹ 112.63 lakhs as capital investment on energy conservation initiatives during the financial year apart from the investment in renewable energy resources of solar and wind.

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

#### 2. TECHNOLOGY ABSORPTION

##### i. Efforts made towards technology absorption

The Research & Technology ("R&T") function of the Company ensured technology leadership by developing technical capabilities, technology platforms and innovative products that fuel the aspirations of all the stakeholders. As part of breakthrough initiatives the technology team has undertaken several projects culminating in innovative products that render superior aesthetic and performance attributes to substrates. Research initiatives in the area of new resin chemistries, material science and innovative process capabilities have been undertaken to retain the long term competitive edge of the organisation.

The Company has always been at the vanguard when it comes to responsible and sustainable product stewardship, and this year as well the technology function continued the momentum by working on products and processes that reduced the environmental impact without compromising on the performance properties.

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

- Developed new technology platforms in the area of nano technology, new resin chemistries, unique process capabilities and developing sustainable technologies.
- Designed and developed innovative products creating unique customer propositions.
- Generated value efficiency by developing RM alternates and redesigning formulations. Ensured sustenance of supply chain by developing alternate vendors for critical RMs.
- An intense Right First Time (RFT) initiative was launched to ensure that our products meet the highest standards of quality on time and every time. The R&D team was at the vanguard ensuring that the design, processing, and product validation protocols were world class and the quality of products, as experienced by the customer, was impeccable.
- Contributed to debottlenecking of plants by reducing cycle times and develop formulations amenable to optimised production schedules.
- Implemented multiple in house specialty additives which has given considerable value saving and reduced vulnerability with respect to availability of critical raw materials.
- Developed innovative test methods to characterise raw materials, intermediates, prototypes and finished goods ensuring impeccable quality and shortening product development cycles.
- Strengthened product credentials through international certification.
- Partnered with national standardization bodies like the Bureau of Indian Standards ("BIS") and reputed international coatings group to establish test methods related to coatings and intermediates.
- Fuelled the product stewardship agenda as part of Environmental, Social and Governance ("ESG") by working on initiatives to increase the use of renewable and benign raw materials and develop products with reduced

environmental impact. 56 additional products have received GreenPro certification and 1 new product has received GS 11 certification this year.

- Partnered with academic and research institutions and industrial consultants on critical projects of strategic importance. Rendered skills to interns from educational institutes and enhanced their employability.
- Built technical competency of R&T employees by deploying curated training programs through the internal training academy – Sikshalaya. 6 subject specific workshops on technical topics were conducted along with a certificate course on Paint Formulation and Characterization. Close to 150 R&T employees benefitted from these trainings.
- Asian Paints R&T held the inaugural session of Alchemy - a conclave for students from campuses across the world. Alchemy represented a pioneering platform designed to foster dynamic idea exchange among industry stalwarts, academia, and budding young scientists.

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

During the year under review:

- 28 new products were developed for architectural paints, construction chemicals and adhesives business.
- 22 new products were developed for Industrial business.

The Company has also undertaken various challenging projects for development of different products namely value for money interior paint, a customer friendly wood polish with superior performance, high end exterior products, an economy water proofing product with a higher warranty, and an interior product in the health and hygiene space.

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



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

### iv. Expenditure incurred on Research and Development

Particulars	(₹ in Crores)	
	2023-24	2022-23
Capital	4.43	2.63
Recurring	115.86	105.41
<b>Total</b>	<b>120.29</b>	<b>108.04</b>

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	(₹ in Crores)	
	2023-24*	2022-23*
Foreign exchange earned in terms of actual inflows	182.20	189.26
Foreign exchange outgo in terms of actual outflows	4,123.62	4,424.41

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

For and on behalf of the Board of Directors

**R Seshasayee**  
Chairman  
(DIN: 00047985)

Place: Mumbai  
Date: 9<sup>th</sup> May 2024

## Report on Corporate Governance

### ASIAN PAINTS' PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has been focussing on its vision of 'Bringing joy to people's lives' through responsible and sustainable business practices.

Our governance framework is the bedrock of our ethical and resilient organisation, enabling our continued leadership in the paints industry. Through good – governance, we arrive at effective decision-making that is aligned with our values.

Environmental, Social and Governance (ESG) has consistently been at the core of all our business objectives and operations. We firmly believe that our persistent focus on ESG is fundamental for our long-term success and resilient value creation.

The Company has always endeavoured to provide enhanced disclosures and this year's Integrated Annual Report is based on ESG at the core of our reporting.

Asian Paints not only adheres to the prescribed Corporate Governance practices as per the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") but is also committed to being amongst the best-governed companies.

#### Recognition of the Company's governance standards

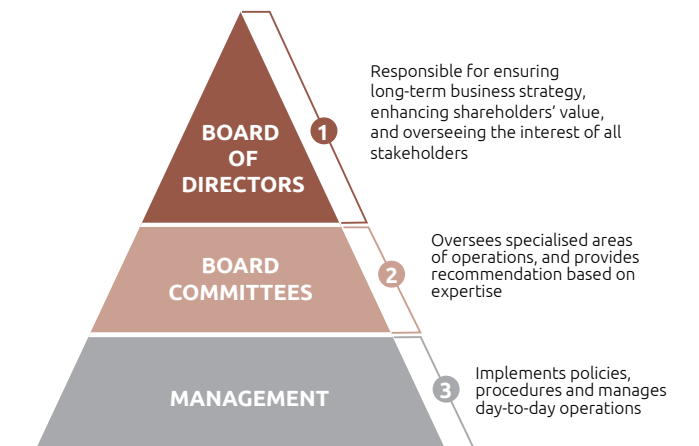
.....  
**"Best Governed Company Listed Segment: Large Category"** at the 23<sup>rd</sup> edition of the Institute of Company Secretaries of India ("ICSI") National Awards for Excellence in Corporate Governance, 2023.  
 .....

Silver Award by the Institute of Chartered Accountants of India ("ICAI") in the **"ICAI Sustainability Reporting Awards 2022-23"**.  
 .....

**"Golden Peacock Award for Excellence in Corporate Governance – 2023"**, by the Institute of Directors, India, for the fourth time.  
 .....

This report is prepared in accordance with the provisions of the Listing Regulations and contains the details of Corporate Governance systems and processes at Asian Paints Limited.

### GOVERNANCE STRUCTURE AND DEFINED ROLES AND RESPONSIBILITIES



### BOARD OF DIRECTORS

Asian Paint's Board of Directors ("the Board") fiduciary responsibility is to ensure that the Company's strategy and objectives are aligned to sustainable growth and long-term value creation.

The Board is, *inter alia*, responsible for:

- formulation of long-term business plan & strategy and monitoring its implementation;
- enhancing shareholder value and overseeing the interests of all stakeholders through effective management;
- monitoring the effectiveness of the Company's Corporate Governance practices; and
- exercising effective control of the functioning of the Company to ensure the fulfilment of stakeholder expectations and long-term value creation.

The Directors take an active part in the deliberations at the Board and Committee meetings and provide guidance and advice to the management on various aspects of business, strategy, long-term value creation, governance, risk and compliance.

### BOARD COMMITTEES

The Board Committees have been constituted to deal with specific areas/activities as mandated by applicable rules and regulations or as delegated by the Board, which need a closer review.

## Report on Corporate Governance (Contd.)

The terms of reference of the Committees define its scope, powers and responsibilities.

The Chairperson of the respective Committees briefs the Board about the summary of the discussions held at the Committee meetings and the recommendations of the Committee members.

The minutes of the meetings of all Committees are placed before the Board for their perusal. Further, there is an effective cross-committee discussion and coordination, in instances where there is any overlap with activities of such Committees, to ensure effective exercising of their roles and responsibilities as per the framework laid down by the Board of Directors and bring uniformity.

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

The terms of reference of the Committees are in line with the applicable provisions of the Listing Regulations, the Companies Act, 2013 ("the Act") and the Rules issued thereunder. The detailed terms of reference of the Committees can be accessed on the Company's website at <https://www.asianpaints.com/TOR.html>.

### MANAGEMENT

The management structure of the Company comprises of the Managing Director & CEO and the members of the One Link group.

The One Link group comprises of the Managing Director & CEO, Presidents, Senior Vice Presidents, Vice Presidents, Associate Vice Presidents, and General Managers. The Managing Director & CEO leads the group.

The Board presently, comprises of 11 members, 5 of which are Independent Directors, 5 are Non-Executive/Promoter Directors and a Managing Director & CEO. The Chairman of the Board is an Independent Director.

The One Link group steers futuristic and innovation projects across functions and businesses which work with the breakthrough methodology of creating long-lasting impact. The One Link group is responsible for fulfilling the ESG commitments at the management level and a defined weightage has been assigned to fulfilment of ESG commitments in the goals of the members of the One Link group.

The Senior Management of the Company comprises of members of the management who are reporting to the Managing Director & CEO (forming part of the President, Vice President, and Associate Vice President cadres) and includes functional heads by whatever name called, and the Company Secretary and the Chief Financial Officer of the Company.

The Managing Director & CEO reports to the Board and is in charge of managing the affairs of the Company, executing business strategy in consultation with the Board and achieving annual and long-term business goals.

### BOARD

#### Composition of the Board

Asian Paint's values and believes in having a diverse Board. A diverse Board with differences in experience, thought, perspective, skill sets, gender, and expertise ensures constructive deliberations and effective decision-making at the Board.

The Company's Board has an optimum mix of Executive and Non-Executive Directors, in line with the applicable provisions of the Act and the Listing Regulations. All the Directors on the Board are persons of eminence and bring a wide range of expertise, knowledge, and experience to the Board, thereby ensuring the best interest of the stakeholders and the Company.

Detailed profiles of all the Board members, comprising their experience, expertise, etc., form part of this Integrated Annual Report and is also available on the Company's website at <https://www.asianpaints.com/GovernanceStructure.html>.

#### Changes in the Directorate

##### a. Sad Demise of Mr. Ashwin Dani, erstwhile Non-Executive Director of the Company

Mr. Ashwin Dani, Non-Executive Director of the Company, left for heavenly abode on 28<sup>th</sup> September 2023.

##### b. Appointment of Independent Directors

In line with the succession planning of the Board of Directors, the following Independent Directors were appointed:

- Mrs. Ireena Vittal (DIN: 05195656) was appointed as an Independent Director of the Company, to hold office for a period of 5 years from 25<sup>th</sup> July 2023 to 24<sup>th</sup> July 2028.
- Mr. Soumitra Bhattacharya (DIN: 02783243) was appointed as an Independent Director of the Company, to hold office for a period of 5 years from 26<sup>th</sup> October 2023 to 25<sup>th</sup> October 2028.
- Dr. Gopichand Katragadda (DIN: 02475721) was appointed as an Independent Director of the Company to hold office for a period of 5 years from 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2029.

##### c. Retirement of Independent Directors

During the year, the following Independent Directors retired:

- Mr. Deepak Satwalekar (DIN: 00009627) ceased to be an Independent Director and Chairman of the Board and the Company with effect from close of business hours on 30<sup>th</sup> September 2023, upon completion of his tenure as an Independent Director.
- Mrs. Vibha Paul Rishi (DIN: 05180796), Mr. Suresh Narayanan (DIN: 07246738) and Mrs. Pallavi Shroff (DIN: 00013580) also ceased to be the Independent Directors of the Company with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of their respective tenures as the Independent Directors.

##### d. Appointment of Chairman

The Board of Directors at their meeting held on 25<sup>th</sup> July 2023, appointed Mr. R Seshasayee (DIN: 00047985), Independent Director, as the Chairman of the Board and the Company with effect from 1<sup>st</sup> October 2023 up to the conclusion of his term of appointment on 22<sup>nd</sup> January 2027.

### Board Procedures

The Board, Committees of Board and Independent Director's meetings are pre-scheduled, and an annual calendar of these meetings is circulated to the Directors and Committee members well in advance, to facilitate them to plan their schedules and to ensure meaningful participation in the meetings. The interval between any two Board Meetings was well within the maximum allowed gap of 120 days under the provisions of the Act and the Listing Regulations.

In case of special and urgent business matters, approval of the Board/Committees is taken by passing a resolution by circulation, as permitted by law, which is noted in the next Board/Committee meeting.

In order to facilitate effective discussions at the meetings of the Board, the agenda is bifurcated into items requiring approval and items which are to be taken note of by the Board and/or are circulated for the information of the members.

Clarifications/queries, if any, on the items which are to be taken on record by the Board are sought in advance and resolved before the meeting, to ensure focused and effective discussions at the meetings.

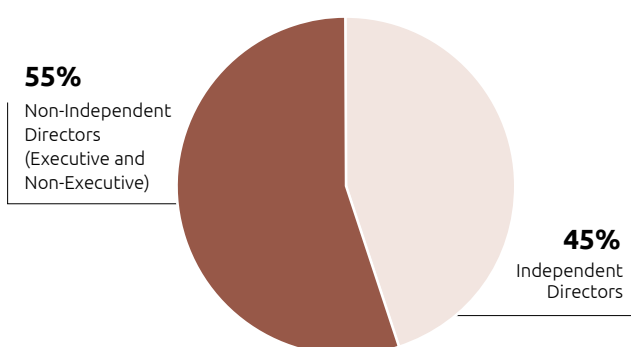
The Company has adopted a 'safety-first' approach for all its meetings and business decisions. All the quarterly meetings of the Board begin with an elaborate discussion on the Health and Safety initiatives, reportable incidents and corrective & preventive action taken by the management.

The discussions are then followed by a review of the performance of the business vis-à-vis the Company's Plan for the financial year and overall strategy, review of financial results, review of subsidiary's performance, review of compliance reports, fund position and investments status, industrial relations, environmental consents, etc.

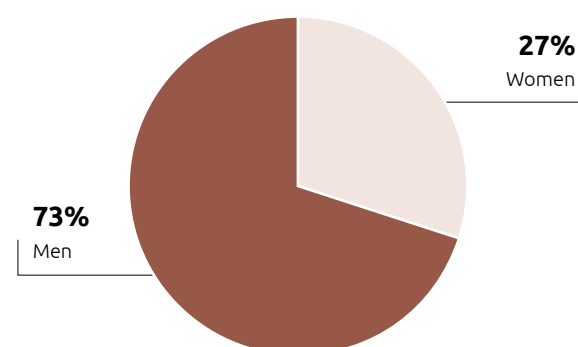
The Board also deliberates on succession planning of the Board, the members of its Committees and senior management personnel, strategic planning, governance & regulatory matters, financial position, declaration & recommendation of dividend, progress on ESG commitments of the Company and such other matters as required under the Act, the Listing Regulations and other applicable laws.

The Board reviews the strategy, budgets & business plans, and capital expenditure on an annual basis. It provides guidance and strategic direction to the management in light of the economic developments, both locally and internationally, sectoral changes, competition, government regulations, etc. The Board also meets industry experts on matters of importance as and when deemed fit.

Composition of Board\*



Gender Diversity\*



\* as on the date of this Report.



## Report on Corporate Governance (Contd.)

During the year under review, 8 meetings of the Board were held. The Board members were either present in person or through video conference for the meetings of the Board and its Committees. The necessary quorum was present, either in person or by means of video conference, for all the meetings of the Board and its Committees.

The composition of the Board of Directors along with details of the meetings held during the financial year 2023-24 and attendance of Directors in person or through video conference, is detailed below:

Name of the Directors, Director Identification Number (DIN) & Nature of Directorship	Meeting Dates								% of attendance
	1	2	3	4	5	6	7	8	
	11 <sup>th</sup> May 2023	25 <sup>th</sup> July 2023	26 <sup>th</sup> October 2023	17 <sup>th</sup> January 2024	1 <sup>st</sup> February 2024	21 <sup>st</sup> February 2024	23 <sup>rd</sup> March 2024	28 <sup>th</sup> March 2024	
<b>R Seshasayee (00047985)*</b> Non-Executive Chairman/Independent									100
<b>Manish Choksi (00026496)</b> Non-Executive Vice Chairman/ Promoter									100
<b>Amit Syngle (07232566)</b> Managing Director & CEO									100
<b>Malav Dani (01184336)</b> Non-Executive Director/Promoter									87.5
<b>Amrita Vakil (00170725)</b> Non-Executive Director/Promoter									87.5
<b>Jigish Choksi (08093304)</b> Non-Executive Director/Promoter									100
<b>Nehal Vakil (00165627)</b> Non-Executive Director/Promoter									100
<b>Milind Sarwate (00109854)</b> Non-Executive Director/Independent									100
<b>Ireena Vittal (05195656)#</b> Non-Executive Director/Independent	NA								100
<b>Soumitra Bhattacharya (02783243)§</b> Non-Executive Director/Independent	NA	NA							100
<b>Deepak Satwalekar (00009627)%</b> Non-Executive Chairman/Independent			NA	NA	NA	NA	NA	NA	100
<b>Ashwin Dani (00009126)®</b> Non-Executive Director/Promoter			NA	NA	NA	NA	NA	NA	100
<b>Suresh Narayanan (07246738)§</b> Non-Executive Director/Independent									75
<b>Vibha Paul Rishi (05180796)§</b> Non-Executive Director/Independent									87.5
<b>Pallavi Shroff (00013580)§</b> Non-Executive Director/Independent									75

Attended through video conference Attended in person Leave of absence Not applicable

### Notes:

- \*Appointed as the Chairman of the Board and the Company with effect from 1<sup>st</sup> October 2023 up to the conclusion of his term of appointment on 22<sup>nd</sup> January 2027.
- # Appointed as an Independent Director of the Company with effect from 25<sup>th</sup> July 2023.
- § Appointed as an Independent Director of the Company with effect from 26<sup>th</sup> October 2023.
- % Ceased to be an Independent Director and Chairman of the Board and the Company with effect from close of business hours on 30<sup>th</sup> September 2023, upon completion of his tenure as an Independent Director.
- ® Passed away on 28<sup>th</sup> September 2023.
- § Ceased to be the Independent Directors of the Company with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of their respective tenures as the Independent Directors.

All the members of the Board of Directors attended the last Annual General Meeting ("AGM") of the Company held on 27<sup>th</sup> June 2023 through video conference/other audio visual means ("VC/OAVM").

The details of Directors seeking appointment/re-appointment, if any, form part of the Notice of the 78<sup>th</sup> AGM of the Company.

## Flow of information to the Board

The Board has unrestricted access to all Company-related information including to members of the management. The Company Secretary ensures that the Board and the Committees of the Board are provided with the relevant information, details and documents required for decision-making.

The Chairman of the Board and the Company Secretary determine the agenda for every meeting in consultation with the Managing Director & CEO. Regular inputs and feedback from Directors/Members of Board Committees are taken and considered while preparing the agenda and related documents for the Board and its Committee meetings.

While preparing the agenda, explanatory notes, and minutes of the meetings, adherence to the Act and the Rules made thereunder, the Listing Regulations, Secretarial Standards issued by ICSI, and other applicable laws are ensured.

With a view to ensure high standards of confidentiality of the agenda and other Board papers and to leverage technology and eliminate paper consumption, the Company circulates the agenda and explanatory notes to the Directors/Committee members, through a web-based application which can be securely accessed by the Directors/Committee members through their hand-held devices, laptop, iPads and browsers. This application meets high standards of security that are required for the storage and transmission of documents for Board/Committee meetings.

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information ("UPS"), is circulated to the Board and its Committees in advance and/or at a shorter notice before the commencement of the meeting.

The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company.

The Company Secretary attends all the meetings of the Board and its Committees and is, *inter alia*, responsible for recording the minutes of such meetings.

The Company Executives are also invited to join the meetings of the Board/Committees with permission of the Chairperson.

The Company Executives joining the said meetings is also an opportunity for the Board/Committee members to interact with the members of the management.

The draft minutes of the meetings of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standard on Meetings of the Board of Directors ("SS - 1") issued by ICSI. Further, the certified true copy of the signed minutes is also circulated to the Board and Committees in accordance with SS - 1.

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

## Directors and Officers Insurance

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy.

## Post-meeting follow-up system

The governance processes in the Company include an effective post-meeting follow-up, review and reporting process for action taken report/pending for discussions of the Board and its Committees in the subsequent meetings.



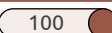


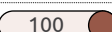


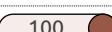








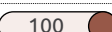


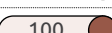


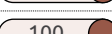
## Meetings of Independent Directors



During the financial year 2023-24, the Independent Directors met twice without the presence of other Directors or management representatives.

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

## Report on Corporate Governance (Contd.)

The details of the meetings held during the financial year 2023-24 and meetings attended by the Independent Directors of the Company, in person or through video conference, is detailed below:

Name of Independent Directors	Meeting dates		% of attendance
	1	2	
	26 <sup>th</sup> October 2023	5 <sup>th</sup> January 2024	
R Seshasayee*			100 
Milind Sarwate			100 
Ireena Vittal#			100 
Soumitra Bhattacharya <sup>§</sup>			100 
Deepak Satwalekar <sup>%</sup>	NA 	NA 	NA 
Vibha Paul Rishi <sup>@</sup>			100 
Suresh Narayanan <sup>@</sup>			100 
Pallavi Shroff <sup>@</sup>			100 

  Attended through video conference

  Attended in person  Not applicable

### Notes:

- \* Appointed as the Chairman of the Board and the Company with effect from 1<sup>st</sup> October 2023 up to the conclusion of his second term of appointment on 22<sup>nd</sup> January 2027.
- # Appointed as an Independent Director of the Company with effect from 25<sup>th</sup> July 2023.
- § Appointed as an Independent Director of the Company with effect from 26<sup>th</sup> October 2023.
- % Ceased to be an Independent Director and Chairman of the Board and the Company with effect from close of business hours on 30<sup>th</sup> September 2023, upon completion of his tenure as an Independent Director.
- @ Ceased to be the Independent Directors of the Company with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of their respective tenures as the Independent Directors.

### Declarations from Independent Directors

- The Company has received declarations from the Independent Directors that they meet the criteria of Independence stipulated under Section 149 of the Act read with Rule 5 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the Listing Regulations.  
The Independent Directors have also confirmed that they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

- The Independent Directors under Regulation 25(8) of the Listing Regulations have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Based on the declarations received from the Independent Directors, supported by a Certificate from Company Secretary in practice, the Board has confirmed the veracity of such disclosures and confirmed that the Independent Directors fulfil the conditions of independence specified in the Act and the Listing Regulations and are independent of the management of the Company.

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

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

Mrs. Pallavi Shroff who ceased to be an Independent Director of the Company with effect from close of business hours on 31<sup>st</sup> March 2024, is the Joint-Managing Partner of Shardul Amarchand Mangaldas & Co., Solicitors & Advocates, from which the Company takes professional services related to competition law matters.

For details pertaining to transactions with Shardul Amarchand Mangaldas & Co. during the financial year 2023-24, refer Note no. 37 to the standalone financial statements of the Company forming part of this Integrated Annual Report.

The quantum of fees paid to Shardul Amarchand Mangaldas & Co. is an insignificant portion of their total revenue, thus, Shardul Amarchand Mangaldas & Co., is not construed as having any material relationship with the Company.

### Key Board qualifications, expertise and attributes

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board.

The criteria for nominating/inducting a Director on the Board of the Company includes:

- composition of the Board, taking into consideration the size of the Company and the requirement of law;
- diversity on the Board;
- optimal balance of skills and relevant experience, professional qualifications;
- expertise and experience in specific area of business;
- no present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;

- personal characteristics in line with the Company's values, such as integrity, honesty, and transparency; and
- any other criteria which may be added by the Board at its discretion.

The Board has identified individuals possessing wide experience and expertise in their areas of function, viz. Sales & Marketing experience, International Business experience, General management and leadership, Financial and risk management skills, and Technical, professional skills and knowledge including legal, governance and regulatory aspects that allows them to make effective contributions to the Board and its Committees.

In terms of requirements of the Listing Regulations, the Board has identified the following skills/expertise/competencies of the Directors:

Sr. No.	Name of Directors	Skill/Expertise/Competency				
		Sales & Marketing experience: Exposure to sales and marketing management based on understanding of the consumers	International Business experience: Experience in leading businesses in different geographies/markets around the world and emerging markets exposure	General management and leadership: Strategic planning, sustainability and protect interest of all stakeholders	Financial and risk management skills: Understanding the financial statements and financial controls, systems and processes & mergers and acquisitions	Technical, professional skills and knowledge including legal, governance and regulatory aspects
<b>As on 31<sup>st</sup> March 2024</b>						
1.	R Seshasayee	✓	✓	✓	✓	✓
2.	Manish Choksi	✓	✓	✓	✓	✓
3.	Amit Syngle	✓	✓	✓	✓	✓
4.	Malav Dani	✓	✓	✓	✓	✓
5.	Amrita Vakil	✓		✓	✓	✓
6.	Jigish Choksi	✓		✓		
7.	Nehal Vakil			✓	✓	
8.	Milind Sarwate			✓	✓	✓
9.	Ireena Vittal	✓		✓	✓	
10.	Soumitra Bhattacharya	✓	✓	✓	✓	✓
11.	Suresh Narayanan*	✓	✓	✓	✓	
12.	Vibha Paul Rishi*	✓	✓	✓	✓	
13.	Pallavi Shroff*	✓	✓	✓	✓	✓
<b>Appointed w.e.f. 1<sup>st</sup> April 2024</b>						
14.	Gopichand Katragadda*	✓	✓	✓	✓	✓

### Note:

\* Ceased to be the Independent Directors of the Company with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of their respective tenures as the Independent Directors.



## Report on Corporate Governance (Contd.)

### Directorship and Memberships/Chairpersonships of Committees and Shareholding of Directors

The details of Directorship, *inter-se* relationship, shareholding in the Company, number of Directorships and Committee memberships/chairpersonships held by the Directors of the Company in other public companies as on 31<sup>st</sup> March 2024 are as under:

Name of Directors	Inter-se relationship	No. of shares held along with % to the paid-up share capital of the Company* #	Directorship in other companies		Membership and Chairpersonship of the Committees of the Board of other companies%	
			Number <sup>§</sup>	Names of listed entities along with the category	Chairperson	Member
R Seshasayee	-	1,496 (0.00%)	1	-	-	-
Manish Choksi	Cousin of Jigish Choksi	23,81,040 (0.25%)	4	Independent Director of Vedant Fashions Limited, Torrent Pharmaceuticals Limited and Birlasoft Limited	-	4
Amit Syngle	-	600 (0.00%)	-	-	-	-
Malav Dani	-	36,50,176 (0.38%)	1	Managing Director of Hitech Corporation Limited	-	-
Amrita Vakil	Cousin of Nehal Vakil	25,66,680 (0.27%)	3	Non – Executive Director of Elcid Investments Limited	-	1
Jigish Choksi	Cousin of Manish Choksi	19,95,180 (0.21%)	-	-	-	-
Nehal Vakil	Cousin of Amrita Vakil	57,38,489 (0.60%)	3	-	-	-
Milind Sarwate	-	35 (0.00%)	8	Independent Director of FSN E-Commerce Ventures Limited, Matrimony.com Limited, Mahindra & Mahindra Financial Services Limited, SeQuent Scientific Limited and CEAT Limited	3	9
Ireena Vittal	-	-	1	Independent Director of Godrej Consumer Products Limited	-	1
Soumitra Bhattacharya	-	-	1	Non-Executive Director and Chairman of Bosch Limited	-	2
Vibha Paul Rishi®	-	-	4	Independent Director of Tata Chemicals Limited, ICICI Prudential Life Insurance Company Limited, ICICI Bank Limited and Piramal Pharma Limited	2	4
Suresh Narayanan®	-	-	1	Chairman and Managing Director of Nestle India Limited	-	-
Pallavi Shroff®	-	-	6	Independent Director of Apollo Tyres Limited, InterGlobe Aviation Limited, PVR Inox Limited, One 97 Communications Limited and Juniper Hotels Limited	2	7

#### Notes:

- \* As per the declarations made to the Company by the Directors with respect to the shares held in their own name or held jointly as the first holder or held on a beneficial basis as the first holder.
- # The Company has not issued any convertible instruments, hence no such instruments are being held by Non-Executive Directors.
- § Excludes directorship in Asian Paints Limited, private companies, foreign companies, high value debt listed companies, companies incorporated under Section 8 of the Act and alternate directorships, if any.
- ¶ For the purpose of calculating the limit of Committee membership and chairpersonship of a director, membership and chairpersonship of the Audit Committee and Stakeholders Relationship Committee of public companies other than Asian Paints Limited have been considered.
- ® Ceased to be the Independent Directors of the Company with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of their respective tenures as the Independent Directors.

All the Directors of the Company at the beginning of each financial year inform about their Directorships, Committee memberships/chairpersonships and as and when there is any change. Based on the intimations/disclosures received from the Directors, none of the Directors of the Company hold memberships/chairpersonships of Board/Committees, more than the limits prescribed under the Act and the Listing Regulations.

### FAMILIARISATION PROGRAMME

The Company has a familiarisation programme for its Independent Directors and other Non-Executive Directors which, *inter alia*, includes briefing on:

- role, responsibilities, duties and obligations as a member of the Board.
- nature of business and business model of the Company.
- strategic directions for businesses.
- mergers & acquisitions and investment opportunities.
- macro-economic outlook and business conditions.
- matters relating to governance.

In the Board meetings, all discussions on performance review of the businesses are preceded by a recap on the strategic direction adopted for the business, which provides good insights on the path forward for the businesses carried on by the Company to the Independent Directors and the other Non-Executive Directors on the Board.

An information pack is handed over to the new Directors on the Board, which includes, the Company profile, Company's Codes and Policies, strategy documents and any other operational information which will enable them to discharge their duties effectively. Quarterly updates, strategic updates including press releases to be submitted with the stock exchanges are shared with the Board members to keep them abreast of the material developments relating to the Company.

Besides the above, the Independent Directors and the Board as a whole, are on a continual basis familiarised with the functioning of the overall performance and functioning of the Company, manufacturing & technology, risk management process, human resource processes and people development initiatives, IT processes, CSR, safety, sustainability, regulatory developments, and governance initiatives of the Company. As a part of familiarisation, the Directors also visit the Company's manufacturing locations and/or establishments to understand the operations of the Company.

The Directors through Board strategy meeting get an opportunity to interact with the members of management of the Company. The eminent speakers are invited to present to the Board on key topics which are relevant. The details of such familiarisation programmes for Independent Directors can be accessed on the Company's website at <https://www.asianpaints.com/FamiliarisationProgramme.html>.

BOARD COMMITTEES*		
<b>AUDIT COMMITTEE</b>  Milind Sarwate  Ireena Vittal  Soumitra Bhattacharya	<b>NOMINATION AND REMUNERATION COMMITTEE</b>  Soumitra Bhattacharya  R Seshasayee  Manish Choksi	<b>STAKEHOLDERS RELATIONSHIP COMMITTEE</b>  Gopichand Katragadda  Jigish Choksi  Nehal Vakil
<b>CORPORATE SOCIAL RESPONSIBILITY COMMITTEE</b>  Malav Dani  Gopichand Katragadda  Amrita Vakil  Amit Syngle	<b>RISK MANAGEMENT COMMITTEE</b>  Ireena Vittal  Milind Sarwate  Jigish Choksi  Nehal Vakil  Rahul Bhatnagar	<b>INVESTMENT COMMITTEE</b>  R Seshasayee  Manish Choksi  Malav Dani  Amit Syngle  Amrita Vakil  Soumitra Bhattacharya

  Chairperson   
   Member

Mr. R J Jeyamurugan, CFO & Company Secretary of the Company acts as the Secretary to all the above Committees and is a permanent invitee to the Stakeholders Relationship Committee and the Investment Committee.

Mr. Alok Agrawal, General Manager - Internal Audit & Risk, is a permanent invitee to the Risk Management Committee in his capacity as the Chief Internal Auditor of the Company.

\* as on the date of this Report.

## Report on Corporate Governance (Contd.)

### BOARD COMMITTEES

The Company has 6 Committees of the Board, namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Investment Committee.

During the year under review, the Board of Directors of the Company have delegated the authority to approve the transmission, dematerialisation of shares, etc. to a Managing Committee comprising of Managing Director & CEO and CFO & Company Secretary of the Company. A summary of approved transmissions, dematerialisation of shares, etc. is placed before the Board of Directors from time to time as per the Listing Regulations.

### AUDIT COMMITTEE

The Audit Committee, presently, comprises of 3 Independent Directors. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held during the financial year 2023-24 and attendance of the members of the Committee, in person or through video conference, is detailed below:

Name of Members	Nature of membership	Meeting Dates						% of attendance
		1	2	3	4	5	6	
		10 <sup>th</sup> May 2023*	24 <sup>th</sup> July 2023*	25 <sup>th</sup> October 2023*	20 <sup>th</sup> December 2023	16 <sup>th</sup> January 2024*	27 <sup>th</sup> March 2024	
Milind Sarwate	Chairman							100
R Seshasayee <sup>#</sup>	Member							100
Ireena Vittal <sup>§</sup>	Member							100
Soumitra Bhattacharya <sup>§</sup>	Member							100
Pallavi Shroff <sup>&amp;</sup>	Member							83.33
Vibha Paul Rishi <sup>&amp;</sup>	Member							100

Attended through video conference Attended in person Leave of absence Not applicable

#### Notes:

- The intervening period between 2 consecutive Audit Committee meetings was well within the maximum allowed gap of 120 days.
- \* These meetings were adjourned to the next day for consideration of quarterly and annual financial results, as applicable.
- <sup>#</sup> Ceased to be a member of Committee with effect from 26<sup>th</sup> October 2023.
- <sup>§</sup> Appointed as the members of the Committee with effect from 26<sup>th</sup> October 2023.
- <sup>&</sup> Ceased to be the members of the Committee with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of their respective tenures as the Independent Directors.
- <sup>\*</sup> Was present in the meeting adjourned to the next day i.e., 11<sup>th</sup> May 2023.
- Mr. R J Jeyamurugan, CFO & Company Secretary of the Company acts as the Secretary to the Committee.

### Terms of reference

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

Sr. No.	Activities of the Committee during the year	Frequency
1.	Overseeing the Company's financial reporting process and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval.	<b>A</b>
2.	Reviewing with the management standalone and consolidated financial results and annual financial statements and, if thought fit, recommend to the Board for approval.	<b>Q/A</b>
3.	Reviewing, approving or subsequently modifying transactions of the Company with related parties.	<b>Q/P</b>
4.	Evaluating the internal financial controls and risk management policies of the Company.	<b>A</b>
5.	Recommending the appointment/re-appointment, remuneration, terms of appointment and scope of Auditors of the Company and approval of payment for any other service.	<b>P/A</b>
6.	Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process and audit reports submitted by the auditor.	<b>Q/A</b>
7.	Reviewing the adequacy of internal audit function and discussing with the internal auditors on the significant findings and further course adopted.	<b>Q/A</b>
8.	Reviewing the grievance redressal mechanism of the Company and overseeing the functioning of the same.	<b>Q</b>
9.	Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and verify adequacy of internal controls.	<b>P/A</b>

Frequency: **A** Annually **Q** Quarterly **P** Periodically **E** Event-based

### Governance

- The composition and terms of reference of the Audit Committee are in line with the applicable provisions of the Listing Regulations and the Act. Further, the Audit Committee is an independent Committee.
- The Audit Committee meets the Statutory Auditors and the Internal Auditor independently without the presence of any members of the management at least once in a year.
- The members of the Audit Committee are financially literate and have relevant experience in financial management.
- The Committee meets quarterly for consideration of financial results, review and approval of related party transactions.
- A dedicated meeting of the Committee is held to review the key internal audit observations, fixing the limits and reviewing the governance process for entering into related party transactions during the year.
- The meetings of the Audit Committee are also attended by the Statutory Auditors, Managing Director & CEO, CFO & Company Secretary, Chief Internal Auditor, and other members of the Finance function of the Company.
- The Audit Committee has also transacted some of the business under its terms of reference by passing resolutions by circulation during the year under review.
- The Audit Committee obtains external legal or other professional advice and secures attendance of outsiders with relevant expertise, if it considers necessary.
- The Chairman of the Audit Committee attended the 77<sup>th</sup> AGM of the Company for the financial year ended 31<sup>st</sup> March 2023 held on 27<sup>th</sup> June 2023.
- All the decisions and recommendations made by the Committee during the year were unanimously approved by the members of the Committee.



## Report on Corporate Governance (Contd.)

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC"), presently, comprises 2 Independent Directors and a Non-Executive Director. The Chairman of NRC is an Independent Director.

The composition of NRC of the Board of Directors of the Company along with the details of the meetings held during the financial year 2023-24 and attendance of the members of the Committee, in person or through video conference, is detailed below:

Name of Members	Nature of membership	Meeting dates						% of attendance
		1	2	3	4	5	6	
		10 <sup>th</sup> May 2023	5 <sup>th</sup> July 2023	26 <sup>th</sup> October 2023	17 <sup>th</sup> January 2024	25 <sup>th</sup> January 2024	21 <sup>st</sup> February 2024	
Suresh Narayanan*	Chairman							100
Manish Choksi	Member							100
R Seshasayee <sup>§</sup>	Member				NA	NA	NA	100
Ireena Vittal <sup>#</sup>	Member	NA	NA	NA				100

Attended through video conference Attended in person Not applicable

#### Notes:

- \* Ceased to be a member of the Committee with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of his tenure as an Independent Director.
- <sup>§</sup> Ceased to be a member of the Committee with effect from 26<sup>th</sup> October 2023. He was appointed as a permanent invitee upto 31<sup>st</sup> March 2024 and again as a member of the Committee with effect from 1<sup>st</sup> April 2024.
- <sup>#</sup> Appointed as a member of the Committee with effect from 26<sup>th</sup> October 2023 and ceased to be a member of the Committee with effect from 1<sup>st</sup> April 2024.
- Mr. Soumitra Bhattacharya, Independent Director has been appointed as a member and Chairman of the Committee with effect from 1<sup>st</sup> April 2024.
- Mr. R J Jeyamurugan, CFO & Company Secretary of the Company acts as the Secretary to the Committee.

### Terms of reference

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

Sr. No.	Activities of the Committee during the year	Frequency
1.	Formulating criteria for determining qualifications, positive attributes and independence of a Director.	P
2.	Recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.	E
3.	Devising a policy on Board Diversity.	E
4.	Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company.	A
5.	Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.	E
6.	Recommending to the Board all remuneration, in whatever form, payable to senior management.	A
7.	For every appointment of an Independent Director, NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director.	E
8.	Specifying methodology for effective evaluation of performance of Board/ Committees of the Board and review the terms of appointment of Independent Directors on the basis of the report of performance evaluation of the Independent Directors.	A
9.	Playing the role of Compensation Committee and to act as an administrator to the Employees' Stock Option Scheme of the Company.	P

Frequency: **A** Annually **Q** Quarterly **P** Periodically **E** Event-based

### Governance

- The composition and terms of reference of NRC are in line with the applicable provisions of the Listing Regulations and the Act.
- NRC also transacted some of the business under its terms of reference by passing resolutions by circulation during the year under review.
- The Chairperson of NRC attended the 77<sup>th</sup> AGM of the Company for the financial year ended 31<sup>st</sup> March 2023 held on 27<sup>th</sup> June 2023.
- All the decisions and recommendations made by the Committee during the year were unanimously approved by the members of the Committee.

### SUCCESSION PLANNING

The Company believes that succession planning is imperative for a Company's continuity and sustainability.

It strives to maintain an appropriate balance of skills and experience within the organisation and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity. The NRC plays a pivotal role in identifying successors to the members of the Board and invests substantial time with the Managing Director & CEO on succession planning of Key Managerial Personnel and Senior Management. It has adopted a methodical and fair process to select the suitable candidate. The succession plan is closely aligned with the strategy and long-term needs of the Company.

The Company has in place a Policy on Appointment of Independent Directors on the Board of Directors of the Company. This Policy, *inter alia*, lists the process to be followed for the appointment of Independent Directors, criteria for shortlisting the candidates, and critical attributes.

### NOMINATION AND REMUNERATION POLICY

The Company has in place a Nomination and Remuneration Policy formulated as per the provisions of the Act and the Listing Regulations. During the year under review, the Policy was amended to, *inter alia*, include the revised definition of Senior Management pursuant to the amendment to the Listing Regulations. The Policy outlines the role of NRC and the Board, *inter alia*, determining the criteria for Board membership, approving, and recommending compensation packages and policies for Directors and Senior Management and lay down the effective manner of performance evaluation of the Board, its Committees, and the Directors.

In accordance of the said Policy, following is the criteria for payment of remuneration to Directors, Senior Management and other employees:

- Compensation to Managing Director or Executive Director: The NRC shall approve the compensation of the Managing Director which shall be in accordance with the applicable law, in line with Company's objectives, shareholders interest and industry standards, subject to the approval of the Board and shareholders.
- Remuneration to Non-Executive Directors: The NRC shall recommend to the Board for its approval, the commission payable to the Non-Executive Directors, including Independent Directors, after reviewing payments made by similar sized, successful companies, after taking into account their contribution to the decision making at meetings of the Board/ Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of Corporate Governance and Board effectiveness.
- Compensation to Senior Management: The NRC shall review performance of the Senior Management of the Company and shall ensure that the remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Remuneration to other employees: The Company regularly benchmarks the compensation levels and employee benefits in the market and makes necessary changes to remain consistent with the industry standards. The remuneration structure of employees is designed on principles of fairness, transparency and internal and external parity and involves an optimum balance of fixed and variable components.

The said Policy can be accessed on the Company's website at <https://www.asianpaints.com/NRCPolicy.html>.

### DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE FINANCIAL YEAR 2023-24

#### Non – Executive Directors

The shareholders of the Company at the AGM held on 26<sup>th</sup> June 2014, approved a sum of not exceeding 1% of the net profits of the Company, per annum, calculated in accordance with Section 198 of the Act, to be paid to the Non-Executive Directors in a manner as decided by the Board of Directors. The remuneration paid to the Non-Executive Directors during the financial year 2023-24 is within the limits approved by the shareholders at the said meeting.

## Report on Corporate Governance (Contd.)

During the financial year 2023-24, sitting fees of ₹ 1,00,000 for attending each meeting of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Risk Management Committee, Investment Committee and meeting of the Independent Directors was paid.

### Managing Director & CEO

The structure of remuneration payable to the Managing Director & CEO involves a fair balance of fixed pay and variable component which is linked to achievement of certain year on year and long-term targets as determined by the NRC and the Board of the Company.

Details of the remuneration paid to the Directors for the services rendered and stock options granted during the financial year 2023-24, are as follows:

(Amount in ₹)					
Name of Directors	Basic Salary	Perquisites <sup>##</sup>	Sitting Fees	Commission	Total
R Seshasayee*	-	-	19,00,000	47,00,000	66,00,000
Manish Choksi	-	-	17,00,000	46,00,000	63,00,000
Amit Syngle <sup>#5</sup>	4,78,64,400	5,21,55,451	-	8,82,00,000	18,82,19,851
Malav Dani	-	-	14,00,000	44,00,000	58,00,000
Amrita Vakil	-	-	14,00,000	42,00,000	56,00,000
Jigish Choksi	-	-	14,00,000	42,00,000	56,00,000
Nehal Vakil	-	-	12,00,000	42,00,000	54,00,000
Milind Sarwate	-	-	17,00,000	48,00,000	65,00,000
Ireena Vittal <sup>%</sup>	-	-	15,00,000	28,00,000	43,00,000
Soumitra Bhattacharya <sup>@</sup>	-	-	14,00,000	17,50,000	31,50,000
Deepak Satwalekar <sup>&amp;</sup>	-	-	2,00,000	25,00,000	27,00,000
Ashwin Dani <sup>^</sup>	-	3,75,000	2,00,000	21,00,000	26,75,000
Suresh Narayanan <sup>**</sup>	-	-	16,00,000	46,00,000	62,00,000
Vibha Paul Rishi <sup>**</sup>	-	-	25,00,000	44,00,000	69,00,000
Pallavi Shroff <sup>**</sup>	-	-	16,00,000	42,00,000	58,00,000

#### Notes:

- \* Appointed as the Chairman of the Board and the Company with effect from 1<sup>st</sup> October 2023.
- <sup>#</sup> The remuneration paid includes commission of ₹ 8,82,00,000 (50% of the variable pay) as compared to last year of ₹ 10,19,00,000 (65% of the variable pay) and excludes ₹ 8,82,00,000 worth of stock options granted in accordance with the Asian Paints Employee Stock Option Plan ("2021 Plan") for the financial year 2023-24. The stock options would vest on fulfilment of vesting conditions in accordance with the 2021 Plan. Taxable value of perquisite for car allowance has been considered in the aforesaid computation.
- <sup>5</sup> Services of the Managing Director & CEO may be terminated by either party, giving the other party six months' notice or the Company paying six months' basic salary in lieu thereof. There is no separate provision for payment of severance pay.
- <sup>%</sup> Appointed as an Independent Director of the Company with effect from 25<sup>th</sup> July 2023.
- <sup>@</sup> Appointed as an Independent Director of the Company with effect from 26<sup>th</sup> October 2023.
- <sup>&</sup> Ceased to be an Independent Director and Chairman of the Board and the Company with effect from close of business hours on 30<sup>th</sup> September 2023, upon completion of his tenure as an Independent Director.
- <sup>^</sup> Passed away on 28<sup>th</sup> September 2023.
- <sup>~</sup> Represents retiral benefits like pension and medical reimbursement as per his contract entered into with the Company in his erstwhile capacity as an Executive Director which ended on 31<sup>st</sup> March 2009.
- <sup>\*\*</sup> Ceased to be the Independent Directors of the Company with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of their respective tenures as the Independent Directors.
- No stock options are granted to the Independent Directors and Promoter Directors of the Company.
- <sup>##</sup> Perquisites includes fixed allowances.

The Variable Pay achievement targets, *inter alia*, include revenue and profit growth, specific targets for focused products, market share, ESG commitments, employee engagement & collaboration score and people development & succession planning for Senior Management.

The remuneration payable to all cadres of managerial employees, including the Managing Director & CEO is benchmarked annually and is reviewed by the NRC. In accordance with the Nomination and Remuneration Policy of the Company, the revisions to the remuneration payable to the Managing Director & CEO, CFO & Company Secretary and other Senior Managerial Personnel is reviewed by the NRC based on their performance evaluation.

## PERFORMANCE EVALUATION

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

The Company has a structured assessment process, wherein the NRC of the Company has laid down the process for the effective manner of performance evaluation of the Board, its Committees and the Directors, including the Chairperson.

The evaluations are carried out in a confidential manner and the Directors provide their feedback by rating based on various metrics.

The performance evaluation of the Board, its Committees and Directors is conducted under the guidance of the NRC Chair.

The Independent Directors at their separate meeting reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company after considering the views of other Directors, succession planning, the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Board of Directors has resolved to engage an external leadership advisory firm once in 3 years to conduct the Board evaluation. The Board had previously engaged Egon Zehnder, a leadership advisory firm ("Egon Zehnder") on Board matters, to conduct the Board evaluation for the financial year 2020-21.

Accordingly, during the year under review, the Board in consultation with the NRC had engaged Egon Zehnder, to conduct a review of the engagement of the Board, its Committees and Directors for FY 2023-24.

The outcome of the engagement review process focused on Board dynamics and softer aspects. The process involved a questionnaire-based approach followed by independent one-on-one discussions with all Board members.

The Board evaluation process was completed for financial year 2023-24. The outcome of the engagement review was presented by Egon Zehnder to the NRC and the Board of Directors of the Company.

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

## Board and Individual Directors

The parameters of the performance evaluation process for the Board, *inter alia*, includes composition of Board, process for appointment of Directors on the Board, succession planning of Chairman and Managing Director & CEO, open and honest discussion, handling critical and dissenting views, managing conflict of interest, attention to Company's long-term strategy, flow of information on key strategic matters and possible investment/ acquisition opportunities, evaluation of the governance processes of the Company, quality of discussions at the meeting, adequacy of risk management measures, overall contribution of Board to the Company, etc.

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

The outcome of survey and feedback from Directors was discussed at the meeting of NRC and Board of Directors.

### Managing Director & CEO

The NRC evaluates the performance of the Managing Director & CEO by setting his Key Performance Objectives at the beginning of each financial year.

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

### Committees of the Board

The performance evaluation of Committees included aspects like the degree of fulfilment of key responsibilities as outlined by the terms of reference of the Committee, adequacy of Committee composition, effectiveness of discussions at the Committee meetings, quality of deliberations at the meetings and information provided to the Committees, etc. The feedback from members and the action suggested by the NRC and Board are discussed at the respective meetings of the Committees of the Board of Directors for taking necessary action.



## Report on Corporate Governance (Contd.)

### Synopsis of outcome of evaluations for the financial year 2023-24 and action plan

As an outcome of the performance evaluation, the Board noted the following:

- the Directors have objective views and are focussed on meaningfully contributing to the Company and its performance.
- the diverse composition of the Board has brought in rich and relevant experience.
- the Independent Directors are respected for their skills and significant Board experience. The Independent Directors feel valued on the Board.
- the Board has the resilience and ability to engage in difficult conversations.
- the Board believed in the commitment and capability of the management despite challenging circumstances.
- high standards of governance and strong compliance are a top priority for the Board.
- the Committees met and interacted at the right frequency and cadence.

The overall outcome of the performance evaluation was positive and the Board would engage further on the areas to be actioned upon.

These actionable areas would, *inter alia*, include strengthening of Board composition from long-term perspective including Board and Chair succession, spending more time on the Company's strategy considering the recent Board transition and succession planning.

Progress on recommendations from last year's evaluation was also discussed. The Board spent considerable time on focussing on ESG being at the core of all business objectives and operations, and long term succession planning for the members of the Board.

### EMPLOYEE STOCK OPTION PLAN ("ESOP")

With the approval of the shareholders at the AGM of the Company held on 29<sup>th</sup> June 2021, the Company had introduced Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"), to reward, incentivise and retain eligible employees.

The NRC plays the role of the Compensation Committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations").

The Asian Paints Employees Stock Ownership Trust ("ESOP Trust") is managed by an Independent Trustee and certain employees of the Company acting as the other Trustees.

The information as required under the SEBI SBEB Regulations form part of this Integrated Annual Report and also have been uploaded on the Company's website at <https://www.asianpaints.com/AnnualReports.html>.

For further details, refer to the Board's Report/notes to the financial statements wherein detailed information has been provided.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee ("SRC"), presently comprises of an Independent Director and 2 Non-Executive Directors. The Chairperson of the SRC is an Independent Director.

The composition of the SRC of the Board of Directors of the Company along with the details of the meetings held during the financial year 2023-24 and attendance by the members of the Committee, is detailed below:

Name of Members	Nature of membership	Meeting dates			% of attendance
		1	2	3	
		4 <sup>th</sup> August 2023	3 <sup>rd</sup> November 2023	7 <sup>th</sup> February 2024	
Vibha Paul Rishi*	Chairperson				
Jigish Choksi	Member				
Nehal Vakil	Member				

Attended through video conference

#### Notes:

- \* Ceased to be a member of the Committee with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of her tenure as an Independent Director.
- Dr. Gopichand Katraggadda, Independent Director has been appointed as the member and Chairman of the Committee with effect from 1<sup>st</sup> April 2024.
- Mr. R J Jeyamurugan, CFO & Company Secretary of the Company is the Secretary to the Committee and is a permanent invitee to the Committee.

### Terms of Reference

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

Sr. No.	Activities of the Committee during the year	Frequency
1.	Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.	Q
2.	Reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.	Q
3.	Issuing share certificates pursuant to duplicate/remat/renewal requests as and when received by the Company.	P
4.	Providing direction to the management on the implementation of ESG Strategy.	P
5.	Providing oversight of the execution of the ESG Strategy and the Company's progress and performance on its long-term ESG commitments and targets.	P

Frequency: **A** Annually **Q** Quarterly **P** Periodically **E** Event-based

### Governance

- The composition and terms of reference of the SRC are in line with the applicable provisions of the Listing Regulations and the Act.

- Mr. R J Jeyamurugan, CFO & Company Secretary, is the Compliance Officer in accordance with Regulation 6 of the Listing Regulations. Mr. R J Jeyamurugan is an Associate Member of ICSI and an Associate member of the ICAI.
- SRC transacted some of the business under its terms of reference by passing resolutions by circulation during the year under review.
- SRC reviews and takes note of the outcome of the AGM and Postal Ballot, in terms of pattern of voting by the shareholders on the resolutions placed for approval and recommendations of proxy advisory firms thereto.
- During the year under review, in view of the recent amendments made by SEBI through its various Circulars in the investors' grievance redressal mechanism, SRC had amended the Investors' Grievance Redressal Policy to include revision in timelines for redressal of investor complaints, framework, and process for redressal of investor grievances.
- The Chairperson of SRC attended the 77<sup>th</sup> AGM of the Company for the year ended 31<sup>st</sup> March 2023 held on 27<sup>th</sup> June 2023.
- The number of complaints received and redressed during the financial year 2023-24 is given in the 'General Shareholder Information' section, which forms part of this Integrated Annual Report.
- All the decisions and recommendations made by the Committee during the year were approved by a requisite majority by the members of the Committee.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee, presently, comprises of an Independent Director, the Managing Director & CEO and 2 Non-Executive Directors.

The composition of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held during the financial year 2023-24 and attendance by the members of the Committee, in person or through video conference, is detailed below:

Name of Members	Nature of membership	Meeting dates				% of attendance
		1	2	3	4	
		14 <sup>th</sup> July 2023	13 <sup>th</sup> October 2023	15 <sup>th</sup> January 2024	22 <sup>nd</sup> March 2024	
Malav Dani	Chairman					
Amrita Vakil	Member					
Amit Syngle	Member					
Deepak Satwalekar*	Member					
Vibha Paul Rishi#	Member					

Attended through video conference Attended in person Leave of absence Not applicable

## Report on Corporate Governance (Contd.)

### Notes:

- \* Ceased to be a member of the Committee with effect from close of business hours on 30<sup>th</sup> September 2023, upon completion of his tenure as an Independent Director.
- # Ceased to be a member of the Committee with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of her tenure as an Independent Director.
- Dr. Gopichand Katraggada, Independent Director has been appointed as the member of the Committee with effect from 1<sup>st</sup> April 2024.
- Mr. R J Jeyamurugan, CFO & Company Secretary of the Company acts as the Secretary to the Committee.

### Terms of Reference

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

Sr. No.	Activities of the Committee during the year	Frequency
1.	Recommending the amount of expenditure to be incurred on the CSR activities.	A
2.	Monitoring implementation and adherence to the CSR Policy of the Company from time to time.	Q
3.	Preparing a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company.	P

Frequency: **A** Annually **Q** Quarterly **P** Periodically **E** Event-based

### RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("RMC"), presently, comprises 2 Independent Directors, 2 Non-Executive Directors and a member from the management of the Company. The Chairperson of the RMC is an Independent Director.

The composition of the RMC of the Board of Directors of the Company along with the details of the meetings held during the financial year 2023-24 and attendance of the members of the Committee through video conference is detailed below:

Name of Members	Nature of membership	Meeting dates			% of attendance
		1	2	3	
		30 <sup>th</sup> June 2023	27 <sup>th</sup> September 2023	23 <sup>rd</sup> February 2024	
Vibha Paul Rishi*	Chairperson				100
Jigish Choksi	Member				100
Milind Sarwate#	Member	NA	NA		100
Nehal Vakil#	Member	NA	NA		100
Pallavi Shroff*	Member				66.67
Rahul Bhatnagar	Member				100

Attended through video conference Attended in person Leave of absence Not applicable

### Notes:

- \* Ceased to be the members of the Committee with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of their respective tenures as the Independent Directors.
- # Appointed as members of the Committee with effect from 26<sup>th</sup> October 2023.
- Mrs. Ireena Vittal, Independent Director has been appointed as the member and the Chairperson of the Committee with effect from 1<sup>st</sup> April 2024.

### Governance

- The composition and terms of reference of the CSR Committee are in line with the applicable provisions of the Act.
- The meetings of the CSR Committee are also attended by members of the CSR Council of the Company as invitees. Further, employees responsible for the CSR activities on ground, are invited to the Committee meetings to give the members a first-hand account of the work done.
- The CSR Committee transacted some of the business under its terms of reference by passing resolutions by circulation during the year under review.
- All the decisions and recommendations made by the Committee during the year were approved by a requisite majority by the members of the Committee.
- The details of the CSR initiatives as per the CSR Policy of the Company is available in the Board's Report forming part of this Integrated Annual Report. The CSR Policy of the Company has been uploaded on the Company's website at <https://www.asianpaints.com/CSRPolicy.html>.

- The intervening period between 2 consecutive RMC meetings was well within the maximum allowed gap of 180 days.
- Mr. Alok Agrawal, General Manager – Internal Audit & Risk heads the Internal Audit and Risk Management function of the Company. The meetings of the RMC are also attended by him as an invitee.
- Mr. R J Jeyamurugan, CFO & Company Secretary of the Company is the Secretary to the Committee.

### Terms of Reference

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

Sr. No.	Activities of the Committee during the year	Frequency
1.	Identification of Company's risk appetite set for various elements of risk.	P
2.	Ensuring appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.	P
3.	Formulating a detailed risk management policy which shall include: <ol style="list-style-type: none"> <li>A framework for identification of internal and external risks specifically faced by the listed entity.</li> <li>Measures for risk mitigation including systems and processes for internal control of identified risks.</li> <li>Business continuity plan.</li> </ol>	P
4.	Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems.	P
5.	Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.	P
6.	Seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise as and when required.	E

Frequency: **A** Annually **Q** Quarterly **P** Periodically **E** Event-based

### Governance

- The composition and terms of reference of the RMC are in line with the applicable provisions of the Listing Regulations.

- The RMC is responsible for oversight of the overall risk management processes of the Company and ensuring that key strategic and business risks are identified and addressed by the management.
- The Company has in place Risk Management Framework, which provides the guiding principles for risk management efforts in the Company. The Risk Management Framework includes identification of risks, risk management process, reporting of risks to the management and disclosure of such risks to stakeholders which shall impact the going concern status of the Company.
- The Risk Management Policy of the Company articulates the Company's approach to address uncertainties in its endeavours to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of various stakeholders within the Company, the structure for managing risks and framework with respect to Risk Management and the Internal Financial Controls comprehensively address the key strategic/business risks, information technology, financial, cyber security risks and operational risks, respectively.
- During the year, the Risk Management Policy of the Company was reviewed by the Committee and as it being abreast, no changes were proposed in the said Policy. The Risk Management Policy has been uploaded on the Company's website at <https://www.asianpaints.com/RMPolicy.html>.
- The Committee obtains outside legal or other professional advice and secures attendance of outsiders with relevant expertise, if it considers necessary.
- All the decisions and recommendations made by the Committee during the year were approved by the requisite majority by the members of the Committee.

### INVESTMENT COMMITTEE





























Apart from the above statutory Committees, the Board has constituted an Investment Committee with an objective to focus and report to the Board on areas of strategic focus and significance for the Company.

The Investment Committee, presently, comprises of 2 Independent Directors, 3 Non-Executive Directors and the Managing Director & CEO. The Chairman of the Investment Committee is an Independent Director.



## Report on Corporate Governance (Contd.)

The composition of the Investment Committee of the Board of Directors of the Company along with the details of the meetings held during the financial year 2023-24 and attendance of the members of the Committee, in person or through video conference, is detailed below:

Name of Members	Nature of membership	Meeting dates			% of attendance
		1	2	3	
		6 <sup>th</sup> November 2023	11 <sup>th</sup> January 2024	6 <sup>th</sup> March 2024	
R Seshasayee	Chairman				100 
Manish Choksi	Member				100 
Malav Dani	Member				100 
Amit Syngle	Member				100 
Amrita Vakil	Member				100 
Soumitra Bhattacharya*	Member				100 
Suresh Narayanan#	Member				66.67 

  Attended through video conference   Attended in person   Leave of absence

### Notes:

- \* Appointed as a member of the Committee with effect from 26<sup>th</sup> October 2023.
- # Ceased to be a member of the Committee with effect from close of business hours on 31<sup>st</sup> March 2024, upon completion of his tenure as an Independent Director.
- Mr. R J Jeyamurugan, CFO & Company Secretary acts as the Secretary to the Committee and is a permanent invitee to the Committee.

### Terms of Reference

The terms of reference of the Investment Committee, *inter alia*, include reviewing and evaluating proposals for investment (including acquisitions), divestments, strategic alliances/technological tie-ups, large projects requiring capital expenditure based on strategic plans of the Company or its subsidiaries, and making appropriate recommendations to the Board of the Company.

It is also responsible for reviewing the post-transaction completion and integration processes and reviewing if the status is in line with the plans for acquisitions/strategical alliances/technological tie-ups.

### SENIOR MANAGEMENT

The Nomination and Remuneration Policy of the Company defines Senior Management of the Company. Below is the list of Senior Management Personnel of the Company as on 31<sup>st</sup> March 2024:

Sr. No.	Name of Senior Management Personnel	Designation
1.	Mr. Rahul Bhatnagar	President – Project Sales, R&T, Industrial JVs, Home Improvement
2.	Mr. R J Jeyamurugan	CFO & Company Secretary
3.	Mr. Harish Lade	Senior Vice President – Supply Chain
4.	Mr. Aashish Kshetry	Vice President – Systems
5.	Mr. Sameer Salvi	Vice President – Backward Integration Businesses, Mantech & Strategy
6.	Mr. Shyam Swamy	Vice President – Home Improvement, Décor, Services & Retailing
7.	Mr. Pragyan Kumar	Chief Executive – Asian Paints International Private Limited, a wholly owned subsidiary of the Company in Singapore
8.	Ms. Savitha Shivsankar	Chief Human Resources Officer
9.	Mr. Gagandeep Kalsi	Associate Vice President – Strategy, Business Development
10.	Mr. Amit Kumar Singh	Associate Vice President – Corporate Affairs & CSR
11.	Mr. Vishu Goel	Associate Vice President – Retail Sales, Commercial & Marketing
12.	Mr. Alok Agrawal	General Manager – Internal Audit & Risk (Chief Internal Auditor)

There has been no change in the list of senior management personnel since the close of the previous financial year except due to change in the definition of Senior Management in the Nomination and Remuneration Policy of the Company pursuant to amendment to the Listing Regulations.

### CEO/CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, the CEO/CFO certificate for the financial year 2023-24 signed by Mr. Amit Syngle, Managing Director & CEO, and Mr. R J Jeyamurugan, CFO & Company Secretary, was placed before the Board at its meeting held on 9<sup>th</sup> May 2024 and is annexed to this Integrated Annual Report as Annexure (A).

### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

As required under Schedule V of the Listing Regulations, the Auditors Certificate on Corporate Governance is annexed to this Integrated Annual Report as Annexure (B).

### GENERAL MEETINGS

Details of the last 3 AGMs of the Company and summary of Special Resolutions passed therein, if any, are as under:

Financial Years	Date and Time	Location	Special resolutions passed
2020-21	29 <sup>th</sup> June 2021 at 11.00 a.m. IST	Conducted through video conference/ other audio visual means. The deemed venue of the meeting is the Registered Office of the Company at 6A, Shantinagar, Santacruz (East), Mumbai – 400 055	<ol style="list-style-type: none"> <li>Re-appointment of Mr. R. Seshasayee (DIN: 00047985) as an Independent Director of the Company to hold office for a second term from 23<sup>rd</sup> January 2022 to 22<sup>nd</sup> January 2027.</li> <li>Continuation of the Directorship by Mr. R. Seshasayee (DIN: 00047985) as an Independent Director of the Company.</li> <li>Formulation of Asian Paints Employee Stock Option Plan 2021 (“2021 Plan”) and grant of stock options to the eligible employees of the Company under the 2021 Plan.</li> <li>Formulation of Asian Paints Employee Stock Option Plan 2021 (“2021 Plan”) and grant of stock options to the eligible employees of the Company’s subsidiaries under the 2021 Plan.</li> <li>Secondary acquisition of equity shares of the Company by the Asian Paints Employees Stock Ownership Trust for the implementation of the Asian Paints Employee Stock Option Plan 2021.</li> <li>Change of place of keeping and inspection of Register and Index of Members, returns, etc.</li> </ol>
2021-22	29 <sup>th</sup> June 2022 at 11.00 a.m. IST		NIL
2022-23	27 <sup>th</sup> June 2023 at 11.00 a.m. IST		<ol style="list-style-type: none"> <li>Continuation of directorship by Mr. Ashwin Dani (DIN: 00009126) as a Non-Executive Director of the Company.</li> </ol>

During the last 3 years, no resolutions have been rejected by the shareholders.

### POSTAL BALLOT

During the financial year 2023-24, the following special resolutions were passed through Postal Ballot:

Date of postal ballot notice	Special resolutions passed	Approval date	Voting Pattern	
			% of votes cast in favour	% of votes cast against
25 <sup>th</sup> July 2023	Appointment of Mrs. Ireena Vittal (DIN: 05195656) as an Independent Director of the Company to hold office for a period of 5 consecutive years from 25 <sup>th</sup> July 2023 to 24 <sup>th</sup> July 2028.	15 <sup>th</sup> September 2023	96.85	3.15
26 <sup>th</sup> October 2023	Appointment of Mr. Soumitra Bhattacharya (DIN: 02783243) as an Independent Director of the Company to hold office for a period of 5 consecutive years from 26 <sup>th</sup> October 2023 to 25 <sup>th</sup> October 2028.	22 <sup>nd</sup> December 2023	99.92	0.08

## Report on Corporate Governance (Contd.)

Date of postal ballot notice	Special resolutions passed	Approval date	Voting Pattern	
			% of votes cast in favour	% of votes cast against
17 <sup>th</sup> January 2024	Re-appointment of Mrs. Pallavi Shroff (DIN: 00013580) as an Independent Director of the Company to hold office for a second term of 2 consecutive years from 1 <sup>st</sup> April 2024 to 31 <sup>st</sup> March 2026.	The Notice of Postal Ballot was withdrawn by the Board of Directors on 23 <sup>rd</sup> March 2024, based on the intimation received from Mrs. Pallavi Shroff informing the Board that she would not be able to continue for a second term of appointment as an Independent Director of the Company, on account of several new projects that her firm had undertaken leading to enhanced professional and time commitments. Mrs. Pallavi Shroff also confirmed that there were no other material reasons for her non-continuation.	-	-
28 <sup>th</sup> March 2024*	Appointment of Dr. Gopichand Katragadda (DIN: 02475721) as an Independent Director of the Company to hold office for a period of 5 consecutive years from 1 <sup>st</sup> April 2024 to 31 <sup>st</sup> March 2029.	8 <sup>th</sup> May 2024	99.20	0.80

\* The Special Resolution was passed during the financial year 2024-25.

### Procedure adopted for Postal Ballot

In compliance with Regulation 44 of the Listing Regulations, Sections 108, 110 and other applicable provisions of the Act read with the Rules issued thereunder and the General Circulars issued in this regard by the Ministry of Corporate Affairs ("MCA"), the Company provided electronic voting facility to all its members.

The Company had engaged the services of National Securities Depository Limited ("NSDL") for the purpose of providing electronic voting facility to all its members.

Mr. Makarand M. Joshi (Membership No.: 5533, COP: 3662), failing him, Ms. Kumudini Bhalerao (Membership No.: 6667, COP: 6690), Partners of Makarand M. Joshi & Co., Company Secretaries, were appointed as the Scrutinizer for carrying out the aforesaid Postal Ballot voting process through electronic means in a fair and transparent manner.

The Postal Ballot Notice was sent to the members in electronic form at their email addresses registered with the depositories/Link Intime India Private Limited (erstwhile TSR Consultants Private Limited), the Company's Registrar and Share Transfer Agent. The Company also published the notice in the newspapers declaring the details of completion of dispatch, e-voting details, and other requirements in terms of the Act read with the Rules

issued thereunder and the Secretarial Standards issued by ICSI. Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date. The notice of aforesaid Postal Ballots are available on the Company's website at <https://www.asianpaints.com/PostalBallot.html>.

The Scrutinizer submitted his report to the CFO & Company Secretary based on the authorisation by the Chairman of the Company, after the completion of scrutiny and the consolidated results of the voting by Postal Ballot were then announced by the CFO & Company Secretary.

The voting results pursuant to Regulation 44(3) of the Listing Regulations and Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, and Scrutinizer's Report on remote e-voting were placed on the Company's website at <https://www.asianpaints.com/PostalBallot.html> and were available on the website of the Stock Exchanges and NSDL.

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Integrated Annual Report.

The details of the previous postal ballots are available on the Company's website at <https://www.asianpaints.com/PostalBallot.html>.

## COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

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

### b. Related Party Transactions ("RPTs"):

During the year under review,

- all RPTs entered into by the Company, were approved by the Audit Committee and were in the ordinary course of business and at arm's length basis. The Audit Committee also granted prior omnibus approval for RPTs which would be in the ordinary course of business and on an arm's length basis that are repetitive in nature and also for unforeseen transactions, in line with the Policy on Dealing with and Materiality of Related Party Transactions and the applicable provisions of the Act read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).
- the Audit Committee reviewed on a quarterly basis, the details of RPTs, entered into by the Company pursuant to the omnibus approval granted.
- the Company did not enter into any material RPTs nor did it enter into any significant transaction with its related parties that may have a potential conflict with the interests of the Company.
- the RPTs undertaken by the Company were in compliance with the provisions set out in the Act read with the Rules issued thereunder and relevant provisions of the Listing Regulations.
- The business rationale for the transactions with related parties and details of the same form part of the Board's Report and Notes to financial statements of this Integrated Annual Report.
- The Policy on Dealing with and Materiality of Related Party Transactions is available on the website of the Company at <https://www.asianpaints.com/RPTPolicy.html>.
- Pursuant to Regulation 23(9) of the Listing Regulations, the Company had filed the half-yearly reports on related party transactions with the stock exchanges on which the equity shares of the Company are listed.

viii. The details of remuneration paid to the employee of the Company, who is relative of the Directors as on 31<sup>st</sup> March 2024 is as under:

Name of the Employee	Name of relationship with Directors	Remuneration (in ₹)
Varun Vakil	Relative of Amrita Vakil and Nehal Vakil	1,06,62,735

#### Note:

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

### Report from an independent firm of accountants

During the year under review, the Company had engaged a firm of accountants to review the processes followed by the Company for determining that the transactions with certain identified related parties are at an arm's length and in the 'ordinary course of business'. The report provided by the aforesaid firm states that Company's processes in this regard are appropriate and the relevant approvals under the Act and the Listing Regulations have been obtained for such transactions. The identified related parties covered in the report are entities controlled or jointly controlled by Directors and key management personnel of the Company and/or the close members of such Director's and the key management personnel's family.

c. No loans/advances in the nature of debt were given to firms/companies in which Directors of the Company are interested.

### d. Reclassification of the entity forming part of the Promoter(s) Group of the Company

The Board of Directors at its meeting held on 17<sup>th</sup> January 2024, *inter alia*, approved the request received from Hitech Insurance Broking Services Limited ('HIBSL'), an entity forming part of the Promoter(s) Group of the Company, seeking reclassification from the 'Promoter(s) Group' category to the 'Public' category, subject to the approval of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited and such other approvals/confirmations/consents as may be necessary and required for the said purpose under the Listing Regulations.



## Report on Corporate Governance (Contd.)

The said request was pursuant to the divestment of the entire stake held by the members of the Promoter(s) & Promoter(s) Group of the Company in HIBSL in favour of persons not forming part of or related to the Promoter(s) & Promoter(s) Group of the Company. It may be noted that HIBSL does not hold any shares in the Company.

The Company has submitted the application to the stock exchanges on 15<sup>th</sup> February 2024 which is currently in the stage of review by the stock exchanges. The Company will continue to make necessary disclosures on the material developments in this regard from time to time.

### e. Vigil Mechanism and Whistle Blower Policy:

The Company is committed to the highest standards of ethical, moral, and legal business conduct.

The Company has adopted a Whistle Blower Policy and an effective vigil mechanism system to provide a formal mechanism to its Directors, employees, customers, suppliers, shareholders and business associates to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organisation and also safeguards against victimisation of Directors/ employees and business associates who avail of the mechanism.

The vigil mechanism as envisaged in the Act and the Listing Regulations is implemented through the Code of Conduct for Employees and Whistle Blower Policy. The scope of the vigil mechanism also enables its stakeholders to report on any cases of leakage of UPSI and consequent non-compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI Prohibition of Insider Trading Regulations").

In accordance with the Policy, an Ethics Committee has been constituted comprising of the Managing Director & CEO, CFO & Company Secretary and the Chief Human Resources Officer for receiving and investigating all complaints and protected disclosures under Whistle Blower Policy.

Employees of the Company or business partners can make protected disclosures to the Ethics Committee through the Asian Paints Ethics Hotline (toll-free number 000-800-100-1622/web reporting facility <http://asianpaints.ethicspoint.com/>) and/or any other written communication by sending it to the Registered Office of the Company or via email to [whistle.blower@asianpaints.com](mailto:whistle.blower@asianpaints.com) or oral means of communication.

The employees/Directors and business associates may, in exceptional cases, approach directly to the Chairman of the Audit Committee of the Board of the Company for registering complaints.

All incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy. No person was denied access to the Audit Committee of the Company with regards to the above.

The Whistle Blower Policy is available on the Company's website at <https://www.asianpaints.com/WBPolicy.html>.

f. In accordance with the provisions of Regulation 26(6) of the Listing Regulations, the Key Managerial Personnel, Directors, Promoter(s) & members of Promoter(s) Group and Senior Managerial Personnel have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

g. In accordance with provisions of Regulation 26(5) of the Listing Regulations, Senior Management Personnel have affirmed that they do not have any personal interest relating to material, financial and commercial transactions which may have a potential conflict with the interest of the Company at large.

h. The Company has complied with all the requirements of the Stock Exchanges and SEBI on matters relating to Capital Markets. There were no penalties imposed or strictures passed against the Company by SEBI, Stock Exchanges on which the shares of the Company are listed or any statutory authority in this regard, during the last 3 years.

i. The Company has not been informed of any agreement under Regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations. Accordingly there was no requirement for disclosing the same.

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

### k. Non-Mandatory Requirements

i. The Independent Chairman of the Company has been provided with a Chairman's Office at the Registered Office of the Company.

ii. The Chairman of the Board is a Non-Executive, Independent Director and his position is separate from that of the Managing Director & CEO. Further, the Chairman of the Company is not related to the Managing Director & CEO.

iii. Quarterly and Half-yearly financial results of the Company are sent to all the shareholders who have registered their email addresses with the Company and stock option grantees of the Company.

iv. The Company discusses with the Institutional Investors and Equity Analysts on the Company's performance on a periodic basis and presentations, if any, made during such meetings and calls are also available on the Company's website at <https://www.asianpaints.com/InvestorPresentations.html>.

v. During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

vi. The Chief Internal Auditor reports functionally to the Audit Committee of the Company and administratively to the Managing Director & CEO. He participates in the meetings of the Audit Committee of the Board of Directors of the Company and presents his internal audit observations to the Audit Committee and also participates in the meetings of the Risk Management Committee.

vii. The Company releases audited standalone financial results every quarter.

viii. The Integrated Report has been prepared as per the Integrated Reporting <IR> framework by International Integrated Reporting Council.

Reasonable and limited assurance engagement on the agreed indicators in the Integrated Annual Report including the Business Responsibility and Sustainability Report has been provided by Price Waterhouse Chartered Accountants LLP (FRN 012754N/N500016), in accordance with the Standard on Sustainability Assurance Engagements ("SSAE") 3000, Assurance Engagements on Sustainability Information and the Standard on Assurance Engagements ("SAE") 3410, Assurance Engagements on Greenhouse Gas Statements, both issued by the Sustainability Reporting Standards Board of the

ICAI, the International Standards on Assurance Engagements (ISAE) 3000 (revised), ISAE 3410, Assurance Engagements on Greenhouse Gas Statements issued by the International Auditing and Assurance Standard Board (IAASB). The report is annexed to this Integrated Annual Report.

### l. Subsidiary companies:

The Company does not have any material subsidiary company in terms of Regulation 16(1)(c) of the Listing Regulations. The synopsis of the minutes of the Board meetings of the subsidiary companies are placed at the Board meeting of the Company on quarterly basis and the minutes are uploaded on a secured web-based platform, for easy accessibility by the Directors. The Audit Committee reviews the financial statements including investments by the unlisted subsidiaries of the Company.

The management annually brings to the notice of the Audit Committee and the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by unlisted subsidiaries, if any. The Policy for determining material subsidiaries has been uploaded on the Company's website at <https://www.asianpaints.com/PolicyforMaterialSubsidiaries.html>.

### m. Website:

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website at <https://www.asianpaints.com/CorporateGovernanceatAPL.html>.

This section includes the basic information of the Company. Further, it also includes details relating to the financial results declared by the Company, annual reports, presentations made by the Company to investors, press releases, shareholding patterns and such other material information which is relevant to shareholders, etc.

The Company ensures the content on the website of the Company is correct and updated within prescribed timelines.

### n. Secretarial Compliance Report:

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 read with Regulation 24A of the Listing Regulations, directed listed entities to obtain Annual Secretarial Compliance Report from a Practising Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder.

## Report on Corporate Governance (Contd.)

The said Secretarial Compliance Report is in addition to the Secretarial Audit Report by Practising Company Secretary under Form No. MR-3 and is required to be submitted to the Stock Exchanges within 60 days from the end of the financial year.

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

The Company is publishing the said Secretarial Compliance Report, on voluntary basis and the same has been annexed to the Board's Report forming part of this Integrated Annual Report.

### o. Certificate from Practising Company Secretary:

Certificate as required under Part C of Schedule V of the Listing Regulations, received from Mr. Makarand M. Joshi (CP No.: 3662), Partner of Makarand M. Joshi & Co., Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed and/or continuing as Directors of the Company by the SEBI/MCA or any such statutory authority, was placed before the Board of Directors at their meeting held on 9<sup>th</sup> May 2024 and is set out as Annexure (C) to this Integrated Annual Report.

### p. Total fees paid to Statutory Auditors of the Company:

Total fees for the financial year 2023-24, paid by the Company and its subsidiaries, on a consolidated basis, to Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018), Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors are a part, for all services taken from them are as follows:

Particulars	Amount (₹ In Crores)
Statutory Audit Fees	3.95
Tax Audit Fees	0.31
Others (includes Other Certification Services*, Out-of-pocket expenses, etc.)	0.48
<b>Total</b>	<b>4.74</b>

\* required under applicable laws.

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

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights.

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, the Company has adopted a gender neutral Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace, for the prevention of sexual harassment which is aimed at providing all employees a safe, secure and dignified work environment and constituted an Internal Complaints Committee to deal with complaints relating to sexual harassment at workplace.

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

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace.

The details relating to the number of complaints received and disposed off during the financial year 2023-24 are as under:

Particulars	Number of complaints
Filed during the financial year	11
Disposed off during the financial year	9
Pending as at the end of the financial year	2*

\* Cases were resolved within 90 days.

The Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace is available on the Company's website at <https://www.asianpaints.com/POSHPolicy.html>.

### r. Code of Conduct for Employees:

The Company has adopted a Code of Conduct for Employees which provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all, and to avoid practices like bribery, corruption and anti-competitive practices.

Employees are mandated to undergo video based training modules and case studies embodying real-life examples upon joining the organisation as a part of their induction and annually as a part of periodic refresher trainings for all employees. During the year under review, around 92% of employees completed the training module.

The Code of Conduct for Employees enjoins that everyone in the organisation must know and respect existing laws, accept and provide appropriate professional views, and be upright in their conduct and observe corporate discipline.

The Code of Conduct for Employees is aligned to the Asian Paints' charter, its values, ESG matrix and focus areas, and it include the policies and practices followed by the Company, to include guiding principles on which the Company conducts its business and its implementation by employees.

During the year under review, the Code of Conduct for Employees was amended to align with the disclosure obligations of the Listing Regulations.

The Code of Conduct for Employees is available on the Company's website at <https://www.asianpaints.com/EmployeeCoC.html>.

### s. Code of Conduct for Board Members and Senior Management Personnel:

The Company has adopted a Code of Conduct for Board Members and Senior Management Personnel which provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all, and to avoid practices like bribery, corruption and anti-competitive practices. During the year under review, the Code of Conduct for Board and Senior Management was amended to amend the definition of senior management and to align with the disclosure obligations of the Listing Regulations.

All members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the financial year 2023-24. A declaration to this effect duly signed by Mr. Amit Syngle, Managing Director & CEO of the Company is annexed as Annexure (D) to this Integrated Annual Report.

The Code of Conduct for Board Members and Senior Management Personnel is available on the Company's website at <https://www.asianpaints.com/CodeofConductBODSM.html>.

The Board of Directors reviews this Code once in 3 years and every subsequent modification, alteration or amendment made thereto, shall be promptly disclosed on the Company's website.

### t. Code of Conduct for Business Partners:

The Company has adopted a formal Code of Conduct for its Business Partners (Business Partners includes suppliers/dealers/service providers/vendors/traders/agents/consultants/contractors/sub-contractors/joint venture partners/third parties, acting directly and/or through their representatives, engaged by the Company, in the normal course of business).

The Company has developed the Code of Conduct for Business Partners to emphasise its commitments in the areas of business integrity, human rights, labour practices and environment stewardship. The Code of Conduct for Business Partners is available on the Company's website at <https://www.asianpaints.com/CodeofConductforBusinessPartners.html>.

### u. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons:

In accordance with the SEBI Prohibition of Insider Trading Regulations, the Company has a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons ("Code for Prevention of Insider Trading") and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure").

Further, the Company has established systems and procedures to prohibit insider trading activity.

The Code for Prevention of Insider Trading is reviewed and amended suitably from time to time, to incorporate the amendments carried out by SEBI.

All compliances relating to the Code of Conduct for Prevention of Insider Trading are being managed through a web-based portal onboarded by the Company.

The Company periodically circulates the informative emails on prevention of Insider Trading, Do's and Don'ts, etc. to the Designated Persons to familiarise them with the provisions of the Code for Prevention of Insider Trading and educate and sensitize them on various aspects of Code for Prevention of Insider Trading.



## Report on Corporate Governance (Contd.)

The management also conducted several trainings and workshops with the Designated Persons to create awareness on various aspects of the Code for Prevention of Insider Trading and the SEBI Prohibition of Insider Trading Regulations and to ensure that the internal controls are adequate and effective to ensure compliance.

These activities have created substantial awareness amongst the Designated Persons. During the year under review, the Audit Committee has reviewed the compliance with the provisions of the SEBI Prohibition of Insider Trading Regulations and has verified that the systems for internal controls are adequate and operating effectively.

The Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations to the Board, as prescribed in the penalty framework adopted by the Board of Directors, with respect to action taken against such defaulters in accordance with the penalty framework. The said non-compliances are promptly intimated to the Stock Exchanges in the prescribed format and penalty, if any, is being directly deposited by the Designated Person with SEBI's Investor Protection and Education Fund.

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

### 100% Submission of Annual Disclosure

All the Designated Persons of the Company as on 31<sup>st</sup> March 2024 submitted the annual disclosure as prescribed under Code for Prevention of Insider Trading in compliance with SEBI Prohibition of Insider Trading Regulations.

The Code for Prevention of Insider Trading and Code of Fair Disclosure is available on the Company's website at <https://www.asianpaints.com/CodesandPolicies.html>.

#### v. Policy on engagement of Statutory Auditors:

The Company has a Policy on engagement of Statutory Auditors of the Company.

The objective of the Policy is to act as a guideline for establishing proper procedures for determining, *inter alia*, qualification, eligibility, and procedure for appointment/re-appointment/removal of the statutory auditors that conform with the extant norms of applicable laws and regulations.

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

#### w. Advocacy Policy:

The Company has an Advocacy Policy which states the commitment of the Company to open and transparent engagements that create the sustainable future, advance economic value, and promotes trust in Company's vision of 'Bringing joy to people's lives'. The Advocacy Policy is available on the Company's website at <https://www.asianpaints.com/AdvocacyPolicy.html>.

#### x. Disclosure on resignation of Independent Directors:

None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

#### y. There are no non-compliances of any requirements of Corporate Governance Report, as per sub-para (2) to (10) of Schedule V Part C of the Listing Regulations.

#### z. Commodity price risk or foreign exchange risk and hedging activities:

The disclosure of commodity price risk or foreign exchange risk and hedging activities is given in the "General Shareholder Information" section, which forms part of this Integrated Annual Report.

#### aa. Means of communication:

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

#### i. Publication of financial results:

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

#### ii. Website and News Releases:

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' i.e. 'Disclosure under Regulation 46 of SEBI (LODR) Regulations' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Reports, financial results along with the applicable policies of the Company.

The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website at <https://www.asianpaints.com/InvestorPresentations.html>.

Quarterly Compliance Reports on Corporate Governance and other relevant information of interest to the Investors are also placed under the Investors section on the Company's website.

#### iii. Analysts presentations:

In compliance with Regulation 46 of the Listing Regulations, the presentations, audio recordings, video recordings and transcripts of investors conference call on business and financial performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders.

The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company.

These calls are attended by the Managing Director & CEO, CFO & Company Secretary, Associate Vice President – Finance and representatives of Corporate Communications. The Company also uploaded transcript and audio recordings of the said meet on its website.

#### iv. Stock Exchange:

The Company has a Policy for determination of Materiality of Events/Information for the purpose of making disclosure to the Stock Exchanges.

The Managing Director & CEO and CFO & Company Secretary are empowered to decide on the materiality of information for the purpose of making disclosures to the Stock Exchanges.

The Company makes timely disclosures of necessary information to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where shares of the Company are listed, in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

The financials results of the Company and other UPSI are submitted to the Stock Exchanges immediately upon approval of the Board of Directors at the meeting and the meeting of the Board of Directors thereafter continues till its scheduled time, in order to minimise the time taken for dissemination of UPSI.

The Policy for determination of Materiality of Events/Information is available on the Company's website at <https://www.asianpaints.com/MaterialityPolicy.html>.

#### v. Exclusive email ID for investors:

The Company has a designated email id i.e. [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com) exclusively for investor services, and the same is prominently displayed on the Company's website.

#### vi. NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre:

NEAPS and BSE Listing are web-based application designed by NSE and BSE, respectively, for corporates to make submissions. All periodical compliance filings, *inter alia*, shareholding pattern, compliance report on corporate governance, corporate announcements, amongst others, are filed electronically in accordance with the Listing Regulations.

Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are in a format that allows users to find relevant information easily through a searching tool.

# General Shareholder Information

<b>1. CORPORATE IDENTIFICATION NUMBER</b>	L24220MH1945PLC004598
<b>2. REGISTERED OFFICE</b>	Asian Paints Limited 6A, Shantinagar Santacruz (East) Mumbai – 400 055
<b>3. ANNUAL GENERAL MEETING</b>	
Day & Date	Tuesday, 25 <sup>th</sup> June 2024
Time	11.00 a.m. IST
Venue	Annual General Meeting (“AGM”) would be held through video conference/other audio visual means  [Deemed venue for meeting: Registered Office of the Company]
<b>4. E-VOTING DETAILS</b>	
Cut-off date	Tuesday, 18 <sup>th</sup> June 2024  Shareholders whose names appear in the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on the cut-off date shall be eligible to vote either through remote e-Voting or e-Voting during the AGM
E-Voting start date and time	Friday, 21 <sup>st</sup> June 2024 at 9.00 a.m. IST
E-Voting end date and time	Monday, 24 <sup>th</sup> June 2024 at 5.00 p.m. IST
<b>5. FINANCIAL CALENDAR</b>	
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
<b>Tentative schedule for declaration of financial results during the financial year 2024-25</b>	
Quarter ending 30 <sup>th</sup> June 2024	Wednesday, 17 <sup>th</sup> July 2024
Quarter and half-year ending 30 <sup>th</sup> September 2024	Wednesday, 23 <sup>rd</sup> October 2024
Quarter and nine-months ending 31 <sup>st</sup> December 2024	Thursday, 16 <sup>th</sup> January 2025
Quarter and financial year ending 31 <sup>st</sup> March 2025	Thursday, 8 <sup>th</sup> May 2025
<b>6. LISTING DETAILS</b>	
<b>Name of Stock Exchanges and stock codes</b>	<b>Address</b>
BSE Limited (“BSE”) – 500820	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001
National Stock Exchange of India Limited (“NSE”) – ASIANPAINT	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (East) Mumbai – 400 051
<b>7. ISIN FOR DEPOSITORIES</b>	INE021A01026

**Payment of Listing Fees:** Annual listing fees for the financial year 2024-25 has been paid by the Company to BSE and NSE.

**Payment of Depository Fees:** Annual Custody/Issuer fees is being paid by the Company within the due date based on invoices received from National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”).

## 8. SHAREHOLDERS’ VALUE CREATION

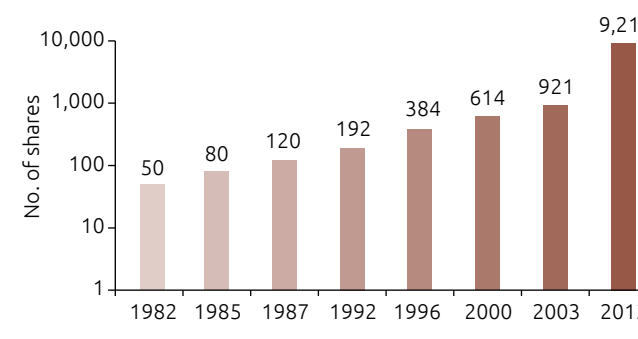
### (i) Details of the dividend declared and paid by the Company for the last 5 years

Year	Percentage (%)	In ₹ per share (face value of ₹ 1 each)	Dividend amount (₹ in Crores)
2018-19	1,050	10.50	1,007.16
2019-20	1,200	12.00	1,151.04
2020-21	1,785	17.85	1,712.17
2021-22	1,915	19.15	1,836.86
2022-23	2,565	25.65	2,460.34
<b>2023-24<sup>^</sup></b>	<b>3,330</b>	<b>33.30</b>	<b>3,194.13</b>

**Note:**

<sup>^</sup> Includes the final dividend of ₹ 28.15 for the financial year 2023-24 recommended by the Board of Directors, subject to approval of shareholders at the ensuing AGM.

### (ii) Bonus issues and stock split



\* Shares of face value of ₹ 10 each issued at a premium of ₹ 13 per share.

The above graph depicts the increase in the number of Asian Paints shares as a result of the Company’s bonus issues over the years and a stock split in 2013 in the ratio of 10:1. For example, if an investor held 50 shares in 1982 during Initial Public Offer (“IPO”) and continued to hold it, he/she/they would have 9,210 shares today owing to the bonus share issues and stock split.

Over the course of 42 years since the IPO, the shareholder wealth has grown at a CAGR of ~ 27%.

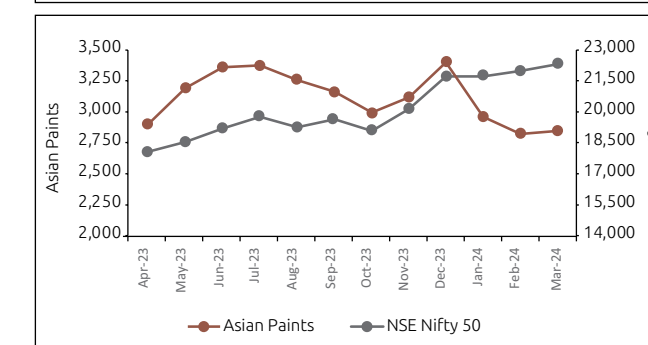
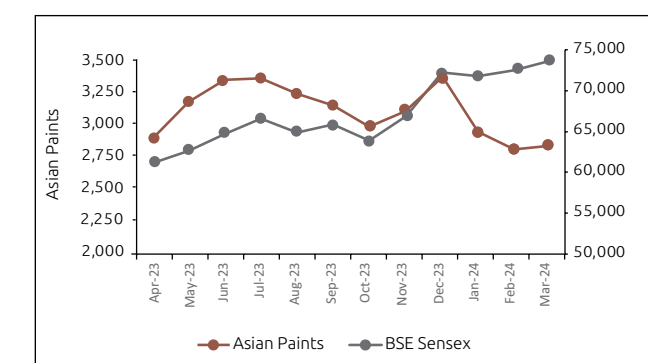
## 9. MARKET PRICE DATA – THE MONTHLY HIGH AND LOW PRICES OF THE COMPANY’S SHARES AT BSE AND NSE FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2023	2,932.60	2,705.90	2,920.00	2,708.65
May 2023	3,218.35	2,892.70	3,219.35	2,893.00
June 2023	3,449.75	3,152.30	3,449.60	3,151.15
July 2023	3,566.90	3,292.85	3,568.00	3,293.95
August 2023	3,384.45	3,152.00	3,385.00	3,152.15
September 2023	3,333.50	3,134.40	3,334.80	3,134.00
October 2023	3,232.85	2,932.00	3,232.10	2,931.00
November 2023	3,228.00	2,930.05	3,228.25	2,930.00
December 2023	3,422.00	3,139.15	3,422.95	3,140.25
January 2024	3,408.40	2,943.50	3,411.80	2,940.05
February 2024	3,038.75	2,777.00	3,035.00	2,776.75
March 2024	2,899.75	2,777.80	2,899.90	2,777.75

Source: BSE & NSE websites.

## 10. STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES

The chart below shows the comparison of the Company’s monthly share price movement vis-à-vis the movement of the BSE Sensex and NSE Nifty 50 for the financial year ended 31<sup>st</sup> March 2024 (based on the month end closing):



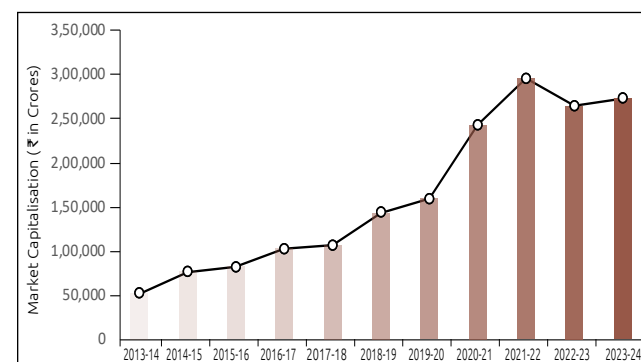
Source: BSE & NSE websites.



## General Shareholder Information (Contd.)

### 11. MARKET CAPITALISATION

The chart below represents the market capitalisation of the Company based on the year end closing prices quoted on BSE:



Source: BSE website.

### 12. IN CASE THE SECURITIES OF THE COMPANY ARE SUSPENDED FROM TRADING, REASONS THEREOF

The securities of the Company were not suspended from trading during the year under review.

### 13. REGISTRAR AND SHARE TRANSFER AGENT AND SHARE TRANSFER SYSTEM

Pursuant to an Order dated 18<sup>th</sup> December 2023 passed by the Mumbai Bench of the National Company Law Tribunal, TSR Consultants Private Limited, Registrar and Share Transfer Agent of the Company amalgamated with Link Intime India Private Limited with effect from 22<sup>nd</sup> December 2023.

Link Intime India Private Limited is the Registrar and Share Transfer Agent ("RTA") of the Company.

Transmission, dematerialisation of shares, issue of duplicate share certificates, dividend payment, redressal of investor grievances, and all other shareholder related matters are attended to and processed by the Company's RTA.

#### Shareholder transactions

The Securities and Exchange Board of India ("SEBI") with effect from 1<sup>st</sup> April 2019, has barred physical transfer of shares of listed companies and mandated transfers only in demat mode.

SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors has mandated the listed entities to issue securities for the following investor service requests only in dematerialised form: issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of

securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission, and transposition. Further, SEBI has also simplified the process for transmission of shares and issue of duplicate share certificates to make it more efficient and investor friendly.

The manner and process of making application as per the aforesaid revised framework and operational guidelines thereto are available on the website of the RTA at <https://liiplweb.linkintime.co.in/client-downloads.html> and the Company at <https://www.asianpaints.com/ShareholderServiceRequest.html>.

Transactions involving issue of share certificates, namely, issuance of duplicate share certificates, split, rematerialisation, consolidation, and renewal of share certificates, etc. are approved by the Stakeholders Relationship Committee of the Board of Directors of the Company.

After due verification, the requests for dematerialisation of shares are processed by RTA and confirmation thereof is given to the respective Depositories i.e., NSDL and CDSL, within the prescribed time limit.

During the year under review, the Board of Directors of the Company have delegated the authority to approve the transmission, dematerialisation of shares, etc. to a Managing Committee comprising of Managing Director & CEO and CFO & Company Secretary of the Company. A summary of approved transmissions, dematerialisation of shares, etc. is placed before the Board of Directors of the Company from time to time as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The Company on a yearly basis files with the Stock Exchanges:

- a compliance certificate duly signed by both, the Compliance Officer of the Company and the authorised representative of the RTA certifying that all activities in relation to share transfer facility is maintained by Link Intime India Private Limited, a SEBI approved Category – I, Registrar and Share Transfer Agent registered with SEBI vide Registration No.: INR000004058.
- a certificate of compliance from a Company Secretary in practice confirming issue of Letter of Confirmation within a period of 30 days of lodgement of investor service requests as prescribed in Regulation 40(9) of the Listing Regulations read with the SEBI

Notification No. SEBI/LAD-NRO/GN/2022/66 dated 24<sup>th</sup> January 2022 and SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17<sup>th</sup> May 2023 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).

During the year, all the requests received from the shareholders by the Company or its RTA were addressed in accordance with the timelines as prescribed by the Statutory Authorities, from time to time.

#### Legal proceedings

There are certain pending cases related to disputes over title to shares in which the Company had been made a party, however, these cases are not material in nature.

#### Shareholder engagement

The officials of the Company and RTA on a continuous basis engages with the shareholders, to explain them the procedure and documents required for processing their service requests. Once the Company or RTA establishes contact with the shareholders, all the efforts are made to enable the shareholders to submit requisite and valid documents and approve their service request in one go.

The Company has always regarded shareholder engagement as one of the key anchors towards achieving a better corporate governance.

#### Review of service standards adhered by RTA with respect to share related activities

The Company has agreed service timelines and Standard Operating Procedures ("SOPs") for various shareholder related services with its RTA. Further, the Secretarial Team of the Company on an on-going basis, engages with the officials of RTA at various levels for review of these SOPs and other share related activities to ensure that the shareholder practices are investor friendly and effective in time. Periodic meetings and discussions are held to understand the concerns of shareholders, deviations, if any, in the agreed timelines for processing investor service requests, best practices, and other measures to strengthen shareholders related services.

In addition, internal audit is carried out on an annual basis by a firm of independent professionals and periodically by the internal audit team of the Company.

### 'SWAYAM' – Investor Self-Service Portal

During the year under review, RTA of the Company has launched 'SWAYAM', Investor Self-Service Portal, designed exclusively for the investors serviced by the RTA of the Company.

'SWAYAM' is a secure, user-friendly platform that empowers investors to effortlessly access information through a dashboard and avail various services in digital mode.

#### Following are the key features and benefits of 'SWAYAM' Portal:

- Updated status on electronic holdings across various companies serviced by the RTA and its subsidiaries.
- Tracking of corporate actions.
- Generate and track service requests/complaints raised on this portal.
- Shareholders holding shares in physical form can register on the said Portal only after updating their KYC details in their folio.

The investors can visit and access the 'SWAYAM' Portal at <https://swayam.linkintime.co.in/#>.

### 14. INVESTOR GRIEVANCE & INVESTOR CONTACTS

The Company has authorised the Stakeholders Relationship Committee ("SRC") of the Board of Directors of the Company to examine and redress complaints by shareholders and investors. The status of quarterly complaints is reported to the Board of Directors of the Company.

The Company and its RTA constantly monitors the Investor Complaints Module as available on the BSE Listing Portal, NSE Electronic Application Processing System ("NEAPS") Portal, SEBI Complaints Redress System ("SCORES") Portal and Online Dispute Resolution ("ODR") Portal to track and redress the investor complaints and disputes in a speedy manner.

The Company attended most of the shareholder correspondence received through electronic communication within a period of 7 days and postal communication within a period of 12 days from the date of receipt. The exceptions have been for cases constrained by disputes or legal impediments.

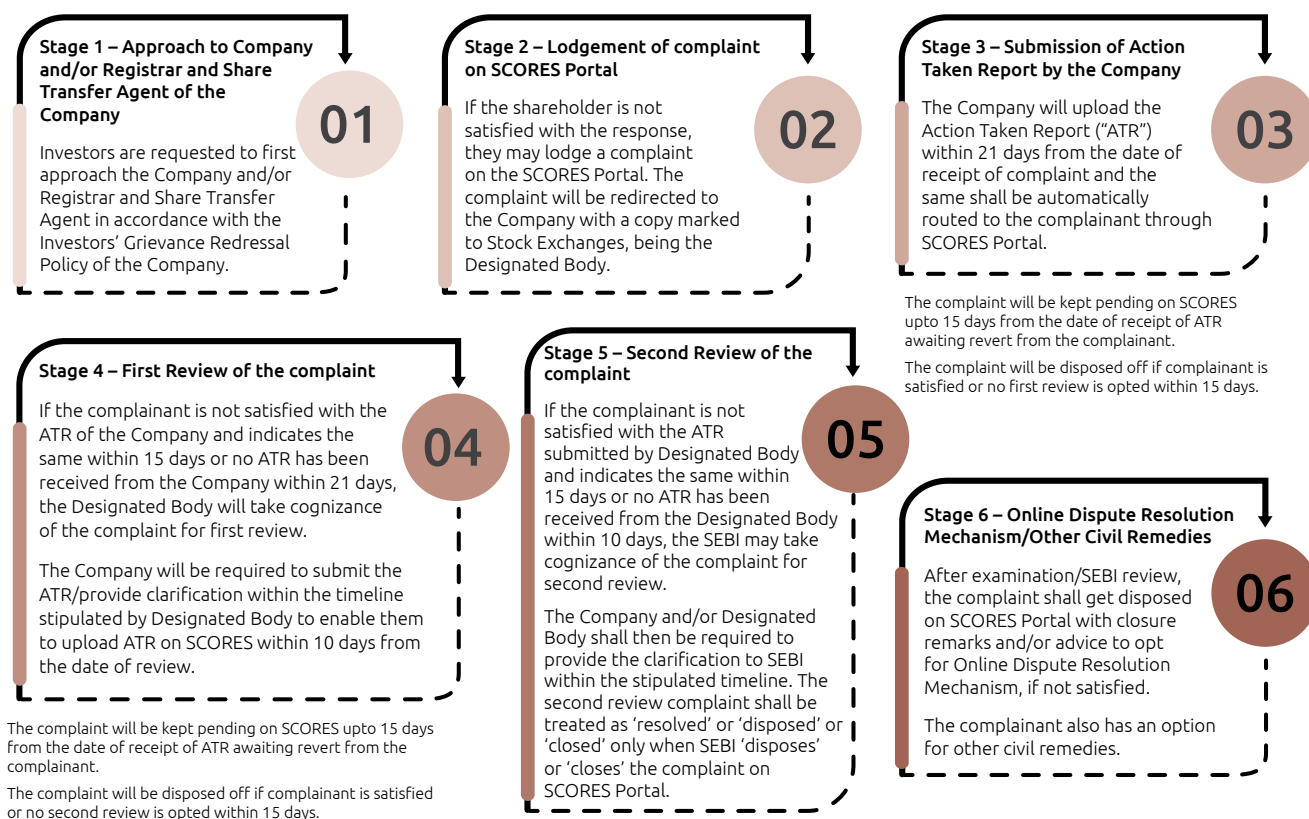
## General Shareholder Information (Contd.)

### Revised framework for handling and monitoring of investor complaints received through SCORES

SEBI has requested the shareholder to approach the Company directly at the first instance for their grievance. If the Company does not resolve the complaint of the shareholders within stipulated time, then they may lodge the complaint with SEBI/Stock Exchanges for further action.

Further, SEBI vide its Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated 20<sup>th</sup> September 2023 read with Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2023/183 dated 1<sup>st</sup> December 2023 has notified the revised framework for handling and monitoring of investor complaints received through SCORES platform by the Company and designated Stock Exchanges effective from 1<sup>st</sup> April 2024. The shareholders can access the new version of SCORES 2.0 at <https://scores.sebi.gov.in>.

The diagrammatic representation of the revised timelines and process is provided below:



### Online Dispute Resolution Portal

SEBI vide its Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated 31<sup>st</sup> July 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated 28<sup>th</sup> December 2023) have issued a Circular for online resolution of disputes in the Indian securities market.

With the said Circular, the existing dispute resolution mechanism in the Indian securities market is being streamlined under the aegis of Stock Exchanges and Depositories by expanding their scope and by establishing a common Online Dispute Resolution Portal ("ODR Portal") which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian securities market.

The said Circular, *inter alia*, details about the following key aspects:

- Investors, listed companies, specified intermediaries, and regulated entities have been covered under the ambit of ODR Portal;
- Introduction of a common ODR Portal;
- Process for initiation of the dispute resolution process on ODR Portal;
- Procedure for conciliation and arbitration, its form of proceedings and fees & charges thereto; and
- Roles and responsibilities of Market Infrastructure Institutions like Stock Exchanges and Depositories and Market Participants like listed entity and RTA.

The aforesaid Circular issued by SEBI in this regard can be accessed on the Company's website at [www.asianpaints.com/ShareholderServiceRequest.html](http://www.asianpaints.com/ShareholderServiceRequest.html).

Further, the shareholders can access the ODR Portal at <https://smartodr.in/login>.

### Statistics of Investor Complaints

During the year under review, the Company received following complaints:

Nature of complaints	Number of complaints pending at the start of the year	Number of complaints received during the year	Number of complaints redressed during the year	Number of complaints pending at the end of the year
Non-receipt of annual report	0	11	11	0
Non-receipt of dividend	0	9	9	0
IEPF related	0	20	19	1
Issue of share certificates	0	18	18	0
KYC updation	0	10	10	0
Transmission of shares	0	20	20	0
Others	2	21	22	1
<b>Total</b>	<b>2</b>	<b>109</b>	<b>109</b>	<b>2</b>

#### Notes:

1. Nature of complaints in the category "Others" includes dematerialisation of shares, non-receipt of split shares, legal matters, TDS on dividend, etc.
2. 2 complaints pending as on 31<sup>st</sup> March 2024 is now addressed.
3. To the best of our knowledge, all the complaints were resolved to the satisfaction of the complainants.

For any grievances/complaints, shareholders may contact the RTA at [csg-unit@linkintime.co.in](mailto:csg-unit@linkintime.co.in). For any escalations, shareholders may write to the Company at [investor.relations@asianpaints.com](mailto:investor.relations@asianpaints.com).

### Investors' Grievance Redressal Policy

The Company believes that shareholders of the Company should be able to communicate their grievances and obtain redressal for violation of their rights. In order to facilitate this, the Company must have a transparent framework for handling shareholder grievances, which would help shareholders register and escalate their grievances to the relevant authorities.

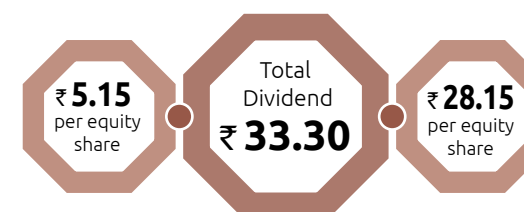
In continuation of the Company's endeavour to strengthen its investor relations and corporate governance practices, the Company has an Investors' Grievance Redressal Policy available on the website of the Company and can be accessed at <https://www.asianpaints.com/IGRPpolicy.html>.

### Availability of Chatbot Facility

The RTA of the Company has developed a Chatbot facility named "iDIA" to enable the investors to ask questions and get information about queries. iDIA is a Chatbot that utilizes conversational technology to provide investors with a round-the-clock intuitive platform to ask questions and get information about queries and the same can be accessed by visiting [www.linkintime.co.in](http://www.linkintime.co.in).

## 15. DIVIDEND

Interim Dividend for FY 2023-24
Declaration date: 26 <sup>th</sup> October 2023
Record date: 3 <sup>rd</sup> November 2023
Payment date: 13 <sup>th</sup> November 2023



Final Dividend for FY 2023-24*
Date of recommendation: 9 <sup>th</sup> May 2024
Record date: 11 <sup>th</sup> June 2024
Payment date: on or after 27 <sup>th</sup> June 2024

Dividend payout ratio for the financial year 2023-24 is 60%

\* Subject to approval of shareholders at the ensuing 78<sup>th</sup> AGM.



## General Shareholder Information (Contd.)

The Company provides the facility for remittance of dividend to members through DC (Direct credit)/NACH (National Automated Clearing House)/NEFT (National Electronic Funds Transfer). In cases where the core banking account details are not available, the Company will issue the dividend warrants/demand drafts mentioning the existing bank details available with the Company.

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

Dividend income is taxable in the hands of shareholders w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. A separate email communication was sent to the members on Friday, 10<sup>th</sup> May 2024, informing the relevant procedure to be adopted by them/documents to be submitted for availing the applicable tax rate. The said communication and draft of the exemption forms and other documents are available on the Company's website at <https://www.asianpaints.com/TDSExemptionForms.html>.

The Company sends TDS certificate to the shareholders at their registered email address or postal address, as the case may be, post payment of the dividend in terms of applicable provisions of the law.

The shareholders are requested to note that as per the provisions of the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March 2023 (subsumed as a part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May 2024), physical folios wherein PAN, KYC, and Nomination details are not registered shall be eligible for any payment including dividend, only through electronic mode with effect from 1<sup>st</sup> April 2024. An intimation shall be sent by the Company to such shareholders whose details are not registered that their payment is due and has been withheld. Further, the same shall be released electronically only upon registering the aforesaid required details.

### Voluntary measures to reduce quantum of unclaimed dividend

The Company, *inter alia*, has undertaken following initiatives during the year under review to reduce the quantum of unclaimed dividend:

- Half-yearly reminders are sent to the shareholders of the Company to claim their outstanding dividend;
- *Suo motu* credit of outstanding dividend is being made to the bank account of shareholders on registration of their bank details; and
- One-time special remittance of unclaimed dividend on voluntary basis to the shareholders in their registered bank account.

### Details of unclaimed dividend

The details of the outstanding unclaimed dividend and corresponding due dates for transfer to Investor Education and Protection Fund ("IEPF") as on 31<sup>st</sup> March 2024 are as under:

Sr. No.	Particulars of dividend	Amount (in ₹)	Due dates of transfer to IEPF
1.	Final Dividend 2016-17	2,33,70,474.60	2 <sup>nd</sup> September 2024
2.	Interim Dividend 2017-18	79,72,808.10	28 <sup>th</sup> December 2024
3.	Final Dividend 2017-18	1,70,30,459.60	1 <sup>st</sup> September 2025
4.	Interim Dividend 2018-19	75,38,786.08	26 <sup>th</sup> December 2025
5.	Final Dividend 2018-19	1,96,03,033.20	31 <sup>st</sup> August 2026
6.	1 <sup>st</sup> Interim Dividend 2019-20	83,14,222.00	26 <sup>th</sup> December 2026
7.	2 <sup>nd</sup> Interim Dividend 2019-20	1,84,81,484.45	30 <sup>th</sup> April 2027
8.	Final Dividend 2019-20	30,60,664.80	12 <sup>th</sup> October 2027
9.	Interim Dividend 2020-21	66,08,988.50	18 <sup>th</sup> January 2028
10.	Final Dividend 2020-21	2,97,80,892.90	1 <sup>st</sup> September 2028
11.	Interim Dividend 2021-22	74,60,449.80	21 <sup>st</sup> December 2028
12.	Final Dividend 2021-22	3,09,98,863.60	30 <sup>th</sup> August 2029
13.	Interim Dividend 2022-23	84,46,055.40	21 <sup>st</sup> December 2029
14.	Final Dividend 2022-23	4,22,97,707.00	26 <sup>th</sup> August 2030
15.	Interim Dividend 2023-24	74,04,306.50	27 <sup>th</sup> December 2030

## 16. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

Further, according to the Act read with the IEPF Rules, all the shares in respect of which dividend has not been paid or claimed by the shareholders for 7 consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

During the year under review, the Company had sent individual notices and issued advertisements in the newspapers, requesting the shareholders to claim their dividends in order to avoid transfer of shares/dividends to the IEPF. Details of the unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority are available on the Company's website at <https://www.asianpaints.com/IEPF.html>.

The details of the unclaimed dividends and shares transferred to IEPF during the financial year 2023-24 are as follows:

Particulars	Amount of unclaimed dividend (in ₹)	No. of shares
Final Dividend 2015-16	1,61,72,484	6,85,897
Interim Dividend 2016-17	89,61,386	1,46,883
<b>Total</b>	<b>2,51,33,870</b>	<b>8,32,780</b>

### Notes:

1. As on 31<sup>st</sup> March 2024, the Company has transferred to IEPF an amount of ₹ 8,99,88,866.30 after deduction of applicable tax as corporate benefits (dividend) arising on shares already transferred to IEPF.
2. Total number of shares outstanding in the demat account of the IEPF Authority as on 31<sup>st</sup> March 2024 stood at 21,40,250 shares in comparison to 13,35,885 shares as on 31<sup>st</sup> March 2023. Total number of shares released by IEPF Authority in favour of the shareholders during the financial year 2023-24 is 28,415 shares.
3. In the financial year 2024-25, the Company would be transferring unclaimed final dividend amount for the financial year ended 31<sup>st</sup> March 2017 on or before 2<sup>nd</sup> September 2024 and unclaimed interim dividend amount for the financial year ended 31<sup>st</sup> March 2018 on or before 28<sup>th</sup> December 2024 to IEPF.

## Process for claiming shares & dividend from IEPF

The claimants are advised to first approach the Company for entitlement letter along with all the required documents before filing of claim application with the IEPF Authority.

Accordingly, once the Company has received and verified all the requisite documents, it will then issue an entitlement letter duly signed by the Nodal Officer/Deputy Nodal Officer of the Company along with all the required details to file web form IEPF-5 within a period of 30 days. The claimants shall thereafter file web form IEPF-5 with the IEPF Authority along with entitlement letter and other supporting documents.

The claimants shall then submit the self-attested copy of form IEPF-5, its acknowledgement, and duly executed Indemnity Bond in an envelope marked as "Claim for refund from IEPF Authority" at the registered office address of the Company in the name of the "Nodal Officer of the Company", to enable the Company to file the e-verification report of the claim within the prescribed timeline of 30 days.

The said process reduces the instance of claim applications being rejected by the Company/IEPF Authority on account of incomplete and/or non-receipt of required documents.

### Nodal and Deputy Nodal Officer

In accordance with the IEPF Rules, the Board of Directors of the Company have appointed the following as the Nodal Officer and Deputy Nodal Officer:

Nodal Officer	Deputy Nodal Officer
<b>R J Jeyamurugan</b> CFO & Company Secretary	<b>Saloni Arora</b> Deputy Company Secretary

Contact information of the Nodal Officer for the purpose of co-ordination with the IEPF Authority is available on the Company's website at <https://www.asianpaints.com/IEPF.html>.

### Advisory by the IEPF Authority

It has been observed by the IEPF Authority that the claimants are not attaching the entitlement letter issued by the companies while filing web form IEPF-5. Accordingly, the IEPF Authority vide its Circular dated 5<sup>th</sup> April 2024, *inter alia*, has reiterated that the companies may reject claims which have been filed by the claimants without proper entitlement letter.

In accordance with the above, the claimants are requested to adhere to the aforesaid requirement and submit duly signed entitlement letter issued by the Nodal Officer/Deputy Nodal Officer of the Company while filing web form IEPF-5.

### 17. DISCLOSURE IN RESPECT OF EQUITY SHARES TRANSFERRED TO UNCLAIMED SUSPENSE ACCOUNT AND SUSPENSE ESCROW DEMAT ACCOUNT

#### Asian Paints Limited – Unclaimed Suspense Account

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

	Particulars	No. of shareholders	No. of equity shares
<b>Opening Balance</b>	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 1 <sup>st</sup> April 2023	197	3,24,370
<b>Less</b>	Number of shareholders who approached the Company for transfer of shares and shares transferred from Unclaimed Suspense Account during the year	9	27,910
<b>Less</b>	Number of shareholders whose shares got transferred from Unclaimed Suspense Account to IEPF during the year	174	2,58,040
<b>Closing Balance</b>	Aggregate number of shareholders and outstanding shares lying in the Unclaimed Suspense Account as on 31 <sup>st</sup> March 2024	<b>14</b>	<b>38,420</b>

All the corporate benefits against these shares like bonus shares, split, etc., would also be transferred to Unclaimed Suspense Account of the Company. While the dividend for the shares which are lying in Unclaimed Suspense Account would be credited back to the relevant dividend accounts of the Company.

The voting rights on shares lying in Unclaimed Suspense Account shall remain frozen till the rightful owner claims the shares.

#### Asian Paints Limited – Suspense Escrow Demat Account

In accordance with the SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January 2022 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May 2024), the Company had opened a Suspense Escrow Demat Account with the DP for transfer of shares lying unclaimed for more than 120 days from the date of issue of Letter of

Confirmation to the shareholders *in lieu* of physical share certificates to enable them to make a request to DP for dematerialising their shares.

During the financial year ended 31<sup>st</sup> March 2024, 2,000 shares pertaining to 1 shareholder were lying in the Suspense Escrow Demat Account of the Company. Further, no request was received for release of shares from the said Suspense Escrow Demat Account of the Company.

As per the Clarification issued by SEBI vide its Letter No. SEBI/HO/MIRSD/PoD-1/OW/P/2023/50902 dated 18<sup>th</sup> December 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May 2024), any corporate benefits in terms of securities accruing on the securities transferred to Suspense Escrow Demat Account viz. bonus, split, etc., shall be credited to such Suspense Escrow Demat Account. Also, the concerned holders shall be entitled to vote, to receive dividend and notices of meetings, annual reports on the securities lying in Suspense Escrow Demat Account.

### 18. SHAREHOLDING DETAILS

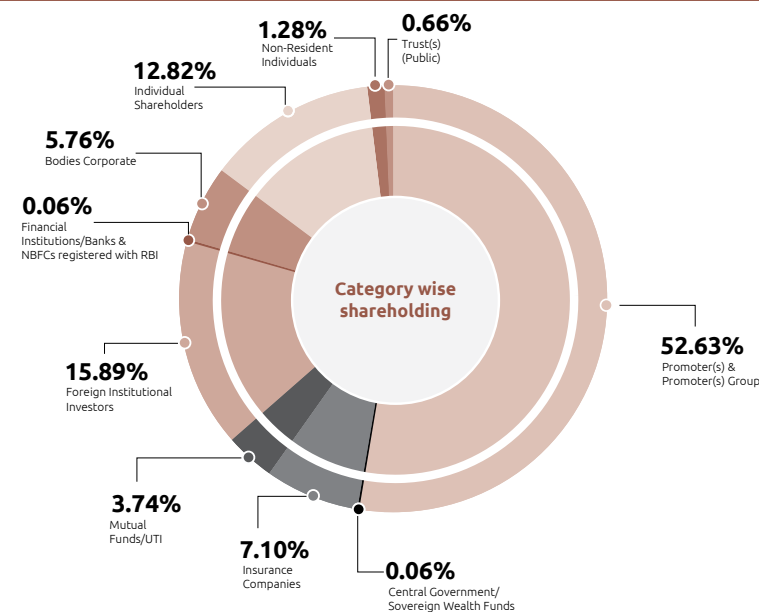
#### Distribution of shareholding of shares of the Company as on 31<sup>st</sup> March 2024

No. of shares	No. of shareholders	% to total	Shareholding	% to total
Upto 50	9,84,436	85.74	1,16,44,579	1.21
51-100	74,606	6.50	57,38,453	0.60
101-200	39,231	3.41	58,63,813	0.61
201-300	12,541	1.09	31,78,103	0.33
301-400	5,992	0.52	21,36,301	0.22
401-500	4,588	0.40	21,59,467	0.23
501-1,000	8,482	0.74	63,92,193	0.67
1,001-5,000	12,480	1.09	3,11,60,635	3.25
5,001-10,000	3,091	0.27	2,36,39,756	2.46
10,001 and above	2,746	0.24	86,72,84,490	90.42
<b>Total</b>	<b>11,48,193</b>	<b>100.00</b>	<b>95,91,97,790</b>	<b>100.00</b>

### Shareholding pattern of the Company

Category of shareholder(s)	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023		Change (%)
	No. of shares	% of total no. of shares	No. of shares	% of total no. of shares	
<b>(A) Shareholding of Promoter(s) &amp; Promoter(s) Group</b>					
(1) Individuals/Hindu Undivided Family	10,05,01,615	10.48	10,05,01,601	10.48	0.00
(2) Bodies Corporate	40,34,97,883	42.07	40,34,97,883	42.07	0.00
(3) Trust	7,85,700	0.08	7,85,700	0.08	0.00
<b>Total Shareholding of Promoter(s) &amp; Promoter(s) Group (A)</b>	<b>50,47,85,198</b>	<b>52.63</b>	<b>50,47,85,184</b>	<b>52.63</b>	<b>0.00</b>
<b>(B) Public shareholding</b>					
<b>(1) Institutions</b>					
i) Mutual Funds/UTI	3,59,43,111	3.74	3,54,80,427	3.70	0.04
ii) Financial Institutions/Banks	5,69,765	0.06	9,03,643	0.09	(0.03)
iii) Central Government/Sovereign Wealth Funds	5,32,300	0.06	4,47,719	0.05	0.01
iv) Insurance Companies	6,81,18,790	7.10	5,09,60,273	5.31	1.79
v) Foreign Institutional Investors	15,23,94,384	15.89	16,31,74,737	17.01	(1.12)
<b>Sub-Total (B)(1)</b>	<b>25,75,58,350</b>	<b>26.85</b>	<b>25,09,66,799</b>	<b>26.16</b>	<b>0.69</b>
<b>(2) Non-Institutions</b>					
i) Bodies Corporate	5,53,08,275	5.76	5,61,12,731	5.85	(0.09)
ii) Individuals					
(a) Individual shareholders holding nominal share capital up to ₹ 1 lakh	11,49,17,107	11.98	11,93,18,506	12.44	(0.46)
(b) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	80,39,199	0.84	84,10,007	0.88	(0.04)
iii) Non-Resident individuals	1,22,19,480	1.28	1,23,41,659	1.29	(0.01)
iv) NBFCs registered with Reserve Bank of India (RBI)	5,654	0.00	6,248	0.00	0.00
v) Trust(s)	63,64,527	0.66	72,56,656	0.75	(0.09)
<b>Sub-total (B)(2)</b>	<b>19,68,54,242</b>	<b>20.52</b>	<b>20,34,45,807</b>	<b>21.21</b>	<b>(0.69)</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>45,44,12,592</b>	<b>47.37</b>	<b>45,44,12,606</b>	<b>47.37</b>	<b>-</b>
<b>Total (A)+(B)</b>	<b>95,91,97,790</b>	<b>100.00</b>	<b>95,91,97,790</b>	<b>100.00</b>	<b>-</b>

#### Category wise shareholding as on 31<sup>st</sup> March 2024





## General Shareholder Information (Contd.)

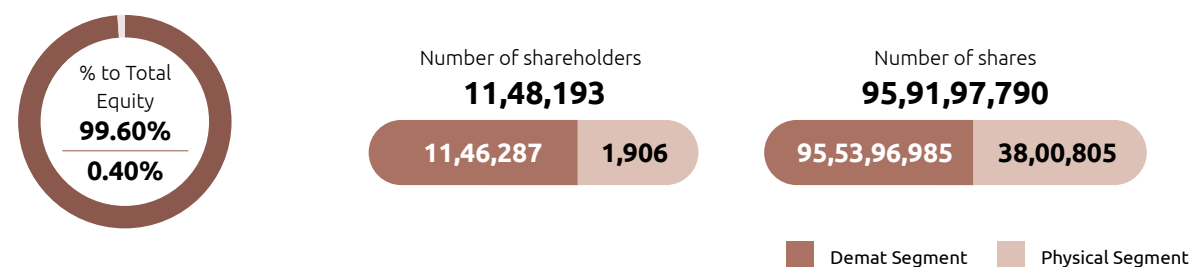
### Top 10 shareholders of the Company as on 31<sup>st</sup> March 2024

Sr. No.	Name of shareholder	Category	Sub-category	No. of shares held*	% of shares held
1.	Life Insurance Corporation of India	Public	Insurance Companies	5,54,54,514	5.78
2.	Sattva Holding and Trading Private Limited	Promoter(s) & Promoter(s) Group	Promoter(s) Group	5,47,89,183	5.71
3.	Smiti Holding and Trading Company Private Limited	Promoter(s) & Promoter(s) Group	Promoter(s) Group	5,17,67,638	5.40
4.	Siddhant Commercials Private Limited	Public	Bodies Corporate	4,69,87,850	4.90
5.	Geetanjali Trading and Investments Private Limited	Promoter(s) & Promoter(s) Group	Promoter(s) Group	4,57,06,140	4.77
6.	Elcid Investments Limited	Promoter(s) & Promoter(s) Group	Promoter(s) Group	2,83,13,860	2.95
7.	Gujarat Organics Private Limited	Promoter(s) & Promoter(s) Group	Promoter(s) Group	2,31,50,730	2.41
8.	Sudhanva Investments and Trading Company Private Limited	Promoter(s) & Promoter(s) Group	Promoter(s) Group	1,90,01,760	1.98
9.	Rupen Investment and Industries Private Limited	Promoter(s) & Promoter(s) Group	Promoter(s) Group	1,88,49,825	1.97
10.	Satyadhama Investments and Trading Company Private Limited	Promoter(s) & Promoter(s) Group	Promoter(s) Group	1,83,34,280	1.91

\* Shareholding has been consolidated on the basis of the name of the first holder and Permanent Account Number ("PAN").

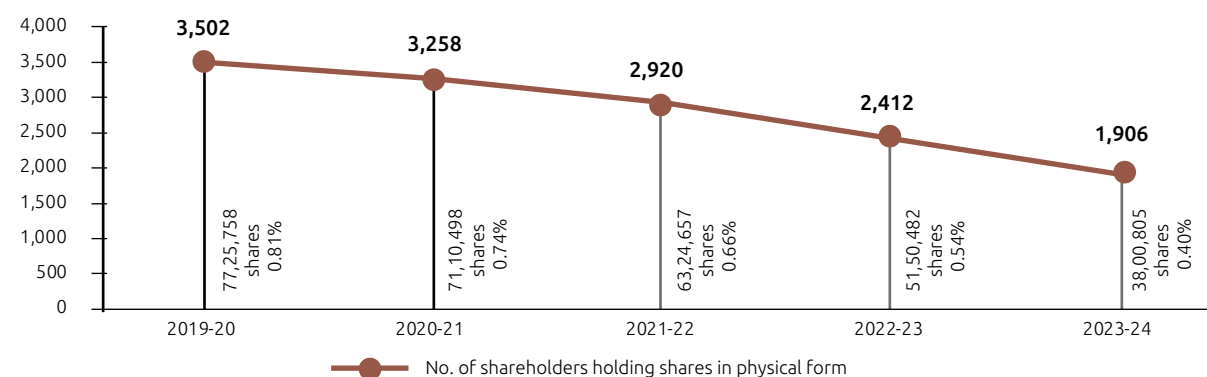
## 19. DEMATERIALISATION OF SHARES

31<sup>ST</sup> MARCH 2024



### Reduction in physical shareholders

On account of the continuous efforts made by the Company to convert its entire equity share capital in dematerialised form, there has been significant reduction in number of shareholders holding shares in physical form in last 5 years. Number of shareholders holding shares in physical form decreased by 45.57% (1,906 in FY 2023-24 as compared to 3,502 in FY 2019-20) as on 31<sup>st</sup> March 2024.



### Break up of shares in physical and demat form

The Company's equity shares are actively traded on BSE and NSE. The Company's shares are also available for trading in the Futures & Options segment.

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

Shareholders are accordingly requested to get in touch with any of the DP registered with SEBI to open a demat account. The shareholders may also visit website of Depositories viz. NSDL or CDSL for further understanding the procedure for opening of demat account.

### Reconciliation of share capital audit

As required by the SEBI (Depositories and Participants) Regulations, 2018, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Auditor's Certificate in regard to the same is submitted on quarterly basis to BSE and NSE and is also placed before the Board of Directors of the Company.

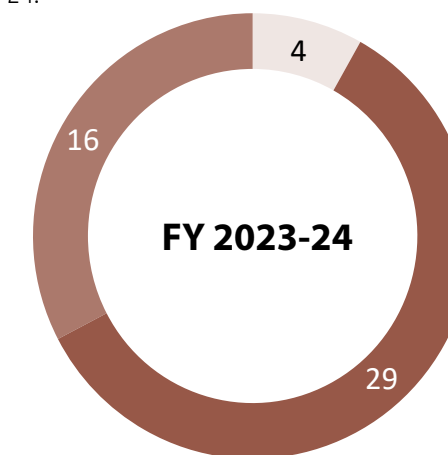
## 20. INVESTOR CONFERENCES/EVENTS HELD IN FINANCIAL YEAR 2023-24

The Company as a listed entity and a responsible corporate citizen recognizes the imperative need to maintain continuous dialogue with the investor community.

The Company holds investor meets/calls after announcement of every quarterly results, which is accessible to all stakeholders. The Company also participates in various investor meetings/conferences wherein the management interacts with investors in one-on-one or group physical/virtual meetings. The details of such calls and participation in the investor conferences are intimated to the exchanges as well as updated on the website of the Company.

The objective of the aforesaid interactions is to keep investors abreast of significant developments that determine Company's overall performance while at the same time addressing investor concerns. This translates into disseminating timely, accurate, and relevant information that helps investors in making informed investment decisions.

Details of investor interactions held in the financial year 2023-24:



Company Events Investor Meet/Calls Conference Participation

## 21. OUTSTANDING INSTRUMENTS AND THEIR IMPACT ON EQUITY

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31<sup>st</sup> March 2024.

## 22. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

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

The Company does not undertake any commodity hedging activities.

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

### b) Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

Not Applicable

## General Shareholder Information (Contd.)

- c) **Commodity risks faced by the listed entity during the year and how they have been managed:** Not Applicable

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

The Company has not issued any debt instruments and did not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended 31<sup>st</sup> March 2024.

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

### 24. PLANT LOCATIONS

The locations of the Company's paint manufacturing plants in India forms part of this Integrated Annual Report.

### 25. ADDRESS FOR CORRESPONDENCE

#### Registrar and Share Transfer Agent Contact Details

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

#### Link Intime India Private Limited

C-101, 1<sup>st</sup> Floor, 247 Park  
Lal Bahadur Shastri Marg, Vikhroli (West)  
Mumbai – 400 083  
Tel. No.: +91 810 811 8484  
Toll Free No.: 1800 2100 124 (Exclusive for Asian Paints shareholders)  
Email: [csg-unit@linkintime.co.in](mailto:csg-unit@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

The details of collection centres are available on the website of RTA at <https://liiplweb.linkintime.co.in/contact-us.html> and also available on the Company's website at [www.asianpaints.com](http://www.asianpaints.com).

The documents will also be accepted at the registered office of the Company.

Shareholders are requested to quote their folio no./ DP ID & Client ID, email address, telephone no., and full address while corresponding with the Company and its RTA.

### 26. ADDRESS/CONTACT DETAILS OF THE REDRESSAL AGENCIES FOR INVESTORS TO LODGE THEIR GRIEVANCES

#### Regulatory Authorities:

<b>Ministry of Corporate Affairs</b>	'A' Wing, Shastri Bhawan Rajendra Prasad Road New Delhi – 110 001 Tel. Nos.: (011) 2338 4660, 2338 4659 Website: <a href="http://www.mca.gov.in">www.mca.gov.in</a>
<b>Securities and Exchange Board of India</b>	Plot No. C4-A, 'G' Block Bandra-Kurla Complex, Bandra (East) Mumbai – 400 051 Tel. Nos.: (022) 2644 9000/4045 9000/ (022) 2644 9950/4045 9950 Fax Nos.: (022) 2644 9019-22/ 4045 9019-22 Toll Free Investor Helpline: 1800 22 7575 Email: <a href="mailto:sebi@sebi.gov.in">sebi@sebi.gov.in</a> Website: <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>
<b>Investor Education and Protection Fund Authority</b>	Ground Floor, Jeevan Vihar Building 3, Sansad Marg, New Delhi – 110 001 Tel. No.: 1800 114 667 Email: <a href="mailto:iepf@grievances@mca.gov.in">iepf@grievances@mca.gov.in</a> Website: <a href="http://www.iepf.gov.in">www.iepf.gov.in</a>

#### Stock Exchanges:

<b>BSE Limited</b>	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Tel. Nos.: (022) 2272 1233/4 (022) 6654 5695 (Hunting) Fax No.: (022) 2272 1919 Website: <a href="http://www.bseindia.com">www.bseindia.com</a>
<b>National Stock Exchange of India Limited</b>	Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Tel. Nos.: (022) 2659 8100/8114 (022) 6641 8100 Fax No.: (022) 2659 8120 Website: <a href="http://www.nseindia.com">www.nseindia.com</a>

#### Depositories:

<b>National Securities Depository Limited</b>	Trade World, A Wing, 4 <sup>th</sup> Floor Kamala Mills Compound, Lower Parel Mumbai – 400 013 Tel. No.: (022) 4886 7000 Email: <a href="mailto:info@nsdl.com">info@nsdl.com</a> Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</a>
<b>Central Depository Services (India) Limited</b>	Marathon Futurex, A-Wing, 25 <sup>th</sup> Floor N M Joshi Marg, Lower Parel Mumbai – 400 013 Tel. No.: +91 80691 44800 Email: <a href="mailto:helpdesk@cdslindia.com">helpdesk@cdslindia.com</a> Website: <a href="http://www.cdslindia.com">www.cdslindia.com</a>

### 27. OTHERS

- a. **Details of utilisation of funds raised through preferential allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the Listing Regulations:** Not Applicable

- b. **Useful information for shareholders**

i. **Common and simplified norms for investor's service request**

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May 2024, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC (Contact Details, Bank Details, and Specimen Signature), and Nomination details.

As per said Circular, it is mandatory for the shareholders holding securities in physical form to, *inter alia*, furnish PAN, KYC, and Nomination details. Physical folios wherein the PAN, KYC, and Nomination details were not available on or after 1<sup>st</sup> April 2023 were to be frozen by the RTA and would be eligible for lodging grievance or any service request only after registering the required details. The said timeline of 1<sup>st</sup> April 2023 for freezing of folios was extended to 31<sup>st</sup> December 2023.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17<sup>th</sup> November 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/

Following are the standardised and simplified forms for availing various investor service requests with the Company/RTA:

Type of holder	Process to be followed
Physical	For availing the following investor service requests, send the prescribed form to RTA either by an email to <a href="mailto:csg-unit@linkintime.co.in">csg-unit@linkintime.co.in</a> or by post to: <b>Link Intime India Private Limited</b> Unit: Asian Paints Limited C-101, 1 <sup>st</sup> Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai – 400 083
	Form for availing investor services to register PAN, email address, bank details, and other KYC details or changes/update thereof <a href="#">Form ISR-1</a>
	Form for registration/updation of signature <a href="#">Form ISR-1</a> and <a href="#">Form ISR-2</a>

POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May 2024), has removed the requirement for freezing of folios, however, members are requested to note that dividends and other payments, if any, in respect of such KYC non-compliant folios shall only be made electronically with effect from 1<sup>st</sup> April 2024 upon registering the required details.

If a shareholder holding shares in physical form desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she/they may submit the same in the prescribed form.

The shareholders holding shares in electronic form who have either not furnished nomination or submitted declaration for opting out of nomination, are required to register or opt out from nomination, as the case may be, on or before 30<sup>th</sup> June 2024, failing which their demat accounts shall be frozen for debits.

The Company will be sending individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC, and Nomination details. The relevant Circulars and necessary forms in this regard have been made available on the Company's website at <https://www.asianpaints.com/ShareholderServiceRequest.html> and its RTA at <https://liiplweb.linkintime.co.in/client-downloads.html>.

Accordingly, the members are advised to register their details with the RTA or DP, as the case may be, in compliance with the aforesaid SEBI guidelines for smooth processing of their service requests and trading without any hindrance.



Type of holder	Process to be followed
	Form for nomination <a href="#">Form SH-13</a>
	Declaration to opt out of nomination <a href="#">Form ISR-3</a>
	Cancellation of nomination/change of nominee <a href="#">Form SH-14</a>
	Form for requesting issue of duplicate certificate and other service requests for shares, etc. <a href="#">Form ISR-4</a>
	Request form for transmission of shares by nominee or legal heir <a href="#">Form ISR-5</a>
	Request form for name deletion/name change/transposition form <a href="#">Name Deletion/Name Change/Transposition Form</a>
	The forms for above-mentioned investor service requests are available on the website of the Company and RTA at: Company: <a href="http://www.asianpaints.com/ShareholderServiceRequest.html">www.asianpaints.com/ShareholderServiceRequest.html</a> RTA: <a href="https://liiplweb.linkintime.co.in/client-downloads.html">https://liiplweb.linkintime.co.in/client-downloads.html</a>
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your respective DP.

**ii. Consolidation of folios**

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

**iii. Preservation of ownership documents**

Shareholders are advised to keep copies of all their investment documentation i.e., share certificate, dividend counterfoil, Company communication in original, etc.

**iv. Manner of postage of documents**

Shareholders are advised to send share certificates, cheques, demand drafts, etc. through registered/speed post or courier.

**v. Non-resident shareholders**

Non-resident shareholders are requested to immediately notify the following to the RTA of the Company in respect of shares held in physical form and to their DPs in respect of shares held in dematerialised form:

- Indian address for sending all communications, if not provided so far.
- Change in their residential status on return to India for permanent settlement.
- Particulars of their Non-resident rupee account, whether repatriable or not, with a bank in India, if not furnished earlier.
- Email address and Phone Nos.

**vi. Registration of email address**

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

In case of any change in relation to the email address, the members are required to intimate the same:

- For shares held in electronic form: to their respective DP.
- For shares held in physical form: to the Company/RTA in prescribed Form No. ISR-1 mentioned above at sr. no. (i) of point no. 27(b) "Useful information for shareholders".

**vii. Voting Rights**

The fundamental voting principle is 'One Share-One Vote'.

Equity shares issued by the Company carry equal voting rights, with an exception, where voting rights in respect of the shares, if any, lying in the Unclaimed Suspense Account, shares transferred to IEPF, and shares held by Asian Paints Employees Stock Ownership Trust are frozen till the rightful owner claims such shares and is transferred as such.

**viii. Dealing with SEBI registered intermediaries**

Shareholders are requested to deal only through SEBI registered intermediaries and give clear and unambiguous instructions to their broker/sub-broker/DPs.

**ix. Investor Charter**

In order to facilitate investor awareness for various service requests, SEBI had prescribed Investor Charter for RTAs, *inter alia*, detailing the services provided to investors, rights of investors, timelines for various activities of RTAs, do's and don'ts for investors, and Grievance Redressal Mechanism.

The Investor Charter of the Company's RTA is available on their website at <https://linkintime.co.in/InvestorCharter.html>.

**x. Frequently Asked Questions**

For ready reference, the Company has made available responses to frequently asked questions with respect to investor related services on its website at <https://www.asianpaints.com/ShareholderFAQs.html>.

**xi. SEBI Investor Website**

SEBI has recently launched its new Investor website. The said website contains information on personal finance and investment, useful for existing and new investors. It also includes videos prepared by Market Infrastructure Institutions related to securities market process education and awareness messages.

The website has been created with an aim to assist individuals in taking control of their money, leading to better outcomes in their investment journey. Further, it also offers guidance on managing money well and making sound financial decisions independently. The financial awareness content, tools, and calculators available on the website can help people of all ages, backgrounds, and incomes to be in control of their financial decisions. The SEBI Investor

website promotes confident and informed participation by investors in the securities market. The investors are urged to access the said website at <https://investor.sebi.gov.in/>.

**xii. Investor Feedback Survey**

Link Intime India Private Limited, RTA of the Company is classified as a Qualified RTA ("QRTA") as per the criteria laid down by SEBI.

In accordance with the SEBI Circular No. SEBI/HO/MIRSD/DoP/CIR/P/2018/119 dated 10<sup>th</sup> August 2018 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7<sup>th</sup> May 2024), the QRTAs are required to conduct an annual investor feedback survey and publish the outcome on its website. RTA had conducted an investor feedback survey for the financial year ended 31<sup>st</sup> March 2024, covering walk in investors and through email response. As per the results, 99.5% of the investors were satisfied with the services being extended by RTA.

The outcome of the investor feedback survey is available on the website of RTA at [https://liiplweb.linkintime.co.in/Survey\\_result.html](https://liiplweb.linkintime.co.in/Survey_result.html).

**xiii. Participation in World Investor Week**

World Investor Week ("WIW") is an annual global initiative to promote investor education and awareness. During the financial year 2023-24, WIW was celebrated during the period between 9<sup>th</sup> October 2023 to 15<sup>th</sup> October 2023.

To promote the same and raise awareness about financial literacy, understanding investment products, risk management, market trends, and regulatory compliance, the Company had conducted an online session for the employees of the Company to provide them insights on financial investments, do's and don'ts of investing, risk and rewards in investing, etc.

## Annexure A to Report on Corporate Governance

### CERTIFICATION BY CEO & CFO

[Pursuant to Regulation 17(8) read with Part B of Schedule II and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Board of Directors  
**Asian Paints Limited**  
Mumbai

Sir(s)/Madam(s),

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the quarter and year ended 31<sup>st</sup> March 2024 and to the best of our knowledge and belief that –

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

We hereby certify that, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and year ended 31<sup>st</sup> March 2024 are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which 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, if any, in internal control over financial reporting during the quarter and year ended 31<sup>st</sup> March 2024;
2. significant changes, if any, in accounting policies during the quarter and year ended 31<sup>st</sup> March 2024 and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**AMIT SYNGLE**  
Managing Director & CEO

Place : Mumbai  
Date : 9<sup>th</sup> May 2024

**R J JEYAMURUGAN**  
CFO & Company Secretary

## Annexure B to Report on Corporate Governance

### CERTIFICATE ON COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY ASIAN PAINTS LIMITED RELATING TO CORPORATE GOVERNANCE REQUIREMENTS

To,  
The Members,  
**Asian Paints Limited**

I have examined compliance by Asian Paints Limited ("the Company") with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") relating to Corporate Governance requirements for the financial year ended on 31<sup>st</sup> March 2024.

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

I state that no complaint relating to investor's grievance received by the Company up to 31<sup>st</sup> March 2024 is pending unresolved as on the date of this Certificate.

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

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

Place: Pune  
Date: 9<sup>th</sup> May 2024

UDIN: F001370F000341193  
Peer Review Certificate No.: 1206/2021



### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
**Asian Paints Limited**

We have examined the relevant disclosures provided by the Directors of Asian Paints Limited (as enlisted in Table A), bearing CIN: L24220MH1945PLC004598; having registered office at 6A Shantinagar, Santacruz (East), Mumbai - 400 055, Maharashtra, India (hereinafter referred to as 'the Company'), provided to us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In our opinion and to the best of our information and based on (i) Documents available on the website of the Ministry of Corporate Affairs ("MCA") as on 6<sup>th</sup> May 2024; (ii) Verification of Director Identification Number ("DIN") status at the website of the MCA as on 7<sup>th</sup> May 2024 (iii) Disclosures provided by the Directors (as enlisted in Table A) to the Company; and (iv) Debarment list of BSE Limited and National Stock Exchange of India Limited as on 3<sup>rd</sup> May 2024, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, MCA or any such other statutory authority as on 31<sup>st</sup> March 2024.

**Table A**

Sr. No.	Name of the Directors	DIN	Date of appointment in the Company
1.	Mr. Manish Choksi	00026496	22/10/2018
2.	Mr. Amit Syngle	07232566	01/04/2020
3.	Mr. Malav Dani	01184336	21/10/2013
4.	Ms. Amrita Vakil	00170725	14/05/2014
5.	Mr. Jigish Choksi	08093304	01/04/2019
6.	Ms. Nehal Vakil	00165627	01/03/2022
7.	Mrs. Vibha Paul Rishi	05180796	14/05/2014
8.	Mr. Seshasayee Ramaswami	00047985	23/01/2017
9.	Mr. Suresh Narayanan	07246738	01/04/2019
10.	Mrs. Pallavi Shroff	00013580	01/04/2019
11.	Mr. Milind Sarwate	00109854	21/10/2021
12.	Mrs. Ireena Vittal	05195656	25/07/2023
13.	Mr. Soumitra Bhattacharya	02783243	26/10/2023

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Makarand M. Joshi**

Partner

FCS No.: 5533

CP No.: 3662

PR: 640/2019

UDIN: F005533F000335401

Date: 8<sup>th</sup> May 2024

Place: Mumbai

### 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 2024.

**Amit Syngle**  
Managing Director & CEO

Place: Mumbai

Date: 9<sup>th</sup> May 2024

# Business Responsibility & Sustainability Report

As we grow our business, we remain committed to create a positive impact on nature, promote societal wellbeing and operate in a transparent manner. We have always looked at intertwining our sustainability agenda into the Company's business objectives and considered our focus on ESG to be a key driver of long term value creation for all our stakeholders.

We endeavour to bring complete transparency in our disclosures. This Business Responsibility and Sustainability Report ("BRSR") is our third report which covers operations of Asian Paints Limited on a standalone basis. Along with mandatorily required BRSR core indicators to be assured, we have further added indicators as part of limited/reasonable assurance to increase the confidence of stakeholders in our reporting.

We believe, our ESG commitments will propel us to steer our purpose of bringing joy to people's lives.

**Amit Syngle**  
Managing Director & CEO

The Reasonable/Limited Assurance Report is annexed to this Integrated Annual Report on page no. 521.

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

Sr. No.	Particulars	Response
1.	Corporate Identity Number (CIN) of the Listed Entity	L24220MH1945PLC004598
2.	Name of the Listed Entity	Asian Paints Limited
3.	Year of incorporation	1945
4.	Registered office address	6A, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India
5.	Corporate address	Same as mentioned in point no. (4)
6.	E-mail	<a href="mailto:investor.relations@asianpaints.com">investor.relations@asianpaints.com</a>
7.	Telephone	(022) 62181000
8.	Website	<a href="http://www.asianpaints.com">www.asianpaints.com</a>
9.	Financial year for which reporting is being done	1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	₹ 95,91,97,790
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name R J Jeyamurugan Designation CFO & Company Secretary Tel No. (022) 62181139 E-mail <a href="mailto:investor.relations@asianpaints.com">investor.relations@asianpaints.com</a>
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures under this report are made on standalone basis for Asian Paints Limited and includes all locations where we have operational control.
14.	Name of assurance provider	Price Waterhouse Chartered Accountants LLP (Firm registration no. 012754N/N500016)
15.	Type of assurance obtained	Reasonable assurance on indicators covered under BRSR core and reasonable/limited assurance on select additional indicators as marked under each indicator.

### II. Products/services

#### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Sale of products	Manufacture/purchase and sale of wide range of paints (Chemical and Chemical Products)	96.1

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code*	% of total Turnover contributed
1.	Manufacture of paints, varnishes, enamels, and thinners	202	96.1

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

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	11	238*	249
International <sup>^</sup>	-	-	-

\*Includes leased warehouses, distribution centres and testing facilities

<sup>^</sup> The international operations are carried out by the Company through its subsidiary companies and are outside the reporting boundary of this report.

Further, the above excludes:

- One plant which is yet to be commissioned, pending regulatory approvals.
- 24 Colour Academy locations where CSR activities are carried out.
- Outside processing centres where the Company has tie-ups for manufacturing and purchase of certain products but does not have operational control.

#### 19. Markets served by the entity

##### a. Number of locations:

Locations	Number
National (No. of States)	28
National (No. of Union Territories)	8
International (No. of Countries) <sup>^</sup>	14

<sup>^</sup>The International operations are carried out by the Company through its subsidiary companies and are outside the reporting boundary of this report.

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of total turnover of the Company is 0.2%.

##### c. A brief on types of customers

The Company is in the business of manufacturing, trading and selling wide range of paints and coatings, wallcoverings, adhesives, tools, home décor products like rugs, furnishings, and furniture, bath fittings and sanitaryware. The Company also provides various services like end-to-end design to execution services, beautiful homes painting services, interior designing services, etc. The Company caters to a wide range of customers, including homeowners, large project sites, dealers, corporates, architects, interior designers, influencers, contractors through wholesalers and distributors, retailers, and e-commerce channels.

### IV. Employees

#### 20. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	7,804	7,060	90.5	744	9.5
2.	Other than Permanent (E)	7,050	6,304	89.4	746	10.6
3.	<b>Total employees (D + E)</b>	<b>14,854</b>	<b>13,364</b>	<b>90.0</b>	<b>1,490</b>	<b>10.0</b>
<b>WORKERS</b>						
4.	Permanent (F)	1,678	1,672	99.6	6	0.4
5.	Other than Permanent (G)	14,139	13,749	97.2	390	2.8
6.	<b>Total workers (F + G)</b>	<b>15,817</b>	<b>15,421</b>	<b>97.5</b>	<b>396</b>	<b>2.5</b>

**Note:** Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the above indicator.



**b. Differently abled employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	28	22	78.6	6	21.4
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total differently abled employees (D + E)</b>	<b>28</b>	<b>22</b>	<b>78.6</b>	<b>6</b>	<b>21.4</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	5	5	100.0	-	-
5.	Other than Permanent (G)	18	17	94.4	1	5.6
6.	<b>Total differently abled workers (F + G)</b>	<b>23</b>	<b>22</b>	<b>95.6</b>	<b>1</b>	<b>4.3</b>

**Note:** Limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the above indicator.

**21. Participation/Inclusion/Representation of women:**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (BoD)	13	5	38.5%
Key Management Personnel (KMP)	2*	-	-

**Notes:**

- \*KMPs are the Managing Director & CEO and CFO & Company Secretary.
- The above details of BoD and KMP are as on 31<sup>st</sup> March, 2024.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the above indicator.

**22. Turnover rate for permanent employees and workers:**

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees*	22.1%	18.5%	21.7%	19.6%	19.0%	19.5%	14.5%	23.0%
Permanent Workers*	2.2%	-	2.2%	2.2%	-	2.2%	1.8%	-	1.8%

**Note:**

- \*Only voluntary attrition & retirements considered.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the above indicator.

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

**23. (a) Names of holding/subsidiary/associate companies/joint ventures**

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity
<b>A. Subsidiaries of Asian Paints Limited</b>			
1.	Asian Paints (Nepal) Private Limited	Subsidiary	52.71
2.	Asian Paints International Private Limited	Subsidiary	100
3.	Asian Paints Industrial Coatings Limited	Subsidiary	100
4.	Maxbhumi Developers Limited	Subsidiary	100
5.	Sleek International Private Limited	Subsidiary	100
6.	Weatherseal Fenestration Private Limited	Subsidiary	51
7.	Asian Paints (Polymers) Private Limited	Subsidiary	100
8.	Asian White Cement Holding Limited	Subsidiary	70
9.	Obgenix Software Private Limited (Note 2)	Subsidiary	60
10.	Harind Chemicals and Pharmaceuticals Private Limited	Subsidiary	51
<b>B Subsidiaries of Asian Paints International Private Limited</b>			
11.	Enterprise Paints Limited	Subsidiary	100
12.	Universal Paints Limited	Subsidiary	100
13.	Kadisco Paint and Adhesive Industry Share Company	Subsidiary	51
14.	PT Asian Paints Indonesia	Subsidiary	100
15.	PT Asian Paints Color Indonesia	Subsidiary	100
16.	Asian Paints (South Pacific) Pte Limited	Subsidiary	54.07
17.	Asian Paints (S.I) Limited	Subsidiary	75
18.	Asian Paints (Bangladesh) Limited	Subsidiary	95.09
19.	Asian Paints (Middle East) SPC	Subsidiary	100
20.	SCIB Chemicals S.A.E.	Subsidiary	61.31
21.	Samoa Paints Limited	Subsidiary	80
22.	Asian Paints (Vanuatu) Limited	Subsidiary	60
23.	Causeway Paints Lanka (Pvt) Ltd	Subsidiary	99.98
24.	A P International Doha Trading W.L.L (Note 3)	Subsidiary	100
25.	Asian Paints Doha Trading W.L.L.	Subsidiary	100
<b>C. Subsidiary of Enterprise Paints Limited</b>			
26.	Nirvana Investments Limited	Subsidiary	100
<b>D. Subsidiary of Nirvana Investments Limited</b>			
27.	Berger Paints Emirates LLC	Subsidiary	100
<b>E. Subsidiary of Universal Paints Limited</b>			
28.	Berger Paints Bahrain W.L.L.	Subsidiary	100

## Business Responsibility & Sustainability Report (Contd.)

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity
<b>F. Subsidiary of Asian White Cement Holding Limited</b>			
29.	Asian White Inc. FZE	Subsidiary	70
<b>G. Subsidiary of Harind Chemicals and Pharmaceuticals Private Limited</b>			
30.	Nova Surface-Care Centre Private Limited	Subsidiary	51
<b>H. Joint Ventures of Asian Paints Limited</b>			
31.	PPG Asian Paints Private Limited	Joint Venture	50
32.	Asian Paints PPG Private Limited	Joint Venture	50
<b>I. Subsidiary of PPG Asian Paints Private Limited</b>			
33.	Revocoat India Private Limited	Associate	100

### Notes:

- Business responsibility initiatives disclosed are pertaining to Asian Paints Limited on standalone basis and does not include the information/initiatives undertaken, if any, by the companies indicated in column A.
- Obgenix Software Private Limited ('Obgenix') was an associate of the Company. Pursuant to acquisition of further 11% stake, in Obgenix, it had become a subsidiary of the Company with effect from 23<sup>rd</sup> July 2023.
- A P International Doha W.L.L. is yet to commence the operations.

## VI. CSR Details

### 24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes, CSR is applicable as per Section 135 of the Companies Act, 2013. A brief of the CSR vision of the Company and the activities undertaken has been detailed in the Synergising Relationship section and Annual Report on CSR activities of the Board's Report forming part of this Integrated Annual Report.

(ii) Turnover (in ₹) - 37,112.8 Crores

(iii) Net worth (in ₹) - 18,441.2 Crores

## VII. Transparency and Disclosures Compliances

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
<b>Communities</b>	<b>Yes</b>  Link to the Grievance Redressal Mechanism <a href="http://asianpaints.ethicspoint.com/">http://asianpaints.ethicspoint.com/</a> .  Additionally, grievances for all the CSR activities undertaken by the Company can also be communicated to the respective plant heads by emailing at <a href="mailto:csr@asianpaints.com">csr@asianpaints.com</a> .	-	-	-	-	-	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
<b>Investors (other than shareholders)</b>	<b>Yes</b>  Link to the Grievance Redressal Mechanism is <a href="https://www.asianpaints.com/IGRPolicy.html">https://www.asianpaints.com/IGRPolicy.html</a> .	-	-	-	-	-	-
<b>Shareholders</b>	<b>Yes</b>  Link to the Grievance Redressal Mechanism is <a href="https://www.asianpaints.com/IGRPolicy.html">https://www.asianpaints.com/IGRPolicy.html</a> .  Additionally, shareholders can lodge complaints by emailing at <a href="mailto:investor.relations@asianpaints.com">investor.relations@asianpaints.com</a> or to the Registrar and Share Transfer Agent (RTA) who principally is responsible for managing the shares related affairs by emailing at <a href="mailto:csq-unit@linkintime.co.in">csq-unit@linkintime.co.in</a> .	109	2	Refer Notes 2 & 3	118	2	Refer Notes 2 & 3
<b>Employees and workers</b>	<b>Yes</b>  Link to the Grievance Redressal Mechanism is <a href="http://asianpaints.ethicspoint.com/">http://asianpaints.ethicspoint.com/</a> .	36	4	-	5	1	-
<b>Customers</b>	<b>Yes</b>  Link to the Grievance Redressal Mechanism is <a href="http://asianpaints.ethicspoint.com/">http://asianpaints.ethicspoint.com/</a> .  Additionally, customers can lodge complaints by emailing at <a href="mailto:customercare@asianpaints.com">customercare@asianpaints.com</a> and/or calling on Toll free No. 18002095678.  Below is the link where all channels of communication are given: <a href="https://www.asianpaints.com/contact-us.html">https://www.asianpaints.com/contact-us.html</a> .	24,502	2,062	Refer Notes 1 & 3	27,934	1,061	Refer Notes 1 & 3
<b>Value Chain Partner</b>	<b>Yes</b>  Link to the Grievance Redressal Mechanism is <a href="http://asianpaints.ethicspoint.com/">http://asianpaints.ethicspoint.com/</a> .	7	2	-	-	-	-
<b>Others</b>	<b>Yes</b>  Link to the Grievance Redressal Mechanism is <a href="http://asianpaints.ethicspoint.com/">http://asianpaints.ethicspoint.com/</a> .	13	4	Refer Note 4	-	-	-

### Notes:

- The customer complaints pending at the close of the year, *inter alia*, are on account of (i) re-opening/non-closure of complaints to the satisfaction of the customers (ii) pending customer acknowledgment for closure (iii) resolution in progress and (iv) complaints registered during last week of March, 2024.
- The shareholder complaints pending at the close of the year, *inter alia*, are on account of i) resolution in process and ii) complaints registered during last week of March, 2024.
- Number of complaints reported above represent agreed complaints.
- Complaints reported under Others are the anonymous complaints received by the Company through whistle blower mechanism.
- Limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the above indicator.



## Business Responsibility & Sustainability Report (Contd.)

### 26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Refer Managing Risks under Governance section of this Integrated Annual Report on page no. 107.

### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the following NGRBC principles and core elements:

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
<b>Policy and management processes</b>										
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs (Yes/No)					Yes					
b. Has the policy been approved by the Board? (Yes/No)					Yes*					
c. Web Link of the Policies, if available					Refer Note 1					
2. Whether the entity has translated the policy into procedures (Yes/No)					Yes					
3. Do the enlisted policies extend to your value chain partners? (Yes/No)		Yes, Code of Conduct for Business Partners extends to value chain partners								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>	
	Organisation for Economic Co-operation and Development (OECD), Principle of Corporate Governance, Corporate Governance Voluntary Guidelines, 2009, GRI standards.	ISO 14001, ISO 45001, ISO 9001, ISO 14040, GRI standards.	Universal Declaration on Human Rights of the United Nations, ISO 45001, British Safety Council, GRI standards.	ISO 14001, GRI standards.	Universal Declaration on Human Rights of the United Nations, GRI standards.	ISO 14001, Indian Green Building Council (IGBC), GRI standards, GHG Protocol Corporate Accounting and Reporting Standards.	Universal Declaration on Human Rights of the United Nations, GRI standards.	CSR disclosures pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, GRI standards.	ISO 14001, Task Force on Climate-Related Financial Disclosures (TCFD) Framework, ISO 9001, ISO 27001, GRI standards.	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has set targets for ESG commitment for 2025 and 2030, <i>inter alia</i> , related to Products stewardship, Water neutrality, Energy conservation, Nature positive, Safe workplace, Energising, equitable & inclusive workplace, Water stewardship, World Class Governance, Ethics, transparency, quality and accountability, and Sustainable supply chain management. For more information, refer the ESG performance snapshot forming part of this Integrated Annual Report on page no. 8. The Company monitors the performance against the specific commitments on an ongoing basis.									

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company constantly monitors the performance towards ESG commitment. The performance against the set targets has been published in the our ESG Performance Snapshot forming part of this Integrated Annual Report on page no. 8.								
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	Mr. Amit Syngle, Managing Director & CEO of the Company is the director responsible for the BRSR. For the statement, refer the Managing Director & CEO statement at the beginning of the BRSR on page no. 270.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board of Directors (The Board) of the Company are responsible for implementation and oversight of the business responsibility policies. The Board has empowered the Stakeholders Relationship Committee (SRC) to provide direction to the management and exercise oversight on the implementation of targets committed under ESG. Read more about the SRC including its composition, terms of reference, etc. in the Report on Corporate Governance forming part of this Integrated Annual Report on page no. 221. Further, the Board of Directors periodically discusses progress in respect to ESG/Sustainability matters in its meetings.								
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	The Board of Directors (The Board) of the Company responsible for decision making on all sustainability related issues. The Stakeholders Relationship Committee (SRC) is responsible for providing direction to the management on ESG strategy and monitoring the progress and performance on its medium-term and long-term ESG commitments and targets. Read more about the SRC including its composition, terms of reference, etc. in the Report on Corporate Governance forming part of this Integrated Annual Report on page no. 221. Further, the Board of Directors periodically discusses progress in respect to ESG/Sustainability matters in its meetings.								

\* The Advocacy Policy has been approved by the Managing Director & CEO of the Company.

### 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Managing Director & CEO reviews the performance of the systems and processes in place for NGRBC related principles. The Audit Committee reviews the performance and grievance redressal mechanisms as per the Code of Conduct of the Company.									Ongoing basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with all the applicable statutory requirements and rectifies, non-compliance, if any. This is reviewed by the Audit Committee.									Quarterly and as & when required as per statutory requirements								
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	As a part of the oversight of the internal financial controls in the Company, the Management and Audit Committee reviews the adherence to the stated policies in the Company. The Internal Audit function assists the Audit Committee with the above. Further, independent assessment/evaluation is carried out periodically by external agencies for certain policies.																	

## Business Responsibility & Sustainability Report (Contd.)

### Note 1:

Principle	Applicable Policies	Link for policies
<b>Principle 1:</b> Businesses should conduct and govern themselves with Integrity, and in a manner that is Ethical, Transparent and Accountable	<ol style="list-style-type: none"> <li>Code of Conduct for Employees,</li> <li>Code of Conduct to Regulate, Monitor and Report Trading by Designated Person,</li> <li>Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information,</li> <li>Policy on dealing with and materiality of Related Party Transactions,</li> <li>Whistle Blower Policy,</li> <li>Code of Conduct for Business Partners,</li> <li>Advocacy Policy,</li> <li>Code of Conduct for Board and Senior Management Personnel,</li> <li>Anti-Bribery and Anti-Corruption Position Statement,</li> <li>Tax Governance Position Statement</li> </ol>	<a href="https://www.asianpaints.com/CodesandPolicies.html">https://www.asianpaints.com/CodesandPolicies.html</a> <a href="https://www.asianpaints.com/PositionStatement.html">https://www.asianpaints.com/PositionStatement.html</a>
<b>Principle 2:</b> Businesses should provide goods and services in a manner that is sustainable and safe	<ol style="list-style-type: none"> <li>Environment Policy,</li> <li>Health and Safety Policy,</li> <li>Information Security Policy,</li> <li>Net Zero Carbon Emission Position Statement,</li> <li>Sustainable Supply Chain Position Statement</li> </ol>	<a href="https://www.asianpaints.com/EnvironmentPolicy.html">https://www.asianpaints.com/EnvironmentPolicy.html</a> <a href="https://www.asianpaints.com/HealthandSafetyPolicy.html">https://www.asianpaints.com/HealthandSafetyPolicy.html</a> <a href="https://www.asianpaints.com/CodesandPolicies.html">https://www.asianpaints.com/CodesandPolicies.html</a> <a href="https://www.asianpaints.com/PositionStatement.html">https://www.asianpaints.com/PositionStatement.html</a>
<b>Principle 3:</b> Businesses should respect and promote the well-being of all employees, including those in their value chains	<ol style="list-style-type: none"> <li>Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace,</li> <li>Code of Conduct for Employees,</li> <li>Code of Conduct for Business Partners,</li> <li>Policy on Equal Opportunity and Non-Discrimination,</li> <li>Environment Policy,</li> <li>Health and Safety Policy,</li> <li>Human Rights Position Statement</li> </ol>	<a href="https://www.asianpaints.com/CGpolicies.html">https://www.asianpaints.com/CGpolicies.html</a> <a href="https://www.asianpaints.com/PositionStatement.html">https://www.asianpaints.com/PositionStatement.html</a> <a href="https://www.asianpaints.com/EqualOpporunityPolicy.html">https://www.asianpaints.com/EqualOpporunityPolicy.html</a>
<b>Principle 4:</b> Businesses should respect the interests of and be responsive to all its stakeholders	<ol style="list-style-type: none"> <li>Corporate Social Responsibility Policy,</li> <li>Customer Policy,</li> <li>Code of Conduct for Employees,</li> <li>Code of Conduct for Business Partners,</li> <li>Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information,</li> <li>Dividend Distribution Policy,</li> <li>Advocacy Policy</li> </ol>	<a href="https://www.asianpaints.com/CodesandPolicies.html">https://www.asianpaints.com/CodesandPolicies.html</a> <a href="https://www.asianpaints.com/CustomerPolicy.html">https://www.asianpaints.com/CustomerPolicy.html</a> <a href="https://www.asianpaints.com/AdvocacyPolicy.html">https://www.asianpaints.com/AdvocacyPolicy.html</a>

Principle	Applicable Policies	Link for policies
<b>Principle 5:</b> Businesses should respect and promote human rights	<ol style="list-style-type: none"> <li>Code of Conduct for Employees, Partners,</li> <li>Code of Conduct for Business Partners,</li> <li>Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace,</li> <li>Policy on Equal Opportunity and Non-Discrimination,</li> <li>Nomination and Remuneration Policy,</li> <li>Human Rights Position Statement</li> </ol>	<a href="https://www.asianpaints.com/CodesandPolicies.html">https://www.asianpaints.com/CodesandPolicies.html</a> <a href="https://www.asianpaints.com/PositionStatement.html">https://www.asianpaints.com/PositionStatement.html</a> <a href="https://www.asianpaints.com/EqualOpporunityPolicy.html">https://www.asianpaints.com/EqualOpporunityPolicy.html</a>
<b>Principle 6:</b> Businesses should respect and make efforts to protect and restore the environment	<ol style="list-style-type: none"> <li>Environment Policy,</li> <li>Health and Safety Policy,</li> <li>Net Zero Carbon Emission Position Statement,</li> <li>Sustainable Supply Chain Position Statement,</li> <li>Biodiversity &amp; No Deforestation Position Statement</li> </ol>	<a href="https://www.asianpaints.com/EnvironmentPolicy.html">https://www.asianpaints.com/EnvironmentPolicy.html</a> <a href="https://www.asianpaints.com/HealthandSafetyPolicy.html">https://www.asianpaints.com/HealthandSafetyPolicy.html</a> <a href="https://www.asianpaints.com/PositionStatement.html">https://www.asianpaints.com/PositionStatement.html</a>
<b>Principle 7:</b> Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	<ol style="list-style-type: none"> <li>Advocacy Policy</li> </ol>	<a href="https://www.asianpaints.com/AdvocacyPolicy.html">https://www.asianpaints.com/AdvocacyPolicy.html</a>
<b>Principle 8:</b> Businesses should promote inclusive growth and equitable development	<ol style="list-style-type: none"> <li>Corporate Social Responsibility Policy,</li> <li>Policy on Equal Opportunity and Non-Discrimination</li> </ol>	<a href="https://www.asianpaints.com/CodesandPolicies.html">https://www.asianpaints.com/CodesandPolicies.html</a>
<b>Principle 9:</b> Businesses should engage with and provide value to their consumers in a responsible manner	<ol style="list-style-type: none"> <li>Customer Policy,</li> <li>Information Security Policy</li> </ol>	<a href="https://www.asianpaints.com/CustomerPolicy.html">https://www.asianpaints.com/CustomerPolicy.html</a> <a href="https://www.asianpaints.com/CodesandPolicies.html">https://www.asianpaints.com/CodesandPolicies.html</a>

### 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									



**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:-**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	13 sessions	Outlook of paint industry and home décor sector, governance and regulatory compliance requirements, risk management, cyber security risk and ESG commitments.	100
Key Managerial Personnel (KMPs)	13 sessions	Updates and awareness related to regulatory changes are provided for the benefit of the Key Managerial Personnel. Topics covered include: Corporate Governance, Companies Act, 2013, SEBI regulations as applicable to the Company, ESG matters, cyber security risk.	100
Employees other than BoD and KMPs	8,133 unique employees attended 307 Instructor Led Training & 1,252 Online Training sessions	Values-based capability building programme, Code of Conduct for Employees, Prevention of Sexual Harassment Act Workplace (POSH), Well-being (financial, physical and mental), safety linked sessions, sensitisation of compliances under Code of Conduct to regulate, monitor, and report trading by Designated Persons, and fair trade practices, competition law, sessions on soft skill enhancement and function specific knowledge sessions.	87
Workers	206 sessions	Health & Safety related trainings. Wellness sessions and skill upgradation.	100

**Notes:**

- The Company provides regular trainings on health and safety to minimise workplace accidents without focusing upon the numbers of hours spent in training.
- Training on skill upgradation includes both soft skill and functional skills. Such trainings are imparted by individual functions basis the need for their department and are not specially tracked.
- The numbers are reported for all the employees who were on the rolls of the Company during the year.
- Limited assurance has been carried out by Price Waterhouse Chartered Accountant LLP on the above indicator.

**2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format:**

		Monetary		
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine				
Settlement		Nil		
Compounding fee				
		Non-Monetary		
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment				
Punishment		Nil		

**Note:** Materiality threshold as specified in Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been applied for the purpose of this disclosure.

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed. - Not Applicable**

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has a published position statement on anti-corruption and anti-bribery available on its website at <https://www.asianpaints.com/PositionStatement.html>. Further, the Company's Code of Conduct for Employees and the Code of Conduct for Business Partners, cover aspects relating to anti-corruption or anti-bribery, the scope of which extends to all employees of the Company and its subsidiaries and associate companies.

The Company is committed to maintaining the highest ethical standards while undertaking fair business operations and implementing and enforcing effective systems to detect, counter, and prevent bribery and corruption. The Company has zero tolerance towards corruption and giving or offering to give, directly or through a third party, undue incentive ("bribery") to a public servant or any business partner intending to obtain or retain business or an advantage in the course of business.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

	FY 2023-24	FY 2022-23
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

**6. Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	Brief details of the complaint	Number	Brief details of the complaint
Number of Complaints received in relation to issues of Conflict of Interest of the Directors	-	-	1	The Company had received a complaint from an individual (ex-employee and a vendor of the Company), through the National Stock Exchange of India (NSE), alleging impropriety with respect to certain related party transactions entered into by the Company among other matters. The Company has appropriately responded to the same.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

**Note:** Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

**8. Number of days of accounts payables [(Accounts payable \*365)/Cost of goods/services procured]:**

	FY 2023-24	FY 2022-23
Number of days of accounts payables	67	65

**Notes:**

- Average trade payable and net purchases of raw material, packaging material and stock in trade has been considered in the computation of days of accounts payable.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

## Business Responsibility & Sustainability Report (Contd.)

### 9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases <sup>^</sup>	a. Purchases from trading houses as % of total purchases	11.8%	11.7%
	b. Number of trading houses where purchases are made from	411	344
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	77.5%	80.3%
Concentration of Sales <sup>*</sup>	a. Sales to dealer/distributors as % of total sales	99.1%	99.1%
	b. Number of dealers/distributors to whom sales are made	74,129	70,174
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	0.9%	0.8%
Share of RPTs in	a. Purchases <sup>^</sup> (Purchases with related parties/Total Purchases)	3.5%	3.5%
	b. Sales (Sales to related parties/Total Sales)	0.3%	0.4%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties/Total Investments made)	31.7%	31.2%

#### Notes:

- <sup>^</sup>Purchases of raw material, packing material and stock in trade as disclosed in note no. 24 of the standalone financial statements.
- <sup>\*</sup>Gross sales as disclosed in note no. 22(C) of the standalone financial statements.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

### Leadership Indicators

#### 1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

The Company is committed to conducting business in an ethical, fair, legally, socially and environmentally responsible manner. The Company's business partners are an integral part of the ecosystem, and the Company encourages the business partners to be responsible corporate citizens. The Company has in place a documented Code of Conduct for Business Partners to emphasise its commitments in the areas of business integrity, human rights, labour practices, environment stewardship, etc.

All the agreements/contracts/purchase orders entered into by the Company with the business partners includes stated confirmation on the above-mentioned aspects. The Code of Conduct for Business Partners is available at <https://www.asianpaints.com/CodeofConductforBusinessPartners.html>. The Company also seeks confirmation from the business partners on acceptance and adherence to the Code of Conduct for Business Partners. The process of holding discussions and conducting awareness sessions with our value chain partners on these principles has been initiated.

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

#### 2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has Code of Conduct for Board of Directors and Senior Management Personnel (Code) which stipulates guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. The Company receives an annual declaration and changes, if any, from time to time, from its Board of Directors and Senior Management Personnel on their concern and interest in other entities, and ensures requisite approvals as required under the applicable laws are taken prior to entering into transactions with such entities. Further, the Directors abstain from participating in the Board/Committee meetings on matters in which they are interested or deemed to be interested.

Additionally, the Company also receives an annual declaration from the members of the Board confirming adherence to the Code. The Code is available on the Company's website at <https://www.asianpaints.com/CodesandPolicies.html>

### PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

#### Essential Indicators

##### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	2.0%	1.4%	The Company has an in-house Research & Technology (R&T) facility where experts/scientists work on various innovations/technologies including finding pathways for bringing on more sustainable and environment friendly products which includes low Volatile Organic Compound (VOC) paints, reducing/eliminating lead and heavy metals, etc. The Company has spent ₹115.8 Crores & ₹105.4 Crores (only operating cost) on R&T expenses during FY 2023-24 and FY 2022-23 respectively. These include expenses on multiple projects embodying several benefits including environmental and social benefits, however, separately identifying such costs is not feasible. <b>The reported percentage of R&amp;D include only separately identified expenses, excluding employee cost and other direct expenses of R&amp;T.</b>
Capex	6.8%	8.5%	The capital spends include investments in renewable energy, installation of environment monitoring systems, expenditure on energy efficient equipment, waste reduction & treatment infrastructure, automation of laborious activities and improvement of safety infrastructure among others.

##### 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. The Company has the Code of Conduct for Business Partners (Code) which acts as the umbrella policy for driving the ESG agenda in its value chain. During the year, 2,793 existing vendors have acknowledged/accepted the Code which represents more than 90% of raw material and packaging suppliers of the Company by value.

Vendor selection and on-boarding criteria include a necessary evaluation of compliance with environment-related regulations such as valid consent and other authorizations, availability of environment policy and management system as well as self-declaration on key Human Rights principles. During the year, 149 such suppliers were on-boarded based on the evaluation.

During the year, we rolled out our Supply Chain Sustainability program "Samaveta", to institutionalize collaboration on sustainability by establishing the ESG baseline, maturity and identifying areas of possible collaboration. As part of the program, we have assessed the maturity and impact of our suppliers using ESG criteria based on the response on Self Declaration Forms (SDFs). A detailed description of the program Samaveta along with the way forward has been provided in the Sustainable Supply Chain Management under Governance section forming part of this Integrated Annual Report on page no. 117.

##### b. If yes, what percentage of inputs were sourced sustainably?

The Company continuously assesses the source of inputs from vendors and evaluates if these vendors are certified by third-party agencies. Such information is gathered from the public domain & disclosure by vendors. Basis this assessment, more than 80% of the raw material procurement by value are certified to be compliant with social and environmental standards such as SA 8000, ISO 14001/EMS, OHSAS 18001/ISO 45001, EcoVadis rating (bronze or higher) or relevant labels like Rainforest Alliance, Rugmark, RSPO, etc.

Further, under the program Samaveta we have assessed 77% of raw material and packaging material suppliers by value based on their response to SDFs.

##### 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Paints is a product applied on surfaces and gets completely utilized once it reaches consumers. However, we focus on reducing the generation of dead, damaged, and defective materials on the inventory management front. These stocks are collected back, reprocessed, and utilized to the maximum extent possible. Additionally, our packaging material is predominately plastic, and we also provide electric tools used while painting, details of which are provided below:



## Business Responsibility & Sustainability Report (Contd.)

- a) **Plastics (including packaging):** The Company follows the Extended Producer Responsibility (EPR) approach for managing downstream operations of plastic packaging waste ensuring compliance with the Plastic Waste Management Rules, 2016 (PWM Rules, 2016). Further, the Company has increased the use of recycled plastic in a host of its product packaging. The total quantity of recycled plastic used in packaging was 10,324 Metric Tonnes (MT) in FY 2023-24. This accounts for 14.6% of total plastic packaging procured.
- b) **E-waste:** The Company provides a range of painting-related electrical mechanised tools which are covered under the purview of E-waste (Management) Rules, 2022 (E-waste Rules, 2022). We have ensured compliance with the requirement for EPR set out in the said rules.
- c) **Hazardous Waste:** Not applicable
- d) **Other:** Not applicable

#### 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to the Company under PWM Rules, 2016 and E-waste Rules, 2022.

The Company has been ensuring the collection and safe disposal of plastic packaging waste through the EPR approach since 2018. The Company has collected over 7,200 MT of flexible & Multi-Layered Plastic (MLP) and 70,000 MT of rigid plastic in FY 2023-24. The collection and responsible channelization was ensured across 25 states.

Further, the Company provides a range of painting-related electrical mechanised tools which are covered under the purview of E-waste Rules, 2022. The Company fulfilled the EPR obligation during the year and ensured the collection and recycling of 86.27 MT of e-waste as per the E-waste Rules, 2022 and Central Pollution Control Board (CPCB) directions.

### Leadership Indicators

#### 1. Has the entity conducted Life Cycle Perspective Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

At Asian Paints, we follow life cycle approach to assess the environmental impact of our products throughout their entire life cycle, from raw materials sourcing to disposal. We believe that by understanding the full life cycle impact of our products, we can identify opportunities to reduce environmental impacts, increase resource efficiency, create value for our stakeholders and provide our customers with a range of Sustainably Advantaged Products.

During FY 2023-24, the Company has undertaken a third-party product LCA for 53 products which included a range of exterior & interior paints, wood finishes, waterproofing, colorants and adhesives in line with ISO 14040. The key impacts covered under the LCA are Abiotic Depletion (ADP elements), Abiotic Depletion (ADP fossil), Acidification Potential (AP), Eutrophication Potential (EP), Global Warming Potential (GWP 100 years), Global Warming Potential (GWP 100 years) excluding biogenic carbon, Ozone Layer Depletion Potential (ODP, steady state), Photochemical Ozone Creation Potential (POCP), primary energy demand (net calorific value), bluewater consumption, ecotoxicity, human toxicity cancer, and non-cancer.

Further, we have invested in advanced LCA capabilities to estimate product carbon footprints and its environmental impact. A group of scientists from our R&T and sustainability team have received effective training in undertaking LCA studies for the products.

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No). If yes, provide the web-link.
202	Top volume products across exterior & interior paint, wood finishes, waterproofing, colorants and adhesives	70%	Cradle to grave	Yes	No

#### 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products services, as identified in the Life Cycle Perspective Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

There are no significant social/environmental concerns and/or risks arising from the production or disposal of products/services. However, based on the LCA study, the Company is working to mitigate identified hotspots in regard to the environmental impact of the products. This has been discussed in detail in the Sustainable Operations section forming part of this Integrated Annual Report on page 44. The key initiatives are listed below:

- A. Scope 3 emission:** The majority of our emissions lie in scope 3 and hence multiple initiatives are being undertaken by the Company.
  - a. Emission reduction through formulation efficiency and process innovations. This results in emission reduction at the raw material stage as product life cycle which is a key contributor to Scope 3 emissions. During the year, the Company realized a reduction of 30,143 metric tCO<sub>2</sub>e.
  - b. Multimodal Transportation: In line with national logistics policies, the Company has adopted multimodal transport, using cleaner fuel-powered vehicles. Such initiatives help in reducing the emissions in our outbound logistics. These initiatives helped reduce more than 5,500 tCO<sub>2</sub>e of GHG emissions from logistics footprint, while also optimizing freight costs.
- B. Water Footprint:** The Company continue to work extensively to reduce overall water footprint by driving water conservation activity within plants, harvesting and utilizing rainwater in process, and water recharge and conservation initiatives outside plants. During the year, the Company replenished 387% of freshwater consumption. The specific non-process water consumption has been reduced by 54% since 2013-14 to 0.44 KL/KL.
- C. Sustainability Advantaged Products:** Our Sustainably Advantaged Products are products that are more sustainable than the current norm for the industry and bring tangible sustainability benefits to our customers. These include products that provide resource efficiency benefits in use-phase by reducing surface temperature, offering longer-lasting performance, providing health and well-being benefits, etc.
  - **High Durability Products:** The Company is committed to deliver products that surpass expectations by combining durability and environmental responsibility. Enhancing product longevity is vital in minimizing waste and conserving resources throughout the lifecycle. The Company strive to create long-lasting, low-maintenance products that uphold our performance and aesthetic standards through research and development, rigorous testing, and consumer research. Additionally, the focus is on extending in-can shelf life, ensuring optimal usability for consumers.
  - **Low VOC Products:** The Company is constantly changing and improving its paint formulations to offer low-VOC paints that ensure health and environmental benefits while providing higher performance levels. Further, the Green Seal and the Company's Green Assure products are low VOC products as VOC is one of the important criteria to comply with these certification standards.

Name of Product/Service	Description of the risk/concern	Action Taken
-	-	-

#### 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):

Indicate input material	Recycled or re-used input material to total material (%)	
	FY 2023-24	FY 2022-23
Recycled content in plastic packaging procured	14.6%	7.8%
Wash water reuse in the process	6.2%	5.7%

**Note:** Limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP.

## Business Responsibility & Sustainability Report (Contd.)

### 4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)*	-	~73,000	~4,200	-	~53,400	~500
E-waste	-	86.27	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

\*At the time of reporting, we are in the process of traceability assessment to ascertain the quantity of plastic channelized for recycling and safe disposal. The breakup provided in the table is a conservative estimate for recycling based on the assessment done so far.

### 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic Waste as part of Extended Producers Responsibility	100% of total plastic packaging material [rigid, flexible & Multi-Layered Plastic (MLP)]

## PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

### Essential Indicators

#### 1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day-care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	7,060	7,060	100	7060	100	-	-	7039	99.7	1384	19.6
Female	744	744	100	744	100	744	100	-	-	476	63.9
<b>Total</b>	<b>7,804</b>	<b>7,804</b>	<b>100</b>	<b>7804</b>	<b>100</b>	<b>744</b>	<b>9.5</b>	<b>7039</b>	<b>90.2</b>	<b>1860</b>	<b>23.8</b>
<b>Other than Permanent employees</b>											
Male	6304	6304	100	6304	100	-	-	-	-	-	-
Female	746	746	100	746	100	746	100	-	-	-	-
<b>Total</b>	<b>7050</b>	<b>7050</b>	<b>100</b>	<b>7050</b>	<b>100</b>	<b>746</b>	<b>10.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Notes:

- Vendors are required to adhere to the statutory compliances as per applicable laws and rules made thereunder.
- Day-care facilities are available on the Company premises (including plants) as per provisions of the Factories Act, 1948.
- Some locations do not fall under the Maternity Benefit Act, 1961 and accordingly do not meet the requirement of having a day-care facility.

#### b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day-care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	1,672	1,672	100	1,672	100	-	-	1,672	100	61	3.6
Female	6	6	100	6	100	6	100	-	-	6	100
<b>Total</b>	<b>1,678</b>	<b>1,678</b>	<b>100</b>	<b>1,678</b>	<b>100</b>	<b>6</b>	<b>0.4</b>	<b>1,672</b>	<b>99.6</b>	<b>67</b>	<b>3.9</b>
<b>Other than Permanent workers</b>											
Male	13,749	13,749	100	13,749	100	-	-	-	-	1,431	10.4
Female	390	390	100	390	100	390	100	-	-	101	25.9
<b>Total</b>	<b>14,139</b>	<b>14,139</b>	<b>100</b>	<b>14,139</b>	<b>100</b>	<b>390</b>	<b>2.8</b>	<b>-</b>	<b>-</b>	<b>1,532</b>	<b>10.8</b>

#### Notes:

- Vendors are required to adhere to the statutory compliances as per applicable laws and rules made thereunder.
- Day-care facilities are available on the Company premises (including plants) as per provisions of the Factories Act, 1948.
- Some locations do not fall under the Maternity Benefit Act, 1961 and accordingly do not meet the requirement of having a day-care facility.

#### c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent): #

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.4%	0.3%

Note: # Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

#### 2. Details of retirement benefits:

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees*	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)^	No. of employees covered as a % of total employees*	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)^
PF	100	100	NA	100	100	NA
Gratuity	100	100	NA	100	100	NA
ESI	NA	100	Yes	NA	100	Yes

#### Notes:

- \*Eligible as per statute.
- ^ The Provident fund and Gratuity contribution are deposited with the Company's Trust Funds.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.



## Business Responsibility & Sustainability Report (Contd.)

### 3. Accessibility of workplaces:

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company has Policy on Equal Opportunity and Non-Discrimination basis which the Company takes proactive measures to build systems and processes to ensure:

1. That appropriate infrastructural facilities and amenities are provided to employees and workers with disabilities to enable them to discharge their duties safely and effectively in the establishment.
2. The facilities are in compliance with the Harmonised Guidelines and Space Standards for Barrier Free Built Environment for Persons with Disability and Elderly Persons (as amended from time to time), issued by the Ministry of Urban Development, Government of India.
3. Accessible environment and assistive devices as required are made available.

Accordingly, all employees/workers with disability are provided resources necessary for their smooth functioning and create an inclusive environment.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has a Policy on Equal Opportunity and Non-Discrimination which is available on it's website at <https://www.asianpaints.com/policyonequalopportunityandnondiscrimination.html>.

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	85.1	100	100
Female	100	86.7	*	*
<b>Total</b>	<b>100</b>	<b>85.2</b>	<b>100</b>	<b>100</b>

#### Notes:

1. \*None of the female permanent workers availed parental leave in this year.
2. Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. Grievances received from workers are duly recorded in the appropriate registers at the plant premises. Grievances can also be raised at <a href="http://asianpaints.ethicspoint.com/">http://asianpaints.ethicspoint.com/</a> through our toll free no. 000-800-100-1622, emailing at <a href="mailto:whistle.blower@asianpaints.com">whistle.blower@asianpaints.com</a> and/or by way of a letter addressed to the Ethics Committee at the Registered Office of the Company.
Other than Permanent Workers	
Permanent Employees	Yes. Employees can raise grievances with their reporting managers and/or with HR business partner. Grievances can also be raised at <a href="http://asianpaints.ethicspoint.com/">http://asianpaints.ethicspoint.com/</a> through our toll free no. 000-800-100-1622, emailing at <a href="mailto:whistle.blower@asianpaints.com">whistle.blower@asianpaints.com</a> and/or by way of a letter addressed to the Ethics Committee at the Registered Office of the Company.
Other than Permanent Employees	

### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>7,804</b>	<b>141</b>	<b>1.8</b>	<b>6,372</b>	<b>136</b>	<b>2.1</b>
- Male	7,060	138	1.9	5,768	131	2.3
- Female	744	3	0.4	604	5	0.8
<b>Total Permanent Workers</b>	<b>1,678</b>	<b>1,539</b>	<b>91.7</b>	<b>1,684</b>	<b>1,577</b>	<b>93.6</b>
- Male	1,672	1,539	92.0	1,678	1,577	93.9
- Female	6	-	-	6	-	-

**Note:** Limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

### 8. Details of training given to employees and workers:

Category	FY 2023-24				FY 2022-23					
	Total (A)	On Health and safety measures*		On Skill upgradation		Total (D)	On Health and safety measures*		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	7,060	1092	15.5	5,205	73.7	5,768	1,363	23.6	4,957	85.9
Female	744	97	13.1	544	73.1	604	111	18.4	514	85.1
<b>Total</b>	<b>7,804</b>	<b>1,189</b>	<b>15.2</b>	<b>5,749</b>	<b>73.7</b>	<b>6,372</b>	<b>1,474</b>	<b>23.1</b>	<b>5,471</b>	<b>85.9</b>
<b>Workers</b>										
Male	1,672	1,672	100			1,678	1,678	100		
Female	6	6	100	#		6	6	100	#	
<b>Total</b>	<b>1,678</b>	<b>1,678</b>	<b>100</b>			<b>1,684</b>	<b>1,684</b>	<b>100</b>		

#### Notes:

1. \* The Company provides regular trainings on health and safety to minimise workplace accidents without focusing upon the numbers of hours spent in training.
2. # Trainings on skill upgradation includes both soft skill and functional skills. Such trainings are imparted by individual functions basis the need for their department and are not specifically tracked.
3. Limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

### 9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
- Male	7,060	7,060	100	5,768	5,768	100
- Female	744	744	100	604	604	100
<b>Total</b>	<b>7,804</b>	<b>7,804</b>	<b>100</b>	<b>6,372</b>	<b>6,372</b>	<b>100</b>
<b>Workers</b>						
- Male	1,672	1,672	100	1,684	1,684	100
- Female	6	6	100	6	6	100
<b>Total</b>	<b>1,678</b>	<b>1,678</b>	<b>100</b>	<b>1,690</b>	<b>1,690</b>	<b>100</b>

**Note:** All our employees and workers are eligible to receive performance and career development reviews. For employees who have joined the Company during the period January to March, 2024 career development reviews would only have been received.

## Business Responsibility & Sustainability Report (Contd.)

### 10. Health and Safety management system:

#### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?

Yes. In accordance with the Health and Safety Policy of the Company, Occupational Health and Safety Management System has been implemented at all in-house manufacturing facilities and Research & Technology laboratory.

Further, all other locations also comply with the applicable statutory requirement pertaining to health and safety. The Company's health and safety management system is based on ISO 45001, the International Standard for Occupational Health and Safety. All 8 decorative paints manufacturing plants are Five Star Certified by British Safety Council (BSC). Of these, 3 plants have also received Sword of Honour from BSC during the year.

#### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has Health and Safety Policy. The health and safety guidelines are applicable to all operating locations of the Company and lay down required parameters to be followed at all the locations. Some of the key processes for identifying work-related hazards and assessing risks on a routine and non-routine basis are given below:

- (i) Hazard Identification and Risk Assessment (HIRA) is used for routine and non-routine activities.
- (ii) Hazard and Operability Study (HAZOP) is being used for identifying hazard related to chemical processes.
- (iii) Chemical Risk Assessment is used for identifying health hazards during handling of chemicals.
- (iv) Manual Material Handling Assessment Chart (MAC) tool is used for identifying hazards during manual material handling activities.
- (v) Fire Risk Assessment is done for handling fire related risks.
- (vi) Work place monitoring by laboratories accredited by National Accreditation Board for Testing and Calibration Laboratories or approved by the Ministry of Environment, Forest and Climate Change.

#### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Yes, all workers at plants can report work related hazards through an internal portal. All the work hazards reported are monitored and actioned upon through the Department Safety Committee which in turn is supplemented by Apex Safety Committee at the plant. A process of 'stoppage of work due to unsafe act and unsafe condition' to safeguard employees' interest is in place to report or remove themselves from situations they believe could cause injury. At non-manufacturing locations, the workers can approach the location head to report any work-related hazards and to remove themselves from such risks.

#### d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, all employees/workers are covered under the Company's health insurance and personal accident policy.

### 11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.15	0.19
	Workers	0.25	0.24
Total recordable work-related injuries	Employees	17	17
	Workers	46	43
No. of fatalities	Employees	3	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

#### Notes:

1. The details of safety related incidents now include non-manufacturing units in addition to manufacturing sites and R&T Centre reported till last year. The numbers for previous year have been appropriately revised.
2. The lost time injury details for manufacturing locations and R&T Centre, is as per the criteria defined in Factories Act, 1948. For non-manufacturing locations, where Factories Act, 1948 is not applicable, man days lost >= 2 has been considered.
3. The fatalities pertains to road accidents during on-duty travel.
4. There are no incidents resulting in permanent disabilities
5. Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the above indicator.

### 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

In line with the Company's Health and Safety Policy, there are various measures taken to ensure access to a safe and healthy work-place to all employees and workers. The Company invests in technologies and processes to avoid and minimise the manual interfaces with machines. The Company ensures that all statutorily required norms are complied with and get third party safety audits done for validation.

The Company endeavours to design any new facility by using latest technology and include all possible safety measure such that there is near zero risk to human health. At the existing facilities, newer mechanism, machines, and techniques are put in place.

#### Performing internal and external studies and surveys:

The Company performs various internal and external studies like 'HIRA', 'HAZOP', chemical risk assessment, fire risk assessment, manual material handling assessments, quantitative risk assessment for chemical storage tank and surveys relating to structural stability, noise survey, illumination survey, etc. to identify process safety hazards and controls.

#### Safety management systems:

The health and safety management system is based on ISO 45001 - the International Standard for Occupational Health and Safety and is also designed to cater to the 'Five Star Integrated Audit' by British Safety Council which is a leading global recognition in the field of Occupational Health and Safety Systems. This covers eight decorative paints manufacturing plants, one industrial paints plant, one chemical plant and Research and Technology Centre. It covers our workforce including contractor workmen, drivers, cleaners as well as visitors etc.

#### Training:

The Company encourages and works on building Behaviour Based Safety Management to encourage adherence to safe behaviour and promote safety culture. It provides periodic trainings to employees on the manner of performing such assessments/surveys, handling hazardous chemicals and equipment. All employees and workers are trained on safety aspects which includes First - aid, Fire - fighting, Onsite Emergency Plan, Work Permit System, HIRA, HAZOP, etc.

#### Use of technology and other safety measures:

Most of the paint manufacturing process are automated/semi-automated and are controlled through Distributed Control System (DCS) and Manufacturing Excellence System (MES). All the new plants are highly automated with conveyors and robotics palletisation to reduce manual material handling thereby, creating safer work environment. Moving parts of machineries are equipped with machine guarding mechanism like separately demarcated routes for vehicles and pedestrians, installation of convex mirrors at blind corners for Material Handling Equipment (MHE) trucks, monitoring speed of all vehicular movements, installation of safety alarms, interlocks to eliminate hazard related to moving parts, etc.

Over and above, it is ensured that fire protection equipment such as hydrant system, water monitors, foam monitors, fire extinguishers, fire detection and sprinkler fire system are provided as per relevant Indian Standards. Pre-employment and annual medical examinations are carried out for employees and contractor workmen as per Company's Policy. Personal Protective Equipment (PPE) are identified for various activities and maintained in the form of PPE matrix for each section in the plants conforming to relevant Indian/International Standard as applicable.

#### Road safety initiatives:

We understand that road safety is paramount, extending beyond our office premises to the roads our employees travel on daily basis. Committed to fostering a culture of safety and responsibility, we have implemented several initiatives to create awareness like Touch on Safety (Video Series) - highlighting importance of road safety, Defensive Driving Training by Safe Drive India, Simulator Driving Workshop, Infra Changes for ease in travelling, etc.

#### Periodic equipment maintenance, review and testing:

There is a well-defined checklist basis which periodic safety inspections are carried out and actions are taken in a time bound manner. Regular inspections and maintenance are done by competent persons for various critical equipment, with necessary permits wherever needed, ensuring lockout tagout system is implemented.



## Business Responsibility & Sustainability Report (Contd.)

### Redressal and investigation mechanism:

There are Safety Committees constituted at locations to ensure that safe work practices are in place. The Committees promote the participation of employees and workers to participate in ensuring workplace safety and have a well laid out procedure of investigation for work – related incidents, review and investigation along with implementation of corrective and preventive actions.

### 13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

The Company encourages employees and workers to highlight any issues noticed towards working conditions and Health & Safety concerns at all its locations. The employees can also lodge complaints on the internal portal of the Company as well. Throughout the year, the employees have raised many such queries/concerns on the portal which have been largely addressed by the Company. Such complaints are mostly in the nature of flagging of possible need of repairs or availability of proper working conditions which are regular in nature and addressed as and when raised. These queries/concerns are not reported considering them as trivial.

### 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working conditions	100

**Note:** % is based on cases which were due for an assessment either basis regulatory requirements and/or basis the Company's internal guidelines.

### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

The Company continuously monitors and assesses its health and safety practices and working conditions. Investigation is conducted in case any incident is reported using various methodology to identify the root cause. The investigation team presents corrective and preventive measures which is reviewed at various levels by the local management and central teams. Such corrective actions are then deployed horizontally across locations.

### Leadership Indicators

#### 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/No) (B) Workers (Yes/No).

Yes, the Company has extended life insurance or compensatory package in the event of death of both employees and workers.

#### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has a robust mechanism to ensure that all statutory dues have been deducted and deposited by the value chain partners. As per the business agreements/contracts and purchase orders, all vendors are obliged to make necessary statutory payments timely. The Company regularly verifies the payment made by vendors to various government authorities towards statutory payments internally or through third party audits. With such reviews, the Company internally rates the vendors on their compliance status. The Company issues notices or penalises them or ceases business dealing with defaulting vendors depending on the number of defaults.

### 3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	3	-	-	-
Workers	-	-	-	-

### 4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, the Company has a transition assistance program across cadres right from junior level to senior management to provide guidance to new promotees to discharge their duties more effectively and develop their functional and behaviour skill sets. Each program is uniquely designed depending on the cadre and required developmental needs. The program also allows individuals to nominate themselves for one on one and group coaching programs which helps them in addressing any specific transitional need. In case of retirement, various insight sharing sessions are held with the employees to gain from their experiences. The Company engages with them to assist them in financial planning needs, if any. Refer the Synergising Relationships section forming part of this Integrated Annual Report on page no. 62

### 5. Details on assessment of value chain partners:

The Company has in place a Code of Conduct for Business Partners. Accordingly, business partners are expected to provide a safe and healthy workplace for their employees and contractors. Business partners must be compliant with applicable laws and regulations on Occupational Health and Safety, and have the required permits, licenses and permissions granted by local and national authorities.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working Conditions	-

### 6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners - Not Applicable

### PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

#### Essential Indicators

##### 1. Describe the processes for identifying key stakeholder groups of the entity.

Refer Stakeholder Engagement section forming part of this Integrated Annual Report on page no. 38.

##### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Refer Stakeholder Engagement section of forming part of this Integrated Annual Report on page no. 38.

#### Leadership Indicators

##### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Stakeholder engagement is a crucial process that contributes to the growth ambitions. Refer Stakeholder Engagement section forming part of this Integrated Annual Report on page no. 38 which covers the process for consultation between stakeholders and the Board.

The Company reports annually on the progress of ESG targets to update all stakeholders on ongoing initiatives. The comprehensive reporting approach demonstrates an unwavering dedication to provide stakeholders a transparent and holistic view of the Company's performance and progress toward achieving ESG commitments.

## Business Responsibility & Sustainability Report (Contd.)

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company in consultation with the stakeholders has identified material environmental and social topics. Material topics were shortlisted and prioritised based on their impact on the stakeholders and the business. The details on the same have been provided in the Stakeholder Engagement and Identifying Materiality Issues sections forming part of this Integrated Annual Report.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Company identifies the need of communities including vulnerable and marginalised groups and accordingly takes up various programs through Corporate Social Responsibility initiatives. The initiatives undertaken by the Company under the thrust areas of Corporate Social Responsibility is after assessing the need of the communities including the vulnerable/marginalised stakeholder groups and other members of the community. The Company has undertaken nutrition projects for children, adolescents, pregnant and lactating women and organised Eye Care programme for school students. The Colour Academies works on imparting skill education and enhancing productivity of the people in paint application, plumbing, carpenter training, etc. and strives to make an impact on their lives by bringing positive economic, professional and inter personal & intrapersonal impact. For more information, please refer to the Synergising Relationships section forming part of this Integrated Annual Report on page no. 62.

## PRINCIPLE 5 Businesses should respect and promote human right

### Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of Employees/workers covered (B)	% (B/A)	Total (C)	No. of Employees/workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	7,804	7,162	91.8%	6,372	4,096	64.3%
Other than permanent	7,050	Refer Note (2)		7,838	Refer Note (2)	
<b>Total Employees</b>	<b>14,854</b>			<b>14,210</b>		
<b>Workers</b>						
Permanent	1,678	Refer Note (2)		1,684	Refer Note (2)	
Other than permanent	14,139	Refer Note (2)		16,142	Refer Note (2)	
<b>Total Workers</b>	<b>15,817</b>			<b>17,826</b>		

#### Notes:

- The trainings on human rights and other policies are a part of the Code of Conduct and various other awareness programmes. The Company has deployed an e-module on Code of Conduct for training of the employees.
- Several discussions are held with all employees and workers to create awareness around human rights and the Company's Code of Conduct. In addition to HR led sessions and e-module, all employees and workers (including new joiners) are trained/made aware of the Code of Conduct by their functional team leads. Such sessions are currently not tracked. Further, the Code of Conduct is available for reference on the Company's website and on the Company's intranet portal. They are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with: all applicable laws, rules and regulations, and all applicable policies and procedures adopted by the Company.
- Limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

### 2. Details of minimum wages paid to employees and workers:

Category	FY 2023-24				FY 2022-23					
	Total (A)	Equal to minimum wage		More than Minimum Wage		Total (D)	Equal to minimum wage		More than Minimum Wage	
		No. (B)	%(B / A)	No. (C)	%(C / A)		No. (E)	%(E/D)	No. (F)	%(F / D)
<b>Employees</b>										
<b>Permanent</b>										
Male	7,060	-	-	7,060	100	5,768	-	-	5,768	100
Female	744	-	-	744	100	604	-	-	604	100
<b>Other than Permanent</b>										
Male	6,304	572	9.1	5,732	90.9	6924	740	10.7	6,184	89.3
Female	746	411	55.1	335	44.9	914	604	66.1	310	33.9
<b>Workers</b>										
<b>Permanent</b>										
Male	1,672	-	-	1,672	100	1678	-	-	1,678	100
Female	6	-	-	6	100	6	-	-	6	100
<b>Other than Permanent</b>										
Male	13,749	2,798	20.4	10,950	79.6	15,735	13,311	84.6	2,424	15.4
Female	390	81	20.8	309	79.2	407	306	75.2	101	24.8

#### Notes:

- The number for previous year has been revised basis the information received from the partners.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

### 3. Details of remuneration/salary/wages

#### a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)*	8	63,00,000	5	57,00,000
Key Managerial Personnel (KMP)**	2	12,24,07,218	-	-
Employees other than BoD and KMP	7,058	15,19,104	744	12,22,869
Workers	1,672	4,86,248	6	2,24,070

#### Notes:

- \*Includes Managing Director & CEO
- \*\*Key Managerial Personnel are the Managing Director & CEO and CFO & Company Secretary
- Include details of Directors and KMP as on 31<sup>st</sup> March 2024.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

#### b. Gross wages paid to females as % of total wages paid by the entity:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	7.8%	6.7%

Note: Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.



## Business Responsibility & Sustainability Report (Contd.)

### 4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Ms. Savitha Shivsankar, the Chief Human Resources Officer of the Company, is responsible for addressing any human rights issues caused or contributed by the business. Further, these cases are presented to the Audit Committee along with the status and its resolutions on a quarterly basis.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to providing a safe and conducive work environment to all of its employees and workers. Transparency and openness are organisational values and are practised across all levels. Employees are encouraged to share their concerns with their reporting manager or the members of the Senior Management. Employees can reach out independently to the Human Resource function if they so choose to. The Company has an open-door approach, wherein any employee irrespective of hierarchy has access to the Senior Management. In addition, the Code of Conduct for Employees and the Whistle Blower Policy allows all our employees to report any kind of suspected or actual misconduct in the organisation in an anonymous manner including grievances related to human rights issues.

Refer to the Company's position statement on Human Rights at <https://www.asianpaints.com/PositionStatement.html>.

### 6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	11	2*	-	5	1*	
Discrimination at workplace	-	-	-	-	-	
Child Labour	-	-	-	-	-	
Forced Labour/Involuntary Labour	-	-	-	-	-	
Wages	1	-	-	-	-	
Other human rights related issues	-	-	-	-	-	

#### Notes:

- \*The cases pending for resolution are not beyond 90 days - defined period for resolution as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 or POSH policy.
- Limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

### 7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

	FY 2023-24	FY 2022-23
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	11	5
Complaints on POSH as a % of female employees/workers	1.5%	0.8%
Complaints on POSH upheld	11	5

Note: Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

### 8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company believes in the principle of natural justice and ensures that full confidentiality of complainant is maintained during and after resolution of complaint. Such complaints are usually handled by senior members in the organisation. These members are trained on aspects like how such complaints must be handled, the rights of complainants, and manner of dealing with complaints and respondents, sensitivity and judgement to be applied on such matters.

The members handling such complaints maintain full confidentiality to protect the complainant during as well as after closure of complaints. The complainant is protected against any adverse action not limited to harassment, unfair termination of employment, demotion, suspension and biased behaviour.

### 9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, all critical human rights requirements are part of business agreements, purchase orders and contracts with suppliers. Further, the Code of Conduct for Business Partners is applicable to all the suppliers and service providers according to which suppliers are expected to respect human rights and avoid causing/contributing to human rights infringements through their business actions.

### 10. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	100
Discrimination at workplace	
Wages	
Others- please specify	

### 11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.: Not Applicable

#### Leadership Indicators

#### 1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

During the reporting period, no business processes have been modified or introduced for addressing human rights grievances/complaints.

#### 2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company is committed to protecting and respecting Human Rights and remedying human rights violations in case they are identified; for example, issues relating to human trafficking, forced labour, child labour, freedom of association, right to collective bargaining, equal remuneration and discrimination. The Company work towards providing equal employment opportunity, ensuring distributive, procedural, and interactional fairness, creating a harassment-free, safe environment and respecting fundamental rights. As an equal opportunity employer, no discrimination is tolerated in any aspect. Refer to the Company's Human Right Position Statement at <https://www.asianpaints.com/PositionStatement.html>.

#### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Differently abled visitor at Head Office are given access to required facilities. The Company is taking appropriate measures to build systems and processes to ensure that provisions are made for an accessible environment & assistive devices as required.

#### 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child labour	Nil*
Forced Labour/Involuntary Labour	
Wages	
Others- please specify	

\* In accordance with the Company's policy on Code of Conduct for Business Partners, all business partners must treat all employees with respect and dignity and exhibit zero tolerance towards unacceptable sexual harassment, workplace discrimination and must not engage in child labour, Forced Labour/Involuntary Labour, etc. They must provide safe and healthy workplace for their employees and contractors. Business partners must be compliant with local and national laws and regulations on Occupational Health and Safety, and have the required permits, licenses and permissions granted by local and national authorities. They must also provide their employees with safe and human working conditions.

#### 5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above. Not Applicable

## Business Responsibility & Sustainability Report (Contd.)

### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

We have expanded our reporting boundary for the disclosures in this principle. The boundary now includes all paints and chemical manufacturing units, R&T center, owned offices and leased offices/warehouses. Hence, the performance for FY 2022-23 has been updated appropriately.

For the purpose of calculation of revenue adjusted Purchasing Power Parity (PPP), conversion factor @22.88 INR/USD as per World Bank [website](#) has been considered.

#### Essential Indicators

##### 1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY 2023-24 (in GJ)	FY 2022-23 (in GJ)
<b>From renewable sources</b>		
Total electricity consumption (A)	2,32,622	2,05,565
Total fuel consumption (B)	6,172	2,066
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>2,38,794</b>	<b>2,07,631</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	1,87,649	1,92,732
Total fuel consumption (E)	8,53,773	8,64,356
Energy consumption through other sources (F)	12,329	10,447
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>10,53,751</b>	<b>10,67,535</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>12,92,545</b>	<b>12,75,166</b>
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	41.9 GJ/ ₹ crore	42.4 GJ/ ₹ crore
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	958.6 GJ/ \$ crore	970.0 GJ/ \$ crore
Energy intensity in terms of physical Output	0.98 GJ/KL	1.03 GJ/KL

#### Notes:

- Total diesel consumption for the leased assets have been calculated by considering the total amount spent on the purchase of diesel by average of diesel prices at four metros (Chennai, Kolkata, Delhi and Mumbai).
- Electricity consumption at leased offices/warehouses is included under non-renewable electricity consumption.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

##### 2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No) If yes, disclose whether targets set under the PAT Scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable, as we are not an energy-intensive industry as outlined under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

##### 3. Provide details of the following disclosures related to water:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	57,998	59,394
(iii) Third party water	12,08,996	10,04,001
(iv) Seawater/desalinated water	-	-
(v) Others (Rain water)	66,829	2,35,011
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>13,33,823</b>	<b>12,98,406</b>
<b>Total volume of water consumption (in kilolitres)<sup>1</sup></b>	<b>13,24,370</b>	<b>12,89,593</b>
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	42.9 KL/ ₹ Crore	42.9 KL/ ₹ Crore
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	982 KL/ \$ Crore	981 KL/ \$ Crore
Water intensity in terms of physical output	1.00 KL/KL	1.04 KL/KL

#### Notes:

- All our manufacturing units have zero liquid discharge i.e., water withdrawn is completely consumed within the units. The difference in the withdrawal and consumption is the quantity that is being procured at our owned corporate offices, wastewater from which it is channelized to the municipal corporation for further treatment. The total withdrawal for these offices is 9,453 KL and in the absence of discharge information water withdrawn has been assumed to be equal to water discharged. Similarly, total withdrawal at offices in FY 2022-23 was 8,813 KL.

The above details provide water withdrawal and consumption at manufacturing locations and owned offices. The water withdrawal and consumption for leased offices, which is not included in the above table, is estimated to be 53,000 KL and the same has been calculated based on methodology prescribed in IS 1172:1993.

- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

##### 4. Provide the following details related to water discharged: All our manufacturing facilities are Zero Liquid Discharge i.e., no wastewater is discharged outside the premises.

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment <sup>1</sup>	9,453	8,813
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>9,453</b>	<b>8,813</b>

#### Notes:

- Wastewater is estimated to be discharged from our owned corporate offices which is being sent to the municipal corporation for further treatment. The quantity for the same is estimated to be 9,453 KL.
- In absence of discharge information at leased offices, complete quantity of estimated 53,000 KL is considered to be discharged. This is not included in the above table.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.



## Business Responsibility & Sustainability Report (Contd.)

### 5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

All our manufacturing plants including our R&T centre are Zero Liquid Discharge facilities. Recognizing the importance of water as a resource, we undertake several initiatives to optimize consumption and reduce resultant wastewater generation through our reuse or recycling schemes. Such wastewater is further recovered and used back in the process. The details of such initiatives can be found under the Water Neutrality head in the Sustainable Operations section forming part of this Integrated Annual Report on page no. 56.

### 6. Details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2023-24	FY 2022-23
NOx	Metric Tonnes	44.4	40.3
SOx	Metric Tonnes	13.1	10.7
Particulate matter (PM)	Metric Tonnes	14.0	10.5
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-

**Note:** Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

### 7. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	72,794	74,943
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	44,357	44,600
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	Metric tonnes of CO <sub>2</sub> equivalent/₹ crore	3.8	4.0
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	Metric tonnes of CO <sub>2</sub> equivalent/\$ crore	86.9	90.9
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Kg CO <sub>2</sub> equivalent/KL	88.6	96.6

#### Notes:

- The emissions from leased offices/warehouses accounted in Scope 3 Category 8 (leased assets) in FY 2022-23 has been accounted in Scope 1 and Scope 2 emissions. The number reported for Scope 3 in previous year has been appropriately revised.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on above indicator.

### 8. Does the entity have any project related to reducing Green House Gas (GHG) emission? If Yes, then provide details.

GHG emissions reduction is an important focus area under our ESG commitments. As part of our Scope 1 and Scope 2 GHG emissions reduction plan, we focus on key enablers of energy efficiency and renewable energy.

#### Energy Efficiency:

The Company is committed to energy conservation and ensuring efficient energy usage at all operational facilities. Energy management forms a vital part of the approach toward sustainable operations. During the year, multiple energy efficiency projects were implemented in continuation of this long-term agenda such as X-plate nano technology installation, Fitch Catalyst installation, switching to an electric boiler, etc. Our specific electricity consumption at the decorative paints plants has been reduced by 36% from FY 2013-14.

#### Renewable Electricity:

Renewable electricity generation is one of the key area and several investments have been made over the years to build infrastructure. Renewable electricity accounts for 65.8% of the total electricity consumption in FY 2023-24 at decorative paint manufacturing units.

#### Switching to Greener Fuel:

The Company has always been exploring Greener Fuels for meeting heating requirements in its plants, whether it is switching to gas-based generators or using biogas. In FY 2023-24, 122 MT of biogas was used in place of fossil-based fuel.

### 9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	2732.1	2,983
E-waste (B)	12.4	26.4
Bio-medical waste (C)	1.2	0.6
Construction and demolition waste (D)	0	3,915.6
Battery waste (E)	85.1	68.2
Radioactive waste (F)	-	-
Other Hazardous waste (G)	1,362.8	1,436.9
Other Non-hazardous waste generated (H)	9,585.1	9,742.3
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>13,779</b>	<b>18,173</b>
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.4 MT/ ₹ crore	0.6 MT/ ₹ crore
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	10.2 MT/ \$ crore	13.8 MT/ \$ crore
Waste intensity in terms of physical output	10.4 Kg/KL	14.7 Kg/KL

#### For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Recycled	11,305	16,984
(ii) Re-used	62	-
(iii) Other recovery operations	1,687	410
<b>Total</b>	<b>13,054</b>	<b>17,394</b>

#### For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Incineration	451	547
(ii) Landfilling	274	232
(iii) Other disposal operations	-	-
<b>Total</b>	<b>725</b>	<b>779</b>

#### Notes:

- The above details provide waste disposal at manufacturing locations and owned offices. For leased offices/warehouses located across the country, due to the type of the setup, the nature of the waste is non-hazardous and is estimated not to be material.
- Other Hazardous waste includes waste categorized under Hazardous Waste Rules, 2016 and disposed of which is through Pollution Control Board authorized/licensed vendors in line with the Consent to Operate/Hazardous Waste Authorization condition.
- Other Non-Hazardous primarily include metal, wooden and paper waste.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP.

## Business Responsibility & Sustainability Report (Contd.)

### 10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste generation is an inevitable part of our manufacturing process, efforts are put in to create value from our waste. With an aim to divert a significant quantum of waste from going to landfills, we have adopted systems and procedures that help us repurpose used material and reintroduce excess material into our production process. We follow the '3R' strategy of Reduce, Reuse and Recycle for our waste management. This has resulted in a significant decrease in both hazardous waste and non-hazardous waste disposal during the year. Our specific hazardous waste and non-hazardous waste disposal has been decreased by 77% and 47% respectively from the baseline year of FY 2013-14, at our decorative paint manufacturing units.

We follow legally prescribed procedures and apply environmentally sound disposal techniques for disposing of hazardous waste whereas the non-hazardous waste is sent to authorised recyclers. A detailed description has been provided in the Sustainable Operations section forming part of this Integrated Annual Report on page no. 44.

Safety and environmental sustainability are integral parts of the product development processes established by the Company. These processes are built on advanced IT platforms which enable the Company's state-of-the-art Research & Technology Centre in Mumbai to screen and prevent the entry of potentially hazardous raw materials right at the development stage.

### 11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of Operations	Whether the conditions of environmental approval/clearance are being complied with? (Yes/No) If no, the reasons thereof and corrective action taken, if any.
			Not Applicable

### 12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Environment Impact Assessment Notification, 2006 (EIA) mandates the Company to undertake study for establishment or expansion of an integrated paint manufacturing plant or synthetic organic chemicals manufacturing plant. Details of EIA study undertaken during the year is provided below:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
Environment Impact Assessment (EIA) for Environmental Clearance of proposed expansion of existing paints and water-based polymers manufacturing industry in a notified industrial area at SIPCOT Industrial Park, Ponder Village, Sriperumbudur Taluka, Kancheepuram District, Tamil Nadu	S.O.1533 Environment Impact Assessment Notification 2006	July 2023	Yes	No	

### 13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Yes/No). If not, provide details of all such non-compliances:

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
				Not Applicable

## Leadership Indicators

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):** As per recent assessment report released by Central Ground Water Authority (CGWA) in December, 2022, none of the Company's plant is located in the water stress area. Thus, the disclosure is not applicable.

**For each facility/plant located in areas of water stress, provide the following information:**

- (i) **Name of the area:** Not applicable
- (ii) **Nature of operations:** Not applicable
- (iii) **Water withdrawal, consumption and discharge in the following format:** Not Applicable

### 2. Details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	33.2 Lakhs	32.8 Lakhs
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO <sub>2</sub> equivalent/ ₹ Crore	107.6	108.9

#### Notes:

- "Scope 3 Category 8 - Leased Assets" has been accounted in Scope 1 and Scope 2 emissions.
- Limited assurance has been carried out for absolute Scope 3 emissions as part of GRI indicators by Price Waterhouse Chartered Accountants LLP.

### 3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable. The Company operates from sites which are located in industrial areas and are not close to ecologically sensitive areas. However, biodiversity initiatives are being undertaken, details of which can be referred to in the Sustainable Operations section forming part of this Integrated Annual Report on page no. 44.

### 4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives:

Sr. No	Initiative undertaken	Details of the initiative (Weblink, if any, may be provided along-with summary)	Outcome of the initiative
1.	Emission reduction through formulations and process innovations.	Please refer Product Stewardship under Sustainable Operations section forming part of this Integrated Annual Report.	Avoidance of 30,413 metric tonnes of CO <sub>2</sub> e in FY 2023-24.
2.	Use of recycled content in plastic packaging.	Please refer Nature Positive under Sustainable Operations section forming part of this Integrated Annual Report.	10,324 tonnes of recycled content in plastic packaging in FY 2023-24.
3.	Water replenishment and conservation outside factory premises.	Please refer Water Neutrality under Sustainable Operations section forming part of this Integrated Annual Report.	In FY 2023-24, we replenished 387% of the total fresh water that we use in our manufacturing sites.
4.	Multi-modal outbound logistics – Sea & multi-modal.	Please refer Climate Change under Sustainable Operations section forming part of this Integrated Annual Report.	Reduction of more than 5,500 tCO <sub>2</sub> e in FY 2023-24.

**Note:** For more Company and plant-specific initiatives, please refer to the Sustainable Operation of Integrated Annual Report on page no. 44 onwards.

### 5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/weblink.

The Company has a standardised disaster management and business continuity plan in place which ensures resilient business operations and utmost safety of employees and the Company's assets. The business continuity plans are integrated in our Enterprise Risk Management program and guides our response to disruptions of our operations. This covers various scenarios as a part of risk management processes and provides for risk mitigation and management in case of uncertainties.



## Business Responsibility & Sustainability Report (Contd.)

### 6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard ?

The Company has in place sustainability targets which serve as a tool to mitigate and tackle the issues that arise from our value chain partners. For details of our mitigation plans, refer the Manufacturing and Innovations section and Managing Risks under Governance section forming part of this Integrated Annual Report.

### 7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

Under the supplier engagement program Samaveta we have assessed maturity and impact of 77% of raw material and packaging material suppliers by value based on their response to Self Declaration Forms.

## PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

#### 1. a. Number of affiliations with trade and industry chambers/associations.

The Company is affiliated with 9 (nine) trade and industry chambers/associations.

#### b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	The Confederation of Indian Industry (CII)	National
2.	The Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3.	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
4.	The Indian Paint Association (IPA)	National
5.	The Society of Indian Defence Manufacturers (SIDM)	National
6.	The Public Affairs Forum of India (PAFI)	National
7.	The Advertising Standard Council of India (ASCI)	National
8.	The Indian Society of Advertisers (ISA)	National
9.	The Media Research Users Council India (MRUC India)	National

#### 2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
-	-	-

**Note:** The Competition Commission of India (CCI) had passed a prima facie Order dated 14<sup>th</sup> January, 2020 directing the Director General (DG) to conduct an investigation against the Company under the provisions of the Competition Act, 2002. The DG submitted a detailed report to the CCI. Based on the findings of the DG's report and after hearing both the parties, the CCI passed a favourable Order on 8<sup>th</sup> September, 2022 dismissing the allegations relating to abuse of dominance and anti-competitive agreements made by the competitor. The competitor has now filed an appeal against CCI's Order before the National Company Law Appellate Tribunal. The said appeal is pending for hearing.

## Leadership Indicators

### 1. Details of public policy positions advocated by the entity:

S. No	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually/Half yearly/Quarterly/ Others – please specify)	Weblink, if available
1	Plastic waste management through Extended Producer Responsibility and environmental clearance issues.				
2	Engagement with Government on 'Ease of Doing Business' initiatives on harmonizing State and Central laws and compliances.				
3	Consensus building on integration of state approvals in National Single Window System to simplify the process of applying for regulatory approvals and compliances for the investor.				
4	Engaged with department of Consumer affairs on changes in the Legal Metrology Act, 2009, and Legal Metrology (Packaged Commodity) Rules, 2011 on decriminalizing of various offences.	The Company represents itself in key business associations and/or directly at the government forums in a responsible and transparent manner. The issues taken up are generally related to ease of doing business and only authorised representatives of the Company can interact with these institutions.	No, the information is generally not available in the public domain. These representations are directly made via mail or letters, either directly or through the industry chamber/associations.	Advocacy policy is reviewed once in 3 years.	<a href="https://www.asianpaints.com/AdvocacyPolicy.html">https://www.asianpaints.com/AdvocacyPolicy.html</a>
5	Provided inputs for amending standards for paints proposed by the Bureau of Indian Standards.				
6	Recommendations gives on sustainable and inclusive growth of manufacturing sector in India.				
7	Provided inputs for making manufacturing more competitive in India.				
8	Recommendation given on the SEBI's consultation paper on various amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Strengthening corporate governance, strengthening compliance, reviews of disclosure requirements for material events or information.				
9.	Recommendation given on the SEBI's consultation paper on providing flexibility in provisions relating to "Trading plans" under the SEBI (Prohibition of Insider Trading) Regulations, 2015.				

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:** Not Applicable

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:** Not Applicable

**3. Describe the mechanisms to receive and redress grievances of the community.**

The Company works closely with the community in the identified areas for carrying out the Corporate Social Responsibility initiatives. Within the area of work, the employees of the Company work with the communities to understand the impact of the projects on the intended beneficiaries. These interactions provide the people with ample opportunities to gauge and address community concerns. Based on these interactions, the Company has not encountered any specific grievances from the community at present.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small producers	28.3%	25.7%
Directly from within India	81.1%	82.2%

**Notes:**

- Figures for FY 2022-23 have been updated in line with 'Input Material' defined under BRSR core.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the above indicator.

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost:**

Location	FY 2023-24	FY 2022-23
Rural	23.0%	22.5%
Semi-urban	6.0%	5.6%
Urban	20.0%	21.2%
Metropolitan	51.0%	50.7%

**Notes:**

- Places categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan.
- Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the above indicator.

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):** Not Applicable

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In ₹ Crores)
1	Gujarat	Narmada	1.7

**3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)**

The Company prefers suppliers in local community for sourcing of input material, barring speciality chemicals which are procured from buyers who may not be available in local vicinity.

**b) From which marginalized/vulnerable groups do you procure?**

Refer point 4 of principle 8 above

**c) What percentage of total procurement (by value) does it constitute?**

Refer point 4 of principle 8 above

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
-	-	-	-	-

The Company owns various Intellectual Property based on traditional knowledge. However, no benefit is derived or shared with any party.

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:**

Not Applicable

**6. Details of beneficiaries of CSR Projects:**

S.No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Health & Hygiene	3,53,000+	46
2	Colour Academy	6,80,000+	Colour Academies work on imparting skill education and enhancing productivity of the people in paint application (plumbing) carpenter training, etc.

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company treats customer complaints with utmost priority and believes that it needs to be agile, transparent, and solution-oriented to resolve them efficiently and satisfactorily. The Company ensures to keep the customer informed throughout the entire process of complaint resolution via multiple points of communication i.e. through SMS/E-mail/Whatsapp and focus on resolving retail customer complaints within five working days, which includes calling the customer within four hours, connecting with the customer within two days, and providing the final resolution to the customer. These timelines are relevant to our decorative category's customer/applicator/trade expectations. The link containing channels of communication can be accessed at: <https://www.asianpaints.com/contact-us.html>.

**2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100



## Business Responsibility & Sustainability Report (Contd.)

### 3. Number of consumer complaints in respect of the following:

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services			Nil			
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls	Nil	

### 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a weblink of the policy:

Yes, the Company has a policy on cyber security and risk related to data privacy, which is available on its website at <https://www.asianpaints.com/CodesandPolicies.html>.

### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services:

Not Applicable

### 7. Provide the following information relating to data breaches:

- Number of instances of data breaches: Nil
- Percentage of data breaches involving personally identifiable information of customers: Nil
- Impact, if any, of the data breaches: Not applicable

**Note:** Reasonable assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the above indicator.

## Leadership Indicators

### 1. Channels/platforms where information on products and services of the entity can be accessed -(provide weblink, if available).

The platforms used for the information are the Company's website, Integrated Annual Report, social media platforms and media advertisement/publications. Information relating to all the products and services provided by the Company are available on the Company's website at <https://www.asianpaints.com/>.

### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company publishes artwork and shade card for all the products detailing relevant content which also includes instructions for safe usage to be referred while using our products. The same is also available on the Company's website. During the meetings with the painters and contractors, they are made aware about safe usage of products.

### 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not Applicable

### 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity, or the entity as a whole? (Yes/No)

Yes, the Company ensures that all the information as required to be displayed on the product labels as per the applicable rules and regulations are properly displayed. Further, product information is available in the Product Information Sheet that is shared with the dealers of the Company and hosted on the website of the Company.

The Company regards customer delight as the final testimony to its success in the market and it carries out annual customer experience surveys for all its products and services and measures customer satisfaction with the Net Promoter Score (NPS). The NPS method measures the percentage of customers who would promote the products and services to other customers and covers most of the customer interaction points, including retail experiences, project sites, bath fittings, beautiful home painting services etc. Company has Customer Centricity department which carries out regular consumer survey/consumer satisfaction trend analysis.

# Independent Auditor's Report

To The Members of Asian Paints Limited

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Standalone Financial Statements of Asian Paints Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a

whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<b>Revenue recognition (Refer note 1.4(e) and 22A of the Standalone Financial Statements)</b>	
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, testing of cut-offs and performing analytical review procedures.

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report and Business responsibility report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.
- Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity

of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.



## Independent Auditor's Report (Contd.)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 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 with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy

and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

As stated in note 12(b) to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual

General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended 31<sup>st</sup> March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1<sup>st</sup> April, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31<sup>st</sup> March, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No.: 117366W/W-100018

**Rupen K. Bhatt**  
Partner

Place: Mumbai  
Date: 9<sup>th</sup> May, 2024

Membership No. 046930  
UDIN : 24046930BKEZWR2209

## Annexure “A” to The Independent Auditor’s Report

### (Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

#### Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Standalone Financial Statements of Asian Paints Limited (“the Company”) as at 31<sup>st</sup> March, 2024 in conjunction with our audit of the standalone Ind AS 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 with reference to Standalone Financial Statements based on the internal control with reference to Standalone Financial Statements 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 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 Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements.

#### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company’s internal financial control with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial

Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31<sup>st</sup> March, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm’s Registration No.: 117366W/W-100018

**Rupen K. Bhatt**

Partner

Place: Mumbai

Date: 9<sup>th</sup> May, 2024

Membership No. 046930

UDIN : 24046930BKEZWR2209



## Annexure “B” to The Independent Auditor’s Report

### (Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification to cover all the items of Property, plant and equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, plant and equipment and Capital work-in-progress were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Financial Statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company as at 31<sup>st</sup> March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end,

written confirmations have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements filed by the Company with the bank are in agreement with the audited books of account of the Company of the respective quarters.
- (iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence sub-clauses iii (a), (c), (d), (e), (f) under clause (iii) of the Order are not applicable.
- (b) The investments made, during the year are, *prima facie*, not prejudicial to the Company’s interest.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained.
- (vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.
- There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2024, for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on 31<sup>st</sup> March, 2024 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount involved (₹ in Crores)	Amount Unpaid (₹ in Crores)
Income Tax	IT Matters under dispute	CIT (A)	A.Y. 2021-22	4.84	3.48
		Tribunal	A.Y. 2018-19	77.69	64.11
		Tribunal	A.Y. 2017-18	77.18	37.96
		Tribunal	A.Y. 2016-17	67.40	51.23
		Assessing Officer	A.Y. 2015-16	5.08	-
		Assessing Officer	A.Y. 2014-15	9.29	-
		Assessing Officer	A.Y. 2013-14	2.30	-
		Assessing Officer	A.Y. 2012-13	2.72	-
		Assessing Officer	A.Y. 2006-07	0.82	-
		High Court	A.Y. 2007-08	0.09	0.09
		Assessing Officer	A.Y. 2009-10	0.11	0.11
		Assessing officer	A.Y. 2010-11	0.13	0.13
		CIT (A)	A.Y. 2011-12	0.40	0.32
		CIT (A)	A.Y. 2020-21	70.82	18.82
		CIT (A)	A.Y. 2022-23	47.33	37.78
		<b>Total</b>		<b>366.20</b>	<b>214.03</b>
Sales tax	Assessment dues	Assessing Authority	F.Y. 1997-98, F.Y. 2002-03, F.Y. 2004-05 to F.Y. 2017-18	21.38	20.54
		First Appellate level	F.Y. 1997-98 to F.Y. 1998-99, F.Y. 2000-01 to F.Y. 2008-09, F.Y. 2010-11 to F.Y. 2017-18	119.94	109.06
		Tribunal	F.Y. 1991-92, F.Y. 1993-94, F.Y. 1996-97 to F.Y. 1999-00, F.Y. 2001-02 to F.Y. 2002-03, F.Y. 2005-06 to F.Y. 2008-09, F.Y. 2010-11 to F.Y. 2011-12, F.Y. 2013-14 to F.Y. 2017-18	9.18	6.59
		High court	F.Y. 2000-01 to F.Y. 2005-06, F.Y. 2007-08 to F.Y. 2010-11, F.Y. 2012-13 to F.Y. 2017-18.	5.82	4.66
				<b>Total</b>	<b>156.32</b>
Central Excise Act, 1944 Finance Act, 1994 and Customs Act 1962	Assessment dues	Assessing Authority	F.Y. 2019-20 to F.Y. 2020-21	1.38	-
		First Appellate	F.Y. 1986-87, F.Y. 1996-97, F.Y. 2013-14, F.Y. 2016-17 to F.Y. 2021-22, F.Y. 2023-24	2.60	0.63
		Tribunal	F.Y. 2005-06 to F.Y. 2016-17, F.Y. 2018-19, F.Y. 2020-21	11.31	9.29
		<b>Total</b>		<b>15.29</b>	<b>9.92</b>

## Annexure “B” to The Independent Auditor’s Report (Contd.)

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount involved (₹ in Crores)	Amount Unpaid (₹ in Crores)
Goods and Service Tax Act, 2017	Assessment dues	First Appellate	F.Y. 2017-18 to F.Y. 2019-20 F.Y. 2021-22 to F.Y. 2023-24	22.41	22.02
		Second Appellate	F.Y. 2018-19 to F.Y. 2019-20	0.08	0.01
		<b>Total</b>		<b>22.49</b>	<b>22.03</b>
Employee Provident Fund Act	PF contribution	High court	F.Y. 2006-07 to F.Y. 2007-08, F.Y. 2017-18	0.46	0.46
		Commission	F.Y. 2017-18	1.18	0.47
Minimum Wages Act	Wage Payments	High Court	F.Y. 2002-03	2.73	2.59
Municipal Corporation Act	Property Tax	Municipal Corporation	F.Y. 2013-14	0.33	-
		Octroi	Municipal Corporation	F.Y. 2012-13 to F.Y. 2013-14	0.68
Employee State Insurance Act	ESI Contributions	High Court	F.Y. 2005-06	0.01	0.01
		Ministry of Labour & Employment	F.Y. 2018 - 19 to F.Y. 2021- 22	0.35	0.32
The Building and Construction Workers (Regulation of Employment and Conditions of Service), Act 1996	Labour Cess on Plant & Machinery	Joint commissioner of Labour	F.Y. 2018 - 19	8.73	8.23

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, *prima facie*, not been utilised during the year for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debenture (fully or partly or optionally) during the year and hence reporting under clause (x)(b) of the Order is not applicable to Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration, the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31<sup>st</sup> March, 2024.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) and (d) of the Order are not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Rupen K. Bhatt**

Partner

Place: Mumbai  
Date: 9<sup>th</sup> May, 2024

Membership No. 046930  
UDIN : 24046930BKEZWR2209





# Balance Sheet

as at 31<sup>st</sup> March, 2024

Particulars	Notes	₹ in Crores	
		As at 31.03.2024	As at 31.03.2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2A	3,750.20	3,487.58
Right-of-Use Asset	2B	1,519.03	1,080.94
Capital work-in-progress	3	2,560.93	978.04
Goodwill	4A	35.36	35.36
Other Intangible Assets	4B	55.67	38.81
Investments in Subsidiaries and Associates	5	1,809.08	1,532.13
Financial Assets			
Investments	5	800.03	782.15
Other Financial Assets	6	619.94	348.83
Income Tax Assets (Net)	7	164.32	146.98
Other Non-Current Assets	8	114.13	223.29
		<b>11,428.69</b>	<b>8,654.11</b>
<b>Current Assets</b>			
Inventories	9	5,074.76	5,321.79
Financial Assets			
Investments	5	3,095.47	2,597.37
Trade Receivables	10	3,633.45	3,462.61
Cash and Cash Equivalents	11A	325.96	156.44
Other Balances with Banks	11B	23.84	206.44
Other Financial Assets	6	1,775.22	1,706.49
Other Current Assets	8	624.51	424.59
		<b>14,553.21</b>	<b>13,875.73</b>
<b>Total Assets</b>		<b>25,981.90</b>	<b>22,529.84</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	95.92	95.92
Other Equity	13	18,329.17	15,489.64
		<b>18,425.09</b>	<b>15,585.56</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	35.58	49.36
Lease Liabilities	15	885.13	640.14
Other Financial Liabilities	16	28.69	30.20
Provisions	17	164.32	176.11
Deferred Tax Liabilities (Net)	18C	187.61	177.84
Other Non-Current Liabilities	19	34.47	39.17
		<b>1,335.80</b>	<b>1,112.82</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	17.86	-
Lease Liabilities	15	229.86	202.80
Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	20	191.02	95.69
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	20	3,047.81	2,950.17
Other Financial Liabilities	16	2,216.59	2,051.51
Other Current Liabilities	19	403.66	372.05
Provisions	17	37.86	46.35
Income Tax Liabilities (Net)	21	76.35	112.89
		<b>6,221.01</b>	<b>5,831.46</b>
<b>Total Equity and Liabilities</b>		<b>25,981.90</b>	<b>22,529.84</b>
<b>Material accounting policies and key accounting estimates and judgements</b>	1		
<b>See accompanying notes to the Standalone Financial Statements</b>	2-42		

As per our report of even date attached

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

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
F.R.N : 117366W/W-100018

**R Seshasayee**  
Chairman  
DIN : 00047985

**Amit Syngle**  
Managing Director & CEO  
DIN : 07232566

**Rupen K. Bhatt**  
Partner  
Membership No : 046930  
Mumbai  
9<sup>th</sup> May, 2024

**Milind Sarwate**  
Chairman of Audit Committee  
DIN : 00109854  
Mumbai  
9<sup>th</sup> May, 2024

**R J Jeyamurugan**  
CFO & Company Secretary

# Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2024

Particulars	Notes	₹ in Crores	
		Year 2023-24	Year 2022-23
<b>REVENUE FROM OPERATIONS</b>			
Revenue from Sale of Products	22A	30,635.29	29,883.09
Revenue from Sale of Services	22A	92.42	70.03
Other Operating Revenue	22A	122.41	125.28
Other Income	23	824.56	518.01
<b>Total Income (I)</b>		<b>31,674.68</b>	<b>30,596.41</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	24A	13,418.08	14,790.95
Purchases of Stock-in-Trade	24B	3,444.33	3,836.33
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	24C	356.98	(299.74)
Employee Benefits Expense	25	1,747.89	1,513.89
Other Expenses	26	4,852.45	4,416.49
<b>Total Expenses (II)</b>		<b>23,819.73</b>	<b>24,257.92</b>
<b>EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)</b>		<b>7,854.95</b>	<b>6,338.49</b>
Finance Costs	27	115.42	93.06
Depreciation and Amortisation Expense	28	734.49	755.83
<b>PROFIT BEFORE TAX</b>		<b>7,005.04</b>	<b>5,489.60</b>
Tax Expense	18		
Current Tax		1,729.88	1,418.38
(Excess)/Short tax provision for earlier years		(51.72)	5.94
Deferred Tax		5.33	(34.90)
<b>Total tax expense</b>		<b>1,683.49</b>	<b>1,389.42</b>
<b>PROFIT AFTER TAX</b>		<b>5,321.55</b>	<b>4,100.18</b>
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
A. Items that will not be reclassified to Profit or Loss			
(i) (a) Remeasurement of the defined benefit plans		8.06	(9.98)
(b) Income tax (expense)/benefit on remeasurement of defined benefit plans		(2.03)	2.51
(ii) (a) Net fair value gain on investments in equity instruments through OCI		7.77	90.19
(b) Income tax (expense) on net fair value gain on investments in equity instruments through OCI		(0.55)	(10.58)
B. Items that will be reclassified to Profit or Loss			
(a) Net fair value gain/(loss) on investments in debt instruments through OCI		16.20	(5.42)
(b) Income tax (expense)/benefit on net fair value gain on investments in debt instruments through OCI		(1.85)	0.63
<b>Total Other Comprehensive Income (A+B)</b>		<b>27.60</b>	<b>67.35</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>5,349.15</b>	<b>4,167.53</b>
Earnings per equity share (Face value of ₹ 1 each)	31		
Basic (in ₹)		<b>55.50</b>	<b>42.76</b>
Diluted (in ₹)		<b>55.49</b>	<b>42.76</b>
<b>Material accounting policies and key accounting estimates and judgements</b>	1		
<b>See accompanying notes to the Standalone Financial Statements</b>	2-42		

As per our report of even date attached

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

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
F.R.N : 117366W/W-100018

**R Seshasayee**  
Chairman  
DIN : 00047985

**Amit Syngle**  
Managing Director & CEO  
DIN : 07232566

**Rupen K. Bhatt**  
Partner  
Membership No : 046930  
Mumbai  
9<sup>th</sup> May, 2024

**Milind Sarwate**  
Chairman of Audit Committee  
DIN : 00109854  
Mumbai  
9<sup>th</sup> May, 2024

**R J Jeyamurugan**  
CFO & Company Secretary

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2024

Particulars	As at		As at		Items of Other		Total				
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	Comprehensive Income (OCI)	Equity instruments through OCI					
	(₹ in Crores)		(₹ in Crores)								
<b>A) EQUITY SHARE CAPITAL</b>											
<b>Particulars</b>											
<b>Balance at the beginning of the reporting year (Refer note 12(a))</b>											
Changes in Equity Share capital due to prior period errors											
Restated balance at the beginning of the current reporting period (Refer note 12(a))											
Changes in Equity Share capital during the year											
<b>Balance at the end of the reporting year</b>											
<b>B) OTHER EQUITY</b>											
<b>Particulars</b>											
<b>Balance as at 1<sup>st</sup> April, 2022 (A)</b>	44.38	0.50	4,166.74	8,974.85	(21.78)	13.40	(75.00)	0.05	1.74	148.29	13,253.17
Additions during the year:											
Profit for the year				4,100.18							4,100.18
Items of OCI for the year, net of tax											
Remeasurement of the defined benefit plans					(7.47)						(7.47)
Net fair value gain on investments in equity instruments through OCI										79.61	79.61
Net fair value (loss) on investments in debt instruments through OCI									(4.79)		(4.79)
<b>Total Comprehensive Income for the year 2022-23 (B)</b>				4,100.18	(7.47)				(4.79)	79.61	4,167.53
Reductions during the year:											
Dividends (Refer note 12(b))				(1,908.86)							(1,908.86)
Share based payment expense						13.37					13.37
Net income of ESOP Trust for the year								0.32			0.32
Purchase of Treasury shares by ESOP trust during the year											
<b>Total (C)</b>				(1,908.86)		13.37		0.32			(1,931.06)
<b>Balance as at 31<sup>st</sup> March, 2023 (D) = (A+B+C)</b>	44.38	0.50	4,166.74	11,766.17	(29.25)	26.77	(110.89)	0.37	(3.05)	227.90	15,489.64
Additions during the year:											
Profit for the year				5,321.55							5,321.55
Items of OCI for the year, net of tax											
Remeasurement of the defined benefit plans					6.03						6.03
Net fair value gain on investments in equity instruments through OCI										7.22	7.22
Net fair value gain on investments in debt instruments through OCI									14.35		14.35
<b>Total Comprehensive Income for the year 2023-24 (E)</b>				5,321.55	6.03				14.35	7.22	5,349.15
Reductions during the year:											
Dividends (Refer note 12(b))				(2,532.38)							(2,532.38)
Share based payment expense						21.84					21.84
Net income of ESOP Trust for the year								0.22			0.22
ESOP exercised during the year						(0.35)		0.70			0.70
<b>Total (F)</b>				(2,532.41)		21.49		0.60			(2,509.62)
<b>Balance as at 31<sup>st</sup> March, 2024 (D+E+F)</b>	44.38	0.50	4,166.74	13,955.51	(23.22)	48.26	(110.19)	0.97	11.30	235.12	18,229.17
<b>Material accounting policies and key accounting estimates and judgements (Refer note 1)</b>											
<b>See accompanying notes to the Standalone Financial Statements (Refer note 2-42)</b>											

As per our report of even date attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
F.R.N. : 117366W/W-1000 18

Rupen K. Bhatt  
Partner  
Membership No. : 046930  
Mumbai  
9<sup>th</sup> May, 2024

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

R Seshasayee  
Chairman  
DIN : 00047985

Milind Sarwate  
Chairman of Audit Committee  
DIN : 00109854  
Mumbai  
9<sup>th</sup> May, 2024

Amit Syngle  
Managing Director & CEO  
DIN : 07232566

R J Jeyamurugan  
CFO & Company Secretary

# Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2024

Particulars	Year	
	2023-24	2022-23
	(₹ in Crores)	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>7,005.04</b>	<b>5,489.60</b>
Adjustments for :		
Depreciation and amortisation expense	734.49	755.83
Interest income	(135.48)	(94.69)
Dividend income	(142.76)	(70.48)
Finance costs	115.42	93.06
Allowance for doubtful debts and advances (net)	84.12	33.67
Bad debts written off (net)	1.23	1.34
Deferred income arising from government grant	(5.29)	(1.54)
Net unrealised foreign exchange loss	9.19	4.46
Net gain on disposal of property, plant and equipment and other intangible assets	(1.89)	(11.45)
Net gain on modification/termination of leases	(3.99)	(3.14)
Net gain arising on financial assets measured at fair value through profit or loss (FVTPL)	(222.02)	(118.62)
Share based payment expense (net)	19.03	11.97
Net fair valuation (gain)/loss on earnout and derivatives	(49.25)	26.82
Reversal for expected credit loss on government grants	(10.90)	(27.58)
<b>Operating Profit before working capital changes</b>	<b>7,396.94</b>	<b>6,089.25</b>
Adjustments for :		
(Increase) in trade receivables	(256.43)	(581.98)
Decrease in financial assets	20.95	162.81
Decrease/(Increase) in inventories	247.03	(44.18)
(Increase) in other assets	(203.53)	(2.88)
Increase/(Decrease) in trade payables	272.32	(441.98)
(Decrease)/Increase in other financial liabilities	(27.37)	388.32
Increase in other liabilities and provisions	19.97	66.97
<b>Cash generated from Operating activities</b>	<b>7,469.88</b>	<b>5,636.33</b>
Income Tax paid (net of refund)	(1,732.04)	(1,414.68)
<b>Net Cash generated from Operating activities</b>	<b>5,737.84</b>	<b>4,221.65</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and other intangible assets	(1,968.33)	(1,057.27)
Sale of property, plant and equipment	4.35	16.28
Payment for acquiring right-of-use assets	(202.87)	(166.67)
Investment in subsidiary and associate companies	(262.77)	(398.46)
Payment of earnout	(37.71)	-
Purchase of non-current investments - others	(211.86)	(145.66)
Sale of non-current investments	0.50	376.61
Purchase of term deposits	(1,435.98)	(1,218.84)
Proceeds from maturity of term deposits	1,316.84	1,000.19
Sale of current investments (net)	272.02	67.44
Interest received	105.64	61.05
Dividend received from subsidiary and associate companies	136.82	54.97
Dividend received from others	20.16	13.48
<b>Net Cash used in Investing activities</b>	<b>(2,263.19)</b>	<b>(1,396.88)</b>



## Statement of Cash Flows (Contd.)

for the year ended 31<sup>st</sup> March, 2024

Particulars	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from non-current borrowings	-	74.25
Acceptances (net)	(83.65)	(8.97)
Repayment of principal portion of lease liabilities	(248.01)	(214.20)
Finance costs (including interest on lease liabilities) paid	(111.35)	(91.52)
Proceeds from ESOP Trust/(Purchase) of treasury shares by ESOP Trust (net)	0.91	(35.57)
Dividend paid	(2,532.38)	(1,908.86)
<b>Net Cash used in Financing activities</b>	<b>(2,974.48)</b>	<b>(2,184.87)</b>
<b>(D) NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]</b>		
Add : Cash and cash equivalents as at 1 <sup>st</sup> April	2,704.49	2,064.59
<b>Cash and cash equivalents as at 31<sup>st</sup> March</b>	<b>3,204.66</b>	<b>2,704.49</b>

### Notes :

- (a) The above Standalone Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

Particulars	(₹ in Crores)	
	As at 31.03.2024	As at 31.03.2023
<b>(b) Cash and Cash Equivalents comprise of :</b>		
Cash on hand	0.01	0.02
Balances with Banks :		
- Current Accounts	113.18	44.21
- Cash Credit Accounts	1.11	49.13
- Deposits with original maturity of less than 3 months	124.10	25.01
Cheques, draft on hand	87.56	38.07
<b>Cash and cash equivalents (Refer note 11A)</b>	<b>325.96</b>	<b>156.44</b>
Add : Investments in Fixed Maturity Plans (with original maturity of less than 3 months) (Refer note 5(II)(B)(a))	-	111.57
Add : Investments in Liquid Mutual Funds (Refer note 5(II)(B)(b))	2,878.70	2,436.48
<b>Cash and cash equivalents in Standalone Statement of Cash Flows</b>	<b>3,204.66</b>	<b>2,704.49</b>

### (c) Changes in liabilities arising from financing activities

Particulars	As at 01.04.2023	Cash Flows	Non-cash changes			As at 31.03.2024
			Net additions	Fair value changes	Current/ Non-current classification	
Borrowings - Non-current (Refer note 14)	49.36	-	-	4.08	(17.86)	35.58
Borrowings - Current (Refer note 14)	-	-	-	-	17.86	17.86
Lease Liabilities (Refer note 15)	842.94	(248.01)	520.06	-	-	1,114.99
Other Liabilities (Refer note 19)	44.46	-	-	(5.29)	-	39.17

Particulars	As at 01.04.2022	Cash Flows	Non-cash changes			As at 31.03.2023
			Net additions	Fair value changes	Current/ Non-current classification	
Borrowings - Non-current (Refer note 14)	16.16	74.25	-	(41.05)	-	49.36
Lease Liabilities (Refer note 15)	698.02	(214.20)	359.12	-	-	842.94
Other Liabilities (Refer note 19)	3.41	-	42.59	(1.54)	-	44.46

### Material accounting policies and key accounting estimates and judgements (Refer note 1)

### See accompanying notes to the Standalone Financial Statements (Refer note 2-42)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No : 046930

Mumbai  
9<sup>th</sup> May, 2024

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

**R Seshasayee**  
Chairman  
DIN : 00047985

**Milind Sarwate**  
Chairman of Audit Committee  
DIN : 00109854

Mumbai  
9<sup>th</sup> May, 2024

**Amit Syngle**  
Managing Director & CEO  
DIN : 07232566

**R J Jeyamurugan**  
CFO & Company Secretary

# Notes to the Standalone Financial Statements

## for the year ended 31<sup>st</sup> March, 2024

### COMPANY BACKGROUND

Asian Paints Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1913. The registered office of the Company is located at 6A, Shantinagar, Santacruz East, Mumbai, India.

The Company is engaged in the business of manufacturing, selling and distribution of paints, coatings, products related to home décor, bath fittings and providing related services.

### 1. MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

#### Material Accounting Policies :

#### 1.1. Basis of preparation of Financial Statements

These Financial Statements are the separate Financial Statements of the Company (also called **Standalone Financial Statements**) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Financial Statements.

The Financial Statements are presented in Indian Rupees (which is also the functional currency of the Company) and is rounded off to the nearest crores except otherwise indicated. Amounts less than ₹ 50,000 have been presented as "#".

#### 1.2. Application of New Accounting Pronouncements

The Company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2023 with effect from 1<sup>st</sup> April, 2023. The effect is described below :

- a. Ind AS 1 – Presentation of Financial Statements – The amendment requires disclosure of material accounting policies instead of significant accounting policies. In the Financial Statements the disclosure of accounting policies has been accordingly modified. The impact of such modifications to the accounting policies is insignificant.

- b. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The amendment has defined accounting estimate as well as laid down the treatment of accounting estimate to achieve the objective set out by accounting policy. There is no impact of the amendment on the Financial Statements.

Ind AS 12 – Income taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Financial Statements.

#### 1.3. Current / Non-Current Classification

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

- i. the asset/liability is expected to be realised/ settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realised/ settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

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

#### 1.4. Summary of Material accounting policies

##### a) Business combinations

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair

value except deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at the acquisition date and includes the fair value of any contingent consideration. Contingent consideration (earn out) is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Company after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The transaction costs, other than costs relating to the issue of equity or debt securities in connection with a business combination are expensed as incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

##### b) Property, plant and equipment

###### Measurement at recognition :

An item of property, plant and equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition,

items of PPE are carried at their cost less accumulated depreciation and accumulated impairment losses, if any. Item of PPE which reflects significant cost and has different useful life from the remaining part of PPE is recognised as a separate component.

The cost of an item of PPE comprises of its purchase price net of discounts, if any including import duties and other non-refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses like plans, designs, and drawings of buildings or plant and machinery, borrowing cost on qualifying assets, directly attributable to new manufacturing facility during its construction period are capitalised under the relevant head of PPE if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

The Company had elected to consider the carrying value of all its PPE appearing in the Financial Statements and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1<sup>st</sup> April, 2015.

##### Capital work in progress and Capital advances :

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

##### Depreciation :

Depreciation on each part of an item / component of PPE is provided on pro-rata basis using the Straight-Line Method based on the expected



## Notes to the Standalone Financial Statements (Contd.)

useful life of the asset and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimated useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The estimated useful life of items of PPE is mentioned below :

	Years
Factory Buildings	30
Buildings (other than factory buildings)	60
Plant and Equipment (including continuous process plants)*	10-20
Scientific research equipment*	8
Furniture and Fixtures	8
Office Equipment	5
Vehicles*	5
Information Technology Hardware*	4

Freehold land is not depreciated. Leasehold improvements are amortised over the period of the lease.

\*The useful life assessed by the Management is different than those indicated in Schedule II of the Companies Act, 2013.

The useful lives, residual values of each part of an item of PPE and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

### Derecognition :

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PPE is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

### c) Goodwill and Other Intangible assets

Goodwill acquired in a business combination is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, in accordance with Ind AS 103.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are expensed in the Statement of Profit and Loss as incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

The Company had elected to consider the carrying value of all its intangible assets appearing in the Financial Statements and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1<sup>st</sup> April, 2015.

### Amortisation :

Intangible Assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below :

	Years
Purchase cost, user license fees and consultancy fees for Computer Software (including those used for scientific research)	4
Acquired Trademark	5

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Goodwill and certain trademark acquired separately have indefinite useful life and are not subjected to amortisation. These are tested for impairment annually and whenever there is an indication that the asset may be impaired.

### Derecognition :

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

### d) Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (CGUs) that are expected to benefit from the combination.

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses, on assets other than goodwill are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

### e) Revenue

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that

reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. It is measured at transaction price (net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

### Sale of products :

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

### Rendering of services :

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company uses output method for measurement of revenue from décor services / painting and related services and royalty income as it is based on milestone reached or units delivered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Company.

Advance from customers is recognised under other liabilities and released to revenue on satisfaction of performance obligation.

### f) Government grants and subsidies

#### Recognition and Measurement :

The Company recognises grant as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to them and the grant will be received in accordance with Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance. The Company is entitled to certain non-refundable subsidies from government in respect of manufacturing units located in specified regions which are measured at amounts receivable from the government.

## Notes to the Standalone Financial Statements (Contd.)

The Company has received refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received.

Income from such benefits is recognised on a systematic basis over the period in which the related costs that are intended to be compensated by such grants are recognised.

### Presentation :

Income from the above grants and subsidies are presented under Revenue from Operations.

### g) Inventory

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net 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. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

Cost of inventory is determined on weighted average basis. Cost of inventory comprises all costs of purchase, non-refundable duties and taxes, cost of conversion including an appropriate share of fixed and variable production overheads and all other costs incurred in bringing the inventory to their present location and condition.

The Company considers factors like estimated shelf life, product discontinuances and ageing of inventory in determining the provision for slow moving, obsolete and other non-saleable inventory and adjusts the inventory provisions to reflect the recoverable value of inventory.

### h) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement :

All financial assets are recognised initially at fair value, plus in the case of financial assets

not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

##### Subsequent measurement :

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria :

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories :

##### i. Financial assets measured at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met :

- a. The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other

financial assets of the Company (Refer note 29 for further details). Such financial assets are subsequently measured at amortised cost using the effective interest method. The effect of the amortisation under effective interest method is recognised as interest income over the relevant period of the financial asset under other income in the Statement of Profit and Loss. The amortised cost of a financial asset is also adjusted for loss allowance, if any.

##### ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if both of the following conditions are met :

- a. The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

This category applies to certain investments in debt instruments (Refer note 29 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer note 29 for further details). The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity

instruments are recognised in OCI. However, the Company recognises dividend income from such instruments in the Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

##### iii. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies (Refer note 29 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Statement of Profit and Loss.

##### Derecognition :

- i. A financial asset is derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

##### Impairment of financial assets :

The Company applies expected credit losses (ECL) model for measurement and recognition of loss



## Notes to the Standalone Financial Statements (Contd.)

allowance on the following :

- i. Trade receivables
- ii. Financial assets measured at amortised cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as (ii) and (iii) above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

### Financial Liabilities

#### Initial recognition and measurement :

The Company recognises a financial liability in its Balance Sheet when it becomes party to the

contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

#### Subsequent measurement :

All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method (Refer note 29 for further details). The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortisation under effective interest method is recognised as interest expense under finance cost in the Statement of Profit and Loss.

#### Derecognition :

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

#### Offsetting of financial assets and financial liabilities :

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet wherever there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### i) Derivative financial instruments

The Company enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortised cost.

The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial liabilities ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's risk management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, Financial Instruments.

#### Recognition and measurement of fair value hedge :

Hedging instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognised in the Statement of Profit and Loss. Hedging instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognised financial liability) is initially recognised at fair value on the date of entering into contractual obligation and is subsequently measured at amortised cost. The hedging gain or loss on the hedged item

is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognised in the Statement of Profit and Loss.

#### Derecognition :

On Derecognition of the hedged item, the unamortised fair value of the hedging instrument adjusted to the hedged item, is recognised in the Statement of Profit and Loss

The Company also enters into forward and option contracts to purchase an additional stake in equity capital in some of its investments in subsidiary and associate companies. Such derivatives are recognised in its Balance Sheet when the Company becomes party to contractual provisions of the instrument. These derivatives are initially recognised at fair value when the contract is entered. Derivative contracts are remeasured at fair value at the end of each reporting period and changes are recognised in Statement of Profit and Loss.

#### j) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — inputs other than quoted prices

## Notes to the Standalone Financial Statements (Contd.)

included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the Financial Statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### k) Investment in subsidiary and associate Companies

The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost includes cash consideration paid on initial recognition, adjusted for embedded derivative and estimated contingent consideration (earn out), if any. The details of such investments are given in Note 5. Impairment policy applicable on such investments is explained in note 1.3(e) above.

Contingent consideration (earn out) is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.

### l) Foreign Currency Translation

#### Initial Recognition :

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

#### Measurement of foreign currency items at reporting date :

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of foreign exchange translations and settlements during the year are recognised in the Statement of Profit and Loss.

### m) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

#### Current tax :

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

#### Deferred tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax assets and liabilities are generally recognised for all deductible and taxable temporary differences respectively. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit or does not give rise to equal taxable and deductible temporary differences, deferred tax assets or liabilities are not recognised. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to

allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

#### Uncertain tax positions :

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company reflects the effect of uncertainty for each uncertain tax treatment by using one of two methods, the expected value method (the sum of the probability - weighted amounts in a range of possible outcomes) or the most likely amount (single most likely amount method in a range of possible outcomes), depending on which is expected to better predict the resolution of the uncertainty. The Company applies consistent judgements and estimates if an uncertain tax treatment affects both the current and the deferred tax.

#### Presentation of current and deferred tax :

Current and deferred tax are recognised as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognised in Other Comprehensive Income.

The Company offsets tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### n) Provisions and Contingencies

The Company recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources will be required and the amount of outflow can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks

specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources or the amount of such outflow cannot be measured reliably. 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.

### o) Measurement of EBITDA

The Company has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the period. The Company measures EBITDA based on profit/(loss) from continuing operations.

### p) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.

### q) Employee Benefits

#### Short Term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period the employee renders the related service.

#### Post-Employment Benefits :

##### I. Defined contribution plans :

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans :

The Company recognises contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss



## Notes to the Standalone Financial Statements (Contd.)

when the employees render services. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

### II. Defined benefit plans :

#### i) Provident fund scheme :

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

#### ii) Gratuity scheme :

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund), towards meeting the Gratuity obligation.

#### iii) Pension Scheme :

The Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

#### iv) Post-Retirement Medical benefit plan:

The Company operates a defined post-retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

Recognition and measurement of defined benefit plans :

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being

carried out at each reporting date. The defined benefit obligations recognised 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 recognised representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognised in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/ (asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

#### Other Long Term Employee Benefits :

Entitlements to annual leave and sick leave are 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 leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognised in the Statement of Profit and loss (including actuarial gain and loss).

#### r) Employee Share based Payments :

The Company operates equity settled share-based plan for the employees (Referred to as employee

stock option plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (employee stock option reserve). At the end of each reporting period, the Company revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that cumulative expense reflects the revision estimate, with a corresponding adjustments to the employee stock option reserve.

The Company recovers the expenses incurred on behalf of its subsidiary for the stock options granted to the employees of the subsidiaries. The said recovery is netted off from the Employee benefits expense.

#### s) Treasury shares :

The Company has created an ESOP Trust (Asian Paints Employees Stock Ownership Trust) which acts as a vehicle to execute its ESOP plan. The ESOP trust is considered as an extension of the Company and the shares held by the ESOP trust are treated as Treasury shares. The ESOP Trust purchases Company's share from secondary market for issuance to the employees on exercise of the granted stock options. These shares are recognised at cost and is disclosed separately as reduction from Other Equity as treasury shares. No gain or loss is recognised in the Statement of Profit and Loss on purchase, sale, issuance, or cancellation of treasury shares.

#### t) Lease accounting

##### Assets taken on lease :

The Company mainly has lease arrangements for land and building for offices, warehouse spaces and retail stores and vehicles.

The Company assesses whether a contract is or contains a lease, at inception of a contract in accordance with Ind AS 116. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all the economic benefits from the use of the asset through the period of the lease, and (iii) the

Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term or useful life of the underlying asset if the Company expects to exercise a purchase option in the lease. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, generally discounted using an incremental borrowing rate specific to the Company, term and currency of the contract.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Statement of Profit or Loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

## Notes to the Standalone Financial Statements (Contd.)

### Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU assets and lease liabilities for short term leases as well as low value assets and recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### u) Borrowing Cost

Borrowing cost includes interest, amortisation 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 capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

### v) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### w) Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### x) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders of the Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

Diluted Earnings per share is calculated by dividing net profit attributable to the equity shareholders of the Company with the weighted average number of shares outstanding during the financial year, adjusted for effects of diluting potential equity shares towards ESOP plan.

### y) Exceptional items :

An ordinary item of income or expense which by its size, nature, occurrence or incidence requires a disclosure in order to improve understanding of the performance of the Company is treated as an exceptional item in the Statement of Profit and Loss account.

## 1.5. Key accounting estimates and judgements

The preparation of the Company's Financial Statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

### Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below :

#### a) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (Refer note 18).

#### b) Business combinations and intangible assets

Business combinations are accounted for using IND AS 103, Business Combinations. IND AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

### c) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes or a change in market demand of the product or service output of the asset, manufacturers warranties and maintenance support, etc.

### d) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

### e) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 34, 'Employee benefits'.

### f) Share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds). Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 34(3).

### g) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

### h) Right-of-use assets and lease liability

The Company has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.





## NOTE 2A : PROPERTY, PLANT AND EQUIPMENT

	Gross carrying value				Depreciation/Amortisation		Net carrying value	
	As at 01.04.2023	Additions during the year	Deductions / Adjustments	As at 31.03.2024	As at 01.04.2023	Additions during the year	Deductions / Adjustments	As at 31.03.2024
Freehold Land	346.81	-	-	346.81	-	-	-	346.81
Buildings	1,399.07	69.85	0.05	1,468.87	332.07	48.40	0.01	1,088.41
Plant and Equipment ^	4,228.47	567.16	13.97	4,781.66	2,338.05	335.44	11.57	2,119.74
Scientific Research :								
Buildings	71.28	-	-	71.28	17.78	2.73	-	50.77
Equipment ^	75.35	4.42	(0.36)	80.13	54.29	5.95	(0.12)	19.77
Leasehold Improvements	0.31	-	-	0.31	0.11	0.04	-	0.16
Furniture and Fixtures	114.76	24.12	1.49	137.39	58.86	13.21	1.32	66.64
Vehicles	3.01	-	0.01	3.00	2.52	0.33	0.01	0.16
Office Equipment	85.75	14.49	1.98	98.26	60.35	10.49	1.94	29.36
Leasehold Improvements	9.25	-	-	9.25	8.93	0.07	-	0.25
Information Technology Hardware	191.85	14.12	1.61	204.36	165.37	12.41	1.55	28.13
<b>Total</b>	<b>6,525.91</b>	<b>694.16</b>	<b>18.75</b>	<b>7,201.32</b>	<b>3,038.33</b>	<b>429.07</b>	<b>16.28</b>	<b>3,750.20</b>

	Gross carrying value				Depreciation/Amortisation		Net carrying value	
	As at 01.04.2022	Additions during the year	Deductions / Adjustments	As at 31.03.2023	As at 01.04.2022	Additions during the year	Deductions / Adjustments	As at 31.03.2023
Freehold Land	345.86	0.95	-	346.81	-	-	-	346.81
Buildings	1,371.43	30.74	3.10	1,399.07	276.81	56.02	0.76	1,067.00
Plant and Equipment^	4,027.97	210.42	9.92	4,228.47	1,952.01	393.87	7.83	1,890.42
Scientific Research :								
Buildings	71.28	-	-	71.28	15.04	2.74	-	53.50
Equipment^	72.97	2.29	(0.09)	75.35	47.48	6.79	(0.02)	21.06
Leasehold Improvements	0.31	-	-	0.31	0.08	0.03	-	0.20
Furniture and Fixtures	84.92	30.86	1.02	114.76	48.84	10.98	0.96	55.90
Vehicles	3.01	-	-	3.01	2.13	0.39	-	0.49
Office Equipment	76.09	11.84	2.18	85.75	52.76	9.76	2.17	25.40
Leasehold Improvements	8.92	0.33	-	9.25	8.92	0.01	-	0.32
Information Technology Hardware	186.32	14.95	9.42	191.85	155.38	19.41	9.42	26.48
<b>Total</b>	<b>6,249.08</b>	<b>302.38</b>	<b>25.55</b>	<b>6,525.91</b>	<b>2,559.45</b>	<b>500.00</b>	<b>21.12</b>	<b>3,038.33</b>

Title deeds of all immovable properties are in the name of the Company. The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 32 (b).

^ "Plant and Equipment" amounting to ₹ 0.36 crores (Previous Year - ₹ 0.38 crores) has been reclassified under "Scientific Research - Equipment" subsequent to transfer of Assets from Plant to R&D facility.

## NOTE 2B : RIGHT-OF-USE ASSETS

Movement in net carrying amount	Year 2023-24				Year 2022-23			
	Leasehold Land	Building	Vehicles	Total	Leasehold Land	Building	Vehicles	Total
Balance as at 1 <sup>st</sup> April	285.77	794.46	0.71	1,080.94	144.77	640.63	0.80	786.20
Additions	186.87	581.56	0.35	768.78	142.92	413.18	0.54	556.64
Depreciation	4.48	284.01	0.34	288.83	1.92	231.87	0.56	234.35
Deletions	-	41.83	0.03	41.86	-	27.48	0.07	27.55
<b>Balance as at 31<sup>st</sup> March</b>	<b>468.16</b>	<b>1,050.18</b>	<b>0.69</b>	<b>1,519.03</b>	<b>285.77</b>	<b>794.46</b>	<b>0.71</b>	<b>1,080.94</b>

All lease agreements are duly executed in favour of the Company.

For additions and movement in lease liabilities Refer note 15.

## NOTE 3 : CAPITAL WORK-IN-PROGRESS

## Capital Work-in-Progress (CWIP) ageing schedule

CWIP	Amount in CWIP for a period of				As at 31.03.2024	
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	As at 31.03.2024	As at 31.03.2024
Projects in progress	1,885.88	557.49	112.27	5.29	2,560.93	-
Projects temporarily suspended	-	-	-	-	-	-
<b>CWIP</b>	<b>1,885.88</b>	<b>557.49</b>	<b>112.27</b>	<b>5.29</b>	<b>2,560.93</b>	<b>-</b>
Projects in progress	849.23	122.85	2.13	3.83	978.04	-
Projects temporarily suspended	-	-	-	-	-	-
<b>CWIP</b>	<b>849.23</b>	<b>122.85</b>	<b>2.13</b>	<b>3.83</b>	<b>978.04</b>	<b>-</b>

## CWIP assets where completion is overdue and/or cost has exceeded its original plan

CWIP	To be completed in				As at 31.03.2024	
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	As at 31.03.2024	As at 31.03.2024
Ankleshwar Plant Expansion	1,150.43	-	-	-	1,150.43	-
Bhandup office and warehouse	108.77	-	-	-	108.77	-
Wada Plant	50.73	-	-	-	50.73	-
Asian Paints Headquarter Project	188.65	-	-	-	188.65	-
<b>CWIP</b>	<b>1,508.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,508.63</b>	<b>-</b>
Wada Plant	22.29	-	-	-	22.29	-
Kasna Plant Expansion	80.65	-	-	-	80.65	-
<b>CWIP</b>	<b>102.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102.94</b>	<b>-</b>





## Notes to the Standalone Financial Statements (Contd.)

### NOTE 5 : INVESTMENTS

	Face value (₹)	As at 31.03.2024		As at 31.03.2023	
		Nos.	₹ in Crores	Nos.	₹ in Crores
<b>I. NON-CURRENT INVESTMENTS</b>					
<b>A. Investments in Equity Instruments</b>					
<b>(a) Unquoted equity shares</b>					
<b>(i) Subsidiaries (measured at cost, Refer note 1.4(h))</b>					
Asian Paints Industrial Coatings Limited	10	3,04,50,000	30.45	3,04,50,000	30.45
Asian Paints International Private Limited		42,78,75,387	706.44	42,78,75,387	706.44
Asian Paints (Nepal) Private Limited	NPR 10	32,54,310	0.12	32,54,310	0.12
Maxbhumi Developers Limited (Refer note 36(f))	10	4,19,000	15.55	4,19,000	15.55
Less: Impairment loss			(3.50)		(3.50)
			<b>12.05</b>		<b>12.05</b>
Sleek International Private Limited (Refer note 36(f))	10	2,90,100	329.60	2,90,100	329.60
Less: Impairment loss			(95.00)		(95.00)
			<b>234.60</b>		<b>234.60</b>
Asian Paints PPG Private Limited	10	52,43,961	30.47	52,43,961	30.47
Weatherseal Fenestration Private Limited (Refer note 36(c))	10	10,409	20.69	10,409	20.69
Asian Paints (Polymers) Private Limited (Refer note 36(d))	10	30,00,00,000	300.00	20,00,00,000	200.00
Asian White Cement Holding Limited (Refer note 36(e))	AED 10	41,79,000	94.73	-	-
Harind Chemicals & Pharmaceuticals Private Limited (Refer note 36(b))	10	1,02,000	26.18	-	-
Obgenix Software Private Limited (Refer note 36(a))	10	2,40,600	271.92	-	-
			<b>1,727.65</b>		<b>1,234.82</b>
<b>(ii) Associate companies (measured at cost, Refer note 1.4(h))</b>					
Obgenix Software Private Limited (Refer note 36(a))	10	-	-	1,96,490	215.88
PPG Asian Paints Private Limited	10	2,85,18,112	81.43	2,85,18,112	81.43
			<b>81.43</b>		<b>297.31</b>
<b>Investments in subsidiaries and associate companies (i + ii)</b>			<b>1,809.08</b>		<b>1,532.13</b>
<b>(iii) Other equity shares measured at FVTPL</b>					
Pattancheru Enviro-tech Limited	10	12,900	0.01	12,900	0.01
Cuddalore SIPCOT Common Utilities Limited	100	2,830	0.03	2,830	0.03
Narmada Clean Tech Limited	10	4,97,833	0.49	4,97,833	0.49
SKH Metals Limited	10	62,500	0.50	62,500	0.50
Amplus RJ Solar Private Limited	10	8,50,000	0.85	8,50,000	0.85
BEIL Infrastructure Limited	10	5,600	0.01	5,600	0.01
Paints and Coatings Skill Council	25,000	10	0.03	10	0.03
			<b>1.92</b>		<b>1.92</b>
<b>Total Unquoted equity shares</b>			<b>1,811.00</b>		<b>1,534.05</b>
<b>(b) Quoted equity shares measured at FVTOCI</b>					
Akzo Nobel India Limited	10	20,10,626	479.47	20,10,626	462.55
HDFC Bank Limited*	1	7,81,200	113.11	4,65,000	122.09
Apcotex Industries Limited	2	34,180	1.50	34,180	1.68
<b>Total Quoted equity shares</b>			<b>594.08</b>		<b>586.32</b>
<b>Total Investments in Equity Instruments other than Investments in subsidiaries and associate companies (a(iii) + b)</b>	<b>A</b>		<b>596.00</b>		<b>588.24</b>

### NOTE 5 : INVESTMENTS (CONTD.)

	Face value (₹)	As at 31.03.2024		As at 31.03.2023	
		Nos.	₹ in Crores	Nos.	₹ in Crores
<b>I. NON-CURRENT INVESTMENTS (Contd.)</b>					
<b>B. Investments in Unquoted Government securities measured at amortised cost</b>	<b>B</b>				
National Savings & Defence Certificates #[₹ 39,500/- (As at 31 <sup>st</sup> March, 2023 - ₹ 39,500)]			#		#
<b>C. Investments in Debentures or Bonds measured at FVTOCI</b>					
<b>(a) Quoted Debentures or Bonds</b>					
<b>Redeemable and Non-Convertible</b>					
Zero Coupon Debentures of HDB Financial Services Limited - Series 2021 A/0(ZC)/163	10,00,000	-	-	230	25.01
Zero Coupon Debentures of HDB Financial Services Limited - Series 2021 A/0(ZC)/171	10,00,000	-	-	250	26.14
Zero Coupon Debentures of HDB Financial Services Limited - Series 2022 A/0(ZC)/186_Option 1	10,00,000	450	50.07	-	-
Zero Coupon Debentures of Kotak Mahindra Investments Limited - Series III 24JN25	10,00,000	-	-	250	21.59
Zero Coupon Debentures of Kotak Mahindra Investments Limited - Series III 29JN26	10,00,000	600	51.83	-	-
7.11% Bond of Power Finance Corporation Limited - Series 1A	1,000	51,341	5.27	51,341	5.33
8.25% Debentures of Hero Fincorp Limited - Series HFCLNCD0590PI	10,00,000	-	-	250	24.89
7.07% Bond of Indian Railway Finance Corporation Limited - Series 102 <sup>nd</sup>	1,000	2,26,500	23.30	2,26,500	23.58
Zero Coupon Debentures of LIC Housing Finance Limited - Tranche 416	10,00,000	450	50.42	450	44.50
7.14% Bond of National Highway Authority of India - Series IA	1,000	1,42,849	14.73	1,42,849	14.89
7.11% Bond of National Thermal Power Corporation Limited - Series 1A	1,000	62,457	6.41	62,457	6.49
			<b>202.03</b>		<b>192.42</b>
<b>(b) Unquoted Debentures or Bonds</b>					
<b>Redeemable and Non-Convertible</b>					
5.25% Bond of Indian Railway Finance Corporation Limited - Series VII 54EC	10,000	500	0.50	-	-
5.00% Bond of Indian Railway Finance Corporation Limited - Series IV	10,000	500	0.50	500	0.50
5.00% Bond of Rural Electrification Corporation Limited - Series XVI 54EC 31AG27	10,000	500	0.50	500	0.50
5.00% Bond of Rural Electrification Corporation Limited - Series XVI 54EC 31MY27	10,000	500	0.50	500	0.49
			<b>2.00</b>		<b>1.49</b>
<b>Total Investments in Debentures or Bonds (a + b)</b>	<b>C</b>		<b>204.03</b>		<b>193.91</b>
<b>Total Non-Current Investments (A+B+C)</b>			<b>800.03</b>		<b>782.15</b>
Aggregate amount of quoted investments - At cost			233.93		233.55
Aggregate amount of quoted investments - At market value			796.11		778.74
Aggregate amount of unquoted investments			1,813.00		1,535.54
Aggregate amount of impairment in value of investments			98.50		98.50

\* During the year, Housing Development Finance Corporation Limited (HDFC Ltd.) merged into HDFC Bank Limited (allotted 42 new equity shares of the face value of ₹ 1 per share, for every 25 equity shares of the face value of ₹ 2 per share fully paid-up held in HDFC Ltd.).

## Notes to the Standalone Financial Statements (Contd.)

### NOTE 5 : INVESTMENTS (CONTD.)

	Face value (₹)	As at 31.03.2024		As at 31.03.2023	
		Nos.	₹ in Crores	Nos.	₹ in Crores
<b>II. CURRENT INVESTMENTS</b>					
<b>A. Investments in Debentures or Bonds measured at FVTOCI</b>					
<b>(a) Quoted Debentures or Bonds</b>					
<b>Redeemable and Non-Convertible</b>					
Zero Coupon Debentures of HDB Financial Services Limited - Series 2021 A/0(ZC)/163	10,00,000	230	27.09	-	-
Zero Coupon Debentures of HDB Financial Services Limited - Series 2021 A/0(ZC)/171	10,00,000	250	28.29	-	-
Zero Coupon Debentures of Kotak Mahindra Investments Limited - Series III	10,00,000	250	23.41	-	-
6.30% Debentures of HDB Financial Services Limited - Series 2022 A/1(FX)/177	10,00,000	750	73.66	-	-
8.25% Debentures of Hero Fincorp Limited - Series HFCLNCD059OPI	10,00,000	250	24.88	-	-
6.70% Debentures of Tata Capital Limited - Series B	10,00,000	400	39.44	-	-
			<b>216.77</b>		<b>-</b>
<b>(b) Unquoted Debentures or Bonds</b>					
<b>Redeemable and Non-Convertible</b>					
7.00% Debentures of CitiCorp Finance India Limited - Series 2022/08/800 Tranche 1	10,00,000	-	-	500	48.82
5.75% Bond of Rural Electrification Corporation Limited - Series XII	10,000	-	-	500	0.50
			<b>-</b>		<b>49.32</b>
<b>Total Investments in Debentures or Bonds (a + b)</b>	<b>A</b>		<b>216.77</b>		<b>49.32</b>
<b>B. Investments in Quoted Mutual Funds measured at FVTPL</b>					
<b>(a) Investments in Fixed Maturity Plans (with original maturity of less than 3 months)</b>					
		-	-	-	111.57
<b>(b) Investments in Liquid Mutual Funds</b>					
UTI Liquid Fund (Formerly UTI Liquid Cash Plan) - Direct Plan	1,000	4,15,722	164.54	166,006	61.25
Other Mutual Funds			2,714.16		2,375.23
<b>Total Investments in Mutual Funds - Quoted</b>	<b>B</b>		<b>2,878.70</b>		<b>2,548.05</b>
<b>Total Current Investments (A+B)</b>			<b>3,095.47</b>		<b>2,597.37</b>
Aggregate amount of quoted investments - At cost			2,919.22		2,460.86
Aggregate amount of quoted investments - At market value			3,095.47		2,548.05
Aggregate amount of unquoted investments			-		49.32

### NOTE 6 : OTHER FINANCIAL ASSETS\*

	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Unsecured &amp; considered good</b>				
Security deposits	62.67	42.04	12.35	32.39
Dividend receivable from subsidiary companies	-	-	-	14.22
Royalty receivable from subsidiary and associate Companies	-	-	106.96	100.48
Due from subsidiary companies	-	-	28.99	21.91
Due from associate companies	-	-	2.62	3.73
Subsidy receivable from State Governments (net) ^	275.33	300.56	178.88	121.98
Term deposits held as margin money against bank guarantee and other commitments	0.11	0.09	-	-
Term deposits with more than 12 months of original maturity	243.15	-	1,191.58	1,134.29
Interest accrued on investments in debentures or bonds measured at FVTOCI	-	-	17.53	6.31
Quantity discount receivable	-	-	212.47	258.62
Foreign currency forward exchange contract (net)	-	-	0.03	0.05
Retention monies receivable from Customers	2.14	2.23	0.18	-
Derivative asset towards further stake acquisition in subsidiary and associate company (Refer note 36(a) and (c))	36.54	3.91	5.02	2.27
Other receivables	-	-	18.61	10.24
<b>Subtotal (A)</b>	<b>619.94</b>	<b>348.83</b>	<b>1,775.22</b>	<b>1,706.49</b>
<b>Unsecured &amp; considered doubtful</b>				
Royalty receivable from subsidiary and associate companies	-	-	4.16	4.13
Due from subsidiary companies	-	-	2.83	3.18
	-	-	<b>6.99</b>	<b>7.31</b>
Less : Allowance for doubtful debts and advances	-	-	(6.99)	(7.31)
<b>Subtotal (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>619.94</b>	<b>348.83</b>	<b>1,775.22</b>	<b>1,706.49</b>

\* Refer note 29(C) for information about credit risk of other financial assets.

^ Current and Non-Current portion of subsidy receivable from state governments is net of allowance for expected credit loss amounting to ₹ 5.95 crores (Previous Year - ₹ 7.05 crores) and ₹ 9.62 crores (Previous Year - ₹ 19.10 crores) respectively. The allowance is created to provide for time value of money (Refer note 29(C)(2)).

### NOTE 7 : INCOME TAX ASSETS (NET)

	Non-Current	
	As at 31.03.2024	As at 31.03.2023
Advance payment of Income Tax (net)	164.32	146.98
<b>Total</b>	<b>164.32</b>	<b>146.98</b>



## Notes to the Standalone Financial Statements (Contd.)

### NOTE 8 : OTHER ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>(a) Capital advances</b>	48.63	161.41	-	-
<b>(b) Advances other than capital advances</b>				
i) Advances/claims recoverable in cash or in kind	62.87	61.88	291.45	269.07
ii) Balances with government authorities	-	-	298.76	140.79
iii) Advances to employees	2.63	-	8.51	3.37
iv) Duty credit entitlement	-	-	0.03	0.23
	<b>65.50</b>	<b>61.88</b>	<b>598.75</b>	<b>413.46</b>
<b>(c) Other receivables</b>	-	-	9.25	7.19
<b>(d) Contract assets</b>	-	-	16.51	3.94
<b>Total</b>	<b>114.13</b>	<b>223.29</b>	<b>624.51</b>	<b>424.59</b>

No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other person.  
For details of advances due (if any) from firms or private companies in which any director is a partner, a director or a member, Refer note 37.

### NOTE 9 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Crores)

	Current	
	As at 31.03.2024	As at 31.03.2023
<b>(a) Raw materials</b>	1,349.67	1,504.57
Raw materials-in-transit	498.56	204.62
	<b>1,848.23</b>	<b>1,709.19</b>
<b>(b) Packing materials</b>	75.85	67.49
<b>(c) Work-in-progress</b>	166.60	167.25
<b>(d) Finished goods</b>	2,070.32	2,397.08
<b>(e) Stock-in-trade (acquired for trading)</b>	744.36	803.03
Stock-in-trade (acquired for trading)-in-transit	58.24	29.14
	<b>802.60</b>	<b>832.17</b>
<b>(f) Stores, spares and consumables</b>	111.09	139.40
Stores, spares and consumables-in-transit	0.07	9.21
	<b>111.16</b>	<b>148.61</b>
<b>Total</b>	<b>5,074.76</b>	<b>5,321.79</b>

The cost of inventories recognised as an expense during the year is disclosed in Note 24. It includes net reversal of ₹ 19.32 crores (Previous year expense - ₹ 90.24 crores net of reversals) towards write down of inventory.

### NOTE 10 : TRADE RECEIVABLES

(₹ in Crores)

	Current	
	As at 31.03.2024	As at 31.03.2023
<b>Trade receivables - Unsecured</b>		
(a) Considered good	3,633.45	3,462.61
(b) Considered doubtful	212.27	127.83
	<b>3,845.72</b>	<b>3,590.44</b>
Less : Allowance for doubtful debts (Refer note 29(C)(2))	(212.27)	(127.83)
<b>Total</b>	<b>3,633.45</b>	<b>3,462.61</b>

There are no outstanding trade receivables from any directors or other officers of the Company or any of them either severally or jointly with any other person. For details of trade receivables from firms or private companies in which any director is a partner, a director or a member, subsidiary and associate companies, Refer note 37.

#### Trade Receivables ageing schedule

(₹ in Crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment					As at 31.03.2024
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Trade receivables - Unsecured</b>								
(a) Undisputed, considered good	7.15	3,056.22	480.70	89.38	-	-	-	3,633.45
(b) Undisputed, considered doubtful	-	0.62	0.69	29.46	81.79	41.43	39.69	193.68
(c) Disputed, considered good	-	-	-	-	-	-	-	-
(d) Disputed, considered doubtful	-	0.34	0.29	0.60	1.94	6.52	8.90	18.59
	<b>7.15</b>	<b>3,057.18</b>	<b>481.68</b>	<b>119.44</b>	<b>83.73</b>	<b>47.95</b>	<b>48.59</b>	<b>3,845.72</b>
Less : Allowance for doubtful debts								(212.27)
<b>Total</b>								<b>3,633.45</b>

(₹ in Crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment					As at 31.03.2023
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Trade receivables - Unsecured</b>								
(a) Undisputed, considered good	3.99	3,094.70	325.60	38.32	-	-	-	3,462.61
(b) Undisputed, considered doubtful	-	0.12	0.45	13.87	43.19	11.26	16.91	85.80
(c) Disputed, considered good	-	-	-	-	-	-	-	-
(d) Disputed, considered doubtful	-	0.16	0.52	1.68	13.41	9.43	16.83	42.03
	<b>3.99</b>	<b>3,094.98</b>	<b>326.57</b>	<b>53.87</b>	<b>56.60</b>	<b>20.69</b>	<b>33.74</b>	<b>3,590.44</b>
Less : Allowance for doubtful debts								(127.83)
<b>Total</b>								<b>3,462.61</b>

## Notes to the Standalone Financial Statements (Contd.)

### NOTE 11 : CASH AND BANK BALANCES

	(₹ in Crores)	
	Current	
	As at 31.03.2024	As at 31.03.2023
<b>(A) Cash and Cash Equivalents</b>		
(i) Balances with Banks		
(a) Current Accounts	113.18	44.21
(b) Cash Credit Accounts (Refer note below)	1.11	49.13
(c) Deposits with original maturity of less than 3 months	124.10	25.01
(ii) Cheques, drafts on hand	87.56	38.07
(iii) Cash on hand	0.01	0.02
<b>Total</b>	<b>325.96</b>	<b>156.44</b>
<b>(B) Other Balances with Banks</b>		
(i) Term deposits with original maturity of more than 3 month but less than 12 months	-	181.57
(ii) Unpaid dividend and sales proceeds of Fractional Bonus Shares account *	23.84	23.99
(iii) Earmarked balances for CSR (Refer note 39)	-	0.88
<b>Total</b>	<b>23.84</b>	<b>206.44</b>

The Company has unsecured line of borrowings which carry an interest rate of 8.55% p.a (Previous year - 8.40% p.a).

The Company has not used borrowings for purpose other than specified purpose of the borrowing.

\* The Company can utilise these balances only towards settlement of unclaimed dividend and fractional bonus shares.

### NOTE 12 : EQUITY SHARE CAPITAL

	(₹ in Crores)	
	As at 31.03.2024	As at 31.03.2023
<b>Authorised</b>		
99,50,00,000 Equity Shares of face value of ₹ 1 each	99.50	99.50
50,000 11% Redeemable Cumulative Preference shares of face value 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 Equity Shares of face value 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

	As at 31.03.2024		As at 31.03.2023	
	No. of Equity Shares	₹ in Crores	No. of Equity Shares	₹ in Crores
<b>Fully paid Equity Shares</b>				
<b>Balance at the beginning of the reporting year</b>	<b>95,91,97,790</b>	<b>95.92</b>	<b>95,91,97,790</b>	<b>95.92</b>
Changes in Equity Share capital due to prior period errors	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>95,91,97,790</b>	<b>95.92</b>	<b>95,91,97,790</b>	<b>95.92</b>
Changes in Equity Share capital during the year	-	-	-	-
<b>Balance at the end of the reporting year</b>	<b>95,91,97,790</b>	<b>95.92</b>	<b>95,91,97,790</b>	<b>95.92</b>

### NOTE 12 : EQUITY SHARE CAPITAL (CONTD.)

#### b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a face 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.

Particulars	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>Dividend paid during the year</b>		
Final dividend for the FY 2022-23 [₹ 21.25 (Previous year - ₹ 15.50) per equity share of face value of ₹ 1 each ]	2,038.34	1,486.78
Interim dividend for the FY 2023-24 [₹ 5.15 (Previous year - ₹ 4.40) per equity share of face value of ₹ 1 each]	494.04	422.08
	<b>2,532.38</b>	<b>1,908.86</b>

Proposed dividend for FY 2023-24 is ₹ 28.15 per equity share of face value of ₹ 1 each amounting to ₹ 2700.14 crores (Previous year - ₹ 21.25 per equity share of face value of ₹ 1 each), subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability. If approved, the total dividend (interim and final dividend) for the financial year 2023-24 will be ₹ 33.30 (Rupees Thirty Three and paise thirty only) per equity share of the face value of ₹ 1 each (₹ 25.65 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year).

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.

#### c) Details of Shareholders holding more than 5% equity shares in the Company<sup>@</sup>

Name of the Shareholders	As at 31.03.2024		As at 31.03.2023	
	No of Equity Shares	% of Total Shares	No of Equity Shares	% of Total Shares
<b>Fully paid Equity Shares of face value of ₹ 1 each held by:</b>				
1. Life Insurance Corporation of India	5,54,54,514	5.78%	3,64,76,385	3.80%
2. Sattva Holding and Trading Private Limited	5,47,89,183	5.71%	5,47,89,183	5.71%
3. Smiti Holding and Trading Company Private Limited	5,17,67,638	5.40%	5,53,39,068	5.77%

<sup>@</sup> As per the records of the Company, including its register of members.



## Notes to the Standalone Financial Statements (Contd.)

### NOTE 12 : EQUITY SHARE CAPITAL (CONTD.)

#### d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year

Promoter Name	As at 31.03.2024		As at 31.03.2023		% change during the year
	No. of Equity Shares	% of Total Shares	No. of Equity Shares	% of Total Shares	
Sattva Holding And Trading Private Limited	5,47,89,183	5.71%	5,47,89,183	5.71%	0.00%
Smiti Holding And Trading Company Private Limited	5,17,67,638	5.40%	5,53,39,068	5.77%	-6.45%
Geetanjali Trading And Investments Private Limited	4,57,06,140	4.77%	4,57,06,140	4.77%	0.00%
Elcid Investments Limited	2,83,13,860	2.95%	2,83,13,860	2.95%	0.00%
Gujarat Organics Pvt Ltd	2,31,50,730	2.41%	2,31,50,730	2.41%	0.00%
Sudhanava Investments And Trading Company Private Limited	1,90,01,760	1.98%	1,90,01,760	1.98%	0.00%
Rupen Investment & Industries Private Limited	1,88,49,825	1.97%	1,88,49,825	1.97%	0.00%
Satyadhama Investments And Trading Company Private Ltd.	1,83,34,280	1.91%	1,83,34,280	1.91%	0.00%
Castle Investment & Industries Private Limited	1,54,57,470	1.61%	1,54,57,470	1.61%	0.00%
Lyon Investment & Industries Private Limited	1,43,42,060	1.50%	1,43,42,060	1.50%	0.00%
Dipika Amar Vakil	1,27,61,340	1.33%	1,27,86,340	1.33%	-0.20%
Jaldhar Investments And Trading Company Private Limited	1,24,28,250	1.30%	1,24,28,250	1.30%	0.00%
Late Abhay Arvind Vakil	1,24,18,060	1.29%	1,24,18,060	1.29%	0.00%
Tru Trading And Investments Pvt Limited	1,21,76,500	1.27%	1,21,76,500	1.27%	0.00%
Nehal Trading And Investments Private Limited	1,11,02,530	1.16%	1,11,02,530	1.16%	0.00%
Asteroids Trading And Investments Private Limited	1,08,18,530	1.13%	1,08,18,530	1.13%	0.00%
Jalaj Trading & Investment Company Private Limited	1,07,76,697	1.12%	1,07,76,697	1.12%	0.00%
Unnati Trading And Investments Private Limited	1,04,72,600	1.09%	1,04,72,600	1.09%	0.00%
Doli Trading And Investments Private Limited	93,63,440	0.98%	93,63,440	0.98%	0.00%
Centaurus Trading And Investments Pvt Ltd	74,08,940	0.77%	74,08,940	0.77%	0.00%
Vivek Abhay Vakil	68,12,369	0.71%	68,12,369	0.71%	0.00%
Suptaswar Investments And Trading Company Limited	65,58,310	0.68%	65,58,310	0.68%	0.00%
Bhairavi Abhay Vakil	60,64,322	0.63%	60,64,322	0.63%	0.00%
Lambodar Investments And Trading Company Limited	60,15,130	0.63%	60,15,130	0.63%	0.00%
Murahr Investments And Trading Company Limited	57,43,670	0.60%	57,43,670	0.60%	0.00%
Nehal Abhay Vakil	57,38,489	0.60%	57,38,489	0.60%	0.00%
Hiren Holdings Private Limited	41,52,310	0.43%	41,52,310	0.43%	0.00%
Satyen Ashwin Gandhi	37,25,954	0.39%	37,25,940	0.39%	0.00%
Hiren Ashwin Gandhi	37,06,265	0.39%	37,06,265	0.39%	0.00%
Malav A Dani	36,50,176	0.38%	33,05,510	0.34%	10.43%
Upnishad Trustee Advisory Services Private Limited	35,71,430	0.37%	-	-	100.00%
Hasit A Dani	31,50,800	0.33%	31,50,800	0.33%	0.00%
Vakil HUF (Varun Amar Vakil)	31,03,290	0.32%	31,03,290	0.32%	0.00%
Vishal Shailesh Choksi	29,51,220	0.31%	29,51,220	0.31%	0.00%
Shailesh Chimanlal Choksi	25,91,210	0.27%	25,91,210	0.27%	0.00%
Amrita Amar Vakil	25,66,680	0.27%	25,66,680	0.27%	0.00%
Manish Mahendra Choksi	23,81,040	0.25%	23,81,040	0.25%	0.00%
Varun Amar Vakil	22,30,590	0.23%	22,30,590	0.23%	0.00%
Prafullika Shailesh Choksi	21,42,560	0.22%	21,42,560	0.22%	0.00%

### NOTE 12 : EQUITY SHARE CAPITAL (CONTD.)

#### d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year (Contd.)

Promoter Name	As at 31.03.2024		As at 31.03.2023		% change during the year
	No. of Equity Shares	% of Total Shares	No. of Equity Shares	% of Total Shares	
Amar Arvind Vakil HUF (Varun Amar Vakil)	21,12,190	0.22%	21,12,190	0.22%	0.00%
ELF Trading and Chemical Manufacturing Private Limited	21,08,160	0.22%	21,08,160	0.22%	0.00%
Abhay Arvind Vakil HUF (Vivek Abhay Vakil)	20,76,820	0.22%	20,76,820	0.22%	0.00%
Jigish Shailesh Choksi	19,95,180	0.21%	19,95,180	0.21%	0.00%
Rupal Anant Bhat	19,23,770	0.20%	19,23,770	0.20%	0.00%
Shailesh Chimanlal Choksi HUF (Shailesh Chimanlal Choksi)	17,49,690	0.18%	17,49,690	0.18%	0.00%
Mahendra Chimanlal Choksi	16,56,380	0.17%	16,56,380	0.17%	0.00%
Jalaj A Dani	16,00,200	0.17%	16,00,200	0.17%	0.00%
Ina Ashwin Dani	14,51,792	0.15%	5,15,920	0.05%	181.40%
Asha Subhash Gujarathi	14,23,400	0.15%	14,23,400	0.15%	0.00%
Rita Mahendra Choksi	9,80,000	0.10%	9,80,000	0.10%	0.00%
Rayirth Holding And Trading Company Private Limited	9,65,910	0.10%	9,65,910	0.10%	0.00%
Rupen Ashwin Choksi	9,28,607	0.10%	9,28,607	0.10%	0.00%
Ashish Ashwin Choksi	8,80,840	0.09%	8,80,840	0.09%	0.00%
Urvashi Ashwin Choksi	8,38,110	0.09%	8,38,110	0.09%	0.00%
ACC AP TRUST	7,85,700	0.08%	7,85,700	0.08%	0.00%
Rhea Amit Sethi	7,02,000	0.07%	7,02,000	0.07%	0.00%
Mahendra Chimanlal Choksi HUF (Mahendra Chimanlal Choksi)	5,39,800	0.06%	5,39,800	0.06%	0.00%
Ami Manish Choksi	4,72,200	0.05%	4,72,200	0.05%	0.00%
Vita Jalaj Dani	4,35,260	0.05%	4,35,260	0.05%	0.00%
Ishwara Hasit Dani	4,10,710	0.04%	4,10,710	0.04%	0.00%
Hasit Ashwin Dani HUF (Hasit Ashwin Dani)	3,92,666	0.04%	48,000	0.01%	718.05%
Jalaj A Dani HUF (Jalaj Ashwin Dani)	3,44,666	0.04%	-	-	100%
Richa Manish Choksi	1,80,450	0.02%	1,80,450	0.02%	0.00%
Mudit Jalaj Dani	1,59,800	0.02%	1,59,800	0.02%	0.00%
Late Amar Arvind Vakil	1,58,770	0.02%	1,58,770	0.02%	0.00%
Smiti Jalaj Dani	1,39,110	0.01%	1,39,110	0.01%	0.00%
Binita Ashish Choksi	1,31,700	0.01%	1,31,700	0.01%	0.00%
Anay Rupen Choksi	1,30,500	0.01%	1,30,500	0.01%	0.00%
Aashay Ashish Choksi	1,25,380	0.01%	1,25,380	0.01%	0.00%
Vikatmev Containers Ltd	1,11,600	0.01%	1,11,600	0.01%	0.00%
Nysha Rupen Choksi	1,02,750	0.01%	1,02,750	0.01%	0.00%
Druhi Ashish Choksi	1,00,000	0.01%	1,00,000	0.01%	0.00%
Ashwin Ramanlal Gandhi	91,860	0.01%	91,860	0.01%	0.00%
Meghna Satyen Gandhi	75,000	0.01%	75,000	0.01%	0.00%
Vaibhavi Hireen Gandhi	75,000	0.01%	75,000	0.01%	0.00%
Shubhlakshmi Hasit Dani	59,529	0.01%	59,529	0.01%	0.00%
Late Chandanben Chhotatal Shah	20,000	0.00%	20,000	0.00%	0.00%

**NOTE 12 : EQUITY SHARE CAPITAL (CONTD.)**

**d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year (Contd.)**

Promoter Name	As at 31.03.2024		As at 31.03.2023		% change during the year
	No. of Equity Shares	% of Total Shares	No. of Equity Shares	% of Total Shares	
Dani Finlease Private Limited	10,930	0.00%	10,930	0.00%	0.00%
Nyra Varun Vakil (Minor)	10,000	0.00%	-	-	100.00%
Master Hrishav Varun Vakil (Minor)	10,000	0.00%	-	-	100.00%
Ragini Varun Vakil	10,000	0.00%	5,000	0.00%	100.00%
Manish Mahendra Choksi HUF (Manish Mahendra Choksi)	7,500	0.00%	7,500	0.00%	0.00%
Ashish Ashwin Choksi HUF (Ashish Ashwin Choksi)	5,620	0.00%	5,620	0.00%	0.00%
Ashwin Suryakant Dani	-	-	11,24,870	0.12%	-100.00%
Ashwin Suryakant Dani HUF (Ashwin Suryakant Dani)	-	-	8,45,000	0.09%	-100.00%
<b>Total</b>	<b>50,47,85,198</b>		<b>50,47,85,184</b>		

**e) Reconciliation of Treasury shares outstanding at the beginning and at the end of the year**

Treasury shares	As at 31.03.2024		As at 31.03.2023	
	No. of Equity Shares	₹ in Crores	No. of Equity Shares	₹ in Crores
<b>Balance at the beginning of the year</b>	<b>3,57,659</b>	<b>110.89</b>	<b>2,23,240</b>	<b>75.00</b>
Add : Purchased during the year	-	-	1,34,419	35.89
Less : Exercised during the year	2,084	0.70	-	-
<b>Balance at the end of the year</b>	<b>3,55,575</b>	<b>110.19</b>	<b>3,57,659</b>	<b>110.89</b>

In accordance with Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"), the ESOP Trust (Asian Paints Employees Stock Ownership Trust) purchased equity shares of the company from secondary market. The net outstanding shares held by the ESOP Trust are disclosed as Treasury Shares (Refer note 34(3)).

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**NOTE 13 : OTHER EQUITY**

	Reserves and Surplus						Items of Other Comprehensive Income (OCI)			Total	
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	Share based payment reserve	Treasury shares	Trust reserve	Debt instruments through OCI		Equity instruments through OCI
<b>Balance as at 1<sup>st</sup> April, 2022 (A)</b>	44.38	0.50	4,166.74	8,974.85	(21.78)	13.40	(75.00)	0.05	1.74	148.29	13,253.17
<b>Additions during the year:</b>											
Profit for the year	-	-	-	4,100.18	-	-	-	-	-	-	4,100.18
Items of OCI for the year, net of tax	-	-	-	-	(7.47)	-	-	-	-	-	(7.47)
Remeasurement of the defined benefit plans	-	-	-	-	-	-	-	-	-	-	-
Net fair value gain on investments in equity instruments through OCI	-	-	-	-	-	-	-	-	-	79.61	79.61
Net fair value (loss) on investments in debt instruments through OCI	-	-	-	-	(7.47)	-	-	-	(4.79)	-	(4.79)
<b>Total Comprehensive Income for the year 2022-23 (B)</b>				4,100.18	(7.47)	-	-	-	(4.79)	79.61	4,167.53
<b>Reductions during the year:</b>											
Dividends (Refer note 12(b))	-	-	-	(1,908.86)	-	-	-	-	-	-	(1,908.86)
Share based payment expense	-	-	-	-	-	13.37	-	-	-	-	13.37
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	0.32	-	-	0.32
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	(35.89)	-	-	-	(35.89)
<b>Total (C)</b>				(1,908.86)	-	13.37	(35.89)	0.32	-	-	(1,931.06)
<b>Balance as at 31<sup>st</sup> March, 2023 (D) = (A+B+C)</b>	44.38	0.50	4,166.74	11,166.17	(29.25)	26.77	(110.89)	0.37	(3.05)	227.90	15,489.64
<b>Additions during the year:</b>											
Profit for the year	-	-	-	5,321.55	-	-	-	-	-	-	5,321.55
Items of OCI for the year, net of tax	-	-	-	-	6.03	-	-	-	-	-	6.03
Remeasurement of the defined benefit plans	-	-	-	-	-	-	-	-	-	7.22	7.22
Net fair value gain on investments in equity instruments through OCI	-	-	-	-	-	-	-	-	-	14.35	14.35
Net fair value gain on investments in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the year 2023-24 (E)</b>				5,321.55	6.03	-	-	-	14.35	7.22	5,349.15
<b>Reductions during the year:</b>											
Dividends (Refer note 12(b))	-	-	-	(2,532.38)	-	-	-	-	-	-	(2,532.38)
Share based payment expense	-	-	-	-	-	21.84	-	-	-	-	21.84
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	0.22	-	-	0.22
ESOP exercised during the year	-	-	-	(0.03)	-	(0.35)	0.70	0.38	-	-	0.70
<b>Total (F)</b>				(2,532.41)	-	21.49	0.70	0.60	-	-	(2,509.62)
<b>Balance as at 31<sup>st</sup> March, 2024 (D+E+F)</b>	44.38	0.50	4,166.74	13,955.31	(23.22)	48.26	(110.19)	0.97	11.30	235.12	18,329.17



## Notes to the Standalone Financial Statements (Contd.)

### NOTE 13 : OTHER EQUITY (CONTD.)

#### Description of nature and purpose of each reserve :

##### Capital Reserve -

- Capital reserve of ₹ 5000/- was created on merger of ' Pentasia Chemicals Ltd ' with the Company, pursuant to scheme of Rehabilitation-cum-Merger sanctioned by Board of Industrial and Financial Reconstruction in the financial year 1995-96.
- Capital Reserve of ₹ 44.38 crores was created on merger of Asian Paints (International) Limited, Mauritius, wholly owned subsidiary of the Company, with the Company as per the order passed by the National Company Law Tribunal.

**Capital Redemption Reserve** - This reserve was created for redemption of preference shares in the financial year 1989-90. The preference shares were redeemed in the financial year 1990-91.

**General Reserve** - General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Remeasurement of defined benefit plans** - This represents the cumulative gains and losses arising on the remeasurement of defined benefit plans in accordance with Ind AS 19 that have been recognised in other comprehensive income.

**Share based payment reserve** - This represents the fair value of the stock options granted by the Company under the 2021 Plan accumulated over the vesting period. The reserve will be utilized on exercise of the options.

**Treasury shares** - This represents cost incurred by the Company to purchase its own equity shares from secondary market through the Company's ESOP trust for issuing the shares to the eligible employees on exercise of stock options granted under the 2021 Plan.

**Trust Reserve** - This represents net income of the ESOP trust.

**Debt instruments through OCI** - This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at FVTOCI that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off and impairment losses on such instruments.

**Equity instruments through OCI** - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at FVTOCI, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

**Retained earnings** - This represents surplus of profit and loss account.

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### NOTE 14 : BORROWINGS\*

(₹ in Crores )

	Maturity Date	Terms of Repayment	Non-Current		Current	
			As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Secured</b>						
<b>Deferred payment liabilities :</b>						
Loan from State of Haryana **	June 2024 to April 2027	One time payment at the end of the term	4.03	20.25	17.86	-
Loan from State of Karnataka ^	March 2034	One time payment at the end of the term	31.55	29.11	-	-
			<b>35.58</b>	<b>49.36</b>	<b>17.86</b>	<b>-</b>

Interest free borrowings are recognised at fair value using prevailing market interest rate for equivalent borrowing. The difference between the gross proceeds and fair value of the borrowing is the benefit derived from the interest free borrowing and is treated as government grant and recognised as deferred income (Refer note 19).

\*\* The Company is eligible to avail interest free borrowing 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. As on 31<sup>st</sup> March 2024, the Company has received total interest free borrowing of ₹ 40.64 crores for the period from April 2010 to March 2016. As on 31<sup>st</sup> March 2024, the Company has repaid borrowing of ₹ 17.20 crores (Previous year - ₹ 17.20 crores). This borrowing is repayable after a period of 5 years from the date of receipt of interest free borrowing. For the year ended 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2017, the Company is awaiting sanction from the Haryana Government.

^ The Company is eligible to avail interest free borrowing for a period of 11 years in respect of 100% of Net SGST (upto the value of investment made in Fixed Asset) paid on the sale of goods within the state of Karnataka and produced at Mysuru plant beginning from 28<sup>th</sup> September 2018. The borrowing is repayable after a period of 11 years from the date of receipt of borrowing. As on 31<sup>st</sup> March 2024, the Company has received total interest free borrowing of ₹ 70.62 crores for the period from September 2018 to March 2020.

The above interest free borrowings are secured by way of a bank guarantee issued by the Company.

#### The aggregate maturities of borrowings, based on contractual maturities

(₹ in Crores)

	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying Value
<b>As at 31<sup>st</sup> March, 2024</b>					
Borrowings	17.86	5.58	70.62	<b>94.06</b>	<b>53.44</b>
<b>As at 31<sup>st</sup> March, 2023</b>					
Borrowings	-	23.44	70.62	<b>94.06</b>	<b>49.36</b>

\* No default in terms of repayment of principal and interest within the Company.

### NOTE 15 : LEASE LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Lease liabilities	885.13	640.14	229.86	202.80
<b>Total</b>	<b>885.13</b>	<b>640.14</b>	<b>229.86</b>	<b>202.80</b>

#### The aggregate maturities of lease liabilities, based on contractual undiscounted cash flows are as follows :

(₹ in Crores)

	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying Value
<b>As at 31<sup>st</sup> March, 2024</b>					
Lease Liabilities	309.39	815.04	380.56	<b>1,504.99</b>	<b>1,114.99</b>
<b>As at 31<sup>st</sup> March, 2023</b>					
Lease Liabilities	259.66	622.96	136.05	<b>1,018.67</b>	<b>842.94</b>

## Notes to the Standalone Financial Statements (Contd.)

### NOTE 15 : LEASE LIABILITIES (CONTD.)

	(₹ in Crores)	
Movement in lease liabilities	Year 2023-24	Year 2022-23
<b>Balance as at 1<sup>st</sup> April</b>	<b>842.94</b>	<b>698.02</b>
Additions	564.38	388.19
Deletions	44.32	29.07
Finance cost	77.41	58.10
Repayment (including interest on lease liabilities)	325.42	272.30
<b>Balance as at 31<sup>st</sup> March</b>	<b>1,114.99</b>	<b>842.94</b>

#### Amounts with respect to leases recognised in the Statement of Profit & Loss and Statement of Cash Flows

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>Amounts recognised in Statement of Profit and Loss</b>		
Interest on lease liabilities (net) (Refer note 27)	77.33	58.10
Depreciation of Right-of-Use Assets (net) (Refer note 28)	286.14	234.35
Expenses relating to short-term leases and leases of low-value assets	53.89	41.47
Variable lease payments	131.91	132.19
<b>Amounts recognised in Statement of Cash Flows</b>		
<b>In Financing activity</b>		
Repayment of lease liabilities	248.01	214.20
Interest paid on lease liabilities	77.41	58.10
<b>In Operating activity</b>		
Variable lease payments	128.89	130.13
	<b>454.31</b>	<b>402.43</b>

**Note-** For additions and movement in right-of-use assets, Refer note 2B.

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### NOTE 16 : OTHER FINANCIAL LIABILITIES

	(₹ in Crores)			
	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>(a) Investor Education and Protection Fund*</b>				
Unpaid/Unclaimed dividend	-	-	23.84	23.99
<b>(b) Others (Refer note 33)</b>				
Retention monies	16.59	17.92	84.14	27.24
Payable towards capital expenditure	-	-	293.83	120.02
Payable towards services received	-	-	688.99	643.37
Payable towards stores, spares and consumables	-	-	14.15	40.02
Payable to employees (including ₹ 8.82 crores due to Managing Director (as at 31 <sup>st</sup> March, 2023 - ₹ 10.19 crores))	-	-	266.90	247.32
Payable towards other expenses (including ₹ 5.35 crores due to Non-Executive Directors (as at 31 <sup>st</sup> March, 2023 - ₹ 5.32 crores))	-	-	844.74	890.58
Gross obligation toward Earnout (Refer note 36(a))	-	-	-	58.97
Derivative liability towards further stake acquisition in subsidiary and associate companies (Refer note 36(b) and (c))	12.10	12.28	-	-
	<b>28.69</b>	<b>30.20</b>	<b>2,192.75</b>	<b>2,027.52</b>
<b>Total</b>	<b>28.69</b>	<b>30.20</b>	<b>2,216.59</b>	<b>2,051.51</b>

\*Investor Education and Protection Fund ('IEPF') - As at 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023, there is no amount due and outstanding to be transferred to the IEPF by the Company. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

### NOTE 17 : PROVISIONS

	(₹ in Crores)			
	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>(a) Provision for Employee Benefits (Refer note 34)</b>				
Provision for Compensated absences	161.94	173.71	21.79	23.96
Provision for Gratuity	-	-	0.08	5.72
Provision for Pension	1.16	1.20	0.14	0.27
Provision for Post retirement medical and other benefits	1.22	1.20	5.79	5.12
	<b>164.32</b>	<b>176.11</b>	<b>27.80</b>	<b>35.07</b>
<b>(b) Others</b>				
Provision for Excise	-	-	0.07	1.29
Provision for Central Sales Tax/VAT	-	-	9.99	9.99
	-	-	<b>10.06</b>	<b>11.28</b>
<b>Total</b>	<b>164.32</b>	<b>176.11</b>	<b>37.86</b>	<b>46.35</b>



## Notes to the Standalone Financial Statements (Contd.)

### NOTE 17 : PROVISIONS (CONTD.)

#### Disclosure relating to movement in provisions for Statutory Liabilities is as follows :

Movement in Provisions for Statutory Liabilities	(₹ in Crores)			
	Provision for Excise*		Provision for Central Sales Tax/VAT**	
	Year 2023-24	Year 2022-23	Year 2023-24	Year 2022-23
<b>Balance as at 1<sup>st</sup> April</b>	<b>1.29</b>	<b>1.50</b>	<b>9.99</b>	<b>11.43</b>
Additions/Adjustments	-	-	-	-
Utilizations	-	-	-	-
Reversals	(1.22)	(0.21)	-	(1.44)
<b>Balance as at 31<sup>st</sup> March</b>	<b>0.07</b>	<b>1.29</b>	<b>9.99</b>	<b>9.99</b>

These provisions represent estimates made for probable claims arising out of litigations/disputes pending with authorities under excise duty and sales tax. The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Company is not able to reasonably ascertain the timing of the outflow. The Company does not expect any reimbursements in respect of these provisions.

Provision for Statutory Liabilities includes :

\*Excise provisions made towards matters disputed at various appellate levels.

\*\*Sales tax provisions made towards non receipt of C Forms and other matters disputed at various appellate levels..

### NOTE 18 : INCOME TAXES

#### A. The Major Components of Income Tax Expense for the year are as under :

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>(i) Income tax recognised in Profit or Loss</b>		
<b>Current tax expense :</b>		
In respect of current year	1,729.88	1,418.38
In respect of (excess)/short tax provision for earlier years	(51.72)	5.94
<b>Deferred tax benefit :</b>		
In respect of current year	5.33	(34.90)
<b>Total</b>	<b>1,683.49</b>	<b>1,389.42</b>
<b>(ii) Income tax recognised in OCI</b>		
<b>Deferred tax :</b>		
Income tax (expense)/benefit on remeasurement of defined benefit plans	(2.03)	2.51
Income tax (expense) on net fair value gain on investments in equity instruments through OCI	(0.55)	(10.58)
Income tax (expense)/benefit on net fair value gain on investments in debt instruments through OCI	(1.85)	0.63
<b>Total</b>	<b>(4.43)</b>	<b>(7.44)</b>

### NOTE 18 : INCOME TAXES (CONTD.)

#### B. Reconciliation of Tax Expense and Effective Tax Rate :

	Year 2023-24		Year 2022-23	
	₹ in crores	Rate	₹ in crores	Rate
<b>Profit before tax</b>	<b>7,005.04</b>		<b>5,489.60</b>	
Income tax expense calculated at corporate tax rate	1,763.03	25.17%	1,381.62	25.17%
<b>Tax effect of :</b>				
Non-deductible expenses	27.47	0.39%	29.84	0.54%
Income taxed at special rates	(3.32)	(0.05%)	(6.66)	(0.12%)
Income exempted from tax	(33.21)	(0.47%)	(15.05)	(0.27%)
Others	(18.76)	(0.27%)	(6.27)	(0.11%)
<b>Total</b>	<b>1,735.21</b>	<b>24.77%</b>	<b>1,383.48</b>	<b>25.20%</b>
(Excess)/Short tax provision for earlier years	(51.72)	(0.74%)	5.94	0.11%
<b>Tax expense as per Statement of Profit and Loss</b>	<b>1,683.49</b>	<b>24.03%</b>	<b>1,389.42</b>	<b>25.31%</b>

The tax rate used for reconciliation above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under Indian tax law.

#### C. The major components of Deferred Tax (Liabilities)/Assets Arising on Account of Timing Differences are as follows :

##### As at 31<sup>st</sup> March, 2024

	(₹ in Crores)			
	Balance Sheet 01.04.2023	Profit and loss 2023-24	OCI 2023-24	Balance Sheet 31.03.2024
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	(231.71)	12.55	-	(219.16)
Provision for expense allowed for tax purpose on payment basis (Net)	35.50	(1.16)	-	34.34
Provision for expected credit losses and fair valuation of subsidy receivable from state governments	18.09	0.26	-	18.35
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	0.12	-	(1.86)	(1.74)
Remeasurement of the defined benefit plans through OCI	9.88	-	(2.03)	7.85
Difference in carrying value and tax base of investments measured at FVTPL	(21.93)	(20.79)	-	(42.72)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	(14.58)	-	(0.55)	(15.13)
Difference in Right-of-use asset and lease liabilities	26.79	3.81	-	30.60
<b>Deferred tax (expense)/benefit</b>		<b>(5.33)</b>	<b>(4.44)</b>	
<b>Net Deferred tax liabilities</b>	<b>(177.84)</b>			<b>(187.61)</b>

## Notes to the Standalone Financial Statements (Contd.)

### NOTE 18 : INCOME TAXES (CONTD.)

#### C. The major components of Deferred Tax (Liabilities)/Assets Arising on Account of Timing Differences are as follows : (Contd.)

As at 31<sup>st</sup> March, 2023

	(₹ in Crores)			
	Balance Sheet	Profit and loss	OCI	Balance Sheet
	01.04.2022	2022-23	2022-23	31.03.2023
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	(268.65)	36.94	-	(231.71)
Provision for expense allowed for tax purpose on payment basis (Net)	34.61	0.89	-	35.50
Provision for expected credit losses and fair valuation of subsidy receivable from state governments	21.35	(3.26)	-	18.09
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.51)	-	0.63	0.12
Remeasurement of the defined benefit plans through OCI	7.37	-	2.51	9.88
Difference in carrying value and tax base of investments measured at FVTPL	(21.10)	(0.83)	-	(21.93)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	(4.00)	-	(10.58)	(14.58)
Difference in Right-of-use asset and lease liabilities	25.63	1.16	-	26.79
<b>Deferred tax (expense)/benefit</b>		<b>34.90</b>	<b>(7.44)</b>	
<b>Net Deferred tax liabilities</b>	<b>(205.30)</b>			<b>(177.84)</b>

### NOTE 19 : OTHER LIABILITIES

	(₹ in Crores)			
	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>(a) Revenue received in advance</b>				
Advance received from customers (Refer note 22C(iv))	-	-	117.63	78.11
<b>(b) Others</b>				
Statutory dues payable	-	-	274.66	287.71
Deferred income arising from government grant (Refer note 14)	34.47	39.17	4.70	5.29
Others (Deferred revenue arising from sale of services, etc.)	-	-	6.67	0.94
<b>Total</b>	<b>34.47</b>	<b>39.17</b>	<b>286.03</b>	<b>293.94</b>
<b>Total</b>	<b>34.47</b>	<b>39.17</b>	<b>403.66</b>	<b>372.05</b>

### NOTE 20 : TRADE PAYABLES

	(₹ in Crores)	
	Current	
	As at 31.03.2024	As at 31.03.2023
<b>Trade Payables (including Acceptances)*</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises (MSME) (Refer note 33)	191.02	95.69
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	3,047.81	2,950.17
<b>Total</b>	<b>3,238.83</b>	<b>3,045.86</b>

\*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days amounting to ₹ 225.16 crores (Previous year - ₹ 308.81 crores).

#### Trade payables ageing schedule

	(₹ in Crores)					
	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2024
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Trade Payables (including Acceptances)</b>						
MSME	184.82	6.20	-	-	191.02	
Other than MSME	2,974.98	72.83	-	-	3,047.81	
Disputed Dues - MSME	-	-	-	-	-	
Disputed Dues - Other than MSME	-	-	-	-	-	
<b>Total</b>	<b>3,159.80</b>	<b>79.03</b>	<b>-</b>	<b>-</b>	<b>3,238.83</b>	

	(₹ in Crores)					
	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2023
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Trade Payables (including Acceptances)</b>						
MSME	87.45	8.24	-	-	95.69	
Other than MSME	2,889.02	61.15	-	-	2,950.17	
Disputed Dues - MSME	-	-	-	-	-	
Disputed Dues - Other than MSME	-	-	-	-	-	
<b>Total</b>	<b>2,976.47</b>	<b>69.39</b>	<b>-</b>	<b>-</b>	<b>3,045.86</b>	

### NOTE 21 : INCOME TAX LIABILITIES (NET)

	(₹ in Crores)	
	Current	
	As at 31.03.2024	As at 31.03.2023
Provision for Income Tax (net)	76.35	112.89
<b>Total</b>	<b>76.35</b>	<b>112.89</b>



## Notes to the Standalone Financial Statements (Contd.)

### NOTE 22A : REVENUE FROM OPERATIONS

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Revenue from sale of products	30,635.29	29,883.09
Revenue from sale of services	92.42	70.03
Other operating revenue*	122.41	125.28
<b>Total</b>	<b>30,850.12</b>	<b>30,078.40</b>

\* The Company's manufacturing facilities at Maharashtra and Andhra Pradesh are eligible to receive incentive in form of refund of SGST, refund of stamp duty and refund of/ exemption from payment of electricity duty as per the Industrial Promotion Schemes of the respective State Governments and Memorandum of Understanding signed with the respective State Governments. During the year, ₹ 57.21 crores (Previous year - ₹ 58.50 crores) is accrued under the head 'Other operating revenue'.

### NOTE 22B : REVENUE FROM CONTRACTS WITH CUSTOMERS

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>A. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON NATURE OF PRODUCT OR SERVICES</b>		
<b>Revenue from sale of products</b>		
Paints, décor and related products	30,635.29	29,883.09
<b>Revenue from sale of services</b>		
Painting, décor and related services	92.42	70.03
<b>Other operating revenues</b>		
Processing and service income	34.22	38.51
Scrap sales	25.70	24.74
<b>Other Income</b>		
Royalty received from subsidiary and associate companies (Refer note 23(c))	84.14	90.02
<b>Total</b>	<b>30,871.77</b>	<b>30,106.39</b>
<b>B. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON GEOGRAPHY</b>		
Home market	30,725.39	29,907.97
Exports	146.38	198.42
<b>Total</b>	<b>30,871.77</b>	<b>30,106.39</b>

### NOTE 22C : RECONCILIATION OF GROSS REVENUE WITH THE REVENUE FROM CONTRACTS WITH CUSTOMERS

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Gross Revenue	37,256.89	35,821.41
Less : Discounts/Rebates/Credits/Incentives	6,385.12	5,715.02
<b>Net Revenue recognised from Contracts with Customers</b>	<b>30,871.77</b>	<b>30,106.39</b>

- The amounts receivable from customers become due after expiry of credit period which on an average ranges around from 30 to 45 days. There is no significant financing component in any transaction with the customers.
- The Company provides agreed upon performance warranty for selected range of products and services. The amount of liability towards such warranty is immaterial.
- The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration and sale of service contracts are measured as per output method.
- The Company has recognised revenue of ₹ 71.69 crores (31<sup>st</sup> March, 2023 - ₹ 45.00 crores) from the amounts included under advance received from customers at the beginning of the year.

### NOTE 23 : OTHER INCOME

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>(a) Interest Income</b>		
Investments in debt instruments measured at FVTOCI	23.28	9.18
Other financial assets carried at amortised cost	112.20	85.51
	<b>135.48</b>	<b>94.69</b>
<b>(b) Dividend Income</b>		
Dividends from quoted equity investments measured at FVTOCI*	20.16	13.48
Dividends from subsidiary and associate companies (Refer note 37)	122.60	57.00
	<b>142.76</b>	<b>70.48</b>
<b>(c) Other non-operating income</b>		
Insurance claims received	0.90	0.49
Royalty received from subsidiary and associate companies (Refer note 37)	84.14	90.02
Net gain arising on financial assets measured at FVTPL <sup>^</sup>	222.02	118.62
Reversal of provision for expected credit loss on government grants (Refer note 29(C)2)	10.90	27.58
Others**	209.51	101.54
	<b>527.47</b>	<b>338.25</b>
<b>(d) Other gains and losses</b>		
Net foreign exchange gain	12.97	-
Net gain on disposal of property, plant and equipment and other intangible assets	1.89	11.45
Net gain on modification/ termination of leases	3.99	3.14
	<b>18.85</b>	<b>14.59</b>
<b>Total</b>	<b>824.56</b>	<b>518.01</b>

\* Relates to investments held at the end of reporting period

<sup>^</sup> Includes gain on sale of financial assets measured at FVTPL for ₹ 15.84 crores (Previous year - ₹ 35.12 crores).

\*\* Includes fair valuation gain on earn out and derivatives towards acquisition of further stake in subsidiary and associate companies amounting to ₹ 49.73 crores (Refer note 36(a) and (c)).

### NOTE 24A : COST OF MATERIALS CONSUMED

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>Raw Materials Consumed</b>		
Opening Stock (including goods-in-transit)	1,709.19	1,944.17
Add : Purchases	11,597.86	12,424.40
	<b>13,307.05</b>	<b>14,368.57</b>
Less : Closing Stock (including goods-in-transit)	1,848.23	1,709.19
	<b>11,458.82</b>	<b>12,659.38</b>
<b>Packing Materials Consumed</b>		
Opening Stock	67.49	85.21
Add : Purchases	1,967.62	2,113.85
	<b>2,035.11</b>	<b>2,199.06</b>
Less : Closing Stock	75.85	67.49
	<b>1,959.26</b>	<b>2,131.57</b>
<b>Total Cost of Materials Consumed</b>	<b>13,418.08</b>	<b>14,790.95</b>

## Notes to the Standalone Financial Statements (Contd.)

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>NOTE 24B : PURCHASES OF STOCK-IN-TRADE</b>	<b>3,444.33</b>	<b>3,836.33</b>
<b>NOTE 24C : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS</b>		
<b>Stock at the beginning of the year</b>		
Finished Goods (including goods-in-transit)	2,397.08	2,261.57
Work-in-Progress	167.25	177.42
Stock-in-trade- acquired for trading (including goods-in-transit)	832.17	657.77
<b>Total</b>	<b>3,396.50</b>	<b>3,096.76</b>
<b>Stock at the end of the year</b>		
Finished Goods (including goods-in-transit)	2,070.32	2,397.08
Work-in-Progress	166.60	167.25
Stock-in-trade- acquired for trading (including goods-in-transit)	802.60	832.17
<b>Total</b>	<b>3,039.52</b>	<b>3,396.50</b>
<b>Changes In Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress</b>	<b>356.98</b>	<b>(299.74)</b>

## NOTE 25 : EMPLOYEE BENEFITS EXPENSE

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Salaries and wages	1,535.43	1,332.28
Contribution to provident and other funds (Refer note 34(1) and 34(2))	73.50	64.69
Staff welfare expenses	119.93	104.95
Share based payment expenses (Refer note 34(3))	19.03	11.97
<b>Total</b>	<b>1,747.89</b>	<b>1,513.89</b>

## NOTE 26 : OTHER EXPENSES

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Consumption of stores, spares and consumables	73.42	81.02
Power and fuel	114.93	122.15
Processing charges*	173.08	164.25
Repairs and maintenance :		
Buildings	20.69	21.07
Machinery	49.15	52.22
Other assets	80.50	69.75
	<b>150.34</b>	<b>143.04</b>
Rates and taxes	11.81	13.31
Corporate social responsibility expenses (Refer note 39)	90.81	77.20
Commission to Non Executive Directors	5.35	5.32
Directors' sitting fees	1.97	1.68
Auditors' Remuneration (Refer note below)	2.18	1.86
Net loss on foreign currency transaction	-	12.03

## NOTE 26 : OTHER EXPENSES (CONTD.)

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Freight and handling charges	2,022.66	1,936.98
Advertisement and Sales Promotion expenses	1,157.72	1,012.30
Bad debts written off (net)	1.23	1.34
Allowance for doubtful debts and advances (net)	84.12	33.67
Insurance	21.62	21.47
Travelling expenses	202.77	148.34
Miscellaneous expenses^	738.44	640.53
<b>Total</b>	<b>4,852.45</b>	<b>4,416.49</b>

\*Includes variable lease payments (Refer note 15).

^ Includes fair valuation loss on earn out and derivatives towards acquisition of further stake in subsidiary and associate companies amounting to ₹ 0.48 crores (Previous Year- ₹ 26.82 crores) (Refer note 36(a)).

No donation has been made by the Company to any political party or any other organizations linked to any political party (GRI 415 - Public Policy).

### Note : Auditors' remuneration (excluding GST)

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Statutory audit fee	1.74	1.47
Taxation matters	0.16	0.14
Certification fees and other services	0.25	0.20
For reimbursement of expenses	0.03	0.05
<b>Total</b>	<b>2.18</b>	<b>1.86</b>

## NOTE 27 : FINANCE COSTS

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Interest on bank borrowings	0.03	0.09
Interest on bill discounting	29.91	31.51
Interest on loan from State Government	4.08	1.54
Interest on lease liabilities (net)*	77.33	58.10
Other interest expense	3.30	0.78
Interest on income tax	0.77	1.04
<b>Total</b>	<b>115.42</b>	<b>93.06</b>

\*The amount of expenditure recognised in CWIP in the course of construction is ₹ 0.08 crores (Previous Year- NIL).

## NOTE 28 : DEPRECIATION AND AMORTISATION EXPENSE

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Depreciation of Property, Plant and Equipment (Refer note 2A)	429.07	500.00
Depreciation of Right-of-Use Assets (net) (Refer note 2B)*	286.14	234.35
Amortisation of Other Intangible Assets (Refer note 4(B))	19.28	21.48
<b>Total</b>	<b>734.49</b>	<b>755.83</b>

\*The amount of expenditure recognised in CWIP in the course of construction is ₹ 2.69 crores (Previous Year- NIL).



## Notes to the Standalone Financial Statements (Contd.)

### NOTE 29(A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Crores)

Financial Assets/ Financial Liabilities	Refer note	Non-Current		Current	
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Financial assets measured at FVTPL</b>					
<b>Designated upon initial Recognition</b>					
Investments in unquoted equity shares	5(I)(A)(a)(iii)	1.92	1.92	-	-
<b>Mandatory</b>					
Investments in quoted mutual funds	5(II)(B)	-	-	2,878.70	2,548.05
Foreign currency forward exchange contract (net)	6	-	-	0.03	0.05
Derivative asset towards further stake acquisition in subsidiary and associate companies	6	36.54	3.91	5.02	2.27
		<b>38.46</b>	<b>5.83</b>	<b>2,883.75</b>	<b>2,550.37</b>
<b>Financial assets measured at FVTOCI</b>					
<b>Designated upon initial Recognition</b>					
Investments in quoted equity shares *	5(I)(A)(b)	594.08	586.32	-	-
Investments in unquoted debentures or bonds	5(I)(C)(b) & 5(II)(A)(b)	2.00	1.49	-	49.32
Investments in quoted debentures or bonds	5(I)(C)(a) & 5(II)(A)(a)	202.03	192.42	216.77	-
		<b>798.11</b>	<b>780.23</b>	<b>216.77</b>	<b>49.32</b>
<b>Financial assets measured at amortised cost</b>					
Investments in unquoted government securities	5(I)(B)	#	#	-	-
Security deposits	6	62.67	42.04	12.35	32.39
Royalty receivable from subsidiary and associate companies	6	-	-	106.96	100.48
Due from subsidiary companies	6	-	-	28.99	21.91
Due from associate companies	6	-	-	2.62	3.73
Dividend receivable from subsidiary companies	6	-	-	-	14.22
Subsidy receivable from state governments (net)	6	275.33	300.56	178.88	121.98
Term deposits held as margin money against bank guarantee and other commitments	6	0.11	0.09	-	-
Term deposits with more than 12 months original maturity	6	243.15	-	1,191.58	1,134.29
Interest accrued on investments in debentures or bonds measured at FVTOCI	6	-	-	17.53	6.31
Quantity discount receivable	6	-	-	212.47	258.62
Retention monies receivable from Customers	6	2.14	2.23	0.18	-
Other receivables	6	-	-	18.61	10.24
Trade Receivables	10	-	-	3,633.45	3,462.61
Cash and Cash Equivalents	11(A)	-	-	325.96	156.44
Other Bank Balances	11(B)	-	-	23.84	206.44
		<b>583.40</b>	<b>344.92</b>	<b>5,753.42</b>	<b>5,529.66</b>
<b>Financial liabilities measured at FVTPL</b>					
<b>Mandatory</b>					
Gross obligation toward Earnout	16	-	-	-	58.97
Derivative liability towards further stake acquisition in subsidiary and associate companies	16	12.10	12.28	-	-
		<b>12.10</b>	<b>12.28</b>	<b>-</b>	<b>58.97</b>

### NOTE 29(A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTD.)

(₹ in Crores)

Financial Assets/ Financial Liabilities	Refer note	Non-Current		Current	
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Financial liabilities measured at amortised cost</b>					
Loan from State of Haryana	14	4.03	20.25	17.86	-
Loan from State of Karnataka	14	31.55	29.11	-	-
Lease Liabilities	15	885.13	640.14	229.86	202.80
Unpaid/Unclaimed dividend	16	-	-	23.84	23.99
Retention monies	16	16.59	17.92	84.14	27.24
Payable towards capital expenditure	16	-	-	293.83	120.02
Payable towards services received	16	-	-	688.99	643.37
Payable towards stores, spares and consumables	16	-	-	14.15	40.02
Payable to employees	16	-	-	266.90	247.32
Payable towards other expenses	16	-	-	844.74	890.58
Trade payables (including Acceptances)	20	-	-	3,238.83	3,045.86
		<b>937.30</b>	<b>707.42</b>	<b>5,703.14</b>	<b>5,241.20</b>

\* Investments in these equity instruments are not held for trading. Upon application of Ind AS 109 - Financial Instruments, the Company has chosen to measure these investments in equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains or losses relating to these investments in the Statement of Profit and Loss may not be indicative of the performance of the Company.

# ₹ 39,500/-

### Income, Expenses, Gains or Losses recognised on Financial Instruments in the Statement of Profit and Loss are as follows :

(₹ in Crores)

Income, Expenses, Gains or losses on Financial Instruments	Refer note	Year 2023-24	Year 2022-23
<b>Financial assets measured at FVTPL</b>			
<b>Mandatory</b>			
Fair value gain on quoted mutual funds	23	222.02	118.62
Fair value gain/ (loss) on derivative assets towards acquisition of further stake in subsidiary and associate companies (net)	23 & 26	44.40	(4.61)
		<b>266.42</b>	<b>114.01</b>
<b>Financial assets measured at amortised cost</b>			
Interest income	23	112.20	85.51
Reversal for expected credit loss on government grants	23	10.90	27.58
Allowance for doubtful debts and advances (net)	26	(84.12)	(33.67)
Bad debts written off (net)	26	(1.23)	(1.34)
		<b>37.75</b>	<b>78.08</b>
<b>Financial assets measured at FVTOCI</b>			
<b>Designated upon initial Recognition</b>			
Interest income on investments in debt instruments	23	23.28	9.18
Dividend income from quoted equity investments	23	20.16	13.48
Net fair value gain/(loss) on investments in debt instruments		16.20	(5.42)
Net fair value gain on investments in equity instruments		7.77	90.19
		<b>67.41</b>	<b>107.43</b>

## Notes to the Standalone Financial Statements (Contd.)

### NOTE 29(A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTD.)

Income, Expenses, Gains or Losses recognised on Financial Instruments in the Statement of Profit and Loss are as follows : (Contd.)

	Refer note	Year 2023-24	Year 2022-23
(₹ in Crores)			
<b>Income, Expenses, Gains or losses on Financial Instruments</b>			
<b>Financial liabilities measured at FVTPL</b>			
<b>Mandatory</b>			
Fair value (loss) on Gross obligation towards earnout	26	(0.48)	(21.26)
Fair value gain/(loss) on Derivative liability towards further stake acquisition in subsidiary and associate companies (net)	23 & 26	5.33	(0.95)
		<b>4.85</b>	<b>(22.21)</b>
<b>Financial liabilities measured at amortised cost</b>			
Interest expense on lease liabilities	27	77.33	58.10
Interest expense other than on lease liabilities	27	34.02	33.14
		<b>111.35</b>	<b>91.24</b>
Net (Gain)/Loss on foreign currency transactions of Financial Asset and Financial Liabilities measured at amortised cost	23 & 26	(12.97)	12.03

### NOTE 29(B) : FAIR VALUE MEASUREMENTS

(i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities :

As at 31<sup>st</sup> March, 2024

Financial assets/ Financial liabilities	(₹ in Crores)			
	Fair value As at 31.03.2024	Quoted prices in active markets (Level 1)	Fair value hierarchy Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at FVTOCI</b>				
Investments in quoted equity shares (Refer note 5(I)(A)(b))	594.08	594.08	-	-
Investments in quoted debentures or bonds (Refer note 5(I)(C)(a) & 5(II)(A)(a))	418.80	-	418.80	-
Investments in unquoted debentures or bonds (Refer note 5(I)(C)(b) & 5(II)(A)(b))	2.00	-	2.00	-
<b>Financial assets measured at FVTPL</b>				
Investments in quoted mutual funds (Refer note 5(II)(B))	2,878.70	2,878.70	-	-
Investments in unquoted equity shares (Refer note 5(I)(A)(a)(iii))	1.92	-	-	1.92
Derivative asset towards further stake acquisition in subsidiary and associate companies (Refer note 6)	41.56	-	-	41.56
Foreign currency forward exchange contract (net) (Refer note 6)	0.03	-	0.03	-
<b>Financial liabilities measured at FVTPL</b>				
Derivative liability towards further stake acquisition in subsidiary and associate companies (Refer note 16)	12.10	-	-	12.10

### NOTE 29(B) : FAIR VALUE MEASUREMENTS (CONTD.)

As at 31<sup>st</sup> March, 2023

Financial assets/ Financial liabilities	(₹ in Crores)			
	Fair value As at 31.03.2023	Quoted prices in active markets (Level 1)	Fair value hierarchy Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at FVTOCI</b>				
Investments in quoted equity shares (Refer note 5(I)(A)(b))	586.32	586.32	-	-
Investments in quoted debentures or bonds (Refer note 5(I)(C)(a) & 5(II)(A)(a))	192.42	-	192.42	-
Investments in unquoted debentures or bonds (Refer note 5(I)(C)(b) & 5(II)(A)(b))	50.81	-	50.81	-
<b>Financial assets measured at FVTPL</b>				
Investments in quoted mutual funds (Refer note 5(II)(B))	2,548.05	2,548.05	-	-
Investments in unquoted equity shares (Refer note 5(I)(A)(a)(iii))	1.92	-	-	1.92
Derivative asset towards further stake acquisition in subsidiary and associate companies (Refer note 6)	6.18	-	-	6.18
Foreign currency forward exchange contract (net) (Refer note 6)	0.05	-	0.05	-
<b>Financial liabilities measured at FVTPL</b>				
Gross obligation toward Earnout (Refer note 16)	58.97	-	-	58.97
Derivative liability towards further stake acquisition in subsidiary and associate companies (Refer note 16)	12.28	-	-	12.28

(ii) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(iii) Investments in debentures for bonds measured at FVTOCI

The debentures or bonds are fair valued using various market observable inputs.

(iv) Gross obligation towards Earnout

The gross obligation is valued using agreed financial milestones of Obgenix Software Private Limited for the previous year 2022-23 as per the share purchase agreement. The value is not exposed to any variability.

(v) Significant Techniques and Unobservable Inputs Used for Level 3 Fair Valuation Measurement

As at 31 <sup>st</sup> March, 2024	Valuation techniques	Significant Unobservable Inputs	Sensitivity of input to fair value measurement	
			Increase of volatility by 5%	Decrease of volatility by 5%
Fair Value of Derivatives asset/ liability for further acquisition in subsidiaries (Weatherseal Fenestration Private Limited, Harind Chemicals and Pharmaceuticals Private Limited and Obgenix Software Private Limited)	Monte Carlo Simulation	Forecast Revenue	Net decrease in derivate by ₹ 3.39 crores	Net increase in derivate by ₹ 3.55 crores
		Forecast EBITDA	Net increase in derivate by ₹ 0.19 crores	Net decrease in derivate by ₹ 0.18 crores
		Equity Value	Net increase in derivate by ₹ 1.04 crores	Net decrease in derivate by ₹ 0.88 crores
			<b>Increase of WACC by 1%</b>	<b>Decrease of WACC by 1%</b>
		Weighted Average Cost of Capital (WACC)	Net decrease in derivate by ₹ 28.68 crores	Net increase in derivate by ₹ 33.77 crores



## Notes to the Standalone Financial Statements (Contd.)

### NOTE 29(B) : FAIR VALUE MEASUREMENTS (CONTD.)

#### (v) Significant Techniques and Unobservable Inputs Used for Level 3 Fair Valuation Measurement (Contd.)

As at 31 <sup>st</sup> March, 2023	Valuation techniques	Significant Unobservable Inputs	Sensitivity of input to fair value measurement	
			Increase of volatility by 5%	Decrease of volatility by 5%
Fair Value of Derivatives asset/liability for further acquisition in subsidiary (Weatherseal Fenestration Private Limited) and associate (Obgenix Software Private Limited)	Monte Carlo Simulation	Forecast Revenue	Net decrease in derivate by ₹ 1.21 crores	Net increase in derivate by ₹ 0.94 crores
		Forecast EBITDA	Net decrease in derivate by ₹ 0.02 crores	Net decrease in derivate by ₹ 0.01 crores
		Equity Value	Net decrease in derivate by ₹ 2.47 crores	Net increase in derivate by ₹ 2.21 crores
			<b>Increase of WACC by 1%</b>	<b>Decrease of WACC by 1%</b>
		Weighted Average Cost of Capital WACC)	Net increase in derivate by ₹ 23.72 crores	Net decrease in derivate by ₹ 27.81 crores

As at 31<sup>st</sup> March, 2023, fair value of gross obligation towards earnout and further stake acquisition of 11% in Obgenix Software Private Limited is computed basis actual Revenue and EBITDA in accordance with the Share Purchase Agreement.

#### (vi) Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below :

Movement in Level 3 valuations	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Balance as at 1 <sup>st</sup> April	(63.15)	1.07
Additions during the year	(11.90)	(37.40)
Settled / Payments during the year	56.70	-
Fair value gain/ (loss) recorded in Standalone Statement of Profit and Loss	49.73	(26.82)
<b>Balance as at 31<sup>st</sup> March</b>	<b>31.38</b>	<b>(63.15)</b>

### NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Risk Management Committee and approved by the Board, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analyses have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

#### 1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

### NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

#### 1) Market Risk (Contd.)

##### a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

The Exposure of Company's financial assets and liabilities to interest rate risk is as follows :

##### As at 31<sup>st</sup> March, 2024

	As at 31.03.2024	Floating rate	Fixed rate	Non-interest bearing
Financial assets	10,273.91	11.81	2,493.35	7,768.75
Financial liabilities	6,652.54	-	1,168.43	5,484.11

##### As at 31<sup>st</sup> March, 2023

	As at 31.03.2024	Floating rate	Fixed rate	Non-interest bearing
Financial assets	9,260.33	13.83	2,067.33	7,179.17
Financial liabilities	6,019.87	-	951.27	5,068.60

##### b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts with average maturity of less than one month to hedge against its foreign currency exposures relating to the recognised underlying liabilities and firm commitments. The Company's policy is to hedge its exposures above from recognised liabilities and firm commitments that fall due in 90 days. The Company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows :

Currency	Liabilities		Assets	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
USD	101.83	75.29	16.82	15.82
EUR	19.16	12.26	9.53	11.49
SGD	0.11	0.03	1.80	1.58
GBP	1.24	0.35	0.13	0.48
SEK	0.20	0.83	-	-
JPY	215.61	18.04	10.30	105.42
Others	5.63	11.06	9,682.33	4,691.26

## Notes to the Standalone Financial Statements (Contd.)

### NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

#### 1) Market Risk (Contd.)

##### b) Foreign Currency Risk (Contd.)

Currency	(₹ in Crores)			
	Liabilities		Assets	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
USD	849.31	618.52	140.33	130.01
EUR	172.41	109.34	85.76	102.52
SGD	0.70	0.17	11.10	9.80
GBP	13.10	3.55	1.37	4.83
SEK	0.16	0.66	-	-
JPY	11.86	1.11	0.57	6.51
Others	11.46	2.38	85.46	85.12
<b>Total</b>	<b>1,059.00</b>	<b>735.73</b>	<b>324.59</b>	<b>338.79</b>

The above table represents total exposure of the Company towards foreign exchange denominated monetary items.

Out of the above, the details of exposures hedged using forward exchange contracts are given below :

Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
<b>Forward contract to buy USD - As at 31.03.2024</b>	<b>3</b>	<b>4.26</b>	<b>35.52</b>
Forward contract to buy USD - As at 31.03.2023	11	9.07	74.34

The Company is mainly exposed to changes in USD and EUR. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and EUR as against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Change in USD Rate	(₹ in Crores)			
	Effect on profit after tax		Effect on total equity	
	Year 2023-24	Year 2022-23	Year 2023-24	Year 2022-23
+5%	(25.58)	(15.47)	(25.58)	(15.47)
-5%	25.58	15.47	25.58	15.47

Change in EUR Rate	(₹ in Crores)			
	Effect on profit after tax		Effect on total equity	
	Year 2023-24	Year 2022-23	Year 2023-24	Year 2022-23
+5%	(3.29)	(0.25)	(3.29)	(0.25)
-5%	3.29	0.25	3.29	0.25

#### c) Other Price Risk

##### i) Equity / Investment Risk

Equity / Investment risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Equity / Investment risk arises from financial assets such as investments in equity instruments and bonds. The Company is exposed to Equity risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31<sup>st</sup> March, 2024, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 594.08 crores (Previous year - ₹ 586.32 crores). The details of such investments in equity instruments are given in Note 5(II)(A)(b).

### NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

#### 1) Market Risk (Contd.)

##### c) Other Price Risk (Contd.)

The Company is also exposed to Investment risk arising from investments in bonds and debentures recognised at FVTOCI. As at 31<sup>st</sup> March, 2024, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 420.80 crores (Previous year - ₹ 243.23 crores). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds and debentures are given in Note 5(II)(C) & 5(II)(A).

The Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below :

If the equity prices had been higher/lower by 10% from the market prices existing as at 31<sup>st</sup> March, 2024, Other Comprehensive Income for the year ended 31<sup>st</sup> March, 2024 would increase by ₹ 52.61 crores (Previous year - ₹ 51.80 crores) and decrease by ₹ 52.61 crores (Previous year - ₹ 51.80 crores) respectively with a corresponding increase/decrease in Total Equity of the Company as at 31<sup>st</sup> March, 2024. 10% represents management's assessment of reasonably possible change in equity prices.

##### (ii) Commodity rate risk

Material cost is the largest cost component for the Company, thus exposing it to the risk of price fluctuations based on the supply and demand conditions of those materials. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company has put in place a mix of long-term and short-term mitigation plans. The long-term price view consisted of identifying single vendor dependency and finding alternate materials or vendors for the same. The Company also has a robust process of estimating the prices at a quarterly frequency, analysing deviations, if any, and taking short-term corrective measures in addition to altering the outlook for the long-term, if required. The Company also leverages its financial resources to modify the inventory levels as required keeping in mind the price outlook in the near term. Similarly, the Company modifies the contract period in negotiations with the vendors to either lock in prices or to keep them open based on the expected price movements. During the year ended 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023, the Company had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

#### 2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks and other receivables. The Company's exposure to credit risk is disclosed in note 5 (except equity shares, bonds and debentures) 6, 10, 11A and 11B.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit risk arising from investment in mutual funds, derivative financial instruments, term deposits and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The average credit period ranges from 30 to 45 days on sales of products. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision



## Notes to the Standalone Financial Statements (Contd.)

### NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

#### 2) Credit Risk (Contd.)

matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is given below.

Net Outstanding > 365 days	% Collection to gross outstanding in current year	Credit loss allowance
Yes	< 25%	Yes, to the extent of lifetime expected credit losses outstanding as at reporting date.
Yes	> 25%	Yes, to the extent of lifetime expected credit losses pertaining to balances outstanding for more than one year.

	(₹ in Crores)	
Movement in expected credit loss allowance on trade receivables	Year 2023-24	Year 2022-23
<b>Balance as at 1<sup>st</sup> April</b>	<b>127.83</b>	<b>94.38</b>
Loss allowance measured at lifetime expected credit losses	84.44	33.45
<b>Balance as at 31<sup>st</sup> March</b>	<b>212.27</b>	<b>127.83</b>

In accordance with Ind AS 109 – Financial Instruments, the Company has re-assessed expected timing of cashflow towards subsidy receivable from the State Governments. The Company is confident about the ultimate realisation of the dues from the State governments. There is no credit risk attached to these receivables.

	(₹ in Crores)	
Movement in expected credit loss allowance on subsidy receivable from the State Governments	Year 2023-24	Year 2022-23
<b>Balance as at 1<sup>st</sup> April</b>	<b>26.15</b>	<b>53.73</b>
Additions	-	-
Unwinding of interest resulting in reversal of expected credit losses	(10.90)	(27.58)
<b>Balance as at 31<sup>st</sup> March</b>	<b>15.25</b>	<b>26.15</b>

#### 3) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The Company believes that its liquidity position (₹ 5,077.83 crores as at 31<sup>st</sup> March, 2024 (Previous Year- ₹ 4,269.98 Crores)), anticipated future internally generated funds from operations, and its fully available revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements.

The liquidity position of the Company mentioned above, includes :

- Cash and cash equivalents as disclosed in the Statement of Cash Flows
- Current/ Non-Current term deposits as disclosed in Other Financial Assets and Other Balances with Banks
- Investments in debentures or bonds (including interest accrued on the same)

The Company's liquidity management process as monitored by management, includes :

### NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

#### 3) Liquidity Risk (Contd.)

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met;
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows;
- Maintaining diversified credit lines.

The table below analyses financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	(₹ in Crores)				
	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying Value
<b>As at 31<sup>st</sup> March, 2024</b>					
Borrowings (Refer note 14)	17.86	5.58	70.62	<b>94.06</b>	<b>53.44</b>
Lease Liabilities (Refer note 15)	309.39	815.04	380.56	<b>1,504.99</b>	<b>1,114.99</b>
Other financial liabilities (Refer note 16)	2,216.59	28.69	-	<b>2,245.28</b>	<b>2,245.28</b>
Trade Payables (Refer note 20)	3,238.83	-	-	<b>3,238.83</b>	<b>3,238.83</b>
<b>As at 31<sup>st</sup> March, 2023</b>					
Borrowings (Refer note 14)	-	23.44	70.62	<b>94.06</b>	<b>49.36</b>
Lease Liabilities (Refer note 15)	259.66	622.96	136.05	<b>1,018.67</b>	<b>842.94</b>
Other financial liabilities (Refer note 16)	2,051.51	30.20	-	<b>2,081.71</b>	<b>2,081.71</b>
Trade Payables (Refer note 20)	3,045.86	-	-	<b>3,045.86</b>	<b>3,045.86</b>

### NOTE 29(D) : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

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## Notes to the Standalone Financial Statements (Contd.)

### NOTE 30 : KEY FINANCIAL RATIOS

Sr. No.	Ratios	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance
1	Current ratio	Current Assets	Current Liabilities	2.34	2.38	-1.68%
2	Debt-equity ratio	Total Debt (Borrowings)	Total Equity	0.005	0.006	-16.50%
3	Debt service coverage ratio	Earning available for debt service <sup>@</sup>	Finance Costs (excluding cost pertaining to lease liabilities) + Repayment of borrowings	108.82	139.50	-22.00%
4	Return on Equity	Profits after tax	Average Total Equity	31.29%	28.34%	10.42%
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	3.31	3.46	-4.21%
6	Trade receivables turnover ratio	Revenue from Sale of Products and Services	Average Trade receivables	8.66	9.39	-7.79%
7	Trade payables turnover ratio	Net Purchases of raw material, packing material and stock-in-trade	Average Trade payables	5.41	5.62	-3.62%
8	Net capital turnover ratio	Revenue from Operations	Working Capital (Current Assets - Current Liabilities)	3.70	3.74	-1.00%
9	Net profit ratio*	Profit after tax	Revenue from Operations	17.25%	13.63%	26.54%
10	Return on capital employed	Profit before interest (excluding interest on lease liabilities), exceptional items and tax	Average Capital Employed [Total Equity + Total Debt (Borrowings)]	41.19%	38.04%	8.29%
11	Return on investment	Income during the year	Time weighted average of investment			
a	Return on Mutual Funds <sup>^</sup>			7.36%	5.54%	32.74%
b	Return on Fixed Deposits			7.44%	6.00%	23.91%
c	Return on Bonds <sup>^</sup>			13.05%	3.02%	332.55%
d	Return on quoted equity investment <sup>^</sup>			4.83%	21.16%	-77.18%

\* Subdued material prices have resulted in increased net profit margins

<sup>^</sup> Impact of market dynamics

<sup>@</sup> Earning available for Debt Service: Profit after tax + Depreciation and Amortisation Expense + Finance costs (excluding interest on lease liabilities) - Net gain on sale of property, plant and equipment - Net gain on modification/ termination of leases.

### NOTE 31 : EARNINGS PER SHARE

	Year 2023-24	Year 2022-23
Basic earnings per share in rupees (face value – ₹1 per share) (In ₹)	55.50	42.76
Diluted earnings per share in rupees (face value – ₹1 per share) (In ₹)	55.49	42.76
<b>Profit used as Numerator</b>		
Profit after tax as per Statement of Profit and Loss (₹ in crores)	5,321.55	4,100.18
<b>Weighted Average Number of Shares used as Denominator</b>		
Basic EPS	95,88,41,696	95,88,68,120
Diluted EPS	95,89,86,355	95,89,34,041
<b>Reconciliation of Weighted Average Number of Shares Outstanding</b>		
Number of equity shares outstanding during the year	95,91,97,790	95,91,97,790
<b>Less</b> : Weighted average shares held by ESOP trust as treasury shares	(3,56,094)	(3,29,670)
Weighted average number of equity shares outstanding during the year used for computing Basic EPS	95,88,41,696	95,88,68,120
<b>Add</b> : Options granted to employees*	1,44,659	65,921
Weighted average number of equity shares outstanding during the year used for computing Diluted EPS	95,89,86,355	95,89,34,041

\* Represents the dilutive impact of Employee Stock Option Plan. For 31<sup>st</sup> March, 2023, 356 stock options are excluded from calculating weighted average number of outstanding equity shares for the purpose of computing diluted EPS as these are anti-dilutive.

### NOTE 32 : CONTINGENT LIABILITIES AND COMMITMENTS

#### a. Contingent Liabilities

	(₹ in Crores)	
	As at 31.03.2024	As at 31.03.2023
<b>A. Claims against the Company not acknowledged as debts</b>		
i. Tax matters in dispute under appeal		
- Income Tax	349.64	247.17
- Value Added Tax, Goods & Service Tax, Sales Tax, Entry Tax, Octroi & Trade Tax	172.50	154.15
- Excise, Service Tax & Customs	15.21	15.17
ii. Labour related disputes	32.32	31.53
iii. Disputes relating to property matters	24.87	25.07
iv. Others (includes disputes on matters pertaining to rent deposits, electricity, consumer cases, etc.)	19.40	17.93
<b>B. Other monies for which the Company is Contingently Liable*</b>	43.37	-
<b>Total</b>	<b>657.31</b>	<b>491.02</b>

\*Towards custom duty and IGST for capital goods imported under Manufacturing & Other operation in Warehouse Regulation (MOOWR) scheme against which the Company has executed a bond which is three times of the custom duty calculated at the time of import. The amount and timing of liability towards such custom duty and IGST will crystalize at the time of filing of ex-bond bill of entry at the time of removal of goods from the bonded warehouse.

The above claims are pending before various Appellate Authorities. The management, including its advisors, expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial statements.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities. The Company does not expect any reimbursements in respect of the contingent liabilities.

#### b. Commitments

	(₹ in Crores)	
	As at 31.03.2024	As at 31.03.2023
<b>A. Estimated amount of contracts remaining to be executed on capital account and not provided for</b>		
i. Towards Property, Plant and Equipment	563.48	1,644.83
ii. Towards Intangible Assets	18.09	28.59
<b>B. Letters of Credit and Bank guarantees issued by bankers towards procurement of goods and services and outstanding as at year end</b>	100.33	80.07

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## Notes to the Standalone Financial Statements (Contd.)

### NOTE 33 : DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are provided to the extent the Company has received intimation from the "Suppliers" regarding their status thereunder.

	(₹ in Crores)	
	As at 31.03.2024	As at 31.03.2023
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.		
Principal amount due to micro and small enterprise*	498.54	255.02
Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

\* Includes ₹ 307.52 crores (Previous year - ₹ 159.33 crores) payable towards other financial liabilities.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### NOTE 34 : EMPLOYEE BENEFITS

#### (1) Post-employment benefits\* :

##### (a) Defined benefit gratuity plan (Funded)

The Company has defined benefit gratuity plan for its employees, which requires contribution to be made to a separately administered fund. It is governed by the Payment of Gratuity Act, 1972. Under the Act, all employees who have completed five years of service are entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. There is no separate contribution by the employee in the fund. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India.

Each year, the Board of Trustees and the Company review the level of funding in the Trust. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company (employer) contributes to the fund based on the results of this annual review and ensures that the trust is adequately funded. Generally, it aims to have a portfolio mix of sovereign debt instruments, debt instruments of Corporates and equity instruments. The Company aims to keep annual contributions relatively stable at a level such that no significant plan deficits (based on valuation performed) will arise.

Every two years an Asset-Liability-Matching study is performed in which the consequences of the investments are analysed in terms of risk and return profiles. The Board of Trustees, based on the study, take appropriate decisions on the duration of instruments in which investments are done. As per the latest study, there is no Asset-Liability-Mismatch. There has been no change in the process used by the Company to manage its risks from prior periods.

As the plan assets include significant investments in quoted debt and equity instruments, the Company is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

Fair value of the Company's own transferable financial instruments held as plan assets : NIL.

### NOTE 34 : EMPLOYEE BENEFITS (CONTD.)

#### (1) Post-employment benefits\*: (Contd.)

##### (b) Defined benefit pension plan (Unfunded)

The Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the board of directors.

##### (c) Defined benefit post-retirement medical benefit plan (Unfunded)

The Company operates a defined post retirement medical benefit plan for certain specified employees and payable upon the employee satisfying certain conditions.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

<b>Investment Risk</b>	These Plans invest in long term debt instruments such as Government securities and highly rated corporate bonds. The valuation of such long term debt instrument is inversely proportionate to the interest rate movements. There is risk of volatility in asset values due to market fluctuations and impairment of assets due to credit losses.
<b>Interest Risk</b>	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa.
<b>Longevity Risk</b>	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
<b>Salary Risk</b>	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of defined obligation were carried out as at 31<sup>st</sup> March, 2024 by M/s Transvalue Consultants.

\* GRI 201-3 - Defined benefit plan obligations and other retirement plans

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## Notes to the Standalone Financial Statements (Contd.)

### NOTE 34 : EMPLOYEE BENEFITS (CONTD.)

#### (1) Post-employment benefits\*: (Contd.)

##### (c) Defined benefit post-retirement medical benefit plan (Unfunded) (Contd.)

The following tables summarise the components of defined benefit expense recognised in the Statement of Profit and Loss/OCI and the funded status and amounts recognised in the Balance Sheet for the respective plans :

	(₹ in Crores)					
	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Opening defined benefit obligation</b>	<b>245.33</b>	<b>230.09</b>	<b>1.47</b>	<b>1.45</b>	<b>0.83</b>	<b>0.84</b>
Current service cost	21.05	18.19	0.06	0.12	-	-
Interest cost	17.96	16.83	0.10	0.10	0.06	0.06
Past service cost	-	-	-	-	-	-
Gain on curtailments/ settlements	-	-	-	-	-	-
<b>Amount included in Statement of Profit and Loss</b>	<b>39.01</b>	<b>35.02</b>	<b>0.16</b>	<b>0.22</b>	<b>0.06</b>	<b>0.06</b>
<b>Remeasurement (Gains)/Losses</b>						
Actuarial gain from changes in financial assumptions	4.24	(0.82)	0.02	-	0.02	-
Actuarial loss from changes in demographic assumptions	-	-	-	-	-	-
Experience adjustment	(3.42)	2.04	(0.09)	0.09	0.02	(0.01)
<b>Amount included in Other Comprehensive Income</b>	<b>0.82</b>	<b>1.22</b>	<b>(0.07)</b>	<b>0.09</b>	<b>0.04</b>	<b>(0.01)</b>
Inter-Company Transfer	-	(0.05)	-	-	-	-
Benefits paid	(15.97)	(20.95)	(0.26)	(0.29)	(0.08)	(0.06)
<b>Closing defined benefit obligation</b>	<b>269.19</b>	<b>245.33</b>	<b>1.30</b>	<b>1.47</b>	<b>0.85</b>	<b>0.83</b>
<b>Opening fair value of plan assets</b>	<b>239.62</b>	<b>228.63</b>	-	-	-	-
Expected return on plan assets	17.52	16.62	-	-	-	-
<b>Amount included in Statement of Profit and Loss</b>	<b>17.52</b>	<b>16.62</b>	-	-	-	-
Actuarial Gains/(loss)	8.85	(8.68)	-	-	-	-
<b>Amount included in Other Comprehensive Income</b>	<b>8.85</b>	<b>(8.68)</b>	-	-	-	-
Contributions by employer	19.10	24.00	-	-	-	-
Benefits paid	(15.97)	(20.95)	-	-	-	-
<b>Closing fair value of plan assets</b>	<b>269.12</b>	<b>239.62</b>	-	-	-	-
<b>Amounts recognised in the Balance Sheet</b>						
Closing defined benefit obligation	269.19	245.33	1.30	1.47	0.85	0.83
Closing fair value of plan assets	269.12	239.62	-	-	-	-
<b>Net Liability Recognised in the Balance Sheet</b>	<b>0.07</b>	<b>5.71</b>	<b>1.30</b>	<b>1.47</b>	<b>0.85</b>	<b>0.83</b>
<b>Expense/(Income) recognised in :</b>						
<b>Statement of Profit and Loss</b>	<b>21.49</b>	<b>18.40</b>	<b>0.16</b>	<b>0.22</b>	<b>0.06</b>	<b>0.06</b>
<b>Statement of Other Comprehensive Income</b>	<b>(8.03)</b>	<b>9.90</b>	<b>(0.07)</b>	<b>0.09</b>	<b>0.04</b>	<b>(0.01)</b>
<b>Weighted average duration of defined benefit obligation</b>	<b>10.57</b>	<b>10.49</b>	<b>10.57</b>	<b>10.49</b>	<b>10.57</b>	<b>10.49</b>

### NOTE 34 : EMPLOYEE BENEFITS (CONTD.)

#### (1) Post-employment benefits\*: (Contd.)

##### (c) Defined benefit post-retirement medical benefit plan (Unfunded) (Contd.)

(₹ in Crores)

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Maturity profile of defined benefit obligation</b>						
Within the next 12 months	25.34	21.19	0.15	0.28	0.08	0.09
Between 1 and 5 years	83.75	96.08	0.42	0.73	0.29	0.30
Between 5 and 10 years	172.91	180.78	0.57	0.67	0.32	0.32
10 years onwards	316.10	293.65	0.47	0.45	0.90	0.91

The major categories of plan assets of the fair value of the total plan assets are as follows:

(₹ in Crores)

	Gratuity (Funded Plan)	Gratuity (Funded Plan)
	As at 31.03.2024	As at 31.03.2023
<b>Quoted</b>		
Government of India securities (Central and State)	127.81	121.45
High quality corporate bonds (including Public Sector Bonds)	102.16	91.64
Equity shares, Equity mutual funds and ETF	33.16	21.59
<b>Total (A)</b>	<b>263.13</b>	<b>234.68</b>
<b>Unquoted</b>		
Cash Balance	0.28	0.43
Others	5.70	4.52
<b>Total (B)</b>	<b>5.98</b>	<b>4.95</b>
<b>Total (A+B)</b>	<b>269.11</b>	<b>239.63</b>

The principal assumptions used in determining gratuity, pension and post-retirement medical benefit obligations for the Company's plans are shown below :

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Discount Rate	7.09%	7.31%	7.09%	7.31%	7.09%	7.31%
Salary Escalation Rate	All Grades- 8%	All Grades- 9% for first year 8% thereafter	-	-	-	-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.



**NOTE 34 : EMPLOYEE BENEFITS (CONTD.)**

**(1) Post-employment benefits\*: (Contd.)**

**(c) Defined benefit post-retirement medical benefit plan (Unfunded) (Contd.)**

	(₹ in Crores)					
	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Defined Benefit Obligation - Discount Rate + 100 basis points	(19.53)	(19.45)	(0.07)	(0.08)	(0.06)	(0.06)
Defined Benefit Obligation - Discount Rate - 100 basis points	22.61	21.42	0.08	0.09	0.07	0.07
Defined Benefit Obligation – Salary Escalation Rate + 100 basis points	19.06	20.62	-	-	-	-
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(18.19)	(19.30)	-	-	-	-

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

The Company expects to make a contribution of ₹ 22.93 crores (Previous year - ₹ 26.77 crores) to the defined benefit plans during the next financial year.

**(d) Provident Fund**

The Provident Fund assets and liabilities are managed by 'Asian Paints Office Provident Fund' and 'Asian Paints Factory Employees Provident Fund' in line with The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at 31<sup>st</sup> March, 2024.

Participation by all employees in provident funds plans is mandatory. Contribution to Provident Fund is made @ 12% of salary (computed in accordance with the prevalent regulations) by the employee. Similarly, the Company also contributes to the Provident Fund specified percentage of salary as per the prevalent regulations. Employees have the option to voluntarily contribute a higher amount.

The Company contributed ₹ 25.42 crores (Previous Year - ₹ 21.26 crores) towards Asian Paints Office Provident Fund during the year ended 31<sup>st</sup> March 2024. The Company contributed ₹ 13.82 crores (Previous Year - ₹ 13.44 crores) towards Asian Paints Factory Employees Provident Fund during the year ended 31<sup>st</sup> March, 2024.

The details of the Asian Paints Office Provident Fund and plan assets position are given below :

	(₹ in Crores)	
	As at 31.03.2024	As at 31.03.2023
Present value of benefit obligation at period end	511.90	443.16
Plan assets at period end, at fair value, restricted to Asset recognized in Balance Sheet	511.90	443.16

**NOTE 34 : EMPLOYEE BENEFITS (CONTD.)**

**(1) Post-employment benefits\*: (Contd.)**

**(d) Provident Fund (Contd.)**

The details of the Asian Paints Factory Employees Provident Fund and plan assets position are given below :

	(₹ in Crores)	
	As at 31.03.2024	As at 31.03.2023
Present value of benefit obligation at period end	370.79	331.88
Plan assets at period end, at fair value, restricted to Asset recognized in Balance Sheet	370.79	331.88

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

	As at 31.03.2024	As at 31.03.2023
Discounting Rate	7.09%	7.31%
Expected Guaranteed interest rate	8.25%*	8.15%

\* Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2023-24 and the same is used for valuation purpose. The Trust had provisionally declared interest rate of 8.40% for FY 2023-24.

**(2) Other Long term employee benefits:**

**Annual Leave and Sick Leave assumptions**

The liability towards compensated absences (annual leave and sick leave) for the year ended 31<sup>st</sup> March, 2024 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in decrease in liability by ₹ 13.93 crores (Previous Year- increased by ₹ 9.80 crores).

**(a) Financial Assumptions**

	As at 31.03.2024	As at 31.03.2023
Discount Rate	7.09%	7.31%
Salary increases allowing for Price inflation	All Grades-8%	All Grades-9% for first year 8% thereafter

**(b) Demographic Assumptions**

	As at 31.03.2024	As at 31.03.2023
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover	Upto 34yrs - 10.30%, 35-44 yrs - 4.90%, Above 44yrs-1.80%	Upto 34yrs - 10.30%, 35-44 yrs - 4.90%, Above 44yrs-1.80%
Leave Availment Ratio	5%	5%

**(3) Employee share based payment plans**

During the year ended 31<sup>st</sup> March, 2021, the Company implemented Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"). The plan was approved by the shareholders in the Company's 75<sup>th</sup> AGM held on 29<sup>th</sup> June, 2021. The 2021 Plan enables grant of stock options to the eligible employees of the Company and its subsidiaries not exceeding 25,00,000 Shares, which is 0.26 % of the paid up equity share capital of the Company as on 12<sup>th</sup> May, 2021. Further, the stock options to any single employee under the Plan shall not exceed 5,00,000 Shares of the Company during the tenure of the Plan, subject to compliance with Applicable Law.

The options granted under 2021 Plan have a maximum vesting period of 4 years. The options granted are based on the performance of the employees during the year of the grant and their continuing to remain in service over the next 3 years. The process for determining the eligibility of employees for the grant of stock options under the 2021 Plan

## Notes to the Standalone Financial Statements (Contd.)

### NOTE 34 : EMPLOYEE BENEFITS (CONTD.)

#### (3) Employee share based payment plans (Contd.)

shall be determined by the Nomination and Remuneration Committee (Administrator of the 2021 Plan) in consultation with Managing Director & CEO and based on employee's grade, performance rating and such other criteria as may be considered appropriate. The employees shall be entitled to receive one equity share of the Company on exercise of each stock option, subject to performance of the employees and continuation of employment over the vesting period. The exercise price for stock options granted are at a discount of 50% to the Reference Share Price (the average of the daily high and low of the volume weighted average prices of the Shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made) of the shares of the Company as defined under 2021 Plan.

Further, the 2021 Plan replaced the existing Deferred Incentive Scheme (which provided for deferred cash pay-outs based on performance of the employees and satisfaction of vesting conditions). Pursuant to launch of 2021 Plan, the eligible employees were given option to convert existing deferred incentive benefit for FY 2020-21 into ESOPs. Accordingly, stock options were granted to those employees opting for ESOPs.

The Administrator approved secondary purchase of shares equivalent to the options granted in August 2021 through Asian Paints Employees Stock Ownership Trust ("ESOP Trust" or "Trust") which is shown as treasury shares in the Statement of Changes in Equity.

#### (a) Details of stock options granted:

Grant Date	Vesting Date	Options outstanding at the beginning of the year	Options granted during the year	Options exercised during the year	Options forfeited during the year	Options lapsed during the year	Options outstanding at the end of the year	Exercisable at period end	Weighted Average remaining contractual life (years)	
Grant 1	16 <sup>th</sup> August, 2021	31 <sup>st</sup> March, 2024	97,532	-	1,670	-	1,654	94,208	94,208	1
Grant 2	16 <sup>th</sup> August, 2021	31 <sup>st</sup> March, 2025 and 1 <sup>st</sup> April, 2025	1,05,728	-	414	-	2,070	1,03,244	3,990	2
Grant 3	10 <sup>th</sup> February, 2022	31 <sup>st</sup> March, 2025 and 1 <sup>st</sup> April, 2025	3,741	238	-	-	129	3,850	73	2
Grant 4	6 <sup>th</sup> June, 2022	31 <sup>st</sup> March, 2026 and 1 <sup>st</sup> April, 2026	1,22,346	12,653	-	-	3,916	1,31,083	1,121	3
Grant 5	8 <sup>th</sup> September, 2022	31 <sup>st</sup> March, 2026 and 1 <sup>st</sup> April, 2026	6,312	-	-	-	344	5,968	-	3
Grant 6	19 <sup>th</sup> January, 2023	31 <sup>st</sup> March, 2026 and 1 <sup>st</sup> April, 2026	1,174	-	-	-	590	584	-	3
Grant 7	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2026 and 1 <sup>st</sup> April, 2026	1,124	-	-	-	294	830	-	3

Weighted average exercise price for respective option series towards all the movement including opening and closing outstanding options.

### NOTE 34 : EMPLOYEE BENEFITS (CONTD.)

#### (3) Employee share based payment plans (Contd.)

#### (b) Fair Value of stock options granted :

Fair Value of stock options was calculated using the Black Scholes Model. The key assumptions used for calculating the option fair value are as below :

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend Yield	Fair Value at Grant Date (₹)	Market price at the time of grant of the option (₹)	Exercise price	
	Zero Coupon Sovereign Bond Interest Rate equivalent for option life	Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period	Based on daily volatility for period equivalent for option life	Dividend yield is calculated as dividend paid in last FY divided by current share price			50% of Reference Share Price	
Grant 1	16 <sup>th</sup> August, 2021	5.07%	3.12 years	34.67%	0.60%	1,685.13	2,987.55	1,518.70
Grant 2	16 <sup>th</sup> August, 2021	5.50%	4.12 years	32.17%	0.60%	1,752.87	2,987.55	1,518.70
Grant 3	10 <sup>th</sup> February, 2022	5.57%	3.63 years	33.93%	0.55%	1,884.83	3,228.35	1,632.53
Grant 4	6 <sup>th</sup> June, 2022	7.17%	4.32 years	33.76%	0.66%	1,768.00	2,886.90	1,478.00
Grant 5	8 <sup>th</sup> September, 2022	7.08%	4.06 years	34.71%	0.56%	2,098.00	3,400.35	1,706.00
Grant 6	19 <sup>th</sup> January, 2023	7.22%	3.69 years	34.75%	0.65%	1,769.00	2,945.25	1,505.00
Grant 7	31 <sup>st</sup> March, 2023	7.28%	3.50 years	34.59%	0.69%	1,649.00	2,770.50	1,412.00

During the year, the Company has recognized an share based expense of ₹ 19.03 crores (31<sup>st</sup> March, 2023 - ₹ 11.97 crores). This is net of recoveries from subsidiaries of ₹ 2.81 crores (31<sup>st</sup> March, 2023 - ₹ 1.40 crores).

### NOTE 35(A) : DISCLOSURE AS PER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS

There are no loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties as at 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023.

### NOTE 35(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 Investments made are given in Note 5.
- There are no guarantees issued or loans given by the Company as at 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023.



## Notes to the Standalone Financial Statements (Contd.)

### NOTE 36 : ACQUISITIONS AND INCORPORATIONS

#### (a) Acquisition of Obgenix Software Private Limited:

In the previous year, the Company acquired 49% of the equity share capital of Obgenix Software Private Limited (popularly known by the brand name of 'White Teak') along with an earn out, payable after a year, subject to achievement of mutually agreed financial milestones. On 31<sup>st</sup> March, 2023, fair value of earn out was ₹ 58.97 crores. During the year, on 23<sup>rd</sup> June, 2023, the Company has further acquired 11% of equity share capital of White Teak from the existing shareholders of White Teak for a cash consideration of ₹ 53.77 crores. Consequently, White teak has become a subsidiary of the Company. On such date, the fair value of earnout stood at ₹ 59.45 crores which was paid to the promoters of White Teak. Fair valuation loss of ₹ 0.48 crores (Previous year - ₹ 21.26 crores) has been recognised in the Statement of Profit & Loss towards earnout paid.

On 31<sup>st</sup> March, 2024, fair value of the derivative asset/ liability (net) is ₹ 35.09 crores (previous year - ₹ 3.85 crores). Fair valuation impact of ₹ 41.21 crores (Previous year - ₹ 5.17 crores) is recognised in the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2024 towards derivative contract.

#### (b) Acquisition of Harind Chemicals and Pharmaceuticals Private Limited:

On 20<sup>th</sup> October 2022, the Company had entered into Share Purchase Agreements and other definitive agreements with shareholders of Harind Chemicals and Pharmaceuticals Private Limited ('Harind'), for the acquisition of stake in Harind, in tranches, subject to fulfilment of certain conditions precedent. Harind is a specialty chemicals company engaged in the business of nanotechnology-based research, manufacturing, and sale of a range of additives and specialized coatings.

Upon fulfilment of the conditions precedent for acquisition of first tranche, the Company has acquired 51% of the equity share capital of Harind for a consideration of ₹ 14.28 crores on 14<sup>th</sup> February, 2024. Accordingly, Harind and Nova Surface-Care Centre Private Limited, a wholly owned subsidiary of Harind, have become subsidiaries of the Company. Further, the Company has agreed to acquire 39% further stake in Harind in in tranches, over the next 3 years. On 31<sup>st</sup> March, 2024, the fair value of such derivative liability towards the forward contracts is ₹ 11.90 crores.

#### (c) Equity infusion in Weatherseal Fenestration Private Limited:

In the previous year, the Company subscribed to 51% of the equity share capital of Weatherseal Fenestration Private Limited ("Weatherseal") for a cash consideration of ₹ 18.80 crores on 14<sup>th</sup> June, 2022. Accordingly, Weatherseal became a subsidiary of the Company. Further, the Company had agreed to acquire further stake of 23.9% in Weatherseal Fenestration from its promoter shareholders, in a staggered manner. The Company had also entered into a put contract for acquisition of 25.1% stake in Weatherseal.

On 31<sup>st</sup> March, 2024, the fair value of such derivative asset / liability (net) towards forward and put contracts is ₹ 6.27 crores (Previous year – ₹ 2.25 crores). Fair valuation impact of ₹ 8.52 crores (Previous year - ₹ 0.39 crores) is recognised in the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2024 towards derivative contract.

#### (d) Equity Infusion in Asian Paints (Polymers) Limited :

On 11<sup>th</sup> January, 2023, the Company incorporated a wholly owned subsidiary named Asian Paints (Polymers) Private Limited ('APPPL') and invested ₹ 200 crores in equity share capital of APPPL in the previous year.

On 26<sup>th</sup> June, 2023, the Company has further infused ₹ 100 crores as equity share capital into APPL. On 31<sup>st</sup> March, 2024, the equity share capital of APPPL is ₹ 300 crores.

#### (e) Incorporation of Asian White Cement Holding Limited:

On 2<sup>nd</sup> May, 2023, an investment holding subsidiary company, namely, Asian White Cement Holding Limited ('AWCHL') was incorporated in Dubai International Financial Centre, United Arab Emirates (UAE), for the purpose of setting up an operating company in Fujairah, UAE. The Company holds 70% of equity share capital in AWCHL and has infused total equity share capital of ₹ 94.73 crores during the year.

### NOTE 36 : ACQUISITIONS AND INCORPORATIONS (CONTD.)

#### (f) Amalgamation of Sleek International Private Limited and Maxbhumi Developers Limited:

The Board of Directors at their meeting held on 28<sup>th</sup> March 2024 has approved the Scheme of Amalgamation ('the Scheme') of Maxbhumi Developers Limited and Sleek International Private Limited, wholly owned subsidiaries of Asian Paints Limited (the Company) with the Company in accordance with the provisions of the Companies Act, 2013 and other applicable laws with the appointed date of 1<sup>st</sup> April 2024. The Scheme is subject to necessary statutory and regulatory approvals, including approval of the Hon'ble National Company Law Tribunal, Mumbai. There is no impact of the Scheme on the Standalone Financial Statements of the Company.

### NOTE 37 : RELATED PARTY TRANSACTIONS

#### Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below:

#### a) Associates :

##### 1) PPG Asian Paints Private Limited

Wholly owned subsidiaries of PPG Asian Paints Private Limited:

- Revocoat India Private Limited
- PPG Asian Paints Lanka Private Limited \*

##### 2) Obgenix Software Private Limited \*\*

\* The Company has ceased its business operations during the year 2022-23.

\*\*Associate upto 22<sup>nd</sup> June, 2023. On 23<sup>rd</sup> June, 2023, the Company acquired further 11% equity share capital of Obgenix Software Private Limited. Accordingly, Obgenix Software Private Limited has become a subsidiary of the Company.

#### b) Subsidiaries : (where control exists)

##### Direct Subsidiaries:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023
Asian Paints (Nepal) Private Limited	Nepal	52.71	52.71
Asian Paints Industrial Coatings Limited	India	100.00	100.00
Asian Paints International Private Limited (APIPL)	Singapore	100.00	100.00
Maxbhumi Developers Limited	India	100.00	100.00
Sleek International Private Limited	India	100.00	100.00
Asian Paints PPG Private Limited	India	50.00	50.00
Weatherseal Fenestration Private Limited *	India	51.00	51.00
Asian Paints (Polymers) Private Limited **	India	100.00	100.00
Asian White Cement Holding Limited ^	U.A.E	70.00	-
Obgenix Software Private Limited^^	India	60.00	49.00
Harind Chemicals and Pharmaceuticals Private Limited #	India	51.00	-

\* Subsidiary w.e.f. 14<sup>th</sup> June, 2022.

\*\* Subsidiary w.e.f. 11<sup>th</sup> January, 2023.

^ Subsidiary w.e.f. 2<sup>nd</sup> May, 2023.

^^ Associate upto 22<sup>nd</sup> June, 2023. On 23<sup>rd</sup> June, 2023, the Company acquired further 11% equity share capital of Obgenix Software Private Limited. Accordingly, Obgenix Software Private Limited has become a subsidiary of the Company.

#Subsidiary w.e.f. 14<sup>th</sup> February, 2024.

## Notes to the Standalone Financial Statements (Contd.)

### NOTE 37 : RELATED PARTY TRANSACTIONS (CONTD.)

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below (Contd.):

#### b) Subsidiaries : (where control exists) (Contd.)

##### Indirect Subsidiaries:

##### i) Subsidiaries of Asian Paints International Private Limited, Singapore

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023
Enterprise Paints Limited	Isle of Man, U.K.	100.00	100.00
Universal Paints Limited	Isle of Man, U.K.	100.00	100.00
Kadisco Paint and Adhesive Industry Share Company	Ethiopia	51.00	51.00
PT Asian Paints Indonesia	Indonesia	100.00	100.00
PT Asian Paints Color Indonesia	Indonesia	100.00	100.00
Asian Paints (South Pacific) Pte Limited	Republic of Fiji	54.07	54.07
Asian Paints (S.I) Limited	Solomon Islands	75.00	75.00
Asian Paints (Bangladesh) Limited *	Bangladesh	95.09	95.09
Asian Paints (Middle East) SPC	Sultanate of Oman	100.00	100.00
SCIB Chemicals S.A.E.	Egypt	61.31	61.31
Samoa Paints Limited	Samoa	80.00	80.00
Asian Paints (Vanuatu) Limited	Republic of Vanuatu	60.00	60.00
Causeway Paints Lanka (Pvt) Ltd	Sri Lanka	99.98	99.98
A P International Doha Trading W.L.L **	Qatar	100.00	100.00
Asian Paints Doha Trading W.L.L ^	Qatar	100.00	-

\* On 13<sup>th</sup> December, 2022, APIPL completed equity infusion via rights issue in Asian Paints (Bangladesh) Limited. The right shares, which were not subscribed by minority shareholders, were also acquired by APIPL.

\*\* The company is yet to commence operations.

^ Subsidiary with effect from 5<sup>th</sup> November, 2023

##### ii) Subsidiary of Enterprise Paints Limited:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023
Nirvana Investments Limited	Isle of Man, U.K.	100.00	100.00

##### iii) Subsidiary of Nirvana Investments Limited:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023
Berger Paints Emirates LLC	U.A.E.	100.00	100.00

##### iv) Subsidiary of Universal Paints Limited:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023
Berger Paints Bahrain W.L.L.	Bahrain	100.00	100.00

##### v) Subsidiary of Asian White Cement Holding Limited:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023
Asian White Inc. FZE*	U.A.E.	100.00	-

\*Subsidiary w.e.f. 26<sup>th</sup> June, 2023

### NOTE 37 : RELATED PARTY TRANSACTIONS (CONTD.)

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below (Contd.):

#### b) Subsidiaries : (where control exists) (Contd.)

##### vi) Subsidiary of Harind Chemicals and Pharmaceuticals Private Limited:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023
Nova Surface-Care Centre Private Limited**	India	100.00	-

\*\*Step down Subsidiary of Asian Paints Limited w.e.f. from 14<sup>th</sup> February, 2024 on account of Nova Surface-Care Centre Private Limited being a wholly owned subsidiary of Harind Chemicals and Pharmaceuticals Private Limited.

#### c) Key Managerial Personnel:

Name	Designation
Amit Syngle	Managing Director & CEO
R J Jeyamurugan	CFO & Company Secretary
<b>Non-Executive Directors</b>	
Amrita Vakil	Late. Ashwin Dani (upto 28 <sup>th</sup> September, 2023)
Nehal Vakil	Deepak Satwalekar (Chairman - upto 30 <sup>th</sup> September, 2023)
Jigish Choksi	R Seshasayee (Chairman - w.e.f. 1 <sup>st</sup> October, 2023)
Malav Dani	Soumitra Bhattacharya (w.e.f. 26 <sup>th</sup> October, 2023)
Milind Sarwate	Pallavi Shroff (upto 31 <sup>st</sup> March, 2024)
Manish Choksi (Vice Chairman)	Suresh Narayanan (upto 31 <sup>st</sup> March, 2024)
Ireena Vittal (w.e.f. 25 <sup>th</sup> July 2023)	Vibha Paul Rishi (upto 31 <sup>st</sup> March, 2024)

#### d) Names of Close Family Members of Key Managerial Personnel (apart from those who are in employment of the Company) where transactions have taken place during the year:

Aashay Ashish Choksi	Ina Ashwin Dani	Richa Manish Choksi
ACC AP Trust	Ishwara Hasit Dani	Rita Mahendra Choksi
Ami Manish Choksi	Jalaj Ashwin Dani <sup>5</sup>	Rupal Anant Bhat
Anay Rupen Choksi	Late. Abhay Arvind Vakil	Rupen Ashwin Choksi
Asha Subhash Gujarathi	Late. Amar Arvind Vakil	Sanjay Rishi
Ashish Ashwin Choksi <sup>5</sup>	Late. Ashwin Suryakant Dani <sup>5</sup>	Satyen Ashwin Gandhi
Ashwin Ramanlal Gandhi	Mahendra Chimanlal Choksi <sup>5</sup>	Shailesh Chimanlal Choksi <sup>5</sup>
Bhairavi Abhay Vakil	Manish Mahendra Choksi <sup>5</sup>	Shalinie Syngle
Binita Ashish Choksi	Meghna Satyen Gandhi	Shubhlakshmi Hasit Dani
Chandanben Chhotalal Shah	Mudit Jalaj Dani	Smiti Jalaj Dani
Dipika Amar Vakil	Nyra Varun Vakil	Urvashi Ashwin Choksi
Druhi Ashish Choksi	Nysha Rupen Choksi	Vaibhavi Hiren Gandhi
Hasit Ashwin Dani <sup>5</sup>	Prafullika Shailesh Choksi	Vishal Shailesh Choksi
Hiren Ashwin Gandhi	Ragini Varun Vakil	Vita Jalaj Dani
Hrishav Varun Vakil	Rhea Manish Choksi	Vivek Abhay Vakil <sup>5</sup>

<sup>5</sup> includes HUF of which he is the karta



## Notes to the Standalone Financial Statements (Contd.)

### NOTE 37 : RELATED PARTY TRANSACTIONS (CONTD.)

#### e) Close family members of Key Managerial Personnel who are under the employment of the Company and with whom transactions have taken place during the year:

Varun Vakil \*\*

\*\* includes HUF of which he is the karta

#### f) Entities where Key Managerial Personnel / Close family members of Key Managerial Personnel have control/significant influence and where transactions have taken place during the year :

Addverb Technologies Ltd. <sup>5</sup>	Hitech Corporation Ltd.	Resins and Plastics Ltd.
Ankleshwar Industrial Development Society	Hitech Specialities Solutions Ltd.	Ricinash Renewable Materials Pvt. Ltd.
AR Interact	Jalaj Trading And Investment Company Pvt. Ltd.	Rupen Investment and Industries Pvt. Ltd.
Asteroids Trading And Investments Pvt. Ltd.	Jaldhar Investments And Trading Company Pvt. Ltd.	Sattva Holding and Trading Pvt. Ltd.
Castle Investment & Industries Pvt. Ltd.	Lambodar Investments And Trading Company Ltd.	Satyadhama Investments And Trading Company Pvt Ltd.
Centaurus Trading And Investments Pvt. Ltd.	Lyon Investment and Industries Pvt. Ltd.	Shardul Amarchand Mangaldas & Co. <sup>^</sup>
Dani Finlease Pvt. Ltd.	Murahar Investments And Trading Company Ltd.	Stack Pack Ltd.
Doli Trading and Investments Pvt. Ltd.	Navbharat Packaging Industries Pvt. Ltd.	Smiti Holding And Trading Company Pvt. Ltd.
Elcid Investments Ltd.	Nehal Trading and Investments Pvt. Ltd.	Sudhanva Investments And Trading Company Pvt.Ltd.
ELF Trading And Chemical Manufacturing Pvt. Ltd.	Paladin Paints And Chemicals Pvt. Ltd.	Suptaswar Investments And Trading Company Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Riash Renewable Materials Pvt. Ltd. <sup>@</sup>	Tru Trading And Investments Pvt. Ltd.
Gujarat Organics Pvt. Ltd. <sup>%</sup>	Piramal Swasthya Management and Research Institute	Unnati Trading And Investments Pvt. Ltd.
Hiren Holdings Pvt. Ltd.	Rayirth Holding And Trading Company Pvt. Ltd.	Vikatmev Containers Ltd.

<sup>5</sup> Change in name w.e.f. 16<sup>th</sup> September, 2022 (formerly known as Addverb Technologies Pvt. Ltd.)

<sup>%</sup> Change in name w.e.f. 14<sup>th</sup> December, 2022 (formerly known as Gujarat Organics Ltd.).

<sup>@</sup> Formerly known as Riash Realty Pvt. Ltd. (till 26<sup>th</sup> October, 2022).

<sup>^</sup> Upto 31<sup>st</sup> March, 2024.

#### g) Other entities where significant influence exist :

##### i) Post employment-benefit plan entity :

Asian Paints (I) Limited Employees' Gratuity Fund

##### ii) Other :

Asian Paints Office Provident Fund (Employee benefit plan)

Asian Paints Factory Employees' Provident Fund (Employee benefit plan)

Asian Paints Management Cadres' Superannuation Scheme (Employee benefit plan)

### NOTE 37 : RELATED PARTY TRANSACTIONS (CONTD.)

#### Terms and conditions of transactions with related parties :

- The Company has been entering into transactions with related parties for its business purposes. The process followed for entering into transactions with related party is same as followed for unrelated party. Vendors are selected competitively having regard to strict adherence to quality, timely servicing and cost advantage. Further related party vendors provide additional advantages in terms of:
  - Supplying products primarily to the Company,
  - Advanced and innovative technology,
  - Customization of products to suit the Company's specific requirements, and
  - Enhancement of the Company's purchase cycle and assurance of just in time supply with resultant benefits - notably on working capital.
- The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.
- During the year ended 31<sup>st</sup> March, 2024, the Company has recognised an amount of ₹ 0.09 crores due from its subsidiaries and associates (Previous year - ₹ 0.22 crores) as provision for doubtful receivables in Statement of Profit and Loss. As at 31<sup>st</sup> March, 2024, the provision for doubtful receivables from its subsidiaries and associates is ₹ 6.99 crores (Previous year – ₹ 7.31 crores). The Company has recovered an amount of ₹ 0.37 crores out of provision for doubtful receivables provided in earlier years.

During the year ended 31<sup>st</sup> March, 2024, the Company has written off an amount of ₹ 0.04 crores against doubtful receivables (Previous year - NIL).

The assessment of receivables is undertaken in each financial year through examining the financial position of related parties, the market and regulatory environment in which related parties operate and is in accordance with the accounting policy of the Company.

#### Compensation of key managerial personnel of the Company :

Particulars	₹ in Crores)	
	Year 2023-24	Year 2022-23
Short-term employee benefits	30.45	29.10
Post-employment benefits	0.04	0.07
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
<b>Total compensation paid to key managerial personnel</b>	<b>30.49</b>	<b>29.17</b>

## Notes to the Standalone Financial Statements (Contd.)

### NOTE 37 : RELATED PARTY TRANSACTIONS (CONTD.)

#### Details of transactions with and balances outstanding of associate companies:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
PPG Asian Paints Private Limited	Revenue from Sale of Products	4.03	1.29	4.42	0.65
	Purchase of Goods	1.34	0.88	0.37	0.03
	Processing Income	1.98	1.87	11.06	2.81
	Royalty Income	3.56	0.29	3.76	0.32
	Other Non Operating Income	4.62	(0.14)	8.23	0.25
	Processing charges	-	-	#	-
	Reimbursement of Expenses Received	4.66	0.87	0.39	0.25
	Sale of Assets	0.18	-	-	-
	Dividend received	108.37	-	42.78	-
Revocoat India Private Limited	Other Non Operating Income	0.05	0.01	0.17	(0.02)
	Reimbursement of Expenses Received	0.06	0.01	-	-
Obgenix Software Private Limited *	Purchase of Goods	0.03	-	0.88	0.71
	Royalty Income	0.03	-	0.13	0.13
	Other Non Operating Income	0.62	-	1.06	0.26
	Reimbursement of Expenses Received	0.26	-	0.63	0.18

\* The transactions with Obgenix Software Private Limited is for the period during which it was an Associate.

#### Details of transactions with and balances outstanding of subsidiary companies :

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints PPG Private Limited	Revenue from Sale of Products	11.03	2.85	13.85	2.52
	Purchase of Goods	24.80	1.26	75.79	12.40
	Processing Income	36.38	4.66	31.92	5.14
	Royalty Income	20.50	5.69	18.54	5.05
	Other Non Operating Income	5.41	0.60	7.69	0.65
	Services Received	0.56	0.16	0.46	0.07
	Reimbursement of Expenses Received	3.57	0.37	0.93	(0.25)
	Reimbursement of Expenses Paid	0.08	-	0.33	-
	Sale of Assets	0.07	0.07	-	-
	Sleek International Private Limited	Revenue from Sale of Products	2.05	0.16	1.94
Sleek International Private Limited	Purchase of Goods	31.64	(4.81)	12.76	(1.09)
	Royalty Income	1.22	0.06	1.49	0.12
	Other Non Operating Income	6.31	0.74	8.09	1.00
	Services Received	5.99	0.76	5.88	0.46
	Reimbursement of Expenses Received	16.59	3.99	11.87	2.67
	Reimbursement of Expenses Paid	2.38	0.35	1.08	0.07
	Purchase of Assets	-	-	0.17	-

### NOTE 37 : RELATED PARTY TRANSACTIONS (CONTD.)

#### Details of transactions with and balances outstanding of subsidiary companies : (Contd.)

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints Industrial Coatings Limited	Other Non Operating Income	0.04	0.04	0.04	0.04
	Reimbursement of Expenses Received	0.65	0.57	0.07	-
	Reimbursement of Expenses Paid	1.96	0.43	-	-
	Sale of Assets	-	-	0.01	0.01
Maxbhumi Developers Limited	Reimbursement of Expenses Received	0.11	-	0.04	-
Weatherseal Fenestration Private Limited	Revenue from Sale of Products	0.10	-	-	-
	Purchase of Goods	7.36	(0.33)	-	-
	Royalty Income	0.11	0.04	0.04	0.04
	Other Non Operating Income	3.63	1.25	1.21	0.44
	Reimbursement of Expenses Received	0.30	0.12	0.23	0.23
Asian Paints (Polymers) Private Limited	Other Non Operating Income	2.82	0.52	0.63	0.20
	Reimbursement of Expenses Received	3.43	0.16	1.23	0.01
	Equity Infusion	100.00	-	200.00	-
Obgenix Software Private Limited**	Purchase of Goods	20.86	9.04	-	-
	Royalty Income	0.19	0.04	-	-
	Other Non Operating Income	2.73	0.29	-	-
	Reimbursement of Expenses Received	1.19	0.54	-	-
Harind Chemicals and Pharmaceutical Private Limited	Purchase of Goods	1.28	1.60	-	-
	Reimbursement of Expenses Received	0.05	0.03	-	-
Asian Paints (Bangladesh) Limited	Revenue from sale of products	9.99	2.63	7.72	2.20
	Royalty Income	12.01	24.38	12.47	23.46
	Other non operating income	-	#	#	0.01
	Reimbursement of Expenses Received	0.21	0.32	0.30	0.22
	Reimbursement of Expenses Paid	0.24	0.31	0.06	0.58
Asian Paints (Middle East) SPC	Revenue from sale of products	1.38	0.25	1.61	0.55
	Royalty Income	6.57	6.54	6.43	11.70
	Other non operating income	0.01	0.01	0.02	-
	Reimbursement of Expenses Received	0.30	0.15	0.23	0.18
	Reimbursement of Expenses Paid	0.13	0.13	0.02	0.02



## Notes to the Standalone Financial Statements (Contd.)

### NOTE 37 : RELATED PARTY TRANSACTIONS (CONTD.)

#### Details of transactions with and balances outstanding of subsidiary companies : (Contd.)

Name of the related party	Nature of transaction	(₹ in Crores)			
		Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints (Nepal) Private Limited	Revenue from sale of products	9.35	2.01	29.77	3.54
	Royalty Income	11.00	23.01	17.19	23.89
	Other non operating income	0.36	0.39	0.29	0.35
	Reimbursement of Expenses Received	2.54	3.14	1.96	2.54
	Reimbursement of Expenses Paid	0.05	-	0.14	0.15
	Issue of Materials as free sample	0.01	-	0.02	-
	Dividend Received	14.22	-	14.22	14.22
Asian Paints (S.I) Limited	Royalty Income	0.42	0.41	0.40	0.12
Asian Paints (South Pacific) Pte Limited	Revenue from sale of products	0.34	0.16	0.09	0.10
	Royalty Income	2.69	2.66	2.65	0.49
	Other non operating income	0.01	0.01	0.05	0.01
	Reimbursement of Expenses Received	0.26	0.37	0.05	0.11
	Reimbursement of Expenses Paid	0.10	-	-	-
Asian Paints (Vanuatu) Limited	Royalty Income	0.17	0.17	0.17	0.04
Asian Paints International Private Limited	Royalty Income	11.09	11.10	9.72	9.71
	Other non operating income	4.55	2.11	3.32	1.17
	Services Received	-	-	0.01	-
	Reimbursement of Expenses Received	4.16	3.64	4.99	4.15
	Reimbursement of Expenses Paid	0.08	0.06	0.12	0.10
	Sitting Fees Received (from subsidiaries for nominee directors)	0.41	0.41	0.41	0.41
	Reimbursement of Expenses Received	0.41	0.41	0.41	0.41
Berger Paints Bahrain W.L.L.	Revenue from sale of products	0.53	0.09	0.35	0.07
	Other non operating income	-	-	0.02	#
	Reimbursement of Expenses Received	0.16	0.08	0.12	0.03
	Reimbursement of Expenses Paid	#	-	0.16	0.17
Berger Paints Emirates LLC	Revenue from sale of products	2.74	1.91	1.62	1.01
	Other non operating income	#	#	0.01	0.01
	Services Received	2.72	-	2.07	0.58
	Reimbursement of Expenses Received	2.43	3.01	1.63	1.65
	Reimbursement of Expenses Paid	0.24	0.01	0.87	0.27

### NOTE 37 : RELATED PARTY TRANSACTIONS (CONTD.)

#### Details of transactions with and balances outstanding of subsidiary companies : (Contd.)

Name of the related party	Nature of transaction	(₹ in Crores)			
		Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Causeway Paints Lanka (Pvt) Ltd.	Revenue from sale of products	3.15	2.07	7.29	0.54
	Royalty Income	6.89	6.89	5.27	5.27
	Other non operating income	#	#	0.02	#
	Services Received	0.79	0.50	0.44	0.12
	Reimbursement of Expenses Received	0.90	0.29	0.67	0.47
	Reimbursement of Expenses Paid	0.09	0.04	0.20	0.20
Kadisco Paint and Adhesive Industry Share Company	Reimbursement of Expenses Paid	(0.02)	0.34	0.18	0.36
PT Asian Paints Indonesia	Revenue from sale of products	2.17	1.91	1.53	0.34
	Royalty Income	2.59	4.77	2.26	2.26
	Other non operating income	-	-	0.05	-
	Reimbursement of Expenses Received	0.57	0.34	0.47	0.39
	Reimbursement of Expenses Paid	0.03	-	0.24	0.24
Samoa Paints Limited	Royalty Income	0.29	0.42	0.26	0.13
SCIB Chemicals S.A.E.	Revenue from sale of products	-	-	0.42	-
	Purchase of Goods	0.27	-	-	-
	Royalty Income	8.76	20.50	12.92	17.78
	Other non operating income	0.01	0.01	0.05	0.05
	Reimbursement of Expenses Received	0.45	0.57	0.39	0.48
	Reimbursement of Expenses Paid	0.44	0.42	0.01	0.15
Asian White Inc. FZE	Other non operating income	0.42	0.43	-	-
	Reimbursement of Expenses Received	0.30	0.25	-	-
	Reimbursement of Expenses Paid	0.64	0.64	-	-
Asian White Cement Holding Limited	Equity Infusion	94.73	-	-	-

\*\* The transactions with Obgenix Software Private Limited is from the period on which it became a Subsidiary of the Company.

The Company has issued letters of awareness to banks/ financial institutions with respect to loans taken by certain international subsidiary companies. There has been no guarantee given or provided to any related party.

Additionally, the Company has issued letter to the Board of APIPL informing its commitment to provide support to the subsidiary to meet its obligations, as and when they fall due including additional funding that may be necessitated to meet the approved business plan.

## Notes to the Standalone Financial Statements (Contd.)

### NOTE 37 : RELATED PARTY TRANSACTIONS (CONTD.)

#### Details of transactions with and balances outstanding of Key Managerial Personnel / Close Family Member of Key Managerial Personnel :

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Amit Syngle	Remuneration ^	18.82	8.82	18.40	10.19
	Dividend paid	#	-	#	-
R J Jeyamurugan	Remuneration ^^	4.31	-	3.69	-
Amrita Vakil	Remuneration	0.56	0.43	0.55	0.42
	Dividend paid	6.78	-	5.11	-
Late. Ashwin Dani	Retiral benefits	0.04	-	0.07	-
	Remuneration	0.23	0.21	0.50	0.42
	Dividend paid	4.49	-	3.92	-
Deepak Satwalekar	Remuneration	0.27	0.25	0.62	0.50
Jigish Choksi	Remuneration	0.56	0.42	0.53	0.42
	Dividend paid	5.27	-	3.97	-
Malav Dani	Remuneration	0.58	0.45	0.57	0.44
	Dividend paid	8.90	-	6.58	-
Manish Choksi	Remuneration	0.63	0.46	0.63	0.46
	Dividend paid	6.31	-	4.75	-
Milind Sarwate	Remuneration	0.65	0.48	0.63	0.48
	Dividend paid	#	-	#	-
Nehal Vakil	Remuneration	0.54	0.42	0.52	0.42
	Dividend paid	15.15	-	25.48	-
Pallavi Shroff	Remuneration	0.58	0.42	0.55	0.42
R Seshasayee	Remuneration	0.66	0.47	0.66	0.44
	Dividend paid	#	-	#	-
Suresh Narayanan	Remuneration	0.62	0.46	0.62	0.46
Vibha Paul Rishi	Remuneration	0.69	0.45	0.63	0.44
Ireena Vittal	Remuneration	0.43	0.28	-	-
Soumitra Bhattacharya	Remuneration	0.32	0.18	-	-
Varun Vakil (Close Family Members of KMP)	Remuneration	1.07	-	0.93	-
	Dividend paid	19.66	-	14.82	-
Others *	Dividend paid	200.86	-	136.94	-

^ Remuneration does not include:

- Performance based incentive and Deferred incentive (Year 2023-24 - NIL, Year 2022-23 - ₹ 0.90 crores for previous years).
- Stock options (Year 2023-24 - ₹ 8.82 crores, Year 2022-23 - ₹ 5.49 crores) which will be subject to vesting conditions in accordance with the 2021 plan.

^^ Remuneration does not include:

- Performance based incentive and Deferred incentive (Year 2023-24 - NIL, Year 2022-23 - ₹ 0.16 crores paid for previous years).
- Stock options in lieu of eligible deferred incentive (Year 2023-24 - ₹ 0.59 crores, Year 2022-23 - ₹ 0.48 crores) which will be subject to vesting conditions in accordance with the 2021 plan.

\* Dividend paid to Close Family Members of Key Managerial Personnel has been shown under others, which are less than 10% of overall dividend paid to Related parties.

### NOTE 37 : RELATED PARTY TRANSACTIONS (CONTD.)

#### Details of transactions with and balances outstanding of Entities Controlled/ Significantly Influenced by Key Managerial Personnel / Close Family Members of Key Managerial Personnel:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
AR Interact	Issue of gift vouchers under marketing Schemes	#	#	-	-
Addverb Technologies Ltd.	Services Received	0.02	0.03	-	-
Ankleshwar Industrial Development Society	Corporate Social Responsibility Expenses	0.09	(0.01)	-	-
	Services Received	0.15	-	0.11	(0.01)
ELF Trading And Chemical Manufacturing Pvt. Ltd.	Revenue from sale of products & services	1.06	0.03	0.63	(0.24)
	Dividend paid	5.57	-	4.20	-
Hitech Corporation Ltd.	Purchase of goods	451.41	110.38	470.03	106.11
Hitech Specialities Solutions Ltd.	Purchase of goods	-	-	6.91	-
Navbharat Packaging Industries Pvt. Ltd.	Purchase of goods	3.58	0.22	6.32	0.30
Paladin Paints And Chemicals Pvt. Ltd.	Purchase of goods	-	#	0.49	#
Piramal Swasthya Management and Research Institute	Corporate Social Responsibility Expenses	3.51	-	3.21	-
Resins and Plastics Ltd.	Purchase of goods	5.87	1.72	8.66	2.03
Ricinash Renewable Materials Pvt. Ltd.	Purchase of goods	11.63	-	17.46	0.95
Shardul Amarchand Mangaldas & Co. *	Services Received	0.38	0.31	1.52	0.44
Stack Pack Ltd.	Purchase of goods	12.44	1.08	13.33	2.41
Vikatmev Containers Ltd.	Purchase of goods	17.91	1.59	21.22	1.02
	Dividend paid	0.29	-	0.22	-
Riash Renewable Materials Pvt. Ltd.	Revenue from sale of products & services	0.73	(1.31)	0.20	(0.88)
Sattva Holding and Trading Private Limited	Dividend paid	144.64	-	109.03	-
Smiti Holding And Trading Company Private Limited	Dividend paid	146.10	-	110.12	-
Others **	Dividend paid	768.64	-	579.39	-

\* Upto 31<sup>st</sup> March, 2024.

\*\* Dividend paid to Entities Controlled/Significantly influenced by Directors/Close Family Members of Directors has been shown under others, which are less than 10% of overall dividend paid to Related parties.



## Notes to the Standalone Financial Statements (Contd.)

### NOTE 37 : RELATED PARTY TRANSACTIONS (CONTD.)

#### Details of transactions with and balances outstanding for Other Entities where significant influence exist:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints (I) Limited Employees' Gratuity Fund *	Contributions during the year (includes Employees' share and contribution)	19.10	-	24.00	-
Asian Paints Office Provident Fund	Contributions during the year (includes Employees' share and contribution)	65.72	5.77	54.47	4.53
Asian Paints Factory Employees' Provident Fund	Contributions during the year (includes Employees' share and contribution)	42.21	3.68	39.82	3.27
Asian Paints Management Cadres Superannuation Scheme	Contributions during the year (includes Employees' share and contribution)	-	-	0.04	-

\* The Company pays to the employees on behalf of Trust which is subsequently reimbursed by the Trust.

# Represents amounts less than ₹ 50,000/-.

All the amounts reported in Note 37 are inclusive of GST wherever applicable.

### NOTE 38 : SEGMENT REPORTING

The Company is primarily engaged in the business of 'Paints and Home Decor'. There is no separate reportable segment as per Ind AS 108 - Operating Segments.

### NOTE 39 : CORPORATE SOCIAL RESPONSIBILITY EXPENSES

A. Gross amount required to be spent by the Company during the year 2023-24 - ₹ 90.81 crores (2022-23 - ₹ 77.20 crores)

B. Amount spent during the year on:

(₹ in Crores)

	Year 2023-24			Year 2022-23		
	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	86.87	4.17	91.04	74.47	2.68	77.15
	<b>86.87</b>	<b>4.17</b>	<b>91.04</b>	<b>74.47</b>	<b>2.68</b>	<b>77.15</b>
C. Related party transactions in relation to Corporate Social Responsibility :			<b>3.60</b>			3.21
D. Provision movement during the year :						
<b>Opening provision</b>						0.03
Addition during the year			-			-
Utilised during the year			-			(0.03)
<b>Closing provision</b>			-			-

\* Represents actual outflow during the year

### NOTE 39 : CORPORATE SOCIAL RESPONSIBILITY EXPENSES (CONTD.)

E. Amount earmarked for ongoing project:

(₹ in Crores)

	Year 2023-24			Year 2022-23		
	With Company	In Separate CSR Unspent A/c	Total	With Company	In Separate CSR Unspent A/c	Total
<b>Opening balance</b>	-	<b>0.88</b>	<b>0.88</b>	-	<b>9.06</b>	<b>9.06</b>
Amount required to be spent during the year	-	-	-	-	-	-
Transfer to Separate CSR Unspent A/c	-	-	-	-	-	-
Amount spent during the year	-	(0.88)	(0.88)	-	(8.18)	(8.18)
Closing balance	-	-	-	-	<b>0.88</b>	<b>0.88</b>

There is no unspent amount at the end of the year to be deposited in specified fund of Schedule VII under section 135(5) of the Companies Act, 2013.

F. Details of excess amount spent

(₹ in Crores)

	Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
Details of excess amount spent	0.22	90.81	91.04	<b>0.45</b>

G. Nature of CSR activities undertaken by the Company

The CSR initiatives of the Company aim towards inclusive development of the communities largely around the vicinity of its plants and registered office and at the same time ensure environmental protection through a range of structured interventions in the areas of :

- (i) creating employability & enhancing the dignity of the painter/ carpenter/ plumber community
- (ii) focus on water conservation, replenishment and recharge
- (iii) enabling access to quality primary health care services
- (iv) disaster relief measures.

*This space has been intentionally left blank*

## Notes to the Standalone Financial Statements (Contd.)

### NOTE 40: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

#### (i) Details of struck off companies with whom the Company has transaction during the year or outstanding balance as on Balance Sheet date:

Name of Struck off Company	Nature of transactions with struck off Company	(₹ in Crores)	
		As at 31.03.2024	As at 31.03.2023
Citi Square Modular Industries Private Limited <sup>(1)(2)</sup>	Receivables	0.09	0.09
D.R. Retails Private Limited <sup>(1)(2)</sup>	Receivables	0.01	0.01
K.A.S. Housing Private Limited <sup>(1)(2)</sup>	Receivables	0.01	0.01
Tirupati Suppliers Private Limited <sup>(1)(2)</sup>	Receivables	0.25	0.40
Dte Events Private Limited <sup>(2)</sup>	Payables	-	-
Gomistri Services Private Limited <sup>(2)</sup>	Payables	-	-
Khatushyam Engineers Private Limited <sup>(2)</sup>	Payables	(0.01)	(0.01)
Swarna Homes Private Limited	Payables	0.04	0.04
Vanshika Tours And Travels Private Limited	Payables	(0.01)	(0.04)
Alliance Invest And Finance Private Limited	Unclaimed Dividend	#	#
Chinmaya Estates Private Limited	Unclaimed Dividend	#	#
Empyrean Consultant Private Limited	Unclaimed Dividend	0.01	#
Fairgrowth Financial Services Limited	Unclaimed Dividend	0.01	#
Fairgrowth Investments Limited	Unclaimed Dividend	#	#
Fairtrade Securities Limited	Unclaimed Dividend	#	#
Kinnari Investments Private Limited	Unclaimed Dividend	0.01	0.01
Mulraj Holdings & Finance Private Limited	Unclaimed Dividend	#	#
Optimist Finvest And Trading Private Limited	Unclaimed Dividend	#	#
Safna Consultancy Private Limited	Unclaimed Dividend	#	#
Unicon Fincap Private Limited	Unclaimed Dividend	#	#

# Represents values less than ₹ 50,000/-

<sup>(1)</sup> The Company has made provision for doubtful debts for the balances.

<sup>(2)</sup> There were no new transactions with these companies during the year.

#### Below struck off companies are shareholders holding equity shares of the Company as on Balance Sheet date :

Name of Struck off Company	Nature of transactions with struck off Company
Shanti Credit And Holdings Pvt Ltd	Shares held by struck off Company
Safna Consultancy Pvt Ltd	Shares held by struck off Company
Siddha Papers Pvt Ltd	Shares held by struck off Company
Fairtrade Securities Ltd	Shares held by struck off Company
Unicon Fincap Private Ltd	Shares held by struck off Company
Fairgrowth Investments Ltd	Shares held by struck off Company
Fairgrowth Financial Services Ltd	Shares held by struck off Company
Empyrean Consultant Pvt Ltd	Shares held by struck off Company
Aloke Speciality Machines And Components Pvt Ltd	Shares held by struck off Company

None of the above mentioned struck off companies are related party of the Company.

- (ii) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### NOTE 40: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013 (CONTD.)

- (iii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

- (iv) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

#### (v) Utilisation of borrowed funds and share premium

- I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- II The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the ultimate beneficiaries

- (vi) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

- (vii) The Company has not traded or invested in crypto currency or virtual currency during the year.

- (viii) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

#### NOTE 41 :

A competitor of the Company had filed a complaint with the Competition Commission of India (CCI) alleging the Company to be hindering its entry in the decorative paints market by virtue of unfair use of the Company's position of dominance in the market. The CCI had passed a *prima facie* Order dated 14<sup>th</sup> January, 2020 directing the Director General ("DG") to conduct an investigation against the Company under the provisions of the Competition Act, 2002. The DG submitted a detailed report to the CCI. Based on the findings of the DG's report and after hearing both the parties, the CCI passed a favourable order on 8<sup>th</sup> September, 2022 dismissing the allegations relating to abuse of dominance and anti-competitive agreements made by the competitor. The competitor has now filed an appeal against CCI's order before the National Company Law Appellate Tribunal. The said appeal is pending for hearing.

#### NOTE 42 :

The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 09<sup>th</sup> May, 2024.



# Independent Auditor's Report

To The Members of Asian Paints Limited

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Consolidated Financial Statements of Asian Paints Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and associates referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How was the matter addressed in our audit
<b>Revenue recognition – the Parent (Refer note 1.4 (e) and 22A of the Consolidated Financial Statements)</b>	
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition, included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, testing of cut-offs and performing analytical review procedures.
<b>Impairment of goodwill in Consolidated Financial Statements (Refer note 1.5 (d) and Note 4A of the Consolidated Financial Statements)</b>	
The Consolidated Financial Statements reflect goodwill on acquisition / consolidation of ₹ 419.19 crores. Goodwill is tested annually for impairment.	Our audit procedures to the extent the goodwill is recognised in the Standalone Financial Statements of the Parent included as follows,
The Parent and the relevant subsidiaries have estimated the recoverable amount of the Cash Generating Unit (CGU) to which the goodwill is allocable based on Value in Use (ViU).	We tested the design, implementation and operating effectiveness of controls over Goodwill impairment review, including those over forecast of future cash flows and the selection of the discount rate and long term growth rate.

### Key Audit Matter

The determination of recoverable amount of goodwill based on value in use, involves significant estimates and judgement in determining the assumptions such as Revenue growth, operating margins, and in determining the valuation assumptions relating to discount rates and long-term growth rate applied to estimated future cash flows.

These assumptions are sensitive to reasonable possible changes including economic uncertainties and therefore considered as a key audit matter.

The key assumptions applied in the impairment reviews are described in note 4A of the Consolidated Financial Statements.

### How was the matter addressed in our audit

We evaluated management's ability to accurately forecast future cashflows by comparing actual results to management's historical forecasts.

We evaluated the reasonableness of future forecast by comparing the forecast to historical financial performance, internal communication to management and Board of Directors.

With the assistance of fair value specialists, we evaluated the reasonableness of discount rate and long-term growth rate.

We also assessed the sensitivity of the recoverable amount to the changes in the key assumptions used.

To the extent, goodwill relates to the subsidiaries, component auditor has tested the Value in Use calculations for compliance with generally accepted methodologies, evaluated reasonableness of management's estimates of key assumptions (discount rates, growth rates and operating margins) based on historical performance, their knowledge of the CGUs' operations and environment and general economic forecasts, and performed sensitivity analyses to assess the impact of reasonably possible changes in estimates on the recoverable amount of the CGUs. We reviewed the work performed by the component auditors and sought information and explanations from the component auditors, as considered, necessary.

information, we are required to report that fact. We have nothing to report in this regard.

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Board's Report and Business Responsibility report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.
- Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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

## Independent Auditor's Report (Contd.)

that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i)

planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements / consolidated financial information of 24 subsidiaries, whose financial statements / consolidated financial information reflect total assets of ₹ 3,358.90 crores as at 31<sup>st</sup> March, 2024, total revenues of ₹ 3,077.40 crores for and net cash inflows amounting to ₹ 129.10 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹1.60 crores for the year ended 31<sup>st</sup> March, 2024, as considered in the Consolidated Financial Statements, in respect of 2 Associates, whose financial statements / Consolidated Financial Statements have not been audited by us. These financial statements / Consolidated Financial Statements / consolidated financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the

aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements/ consolidated financial information of the subsidiaries and associates referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - b) In our opinion, proper books of account as required by law maintained by the Group and its associates including relevant records 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, except for the matters stated in paragraph (i)(vi) below.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is



## Independent Auditor's Report (Contd.)

- disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Financial Statements of those companies.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.
- ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.
- iv) (a) The respective Managements of the Parent, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries and Associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and Associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds have been received by the Parent or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Parent, and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.
- The interim dividend declared and paid by the Parent and its associate during the year and until the date of this report is in accordance with section 123 of the Act, as applicable.
- As stated in note 13(b) to the Consolidated Financial Statements, the Board of Directors of the Parent and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent and such associate at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi) Based on our examination which included test checks, and based on the other auditor's reports of its subsidiaries and its associates, companies incorporated in India whose financial statements have been audited under the Act, except for instances mentioned below, the Parent Company, its subsidiaries and its associates have used accounting software systems for maintaining their respective books of account for the financial year ended 31 March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
- In respect of one subsidiary the accounting software used by the subsidiary did not have a feature of recording audit trail (edit log) enabled at the database level for accounting software to log any direct data changes.
- In respect of one subsidiary, the accounting software's audit trail feature/ facility did not operate during the period from 1<sup>st</sup> April, 2023 to 21<sup>st</sup> September, 2023.
- In respect of one Associate, the accounting software used by the associate for computation of credit notes did not have a feature of recording audit trail (edit log) enabled at database level to log any direct data changes.
- Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software(s) we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended 31 March, 2024.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

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

**Rupen K. Bhatt**  
Partner

Place: Mumbai  
Date: May 9, 2024

Membership No. 046930  
UDIN: 24046930BKEZWS6782

## Annexure “A” to the Independent Auditor’s Report

### (Referred to in paragraph (g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

#### Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of Asian Paints Limited (hereinafter referred to as “the Company” or “Parent”) and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

#### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal control with reference to Consolidated Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent

applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. 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 with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India.

#### Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company’s internal financial control with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material

respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to 2 subsidiary companies, 1 associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

Firm’s Registration No.: 117366W/W-100018

**Rupen K. Bhatt**  
Partner

Place: Mumbai  
Date: May 9, 2024

Membership No. 046930  
UDIN: 24046930BKEZWS6782

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# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2024

Particulars	Notes	₹ in Crores	
		As at 31.03.2024	As at 31.03.2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2A	4,446.20	4,145.65
Right-of-Use Assets	2B	1,856.27	1,208.92
Capital work-in-progress	3	2,698.37	1,019.59
Goodwill	4A	419.19	228.48
Other Intangible Assets	4B	424.96	187.41
Investments in Associates	5	583.13	781.73
Financial Assets			
Investments	5	801.38	782.98
Trade Receivables	6	1.78	2.17
Other Financial Assets	7	606.51	363.18
Deferred Tax Assets (Net)	9C	23.32	18.67
Income Tax Assets (Net)	10	198.11	189.52
Other Non-Current Assets	11	327.81	334.54
		<b>12,387.03</b>	<b>9,262.84</b>
<b>Current Assets</b>			
Inventories	12	5,923.41	6,210.64
Financial Assets			
Investments	5	3,203.41	2,697.00
Trade Receivables	6	4,889.05	4,636.94
Cash and Cash Equivalents	8A	829.34	523.10
Other Balances with Banks	8B	254.67	320.72
Other Financial Assets	7	1,651.35	1,592.78
Other Current Assets	11	785.83	553.98
		<b>17,537.06</b>	<b>16,535.16</b>
<b>TOTAL ASSETS</b>		<b>29,924.09</b>	<b>25,798.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	95.92	95.92
Other Equity	14	18,632.38	15,896.31
<b>Equity attributable to owners of the Company</b>		<b>18,728.30</b>	<b>15,992.23</b>
Non-Controlling Interests	14	695.38	453.66
		<b>19,423.68</b>	<b>16,445.89</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	54.38	76.15
Lease Liabilities	16	1,095.29	728.94
Other Financial Liabilities	17	240.58	46.38
Provisions	19	222.56	230.70
Deferred Tax Liabilities (Net)	9C	352.17	334.84
Other Non-Current Liabilities	20	34.47	39.17
		<b>1,999.45</b>	<b>1,456.18</b>

# Consolidated Balance Sheet (Contd.)

as at 31<sup>st</sup> March, 2024

Particulars	Notes	₹ in Crores	
		As at 31.03.2024	As at 31.03.2023
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	1,052.76	896.06
Lease Liabilities	16	271.95	231.47
Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	18	250.27	143.88
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	18	3,581.07	3,491.56
Other Financial Liabilities	17	2,675.44	2,436.02
Other Current liabilities	20	484.48	459.04
Provisions	19	62.48	74.21
Income Tax Liabilities (Net)	21	122.51	163.69
		<b>8,500.96</b>	<b>7,895.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,924.09</b>	<b>25,798.00</b>
<b>Material accounting policies and key accounting estimates and judgements</b>	1		
<b>See accompanying notes to the Consolidated Financial Statements</b>	2-43		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No : 046930

Mumbai  
9<sup>th</sup> May, 2024

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

**R Seshasayee**  
Chairman  
DIN : 00047985

**Milind Sarwate**  
Chairman of Audit Committee  
DIN : 00109854

Mumbai  
9<sup>th</sup> May, 2024

**Amit Syngle**  
Managing Director & CEO  
DIN : 07232566

**R J Jeyamurugan**  
CFO & Company Secretary

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## Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2024

Particulars	Notes	(₹ in Crores)	
		Year 2023-24	Year 2022-23
<b>REVENUE FROM OPERATIONS</b>			
Revenue from Sale of Products	22A	35,248.88	34,253.35
Revenue from Sale of Services	22A	133.24	114.48
Other Operating Revenue	22A	112.61	120.76
Other Income	23	687.96	386.48
<b>Total Income (I)</b>		<b>36,182.69</b>	<b>34,875.07</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	24A	15,868.21	17,330.58
Purchases of Stock-in-Trade	24B	3,858.20	4,135.65
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	24C	363.80	(309.73)
Employee Benefits Expense	25	2,326.18	2,028.07
Other Expenses	26	5,493.36	5,044.18
<b>Total Expenses (II)</b>		<b>27,909.75</b>	<b>28,228.75</b>
<b>EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)</b>		<b>8,272.94</b>	<b>6,646.32</b>
Finance Costs	27	205.17	144.45
Depreciation and Amortisation Expense	28	853.00	858.02
<b>PROFIT BEFORE SHARE OF PROFIT IN ASSOCIATES AND EXCEPTIONAL ITEMS</b>		<b>7,214.77</b>	<b>5,643.85</b>
Share of profit in Associates	36	133.00	93.85
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>7,347.77</b>	<b>5,737.70</b>
Exceptional Items	39	-	48.87
<b>PROFIT BEFORE TAX</b>		<b>7,347.77</b>	<b>5,688.83</b>
Tax Expense	9		
Current Tax		1,836.00	1,504.14
Short tax provision for earlier years		(51.35)	6.64
Deferred Tax		5.43	(17.28)
<b>Total tax expense</b>		<b>1,790.08</b>	<b>1,493.50</b>
<b>PROFIT AFTER TAX</b>		<b>5,557.69</b>	<b>4,195.33</b>
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>			
A. Items that will not be reclassified to Profit or Loss			
(i) (a) Remeasurement of the defined benefit plans	32	8.60	(10.21)
(b) Income tax (expense)/benefit on remeasurement of defined benefit plans		(2.17)	2.62
(ii) (a) Net fair value gain on investments in equity instruments through OCI		7.77	90.19
(b) Income tax expense on net fair value gain on investments in equity instruments through OCI		(0.55)	(10.58)
(iii) Share of OCI in Associates		(1.19)	(0.77)
B. Items that will be reclassified to Profit or Loss			
(i) (a) Net fair value gain/(loss) on investment in debt instruments through OCI		16.20	(5.43)
(b) Income tax (expense)/benefit on net fair value gain on investment in debt instruments through OCI		(1.85)	0.63
(ii) Exchange difference arising on translation of foreign operations		5.15	(53.41)
<b>Total Other Comprehensive Income (A+B)</b>		<b>31.96</b>	<b>13.04</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>5,589.65</b>	<b>4,208.37</b>

## Consolidated Statement of Profit and Loss (Contd.)

for the year ended 31<sup>st</sup> March, 2024

Particulars	Notes	(₹ in Crores)	
		Year 2023-24	Year 2022-23
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO :</b>			
- Owners of the Company		5,460.23	4,106.45
- Non-Controlling interest		97.46	88.88
		<b>5,557.69</b>	<b>4,195.33</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO :</b>			
- Owners of the Company		42.14	24.51
- Non-Controlling interest		(10.18)	(11.47)
		<b>31.96</b>	<b>13.04</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO :</b>			
- Owners of the Company		5,502.37	4,130.96
- Non-Controlling interest		87.28	77.41
		<b>5,589.65</b>	<b>4,208.37</b>
Earnings per equity share (Face value of ₹ 1 each)	30		
Basic (in ₹)		<b>56.95</b>	<b>42.83</b>
Diluted (in ₹)		<b>56.94</b>	<b>42.82</b>
<b>Material accounting policies and key accounting estimates and judgements</b>	1		
<b>See accompanying notes to the Consolidated Financial Statements</b>	2-43		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No : 046930

Mumbai  
9<sup>th</sup> May, 2024

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

**R Seshasayee**  
Chairman  
DIN : 00047985

**Milind Sarwate**  
Chairman of Audit Committee  
DIN : 00109854

Mumbai  
9<sup>th</sup> May, 2024

**Amit Syngle**  
Managing Director & CEO  
DIN : 07232566

**R J Jeyamurugan**  
CFO & Company Secretary

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# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2024

Particulars	As at	
	31.03.2024	31.03.2023
<b>Balance at the beginning of the reporting year (Refer note 13)</b>	<b>95.92</b>	<b>95.92</b>
Changes in Equity Share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period (Refer note 13)	95.92	95.92
Changes in Equity Share capital during the year	-	-
<b>Balance at the end of the reporting year (Refer note 13)</b>	<b>95.92</b>	<b>95.92</b>

## B) OTHER EQUITY

Particulars	Attributable to owners of the Company										Non-Controlling Interests	Total						
	Reserves and Surplus					Items of Other Comprehensive Income (OCI)												
	Capital Reserve on Consolidation	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Reassessment of the defined benefit plans	Other Reserves	Share of other reserves in Associate	Share based Payment Reserve	Treasury Shares			Trust reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity Instruments through OCI	Share of OCI in Associates	
Balance as at 1 <sup>st</sup> April, 2022 (A)	39.16	41.47	5.37	14.36	4,715.75	9,185.95	(18.61)	(28.25)	0.90	13.40	(75.00)	0.05	1.74	(329.48)	148.29	(0.06)	387.53	14,103.17
Additions during the year:	-	-	-	-	4,106.45	-	-	-	-	-	-	-	-	-	-	-	88.88	4,195.33
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Items of OCI for the year, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-	(42.22)	-	-	(11.19)	(53.41)
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment of the defined benefit plans	-	-	-	-	-	(7.31)	-	-	-	-	-	-	-	-	-	-	(0.28)	(7.59)
Net fair value gain on investments in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	79.61	-	-	-	-	-	79.61
Net fair value (loss) on investments in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	(4.80)	-	-	-	-	(4.80)
Share of OCI in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.77)	-	(0.77)
<b>Total Comprehensive Income for the year (B)</b>	-	-	-	-	<b>4,106.45</b>	<b>(7.31)</b>	-	-	-	-	-	-	<b>(4.80)</b>	<b>(42.22)</b>	<b>79.61</b>	<b>(0.77)</b>	<b>77.41</b>	<b>4,208.37</b>
Reductions during the year:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (Refer note 13)	-	-	-	-	(1,908.86)	-	-	-	-	-	-	-	-	-	-	-	(23.65)	(1,932.51)
Effect of stake acquired from non controlling interest	-	-	-	-	-	-	(3.13)	-	-	-	-	-	-	-	-	-	3.13	-
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.24	9.24
Equity/other changes in Associate	-	-	-	-	-	-	-	0.12	-	-	-	-	-	-	-	-	-	0.12
Gross obligation towards further acquisition in subsidiary	-	-	-	-	(16.22)	-	-	-	-	-	-	-	-	-	-	-	-	(16.22)
Transfer to Statutory Reserves and General Reserve	-	-	0.48	-	(0.48)	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	-	-	-	-	13.37	-	-	-	-	-	-	-	-	13.37
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	-	-	0.32	-	-	-	-	-	-	-	0.32
Purchase of Treasury shares by ESOP Trust during the year	-	-	-	-	-	-	-	-	(35.89)	-	-	-	-	-	-	-	-	(35.89)
<b>Total (C)</b>	-	-	-	-	<b>0.48</b>	<b>(1,925.58)</b>	<b>(3.13)</b>	<b>0.12</b>	<b>13.37</b>	<b>(95.89)</b>	<b>0.32</b>	<b>(1,950.29)</b>	<b>(3.08)</b>	<b>(371.70)</b>	<b>227.90</b>	<b>(0.83)</b>	<b>(11.28)</b>	<b>(1,961.57)</b>
<b>Balance as at 31<sup>st</sup> March, 2023 (D) = (A+B+C)</b>	<b>39.16</b>	<b>41.47</b>	<b>5.37</b>	<b>15.44</b>	<b>4,715.75</b>	<b>11,346.84</b>	<b>(25.92)</b>	<b>(31.38)</b>	<b>1.02</b>	<b>26.77</b>	<b>(110.89)</b>	<b>0.37</b>	<b>(3.08)</b>	<b>(371.70)</b>	<b>227.90</b>	<b>(0.83)</b>	<b>453.66</b>	<b>16,349.97</b>



# Consolidated Statement of Changes in Equity (Contd.)

for the year ended 31<sup>st</sup> March, 2024

Particulars	Attributable to owners of the Company										Non-Controlling Interests	Total						
	Reserves and Surplus					Items of Other Comprehensive Income (OCI)												
	Capital Reserve on Consolidation	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Reassessment of the defined benefit plans	Other Reserves	Share of other reserves in Associate	Share based Payment Reserve	Treasury Shares			Trust reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity Instruments through OCI	Share of OCI in Associates	
Balance as at 31 <sup>st</sup> March, 2024 (D+E+F)	39.16	41.47	5.37	15.44	4,715.75	14,037.88	(19.25)	(31.38)	1.12	46.26	(110.19)	0.97	11.29	(356.61)	235.12	(2.02)	154.44	18,632.38
<b>Material accounting policies and key accounting estimates and judgements (Refer note 1)</b>																		
<b>See accompanying notes to the Consolidated Financial Statements (Refer note 2-43)</b>																		

As per our report of even date attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No : 046930

Mumbai  
9<sup>th</sup> May, 2024

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

**R Seshasayee**  
Chairman  
DIN : 00047985

**Milind Sarwate**  
Chairman of Audit Committee  
DIN : 00109854

**Amit Syngle**  
Managing Director & CEO  
DIN : 07232566

**R J Jeyamurugan**  
CFO & Company Secretary



## Consolidated Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2024

Particulars	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>7,347.77</b>	<b>5,688.83</b>
Adjustments for :		
Depreciation and amortisation expense	853.00	858.02
Interest income	(169.93)	(120.80)
Dividend income	(20.16)	(13.48)
Finance costs	205.17	144.45
Allowances for doubtful debts and advances (net)	116.64	63.91
Bad debts written off (net)	9.20	3.44
Deferred income arising from government grant	(5.29)	(1.54)
Net unrealised foreign exchange loss	8.00	21.94
Net gain on disposal of property, plant and equipment and other intangible assets	(2.08)	(11.72)
Net gain on modification/ termination of leases	(5.50)	(2.96)
Net gain arising on financial assets measured at fair value through profit or loss (FVTPL)	(229.63)	(120.61)
Share based payment expense (net)	21.84	13.38
Share of profit in Associates	(133.00)	(93.85)
Fair valuation (gain) / loss on earnout, derivatives and gross obligation towards further stake acquisition	(63.68)	28.85
Fair valuation gain on previously held equity interest, pursuant to acquisition of controlling stake in Obgenix Software Private Limited (White Teak)	(33.96)	-
Impairment loss on Goodwill in Causeway Lanka	-	24.66
Reversal for expected credit loss on government grants	(10.90)	(27.58)
Effect of exchange rates on translation of operating cashflows	41.11	4.88
<b>Operating Profit before working capital changes</b>	<b>7,928.60</b>	<b>6,459.82</b>
Adjustments for :		
(Increase) in trade receivables	(361.89)	(833.94)
Decrease in financial assets	23.12	156.75
Decrease/(Increase) in inventories	314.94	(55.98)
(Increase) in other assets	(260.89)	(26.71)
Increase/(Decrease) in trade payables	268.58	(538.97)
Increase in other financial liabilities	16.40	441.10
Increase in other liabilities and provisions	9.79	85.64
<b>Cash generated from Operating activities</b>	<b>7,938.65</b>	<b>5,687.71</b>
Income Tax paid (net of refund)	(1,835.05)	(1,494.28)
<b>Net Cash generated from Operating activities</b>	<b>6,103.60</b>	<b>4,193.43</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and other intangible assets	(2,199.01)	(1,273.37)
Sale of property, plant and equipment	5.13	25.92
Payment for acquiring right-of-use assets	(297.07)	(172.24)
Purchase of non-current investments	(212.24)	(146.07)
Sale of non-current investments	0.50	376.61
Sale of current investments (net)	239.99	69.43
Purchase of term deposits (net)	(206.25)	(118.71)
Investment in Associate	-	(179.62)
Amount paid towards acquiring controlling stake in White Teak and Harind Chemicals and Pharmaceuticals Private Limited (net)	(75.00)	-
Payment of earnout	(37.71)	-
Interest received	135.49	87.15
Dividend received from Associate	108.37	42.78
Dividend received from others	20.17	13.48
<b>Net Cash used in Investing activities</b>	<b>(2,517.63)</b>	<b>(1,274.64)</b>

## Consolidated Statement of Cash Flows (Contd.)

for the year ended 31<sup>st</sup> March, 2024

Particulars	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from non-current borrowings	5.91	94.00
Repayment of non-current borrowings	(14.17)	(15.55)
Proceeds from current borrowings (net)	94.98	159.76
Acceptances (net)	(83.65)	(8.97)
Amount infused by non-controlling shareholders in subsidiary	40.60	-
Repayment of principal portion of lease liabilities	(285.63)	(255.72)
Finance costs (including interest on lease liabilities) paid	(190.57)	(141.95)
Proceeds from ESOP Trust/(Purchase) of treasury shares by ESOP Trust (net)	0.91	(35.57)
Dividend paid (including dividend paid to non-controlling shareholders)	(2,550.88)	(1,936.05)
<b>Net Cash used in Financing activities</b>	<b>(2,982.50)</b>	<b>(2,140.05)</b>
<b>(D) NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]</b>	<b>603.47</b>	<b>778.74</b>
Add : Cash and cash equivalents as at 1 <sup>st</sup> April	3,054.33	2,283.29
Net effect of exchange (loss) on cash and cash equivalents	(30.85)	(7.70)
<b>Cash and cash equivalents as at 31<sup>st</sup> March</b>	<b>3,626.95</b>	<b>3,054.33</b>

### Notes :

- (a) The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

Particulars	(₹ in Crores)	
	As at 31.03.2024	As at 31.03.2023
<b>(b) Cash and Cash Equivalents comprises of :</b>		
Cash on hand	1.05	0.38
Balances with Banks :		
- Current Accounts	558.59	341.98
- Cash Credit Accounts	11.05	81.78
- Deposits with original maturity of less than 3 months	166.40	58.38
Cheques, drafts on hand	92.25	40.58
<b>Cash and cash equivalents</b>	<b>829.34</b>	<b>523.10</b>
Add : Investments in Fixed Maturity Plans (with original maturity of less than 3 months)	-	111.57
Add : Investments in Liquid Mutual Funds	2,945.59	2,535.46
Add : Investments in Government Securities (with original maturity of less than 3 months)	12.13	-
Less : Loan repayable on demand - Cash Credit / Overdraft Accounts	(160.11)	(115.80)
<b>Cash and cash equivalents in Consolidated Statement of Cash Flows</b>	<b>3,626.95</b>	<b>3,054.33</b>



# Consolidated Statement of Cash Flows (Contd.)

for the year ended 31<sup>st</sup> March, 2024

## Details relating to changes in liabilities arising from financing activities :

Particulars	As at 31.03.2023	Cash flows	Pursuant to acquisition	Other Changes	Non-cash changes			As at 31.03.2024	
					Net Additions	Fair value changes	Current/ Non-current classification		
Borrowings - Non current (Refer note 15)	76.15	(8.26)	-	-	-	4.07	(17.86)	0.28	54.38
Borrowings - Current (Refer note 15)	896.06	94.98	13.86	35.70	-	4.18	17.86	(9.88)	1,052.76
Lease Liabilities (Refer note 16)	960.41	(285.63)	35.48	-	657.07	-	-	(0.09)	1,367.24
Other liabilities (Refer note 20)	44.46	-	-	-	-	(5.28)	-	-	39.18

(₹ in Crores)

Particulars	As at 31.03.2022	Cash Flows	Pursuant to acquisition	Other Changes	Non-cash changes			As at 31.03.2023	
					Net Additions	Fair value changes	Current/ Non-current classification		
Borrowings - Non current (Refer note 15)	44.54	78.45	-	-	-	(41.05)	-	(5.79)	76.15
Borrowings - Current (Refer note 15)	731.12	159.76	-	(27.18)	-	-	-	32.36	896.06
Lease Liabilities (Refer note 16)	811.22	(255.72)	-	-	407.91	-	-	(3.00)	960.41
Other liabilities (Refer note 20)	3.41	-	-	-	42.59	(1.54)	-	-	44.46

(₹ in Crores)

Material accounting policies and key accounting estimates and judgements (Refer note 1)

See accompanying notes to the Consolidated Financial Statements (Refer note 2-43)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No : 046930

Mumbai  
9<sup>th</sup> May, 2024

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

**R Seshasayee**  
Chairman  
DIN : 00047985

**Milind Sarwate**  
Chairman of Audit Committee  
DIN : 00109854

Mumbai  
9<sup>th</sup> May, 2024

**Amit Syngle**  
Managing Director & CEO  
DIN : 07232566

**R J Jeyamurugan**  
CFO & Company Secretary

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# Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March, 2024

## GROUP'S BACKGROUND

The Consolidated Financial Statements comprise financial statements of Asian Paints Limited ('the Parent' or 'the Parent Company') and its subsidiaries (collectively, 'the Group') and includes share of profit of the Associates for the year ended 31<sup>st</sup> March, 2024.

The Parent is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1913. The registered office of the Parent is located at 6A, Shantinagar, Santacruz East, Mumbai, India.

The Group is engaged in the business of manufacturing, selling and distribution of paints, coatings, products related to home décor, bath fittings, modular kitchen & accessories, decorative lighting, uPVC doors & windows and providing related services.

## 1. MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

### Material Accounting Policies :

#### 1.1. Basis of preparation of Consolidated Financial Statements

These financial statements are the Consolidated Financial Statements of the Group (also called **Consolidated Financial Statements**) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Consolidated Financial Statements.

The Consolidated Financial Statements are presented in Indian Rupees (which is also the functional currency of the Parent Company) and is rounded off to the nearest crores except otherwise indicated. Amounts less than ₹ 50,000 have been presented as "#".

#### 1.2. Application of New Accounting Pronouncements

The Group has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2023 with effect from 1<sup>st</sup> April, 2023. The effect

is described below :

- Ind AS 1 – Presentation of Financial Statements – The amendment requires disclosure of material accounting policies instead of significant accounting policies. In the Consolidated Financial Statements the disclosure of accounting policies has been accordingly modified. The impact of such modifications to the accounting policies is insignificant.
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The amendment has defined accounting estimate as well as laid down the treatment of accounting estimate to achieve the objective set out by accounting policy. There is no impact of the amendment on the Consolidated Financial Statements.
- Ind AS 12 – Income taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Consolidated Financial Statements.

#### 1.3. Current / Non-Current Classification

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

- the asset/liability is expected to be realised/ settled in the Group's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realised/ settled within twelve months after the reporting period;
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services

## Notes to the Consolidated Financial Statements (Contd.)

and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

### 1.4. Summary of Material accounting policies

#### a) Business combinations

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value except deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at the acquisition date and includes the fair value of any contingent consideration. Contingent consideration (earn out) is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the Consolidated Statement of Profit and Loss.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Group after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The transaction costs, other than costs relating to the issue of equity or debt securities in connection with a business combination are expensed as incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments

required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

#### b) Property, plant and equipment

##### Measurement at recognition :

An item of property, plant and equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of PPE are carried at their cost less accumulated depreciation and accumulated impairment losses, if any. Item of PPE which reflects significant cost and has different useful life from the remaining part of PPE is recognised as a separate component.

The cost of an item of PPE comprises of its purchase price net of discounts, if any including import duties and other non-refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses like plans, designs, and drawings of buildings or plant and machinery, borrowing cost on qualifying assets, directly attributable to new manufacturing facility during its construction period are capitalised under the relevant head of PPE if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Consolidated Statement of Profit and Loss as and when incurred.

The Group had elected to consider the carrying value of all its PPE appearing in the Consolidated Financial Statements and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1<sup>st</sup> April, 2015.

#### Capital work in progress and Capital advances :

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

#### Depreciation :

Depreciation on each part of an item / component of PPE is provided on pro-rata basis using the Straight-Line Method based on the expected useful life of the asset and is charged to the Consolidated Statement of Profit and Loss account as per the requirement of Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The estimated useful life of items of PPE is mentioned below :

	Years
Factory Buildings	30 – 60
Buildings (other than factory buildings)	30 – 61
Plant and Equipment (including continuous process plants)*	4-21
Scientific research equipment*	8
Furniture and Fixtures	5-10
Office Equipment	4-8
Vehicles*	4-8
Tinting Systems	9

Freehold land is not depreciated. Leasehold improvements are amortised over the period of the lease.

\*The useful life assessed by the Management is different than those indicated in Schedule II of the Companies Act, 2013.

The useful lives, residual values of each part of an item of PPE and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

#### Derecognition :

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PPE is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Consolidated Statement of Profit and Loss when the item is derecognised.

#### c) Goodwill and Other Intangible assets

Goodwill acquired in a business combination is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, in accordance with Ind AS 103.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are expensed in the Consolidated Statement of Profit and Loss as incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

The Group had elected to consider the carrying value of all its intangible assets appearing in the Consolidated Financial Statements and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1<sup>st</sup> April, 2015.

#### Amortisation :

Intangible Assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below :

	Years
Purchase cost, user license fees and consultancy fees for Computer Software (including those used for scientific research)	4
Acquired Trademark	5
Others include acquired Dealers network and non-compete fees	5-20

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Goodwill and certain trademark acquired separately have indefinite useful life and are not subjected to amortisation. These are tested for impairment annually and whenever there is an indication that the asset may be impaired.



**Derecognition :**

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

**d) Impairment**

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination.

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Consolidated Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses, on assets other than goodwill are reversed in the Consolidated Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

**e) Revenue**

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services. It is measured at transaction price (net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

**Sale of products :**

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

**Rendering of services :**

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Group uses output method for measurement of revenue from décor services / painting and related services and royalty income as it is based on milestone reached or units delivered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Group.

Advance from customers is recognised under other liabilities and released to revenue on satisfaction of performance obligation.

**f) Government grants and subsidies**

**Recognition and Measurement :**

The Group recognises grant as income when there is a reasonable assurance that the Group will comply with all necessary conditions attached to them and the grant will be received in accordance with Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance.

The Parent Company is entitled to certain non-refundable subsidies from government in respect of manufacturing units located in specified regions which are measured at amounts receivable from the government.

The Parent Company has received refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received.

Income from such benefits is recognised on a systematic basis over the period in which the related costs that are intended to be compensated by such grants are recognised.

**Presentation :**

Income from the above grants and subsidies are presented under Revenue from Operations.

**g) Inventory**

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

Cost of inventory is determined on a weighted average basis. Cost of inventory comprises all costs of purchase, non-refundable duties and taxes, cost of conversion including an appropriate share of fixed and variable production overheads and all other costs incurred in bringing the inventory to their present location and condition.

The Group considers factors like estimated shelf life, product discontinuances and ageing of inventory in determining the provision for slow moving, obsolete and other non-saleable inventory and adjusts the inventory provisions to reflect the recoverable value of inventory.

**h) Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

*Initial recognition and measurement :*

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Consolidated Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

*Subsequent measurement :*

For subsequent measurement, the group classifies a financial asset in accordance with the below criteria :

- i. The Group's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

## Notes to the Consolidated Financial Statements (Contd.)

Based on the above criteria, the Group classifies its financial assets into the following categories :

### i. Financial assets measured at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met :

- a. The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group (Refer note 29 for further details). Such financial assets are subsequently measured at amortised cost using the effective interest method. The effect of the amortisation under effective interest method is recognised as interest income over the relevant period of the financial asset under other income in the Consolidated Statement of Profit and Loss. The amortised cost of a financial asset is also adjusted for loss allowance, if any.

### ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if both of the following conditions are met :

- a. The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

This category applies to certain investments in debt instruments (Refer note 29 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income and impairment losses and its reversals in the Consolidated Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to Consolidated Statement of Profit and Loss.

Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer note 29 for further details). The Group has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in OCI. However, the Group recognises dividend income from such instruments in the Consolidated Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Group and the amount can be measured reliably.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to Consolidated Statement of Profit and Loss. However, the Group may transfer such cumulative gain or loss into retained earnings within equity.

### iii. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in subsidiary and associate companies (Refer note 29 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Consolidated Statement of Profit and Loss.

#### Derecognition :

- i. A financial asset is derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards

of the financial asset, but retains control of the financial asset, the Group continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Consolidated Statement of Profit and Loss.

#### Impairment of financial assets :

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following :

- i. Trade receivables
- ii. Financial assets measured at amortised cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as (ii) and (iii) above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss.

#### Financial Liabilities

##### Initial recognition and measurement :

The Group recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Consolidated Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

##### Subsequent measurement :

All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest method (Refer note 29 for further details). The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date.



## Notes to the Consolidated Financial Statements (Contd.)

The corresponding effect of the amortisation under effective interest method is recognised as interest expense under finance cost in the Consolidated Statement of Profit and Loss.

### *Derecognition :*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Consolidated Statement of Profit and Loss.

### *Offsetting of financial assets and financial liabilities :*

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet wherever there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **i) Derivative financial instruments**

The Group enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortised cost.

The Group formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial liabilities ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Group's risk management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, Financial Instruments.

### *Recognition and measurement of fair value hedge :*

Hedging instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging

instrument is recognised in the Consolidated Statement of Profit and Loss. Hedging instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognised financial liability) is initially recognised at fair value on the date of entering into contractual obligation and is subsequently measured at amortised cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognised in the Consolidated Statement of Profit and Loss.

The Group also enters into forward contracts to purchase an additional stake in equity capital in some of its investments in associate company. Such derivatives are recognised in its Balance Sheet when the Group becomes party to contractual provisions of the instrument. These derivatives are initially recognised at fair value when the contract is entered. Derivative contracts are remeasured at fair value at the end of each reporting period and changes are recognised in Consolidated Statement of Profit and Loss.

### *Derecognition :*

On Derecognition of the hedged item, the unamortised fair value of the hedging instrument adjusted to the hedged item, is recognised in the Consolidated Statement of Profit and Loss

### **j) Fair Value**

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated

Financial Statements are categorised within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the Consolidated Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period and discloses the same.

### **k) Foreign Currency Translation**

#### *Initial Recognition :*

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

#### *Measurement of foreign currency items at reporting date :*

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of foreign exchange translations and settlements during the year are recognised in the Consolidated Statement of Profit and Loss.

#### *Translation of financial statements of foreign entities*

On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian

Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after adoption of Ind AS 103, Business Combination, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of adoption of Ind AS 103, Business Combination, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

### **l) Income Taxes**

Tax expense is the aggregate amount included in the determination of consolidated profit or loss for the period in respect of current tax and deferred tax.

#### *Current tax :*

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with the applicable tax laws.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

## Notes to the Consolidated Financial Statements (Contd.)

### Deferred tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit in accordance with the applicable tax laws.

Deferred tax assets and liabilities are generally recognised for all deductible and taxable temporary differences respectively. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit or does not give rise to equal taxable and deductible temporary differences, deferred tax assets or liabilities are not recognised. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

### Uncertain tax positions :

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group reflects the effect of uncertainty for each uncertain tax treatment by using one of two methods, the expected value method (the sum of the probability-weighted amounts in a range of possible outcomes) or the most likely amount (single most likely amount method in a range of possible outcomes), depending on which is expected to better predict the resolution of the uncertainty. The Group

applies consistent judgements and estimates if an uncertain tax treatment affects both the current and the deferred tax.

### Presentation of current and deferred tax :

Current and deferred tax are recognised as income or an expense in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognised in Other Comprehensive Income.

The Group offsets tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### m) Provisions and Contingencies

The Group recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources will be required and the amount of outflow can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources or the amount of such outflow cannot be measured reliably. 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.

### n) Measurement of EBITDA

The Group has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Consolidated Statement of Profit and Loss for the period. The Group measures EBITDA based on consolidated profit/(loss) from continuing operations.

### o) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Statement of Cash Flows comprise cash and cheques in hand, bank balances, demand deposits

with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Group's cash management.

### p) Employee Benefits

#### Short Term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period the employee renders the related service.

#### Post-Employment Benefits :

##### i. Defined contribution plans :

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the Consolidated Statement of Profit and Loss in the financial year to which they relate. The Parent Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Parent Company operates a Superannuation scheme for eligible employees. A few Indian Subsidiaries also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

##### Recognition and measurement of defined contribution plans :

The Group recognises contribution payable to a defined contribution plan as an expense in the Consolidated Statement of Profit and Loss when the employees render services. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognised as a liability after deducting the contribution already paid. If

the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

## II. Defined benefit plans :

### i) Provident fund scheme :

The Parent Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Parent Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Parent 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 Parent Company, its Indian subsidiaries and some of its foreign subsidiaries operate a gratuity scheme for employees. The contribution is paid to a separate entity (a fund) or to a financial institution, towards meeting the Gratuity obligations.

### iii) Pension Scheme and Leaving indemnity Plan :

The Parent Company and some of its foreign subsidiaries operate a pension and leaving indemnity plan for certain specified employees and is payable upon the employee satisfying certain conditions as approved by the Board of Directors.

### iv) Post-Retirement Medical benefit plan :

The Parent Company and some of its foreign subsidiaries operate a post-retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

Recognition and measurement of defined benefit plans :

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being



## Notes to the Consolidated Financial Statements (Contd.)

carried out at each reporting date. The defined benefit obligations recognised in the Consolidated 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 recognised representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognised in the Consolidated Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Consolidated Statement of Profit and Loss in the subsequent periods.

The Group presents the above liability/ (asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however in case of the Parent entity of the group, entire liability towards gratuity is considered as current as the Parent entity will contribute this amount to the gratuity fund within the next twelve months.

### Other Long Term Employee Benefits :

Entitlements to deferred incentives, annual leave and sick leave are 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 leave. The Group determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognised in the Consolidated Statement of Profit and Loss (including actuarial gain and loss).

### q) Share based Payments :

The Parent Company operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Parent Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (employee stock option reserve). At the end of each reporting period, the Parent Company revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of profit and loss such that cumulative expense reflects the revision estimate, with a corresponding adjustments to the employee stock option reserve.

One of the subsidiaries of the Group has entered into an agreement wherein the consideration for services taken will be paid through an equity-settled share-based arrangement upon achievement of the agreed milestones. Such equity-settled share-based payment is measured as per the fair value of the equity instruments granted as the fair value of service received cannot be measured reliably. The fair value of equity settled share based payment is recognised as capital work in progress as the same is related to property, plant and equipment along with a corresponding increase in the equity (Share based Payment Reserve).

### r) Treasury shares :

The Group has created an ESOP Trust (Asian Paints Employees Stock Ownership Trust) which acts as a vehicle to execute its ESOP plan. The ESOP trust is considered as an extension of the Parent Company and the shares held by the ESOP trust are treated as Treasury shares. The ESOP Trust purchases Parent Company's share from secondary market for issuance to the employees on exercise of the granted stock options. These shares are recognised at cost and is disclosed separately as reduction from Other Equity as treasury shares. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on purchase, sale, issuance, or cancellation of treasury shares.

Any consideration paid or received is directly recognised in treasury shares in Other Equity.

### s) Lease accounting

#### Assets taken on lease :

The Group mainly has lease arrangements for land and building for offices, warehouse spaces, retail stores, vehicles and others.

The Group assesses whether a contract is or contains a lease, at inception of a contract in accordance with Ind AS 116. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Group has substantially all the economic benefits from the use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term or useful life of the underlying asset if the Group expects to exercise a purchase option in the lease. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, generally discounted using an incremental borrowing rate specific to the Group, term and currency of the contract.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Consolidated Statement of Profit and Loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

#### Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short term leases as well as low value assets and recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### t) Borrowing Cost

Borrowing cost includes interest, amortisation 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 capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

### u) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

### v) Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Consolidated Financial Statements. Otherwise, events after the

## Notes to the Consolidated Financial Statements (Contd.)

Balance Sheet date of material size or nature are only disclosed.

### w) Investment in associate companies

An associate is an entity over which the Group has significant influence as defined under Ind AS 28, Investments in Associates and Joint Ventures.

The Group's investments in its associate is accounted for using the equity method. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit in associate' in the Consolidated Statement of Profit and Loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in Consolidated Profit and Loss.

### x) Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent Company and its subsidiaries.

The Parent Company consolidates all the entities where control exists as per Ind AS 110, Consolidated Financial Statements from the date control commences until the date control ceases. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent

Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including :

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Parent Company's voting rights and potential voting rights,
- The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary. Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31<sup>st</sup> March.

The Consolidated Financial Statements of the Group have been combined on a line-by-line basis, after fully eliminating intra-group balances, and intra-group transactions and resulting unrealised profits. Unrealised losses resulting from intra-group transactions are not eliminated unless cost cannot be recovered. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the

amount at which the non- controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Group.

The payments related to forward contracts entered/ options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognised at the estimated present value of gross obligations. Such forward contracts/ options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires un-exercised, the liability is de-recognised.

### y) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders of the Parent Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

Diluted Earnings per share is calculated by dividing net profit attributable to the equity shareholders of the Parent Company with the weighted average number of shares outstanding during the financial year, adjusted for effects of diluting potential equity shares towards ESOP plan.

### z) Exceptional items :

An ordinary item of income or expense which by its size, nature, occurrence or incidence requires a disclosure in order to improve understanding of the performance of the Group is treated as an exceptional item in the Consolidated Statement of Profit and Loss.

## 1.5. Key accounting estimates and judgements

The preparation of the Consolidated Financial Statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

## Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below :

### a) Income taxes

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions (Refer note 9).

### b) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

### c) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes or a change in market demand of the product or service output of the asset, manufacturers warranties and maintenance support, etc.





**d) Impairment of Goodwill and other intangible assets with indefinite useful life**

Goodwill and other intangible assets with indefinite useful life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

**e) Defined Benefit Obligation**

The costs of providing pensions and other post-employment benefits are charged to the Consolidated Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in note 32, 'Employee benefits'.

**f) Share-based payment transactions**

The fair value of employee stock options is measured using the Black-Scholes model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds). Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 32(3).

**g) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

**h) Right-of-use assets and lease liability**

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

**NOTE 2A : PROPERTY, PLANT AND EQUIPMENT**

	Gross carrying value				Depreciation/Amortisation				Net Carrying Value				
	As at 01.04.2023	Translation Difference	Acquisition of Subsidiaries <sup>a</sup>	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2024	As at 01.04.2023	Translation Difference	Acquisition of Subsidiaries <sup>a</sup>	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2024	As at 31.03.2024
Land <sup>^</sup>	447.02	(3.46)	0.33	0.68	-	444.57	-	-	-	-	-	444.57	444.57
Buildings	1,756.34	(4.85)	0.24	102.53	0.05	1,854.21	386.05	(0.91)	0.11	59.01	0.01	444.25	1,409.96
Plant and Equipment*	4,825.25	(5.92)	2.34	615.89	16.05	5,421.51	2,680.78	(3.45)	1.38	379.20	13.37	3,044.54	2,376.97
Scientific Research :													
Buildings	71.39	-	-	-	-	71.39	17.80	-	-	2.75	-	20.55	50.84
Equipment*	76.13	-	-	5.32	(0.36)	81.81	54.65	-	-	6.04	(0.12)	60.81	21.00
Leasehold improvements	0.31	-	-	-	-	0.31	0.11	-	-	0.04	-	0.15	0.16
Furniture and Fixtures	145.80	0.10	2.74	29.85	3.32	175.17	78.89	0.09	0.80	16.51	2.43	93.86	81.31
Vehicles	23.36	0.63	0.57	3.26	0.71	27.11	19.53	0.74	0.14	1.71	0.68	21.44	5.67
Office Equipment	122.87	(0.49)	2.59	21.98	2.25	144.70	86.06	(0.37)	1.32	15.74	2.22	100.53	44.17
Leasehold improvements	10.00	-	9.88	7.14	(0.42)	27.44	9.62	-	4.34	2.44	(0.03)	16.43	11.01
Assets Given on Operating Lease :													
Tinting systems	3.31	0.39	-	-	0.02	3.68	2.64	0.31	-	0.20	0.01	3.14	0.54
<b>Total</b>	<b>7,481.78</b>	<b>(13.60)</b>	<b>18.69</b>	<b>786.65</b>	<b>21.62</b>	<b>8,251.90</b>	<b>3,336.13</b>	<b>(3.59)</b>	<b>8.09</b>	<b>483.64</b>	<b>18.57</b>	<b>3,805.70</b>	<b>4,446.20</b>

	Gross carrying value				Depreciation/Amortisation				Net Carrying Value				
	As at 01.04.2022	Translation Difference	Acquisition of Subsidiaries	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2023	As at 01.04.2022	Translation Difference	Acquisition of Subsidiaries	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2023	As at 31.03.2023
Land <sup>^</sup>	445.31	0.67	-	1.04	-	447.02	-	-	-	-	-	447.02	447.02
Buildings	1,617.10	(11.78)	-	154.33	3.31	1,756.34	321.56	(0.74)	-	66.03	0.80	386.05	1,370.29
Plant and Equipment*	4,531.23	(8.54)	0.66	322.10	20.20	4,825.25	2,255.76	(2.67)	-	445.60	17.91	2,680.78	2,144.47
Scientific Research :													
Buildings	71.39	-	-	-	-	71.39	15.06	-	-	2.74	-	17.80	53.59
Equipment*	73.51	-	-	2.53	(0.09)	76.13	47.79	-	-	6.84	(0.02)	54.65	21.48
Leasehold improvements	0.31	-	-	-	-	0.31	0.08	-	-	0.03	-	0.11	0.20
Furniture and Fixtures	112.86	(0.11)	0.14	34.80	1.89	145.80	66.53	(0.07)	-	14.18	1.75	78.89	66.91
Vehicles	23.82	(0.07)	0.06	23.36	1.42	23.36	18.81	(0.16)	-	1.55	0.67	19.53	3.83
Office Equipment	108.17	(0.48)	0.06	17.69	2.57	122.87	74.76	(0.40)	-	14.24	2.54	86.06	36.81
Leasehold improvements	9.68	-	-	0.32	-	10.00	9.54	-	-	0.08	-	9.62	0.38
Assets Given on Operating Lease :													
Tinting systems	3.48	(0.10)	-	-	0.07	3.31	2.51	(0.04)	-	0.21	0.04	2.64	0.67
<b>Total</b>	<b>6,996.86</b>	<b>(20.41)</b>	<b>0.92</b>	<b>533.78</b>	<b>29.37</b>	<b>7,481.78</b>	<b>2,812.40</b>	<b>(4.08)</b>	<b>-</b>	<b>551.50</b>	<b>23.69</b>	<b>3,336.13</b>	<b>4,145.65</b>

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in note 31 (b).

<sup>^</sup> Includes leasehold land of ₹ 4.56 crores in a subsidiary which is not being amortised as the subsidiary has an option to convert it into freehold on payment of a nominal amount.

\* "Plant and Equipment" amounting to ₹ 0.36 crores (Previous year - ₹ 0.38 crores) has been reclassified under "Scientific Research - Equipment" subsequent to transfer of Assets from Plant to R&D facility.

As at 31<sup>st</sup> March, 2024, ₹ 197.67 crores (Previous year - ₹ 194.01 crores) was hypothecated as security for borrowings.

\* Refer note 41(b) & (e)

Notes to the Consolidated Financial Statements (Contd.)

**NOTE 2B : RIGHT-OF-USE ASSETS**

Movement in net carrying amount	Year 2023-24					Year 2022-23					Total	
	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Vehicles	Total	Leasehold Land	Buildings	Plant and Equipment	Office Equipment		Vehicles
	As at 01.04.2023	Acquisition of Subsidiaries	Deletions	Depreciation	Translation Difference	As at 31.03.2024	As at 01.04.2023	Acquisition of Subsidiaries	Deletions	Depreciation		Translation Difference
Balance as at 1 <sup>st</sup> April	351.69	850.06	0.13	0.03	0.03	1,208.92	199.18	697.98	-	0.04	8.55	905.75
Additions	329.01	675.99	-	-	-	1,011.35	159.45	450.44	0.14	-	3.55	613.58
Acquisition of Subsidiaries*	-	34.40	-	-	-	34.40	-	-	-	-	-	-
Depreciation	10.78	330.45	0.03	0.01	0.01	346.12	5.47	266.75	0.01	0.01	5.19	277.43
Deletions	-	51.63	-	-	-	51.71	-	30.12	-	-	0.19	30.31
Translation difference	0.53	(1.17)	-	-	-	(0.57)	(1.47)	(1.49)	-	-	0.29	(2.67)
<b>Balance as at 31<sup>st</sup> March</b>	<b>670.45</b>	<b>1,177.20</b>	<b>0.10</b>	<b>0.02</b>	<b>0.02</b>	<b>1,856.27</b>	<b>351.69</b>	<b>850.06</b>	<b>0.13</b>	<b>0.03</b>	<b>7.01</b>	<b>1,208.92</b>

For additions and movement in lease liabilities, Refer note 16.

\* Refer note 41 (b) & (e)

**NOTE 3 : CAPITAL WORK-IN-PROGRESS (CWIP)**

**CWIP ageing schedule**

CWIP	Amount in CWIP for a period of			As at 31.03.2024
	Less than 1 year	1 - 2 years	2 - 3 years	
	1,959.50	621.31	112.27	
Projects in progress	-	-	-	2,698.37
Projects temporarily suspended	-	-	-	-
<b>CWIP</b>	<b>1,959.50</b>	<b>621.31</b>	<b>112.27</b>	<b>2,698.37</b>
CWIP	Amount in CWIP for a period of			As at 31.03.2023
	Less than 1 year	1 - 2 years	2 - 3 years	
	889.37	123.91	2.34	
Projects in progress	-	-	-	1,019.59
Projects temporarily suspended	-	-	-	-
<b>CWIP</b>	<b>889.37</b>	<b>123.91</b>	<b>2.34</b>	<b>1,019.59</b>

**CWIP assets where completion is overdue and/or cost has exceeded its original plan**

CWIP	To be completed in			As at 31.03.2024
	Less than 1 year	1 - 2 years	2 - 3 years	
	50.73	-	-	
Wada Plant - Bath Fitting	-	-	-	50.73
Bhandup office and warehouse	108.77	-	-	108.77
Asian Paints Headquarter Project	188.65	-	-	188.65
Ankleshwar Plant Expansion	1,150.43	-	-	1,150.43
<b>CWIP</b>	<b>1,448.58</b>	<b>-</b>	<b>-</b>	<b>1,448.58</b>
CWIP	To be completed in			As at 31.03.2023
	Less than 1 year	1 - 2 years	2 - 3 years	
	22.29	-	-	
Wada Plant - Bath Fitting	-	-	-	22.29
Wada Plant - Kitchen (Sleek)	23.05	-	-	23.05
Kasna Plant Expansion	80.65	-	-	80.65
<b>CWIP</b>	<b>105.99</b>	<b>-</b>	<b>-</b>	<b>105.99</b>

**NOTE 4 : INTANGIBLE ASSETS**

4A. GOODWILL (Refer note 2 below)	Gross carrying value					Amortisation					Impairment					Net carrying value			
	As at 01.04.2023	Translation Difference	Acquisition of Subsidiaries	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2024	As at 01.04.2023	Translation Difference	Acquisition of Subsidiaries	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2024	As at 01.04.2023	Translation Difference	Acquisition of Subsidiaries	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2024	As at 31.03.2023
	272.99	8.91	183.88	-	-	465.78	-	-	-	-	-	91.79	1.40	0.68	-	-	-	93.87	371.91
Goodwill on Consolidation	47.28	-	-	-	-	47.28	-	-	-	-	-	47.28	-	-	-	-	-	-	47.28
Goodwill acquired separately	320.27	8.91	183.88	-	-	513.06	-	-	-	-	-	91.79	1.40	0.68	-	-	-	93.87	419.19
<b>Total (4A)</b>	<b>599.26</b>	<b>17.82</b>	<b>367.76</b>	<b>-</b>	<b>-</b>	<b>561.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>183.07</b>	<b>2.80</b>	<b>1.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187.15</b>	<b>838.38</b>
4B. OTHER INTANGIBLE ASSETS (acquired separately)	As at 01.04.2023	Translation Difference	Acquisition of Subsidiaries	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2024	As at 01.04.2023	Translation Difference	Acquisition of Subsidiaries	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2024	As at 01.04.2023	Translation Difference	Acquisition of Subsidiaries	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2024	As at 31.03.2023
	95.03	3.59	215.70	16.53	-	330.85	-	-	-	-	-	-	-	-	-	-	-	-	330.85
	6.39	-	-	-	-	6.39	3.14	-	1.09	-	-	4.23	-	-	-	-	-	2.16	
Computer Software	217.57	(0.21)	0.01	21.10	-	238.47	177.26	(0.19)	20.59	-	197.67	-	-	-	-	-	-	40.80	
Others	68.02	5.58	4.36	-	-	77.96	19.53	1.95	5.58	-	27.06	-	-	-	-	-	-	50.90	
Scientific Research:	0.51	-	-	-	-	0.51	0.18	-	0.08	-	0.26	-	-	-	-	-	-	0.25	
Computer Software	387.52	8.96	220.07	37.63	-	654.18	200.11	1.76	27.34	-	229.22	-	-	-	-	-	-	424.96	
<b>Total (4B)</b>	<b>707.79</b>	<b>17.87</b>	<b>403.95</b>	<b>37.63</b>	<b>-</b>	<b>1,167.24</b>	<b>200.11</b>	<b>1.76</b>	<b>27.34</b>	<b>-</b>	<b>229.22</b>	<b>1.40</b>	<b>0.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>844.15</b>	
<b>Total (4A+4B)</b>	<b>1,306.95</b>	<b>35.69</b>	<b>771.71</b>	<b>75.26</b>	<b>-</b>	<b>1,728.28</b>	<b>400.22</b>	<b>3.52</b>	<b>54.68</b>	<b>-</b>	<b>458.44</b>	<b>2.80</b>	<b>1.36</b>	<b>0.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>932.30</b>	

4A. GOODWILL (Refer note 2 below)	Gross carrying value					Amortisation					Impairment					Net carrying value			
	As at 01.04.2022	Translation Difference	Acquisition of Subsidiaries	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2023	As at 01.04.2022	Translation Difference	Acquisition of Subsidiaries	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2023	As at 01.04.2022	Translation Difference	Acquisition of Subsidiaries	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2023	As at 31.03.2022
	261.65	0.25	-	11.09	-	272.99	-	-	-	-	-	66.07	1.06	24.66	-	-	-	-	91.79
Goodwill on Consolidation	47.28	-	-	-	-	47.28	-	-	-	-	-	-	-	-	-	-	-	-	47.28
Goodwill acquired separately	308.93	0.25	-	11.09	-	320.27	-	-	-	-	-	66.07	1.06	24.66	-	-	-	-	91.79
<b>Total (4A)</b>	<b>570.58</b>	<b>0.50</b>	<b>-</b>	<b>22.18</b>	<b>-</b>	<b>593.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132.14</b>	<b>2.12</b>	<b>49.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>183.57</b>
4B. OTHER INTANGIBLE ASSETS (acquired separately)	As at 01.04.2022	Translation Difference	Acquisition of Subsidiaries	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2023	As at 01.04.2022	Translation Difference	Acquisition of Subsidiaries	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2023	As at 01.04.2022	Translation Difference	Acquisition of Subsidiaries	Additions/ Adjustments	Deletions/ Adjustments	As at 31.03.2023	As at 31.03.2022
	95.33	(0.30)	-	-	-	95.03	-	-	-	-	-	-	-	-	-	-	-	-	95.03
	6.39	-	-	-	-	6.39	2.04	-	1.10	-	-	3.14	-	-	-	-	-	3.25	
Computer Software	232.89	(0.61)	1.76	19.05	35.52	217.57	189.30	(0.50)	23.58	35.12	177.26	-	-	-	-	-	-	40.31	
Others	57.90	(1.10)	11.22	-	68.02	15.18	(0.04)	4.39	-	19.53	-	-	-	-	-	-	-	48.49	
Scientific Research:	0.17	-	-	0.34	-	0.51	0.17	-	0.02	0.01	0.18	-	-	-	-	-	-	0.33	
Computer Software	392.68	(2.01)	12.98	19.39	35.52	387.52	206.69	(0.54)	29.09	35.13	200.11	-	-	-	-	-	-	187.41	
<b>Total (4B)</b>	<b>701.61</b>	<b>(1.76)</b>	<b>12.98</b>	<b>30.48</b>	<b>35.52</b>	<b>707.79</b>	<b>206.69</b>	<b>(0.54)</b>	<b>29.09</b>	<b>35.13</b>	<b>200.11</b>	<b>1.06</b>	<b>24.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91.79</b>	
<b>Total (4A+4B)</b>	<b>1,272.19</b>	<b>0.74</b>	<b>25.96</b>	<b>52.66</b>	<b>71.04</b>	<b>1,301.05</b>	<b>413.38</b>	<b>0.99</b>	<b>58.18</b>	<b>70.26</b>	<b>200.22</b>	<b>2.12</b>	<b>49.32</b>	<b>0.68</b>	<b>0.68</b>	<b>0.68</b>	<b>0.68</b>	<b>183.57</b>	

The amount of contractual commitments for the acquisition of intangible assets is disclosed in note 31(b).

\* Refer note 41 (b) and 41(e)

1. 'Brand' comprises of brands acquired pursuant to acquisition of subsidiaries. These have indefinite useful life as the registration of these brands can be renewed indefinitely and management assessed that they will continue to generate future cash flows for the Group indefinitely. Accordingly, the same is not amortised and is tested for impairment annually.



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 4 : INTANGIBLE ASSETS (CONTD.)

#### 2. Goodwill :

'Goodwill' acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

	(₹ in Crores)	
	As at 31.03.2024	As at 31.03.2023
<b>Goodwill on Consolidation</b>		
Berger Paints Emirates LLC	3.12	3.12
Kadisco Paint and Adhesive Industry Share Company	28.37	29.35
Asian Paints (Vanuatu) Limited	1.07	1.05
Asian Paints (South Pacific) Pte Limited	2.18	2.14
SCIB Chemicals, S.A.E.	13.96	13.76
Causeway Paints Lanka (Pvt) Ltd (Refer note 39)	53.09	44.86
Asian Paints International Private Limited	75.83	75.83
Weatherseal Fenestration Private Limited*	11.09	11.09
Obgenix Software Private Limited* (Refer note 41(b))	165.33	-
Harind Chemicals and Pharmaceuticals Private Limited (Refer note 41(e))	17.87	-
<b>Goodwill acquired separately</b>		
Asian Paints Limited (Bath Fittings Business)	35.36	35.36
Sleek International Private Limited	11.92	11.92
<b>Total</b>	<b>419.19</b>	<b>228.48</b>

#### Impairment Assessment of Goodwill / Intangibles (with indefinite useful life) :

The Group made an assessment of recoverable amounts of the CGUs based on value in use calculations or Fair Value less costs to sell (for certain subsidiaries) which require the use of certain assumptions. The value in use calculations use cashflow projections based on the financial budgets approved by the management covering a five to nine years period (Previous year - five year), as the Group believes this to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows. Fair Value less costs to sell is computed by comparing the price at which comparable companies engaged in similar business are traded at the capital market.

#### Key Assumptions used for value in use / Fair value less costs to sell calculations :

	(₹ in Crores)	
	As at 31.03.2024	As at 31.03.2023
Period considered for cash flow projections by management under Value in use method	5 years to 9 years	5 years
Projected revenue growth rate	7% to 107%	8% to 70%
Terminal Growth Rate	1.6% to 12%	2% to 14%
Discount rate	12% to 35%	12% to 40%
Enterprise Value (EV)/ Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) multiple (in case of Causeway Paints Lanka (Pvt) Ltd (Causeway))	Not applicable	5.9x

The Group has recorded no impairment losses for the year ended 31<sup>st</sup> March, 2024.

For the year ended 31<sup>st</sup> March, 2023, the Group had recognised an impairment loss of ₹ 24.66 crores in respect of Goodwill on consolidation recognised on acquisition of Causeway. The recoverable amount of the CGU was ₹ 243.58 crores determined based on an estimate of fair value less costs to sell derived using Comparable Company Method (CCM) which considers EV/ EBITDA multiple of comparable company.

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

### NOTE 4 : INTANGIBLE ASSETS (CONTD.)

#### 2. Goodwill (Contd.) :

\* The Group made an assessment of recoverable amount of the CGUs based on value in use calculations which uses cash flow projections based on financial budgets approved by management covering a seven to nine years period, as the Group believes this is to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows. Cash flows beyond such period were extrapolated using estimate rates stated below.

**Discount rates-** Management estimates discount rates using pre-tax rates that reflect current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and its operating segments and is derived from its weighted average cost of capital (WACC).

**Growth rates-** The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on demand condition. The weighted average growth rates used are consistent with industry reports.

**EV / EBITDA multiples-** EV is market capitalisation of comparable company adjusted for net debt position. Normalised EBITDA of trailing twelve months has been used for the purpose of computing Fair Value of asset. Costs to sell are estimated as per industry standards.

### NOTE 5 : INVESTMENTS

	Face value (₹)	As at 31.03.2024		As at 31.03.2023	
		Nos.	₹ in Crores	Nos.	₹ in Crores
<b>I. NON-CURRENT INVESTMENTS</b>					
<b>A. Investments in Equity Instruments</b>					
<b>(a) Quoted equity shares measured at FVTOCI</b>					
Akzo Nobel India Limited	10	20,10,626	479.47	20,10,626	462.55
HDFC Bank Limited*	1	7,81,200	113.11	4,65,000	122.09
Apcotex Industries Limited	2	34,180	1.50	34,180	1.68
<b>Total Investments in Quoted equity shares</b>			<b>594.08</b>		<b>586.32</b>
<b>(b) Unquoted equity shares</b>					
<b>(i) Associate Companies (accounted as per equity method, Refer note 36)</b>					
PPG Asian Paints Private Limited	10	2,85,18,112	583.13	2,85,18,112	560.15
Obgenix Software Private Limited (Refer note 41(b))	10	-	-	196,490	221.58
			<b>583.13</b>		<b>781.73</b>
<b>(ii) Other equity shares measured at FVTPL</b>					
Pattancheru Enviro-tech Limited	10	12,900	0.01	12,900	0.01
Cuddalore SIPCOT Common Utilities Limited	100	2,830	0.03	2,830	0.03
Narmada Clean Tech Limited	10	4,97,833	0.49	4,97,833	0.49
SKH Metals Limited	10	62,500	0.50	62,500	0.50
Amplus RJ Solar Private Limited	10	8,50,000	0.85	8,50,000	0.85
BEIL Infrastructure Limited	10	5,600	0.01	5,600	0.01
Paints and Coatings Skill Council	25,000	10	0.03	10	0.03
Saraswat Co-operative Bank	10	2,500	#	2,500	#
			<b>1.92</b>		<b>1.92</b>
<b>Total Investments in Unquoted equity shares (i+ii)</b>			<b>585.05</b>		<b>783.65</b>
<b>Total investments in Equity Instruments (a+b)</b>	<b>A</b>		<b>1,179.13</b>		<b>1,369.97</b>

Notes to the Consolidated Financial Statements (Contd.)

**NOTE 5 : INVESTMENTS (CONTD.)**

	Face value (₹)	As at 31.03.2024		As at 31.03.2023	
		Nos.	₹ in Crores	Nos.	₹ in Crores
<b>I. NON-CURRENT INVESTMENTS (Contd.)</b>					
<b>B. Investments in Unquoted Government securities measured at amortised cost</b>	<b>B</b>		#		#
National Savings & Defence Certificates # [₹ 39,500/- (As at 31 <sup>st</sup> March, 2023 - ₹ 39,500)]					
<b>C. Investments in Debentures or Bonds</b>					
<b>(a) Investments in Unquoted Debentures or Bonds measured at amortised cost</b>					
7.50% Ethiopian Renaissance Dam Bond		10	0.97	7	0.53
8.00% Ethiopian Renaissance Dam Bond		4	0.38	4	0.30
<b>Total Investment in Unquoted Debentures or Bonds measured at amortised cost</b>			<b>1.35</b>		<b>0.83</b>
<b>(b) Investments in Debentures or Bonds measured at FVTOCI</b>					
<b>(i) Quoted Debentures or Bonds</b>					
<b>Redeemable and Non-Convertible</b>					
Zero Coupon Debentures of HDB Financial Services Limited - Series 2021 A/0(ZC)/163	10,00,000	-	-	230	25.01
Zero Coupon Debentures of HDB Financial Services Limited - Series 2021 A/0(ZC)/171	10,00,000	-	-	250	26.14
Zero Coupon Debentures of HDB Financial Services Limited - Series 2022 A/0(ZC)/186_ Option 1	10,00,000	450	50.07	-	-
Zero Coupon Debentures of Kotak Mahindra Investments Limited - Series III 24JN25	10,00,000	-	-	250	21.59
Zero Coupon Debentures of Kotak Mahindra Investments Limited - Series III 29JN26	10,00,000	600	51.83	-	-
7.11% Bond of Power Finance Corporation Limited - Series 1A	1,000	51,341	5.27	51,341	5.33
8.25% Debentures of Hero Fincorp Limited - Series HFCLNCD059OPI	10,00,000	-	-	250	24.89
7.07% Bond of Indian Railway Finance Corporation Limited - Series 102 <sup>nd</sup>	1,000	2,26,500	23.30	2,26,500	23.58
Zero Coupon Debentures of LIC Housing Finance Limited - Tranche 416	10,00,000	450	50.42	450	44.50
7.14% Bond of National Highway Authority of India - Series IA	1,000	1,42,849	14.73	1,42,849	14.89
7.11% Bond of National Thermal Power Corporation Limited - Series 1A	1,000	62,457	6.41	62,457	6.49
			<b>202.03</b>		<b>192.42</b>
<b>(ii) Unquoted Debentures or Bonds</b>					
<b>Redeemable and Non-Convertible</b>					
5.25% Bond of Indian Railway Finance Corporation Limited - SERIES VII 54EC	10,000	500	0.50	-	-
5.00% Bond of Indian Railway Finance Corporation Limited - SERIES IV	10,000	500	0.50	500	0.50

**NOTE 5 : INVESTMENTS (CONTD.)**

	Face value (₹)	As at 31.03.2024		As at 31.03.2023	
		Nos.	₹ in Crores	Nos.	₹ in Crores
<b>I. NON-CURRENT INVESTMENTS (Contd.)</b>					
<b>C. Investments in Debentures or Bonds (Contd.)</b>					
<b>(b) Investments in Debentures or Bonds measured at FVTOCI (Contd.)</b>					
<b>(ii) Unquoted Debentures or Bonds (Contd.)</b>					
<b>Redeemable and Non-Convertible (Contd.)</b>					
5.00% Bond of Rural Electrification Corporation Limited - SERIES XVI 54EC 31AG27	10,000	500	0.50	500	0.50
5.00% Bond of Rural Electrification Corporation Limited - SERIES XVI 54EC 31MY27	10,000	500	0.50	500	0.49
			<b>2.00</b>		<b>1.49</b>
<b>Total Investments in Debentures or Bonds measured at FVTOCI (i+ii)</b>			<b>204.03</b>		<b>193.91</b>
<b>Total Investments in Debentures or Bonds (a + b)</b>	<b>C</b>		<b>205.38</b>		<b>194.74</b>
<b>Total Non-Current Investments (A+B+C)</b>			<b>1,384.51</b>		<b>1,564.71</b>
<b>Total Investments in Associate Companies</b>			<b>583.13</b>		<b>781.73</b>
<b>Total Investments in Other entities</b>			<b>801.38</b>		<b>782.98</b>
Aggregate amount of quoted investments - At cost			233.93		233.55
Aggregate amount of quoted investments - At market value			796.11		778.74
Aggregate amount of unquoted investments			588.40		785.97

\* During the year, Housing Development Finance Corporation Limited (HDFC Ltd.) merged into HDFC Bank Limited (allotted 42 new equity shares of the face value of ₹ 1 per share, for every 25 equity shares of the face value of ₹ 2 per share fully paid-up held in HDFC Ltd).

	Face value (₹)	As at 31.03.2024		As at 31.03.2023	
		Nos.	₹ in Crores	Nos.	₹ in Crores
<b>II. CURRENT INVESTMENTS</b>					
<b>A. Investment in Government securities measured at amortised cost</b>					
(a) Investments in quoted Government securities (with original maturity of more than 3 months)		14	28.92	-	-
(b) Investments in quoted Government securities (with original maturity of less than 3 months)		5	12.13	-	-
<b>Total Investment in Government securities measured at amortised cost</b>	<b>A</b>		<b>41.05</b>		-
<b>B. Investments in Debentures or Bonds</b>					
<b>(a) Investments in Unquoted Debentures or Bonds measured at amortised cost</b>					
5.50% Ethiopian Renaissance Dam Bond		-	-	5	0.65
<b>Total Investments in Debentures or Bonds measured at amortised cost</b>			-		<b>0.65</b>



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 5 : INVESTMENTS (CONTD.)

	Face value (₹)	As at 31.03.2024		As at 31.03.2023	
		Nos.	₹ in Crores	Nos.	₹ in Crores
<b>II. CURRENT INVESTMENTS (CONTD.)</b>					
<b>B. Investments in Debentures or Bonds (Contd.)</b>					
<b>(b) Investments in Debentures or Bonds measured at FVTOCI</b>					
<b>(i) Quoted Debentures or Bonds</b>					
<b>Redeemable and Non-Convertible</b>					
Zero Coupon Debentures of HDB Financial Services Limited - Series 2021 A/0(ZC)/163	10,00,000	230	27.09	-	-
Zero Coupon Debentures of HDB Financial Services Limited - Series 2021 A/0(ZC)/171	10,00,000	250	28.29	-	-
Zero Coupon Debentures of Kotak Mahindra Investments Limited - Series III	10,00,000	250	23.41	-	-
6.30% Debentures of HDB Financial Services Limited - Series 2022 A/1(FX)/177	10,00,000	750	73.66	-	-
8.25% Debentures of Hero Fincorp Limited - Series HFCLNCD059OPI	10,00,000	250	24.88	-	-
6.70% Debentures of Tata Capital Limited - Series B	10,00,000	400	39.44	-	-
			<b>216.77</b>		-
<b>(ii) Unquoted Debentures or Bonds</b>					
<b>Redeemable Non-Convertible</b>					
7.00% Debentures of CitiCorp Finance India Limited - Series 2022/08/800 Tranche 1	10,00,000	-	-	500	48.82
5.75% Bond of Rural Electrification Corporation Limited - Series XII	10,000	-	-	500	0.50
			-		<b>49.32</b>
<b>Total Investments in Debentures or Bonds measured at FVTOCI (i + ii)</b>			<b>216.77</b>		<b>49.32</b>
<b>Total Investments in Debentures or Bonds (a + b)</b>	<b>B</b>		<b>216.77</b>		<b>49.97</b>
<b>C. Investments in Quoted Mutual Funds measured at FVTPL</b>					
<b>(a) Investments in Fixed Maturity Plans (with original maturity of less than 3 months)</b>					
		-	-	-	111.57
<b>(b) Investments in Liquid Mutual Funds</b>					
UTI Liquid Fund (Formerly UTI Liquid Cash Plan) - Direct Plan	4,45,807		176.45	2,03,920	75.24
UTI Liquid Fund- Regular Growth Plan	-		-	2,163	0.79
UTI Money Market Fund - Regular Growth Plan	10,728		3.01	10,728	2.80
Other Mutual Funds			2,766.13	-	2,456.63
			<b>2,945.59</b>		<b>2,535.46</b>
<b>Total Investments in Quoted Mutual Funds measured at FVTPL (a+b)</b>	<b>C</b>		<b>2,945.59</b>		<b>2,647.03</b>
<b>Total Current Investments (A+B+C)</b>			<b>3,203.41</b>		<b>2,697.00</b>
Aggregate amount of quoted investments - At cost			3,021.55		2,557.91
Aggregate amount of quoted investments - At market value			3,203.41		2,647.03
Aggregate amount of unquoted investments			-		49.97

### NOTE 6 : TRADE RECEIVABLES

	(₹ in Crores)			
	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Trade receivables</b>				
(a) Secured, considered good	-	-	0.12	0.13
(b) Unsecured, considered good*	1.78	2.17	4,888.93	4,636.81
(c) Unsecured, considered doubtful	-	-	422.17	305.13
	<b>1.78</b>	<b>2.17</b>	<b>5,311.22</b>	<b>4,942.07</b>
Less : Allowance for unsecured doubtful debts (Refer note 29(C)(2))	-	-	(422.17)	(305.13)
<b>Total</b>	<b>1.78</b>	<b>2.17</b>	<b>4,889.05</b>	<b>4,636.94</b>

\*Trade Receivables includes dues from associate (Refer note 33)

As at 31<sup>st</sup> March, 2024, ₹ 97.14 crores (Previous year - ₹ 164.81 crores) was hypothecated as security for borrowings.

### Trade Receivables ageing schedule

	(₹ in Crores)							
	Unbilled	Not Due	Outstanding for following periods from due date of payment					As at 31.03.2024
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Trade Receivables</b>								
(a) Undisputed, considered good	7.15	3,838.81	874.25	165.88	0.89	1.04	2.81	4,890.83
(b) Undisputed, considered doubtful	-	1.00	2.61	52.44	143.53	59.97	96.51	356.06
(c) Disputed, considered good	-	-	-	-	-	-	-	-
(d) Disputed, considered doubtful	-	0.39	0.66	3.33	6.81	15.37	39.55	66.11
	<b>7.15</b>	<b>3,840.20</b>	<b>877.52</b>	<b>221.65</b>	<b>151.23</b>	<b>76.38</b>	<b>138.87</b>	<b>5,313.00</b>
Less : Allowance for unsecured doubtful debts								(422.17)
<b>Total</b>								<b>4,890.83</b>

	(₹ in Crores)							
	Unbilled	Not Due	Outstanding for following periods from due date of payment					As at 31.03.2023
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Trade Receivables</b>								
(a) Undisputed, considered good	5.77	3,756.42	802.72	71.05	0.70	0.84	1.61	4,639.11
(b) Undisputed, considered doubtful	-	0.29	9.83	30.59	78.70	22.50	76.39	218.30
(c) Disputed, considered good	-	-	-	-	-	-	-	-
(d) Disputed, considered doubtful	-	0.24	0.63	2.17	19.84	16.10	47.85	86.83
	<b>5.77</b>	<b>3,756.95</b>	<b>813.18</b>	<b>103.81</b>	<b>99.24</b>	<b>39.44</b>	<b>125.85</b>	<b>4,944.24</b>
Less : Allowance for unsecured doubtful debts								(305.13)
<b>Total</b>								<b>4,639.11</b>

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 7 : OTHER FINANCIAL ASSETS\*

	(₹ in Crores)			
	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Unsecured &amp; considered good</b>				
Security deposits	76.68	49.47	15.62	34.55
Royalty receivable	-	-	0.38	0.53
Due from Associate Companies (Refer note 33)	-	-	2.62	3.73
Subsidy receivable from Governments (net)^	275.33	300.56	180.76	124.83
Term deposits held as margin money against bank guarantee and other commitments	4.04	5.52	5.80	7.61
Term deposits with more than 12 months of original maturity^^	246.95	5.40	1,193.00	1,139.65
Interest accrued on investments in debentures or bonds measured at FVTOCI	-	-	17.53	6.31
Quantity discount receivable	-	-	216.61	262.62
Foreign currency forward exchange contract (net)	-	-	0.03	0.07
Retention monies receivable from Customers	3.51	2.23	0.18	0.80
Derivative asset towards further stake acquisition in Associate Company (Refer note 41(b))	-	-	-	2.27
Other receivables	-	-	18.82	9.81
<b>Total</b>	<b>606.51</b>	<b>363.18</b>	<b>1,651.35</b>	<b>1,592.78</b>

\* Refer note 29(C) for information about credit risk of other financial assets.

^ Current and Non Current portion of subsidy receivable from state governments is net of allowance for expected credit loss amounting to ₹ 5.95 crores (Previous Year - ₹ 7.05 crores) and ₹ 9.62 crores (Previous Year - ₹ 19.10 crores) respectively. The allowance is created to provide for time value of money (Refer note 29(C)(2)).

^^ Fixed deposits in one of the subsidiary amounting to ₹ 3.80 crores (Previous Year - ₹ 5.40 crores) have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary.

### NOTE 8 : CASH AND BANK BALANCES

	(₹ in Crores)	
	Current	
	As at 31.03.2024	As at 31.03.2023
<b>(A) Cash and Cash Equivalents</b>		
(i) Balances with Banks		
(a) Current Accounts	558.59	341.98
(b) Cash Credit Accounts *	11.05	81.78
(c) Deposits with original maturity of less than 3 months^	166.40	58.38
(ii) Cheques, drafts on hand	92.25	40.58
(iii) Cash on hand	1.05	0.38
<b>Total</b>	<b>829.34</b>	<b>523.10</b>
<b>(B) Other Balances with Banks</b>		
(i) Term deposits with original maturity of more than 3 months but less than 12 months^	206.11	280.14
(ii) Unpaid dividend and sales proceeds of Fractional Bonus Shares account *	36.23	32.50
(iii) Earmarked balances with banks	12.33	8.08
<b>Total</b>	<b>254.67</b>	<b>320.72</b>

\* The borrowings carry an interest rate of 8.55% p.a. - 9.40% p.a. (Previous year - 8.00% p.a. - 11.35% p.a.). Borrowings in certain of the subsidiaries is secured by hypothecation of building, plant and machinery, inventories, trade receivables, and other current assets.

^ Fixed deposits in one of the subsidiary amounting to ₹ 1.67 crores (Previous Year - ₹ 3.20 crores) have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary.

\* The Group can utilise these balances only towards settlement of unclaimed dividend and fractional bonus shares.

### NOTE 9 : INCOME TAXES

#### A. The Major Components of Income Tax Expense for the year are as under :

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>(i) Income tax recognised in Profit or Loss</b>		
<b>Current tax expense :</b>		
In respect of current year	1,836.00	1,504.14
In respect of short tax provision for earlier years	(51.35)	6.64
<b>Deferred tax benefit :</b>		
In respect of current year	5.43	(17.28)
<b>Total</b>	<b>1,790.08</b>	<b>1,493.50</b>
<b>(ii) Income tax recognised in OCI</b>		
<b>Deferred tax :</b>		
Income tax (expense)/benefit on remeasurements of the defined benefit plans	(2.17)	2.62
Income tax expense on net fair value gain on investments in equity instruments through OCI	(0.55)	(10.58)
Income tax (expense)/benefit on net fair value gain on investments in debt instruments through OCI	(1.85)	0.63
<b>Total</b>	<b>(4.57)</b>	<b>(7.33)</b>

#### B. Reconciliation of Tax Expense and Effective Tax Rate :

The reconciliation between the statutory income tax rate applicable to the Group and the effective income tax rate of the Group and the resultant tax expense is as follows :

	Year 2023-24		Year 2022-23	
	₹ in Crores	Rate	₹ in Crores	Rate
<b>Profit before Share of Profit in Associate (after exceptional items)</b>	<b>7,214.77</b>		<b>5,594.98</b>	
Income tax expense calculated at corporate tax rate	1,815.81	25.17%	1,408.14	25.17%
<b>Tax effect of :</b>				
Non-deductible expenses	39.49	0.55%	45.83	0.82%
Incentive tax credits	(1.80)	(0.02%)	(0.39)	(0.01%)
Income taxed at special rates	(3.32)	(0.05%)	(6.66)	(0.12%)
Income exempted from tax	(33.21)	(0.46%)	(17.23)	(0.31%)
Different tax rates in the components	(3.42)	(0.05%)	(3.42)	(0.06%)
Deferred tax on undistributed profits (including effect of change in tax rate)	7.75	0.11%	9.94	0.18%
Others	20.13	0.27%	50.65	0.90%
<b>Total</b>	<b>1,841.43</b>	<b>25.52%</b>	<b>1,486.86</b>	<b>26.57%</b>
Short tax provision for earlier years	(51.35)	(0.71%)	6.64	0.12%
<b>Tax expense as per Consolidated Statement of Profit and Loss</b>	<b>1,790.08</b>	<b>24.81%</b>	<b>1,493.50</b>	<b>26.69%</b>

The tax rate used for reconciliation above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under Indian tax law.



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 9 : INCOME TAXES (CONTD.)

#### C. The major components of Deferred Tax (Liabilities)/Assets arising on account of timing differences are as follows :

As at 31<sup>st</sup> March, 2024

	(₹ in Crores)						
	Balance Sheet		Pursuant to acquisition (Refer note 41(b) & 41(e))	Profit and Loss	OCI	Balance Sheet	
	Deferred Tax Liabilities - Net	Deferred Tax Assets - Net				Deferred Tax Liabilities - Net	Deferred Tax Assets - Net
	01.04.2023	01.04.2023	2023-24	2023-24	2023-24	31.03.2024	31.03.2024
Difference between written down value/ capital work in progress of fixed assets as per the books of accounts and income tax	(273.18)	(6.06)	0.09	12.59	-	(266.09)	(2.15)
Provision for expense allowed for tax purpose on payment basis (net)	35.50	3.29	-	(1.73)	0.10	34.89	2.26
Provision for expected credit losses and fair valuation of subsidy receivable from state governments	18.09	-	-	0.26	-	18.35	-
Remeasurement of the defined benefit plans through OCI	12.46	0.97	0.29	0.63	(2.27)	10.66	1.60
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	0.12	-	-	-	(1.85)	(1.74)	-
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	(14.58)	-	-	(0.40)	(0.55)	(15.44)	(0.10)
Difference in carrying value and tax base of investments measured at FVTPL	(21.93)	-	-	(20.79)	-	(42.72)	-
Capital losses carried forward under Income Tax	-	1.39	-	(0.48)	-	0.82	0.10
Undistributed profits of subsidiaries/associates	(126.56)	-	-	(7.68)	-	(134.24)	-
Difference in Right-of-use asset and lease liabilities	35.65	(0.75)	0.56	7.69	-	30.51	15.11
Others	(0.41)	19.83	0.29	4.48	-	12.83	6.50
<b>Deferred tax benefit/ (expense)</b>			<b>1.23</b>	<b>(5.43)</b>	<b>(4.57)</b>		
Net Deferred tax assets/ (liabilities) of earlier years	-	-	-	-	-	-	-
Currency translation gain and other adjustments	-	-	-	-	(3.88)	-	-
<b>Net Deferred tax (liabilities)/assets</b>	<b>(334.84)</b>	<b>18.67</b>		<b>(5.43)</b>		<b>(352.17)</b>	<b>23.32</b>

### NOTE 9 : INCOME TAXES (CONTD.)

#### C. The major components of Deferred Tax (Liabilities)/Assets arising on account of timing differences are as follows (Contd.) :

As at 31<sup>st</sup> March, 2023

	(₹ in Crores)						
	Balance Sheet		Pursuant to acquisition	Profit and Loss	OCI	Balance Sheet	
	Deferred Tax Liabilities - Net	Deferred Tax Assets - Net				Deferred Tax Liabilities - Net	Deferred Tax Assets - Net
	01.04.2022	01.04.2022	2022-23	2022-23	2022-23	31.03.2023	31.03.2023
Difference between written down value/ capital work in progress of fixed assets as per the books of accounts and income tax	(301.23)	(12.61)	-	33.82	-	(273.18)	(6.06)
Provision for expense allowed for tax purpose on payment basis (net)	34.61	3.27	-	0.83	0.08	35.50	3.29
Provision for expected credit losses and fair valuation of subsidy receivable from state governments	21.35	-	-	(3.26)	-	18.09	-
Remeasurement of the defined benefit plans through OCI	8.72	3.29	-	(1.03)	2.54	12.46	0.97
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.51)	-	-	-	0.63	0.12	-
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	(4.00)	-	-	-	(10.58)	(14.58)	-
Difference in carrying value and tax base of investments measured at FVTPL	(21.10)	-	-	(0.83)	-	(21.93)	-
Capital losses carried forward under Income Tax	-	10.39	-	(7.91)	-	-	1.39
Undistributed profits of subsidiaries/associates	(116.29)	-	-	(10.09)	-	(126.56)	-
Difference in Right-of-use asset and lease liabilities	25.84	1.06	-	3.65	-	35.65	(0.75)
Others	3.74	20.63	-	2.12	-	(0.41)	19.83
<b>Deferred tax benefit / (expense)</b>			<b>-</b>	<b>17.30</b>	<b>(7.33)</b>		
Net Deferred tax assets/ (liabilities) of earlier years	0.02	-	-	(0.02)	-	-	-
Currency translation gain and other adjustments	-	-	-	-	(3.31)	-	-
<b>Net Deferred tax (liabilities)/assets</b>	<b>(348.85)</b>	<b>26.02</b>		<b>17.28</b>		<b>(334.84)</b>	<b>18.67</b>

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 9 : INCOME TAXES (CONTD.)

D. The Group has the following unused tax losses which arose on incurrance of capital losses and business losses under the Income Tax for which no deffered tax asset has been recognised in the Balance Sheet.

As at 31<sup>st</sup> March, 2024

(₹ in Crores)			
Financial Year	Category	31.03.2024	Expiry Date
2010-2011	Depreciation	0.81	NA
2011-2012	Depreciation	1.27	NA
2011-2012	Depreciation	0.16	NA
2012-2013	Depreciation	1.93	NA
2012-2013	Depreciation	0.47	NA
2013-2014	Depreciation	15.64	NA
2013-2014	Depreciation	0.37	NA
2014-2015	Depreciation	12.61	NA
2014-2015	Depreciation	0.33	NA
2015-2016	Depreciation	11.30	NA
2015-2016	Depreciation	0.28	NA
2016-2017	Business loss	13.46	31 <sup>st</sup> March, 2025
2016-2017	Depreciation	10.75	NA
2016-2017	Business loss	0.01	31 <sup>st</sup> March, 2025
2016-2017	Depreciation	0.49	NA
2016-2017	Business loss	1.30	31 <sup>st</sup> March, 2025
2016-2017	Depreciation	0.24	NA
2017-2018	Business loss	5.20	31 <sup>st</sup> March, 2026
2017-2018	Depreciation	8.38	NA
2017-2018	Business loss	0.01	31 <sup>st</sup> March, 2026
2017-2018	Depreciation	0.73	NA
2017-2018	Business loss	0.80	31 <sup>st</sup> March, 2026
2017-2018	Depreciation	0.21	NA
2018-2019	Business loss	15.58	31 <sup>st</sup> March, 2027
2018-2019	Depreciation	7.23	NA
2018-2019	Depreciation	1.10	NA
2018-2019	Depreciation	0.19	NA
2018-2019	Business loss	0.06	31 <sup>st</sup> March, 2027
2019-2020	Business loss	30.77	31 <sup>st</sup> March, 2028
2019-2020	Depreciation	6.44	NA
2019-2020	Business loss	0.02	31 <sup>st</sup> March, 2028
2019-2020	Depreciation	0.93	NA
2019-2020	Business loss	55.19	31 <sup>st</sup> March, 2025
2020-2021	Business loss	14.65	31 <sup>st</sup> March, 2029
2020-2021	Depreciation	5.57	NA
2020-2021	Business loss	0.02	31 <sup>st</sup> March, 2029
2020-2021	Business loss	67.21	31 <sup>st</sup> March, 2026
2021-2022	Business loss	6.87	31 <sup>st</sup> March, 2030
2021-2022	Depreciation	5.29	NA
2021-2022	Business loss/Capital loss	0.42	31 <sup>st</sup> March, 2030
2021-2022	Business loss	66.46	31 <sup>st</sup> March, 2027

### NOTE 9 : INCOME TAXES (CONTD.)

D. The Group has the following unused tax losses which arose on incurrance of capital losses and business losses under the Income Tax for which no deffered tax asset has been recognised in the Balance Sheet. (Contd.)

As at 31<sup>st</sup> March, 2024

(₹ in Crores)			
Financial Year	Category	31.03.2024	Expiry Date
2021-2022	Business loss	53.77	31 <sup>st</sup> March, 2028
2022-2023	Business loss	37.35	31 <sup>st</sup> March, 2029
2022-2023	Business loss	1.38	31 <sup>st</sup> March, 2031
2022-2023	Depreciation	0.89	NA
2022-2023	Business loss	20.58	31 <sup>st</sup> March, 2031
2022-2023	Depreciation	5.37	NA
2022-2023	Business loss/Capital loss	18.91	31 <sup>st</sup> March, 2031
2023-2024	Business loss	12.80	31 <sup>st</sup> March, 2032
2023-2024	Depreciation	0.31	NA
2023-2024	Depreciation	4.20	NA

As at 31<sup>st</sup> March, 2023

(₹ in Crores)			
Financial Year	Category	31.03.2023	Expiry Date
2010-2011	Depreciation	0.81	NA
2011-2012	Depreciation	1.27	NA
2012-2013	Depreciation	1.93	NA
2013-2014	Depreciation	15.64	NA
2014-2015	Depreciation	12.61	NA
2015-2016	Business loss	9.48	31 <sup>st</sup> March, 2024
2015-2016	Depreciation	11.30	NA
2015-2016	Depreciation	0.60	NA
2016-2017	Business loss	13.46	31 <sup>st</sup> March, 2025
2016-2017	Business loss	0.24	31 <sup>st</sup> March, 2025
2016-2017	Depreciation	10.75	NA
2016-2017	Depreciation	0.73	NA
2017-2018	Business loss	5.20	31 <sup>st</sup> March, 2026
2017-2018	Business loss	0.30	31 <sup>st</sup> March, 2026
2017-2018	Depreciation	8.38	NA
2017-2018	Depreciation	0.73	NA
2018-2019	Business loss	41.02	31 <sup>st</sup> March, 2024
2018-2019	Business loss	15.58	31 <sup>st</sup> March, 2027
2018-2019	Business loss	0.33	31 <sup>st</sup> March, 2027
2018-2019	Depreciation	7.23	NA
2018-2019	Depreciation	1.10	NA
2019-2020	Business loss	41.15	31 <sup>st</sup> March, 2025
2019-2020	Business loss	30.77	31 <sup>st</sup> March, 2028
2019-2020	Depreciation	6.44	NA
2019-2020	Depreciation	0.93	NA
2020-2021	Business loss	58.38	31 <sup>st</sup> March, 2026
2020-2021	Business loss	14.65	31 <sup>st</sup> March, 2029



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 9 : INCOME TAXES (CONTD.)

**D. The Group has the following unused tax losses which arose on incurrance of capital losses and business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet. (Contd.)**

**As at 31<sup>st</sup> March, 2023**

(₹ in Crores)			
Financial Year	Category	31.03.2023	Expiry Date
2020-2021	Depreciation	5.57	NA
2021-2022	Business loss	70.71	31 <sup>st</sup> March, 2027
2021-2022	Business loss	6.87	31 <sup>st</sup> March, 2030
2021-2022	Depreciation	5.29	NA
2021-2022	Business loss/ Capital loss	0.42	31 <sup>st</sup> March, 2030
2022-2023	Business loss	56.82	31 <sup>st</sup> March, 2028
2022-2023	Business loss	37.59	31 <sup>st</sup> March, 2029
2022-2023	Business loss	18.58	31 <sup>st</sup> March, 2031
2022-2023	Business loss/ Capital loss	18.07	31 <sup>st</sup> March, 2031
2022-2023	Business loss	2.94	31 <sup>st</sup> March, 2031
2022-2023	Depreciation	5.45	NA

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is ₹ 397.67 crores (Previous year - ₹ 327.69 crores). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding Company and it has no intention to distribute the earnings of the subsidiaries.

### NOTE 10 : INCOME TAX ASSETS (NET)

(₹ in Crores)		
	Non-Current	
	As at 31.03.2024	As at 31.03.2023
Advance payment of Income Tax (net)	198.11	189.52
<b>Total</b>	<b>198.11</b>	<b>189.52</b>

### NOTE 11 : OTHER ASSETS

(₹ in Crores)				
	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>(a) Capital advances</b>	224.45	264.46	-	-
<b>(b) Advances other than capital advances</b>				
i) Advances/claims recoverable in cash or in kind	71.25	63.27	381.43	329.23
ii) Balances with government authorities	27.62	5.41	358.58	197.81
iii) Advances to employees	4.05	1.02	14.18	8.42
iv) Duty credit entitlement	-	-	1.18	1.02
	<b>102.92</b>	<b>69.70</b>	<b>755.37</b>	<b>536.48</b>
<b>(c) Other receivables</b>	0.44	0.38	9.92	13.56
<b>(d) Contract assets</b>	-	-	20.54	3.94
<b>Total</b>	<b>327.81</b>	<b>334.54</b>	<b>785.83</b>	<b>553.98</b>

### NOTE 12 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE )

(₹ in Crores)		
	Current	
	As at 31.03.2024	As at 31.03.2023
(a) Raw materials	1,677.22	1,899.83
Raw materials-in-transit	569.56	268.36
	<b>2,246.78</b>	<b>2,168.19</b>
(b) Packing materials	102.11	93.20
(c) Work-in-progress	184.07	187.11
(d) Finished goods	2,337.14	2,677.08
Finished goods-in-transit	-	0.70
	<b>2,337.14</b>	<b>2,677.78</b>
(e) Stock-in-trade (acquired for trading)	873.85	891.46
Stock-in-trade (acquired for trading) in-transit	65.60	42.09
	<b>939.45</b>	<b>933.55</b>
(f) Stores, spares and consumables	113.79	141.60
Stores, spares and consumables-in-transit	0.07	9.21
	<b>113.86</b>	<b>150.81</b>
<b>Total</b>	<b>5,923.41</b>	<b>6,210.64</b>

The cost of inventories recognised as an expense during the year is disclosed in Note 24. It includes ₹ 35.50 crores net of reversals (Previous year - ₹ 108.25 crores) in respect of write down of inventory to net realisable value, slow moving, damaged and obsolete items.

As at 31<sup>st</sup> March, 2024, ₹ 92.17 crores (Previous year - ₹ 132.63 crores) was hypothecated as security for Borrowings.

### NOTE 13 : EQUITY SHARE CAPITAL

(₹ in Crores)		
	As at 31.03.2024	As at 31.03.2023
<b>Authorised</b>		
99,50,00,000 Equity Shares of face value of ₹ 1 each	99.50	99.50
50,000 11% Redeemable Cumulative Preference shares of face value 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 Equity Shares of face value 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

Fully paid Equity Shares	As at 31.03.2024		As at 31.03.2023	
	No. of Equity Shares	₹ in Crores	No. of Equity Shares	₹ in Crores
<b>Balance at the beginning of the reporting year</b>	<b>95,91,97,790</b>	<b>95.92</b>	<b>95,91,97,790</b>	<b>95.92</b>
Changes in Equity Share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	95,91,97,790	95.92	95,91,97,790	95.92
Changes in Equity Share capital during the year	-	-	-	-
<b>Balance at the end of the reporting year</b>	<b>95,91,97,790</b>	<b>95.92</b>	<b>95,91,97,790</b>	<b>95.92</b>

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 13 : EQUITY SHARE CAPITAL (CONTD.)

#### 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 Parent 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.

Particulars	Year	
	2023-24	2022-23
<b>Dividend paid during the year</b>		
Final dividend for the FY 2022-23 [₹ 21.25 (Previous year - ₹ 15.50) per equity share of face value of ₹ 1 each]	2,038.34	1,486.78
Interim dividend for the FY 2023-24 [₹ 5.15 (Previous year - ₹ 4.40) per equity share of face value of ₹ 1 each]	494.04	422.08
	<b>2,532.38</b>	<b>1,908.86</b>

Proposed dividend for FY 2023-24 is ₹ 28.15 per equity share of face value of ₹ 1 each amounting to ₹ 2,700.14 crores (Previous year - ₹ 21.25 per equity share of face value of ₹ 1 each), subject to approval at the ensuing Annual General Meeting of the Parent Company and hence is not recognised as a liability. If approved, the total dividend (interim and final dividend) for the financial year 2023-24 will be ₹ 33.30 (Rupees Thirty Three and paise thirty only) per equity share of the face value of ₹ 1 each (₹ 25.65 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year).

As per the Companies Act 2013, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts in the event of liquidation of the Parent Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c) Detail of Shareholders holding more than 5% equity shares in the Parent Company<sup>a</sup>

Name of the Shareholders	As at 31.03.2024		As at 31.03.2023	
	No of Equity Shares	% of Total Shares	No of Equity Shares	% of Total Shares
<b>Fully paid Equity Shares of ₹ 1 each held by :</b>				
1. Life Insurance Corporation of India	5,54,54,514	5.78%	3,64,76,385	3.80%
2. Sattva Holding and Trading Private Limited	5,47,89,183	5.71%	5,47,89,183	5.71%
3. Smiti Holding and Trading Company Private Limited	5,17,67,638	5.40%	5,53,39,068	5.77%

<sup>a</sup> As per the records of the Parent Company, including its register of members.

#### d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year.

Refer note 12 (d) of Standalone Financial Statements for disclosure on shares held by promoters of the Parent Company.

#### e) Reconciliation of Treasury shares outstanding at the beginning and at the end of the year

Treasury shares	As at 31.03.2024		As at 31.03.2023	
	No. of Equity Shares	₹ in Crores	No. of Equity Shares	₹ in Crores
<b>Balance at the beginning of the year</b>	3,57,659	110.89	2,23,240	75.00
Add : Purchased during the year	-	-	1,34,419	35.89
Less : Exercised/Sold during the year	2,084	0.70	-	-
<b>Balance at the end of the year</b>	<b>3,55,575</b>	<b>110.19</b>	<b>3,57,659</b>	<b>110.89</b>

In accordance with Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"), the ESOP Trust (Asian Paints Employees Stock Ownership Trust) purchased equity shares of the Parent Company from secondary market. The net outstanding shares held by the ESOP Trust are disclosed as Treasury Shares (Refer note 32(3)).

### NOTE 14 : OTHER EQUITY

	Attributable to owners of the Company										Total								
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associate	Share based Payment Reserve		Treasury Shares	Trust Reserve	Debit Instruments through OCI	Foreign Currency Translation Reserve	Equity Instruments through OCI	Share of OCI in Associates	Total attributable to owners of the Company	Non-controlling Interests
Balance as at 1 <sup>st</sup> April, 2023 (A)	39.16	41.47	5.37	15.44	4,715.75	11,366.84	(25.92)	(31.38)	1.02	26.77	(110.89)	0.37	(3.06)	(371.70)	227.90	(0.83)	15,896.31	453.66	16,349.97
<b>Additions during the year :</b>																			
Profit for the year	-	-	-	-	-	5,460.23	-	-	-	-	-	-	-	-	-	-	5,460.23	97.46	5,557.69
Items of OCI for the year, net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	15.09	-	-	15.09	(9.94)	5.15
Remeasurement of the defined benefit plans	-	-	-	-	-	-	6.67	-	-	-	-	-	-	-	-	-	6.67	(0.24)	6.43
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.22	-	7.22	-	7.22
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	14.35	-	-	-	14.35	-	14.35
Share of OCI in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.19)	(1.19)	-	-	(1.19)
<b>Total Comprehensive Income for the year (B)</b>	-	-	-	-	-	<b>5,460.23</b>	<b>6.67</b>	-	-	-	-	-	<b>14.35</b>	<b>15.09</b>	<b>7.22</b>	<b>(1.19)</b>	<b>5,502.37</b>	<b>87.28</b>	<b>5,589.65</b>
<b>Reductions during the year :</b>																			
Dividends (Refer note 13)	-	-	-	-	-	(2,532.38)	-	-	-	-	-	-	-	-	-	-	(2,532.38)	(14.62)	(2,547.00)
Amount infused by non-controlling shareholders in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40.60	40.60
Acquisition of subsidiary (Refer note 41(b) and 41(c))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105.86	105.86
Equity/other changes in Associate	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	-	0.10	-	0.10
Gross obligation towards further acquisitions in subsidiary	-	-	-	-	-	(256.78)	-	-	-	-	-	-	-	-	-	-	(256.78)	-	(256.78)
Share based payment expense	-	-	-	-	-	-	-	-	21.84	-	-	-	-	-	-	-	21.84	-	21.84
Sweat Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22.60	22.60
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	-	-	-	0.22	-	-	-	-	-	0.22	-	0.22
ESOP exercised during the year	-	-	-	-	-	(0.03)	-	-	(0.35)	0.70	0.38	-	-	-	-	-	0.70	-	0.70
<b>Total (C)</b>	-	-	-	-	-	<b>(2,789.19)</b>	-	-	<b>0.10</b>	<b>21.49</b>	<b>0.70</b>	<b>0.60</b>	<b>11.29</b>	<b>(356.61)</b>	<b>235.12</b>	<b>(2.02)</b>	<b>(2,766.30)</b>	<b>154.44</b>	<b>(2,611.86)</b>
<b>Balance as at 31<sup>st</sup> March, 2024 (A+B+C)</b>	<b>39.16</b>	<b>41.47</b>	<b>5.37</b>	<b>15.44</b>	<b>4,715.75</b>	<b>10,077.65</b>	<b>(19.25)</b>	<b>(31.38)</b>	<b>1.12</b>	<b>48.26</b>	<b>(110.19)</b>	<b>0.97</b>	<b>11.29</b>	<b>(356.61)</b>	<b>235.12</b>	<b>(2.02)</b>	<b>18,632.38</b>	<b>695.38</b>	<b>19,327.76</b>



Notes to the Consolidated Financial Statements (Contd.)

NOTE 14 : OTHER EQUITY (CONTD.)

	Attributable to owners of the Company										Total								
	Reserves and Surplus					Items of Other Comprehensive Income (OCI)													
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserve	General Reserve	Retained earnings	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associate	Share based Payment Reserve	Treasury Shares	Trust Reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity Instruments through OCI	Share of OCI in Associates	Total attributable to owners of the Company	Non-Controlling Interests	Total
Balance as at 1 <sup>st</sup> April, 2021 (A)	39.16	41.47	5.37	14.96	4,715.75	9,185.95	(18.61)	(28.25)	0.90	13.40	(75.00)	0.05	1.74	(329.48)	148.29	(0.06)	13,715.64	387.53	14,103.17
Additions during the year :																			
Profit for the year	-	-	-	-	-	4,106.45	-	-	-	-	-	-	-	-	-	-	4,106.45	88.88	4,195.33
Items of OCI for the year, net of tax																			
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(42.22)	-	-	(42.22)	(11.19)	(53.41)
Remeasurement of the defined benefit plans	-	-	-	-	-	-	(7.31)	-	-	-	-	-	-	-	-	-	(7.31)	(0.28)	(7.59)
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79.61	-	79.61	-	79.61
Net fair value (loss) on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	(4.80)	-	-	-	(4.80)	-	(4.80)
Share of OCI in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.77)	(0.77)	-	(0.77)
<b>Total Comprehensive Income for the year (B)</b>						<b>4,106.45</b>	<b>(7.31)</b>						<b>(4.80)</b>	<b>(42.22)</b>	<b>79.61</b>	<b>(0.77)</b>	<b>4,130.96</b>	<b>77.41</b>	<b>4,208.37</b>
Reductions during the year :																			
Dividends (Refer note 13)	-	-	-	-	-	(1,908.86)	-	-	-	-	-	-	-	-	-	-	(1,908.86)	(23.65)	(1,932.51)
Effect of stake acquired from non controlling interest	-	-	-	-	-	-	-	(3.13)	-	-	-	-	-	-	-	-	(3.13)	3.13	-
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.24	9.24
Equity/other changes in Associate	-	-	-	-	-	-	-	-	0.12	-	-	-	-	-	-	-	0.12	-	0.12
Gross obligation towards further acquisition in subsidiary	-	-	-	-	-	(16.22)	-	-	-	-	-	-	-	-	-	-	(16.22)	-	(16.22)
Transfer to Statutory Reserves and General Reserve	-	-	-	0.48	-	(0.48)	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	-	-	-	-	-	13.37	-	-	-	-	-	-	13.37	-	13.37
Net income of ESOP Trust for the year	-	-	-	-	-	-	-	-	-	-	-	0.32	-	-	-	-	0.32	-	0.32
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	-	-	-	-	(35.89)	-	-	-	-	-	(35.89)	-	(35.89)
<b>Total (C)</b>						<b>(1,925.56)</b>	<b>(25.92)</b>	<b>(31.38)</b>	<b>1.02</b>	<b>26.77</b>	<b>(110.89)</b>	<b>0.37</b>	<b>(3.06)</b>	<b>(371.70)</b>	<b>227.90</b>	<b>(0.83)</b>	<b>(1,950.29)</b>	<b>(11.28)</b>	<b>(1,961.57)</b>
Balance as at 31 <sup>st</sup> March, 2023 (A+B+C)	39.16	41.47	5.37	15.44	4,715.75	11,366.84	(25.92)	(31.38)	1.02	26.77	(110.89)	0.37	(3.06)	(371.70)	227.90	(0.83)	15,896.31	463.66	16,349.97

NOTE 14 : OTHER EQUITY (CONTD.)

1. Description of nature and purpose of each reserve

**Capital Reserve on Consolidation** - During the year 2012-13, a Composite Scheme of Restructuring ('Scheme') as approved by Hon'ble High Court of Bombay was effected to transfer certain businesses between the Parent Company, PPG Asian Paints Pvt. Ltd. and Asian Paints PPG Pvt. Ltd. The Capital Reserve on Consolidation represents the additional net assets received by the Parent Company pursuant to the Scheme.

**Capital Reserve -**

- Capital reserve of ₹ 5000/- was created on merger of ' Pentasia Chemicals Ltd ' with the Parent Company, pursuant to scheme of Rehabilitation-cum-Merger sanctioned by Board of Industrial and Financial Reconstruction in the financial year 1995-96.
- Capital reserve of ₹ 41.47 crores represents ₹ 44.38 crores credited to capital reserve on amalgamation of Asian Paints (International) Limited, Mauritius, wholly owned subsidiary of the Parent Company, with the Parent Company as per the order passed by the National Company Law Tribunal and ₹ 2.91 crores debited on account of acquisition of business from Whitford India Private Limited by PPG Asian Paints Private Limited ('PPGAP'), associate Company.

**Capital Redemption Reserve** - This reserve was created for redemption of preference shares by the Group prior to 2003.

**Statutory Reserves** - Certain subsidiaries of the Group are required to set aside a minimum amount of specified percentage of profits annually before distribution of dividends, in accordance with the local regulations. No further transfer is required when the reserve reaches certain percentage of the issued capital of the subsidiary. The statutory reserve may only be distributed to shareholders upon liquidation of the subsidiary or in the circumstances stipulated in the regulations.

**General Reserve** - General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Remeasurement of defined benefit plans** - This represents the cumulative gains and losses arising on the remeasurement of defined benefit plans in accordance with Ind AS 19 that have been recognised in other comprehensive income.

**Other Reserves** - Other reserve represents non-controlling interest reserve created on acquisition of additional stake of 49% from non-controlling shareholder of Sleek International Private Limited and increase in stake of 1.71% effected through buyback done by Asian Paints (Nepal) Private Limited.

**Share of other reserves in Associate** - This reserve is created during the year to recognise restricted stock units (RSUs) granted in PPG Asian Paints Private Limited ('PPGAP'), Associate Company of the Group.

**Share based Payment Reserve** - This represents the fair value of the stock options granted by the Parent Company under the 2021 Plan accumulated over the vesting period. The reserve will be utilised on exercise of the options.

**Treasury shares** - This represents cost incurred by the Parent Company to purchase its own equity shares from secondary market through the Parent Company's ESOP trust for issuing the shares to the eligible employees on exercise of stock options granted under the 2021 Plan.

**Trust Reserve** - This represents net income of ESOP Trust.

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 14 : OTHER EQUITY (CONTD.)

#### 1. Description of nature and purpose of each reserve (Contd.)

**Debt instruments through OCI** - This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at FVTOCI that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off and for impairment losses on such instruments.

**Foreign Currency Translation Reserve** - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

**Equity instruments through OCI** - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at FVTOCI, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

**Retained earnings** - This represents surplus of profit and loss account

2. The Group doesn't have any material subsidiary warranting a disclosure in respect of individual subsidiaries.

*This space has been intentionally left blank*

### NOTE 15 : BORROWINGS<sup>^</sup>

(₹ in crores)

	Maturity Date	Terms of Repayment	Interest Rate Current Year / (Previous Year)	Non-Current		Current	
				As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Secured</b>							
<b>(i) Deferred payment liabilities</b>							
- Loan from State of Haryana <sup>1</sup>	Jun-24 to Apr-27	One time payment at the end of the term	-	4.03	20.25	17.86	-
- Loan from State of Karnataka <sup>2</sup>	Mar-34	One time payment at the end of the term	-	31.55	29.11	-	-
				<b>35.58</b>	<b>49.36</b>	<b>17.86</b>	<b>-</b>
<b>(ii) Term Loans - From banks</b>							
- Loan from Standard Chartered Bank, Bangladesh <sup>3</sup>	Aug-27	Equal Quarterly Instalments (Pending instalments - 12-15)	T-Bill + 2.76% / (8.50%)	12.90	16.52	3.51	1.87
- Loan from Hongkong and Shanghai Banking Corporation Limited (HSBC), India <sup>4</sup>	Feb-26	Equal Quarterly Instalments (Pending instalments - 4)	T-Bill + 2.15% / (NA)	5.90	-	-	-
- Loan from Dutch-Bangla Bank Limited, Bangladesh <sup>5</sup>	Jul-24	For a term of 180 days	8.75% / (6.50%)	-	-	18.28	17.63
- Loan from Standard Chartered Bank, Bangladesh <sup>3</sup>	Apr-24 to Nov-24	For a term of 90 days to 270 days	SOFR + 3.50% / (NA)	-	-	12.73	-
- Loan from HSBC, Bangladesh <sup>6</sup>	May-24	For a term of 60 days to 90 days	SOFR + 2.90% / (NA)	-	-	1.17	-
- Loan from HSBC, Bangladesh <sup>6</sup>	Jun-24	For a term of 90 days	11.00% / (8.00%)	-	-	15.23	11.50
- Loan from Citibank N.A., Bangladesh <sup>3</sup>	May-23	For a term of 120 days	NA / (3.90% - 3.95%)	-	-	-	62.10
- Loan from Yes Bank, India <sup>7</sup>	Apr-23	For a term of 30 days	NA / (REPO + 2.10%)	-	-	-	1.00
				<b>18.80</b>	<b>16.52</b>	<b>50.92</b>	<b>94.10</b>
<b>(iii) Loan repayable on demand - Cash Credit / Overdraft Accounts</b>							
- Overdraft from Hatton National Bank PLC, Lanka <sup>8</sup>		Repayable on demand	AWPLR + 1.00% / (NA)	-	-	1.84	-
- Overdraft from HSBC, Bangladesh <sup>6</sup>		Repayable on demand	10.75% / (NA)	-	-	8.05	-



Notes to the Consolidated Financial Statements (Contd.)

**NOTE 15 : BORROWINGS<sup>^</sup> (CONTD.)**

(₹ in crores)

	Maturity Date	Terms of Repayment	Interest Rate Current Year / (Previous Year)	Non-Current		Current	
				As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Secured (Contd.)</b>							
<b>(iii) Loan repayable on demand - Cash Credit / Overdraft Accounts (Contd.)</b>							
- Overdraft from Commercial Bank of Ceylon, Bangladesh <sup>6</sup>		Repayable on demand	SMART + 3.25% / (NA)	-	-	3.79	-
- Overdraft from HSBC, India <sup>4</sup>		Repayable on demand	T-Bill + 2.05 % / (NA)	-	-	33.37	-
- Overdraft from Commercial Bank of Ethiopia <sup>9</sup>		Repayable on demand	14.00% / (NA)	-	-	1.92	-
- Overdraft from Standard Chartered Bank, Bangladesh <sup>3</sup>		Repayable on demand	SMART + 3.50% / (7.00%)	-	-	2.32	4.62
- Overdraft from Dutch-Bangla Bank Limited, Bangladesh <sup>5</sup>		Repayable on demand	8.75% / (6.50%)	-	-	20.57	16.44
				-	-	<b>71.86</b>	<b>21.06</b>
<b>Unsecured</b>							
<b>(i) Term loans - from banks or financial institutions</b>							
- Loan from Citibank N.A., India	Oct-24	For a term of 180 days	T-Bill + 1.05% / (NA)	-	-	39.00	-
- Loan from HSBC, UAE	Sep-24	For a term of 12 months	EIBOR + 1.75% / (NA)	-	-	31.39	-
- Loan from HSBC, India	Sep-24	Equal Quarterly Instalments (Pending instalments - 2)	SOFR + 1.60% / (SOFR + 1.60%)	-	10.27	10.43	20.55
- Loan from HSBC, India	May-24	For a term of 70 days	T-Bill + 2.05% / (NA)	-	-	4.00	-
- Loan from HSBC, India	May-24	For a term of 55 days	T-Bill+2.05% / (NA)	-	-	4.55	-
- Loan from HSBC, Singapore	Apr-24 to May-24	For a term of 90 days	SORA + 0.40% / (SORA + 0.40%)	-	-	185.35	169.85
- Loan from Standard Chartered Bank, Singapore	Apr-24 to May-24	For a term of 90 days	SORA + 0.50% / (SORA + 0.50%)	-	-	129.74	33.35
- Loan from HSBC, Egypt	Apr-24 to Jun-24	For a term of 90 days	CBE rate + 1.00% / (NA)	-	-	3.78	-
- Loan from HSBC, Egypt	Jun-24	For a term of 90 days	11.00% / (NA)	-	-	4.41	-
- Loan from National Bank of Kuwait, Egypt	Jul-24	For a term of 120 days	CBE rate + 0.75% / (NA)	-	-	4.59	-
- Loan from National Bank of Kuwait, Egypt	Apr-24 to Jul-24	For a term of 120 days	11.00% / (NA)	-	-	8.82	-

**NOTE 15 : BORROWINGS<sup>^</sup> (CONTD.)**

(₹ in crores)

	Maturity Date	Terms of Repayment	Interest Rate Current Year / (Previous Year)	Non-Current		Current	
				As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Unsecured (Contd.)</b>							
<b>(i) Term loans - from banks or financial institutions (Contd.)</b>							
- Loan from Qatar National Bank, Egypt	Sep-24	For a term of 180 days	CBE rate + 1.20% / (NA)	-	-	3.63	-
- Loan from BNP Paribas, UAE	Jul-23	For a term of 120 days	NA / (LIBOR/ EIBOR + 2.00%)	-	-	-	12.91
- Loan from HSBC, UAE	Jul-23	For a term of 210 days	NA / (SOFR/ LIBOR + 1.90%)	-	-	-	25.45
- Loan from Citibank N.A., Singapore	Apr-24 to Jun-24	For a term of 90 days to 365 days	SOFR + 0.60% or SORA + 0.50% / (SOFR + 0.60% or SORA + 0.50%)	-	-	394.18	424.05
				-	10.27	823.87	686.16
<b>(ii) Loan repayable on demand - Cash Credit / Overdraft Accounts</b>							
- Overdraft from Bank of America, India		Repayable on demand	MCLR + 2.00% / (MCLR + 2.00%)	-	-	60.41	88.96
- Overdraft from Bank of America, India		Repayable on demand	8.50% / (NA)	-	-	27.84	-
- Loan from Yes Bank, India		Repayable on demand	NA / (REPO + 2.60%)	-	-	-	5.78
				-	-	88.25	94.74
<b>Total</b>				<b>54.38</b>	<b>76.15</b>	<b>1,052.76</b>	<b>896.06</b>

**Notes :**

Interest free borrowings are recognised at fair value using prevailing market interest rate for equivalent borrowing. The difference between the gross proceeds and fair value of the borrowing is the benefit derived from the interest free borrowing and is treated as government grant and recognised as deferred income (Refer note 20).

<sup>1</sup> The Parent Company is eligible to avail interest free borrowing 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. As on 31<sup>st</sup> March, 2024, the Parent Company has received total interest free borrowing of ₹ 40.64 crores for the period from April 2010 to March 2016. As on 31<sup>st</sup> March, 2024, the Parent Company has repaid borrowing of ₹ 17.20 crores (Previous year - ₹ 17.20 crores). This borrowing is repayable after a period of 5 years from the date of receipt of interest free borrowing. For the year ended 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2017, the Parent Company is awaiting sanction from the Haryana Government.

<sup>2</sup> The Parent Company is eligible to avail interest free borrowing for a period of 11 years in respect of 100% of Net SGST (upto the value of investment made in Fixed Asset) paid on the sale of goods within the state of Karnataka and produced at Mysuru plant beginning from 28<sup>th</sup> September 2018. The borrowing is repayable after a period of 11 years from the date of receipt of borrowing. As on 31<sup>st</sup> March 2024, the Parent Company has received total interest free borrowing of ₹ 70.62 crores for the period from September 2018 to March 2020.

The above interest free borrowings are secured by way of a bank guarantee issued by the Parent Company

<sup>3</sup> Secured by first priority *pari-passu* floating charge over trade receivables, inventories and property, plant and equipment of Asian Paints (Bangladesh) Limited

<sup>4</sup> Secured againsts first *pari-passu* charge on present and future inventory and trade receivables of the Obgenix Software Private Limited

<sup>5</sup> Secured against all the fixed and floating assets of Asian Paints (Bangladesh) Limited

<sup>6</sup> Secured by first priority *pari-passu* floating charge by way of hypothecation over trade receivables and inventories of Asian Paints (Bangladesh) Limited

<sup>7</sup> Secured against current assets of Weatherseal Fenestration Private Limited

<sup>8</sup> Secured against property, plant and equipment of Causeway Paints Lanka (Pvt) Ltd

<sup>9</sup> Secured against property, plant and equipment of Kadisco Paints and Adhesive Industry PLC

<sup>^</sup> Default in terms of repayment of principal and interest - NIL

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 15 : BORROWINGS<sup>^</sup> (CONTD.)

The aggregate maturities of borrowings, based on contractual maturities are as follows :

	(₹ in Crores)				
	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying Value
<b>As at 31<sup>st</sup> March, 2024</b>					
Borrowings	1,052.76	24.38	70.62	<b>1,147.76</b>	<b>1,107.14</b>
<b>As at 31<sup>st</sup> March, 2023</b>					
Borrowings	896.06	50.23	70.62	<b>1,016.91</b>	<b>972.21</b>

### NOTE 16 : LEASE LIABILITIES

	(₹ in Crores)			
	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Lease liabilities	1,095.29	728.94	271.95	231.47
<b>Total</b>	<b>1,095.29</b>	<b>728.94</b>	<b>271.95</b>	<b>231.47</b>

The aggregate maturities of lease liabilities based on contractual undiscounted cash flows are as follows :

	(₹ in Crores)				
	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying Value
<b>As at 31<sup>st</sup> March, 2024</b>					
Lease Liabilities	364.40	956.08	582.10	<b>1,902.58</b>	<b>1,367.24</b>
<b>As at 31<sup>st</sup> March, 2023</b>					
Lease Liabilities	293.91	681.66	205.87	<b>1,181.44</b>	<b>960.41</b>

	(₹ in Crores)	
Movement in lease liabilities	Year 2023-24	Year 2022-23
<b>Balance as at 1<sup>st</sup> April</b>	<b>960.41</b>	<b>811.22</b>
Additions	721.18	439.60
Acquisition of Subsidiaries (Refer note 41(b) & 41(e))	35.48	-
Deletions	64.11	31.69
Finance cost	91.55	64.99
Repayment (Including interest on lease liabilities)	377.18	320.71
Currency Translation	(0.09)	(3.00)
<b>Balance as at 31<sup>st</sup> March</b>	<b>1,367.24</b>	<b>960.41</b>

### NOTE 16 : LEASE LIABILITIES (CONTD.)

Amounts with respect to leases recognised in the Consolidated Statement of Profit and Loss and Consolidated Statement of Cash Flows

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>Amounts recognised in Consolidated Statement of Profit and Loss</b>		
Interest on lease liabilities (net) (Refer note 27)	89.55	64.99
Depreciation of Right-of-Use assets (net) (Refer note 28)	342.02	277.43
Expenses relating to short-term leases and leases of low-value assets (Refer note 26)	55.94	43.56
Variable lease payments (Refer note 26)	147.17	144.38
<b>Amounts recognised in Consolidated Statement of Cash Flows</b>		
<b>In Financing activity</b>		
Repayment of lease liabilities	285.63	255.72
Interest paid on lease liabilities	91.55	64.99
<b>In Operating activity</b>		
Variable lease payments	139.88	137.42
<b>Total</b>	<b>517.06</b>	<b>458.13</b>

Note - For additions and movement in right-of-use assets Refer note 2B.

### NOTE 17 : OTHER FINANCIAL LIABILITIES

	(₹ in Crores)			
	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>(a) Unpaid/ Unclaimed dividend *</b>	-	-	23.84	23.99
	-	-	<b>23.84</b>	<b>23.99</b>
<b>(b) Others</b>				
Retention monies	16.59	17.92	85.58	31.88
Trade deposits from customers	0.79	0.88	0.06	0.06
Payable towards capital expenditure	-	-	306.66	123.68
Payable towards services received	-	-	785.89	808.09
Payable towards stores, spares and consumables	-	-	15.16	42.06
Payable to employees [including ₹ 8.82 crores due to Managing Director (as at 31 <sup>st</sup> March, 2023 ₹10.19 crores)]	-	-	321.70	297.49
Payable towards other expenses [including ₹ 5.35 crores due to Non-Executive Directors (as at 31 <sup>st</sup> March, 2023 ₹ 5.32 crores)]	-	-	1,114.77	1,049.80
Gross obligation towards Earnout (Refer note 41(b))	-	-	-	58.97
Derivative liability towards further stake acquisition in Associate Company (Refer note 41(b))	-	6.12	-	-
Gross obligation towards further stake acquisition in subsidiary companies (Refer note 41(a), 41(b) and 41(e))	223.20	21.46	21.43	-
Others	-	-	0.35	-
<b>Total</b>	<b>240.58</b>	<b>46.38</b>	<b>2,651.60</b>	<b>2,412.03</b>
<b>Total</b>	<b>240.58</b>	<b>46.38</b>	<b>2,675.44</b>	<b>2,436.02</b>

\* Represents amount of unclaimed dividend which remains unpaid by the Parent Company. As at 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023, there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund ('IEPF') by the Parent Company. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 18 : TRADE PAYABLES

	(₹ in Crores)	
	Current	
	As at 31.03.2024	As at 31.03.2023
<b>Trade Payables (including Acceptances)*</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises (MSME)	250.27	143.88
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	3,581.07	3,491.56
<b>Total</b>	<b>3,831.34</b>	<b>3,635.44</b>

\* Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Group continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days amounting to ₹ 225.16 crores (Previous year - ₹ 308.81 crores).

### Trade Payables ageing schedule

	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2024
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Trade Payables (including Acceptances)</b>						
MSME	239.43	10.84	-	-	-	250.27
Other than MSME	3,408.90	166.03	6.07	0.04	0.03	3,581.07
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Other than MSME	-	-	-	-	-	-
<b>Total</b>	<b>3,648.33</b>	<b>176.87</b>	<b>6.07</b>	<b>0.04</b>	<b>0.03</b>	<b>3,831.34</b>

	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2023
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>Trade Payables (including Acceptances)</b>						
MSME	134.57	9.31	-	-	-	143.88
Other than MSME	3,394.24	96.89	0.11	0.04	0.28	3,491.56
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Other than MSME	-	-	-	-	-	-
<b>Total</b>	<b>3,528.81</b>	<b>106.20</b>	<b>0.11</b>	<b>0.04</b>	<b>0.28</b>	<b>3,635.44</b>

### NOTE 19 : PROVISIONS

	(₹ in Crores)			
	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>(a) Provision for Employee Benefits (Refer note 32)</b>				
Provision for Compensated absences	181.52	193.67	30.30	32.80
Provision for Gratuity	1.29	1.50	3.57	10.24
Provision for Pension, Leaving Indemnity, Medical Plan and Others (unfunded)	38.53	32.94	5.97	5.79
Provision for Post retirement medical and other benefits	1.22	1.20	5.79	5.12
<b>Total</b>	<b>222.56</b>	<b>229.31</b>	<b>45.63</b>	<b>53.95</b>

### NOTE 19 : PROVISIONS (CONTD.)

	(₹ in Crores)	
	Current	
	As at 31.03.2024	As at 31.03.2023
<b>(b) Others</b>		
Provision for excise	-	-
Provision for Central Sales Tax(CST)/ VAT and Other Statutory Liabilities	-	1.39
Provision for Warranties	-	-
	-	1.39
<b>Total</b>	<b>222.56</b>	<b>230.70</b>

### Disclosure relating to movement in other provisions is as follows :

Movement In Other Provisions	(₹ in Crores)					
	Provision for Excise*		Provision for CST/VAT and Other Statutory Liabilities^		Provision for Warranties®	
	Year 2023-24	Year 2022-23	Year 2023-24	Year 2022-23	Year 2023-24	Year 2022-23
<b>Balance as at 1<sup>st</sup> April</b>	<b>1.29</b>	<b>1.50</b>	<b>19.13</b>	<b>26.83</b>	<b>1.23</b>	<b>0.67</b>
Additions	-	-	2.95	2.46	0.92	0.83
Utilisations	-	-	(0.27)	(7.49)	(0.14)	(0.27)
Reversals	(1.22)	(0.21)	(7.04)	(2.67)	-	-
Currency Translation	-	-	#	#	-	-
<b>Balance as at 31<sup>st</sup> March</b>	<b>0.07</b>	<b>1.29</b>	<b>14.77</b>	<b>19.13</b>	<b>2.01</b>	<b>1.23</b>

These provisions represent estimates made for probable claims arising out of litigations/disputes pending with authorities under various statutes (Excise duty, Sales tax, Goods & Services tax, etc.). The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Group is not able to reasonably ascertain the timing of the outflow. The Group does not expect any reimbursements in respect of these provisions.

\* Excise provisions made towards matters disputed at various appellate levels.

^ Provision for CST/VAT and Other Statutory Liabilities includes

- Sales tax provisions made towards non receipt of C Forms and other matters disputed at various appellate level.
- GST provisions arising out of litigations/disputes at various appellate level.

® Provision for warranties represents management's best estimate of the liability for warranties granted on kitchens & appliances by one of the subsidiary based on past experience of claims.

### NOTE 20 : OTHER LIABILITIES

	(₹ in Crores)			
	Non-Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>(a) Revenue received in advance</b>				
Advance received from customers (Refer note 22C(iv))	-	-	153.89	107.98
<b>(b) Others</b>				
Statutory dues payable	-	-	318.58	344.24
Deferred income arising from government grant (Refer note 15)	34.47	39.17	4.71	5.29
Others (Deferred revenue arising from sale of services, etc.)	-	-	6.66	0.94
Other advances	-	-	0.64	0.59
<b>Total</b>	<b>34.47</b>	<b>39.17</b>	<b>484.48</b>	<b>459.04</b>

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 21 : INCOME TAX LIABILITIES (NET)

	(₹ in Crores)	
	Current	
	As at 31.03.2024	As at 31.03.2023
Provision for Income Tax (net)	122.51	163.69
<b>Total</b>	<b>122.51</b>	<b>163.69</b>

### NOTE 22A : REVENUE FROM OPERATIONS

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
	Revenue from sale of products	35,248.88
Revenue from sale of services	133.24	114.48
Other operating revenue*	112.61	120.76
<b>Total</b>	<b>35,494.73</b>	<b>34,488.59</b>

\* The Parent Company's manufacturing facilities at Maharashtra and Andhra Pradesh are eligible to receive incentive in form of refund of SGST, refund of stamp duty and refund of/ exemption from payment of electricity duty as per the Industrial Promotion Schemes of the respective State Governments and Memorandum of Understanding signed with the respective State Governments. During the year, ₹ 57.21 crores (Previous year - ₹ 58.50 crores) is accrued under the head 'Other operating revenue'.

### NOTE 22B : REVENUE FROM CONTRACTS WITH CUSTOMERS

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
	<b>A. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON NATURE OF PRODUCT OR SERVICES</b>	
<b>Revenue From Sale of Products</b>		
Paints, décor and related products	35,248.88	34,253.35
<b>Revenue from Sale of Services</b>		
Painting, décor and related services	133.24	114.48
<b>Other operating revenue</b>		
Processing and service income	13.30	20.88
Scrap sales	32.75	31.59
Others	4.07	1.82
<b>Other Income</b>		
Royalty received (Refer note 23(c))		
- From Associate Companies (Refer note 33)	3.03	3.29
- From Others	0.33	0.32
<b>Total</b>	<b>35,435.60</b>	<b>34,425.73</b>
<b>B. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON GEOGRAPHY</b>		
Home market	35,274.16	34,193.10
Exports	161.44	232.63
<b>Total</b>	<b>35,435.60</b>	<b>34,425.73</b>

### NOTE 22C : RECONCILIATION OF GROSS REVENUE WITH THE REVENUE FROM CONTRACTS WITH CUSTOMERS

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
	Gross Revenue	42,784.94
Less : Discounts/Rebates/Credits/Incentives	7,349.34	6,597.93
<b>Net Revenue recognised from Contracts with Customers</b>	<b>35,435.60</b>	<b>34,425.73</b>

- The amounts receivable from customers become due after expiry of credit period which is maximum 180 days. There is no significant financing component in any transaction with the customers.
- The Group provides agreed upon specification warranty for selected range of products & services. (Refer note 19)
- The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a short duration and sale of service contracts are measured as per output method.
- The Group has recognised revenue of ₹ 96.44 crores (Previous year - ₹ 69.30 crores) from the amounts included under advance received from customer at the beginning of the year.

### NOTE 23 : OTHER INCOME

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
	<b>(a) Interest Income</b>	
Investments in debt instruments measured at FVTOCI	23.28	9.18
Other financial assets carried at amortised cost	146.65	111.62
	<b>169.93</b>	<b>120.80</b>
<b>(b) Dividends from quoted equity investments measured at FVTOCI*</b>	<b>20.16</b>	<b>13.48</b>
<b>(c) Other non-operating income</b>		
Insurance claims received	2.09	1.56
Royalty received		
- From Associate Companies (Refer note 33)	3.03	3.29
- From Others	0.33	0.32
	<b>3.36</b>	<b>3.61</b>
Net gain arising on financial assets measured at FVTPL <sup>^</sup>	229.63	120.61
Reversal of provision for expected credit loss on government grants	10.90	27.58
Others <sup>*</sup>	244.31	84.16
	<b>490.29</b>	<b>237.52</b>
<b>(d) Other gains and losses</b>		
Net gain on disposal of Property, Plant and Equipment and Other Intangible Assets	2.08	11.72
Net gain on modification/ termination of leases	5.50	2.96
	<b>7.58</b>	<b>14.68</b>
<b>Total</b>	<b>687.96</b>	<b>386.48</b>

\* Relates to investments held at the end of reporting period

<sup>^</sup> Includes gain on sale of financial assets measured at FVTPL for ₹ 21.20 crores (Previous year - ₹ 36.11 crores).

<sup>\*</sup> Includes fair valuation gain on gross obligation towards further stake acquisition in subsidiary companies amounting to ₹ 64.16 crores (Previous Year- NIL) and fair valuation of previously held stake in Obgenix Software Private Limited (White Teak) of ₹ 33.96 crores. (Refer note 41(a) & 41(b)).



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 24A : COST OF MATERIALS CONSUMED

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>Raw Materials Consumed</b>		
Opening Stock (including goods-in-transit)	2,168.19	2,403.14
Add : Pursuant to acquisition (Refer note 41(b) & 41(e))	1.70	1.30
Add : Purchases	13,629.53	14,613.63
	<b>15,799.42</b>	<b>17,018.07</b>
Less : Closing Stock (including goods-in-transit)	2,246.78	2,168.19
	<b>13,552.64</b>	<b>14,849.88</b>
<b>Packing Materials Consumed</b>		
Opening Stock	93.20	108.74
Add : Purchases	2,324.48	2,465.16
	<b>2,417.68</b>	<b>2,573.90</b>
Less : Closing Stock	102.11	93.20
	<b>2,315.57</b>	<b>2,480.70</b>
<b>Total Cost Of Materials Consumed</b>	<b>15,868.21</b>	<b>17,330.58</b>
<b>NOTE 24B : PURCHASES OF STOCK-IN-TRADE</b>	<b>3,858.20</b>	<b>4,135.65</b>
<b>NOTE 24C : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
<b>Stock at the beginning of the year</b>		
Finished Goods (including goods-in-transit)	2,677.78	2,502.34
Work-in-Progress	187.11	195.02
Stock-in-trade acquired for trading (including goods-in-transit)	933.55	790.97
	<b>3,798.44</b>	<b>3,488.33</b>
Add : Pursuant to acquisition (Refer note 41(b) & 41(e))	26.02	0.38
<b>Total</b>	<b>3,824.46</b>	<b>3,488.71</b>
<b>Stock at the end of the year</b>		
Finished Goods (including goods-in-transit)	2,337.14	2,677.78
Work-in-Progress	184.07	187.11
Stock-in-trade acquired for trading (including goods-in-transit)	939.45	933.55
<b>Total</b>	<b>3,460.66</b>	<b>3,798.44</b>
<b>Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade</b>	<b>363.80</b>	<b>(309.73)</b>

### NOTE 25 : EMPLOYEE BENEFITS EXPENSE

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Salaries and wages	2,038.37	1,784.08
Contribution to provident and other funds (Refer note 32(1) and 32(2))	104.55	89.71
Staff welfare expenses	161.42	140.90
Share based payment expenses (Refer note 32(3))	21.84	13.38
<b>Total</b>	<b>2,326.18</b>	<b>2,028.07</b>

### NOTE 26 : OTHER EXPENSES

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Consumption of stores, spares and consumables	84.09	89.79
Power and fuel	133.25	138.29
Processing charges	196.63	183.87
Repairs and maintenance :		
Buildings	23.44	23.21
Machinery	55.65	59.05
Other assets	91.80	79.58
	<b>170.89</b>	<b>161.84</b>
Rates and taxes	25.28	19.95
Corporate social responsibility expenses	92.41	78.84
Commission to Non Executive Directors	5.35	5.32
Directors' sitting fees	3.39	3.02
Auditors' Remuneration	6.22	5.27
Net loss on foreign currency transactions and translations (Other than considered as finance cost)	9.90	61.19
Freight and handling charges	2,191.79	2,100.68
Advertisement and Sales Promotion expenses	1,305.86	1,152.93
Bad debts written off	9.20	3.44
Allowances for doubtful debts and advances (net)	116.64	63.91
Insurance	30.34	30.11
Travelling expenses	252.37	191.90
Miscellaneous expenses*	859.75	753.83
<b>Total</b>	<b>5,493.36</b>	<b>5,044.18</b>

**Note :** Other expenses include variable lease payments (Refer note 16).

\* Includes fair valuation loss on earn out amounting to ₹ 0.48 crores (Previous Year - fair valuation loss on earn out, derivatives and gross obligation towards further stake acquisition in subsidiary and associate companies amounting to ₹ 28.85 crores) (Refer note 41(a) & 41(b)).

### NOTE 27 : FINANCE COSTS

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Interest on bank borrowings (net)^	57.44	42.82
Interest on bill discounting	29.91	31.51
Interest on loan from State Government	4.08	1.54
Interest on lease liabilities (net)*	89.55	64.99
Other interest expense	21.61	1.79
Interest on income tax	2.58	1.80
<b>Total</b>	<b>205.17</b>	<b>144.45</b>

\*The amount of expenditure recognised in CWIP in the course of construction in current year is ₹ 2.00 crores (Previous Year - NIL).

^The amount of expenditure recognised in CWIP in the course of construction in current year is NIL (Previous Year - ₹ 0.50 crores).

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 28 : DEPRECIATION AND AMORTISATION EXPENSE

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Depreciation of Property, Plant and Equipment (Refer note 2A)	483.64	551.50
Depreciation of Right-of-Use assets (net) (Refer note 2B)*	342.02	277.43
Amortisation of Other Intangible assets (Refer note 4B)	27.34	29.09
<b>Total</b>	<b>853.00</b>	<b>858.02</b>

\*The amount of expenditure recognised in CWIP in the course of construction is ₹ 4.10 crores (Previous year - NIL).

### NOTE 29 (A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial Assets and Financial Liabilities in the Consolidated Balance Sheet are as follows :

Financial assets/ financial liabilities	Refer note	(₹ in Crores)			
		Non-Current		Current	
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Financial assets measured at FVTPL</b>					
<b>Designated upon initial recognition</b>					
Investments in unquoted equity shares	5(I)(A)(b)(ii)	1.92	1.92	-	-
<b>Mandatory</b>					
Investments in quoted mutual funds	5(II)(C)	-	-	2,945.59	2,647.03
Foreign currency forward exchange contract (net)	7	-	-	0.03	0.07
Derivative asset towards further stake acquisition in Associate Company	7	-	-	-	2.27
		<b>1.92</b>	<b>1.92</b>	<b>2,945.62</b>	<b>2,649.37</b>
<b>Financial assets measured at FVTOCI</b>					
<b>Designated upon initial recognition</b>					
Investments in quoted equity shares*	5(I)(A)(a)	594.08	586.32	-	-
Investments in unquoted debentures or bonds	5(I)(C)(b) (ii) & 5(II)(B) (b)(ii)	2.00	1.49	-	49.32
Investments in quoted debentures or bonds	5(I)(C)(b) (i) & 5(II)(B) (b)(i)	202.03	192.42	216.77	-
		<b>798.11</b>	<b>780.23</b>	<b>216.77</b>	<b>49.32</b>
<b>Financial assets measured at amortised cost</b>					
Investments in government securities	5(I)(B) & 5(II)(A)	#	#	41.05	-
Investments in unquoted debentures or bonds	5(I)(C)(a) & 5(II)(B)(a)	1.35	0.83	-	0.65
Trade receivables	6	1.78	2.17	4,889.05	4,636.94
Sundry deposits	7	76.68	49.47	15.62	34.55
Royalty receivable	7	-	-	0.38	0.53
Due from Associate Companies	7	-	-	2.62	3.73
Subsidy receivable from Governments (net)	7	275.33	300.56	180.76	124.83
Term deposits held as margin money against bank guarantee and other commitments	7	4.04	5.52	5.80	7.61
Term deposits with more than 12 months of original maturity	7	246.95	5.40	1,193.00	1,139.65

### NOTE 29 (A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTD.)

Financial Assets and Financial Liabilities in the Consolidated Balance Sheet are as follows (Contd.) :

Financial assets/ financial liabilities	Refer note	(₹ in Crores)			
		Non-Current		Current	
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Financial assets measured at amortised cost (Contd.)</b>					
Interest accrued on investments in debentures or bonds measured at FVTOCI	7	-	-	17.53	6.31
Quantity discount receivable	7	-	-	216.61	262.62
Retention monies receivable from Customers	7	3.51	2.23	0.18	0.80
Other receivables	7	-	-	18.82	9.81
Cash and Cash Equivalents	8A	-	-	829.34	523.10
Other Balances with Banks	8B	-	-	254.67	320.72
		<b>609.64</b>	<b>366.18</b>	<b>7,665.43</b>	<b>7,071.85</b>
<b>Financial liabilities measured at FVTPL</b>					
<b>Mandatory</b>					
Gross obligation towards Earnout	17	-	-	-	58.97
Derivatives liability towards further stake acquisition in Associate Company	17	-	6.12	-	-
Gross obligation towards further stake acquisition in subsidiary companies	17	223.20	21.46	21.43	-
		<b>223.20</b>	<b>27.58</b>	<b>21.43</b>	<b>58.97</b>
<b>Financial liabilities measured at amortised cost</b>					
Loan from State of Haryana	15	4.03	20.25	17.86	-
Loan from State of Karnataka	15	31.55	29.11	-	-
Term Loan from Bank	15	18.80	26.79	874.79	780.26
Loan repayable on demand - Cash Credit / Overdraft Accounts	15	-	-	160.11	115.80
Lease Liabilities	16	1,095.29	728.94	271.95	231.47
Unpaid/Unclaimed dividend	17	-	-	23.84	23.99
Retention monies	17	16.59	17.92	85.58	31.88
Trade Deposits from customers	17	0.79	0.88	0.06	0.06
Payable towards capital expenditure	17	-	-	306.66	123.68
Payable towards services received	17	-	-	785.89	808.09
Payable towards stores, spares and consumables	17	-	-	15.16	42.06
Payable to employees	17	-	-	321.70	297.49
Payable towards other expenses	17	-	-	1,114.77	1,049.80
Others	17	-	-	0.35	-
Trade payables (including Acceptances)	18	-	-	3,831.34	3,635.44
		<b>1,167.05</b>	<b>823.89</b>	<b>7,810.06</b>	<b>7,140.02</b>

\* Investments in these equity instruments are not held for trading. Upon application of Ind AS 109 - Financial Instruments, the Group has chosen to measure these investments in equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains or losses relating to these investments in the Consolidated Statement of Profit and Loss may not be indicative of the performance of the Group.

# ₹ 39,500/-



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 29 (A) : CATERGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTD.)

Income, Expenses, Gains or Losses recognised on Financial Instruments in the Consolidated Statement of Profit and Loss are as follows :

		(₹ in Crores)	
Income, Expenses, Gains or Losses on Financial Instruments	Refer note	Year 2023-24	Year 2022-23
<b>Financial assets measured at FVTPL</b>			
<b>Mandatory</b>			
Fair value gain on quoted mutual funds	23	229.63	120.61
Fair value (loss) on derivative assets towards acquisition of further stake in Associate Company (net)	26	-	(3.86)
		<b>229.63</b>	<b>116.75</b>
<b>Financial assets measured at amortised cost</b>			
Interest income	23	146.65	111.62
Reversal/(Provision) for expected credit loss on government grants	23	10.90	27.58
Allowance for doubtful debts and advances (net)	26	(116.64)	(63.91)
Bad debts written off	26	(9.20)	(3.44)
		<b>31.71</b>	<b>71.85</b>
<b>Financial assets measured at FVTOCI</b>			
<b>Designated upon initial recognition</b>			
Interest income on Investments in debt instrument	23	23.28	9.18
Dividend income from quoted equity investments	23	20.16	13.48
Net fair value gain on investments in equity instruments		7.77	90.19
Net fair value gain/(loss) on investments in debt instruments		16.20	(5.43)
		<b>67.41</b>	<b>107.42</b>
<b>Financial liabilities measured at FVTPL</b>			
<b>Mandatory</b>			
Fair value (loss) on Gross obligation towards earnout	26	(0.48)	(21.26)
Fair value (loss) on Derivative liability towards further stake acquisition in Associate Company (net)	26	-	(1.31)
Fair value gain/(loss) on Gross obligation towards further stake acquisition in subsidiary companies	23 & 26	64.16	(3.38)
		<b>63.68</b>	<b>(25.95)</b>
<b>Financial liabilities measured at amortised cost</b>			
Interest on lease liabilities	27	89.55	64.99
Interest expense other than on lease liabilities	27	91.43	78.50
		<b>180.98</b>	<b>143.49</b>
Net Loss on foreign currency transactions and translations of Financial Asset and Financial Liabilities measured at amortised cost	23, 26 & 39	9.90	85.40

### NOTE 29 (B) : FAIR VALUE MEASUREMENTS

(i) The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities :

As at 31<sup>st</sup> March, 2024

	(₹ in Crores)			
Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2024	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at FVTOCI</b>				
Investments in quoted equity shares (Refer note 5(I)(A)(a))	594.08	594.08	-	-
Investments in quoted debentures or bonds (Refer note 5(I)(C)(b)(i) & 5(II)(B)(b)(i))	418.80	-	418.80	-
Investments in unquoted debentures or bonds (Refer note 5(I)(C)(b)(ii) & 5(II)(B)(b)(ii))	2.00	-	2.00	-
<b>Financial assets measured at FVTPL</b>				
Investments in quoted mutual funds (Refer note 5(II)(C))	2,945.59	2,945.59	-	-
Investments in unquoted equity shares (Refer note 5(I)(A)(b)(ii))	1.92	-	-	1.92
Foreign currency forward exchange contract (net) (Refer note 7)	0.03	-	0.03	-
<b>Financial liabilities measured at FVTPL</b>				
Gross obligation towards further acquisition in subsidiary companies (Refer note 17)	244.63	-	-	244.63

As at 31<sup>st</sup> March, 2023

	(₹ in Crores)			
Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2023	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at FVTOCI</b>				
Investments in quoted equity shares (Refer note 5(I)(A)(a))	586.32	586.32	-	-
Investments in quoted debentures or bonds (Refer note 5(I)(C)(b)(i) & 5(II)(B)(b)(i))	192.42	-	192.42	-
Investments in unquoted debentures or bonds (Refer note 5(I)(C)(b)(ii) & 5(II)(B)(b)(ii))	50.81	-	50.81	-
<b>Financial assets measured at FVTPL</b>				
Investments in quoted mutual funds (Refer note 5(II)(C))	2,647.03	2,647.03	-	-
Investments in unquoted equity shares (Refer note 5(I)(A)(b)(ii))	1.92	-	-	1.92
Derivative asset towards further stake acquisition in Associate Company (Refer note 7)	2.27	-	-	2.27
Foreign currency forward exchange contract (net) (Refer note 7)	0.07	-	0.07	-
<b>Financial liabilities measured at FVTPL</b>				
Gross obligation towards Earnout (Refer note 17)	58.97	-	-	58.97
Derivatives liability for further stake acquisition in Associate Company (Refer note 17)	6.12	-	-	6.12
Gross obligation towards further acquisition in subsidiary company (Refer note 17)	21.46	-	-	21.46

**NOTE 29 (B) : FAIR VALUE MEASUREMENTS (CONTD.)**
**(ii) Financial Instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Consolidated Financial Statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**(iii) Investments in debentures or bonds measured at FVTOCI**

The debentures or bonds are fair valued using various market observable inputs.

**(iv) Gross obligation towards Earnout**

The gross obligation is valued using agreed financial milestones of Obgenix Software Private Limited for the previous year 2022-23 as per the share purchase agreement. The value is not exposed to any variability.

**(v) Significant Techniques and Unobservable Inputs Used for Level 3 Fair Valuation Measurement**

As at 31 <sup>st</sup> March, 2024	Valuation techniques	Significant Unobservable Inputs	Sensitivity of input to fair value measurement	
			Increase of volatility by 5%	Decrease of volatility by 5%
Fair Value of gross obligation towards further stake acquisition in subsidiaries (Weatherseal Fenestration Private Limited, Harind Chemicals and Pharmaceuticals Private Limited and Obgenix Software Private Limited)	Monte Carlo Simulation	Forecast Revenue	Net increase in liability by ₹ 3.39 crores	Net decrease in liability by ₹ 3.55 crores
		Forecast EBITDA	Net increase in liability by ₹ 0.38 crores	Net decrease in liability by ₹ 0.27 crores
		Equity Value	Net increase in liability by ₹ 0.05 crores	Net increase in liability by ₹ 0.02 crores
		Increase of WACC by 1%	Decrease of WACC by 1%	
		Weighted Average Cost of Capital (WACC)	Net decrease in liability by ₹ 0.06 crores	Net increase in liability by ₹ 1.03 crores
As at 31 <sup>st</sup> March, 2023	Valuation techniques	Significant Unobservable Inputs	Increase of volatility by 5%	Decrease of volatility by 5%
Fair Value of gross obligation towards further stake acquisition in subsidiary Company (Weatherseal Fenestration Private Limited) and derivatives towards further stake acquisition in associate Company (Obgenix Software Private Limited)	Monte Carlo Simulation	Forecast Revenue	Decrease in liability by ₹ 1.19 crores	Increase in liability by ₹ 0.90 crores
		Forecast EBITDA	Decrease in liability by ₹ 0.03 crores	Decrease in liability by ₹ 0.11 crores
		Equity Value	Decrease in liability by ₹ 2.45 crores	Increase in liability by ₹ 2.24 crores
		Increase of WACC by 1%	Decrease of WACC by 1%	
		Weighted Average Cost of Capital (WACC)	Increase in liability by ₹ 21.71 crores	Decrease in liability by ₹ 25.61 crores

As on 31<sup>st</sup> March, 2023, Fair value of gross obligation towards earnout and further stake acquisition of 11% in Obgenix Software Private Limited is computed basis actual Revenue and EBITDA in accordance with the Share Purchase Agreement.

**NOTE 29 (B) : FAIR VALUE MEASUREMENTS (CONTD.)**
**(vi) Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below**

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
<b>Movements in Level 3 valuations</b>		
Balance as at 1 <sup>st</sup> April	(82.36)	1.07
Additions	(281.21)	(54.58)
Settled / Payments during the year	56.70	-
Fair value gain/(loss) recorded in Consolidated Statement of Profit and Loss	64.16	(28.85)
<b>Balance as at 31<sup>st</sup> March</b>	<b>(242.71)</b>	<b>(82.36)</b>

**NOTE 29 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES**

The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables.

The Group is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ("Board") oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Group formulated by the Risk Management Committee and approved by the Board, states the Group's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Group's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

The following disclosures summarize the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis has been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Group.

**1) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks : interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

**a) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit before tax for the year ended 31<sup>st</sup> March, 2024 would decrease/increase by ₹ 5.20 crores (Previous Year- ₹ 4.37 crores).



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 29 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

#### 1) Market Risk (Contd.)

##### a) Interest Rate Risk (Contd.)

The Exposure of Group's financial assets and liabilities to interest rate risk is as follows :

	(₹ in crores)			
	As at 31.03.2024	Floating rate	Fixed rate	Non- interest bearing
Financial assets	12,237.49	13.48	2,931.57	9,292.44
Financial liabilities	9,221.74	966.33	1,448.30	6,807.11
	(₹ in crores)			
	As at 31.03.2023	Floating rate	Fixed rate	Non- interest bearing
Financial assets	10,918.87	21.42	2,318.56	8,578.89
Financial liabilities	8,050.46	753.81	1,235.98	6,060.67

##### b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group enters into forward exchange contracts with average maturity of less than one month to hedge against its foreign currency exposures relating to the recognised underlying liabilities and firm commitments. The Group's policy is to hedge its exposures above from recognised liabilities and firm commitments that fall due in 90 days. The Group does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary items are as follows :

	(in Millions FC)			
Currency	Liabilities		Assets	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
USD	159.01	120.33	46.84	38.30
EUR	19.81	12.66	10.15	11.55
SGD	0.11	0.03	1.80	1.59
GBP	1.27	0.41	0.24	0.48
SEK	0.20	0.83	-	-
JPY	215.61	18.04	10.30	105.42
	(₹ in crores)			
Currency	Liabilities		Assets	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
USD	1,326.30	988.84	390.67	314.76
EUR	178.25	112.94	91.36	103.01
SGD	0.70	0.17	11.10	9.80
GBP	13.39	4.11	2.56	4.83
SEK	0.16	0.66	-	-
JPY	11.86	1.11	0.57	6.51
Others	15.19	7.30	91.09	137.45
<b>Total</b>	<b>1,545.85</b>	<b>1,115.13</b>	<b>587.35</b>	<b>576.36</b>

The above table represents total exposure of the Group towards foreign exchange denominated liabilities (net).

### NOTE 29 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

#### 1) Market Risk (Contd.)

##### b) Foreign Currency Risk (Contd.)

Out of the above, details of exposures hedged using forward exchange contracts are given below :

Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
Forward contract to buy USD - As at 31.03.2024	3.00	4.26	35.52
Forward contract to buy USD - As at 31.03.2023	17.00	10.23	83.89

The Group is mainly exposed to changes in USD and EUR. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and EUR against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Change in USD Rate	Effect on profit after tax		Effect on total equity	
	Year 2023-24	Year 2022-23	Year 2023-24	Year 2022-23
	+5%	(36.91)	(24.26)	(36.91)
-5%	36.91	24.26	36.91	24.26
	(₹ in crores)			
Change in EUR Rate	Effect on profit after tax		Effect on total equity	
	Year 2023-24	Year 2022-23	Year 2023-24	Year 2022-23
	+5%	(3.44)	(0.29)	(3.44)
-5%	3.44	0.29	3.44	0.29

##### c) Other Price Risk

###### i) Equity/Investment Risk

Equity/Investment risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Equity/Investment risk arises from financial assets such as investments in equity instruments and bonds. The Parent Company is exposed to equity risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31<sup>st</sup> March, 2024, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 594.08 crores (Previous year - ₹ 586.32 crores). The details of such investments in equity instruments are given in Note 5 (I)(A)(a).

The Parent Company is also exposed to Investment risk arising from investments in bonds and debentures recognised at FVTOCI. As at 31<sup>st</sup> March, 2024, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 420.80 crores (Previous year - ₹ 243.23 crores). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds and debentures are given in Note 5(I)(C)(b) & 5(II)(B)(b).

The Parent Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below :

If the equity prices had been higher/lower by 10 % from the market prices existing as at 31<sup>st</sup> March, 2024, Other Comprehensive Income for the year ended 31<sup>st</sup> March, 2024 would increase by ₹ 52.61 crores (Previous year - ₹ 51.80 crores) and decrease by ₹ 52.61 crores (Previous year - ₹ 51.80 crores) respectively with a corresponding increase/decrease in Total Equity of the Parent as at 31<sup>st</sup> March, 2024. 10 % represents management's assessment of reasonably possible change in equity prices.

**NOTE 29 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)**
**1) Market Risk (Contd.)**
**c) Other Price Risk (Contd.)**
**ii) Commodity rate risk**

Material cost is the largest cost component for the Group, thus exposing it to the risk of price fluctuations based on the supply and demand conditions of those materials. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Group has put in place a mix of long-term and short-term mitigation plans. The long-term price view consisted of identifying single vendor dependency and finding alternate materials or vendors for the same. The Group also has a robust process of estimating the prices at a quarterly frequency, analysing deviations, if any, and taking short-term corrective measures in addition to altering the outlook for the long-term, if required. The Group also leverages its financial resources to modify the inventory levels as required keeping in mind the price outlook in the near term. Similarly, the Group modifies the contract period in negotiations with the vendors to either lock in prices or to keep them open based on the expected price movements. During the year ended 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023, the Group had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

**2) Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables. The Group's exposure to credit risk is disclosed in Note 5 (except equity shares, bonds and debentures), 6, 7, 8A and 8B.

The Group has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit risk arising from investment in mutual funds, derivative financial instruments, term deposits and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The average credit period on sales of products and services is a maximum of 180 days. Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables.

For trade receivables, as a practical expedient, the Group companies compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period for the Parent Company is given below. The Group has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Group expects to fully recover the carrying amount of trade receivables.

Net Outstanding > 365 days	% Collection to gross outstanding in current year	Credit loss allowance
Yes	< 25%	Yes, to the extent of lifetime expected credit losses outstanding as at reporting date.
Yes	> 25%	Yes, to the extent of lifetime expected credit losses pertaining to balances outstanding for more than one year.

Above matrix for expected credit loss allowance is used by the Parent Company. Similar matrix has been prepared for respective subsidiaries considering business context of the respective subsidiaries.

**NOTE 29 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)**
**2) Credit Risk (Contd.)**

(₹ in Crores)

	Year 2023-24	Year 2022-23
<b>Movement in expected credit loss allowance on trade receivables</b>		
<b>Balance as at 1<sup>st</sup> April</b>	<b>305.13</b>	<b>238.95</b>
Acquisition of Subsidiaries (Refer note 41(b) and 41(e))	0.02	-
Loss allowance measured at lifetime expected credit losses	117.02	66.18
<b>Balance as at 31<sup>st</sup> March</b>	<b>422.17</b>	<b>305.13</b>

In accordance with Ind AS 109 – Financial Instruments, the Company has re-assessed expected timing of cashflow towards subsidy receivable from the State Governments. The Company is confident about the ultimate realisation of the dues from the State Governments. There is no credit risk attached to these receivables

(₹ in Crores)

	Year 2023-24	Year 2022-23
<b>Movement in expected credit loss allowance on subsidy receivable from the State Governments</b>		
<b>Balance as at 1<sup>st</sup> April</b>	<b>26.15</b>	<b>53.73</b>
Unwinding of interest resulting in reversal of expected credit losses	(10.90)	(27.58)
<b>Balance as at 31<sup>st</sup> March</b>	<b>15.25</b>	<b>26.15</b>

**3) Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The Company believes that its liquidity position (₹ 5,882.65 crores as at 31<sup>st</sup> March 2024 (Previous Year- ₹ 4,859.47 crores)), anticipated future internally generated funds from operations, and its fully available revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Group believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements.

The liquidity position of the Group mentioned above, includes :

- Cash and cash equivalents as disclosed in the Cash Flow Statement (excluding Loan repayable on demand - Cash Credit / Overdraft Accounts)
- Current/ Non-Current term deposits as disclosed in Other Financial Assets and Other Balances with Banks
- Investments in debentures or bonds (including interest accrued on the same).

The Group's liquidity management process as monitored by management, includes-

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met;
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows;
- Maintaining diversified credit lines.



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 29 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

#### 3) Liquidity Risk (Contd.)

The table below analyses financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Crores)					
	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying Value
<b>As at 31<sup>st</sup> March, 2024</b>					
Borrowings (Refer note 15)	1,052.76	24.38	70.62	1,147.76	1,107.14
Lease Liabilities (Refer note 16)	364.40	956.08	582.10	1,902.58	1,367.24
Other financial liabilities (Refer note 17)	2,675.44	240.58	-	2,916.02	2,916.02
Trade Payables (Refer note 18)	3,831.34	-	-	3,831.34	3,831.34
<b>As at 31<sup>st</sup> March, 2023</b>					
Borrowings (Refer note 15)	896.06	50.23	70.62	1,016.91	972.21
Lease Liabilities (Refer note 16)	293.91	681.66	205.87	1,181.44	960.41
Other financial liabilities (Refer note 17)	2,436.02	46.38	-	2,482.40	2,482.40
Trade Payables (Refer note 18)	3,635.44	-	-	3,635.44	3,635.44

### NOTE 29 (D) : CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 15 and equity attributable to owners of the Parent Company, comprising issued capital, reserves and accumulated profits as presented in the Consolidated Statements of changes in Equity.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

### NOTE 30 : EARNINGS PER SHARE

	Year 2023-24	Year 2022-23
Basic earnings per share in rupees (face value – ₹1 per share) (In ₹)	56.95	42.83
Diluted earnings per share in rupees (face value – ₹1 per share) (In ₹)	56.94	42.82
<b>Profit used as Numerator</b>		
Profit after tax attributable to owners of the Parent Company as per Consolidated Statement of Profit and Loss (₹ in crores)	5,460.23	4,106.45
<b>Weighted Average Number of Shares used as Denominator</b>		
Basic EPS	95,88,41,696	95,88,68,120
Diluted EPS	95,89,86,355	95,89,34,041
<b>Reconciliation of Weighted Average Number of Shares Outstanding</b>		
Number of equity shares outstanding during the year	95,91,97,790	95,91,97,790
<b>Less :</b> Weighted average shares held by ESOP trust as treasury shares	(3,56,094)	(3,29,670)
Weighted average number of equity shares outstanding during the year used for computing Basic EPS	95,88,41,696	95,88,68,120
<b>Add :</b> Options granted to employees*	1,44,659	65,921
Weighted average number of equity shares outstanding during the year used for computing Diluted EPS	95,89,86,355	95,89,34,041

\*Represents the dilutive impact of Employee Stock Option Plan. For 31<sup>st</sup> March, 2023, 356 stock options are excluded from calculating weighted average number of outstanding equity shares for the purpose of computing diluted EPS as these are anti-dilutive.

### NOTE 31 : CONTINGENT LIABILITIES AND COMMITMENTS

#### a. Contingent Liabilities :

(₹ in Crores)		
	As at 31.03.2024	As at 31.03.2023
<b>A. Performance Bonds and Immigration Bonds given by Subsidiaries</b>	7.71	7.13
<b>B. Claims against the Group not acknowledged as debts</b>		
i. Tax matters in dispute under appeal		
- Income Tax	367.80	256.50
- Value Added Tax, Goods & Services Tax, Sales Tax, Entry Tax, Octroi & Trade Tax	184.78	166.31
- Excise, Service Tax & Customs	15.36	25.05
ii. Labour related disputes	32.32	31.53
iii. Disputes relating to property matters	24.87	25.07
iv. Others (includes disputes on matters pertaining to rent deposits, electricity, consumer cases, etc)	19.61	17.93
<b>C. Other monies for which the Group is Contingently liable*</b>	43.37	-
<b>Total</b>	<b>695.82</b>	<b>529.52</b>

\* Towards custom duty and IGST for capital goods imported under Manufacturing & Other operation in Warehouse Regulation (MOOWR) scheme against which the Parent Company has executed a bond which is three times of the custom duty calculated at the time of import. The amount and timing of liability towards such custom duty and IGST will crystallize at the time of filing of ex-bond bill of entry at the time of removal of goods from the bonded warehouse.

The above claims are pending before various Appellate Authorities. The management, including its advisors, expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's Financial Statements.

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities. The Group does not expect any reimbursements in respect of the contingent liabilities.

#### b. Commitments :

(₹ in Crores)		
	As at 31.03.2024	As at 31.03.2023
<b>A. Estimated amount of contracts remaining to be executed on capital account and not provided for</b>		
i. Towards Property, Plant and Equipment	1,383.72	1,927.91
ii. Towards Intangible Assets	18.12	28.81
iii. Towards Right-to-use assets <sup>&amp;</sup>	545.17	-
<b>B. Letters of Credit and Bank guarantees issued by bankers and outstanding as at year end</b>	202.39	193.65

<sup>&</sup> Represents estimated undiscounted amount of lease liability towards lease agreement with future commencement date.

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 32 : EMPLOYEE BENEFITS

#### 1) Post-employment benefits :

The Group has the following post-employment benefit plans :

##### a) Defined benefit gratuity plan

The Parent Company and Indian subsidiaries operate defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund or a financial institution. It is governed by the Payment of Gratuity Act, 1972. Under the Act, all employee who has completed five years of service are entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. There is no separate contribution by the employee in the fund. In case of the Parent, the fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. In case of Indian subsidiaries, the fund is managed by Life Insurance Corporation (LIC) and every year the required contribution amount is paid to LIC.

The International subsidiaries operate an unfunded gratuity scheme; provision in respect of which is made annually covering all its permanent eligible employees and workers who have completed stipulated years of their service with the respective subsidiaries.

As the plan assets include significant investments in quoted debt and equity instruments, the Parent Company is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

Fair value of the Parent Company's own transferable financial instruments held as plan assets : NIL

##### b) Defined benefit pension plan (Unfunded)

The Parent Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

##### c) Defined benefit post-retirement medical benefit plan (Unfunded)

The Parent Company and certain overseas subsidiaries operate a defined post retirement medical benefit plan for certain specified employees and payable upon the employee satisfying certain conditions.

##### d) Leaving Indemnity plan

Certain overseas subsidiaries provide Leaving Indemnity plan benefits based on last drawn basic salary at the time of separation in accordance with the local labour laws. These defined benefit plans are unfunded.

##### Asset-Liability Matching (for gratuity and pension plan funded)

Each year, the Board of Trustees and the Parent Company review the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Parent Company (employer) contributes to the fund based on the results of this annual review and ensures that the trust is adequately funded. Generally, it aims to have a portfolio mix of sovereign debt instruments, debt instruments of Corporates and equity instruments. The Parent Company aims to keep annual contributions relatively stable at a level such that no significant plan deficits (based on valuation performed) will arise.

Every two years an Asset-Liability Matching study is performed in which the consequences of the investments are analysed in terms of risk and return profiles. The Board of Trustees, based on the study, takes appropriate decisions on the duration of instruments in which investments are done. As per the latest study, there is no Asset-Liability-Mismatch. There has been no change in the process used by the Parent Company to manage its risks from prior periods.

### NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

#### 1) Post-employment benefits : (Contd.)

Aforesaid post-employment benefit plans typically expose the Group to actuarial risks such as : investment risk, interest rate risk, longevity risk and salary risk.

<b>Investment Risk</b>	These Plans invest in long term debt instruments such as Government securities and highly rated corporate bonds. The valuation of which is inversely proportionate to the interest rate movements. There is risk of volatility in asset values due to market fluctuations and impairment of assets due to credit losses.
<b>Interest Risk</b>	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa. A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
<b>Longevity Risk</b>	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
<b>Salary Risk</b>	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

##### Actuarial Valuation

The above mentioned plans are valued by independent actuaries using the projected unit credit method. The information that follows is extracted from the actuarial reports of the subsidiaries. The independent actuaries who carried out the actuarial valuations as at 31<sup>st</sup> March, 2024 are as follows :-

1. M/s TransValue Consultants
2. Padma KKA Riana & Rekan
3. Aon Consulting Private Ltd
4. K.A.Pandit

The following tables summarise the components of net defined benefit expense recognised in the Consolidated Statement of Profit and Loss/ OCI and the funded status and amounts recognised in the Consolidated Balance Sheet for the respective plans :

	(₹ in Crores)					
	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>A Opening defined benefit obligation</b>	<b>259.18</b>	<b>243.66</b>	<b>1.47</b>	<b>1.44</b>	<b>37.47</b>	<b>33.68</b>
Obligation on acquisitions of a subsidiary	-	-	-	-	0.86	-
Current service cost	22.52	19.92	0.06	0.12	5.28	4.29
Interest cost	18.96	17.78	0.10	0.10	2.88	2.14
Past Service Cost	-	(0.89)	-	-	0.64	(0.03)
(Gain) on Curtailments/Settlements	-	-	-	-	-	(0.02)
<b>Amount included in Consolidated Statement of Profit and Loss</b>	<b>41.48</b>	<b>36.81</b>	<b>0.16</b>	<b>0.22</b>	<b>8.80</b>	<b>6.38</b>



Notes to the Consolidated Financial Statements (Contd.)

**NOTE 32 : EMPLOYEE BENEFITS (CONTD.)**

**1) Post-employment benefits : (Contd.)**

(₹ in Crores)

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
<b>Remeasurement (Gains)/Losses</b>						
Actuarial (Gain)/ Loss from changes in financial assumptions	4.52	(0.89)	0.02	-	(3.31)	(0.14)
Actuarial (Gain)/ Loss from changes in demographic assumptions	-	(0.03)	-	-	(0.12)	0.44
Experience adjustment (Gain) / Loss	(3.30)	2.17	(0.09)	0.10	2.24	(0.23)
<b>Amount included in Other Comprehensive Income</b>	<b>1.22</b>	<b>1.25</b>	<b>(0.07)</b>	<b>0.10</b>	<b>(1.19)</b>	<b>0.07</b>
Benefits paid	(17.14)	(22.54)	(0.26)	(0.29)	(3.79)	(3.69)
Exchange Difference on Foreign Plans	-	-	-	-	0.91	1.03
<b>Closing defined benefit obligation</b>	<b>284.74</b>	<b>259.18</b>	<b>1.30</b>	<b>1.47</b>	<b>43.06</b>	<b>37.47</b>
<b>B Opening fair value of plan assets</b>	<b>247.44</b>	<b>236.96</b>	-	-	-	-
Expected return on plan assets	18.09	16.20	-	-	-	-
<b>Amount included in Consolidated Statement of Profit and Loss</b>	<b>18.09</b>	<b>16.20</b>	-	-	-	-
Actuarial Gains/(loss)	8.56	(8.79)	-	-	-	-
<b>Amount included in Other Comprehensive Income</b>	<b>8.56</b>	<b>(8.79)</b>	-	-	-	-
Contributions by employer	22.94	25.50	-	-	-	-
Benefits paid	(17.14)	(22.43)	-	-	-	-
<b>Closing fair value of plan assets</b>	<b>279.89</b>	<b>247.44</b>	-	-	-	-
<b>C Amounts Recognised in the Balance Sheet</b>						
Closing defined benefit obligation	284.74	259.18	1.30	1.47	43.06	37.47
Closing fair value of plan assets	279.89	247.44	-	-	-	-
<b>Net Liability Recognised in the Balance Sheet</b>	<b>4.85</b>	<b>11.74</b>	<b>1.30</b>	<b>1.47</b>	<b>43.06</b>	<b>37.47</b>
<b>D Expense / (Income) recognised in :</b>						
Statement of Profit and Loss	23.39	20.61	0.16	0.22	8.80	6.38
Statement of Other Comprehensive Income	(7.34)	10.04	(0.07)	0.10	(1.19)	0.07
<b>E Weighted average duration of defined benefit obligation</b>	<b>6.9 to 10.83</b>	<b>7.12 to 10.84</b>	<b>10.57</b>	<b>10.49</b>	<b>7.34 to 15.63</b>	<b>6.91 to 15.85</b>
<b>F Maturity profile of defined benefit obligation</b>						
Within the next 12 months	27.42	23.05	0.15	0.28	5.46	4.78
Between 1 and 5 years	90.88	102.32	0.42	0.73	20.26	17.15
Between 5 and 10 years	179.31	186.90	0.57	0.67	21.74	18.94
10 years and above	325.17	302.93	0.47	0.45	136.39	135.82

**NOTE 32 : EMPLOYEE BENEFITS (CONTD.)**

**1) Post-employment benefits : (Contd.)**

The major categories of plan assets for the Parent Company are as follows :

(₹ in Crores)

	Gratuity (Funded Plan)	
	As at 31.03.2024	As at 31.03.2023
<b>Quoted</b>		
Government of India securities (Central and State)	127.81	121.45
High quality corporate bonds (including Public Sector Bonds)	102.16	91.64
Equity shares, Equity mutual funds and ETF	33.16	21.59
<b>Total (A)</b>	<b>263.13</b>	<b>234.68</b>
<b>Unquoted</b>		
Cash Balance	0.28	0.43
Others	5.70	4.52
<b>Total (B)</b>	<b>5.98</b>	<b>4.95</b>
<b>Total (A+B)</b>	<b>269.11</b>	<b>239.63</b>

The principal assumptions used in determining gratuity, pension and post-employment medical benefit obligations for the Group plans are shown below :

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Discount Rate	7.09% to 7.10%	7.30% to 7.31%	7.09%	7.31%	5.00% to 13.00%	5.00% to 16.00%
Salary Escalation Rate	All Grades-9% for first year 8% thereafter	All Grades-9% for first year 8% thereafter	-	-	5.00% to 15.00%	5.00% to 15.00%

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Crores)

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024*	As at 31.03.2023
Defined Benefit Obligation - Discount Rate + 100 basis points	(20.45)	(20.30)	(0.07)	(0.08)	(0.21)	(0.07)
Defined Benefit Obligation - Discount Rate - 100 basis points	23.64	22.39	0.08	0.09	0.23	0.07
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	19.94	21.43	-	-	0.12	#
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(19.03)	(20.07)	-	-	(0.11)	#

\* Sensitivity analysis does not include impact of overseas subsidiaries as the same is not material.

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

#### 1) Post-employment benefits (Contd.):

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Consolidated Balance Sheet.

The Group expects to make a contribution of ₹ 29.21 crores (Previous year - ₹ 34.27 crores) to the defined benefit plans during the next financial years.

#### e) Provident Fund

The provident fund assets and liabilities of the Parent Company is managed by its provident fund trusts. 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 Parent 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, 2024.

Participation by all employees in provident funds plans is mandatory. Contribution to Provident Fund is made @ 12% of salary (computed in accordance with the prevalent regulations) by the employee. Similarly, the Parent Company also contributes to the Provident Fund specified percentage of salary as per the prevalent regulations. Employees have the option to voluntarily contribute a higher amount.

The details of benefit obligation and plan assets of the provident funds is as given below :

	(₹ in Crores)	
	As at 31.03.2024	As at 31.03.2023
Present value of benefit obligation at period end	882.69	775.04
Plan assets at period end, at fair value, restricted to asset recognised in Balance Sheet	882.69	775.04

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM) :

	As at 31.03.2024	As at 31.03.2023
Discounting Rate	7.09%	7.27%
Expected Guaranteed interest rate	8.25%*	8.10%

\*Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2023-24 and the same is used for valuation purpose. The Trust has provisionally declared interest rate of 8.40% for FY 2023-24.

### NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

#### 2) Other Long term employee benefits :

##### Annual Leave and Sick Leave assumptions

The liability towards compensated absences (annual leave and sick leave) for the year ended 31<sup>st</sup> March, 2024 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in decrease in liability by ₹ 14.65 crores (Previous Year - increase by ₹ 11.35 crores).

##### (a) Financial Assumptions

	As at 31.03.2024	As at 31.03.2023
Discount Rate	5.00% to 17.73%	5.00% to 16.00%
Salary increases allowing for Price inflation	5.00% to 15.00%	5.00% to 15.00%

##### (b) Demographic Assumptions

	As at 31.03.2024	As at 31.03.2023
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover	1.80% to 40.00%	1.80% to 40.00%
Leave Availment Ratio	1.00% to 5.00%	2.00% to 5.00%

#### 3) Employee share based payment plans

During the year ended 31<sup>st</sup> March, 2021, the Group implemented Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"). The plan was approved by the shareholders in the Parent Company's 75<sup>th</sup> AGM held on 29<sup>th</sup> June, 2021. The 2021 Plan enables grant of stock options to the eligible employees of the Group and its subsidiaries not exceeding 25,00,000 Shares, which is 0.26 % of the paid up equity share capital of the Parent Company as on 12<sup>th</sup> May, 2021. Further, the stock options to any single employee under the Plan shall not exceed 5,00,000 Shares of the Company during the tenure of the Plan, subject to compliance with Applicable Law.

The options granted under 2021 Plan have a maximum vesting period of 4 years. The options granted are based on the performance of the employees during the year of the grant and their continuing to remain in service over the next 3 years. The process for determining the eligibility of employees for the grant of stock options under the 2021 Plan shall be determined by the Nomination and Remuneration Committee (Administrator of the 2021 Plan) in consultation with Managing Director & CEO and based on employee's grade, performance rating and such other criteria as may be considered appropriate. The employees shall be entitled to receive one equity share of the Parent Company on exercise of each stock option, subject to performance of the employees and continuation of employment over the vesting period. The exercise price for stock options granted are at a discount of 50% to the Reference Share Price (the average of the daily high and low of the volume weighted average prices of the Shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made) of the shares of the Parent Company as defined under 2021 Plan.

Further, the 2021 Plan replaced the existing Deferred Incentive Scheme (which provided for deferred cash pay-outs based on performance of the employees and satisfaction of vesting conditions). Pursuant to launch of 2021 Plan, the eligible employees were given option to convert existing deferred incentive benefit for FY 2020-21 into ESOPs. Accordingly, stock options were granted to those employees opting for ESOPs.

The Administrator approved secondary purchase of shares equivalent to the options granted in August 2021 through Asian Paints Employees Stock Ownership Trust ("ESOP Trust" or "Trust") which is shown as treasury shares in the Consolidated Statement of Changes in Equity.



**NOTE 32 : EMPLOYEE BENEFITS (CONTD.)**
**3) Employee share based payment plans (Contd.)**
**a) Details of stock options granted :**

	Grant Date	Vesting Date	Options outstanding at the beginning of the year	Options granted during the year	Options exercised during the year	Options forfeited during the year	Options lapsed during the year	Options outstanding at the end of the year	Exercisable at period end	Weighted Average remaining contractual life (years)
Grant 1	16 <sup>th</sup> August, 2021	31 <sup>st</sup> March 2024	97,532	-	1,670	-	1,654	94,208	94,208	1
Grant 2	16 <sup>th</sup> August, 2021	31 <sup>st</sup> March 2025 and 1 <sup>st</sup> April 2025	1,05,728	-	414	-	2,070	1,03,244	3,990	2
Grant 3	10 <sup>th</sup> February, 2022	31 <sup>st</sup> March 2025 and 1 <sup>st</sup> April 2025	3,741	238	-	-	129	3,850	73	2
Grant 4	6 <sup>th</sup> June, 2022	31 <sup>st</sup> March 2026 and 1 <sup>st</sup> April 2026	1,22,346	12,653	-	-	3,916	1,31,083	1,121	3
Grant 5	8 <sup>th</sup> September, 2022	31 <sup>st</sup> March 2026 and 1 <sup>st</sup> April 2026	6,312	-	-	-	344	5,968	-	3
Grant 6	19 <sup>th</sup> January, 2023	31 <sup>st</sup> March 2026 and 1 <sup>st</sup> April 2026	1,174	-	-	-	590	584	-	3
Grant 7	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March 2026 and 1 <sup>st</sup> April 2026	1,124	-	-	-	294	830	-	3

Weighted average exercise price for respective option series towards all the movement including opening and closing outstanding options.

**b) Fair Value of Stock Options granted :**

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

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend Yield	Fair Value at Grant Date (₹)	Market price at the time of grant of the option (₹)	Exercise price
	Zero Coupon Sovereign Bond Interest Rate equivalent for option life	Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period	Based on daily volatility for period equivalent for option life	Dividend yield is calculated as dividend paid in last FY divided by current share price			50% of Reference Share Price
Grant 1	5.07%	3.12 years	34.67%	0.60%	1,685.13	2,987.55	1,518.70
Grant 2	5.50%	4.12 years	32.17%	0.60%	1,752.87	2,987.55	1,518.70
Grant 3	5.57%	3.63 years	33.93%	0.55%	1,884.83	3,228.35	1,632.53
Grant 4	7.17%	4.32 years	33.76%	0.66%	1,768.00	2,886.90	1,478.00
Grant 5	7.08%	4.06 years	34.71%	0.56%	2,098.00	3,400.35	1,706.00
Grant 6	7.22%	3.69 years	34.75%	0.65%	1,769.00	2,945.25	1,505.00
Grant 7	7.28%	3.50 years	34.59%	0.69%	1,649.00	2,770.50	1,412.00

During the year, the Group has recognised an expense of ₹ 21.84 crores (Previous year - ₹ 13.38 crores).

**NOTE 33 : RELATED PARTY TRANSACTIONS**

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below :

**a) Associates :**

1) PPG Asian Paints Private Limited  
Wholly owned subsidiaries of PPG Asian Paints Private Limited :

- Revocoat India Private Limited
- PPG Asian Paints Lanka Private Limited \*

2) Obgenix Software Private Limited \*\*

\* The Company has ceased its business operations during the year 2022-23.

\*\*Associate upto 22<sup>nd</sup> June, 2023. On 23<sup>rd</sup> June, 2023, the Parent Company acquired further 11% equity share capital of Obgenix Software Private Limited. Accordingly, Obgenix Software Private Limited has become a subsidiary of the Parent Company.

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below :

**b) Key Managerial Personnel :**

Name	Designation
Amit Syngle	Managing Director & CEO
R J Jeyamurugan	CFO & Company Secretary
<b>Non-Executive Directors</b>	
Amrita Vakil	Late. Ashwin Dani (upto 28 <sup>th</sup> September, 2023)
Nehal Vakil	Deepak Satwalekar (Chairman - upto 30 <sup>th</sup> September, 2023)
Jigish Choksi	R Seshasayee (Chairman - w.e.f. 1 <sup>st</sup> October, 2023)
Malav Dani	Soumitra Bhattacharya (w.e.f. 26 <sup>th</sup> October, 2023)
Milind Sarwate	Pallavi Shroff (upto 31 <sup>st</sup> March, 2024)
Manish Choksi (Vice Chairman)	Suresh Narayanan (upto 31 <sup>st</sup> March, 2024)
Ireena Vittal (w.e.f. 25 <sup>th</sup> July, 2023)	Vibha Paul Rishi (upto 31 <sup>st</sup> March, 2024)

**c) Names of Close Family Members of Key Managerial Personnel (apart from those who are in employment of the Parent Company) where transactions have taken place during the year :**

Aashay Ashish Choksi	Ina Ashwin Dani	Richa Manish Choksi
ACC AP Trust	Ishwara Hasit Dani	Rita Mahendra Choksi
Ami Manish Choksi	Jalaj Ashwin Dani <sup>§</sup>	Rupal Anant Bhat
Anay Rupen Choksi	Late. Abhay Arvind Vakil	Rupen Ashwin Choksi
Asha Subhash Gujarathi	Late. Amar Arvind Vakil	Sanjay Rishi
Ashish Ashwin Choksi <sup>§</sup>	Late. Ashwin Suryakant Dani <sup>§</sup>	Satyen Ashwin Gandhi
Ashwin Ramanlal Gandhi	Mahendra Chimanlal Choksi <sup>§</sup>	Shailesh Chimanlal Choksi <sup>§</sup>
Bhairavi Abhay Vakil	Manish Mahendra Choksi <sup>§</sup>	Shalinie Syngle
Binita Ashish Choksi	Meghna Satyen Gandhi	Shubhlakshmi Hasit Dani
Chandanben Chhotalal Shah	Mudit Jalaj Dani	Smiti Jalaj Dani
Dipika Amar Vakil	Nyra Varun Vakil	Urvashi Ashwin Choksi
Druhi Ashish Choksi	Nysha Rupen Choksi	Vaibhavi Hireen Gandhi
Hasit Ashwin Dani <sup>§</sup>	Prafullika Shailesh Choksi	Vishal Shailesh Choksi
Hiren Ashwin Gandhi	Ragini Varun Vakil	Vita Jalaj Dani
Hrishav Varun Vakil	Rhea Manish Choksi	Vivek Abhay Vakil <sup>§</sup>

<sup>§</sup> includes HUF of which he is the karta

**NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)**
**d) Close family members of Key Managerial Personnel who are under the employment of the Parent Company and with whom transactions have taken place during the year :**

Varun Vakil \*\*

\*\* includes HUF of which he is the karta

**e) Entities where Key Managerial Personnel / Close family members of Key Managerial Personnel have control/ significant influence and where transactions have taken place during the year:**

Addverb Technologies Ltd. <sup>5</sup>	Hitech Specialities Solutions Ltd.	Resins and Plastics Ltd.
Ankleshwar Industrial Development Society	Hydra Trading Pvt. Ltd.	Ricinash Renewable Materials Pvt. Ltd.
AR Interact	Jalaj Trading And Investment Company Pvt. Ltd.	Rupen Investment and Industries Pvt. Ltd.
Asteroids Trading And Investments Pvt. Ltd.	Jaldhar Investments And Trading Company Pvt. Ltd.	Sattva Holding and Trading Pvt. Ltd.
Castle Investment & Industries Pvt. Ltd.	Lambodar Investments And Trading Company Ltd.	Satyadhama Investments And Trading Company Pvt Ltd.
Centaurus Trading And Investments Pvt. Ltd.	Lyon Investment and Industries Pvt. Ltd.	Shardul Amarchand Mangaldas & Co. ^
Dani Finlease Pvt. Ltd.	Murahar Investments And Trading Company Ltd.	Stack Pack Ltd.
Doli Trading and Investments Pvt. Ltd.	Navbharat Packaging Industries Pvt. Ltd.	Smiti Holding And Trading Company Pvt. Ltd.
Elcid Investments Ltd.	Nehal Trading and Investments Pvt. Ltd.	Sudhanva Investments And Trading Company Pvt.Ltd.
ELF Trading And Chemical Manufacturing Pvt. Ltd.	Paladin Paints And Chemicals Pvt. Ltd.	Suptaswar Investments And Trading Company Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Riash Renewable Materials Pvt. Ltd. <sup>@</sup>	Tru Trading And Investments Pvt. Ltd.
Gujarat Organics Pvt. Ltd. <sup>%</sup>	Piramal Swasthya Management and Research Institute	Unnati Trading And Investments Pvt. Ltd.
Hiren Holdings Pvt. Ltd.	Rayirth Holding And Trading Company Pvt. Ltd.	Vikatmev Containers Ltd.
Hitech Corporation Ltd.		

<sup>5</sup> Change in name w.e.f. 16<sup>th</sup> September, 2022 (formerly known as Addverb Technologies Pvt. Ltd.)

<sup>%</sup> Change in name w.e.f. 14<sup>th</sup> December, 2022 (formerly known as Gujarat Organics Ltd.).

<sup>@</sup> Formerly known as Riash Realty Pvt. Ltd. (till 26<sup>th</sup> October, 2022).

<sup>^</sup> Upto 31<sup>st</sup> March 2024.

**f) Other entities where significant influence exist :**
**i) Post employment-benefit plan entity :**

Asian Paints (I) Limited Employees' Gratuity Fund

Asian Paints Industrial Coatings Limited Employees' Gratuity Fund

**ii) Other :**

Asian Paints Office Provident Fund (Employee benefit plan)

Asian Paints Factory Employees' Provident Fund (Employee benefit plan)

Asian Paints Management Cadres' Superannuation Scheme (Employee benefit plan)

**NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)**
**f) Other entities where significant influence exist (Contd.) :**
**Terms and conditions of transactions with related parties :**

- The Group has been entering into transactions with related parties for its business purposes. The process followed for entering into transactions with related party is same as followed for unrelated party. Vendors are selected competitively having regard to strict adherence to quality, timely servicing and cost advantage. Further related party vendors provide additional advantages in terms of :
  - Supplying products primarily to the Group,
  - Advanced and innovative technology,
  - Customisation of products to suit the Group's specific requirements, and
  - Enhancement of the Group's purchase cycle and assurance of just in time supply with resultant benefits-- notably on working capital.
- The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.
- During the year ended 31<sup>st</sup> March, 2024, the Parent Company has recognised an amount of ₹ 18,052/- due from its associates (Previous year - NIL) as provision for doubtful receivables in Consolidated Statement of Profit and Loss.
- The assessment of receivables is undertaken in each financial year through examining the financial position of related parties, the market and regulatory environment in which related parties operate and is in accordance with the accounting policy of the Group.

**Compensation of key managerial personnel of the Parent Company :**

	(₹ in Crores)	
	Year 2023-24	Year 2022-23
Short-term employee benefits	30.45	29.10
Post-employment benefits	0.04	0.07
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
<b>Total compensation paid to key managerial personnel</b>	<b>30.49</b>	<b>29.17</b>



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)

#### Details of transactions with and balances outstanding of Associate Companies

Name of the related party	Nature of transaction	(₹ in Crores)			
		Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
PPG Asian Paints Private Limited	Revenue from Sale of Products	10.28	2.67	9.79	1.04
	Purchase of Goods	6.55	2.15	5.30	1.23
	Processing Income	2.84	1.98	11.42	2.86
	Royalty Income	3.56	0.29	3.76	0.32
	Other Non Operating Income	4.62	(0.14)	8.23	0.25
	Processing charges	-	-	#	-
	Reimbursement of Expenses Received	4.71	0.87	0.45	0.30
	Reimbursement of Expenses Paid	0.35	0.01	1.44	0.01
	Sale of Assets	0.18	-	-	-
	Purchase of Assets	0.01	-	-	-
	Dividend received	108.37	-	42.78	-
	Revocoat India Private Limited	Other Non Operating Income	0.05	0.01	0.17
Reimbursement of Expenses Received		0.06	0.01	-	-
Obgenix Software Private Limited *	Purchase of Goods	0.03	-	0.88	0.71
	Royalty Income	0.03	-	0.13	0.13
	Other Non Operating Income	0.62	-	1.06	0.26
	Reimbursement of Expenses Received	0.26	-	0.63	0.18

\* The transaction with Obgenix Software Private Limited is for the period during which it was an Associate Company.

#### Details of transactions with and balances outstanding of Key Managerial Personnel/Close Family Member of Key Managerial Personnel :

Name of the related party	Nature of transaction	(₹ in Crores)			
		Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Amit Syngle	Remuneration ^	18.82	8.82	18.40	10.19
	Dividend paid	#	-	#	-
	Revenue from Sale of Products	0.01	-	-	-
R J Jeyamurugan	Remuneration ^^	4.31	-	3.69	-
Amrita Vakil	Remuneration	0.56	0.43	0.55	0.42
	Dividend paid	6.78	-	5.11	-
Late. Ashwin Dani	Retiral benefits	0.04	-	0.07	-
	Remuneration	0.23	0.21	0.50	0.42
	Dividend paid	4.49	-	3.92	-
Deepak Satwalekar	Remuneration	0.27	0.25	0.62	0.50
Jigish Choksi	Remuneration	0.56	0.42	0.53	0.42
	Dividend paid	5.27	-	3.97	-
Malav Dani	Remuneration	0.58	0.45	0.57	0.44
	Dividend paid	8.90	-	6.58	-
Manish Choksi	Remuneration	0.63	0.46	0.63	0.46
	Dividend paid	6.31	-	4.75	-

### NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)

#### Details of transactions with and balances outstanding of Key Managerial Personnel/Close Family Members of Key Managerial Personnel (Contd.) :

Name of the related party	Nature of transaction	(₹ in Crores)			
		Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Milind Sarwate	Remuneration	0.65	0.48	0.63	0.48
	Dividend paid	#	-	#	-
Nehal Vakil	Remuneration	0.54	0.42	0.52	0.42
	Dividend paid	15.15	-	25.48	-
Pallavi Shroff	Remuneration	0.58	0.42	0.55	0.42
R Seshasayee	Remuneration	0.66	0.47	0.66	0.44
	Dividend paid	#	-	#	-
Suresh Narayanan	Remuneration	0.62	0.46	0.62	0.46
Vibha Paul Rishi	Remuneration	0.69	0.45	0.63	0.44
Ireena Vittal	Remuneration	0.43	0.28	-	-
Soumitra Bhattacharya	Remuneration	0.32	0.18	-	-
Varun Vakil (Close Family Members of KMP)	Remuneration	1.07	-	0.93	-
	Dividend paid	19.66	-	14.82	-
Rupal Anant Bhat (Close Family Members of KMP) *	Revenue from sale of products & services	0.05	(0.02)	-	(0.07)
	Dividend paid	5.08	-	3.83	-
Others *	Dividend paid	195.78	-	133.11	-

^ Remuneration does not include:

- Performance based incentive and Deferred incentive (Year 2023-24 - NIL, Year 2022-23 - ₹ 0.90 crores for previous years).
- Stock options (Year 2023-24 - ₹ 8.82 crores, Year 2022-23 - ₹ 5.49 crores) which will be subject to vesting conditions in accordance with the 2021 plan.

^^ Remuneration does not include:

- Performance based incentive and Deferred incentive (Year 2023-24 - NIL, Year 2022-23 - ₹ 0.16 crores paid for previous years).
- Stock options in lieu of eligible deferred incentive (Year 2023-24 - ₹ 0.59 crores, Year 2022-23 - ₹ 0.48 crores) which will be subject to vesting conditions in accordance with the 2021 plan.

\* Transaction with Close family member entered in FY 2023-24, advance for the same received disclosed for FY 2022-23.

\* Dividend paid to Close Family Members of Key Managerial Personnel has been shown under others, which are less than 10% of overall dividend paid to Related parties.

#### Details of transactions with and balances outstanding of Entities Controlled/significantly influenced by Key Managerial Personnel/Close Family Members of Key Managerial Personnel :

Name of the related party	Nature of transaction	(₹ in Crores)			
		Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
AR Interact	Issue of gift vouchers under marketing Schemes	#	#	-	-
Addverb Technologies Ltd.	Services Received	0.02	0.03	-	-
	Revenue from sale of products & services	0.37	0.20	-	-
Ankleshwar Industrial Development Society	Corporate Social Responsibility Expenses	0.09	(0.01)	-	-
	Services Received	0.15	-	0.11	(0.01)

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of Entities Controlled/significantly influenced by Key Managerial Personnel/Close Family Members of Key Managerial Personnel (Contd.):

Name of the related party	Nature of transaction	(₹ in Crores)			
		Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
ELF Trading And Chemical Manufacturing Pvt. Ltd.	Revenue from sale of products & services	1.06	0.03	0.63	(0.24)
	Dividend paid	5.57	-	4.20	-
Hitech Corporation Ltd.	Purchase of goods	451.93	110.54	470.80	106.38
Hitech Specialities Solutions Ltd.	Purchase of goods	0.05	0.01	6.96	0.01
Hydra Trading Pvt. Ltd.	Revenue from sale of products	-	-	0.11	-
Navbharat Packaging Industries Pvt. Ltd.	Purchase of goods	3.58	0.22	6.32	0.30
Paladin Paints And Chemicals Pvt. Ltd.	Purchase of goods	1.46	0.24	5.82	#
	Services Received	0.74	0.02	0.87	0.09
Piramal Swasthya Management and Research Institute	Corporate Social Responsibility Expenses	3.51	-	3.21	-
Resins and Plastics Ltd.	Purchase of goods	49.06	13.99	47.41	8.75
	Revenue from sale of products	0.11	0.01	0.15	0.02
Ricinash Renewable Materials Pvt. Ltd.	Purchase of goods	11.63	-	17.50	0.95
Shardul Amarchand Mangaldas & Co. *	Services Received	0.38	0.31	1.52	0.44
Stack Pack Ltd.	Purchase of goods	12.44	1.08	13.33	2.41
Vikatmev Containers Ltd.	Purchase of goods	17.91	1.59	21.22	1.02
	Dividend paid	0.29	-	0.22	-
Riash Renewable Materials Pvt. Ltd.	Revenue from sale of products & services	0.73	(1.31)	0.20	(0.88)
Sattva Holding and Trading Private Limited	Dividend paid	144.64	-	109.03	-
Smiti Holding And Trading Company Private Limited	Revenue from sale of products	-	-	0.14	-
	Dividend paid	146.10	-	110.12	-
Others **	Dividend paid	768.64	-	579.39	-

\*Upto 31<sup>st</sup> March, 2024.

\*\* Dividend paid to Entities Controlled/Significantly influenced by Directors/Close Family Members of Directors has been shown under others, which are less than 10% of overall dividend paid to Related parties.

### NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding for Other Entities where significant influence exist :

Name of the related party	Nature of transaction	(₹ in Crores)			
		Year 2023-24		Year 2022-23	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints (I) Limited Employees' Gratuity Fund *	Contributions during the year (includes Employees' share and contribution)	19.10	-	24.00	-
Asian Paints Industrial Coatings Limited Employees' Gratuity Fund *	Contributions during the year (includes Employees' share and contribution)	0.99	-	0.26	-
Asian Paints Office Provident Fund	Contributions during the year (includes Employees' share and contribution)	65.72	5.77	54.47	4.53
Asian Paints Factory Employees' Provident Fund	Contributions during the year (includes Employees' share and contribution)	42.21	3.68	39.82	3.27
Asian Paints Management Cadres Superannuation Scheme	Contributions during the year (includes Employees' share and contribution)	-	-	0.04	-

\* The Group pays to the employees on behalf of Trust which is subsequently reimbursed by the Trust. All the amounts reported in note 33 are inclusive of GST wherever applicable.

### NOTE 34 : PURSUANT TO IND AS-116 - LEASES, THE FOLLOWING INFORMATION IS DISCLOSED :

#### i) Assets given on operating leases

- Certain subsidiaries have provided tinting systems to its dealers on an operating lease basis. The lease period is four years. The lease rentals are payable monthly by the dealers. A refundable security deposit is collected at the time of signing the agreement.
- Future minimum lease rentals receivable as per the lease agreements are as follows:

	(₹ in Crores)	
	As at 31.03.2024	As at 31.03.2023
Not later than 1 year	0.02	0.02
Later than 1 year and not later than 5 years	#	0.05
Later than 5 years	-	-
<b>Total</b>	<b>0.02</b>	<b>0.07</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.

- The initial direct cost relating to acquisition of tinting system is capitalised.
- The information on gross amount of leased assets, depreciation and impairment is given in note 2A.



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 34 : PURSUANT TO IND AS-116 - LEASES, THE FOLLOWING INFORMATION IS DISCLOSED (CONTD.):

#### II) Assets given on finance lease

- a) A subsidiary has given some of its plant and equipment on finance lease which effectively transferred substantially all of the risks and benefits incidental to the ownership.
- b) The total gross investment in these leases and the present value of minimum lease payment receivable as on 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023 is as under :

(₹ in Crores)

	As at 31.03.2024			As at 31.03.2023		
	Gross investments in lease	Unearned finance income	Present value receivables	Gross investments in lease	Unearned finance income	Present value receivables
Not later than 1 year	0.32	0.02	0.30	0.46	0.01	0.45
Later than 1 year and not later than 5 years	-	-	-	-	-	-
Later than 5 years	-	-	-	-	-	-
<b>Total</b>	<b>0.32</b>	<b>0.02</b>	<b>0.30</b>	<b>0.46</b>	<b>0.01</b>	<b>0.45</b>

### NOTE 35 : SEGMENT REPORTING

The Group is primarily engaged in the business of 'Paints and Home Decor'. There is no separate reportable segment as per Ind AS 108 - Operating Segments.

### NOTE 36 : INVESTMENT IN ASSOCIATE COMPANIES

#### a) PPG Asian Paints Private Limited

The Group has 50% interest in PPG Asian Paints Private Limited, which is involved in the manufacture of original equipment manufacturer coatings. PPG Asian Paints Private Limited is a private entity that is not listed on any public exchange. The Group's interest in PPG Asian Paints Private Limited is accounted for using the equity method in the Consolidated Financial Statements. The following table illustrates the summarised financial information of the Group's investment in PPG Asian Paints Private Limited :

(₹ in Crores)

	As at 31.03.2024	As at 31.03.2023
Current Assets	1,137.13	1,068.94
Non-current Assets	478.36	472.71
Current Liabilities	(405.09)	(374.10)
Non-current Liabilities	(44.13)	(47.25)
<b>Equity</b>	<b>1,166.27</b>	<b>1,120.30</b>
<b>Proportion of the Group's ownership interest</b>	<b>50%</b>	<b>50%</b>
<b>Carrying amount of the Group's interest*</b>	<b>583.13</b>	<b>560.15</b>
Dividend received during the year	108.37	42.78

\* Includes share of capital reserve and other reserves in Associate Company amounting to ₹ 0.10 crores (Previous year - ₹ 0.12 crores) (Refer note 14)

### NOTE 36 : INVESTMENT IN ASSOCIATE COMPANIES (CONTD.)

#### a) PPG Asian Paints Private Limited (contd.)

(₹ in Crores)

	Year 2023-24	Year 2022-23
Total Income	2,050.51	1,849.65
Cost of raw material and components consumed	(1,204.83)	(1,179.97)
Depreciation & amortisation	(42.79)	(47.42)
Finance cost	(2.54)	(3.51)
Employee benefit	(166.00)	(144.83)
Other expenses	(278.31)	(238.26)
<b>Profit before tax</b>	<b>356.04</b>	<b>235.66</b>
Income tax expense	(91.13)	(59.28)
<b>Profit for the year</b>	<b>264.91</b>	<b>176.38</b>
Other comprehensive income	(2.43)	(1.68)
<b>Total comprehensive income for the year</b>	<b>262.48</b>	<b>174.70</b>
<b>Group's share of profit for the year</b>	<b>132.45</b>	<b>88.19</b>
<b>Group's share of Other Comprehensive Income for the year</b>	<b>(1.22)</b>	<b>(0.84)</b>
<b>Group's Total Comprehensive Income for the year</b>	<b>131.23</b>	<b>87.35</b>

#### The Associate had the following contingent liabilities and capital commitments :

##### a. Contingent Liabilities

(₹ in Crores)

	As at 31.03.2024	As at 31.03.2023
<b>Claims against the Company not acknowledged as debts</b>		
<b>i. Tax matters in dispute under appeal</b>		
- Income Tax	149.72	131.79
- Value Added Tax, Central Sales Tax and GST	13.09	17.42
<b>Total</b>	<b>162.81</b>	<b>149.21</b>

##### b. Capital Commitments

(₹ in Crores)

	As at 31.03.2024	As at 31.03.2023
<b>Estimated amount of contracts remaining to be executed on capital account and not provided for</b>		
<b>i. Towards Property, Plant and Equipment</b>	<b>6.20</b>	<b>1.88</b>

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 36 : INVESTMENT IN ASSOCIATE COMPANIES (CONTD.)

#### b) Obgenix Software Private Limited

During the last year, the Parent Company had acquired 49% interest in Obgenix Software Private Limited (White Teak), which is involved in designer and decorative lighting space (Refer note 41(b)). White Teak is a private entity that is not listed on any public exchange. On 23<sup>rd</sup> June, 2023, the Parent Company has further acquired 11% of the equity share capital from the existing shareholders of White Teak. The Parent Company now holds 60% of the equity share capital of White Teak, by virtue of which White Teak has become a subsidiary of the Parent Company and it ceased to be an Associate Company for the Group. The Group's interest in White Teak is accounted for using the equity method in the Consolidated Financial Statements till 30<sup>th</sup> June 2023. The following table illustrates the summarised financial information of the Group's investment in White Teak :

(₹ in Crores)		
	As at 31.03.2023	
Current Assets	33.78	
Non-current Assets	31.94	
Current Liabilities	(27.11)	
Non-current Liabilities	(14.01)	
<b>Equity</b>	<b>24.60</b>	
<b>Proportion of the Group's ownership interest</b>	<b>49%</b>	
<b>Group's share of net assets</b>	<b>12.05</b>	
<b>Intangible assets (including goodwill)</b>	<b>209.53</b>	
<b>Carrying amount of the Group's interest</b>	<b>221.58</b>	

(₹ in Crores)		
	Year 2023-24*	Year 2022-23
Total Income	26.14	109.02
Cost of material consumed	(8.94)	(38.36)
Depreciation & amortisation	(2.71)	(11.48)
Finance cost	(0.80)	(3.66)
Employee benefit	(4.89)	(15.74)
Other expenses	(7.26)	(24.22)
<b>Profit before tax</b>	<b>1.54</b>	<b>15.56</b>
Income tax expense	(0.39)	(4.01)
<b>Profit for the year</b>	<b>1.15</b>	<b>11.55</b>
Other comprehensive income	0.05	0.07
<b>Total comprehensive income for the year</b>	<b>1.20</b>	<b>11.62</b>
<b>Group's share of profit for the year</b>	<b>0.55</b>	<b>5.66</b>
<b>Group's Other Comprehensive Income for the year</b>	<b>0.03</b>	<b>0.03</b>
<b>Group's Total Comprehensive Income for the year</b>	<b>0.58</b>	<b>5.69</b>

\*Upto 30<sup>th</sup> June 2023.

White Teak has no contingent liabilities and capital commitments as at 31<sup>st</sup> March, 2023.

### NOTE 37 : DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND ASSOCIATES AS PER SCHEDULE III OF COMPANIES ACT, 2013 :

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		OCI		TCI	
	Year 2023-24		Year 2023-24		Year 2023-24		Year 2023-24	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profit or loss	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
<b>Parent Company</b>								
Asian Paints Limited	94.9	18,425.09	95.7	5,321.55	86.4	27.60	95.7	5,349.15
<b>Indian Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
Asian Paints Industrial Coatings Limited	0.3	50.18	0.1	3.90	(0.5)	(0.16)	0.1	3.74
Maxbhumi Developers Limited*	0.1	13.31	0.0	0.65	-	-	0.0	0.65
Sleek International Private Limited*	0.5	99.10	(0.1)	(5.43)	(0.5)	(0.15)	(0.1)	(5.58)
Asian Paints PPG Private Limited	1.0	182.32	0.9	50.09	(0.4)	(0.14)	0.9	49.95
Weatherseal Fenestration Private Limited*	(0.0)	(1.48)	(0.2)	(9.39)	(0.0)	(0.00)	(0.2)	(9.39)
Asian Paints (Polymers) Private Limited*	1.6	301.08	0.1	3.36	-	-	0.1	3.36
Obgenix Software Private Limited*	0.1	16.07	0.0	1.22	(0.7)	(0.23)	0.0	0.99
Harind Chemicals and Pharmaceuticals Private Limited*	0.0	9.16	0.0	0.56	(0.2)	(0.06)	0.0	0.50
<b>Indirect Subsidiaries</b>								
Nova Surface-Care Centre Private Limited*	0.0	0.28	0.0	1.04	-	-	0.0	1.04
<b>Foreign Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
Asian Paints (Nepal) Private Limited	1.1	218.61	0.4	21.19	-	-	0.4	21.19
Asian Paints International Private Limited	1.8	338.96	(1.1)	(67.19)	-	-	(1.1)	(67.19)
Asian White Cement Holding Limited*	0.6	110.31	0.1	(0.42)	-	-	0.1	(0.42)
<b>Indirect Subsidiaries</b>								
Samoa Paints Limited	0.0	4.62	0.0	0.95	-	-	0.0	0.95
Asian Paints (South Pacific) Pte Limited	0.2	40.59	0.1	8.11	-	-	0.1	8.11
Asian Paints (S.I) Limited	0.0	5.14	0.1	3.93	-	-	0.1	3.93
Asian Paints (Vanuatu) Limited	0.0	3.73	0.0	0.83	-	-	0.0	0.83
Asian Paints (Middle East) SPC	0.9	181.34	0.9	51.14	3.8	1.23	0.9	52.37
Asian Paints (Bangladesh) Limited	0.5	98.01	0.2	9.56	2.6	0.84	0.2	10.40
SCIB Chemicals S.A.E.	0.1	23.93	0.1	4.22	-	-	0.1	4.22
Berger Paints Bahrain W.L.L.	0.2	45.76	0.3	17.29	(1.4)	(0.43)	0.3	16.86
Berger Paints Emirates LLC	0.2	45.79	(0.0)	(2.01)	5.5	1.77	(0.0)	(0.24)
Nirvana Investments Limited	0.0	1.42	-	-	-	-	-	-
Enterprise Paints Limited	(0.1)	(15.15)	0.0	1.16	-	-	0.0	1.16
Universal Paints Limited	0.1	22.64	0.3	18.03	-	-	0.3	18.03



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 37 : DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND ASSOCIATES AS PER SCHEDULE III OF COMPANIES ACT, 2013 (CONTD.):

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		OCI		TCI	
	Year 2023-24		Year 2023-24		Year 2023-24		Year 2023-24	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profit or loss	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Kadisco Paint and Adhesive Industry Share Company	0.3	65.07	0.5	26.38	(0.1)	(0.03)	0.5	26.35
PT Asian Paints Indonesia	0.8	161.94	(1.0)	(56.67)	0.8	0.25	(1.0)	(56.42)
PT Asian Paints Color Indonesia	0.0	0.65	(0.0)	(0.21)	-	-	(0.0)	(0.21)
Causeway Paints Lanka (Pvt) Ltd	1.0	192.13	0.4	23.80	0.9	0.28	0.4	24.08
Asian White Inc. FZE*	0.5	106.16	(0.0)	(1.56)	-	-	(0.1)	(1.56)
Asian Paints Doha Trading WLL*	0.0	1.43	(0.0)	(0.86)	-	-	(0.0)	(0.86)
<b>Minority Interests in all subsidiaries</b>	<b>3.6</b>	<b>695.38</b>	<b>1.7</b>	<b>97.46</b>	<b>(31.9)</b>	<b>(10.18)</b>	<b>1.5</b>	<b>87.28</b>
<b>Associate</b>								
<b>Indian</b>								
PPG Asian Paints Private Limited (Consolidated)	3.0	583.13	2.4	132.45	(3.8)	(1.22)	2.3	131.23
Obgenix Software Private Limited*	-	-	0.0	0.55	0.1	0.03	0.0	0.58
Consolidation adjustments and Foreign Currency Translation Reserve (FCTR)	(13.3)	(2,603.02)	(1.9)	(97.99)	39.3	12.56	(1.5)	(85.43)
<b>Total</b>	<b>100.0</b>	<b>19,423.68</b>	<b>100.0</b>	<b>5,557.69</b>	<b>100.0</b>	<b>31.96</b>	<b>100.0</b>	<b>5,589.65</b>

\* Refer note 41

**Note :** The above figures are before eliminating intragroup transactions and intragroup balances as at 31<sup>st</sup> March, 2024. Total of intragroup adjustments (including Foreign Currency Translation Reserve) is shown as separate line item.

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		OCI		TCI	
	Year 2022-23		Year 2022-23		Year 2022-23		Year 2022-23	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profit or loss	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
<b>Parent Company</b>								
Asian Paints Limited	94.8	15,585.56	97.7	4,100.18	516.5	67.35	99.0	4,167.53
<b>Indian Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
Asian Paints Industrial Coatings Limited	0.3	46.45	0.0	1.57	0.4	0.05	0.0	1.62
Maxbhumi Developers Limited	0.1	12.67	0.0	0.20	-	-	0.0	0.20
Sleek International Private Limited	0.6	104.67	(0.7)	(28.10)	0.9	0.12	(0.7)	(27.98)
Asian Paints PPG Private Limited	0.8	132.37	0.7	31.36	(0.8)	(0.11)	0.7	31.25
Weatherseal Fenestration Private Limited *	0.0	7.91	(0.0)	(1.70)	-	-	(0.0)	(1.70)
Asian Paints (Polymers) Private Limited*	1.2	197.72	(0.1)	(2.28)	-	-	(0.1)	(2.28)

### NOTE 37 : DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND ASSOCIATES AS PER SCHEDULE III OF COMPANIES ACT, 2013 (CONTD.):

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		OCI		TCI	
	Year 2022-23		Year 2022-23		Year 2022-23		Year 2022-23	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profit or loss	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
<b>Foreign Subsidiaries</b>								
<b>Direct Subsidiaries</b>								
Asian Paints (Nepal) Private Limited	1.3	211.69	1.2	50.36	-	-	1.2	50.36
Asian Paints International Private Limited	2.5	406.24	(10.4)	(440.10)	-	-	(10.4)	(440.10)
<b>Indirect Subsidiaries</b>								
Samoa Paints Limited	0.0	3.61	0.0	0.77	-	-	0.0	0.77
Asian Paints (South Pacific) Pte Limited	0.2	36.43	0.2	6.46	-	-	0.2	6.46
Asian Paints (S.I) Limited	0.0	5.30	0.1	3.49	-	-	0.1	3.49
Asian Paints (Vanuatu) Limited	0.0	2.87	0.0	0.71	-	-	0.0	0.71
Asian Paints (Middle East) SPC	0.9	144.68	0.6	24.89	2.5	0.33	0.6	25.22
Asian Paints (Bangladesh) Limited	0.5	88.15	(0.7)	(27.47)	(1.4)	(0.18)	(0.7)	(27.65)
SCIB Chemicals S.A.E.	0.2	33.36	0.1	2.75	-	-	0.1	2.75
Berger Paints Bahrain W.L.L.	0.3	45.87	0.3	13.91	1.0	0.13	0.3	14.04
Berger Paints Emirates LLC	0.3	47.11	(0.4)	(16.74)	(1.0)	(0.13)	(0.4)	(16.87)
Nirvana Investments Limited	0.0	2.55	-	-	-	-	-	-
Enterprise Paints Limited	(0.1)	(15.72)	-	-	-	-	-	-
Universal Paints Limited	0.1	22.08	0.3	13.36	-	-	0.3	13.36
Kadisco Paint and Adhesive Industry Share Company	0.2	40.54	0.2	9.02	(1.1)	(0.14)	0.2	8.88
PT Asian Paints Indonesia	1.0	164.56	(1.5)	(63.58)	2.1	0.27	(1.5)	(63.31)
PT Asian Paints Color Indonesia	0.0	0.89	(0.0)	(0.25)	-	-	(0.0)	(0.25)
Causeway Paints Lanka (Pvt) Ltd	1.0	159.07	1.1	45.40	(1.4)	(0.18)	1.1	45.22
<b>Minority Interests in all subsidiaries</b>	<b>2.8</b>	<b>453.66</b>	<b>2.1</b>	<b>88.88</b>	<b>(87.9)</b>	<b>(11.46)</b>	<b>1.8</b>	<b>77.42</b>
<b>Associate</b>								
<b>Indian</b>								
PPG Asian Paints Private Limited (Consolidated)	3.4	560.15	2.1	88.19	(6.1)	(0.80)	2.1	87.39
Obgenix Software Private Limited *	1.3	221.58	0.1	5.67	0.2	0.03	0.1	5.70
Consolidation adjustments and Foreign Currency Translation Reserve (FCTR)	(13.7)	(2,276.13)	7.0	288.38	(323.9)	(42.24)	6.0	246.14
<b>Total</b>	<b>100.0</b>	<b>16,445.89</b>	<b>100.0</b>	<b>4,195.33</b>	<b>100.0</b>	<b>13.04</b>	<b>100.0</b>	<b>4,208.37</b>

\* Refer note 41

**Note :** The above figures are before eliminating intragroup transactions and intragroup balances as at 31<sup>st</sup> March, 2023. Total of intragroup adjustments (including Foreign Currency Translation Reserve) is shown as separate line item.

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 38 : DETAILS OF SUBSIDIARIES AND ASSOCIATES

#### A. Subsidiaries :

The subsidiary companies considered in the Consolidated Financial Statements are :

##### i) Direct Subsidiaries

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023	Accounting period
Asian Paints (Nepal) Private Limited	Nepal	52.71	52.71	15 <sup>th</sup> Mar 2023 -13 <sup>th</sup> Mar 2024
Asian Paints International Private Limited (APIPL)	Singapore	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Asian Paints Industrial Coatings Limited	India	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Maxbhumi Developers Limited (Refer note 41(f))	India	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Sleek International Private Limited (Refer note 41(f))	India	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Asian Paints PPG Private Limited	India	50.00	50.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Weatherseal Fenestration Private Limited (Refer note 41(a))	India	51.00	51.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Asian Paints (Polymers) Private Limited (Refer note 41(c))	India	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Obgenix Software Private Limited (Refer note 41(b))	India	60.00	49.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Asian White Cement Holding Limited (Refer note 41(d))	U.A.E.	70.00	-	2 <sup>nd</sup> May 2023 -31 <sup>st</sup> Mar 2024
Harind Chemicals and Pharmaceuticals Private Limited (Refer note 41(e))	India	51.00	-	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024

##### ii) Indirect Subsidiaries

###### a) Subsidiaries of Asian Paints (International) Private Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023	Accounting period
Enterprise Paints Limited	Isle of Man, U.K.	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Universal Paints Limited	Isle of Man, U.K.	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Kadisco Paint and Adhesive Industry Share Company	Ethiopia	51.00	51.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
PT Asian Paints Indonesia	Indonesia	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
PT Asian Paints Color Indonesia	Indonesia	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Asian Paints (South Pacific) Pte Limited	Republic of Fiji	54.07	54.07	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Asian Paints (S.I) Limited	Solomon Islands	75.00	75.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Asian Paints (Bangladesh) Limited^	Bangladesh	95.09	95.09	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Asian Paints (Middle East) SPC	Sultanate of Oman	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
SCIB Chemicals S.A.E.	Egypt	61.31	61.31	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Samoa Paints Limited	Samoa	80.00	80.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Asian Paints(Vanuatu) Limited	Republic of Vanuatu	60.00	60.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Causeway Paints Lanka (Pvt) Ltd	Sri Lanka	99.98	99.98	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
Asian Paints Doha Trading W.L.L. (Refer note 41(g))	Qatar	100.00	-	5 <sup>th</sup> Nov 2023 -31 <sup>st</sup> Mar 2024
A P International Doha Trading W.L.L.®	Qatar	100.00	100.00	-

^ On 13<sup>th</sup> December 2022, APIPL subscribed to right issue of Asian Paints (Bangladesh) Limited, subsidiary of APIPL, thereby increasing stake by 5.31%.

® Yet to commence operations

### NOTE 38 : DETAILS OF SUBSIDIARIES AND ASSOCIATES (CONTD.)

#### A. Subsidiaries (Contd.) :

##### ii) Indirect Subsidiaries (Contd.)

###### b) Subsidiary of Enterprise Paints Limited :

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023	Accounting period
Nirvana Investments Limited	Isle of Man, U.K.	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024

###### c) Subsidiary of Nirvana Investments Limited :

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023	Accounting period
Berger Paints Emirates LLC	U.A.E.	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024

###### d) Subsidiary of Universal Paints Limited :

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023	Accounting period
Berger Paints Bahrain W.L.L.	Bahrain	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024

###### e) Subsidiary of Asian White Cement Holding Limited :

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023	Accounting period
Asian White Inc. FZE (Refer note 41(d))	U.A.E.	100.00	-	26 <sup>th</sup> Jun 2023 -31 <sup>st</sup> Mar 2024

###### f) Subsidiary of Harind Chemicals and Pharmaceuticals Private Limited :

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023	Accounting period
Nova Surface-Care Centre Private Limited (Refer note 41(e))	India	100.00	-	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024

#### B. Associates :

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2024	% of Holding as at 31.03.2023	Accounting period
PPG Asian Paints Private Limited	India	50.00	50.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
<b>Subsidiaries of PPG Asian Paints Private Limited :</b>				
Revocoat India Private Limited	India	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024
PPG Asian Paints Lanka Private Limited**	Sri Lanka	100.00	100.00	1 <sup>st</sup> Apr 2023 -31 <sup>st</sup> Mar 2024

\*\* The Company has ceased its business operations during the year 2022-23.



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 39 : EXCEPTIONAL ITEMS

	(₹ in Crores)	
	Year 2023-2024	Year 2022-2023
1. Exchange loss on devaluation of Sri Lanka currency <sup>§</sup>	-	24.21
2. Impairment loss on Goodwill on consolidation in Causeway Paints <sup>^</sup>	-	24.66
	-	<b>48.87</b>

<sup>§</sup> The economic crisis in Sri Lanka led to currency devaluation for the year ended 31<sup>st</sup> March, 2023. This has resulted in recognition of an expense of ₹ 24.21 crores towards exchange loss arising on foreign currency obligations of Causeway Paints Lanka (Pvt) Ltd (Causeway Paints), subsidiary of the Group, for the year ended 31<sup>st</sup> March, 2023.

<sup>^</sup> The Group had made an assessment of the fair value of investment made in Causeway Paints taking into account the business performance, prevailing business conditions and revised expectations of the future performance considering economic crisis in Sri Lanka. Accordingly, for the year ended 31<sup>st</sup> March, 2023, the Group had recognised an impairment loss of ₹ 24.66 crores on the 'Goodwill on Consolidation', recognised on acquisition of Causeway Paints.

### NOTE 40 :

A competitor of the Parent Company had filed a complaint with the Competition Commission of India (CCI) alleging the Parent Company to be hindering its entry in the decorative paints market by virtue of unfair use of the Parent Company's position of dominance in the market. The CCI had passed a prima facie Order dated 14<sup>th</sup> January, 2020 directing the Director General ("DG") to conduct an investigation against the Parent Company under the provisions of the Competition Act, 2002. The DG submitted a detailed report to the CCI. Based on the findings of the DG's report and after hearing both the parties, the CCI passed a favourable order on 8<sup>th</sup> September, 2022 dismissing the allegations relating to abuse of dominance and anti-competitive agreements made by the competitor. The competitor has now filed an appeal against CCI's order before the National Company Law Appellate Tribunal. The said appeal is pending for hearing.

### NOTE 41 : MERGERS, ACQUISITIONS AND INCORPORATIONS

#### (a) Equity infusion in Weatherseal Fenestration Private Limited (Weatherseal):

During the previous year on 14<sup>th</sup> June, 2022, the Parent Company subscribed to 51% of the equity share capital of Weatherseal for a cash consideration of ₹ 18.84 crores. Accordingly, Weatherseal became a subsidiary of the Parent Company. Weatherseal is engaged in the business of interior decoration/furnishing, including manufacturing uPVC windows and door systems. The acquisition will enable the Group to widen its offerings in the home decor space and is a step forward in the foray of being a complete home décor solution provider.

In accordance with the Shareholders Agreement and Share Subscription Agreement, the Parent Company has agreed to acquire further stake of 23.9% in Weatherseal from its promoter shareholders, in a staggered manner. The Parent Company has also entered into a put contract for acquisition of 25.1% stake in Weatherseal. Accordingly, on the day of acquisition, a gross obligation towards acquisition is recognised for the same, initially measured at ₹ 18.08 crores. On 31<sup>st</sup> March, 2024, fair value of such gross obligation is ₹ 9.53 crores (on 31<sup>st</sup> March, 2023 - ₹ 21.46 crores). Fair valuation gain of ₹ 11.93 crores is recognised in the Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2024 (Previous Year - fair valuation loss of ₹ 3.38 crores).

#### (b) Acquisition of stake in Obgenix Software Private Limited

The Parent Company entered into Share Purchase Agreement and other definitive documents (agreement) with the shareholders of Obgenix Software Private Limited (popularly known by the brand name of 'White Teak') on 1<sup>st</sup> April, 2022. White Teak is engaged in designing, trading or otherwise dealing in all types and description of decorative lighting products and fans, etc. The acquisition will enable the Group to widen its offerings in the home decor space and is a step forward in the foray of being a complete home décor solution provider.

During previous year, on 2<sup>nd</sup> April, 2022, the Parent Company acquired 49% of the equity share capital of White Teak on for a cash consideration of ~ ₹ 180 crores along with an earn out, payable after a year, subject to achievement of mutually agreed financial milestones. Accordingly, White Teak became an associate of the Group. On 31<sup>st</sup> March, 2023, fair value of earn out was ₹ 58.97 crores.

### NOTE 41 : MERGERS, ACQUISITIONS AND INCORPORATIONS (CONTD.)

#### (b) Acquisition of stake in Obgenix Software Private Limited (Contd.)

During the year, on 23<sup>rd</sup> June, 2023, the Parent Company has further acquired 11% of the equity share capital of White Teak from the existing shareholders of White Teak for a consideration of ₹ 53.77 crores. The Parent Company holds 60% of the equity share capital of White Teak, by virtue of which White Teak has become a subsidiary of the Parent Company. On such date, the fair value of earnout stood at ₹ 59.45 crores which was paid to the promoters of White Teak. Fair valuation loss towards earnout paid of ₹ 0.48 crores has been recognised in the Consolidated Statement of Profit & Loss (Previous Year - ₹ 5.17 crores).

In accordance with the agreement, the remaining 40% of the equity share capital would be acquired in the FY 2025-26. Accordingly, on the day of acquisition, gross obligation towards further stake acquisition is recognised for the same, initially measured at ₹ 225.92 crores. On 31<sup>st</sup> March, 2024, fair value of such gross obligation is ₹ 186.22 crores. Fair valuation gain of ₹ 39.70 crores is recognised in the Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2024.

	(₹ in Crores)
<b>Assets acquired and liabilities assumed on acquisition date :</b>	<b>30<sup>th</sup> June, 2023</b>
Property, plant and equipment	9.13
Intangible Assets	220.06
Right-of-Use Assets	34.06
Income Tax Assets (Net)	0.01
Deferred Tax Assets	2.21
Inventories	24.54
Financial Assets	
Trade Receivables	7.47
Cash and bank balances	0.72
Other Financial Assets	4.43
Other Current Assets	4.03
<b>Total Assets</b>	<b>306.66</b>
Provisions	1.63
Deferred Tax Liabilities	1.09
Financial Liabilities	
Borrowings	13.86
Lease Liabilities	35.11
Trade payables and other liabilities	7.92
Other payables	2.35
<b>Total Liabilities</b>	<b>61.96</b>
<b>Net assets acquired</b>	<b>244.70</b>

Trade receivable of ₹ 7.47 crores represent the gross contractual amounts. There are no contractual cash flows not expected to be collected on the acquisition date.

	(₹ in crores)
<b>Goodwill arising on acquisition of stake in White Teak</b>	<b>30<sup>th</sup> June, 2023</b>
Cash consideration transferred (i)	53.77
Net Fair Value of Derivative Asset and Liability (ii)	2.27
Fair Value of 49% stake held in White Teak, as on the acquisition date (iii)	256.11
<b>Total consideration transferred [(iv) = (i) + (ii) + (iii)]</b>	<b>312.15</b>
Fair Value of identified assets acquired (v)	244.70
Group share of fair value of identified assets acquired (vi)	146.82
<b>Group share of Goodwill arising on acquisition of White Teak [(iv)-(vi)]</b>	<b>165.33</b>

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 41 : MERGERS, ACQUISITIONS AND INCORPORATIONS (CONTD.)

#### (b) Acquisition of stake in Obgenix Software Private Limited (Contd.)

The goodwill of ₹ 165.33 crores comprises value of acquired workforce, revenue growth, future market developments and expected synergies arising from the business combination.

Gain of ₹ 33.96 crores on remeasurement of fair value of 49% stake held in White Teak is recognised under Other Income in the Consolidated Statement of Profit and Loss.

	(₹ in crores)
<b>Net cash outflow on acquisition</b>	<b>30<sup>th</sup> June, 2023</b>
Cash consideration transferred	53.77
Less : Cash and cash equivalent acquired (including overdraft)	(7.92)
<b>Net cash and cash equivalent outflow</b>	<b>61.69</b>

The amount of non-controlling interest recognised at the acquisition date was ₹ 97.88 crores, measured at non-controlling interest's proportionate share in the recognised amounts of White Teak's identifiable net assets.

#### Impact of acquisition on the results of the Group :

Revenue from operations of ₹ 107.46 crores and Profit after tax of ₹ 1.22 crores of White Teak has been included in the current year's Consolidated Statement of Profit and Loss. If the acquisition had occurred on 1<sup>st</sup> April, 2023, consolidated revenue of the Group would have been higher by ₹ 25.96 crores, and consolidated profit of the Group for the year would have been higher by ₹ 0.59 crores.

No material acquisition costs were charged to the Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2024.

#### (c) Incorporation of Asian Paints (Polymers) Private Limited :

On 11<sup>th</sup> January, 2023, the Parent Company incorporated a wholly owned subsidiary named Asian Paints (Polymers) Private Limited ('APPPL') for manufacturing of Vinyl Acetate Monomer and Vinyl Acetate Ethylene Emulsion in India. The Parent Company had invested ₹ 200.00 crores in equity share capital of APPPL in the previous year.

On 26<sup>th</sup> June, 2023, the Parent Company has further infused ₹ 100.00 crores as equity share capital into APPPL. As on 31<sup>st</sup> March, 2024, equity share capital of APPPL stands at ₹ 300.00 crores.

#### (d) Incorporation of Asian White Cement Holding Limited :

On 2<sup>nd</sup> May, 2023, an investment holding subsidiary company, namely, Asian White Cement Holding Limited ('AWCHL') was incorporated in Dubai International Financial Centre, United Arab Emirates (UAE), for the purpose of setting up an operating company in Fujairah, UAE. The Parent Company holds 70% of equity share capital in AWCHL and has infused equity share capital of ₹ 94.70 crores during the year.

On 26<sup>th</sup> June, 2023, AWCHL has incorporated a wholly owned subsidiary company, namely, Asian White Inc. FZE in Fujairah Free Zone, UAE, for the purpose of carrying out the business of manufacturing, trading and export of white cement.

#### (e) Acquisition of stake in Harind Chemicals and Pharmaceuticals Private Limited :

On 20<sup>th</sup> October 2022, the Parent Company had entered into Share Purchase Agreements and other definitive documents with shareholders of Harind Chemicals and Pharmaceuticals Private Limited ('Harind'), for the acquisition of majority stake in Harind, in a staggered manner, subject to fulfilment of certain conditions precedent. Harind is a specialty chemicals company engaged in the business of nanotechnology-based research, manufacturing, and sale of a range of additives and specialised coatings. Nanotechnology has the potential to be the next frontier in the world of coatings, and the acquisition will enable to Group to manufacture commercially viable high-performance coatings and additives with this technology.

### NOTE 41 : MERGERS, ACQUISITIONS AND INCORPORATIONS (CONTD.)

#### (e) Acquisition of stake in Harind Chemicals and Pharmaceuticals Private Limited (Contd.)

Upon fulfilment of the conditions precedent for acquisition of first tranche, the Parent Company has acquired 51% of the equity share capital of Harind for a consideration of ₹ 14.28 crores on 14<sup>th</sup> February 2024. Accordingly, Harind and Nova Surface-Care Centre Private Limited, a wholly owned subsidiary of Harind, have become subsidiaries of the Parent Company. Further, the Parent Company has agreed to acquire further 39% stake in Harind in a staggered manner, over the next 3 years period. Accordingly, gross obligation towards acquisition is recognised at ₹ 48.88 crores as on 31<sup>st</sup> March, 2024.

	(₹ in Crores)
<b>Assets acquired and liabilities assumed on acquisition date :</b>	<b>31<sup>st</sup> Jan, 2024</b>
Property, plant and equipment	1.47
Right-of-Use Assets	0.34
Deferred Tax Assets (Net)	0.11
Inventories	3.18
Financial Assets	
Trade Receivables	6.72
Cash and bank balances	0.97
Other Balances with Banks	9.12
Other Financial Assets	0.24
Other Current Assets	0.18
<b>Total Assets</b>	<b>22.33</b>
Financial Liabilities	
Lease Liabilities	0.37
Trade payables	3.68
Other Financial Liabilities	0.37
Other Current Liabilities	0.55
Provisions	0.42
Income Tax liabilities	0.65
<b>Total Liabilities</b>	<b>6.04</b>
<b>Net assets acquired</b>	<b>16.29</b>

Trade receivable with a fair value of ₹ 6.72 crores had gross contractual amounts of ₹ 6.74 crores. The best estimate on acquisition date of the contractual cash flows not expected to be collected is ₹ 0.02 crores.

	(₹ in crores)
<b>Goodwill arising on acquisition of stake in Harind</b>	<b>31<sup>st</sup> Jan, 2024</b>
Cash consideration transferred (i)	14.28
Fair Value of Derivative liability (ii)	11.90
<b>Total consideration transferred [(i) + (ii)]</b>	<b>26.18</b>
Fair Value of identified assets acquired (iv)	16.29
Group share of fair value of identified assets acquired (v)	8.31
<b>Group share of Goodwill arising on acquisition of Harind [(iii)-(v)]</b>	<b>17.87</b>

The goodwill of ₹ 17.87 crores comprises value of acquired workforce, revenue growth, future market developments and expected synergies arising from the business combination.

	(₹ in crores)
<b>Net cash outflow on acquisition</b>	<b>31<sup>st</sup> Jan, 2024</b>
Cash consideration transferred	14.28
Cash and cash equivalent acquired	0.97
<b>Net cash and cash equivalent outflow</b>	<b>13.31</b>



## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 41 : MERGERS, ACQUISITIONS AND INCORPORATIONS (CONTD.)

#### (e) Acquisition of stake in Harind Chemicals and Pharmaceuticals Private Limited (Contd.)

The amount of non-controlling interest recognised at the acquisition date was ₹ 7.98 crores, measured at non-controlling interest's proportionate share in the recognised amounts of Harind's identifiable net assets.

#### Impact of acquisition on the results of the Group :

Revenue from operations of ₹ 6.49 crores and Profit after tax of ₹ 1.60 crores of Harind has been included in the current year's Consolidated Statement of Profit and Loss. If the acquisition had occurred on 1<sup>st</sup> April, 2023, consolidated revenue of the Group would have been higher by ₹ 28.50 crores, and consolidated profit of the Group for the year would have been higher by ₹ 4.00 crores.

No material acquisition costs were charged to the Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2024.

#### (f) Amalgamation of Sleek International Private Limited and Maxbhumi Developers Limited:

The Board of Directors at their meeting held on 28<sup>th</sup> March 2024 had approved the Scheme of Amalgamation ('the Scheme') of Maxbhumi Developers Limited and Sleek International Private Limited, wholly owned subsidiaries of Asian Paints Limited (Parent Company) with the Parent Company in accordance with the provisions of the Companies Act, 2013 and other applicable laws with the appointed date of 1<sup>st</sup> April 2024. The Scheme is subject to necessary statutory and regulatory approvals, including approval of the Hon'ble National Company Law Tribunal, Mumbai. There is no impact of the Scheme on the Consolidated Financial Statements.

#### (g) Incorporation of Asian Paints Doha Trading W.L.L.:

On 5<sup>th</sup> November, 2023, Asian Paints International Private Limited (APIPL), Singapore, a wholly-owned subsidiary of the Parent Company, had incorporated a wholly owned subsidiary, namely, Asian Paints Doha Trading W.L.L. (APDT) in Qatar, for the purpose of engaging in the business of trading in paints, coatings and allied products, chemical material related to building & construction works, and Home Décor products.

During the year, APIPL has infused ₹ 2.33 crores as equity share capital into APDT.

### NOTE 42 : ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

#### (i) Details of struck off companies with whom the Group has transaction during the year or outstanding balance as on Balance Sheet date :

(₹ in Crores)				
Name of the Entity	Name of Struck off Company	Nature of transactions with struck-off Company	As at 31.03.2024	As at 31.03.2023
Asian Paints Limited	Citi Square Modular Industries Private Limited <sup>(1)(2)</sup>	Receivables	0.09	0.09
Asian Paints Limited	D.R. Retails Private Limited <sup>(1)(2)</sup>	Receivables	0.01	0.01
Asian Paints Limited	K.A.S. Housing Private Limited <sup>(1)(2)</sup>	Receivables	0.01	0.01
Asian Paints Limited	Tirupati Suppliers Private Limited <sup>(1)(2)</sup>	Receivables	0.25	0.40
Asian Paints Limited	Dte Events Private Limited <sup>(2)</sup>	Payables	-	-
Asian Paints Limited	Gomistri Services Private Limited <sup>(2)</sup>	Payables	-	-
Asian Paints Limited	Khatushyam Engineers Private Limited <sup>(2)</sup>	Payables	(0.01)	(0.01)
Asian Paints Limited	Swarna Homes Private Limited	Payables	0.04	0.04
Asian Paints Limited	Vanshika Tours and Travels Private Limited	Payables	(0.01)	(0.04)
Asian Paints Limited	Alliance Invest and Finance Private Limited	Unclaimed Dividend	#	#
Asian Paints Limited	Boi Finance Limited	Unclaimed Dividend	-	#
Asian Paints Limited	Chinmaya Estates Private Limited	Unclaimed Dividend	#	#
Asian Paints Limited	Empyrean Consultant Private Limited	Unclaimed Dividend	0.01	#

### NOTE 42 : ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013 (CONTD.)

#### (i) Details of struck off companies with whom the Group has transaction during the year or outstanding balance as on Balance Sheet date : (Contd.)

(₹ in Crores)				
Name of the Entity	Name of Struck off Company	Nature of transactions with struck-off Company	As at 31.03.2024	As at 31.03.2023
Asian Paints Limited	Fairgrowth Financial Services Limited	Unclaimed Dividend	0.01	#
Asian Paints Limited	Fairgrowth Investments Limited	Unclaimed Dividend	#	#
Asian Paints Limited	Fairtrade Securities Limited	Unclaimed Dividend	#	#
Asian Paints Limited	Kinnari Investments Private Limited	Unclaimed Dividend	0.01	0.01
Asian Paints Limited	Mulraj Holdings & Finance Private Limited	Unclaimed Dividend	#	#
Asian Paints Limited	Optimist Finvest and Trading Private Limited	Unclaimed Dividend	#	#
Asian Paints Limited	Palkhi Investment and Trading Company Private Limited	Unclaimed Dividend	-	#
Asian Paints Limited	Pax Holdings Private Limited	Unclaimed Dividend	-	#
Asian Paints Limited	Safna Consultancy Private Limited	Unclaimed Dividend	#	#
Asian Paints Limited	Salil Archana Invests Private Limited	Unclaimed Dividend	-	#
Asian Paints Limited	Siddha Papers Private Limited	Unclaimed Dividend	-	#
Asian Paints Limited	Smita Commercial Investment Limited	Unclaimed Dividend	-	#
Asian Paints Limited	Sunhari Trading and Commerce Private Limited	Unclaimed Dividend	-	#
Asian Paints Limited	Unicon Fincap Private Limited	Unclaimed Dividend	#	#
Asian Paints PPG Private Limited	Surface Care Technologist Pvt Ltd <sup>(2)</sup>	Receivables	0.21	0.21
Asian Paints PPG Private Limited	Algypug Enclosures Private Limited	Receivables	-	0.05
Asian Paints PPG Private Limited	Ssgm Sales India Private Limited	Receivables	-	0.02
Asian Paints PPG Private Limited	G.S. Lighting (P) Ltd	Receivables	-	0.05
Asian Paints PPG Private Limited	Urban Water Supply Private Limited	Receivables	-	#
Asian Paints PPG Private Limited	Advance Marketing Private Limited	Receivables	-	0.02
Asian Paints PPG Private Limited	Shree Gurukrupa Minerals Private Limited <sup>(2)</sup>	Receivables	0.01	0.01
Asian Paints PPG Private Limited	Ssangyong Engineering & Construction Co <sup>(2)</sup>	Payable	#	#
Sleek International Private Limited	Naveli Décor Private Limited	Receivables	-	(0.02)
Sleek International Private Limited	Cocina 9 Interntional Private Limited	Receivables	#	-
Obgenix Software Private Limited	Duroque Designs Private Limited	Sale of products	-	-
Obgenix Software Private Limited	Cosmetico Labs Private Limited	Sale of products	-	-
Obgenix Software Private Limited	Kandala Projects Private Limited	Sale of products	-	-
Obgenix Software Private Limited	Piccadilly Holiday Resorts Limited	Sale of products	-	-

## Notes to the Consolidated Financial Statements (Contd.)

### NOTE 42 : ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013 (CONTD.)

#### (i) Details of struck off companies with whom the Group has transaction during the year or outstanding balance as on Balance Sheet date : (Contd.)

Name of the Entity	Name of Struck off Company	Nature of transactions with struck-off Company	₹ in Crores	
			As at 31.03.2024	As at 31.03.2023
Obgenix Software Private Limited	Microland Limited	Sale of products	-	-

<sup>(1)</sup> The Company has made provision for doubtful debts for the balances.

<sup>(2)</sup> There were no new transactions with these companies during the year.

#### Below struck off companies are equity shareholders of the Parent Company as on the Balance Sheet date

Name of Struck off Company	Nature of transactions with struck-off Company
Shanti Credit and Holdings Pvt Ltd	Shares held by struck off company
Safna Consultancy Pvt Ltd	Shares held by struck off company
Siddha Papers Pvt Ltd	Shares held by struck off company
Fairtrade Securities Ltd	Shares held by struck off company
Unicon Fincap Private Ltd	Shares held by struck off company
Fairgrowth Investments Ltd	Shares held by struck off company
Fairgrowth Financial Services Ltd	Shares held by struck off company
Empyrean Consultant Pvt Ltd	Shares held by struck off company
Aloke Speciality Machines and Components Pvt Ltd	Shares held by struck off company

None of the above mentioned struck off companies are related party of the Group.

- (ii) The Parent and Indian subsidiaries do not have any benami property held in its name. No proceedings have been initiated on or are pending against the Parent and Indian subsidiaries for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (iii) The Parent and Indian Subsidiaries have not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iv) The Parent and Indian Subsidiaries have complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

#### (v) Utilisation of borrowed funds and share premium

- I The Parent and Indian Subsidiaries have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or
  - Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- II The Parent and Indian Subsidiaries have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Parent and Indian Subsidiaries shall :
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the ultimate beneficiaries

### NOTE 42 : ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013 (CONTD.)

- (vi) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (vii) The Group has not traded or invested in crypto currency or virtual currency during the year.
- (viii) The Parent and Indian Subsidiaries do not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- (ix) Indian Subsidiaries have working capital facilities sanctioned by bank on the basis of security of current assets, inventories and trade receivables. Quarterly statements of current assets filed by the Indian subsidiaries with bank are in agreement with the books of accounts. The Group has not used borrowings for purpose other than specified purpose of the borrowing.

#### NOTE 43 :

The Consolidated Financials Statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 9<sup>th</sup> May, 2024.

*This space has been intentionally left blank*



**FORM AOC-I : Statement containing salient features of the Financial Statements of Subsidiaries and Joint Ventures (Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**PART "A" : SUBSIDIARIES**

All figures except exchange rates in ₹ crores

Sl No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Date since when subsidiary was acquired	Reporting period	Share Capital	Reserves & Surplus	Total Liabilities	Total Assets	Investments ^	Turnover	PBT	Tax provision	PAT*	Dividends for the year	% of Share holding
1	Asian Paints (Bangladesh) Limited	BDT	0.76	04-Oct-00	Apr 23 to Mar 24	140.74	(37.67)	321.51	424.58	-	411.44	18.65	(8.57)	10.07	-	95.09
2	Asian Paints (Middle East) SPC	OMR	216.68	13-Oct-97	Apr 23 to Mar 24	24.31	157.03	111.47	292.81	-	358.36	60.64	(9.14)	51.50	18.23	100.00
3	Asian Paints (Nepal) Private Limited	NPR	0.63	31-May-83	15 Mar 23 to 13 Mar 24	3.86	410.89	164.11	578.85	-	335.27	49.07	(8.86)	40.20	27.01	52.71
4	Asian Paints (S.I.) Limited	SBD	9.98	10-Nov-83	Apr 23 to Mar 24	0.63	6.23	4.71	11.57	-	14.59	5.26	(0.02)	5.24	5.34	75.00
5	Asian Paints (South Pacific) Pte Limited	FJD	37.52	18-Oct-76	Apr 23 to Mar 24	5.39	69.69	33.73	108.81	-	127.49	20.00	(4.97)	15.03	7.13	54.07
6	Asian Paints (Vanuatu) Limited	VUV	0.71	06-Aug-92	Apr 23 to Mar 24	2.19	4.03	1.94	8.16	-	7.68	1.40	-	1.40	-	60.00
7	Asian Paints Industrial Coatings Limited	INR	1.00	01-Oct-01	Apr 23 to Mar 24	30.45	19.73	6.04	56.23	30.40	22.02	4.04	(0.14)	3.90	-	100.00
8	Asian Paints International Private Limited	SGD	61.78	01-Nov-02	Apr 23 to Mar 24	928.64	(589.68)	743.12	1,082.08	-	-	(63.36)	(4.05)	(67.42)	-	100.00
9	Berger Paints Bahrain W.L.L.	BHD	221.59	01-Nov-02	Apr 23 to Mar 24	9.26	36.50	35.79	81.55	-	128.10	17.44	-	17.44	18.28	100.00
10	Berger Paints Emirates LLC	AED	22.71	01-Nov-02	Apr 23 to Mar 24	40.43	43.52	267.53	351.48	-	524.82	(2.02)	-	(2.02)	-	100.00
11	Kadisco Paint and Adhesive Industry Share Company	ETB	1.47	09-Feb-15	Apr 23 to Mar 24	69.54	58.09	145.35	272.99	1.18	295.18	69.87	(18.99)	50.87	15.91	51.00
12	Enterprise Paints Limited	GBP	105.31	01-Nov-02	Apr 23 to Mar 24	1.53	(16.69)	15.16	#	-	1.17	-	-	1.17	-	100.00
13	Maxbhumi Developers Limited	INR	1.00	15-Nov-07	Apr 23 to Mar 24	0.42	12.90	0.09	13.40	13.02	-	0.86	(0.22)	0.65	-	100.00
14	Nirvana Investments Limited	GBP	105.31	01-Nov-02	Apr 23 to Mar 24	#	0.82	-	0.82	-	-	-	-	-	1.17	100.00
15	Samoa Paints Limited	WST	31.44	29-Aug-03	Apr 23 to Mar 24	0.28	5.49	2.52	8.30	-	9.12	1.64	(0.44)	1.20	-	80.00
16	SCB Chemicals S.A.E.	EGP	1.76	17-Dec-02	Apr 23 to Mar 24	3.18	35.86	175.44	214.47	41.04	297.04	6.56	(1.67)	4.88	1.76	61.307
17	Universal Paints Limited	GBP	105.31	01-Nov-02	Apr 23 to Mar 24	4.52	14.85	-	19.37	-	18.24	-	-	18.24	18.24	100.00
18	PT Asian Paints Indonesia	IDR	0.01	23-Dec-14	Apr 23 to Mar 24	582.28	(420.34)	46.95	208.88	-	82.22	(55.20)	-	(55.20)	-	100.00
19	PT Asian Paints Color Indonesia	IDR	0.01	07-Apr-15	Apr 23 to Mar 24	16.66	(16.01)	0.02	0.67	-	-	(0.20)	-	(0.20)	-	100.00
20	Sleek International Private Limited	INR	1.00	08-Aug-13	Apr 23 to Mar 24	0.29	98.81	200.17	299.27	#	409.34	(5.43)	-	(5.43)	-	100.00
21	Causeway Paints Lanka (Pvt) Limited	LKR	0.28	03-Apr-17	Apr 23 to Mar 24	57.80	134.37	138.31	330.48	-	414.60	29.58	(4.04)	25.54	11.00	99.98
22	Asian Paints (Polymers) Private Limited	INR	1.00	11-Jan-23	Apr 23 to Mar 24	300.00	1.08	5.39	306.47	8.09	-	4.64	(1.28)	3.36	-	100.00
23	Weatherseal Fenestration Private Limited	INR	1.00	14-Jun-22	Apr 23 to Mar 24	0.02	(2.92)	61.50	58.61	-	51.86	(17.32)	(1.09)	(18.41)	-	51.00
24	AP International Doha Trading W.L.L.	QAR	22.88	29-Jul-21	-	-	-	-	-	-	-	-	-	-	-	-
25	Asian Paints Doha Trading W.L.L. <sup>1</sup>	QAR	22.88	05-Nov-23	05-Nov-23 to 31 Mar 24	2.29	(0.86)	2.84	4.27	-	1.19	(0.95)	0.10	(0.86)	-	100.00
26	Harind Chemicals & Pharmaceuticals Private Limited <sup>2</sup>	INR	1.00	14-Feb-24	Apr 23 to Mar 24	0.20	17.76	5.43	23.39	-	34.68	8.22	(2.11)	6.11	-	51.00
27	Nova Surface-Care Centre Private Limited <sup>2</sup>	INR	1.00	14-Feb-24	Apr 23 to Mar 24	6.18	(5.63)	0.37	0.92	-	0.31	(0.51)	-	(0.51)	-	51.00
28	Asian White Cement Holding Limited <sup>3</sup>	AED	22.71	02-May-23	02-May-23 to 31-Mar-24	135.60	21.99	0.27	157.86	-	-	(0.61)	-	(0.61)	-	70.00
29	Asian White Inc. FZE <sup>3</sup>	AED	22.71	26-Jun-23	26-Jun-23 to 31-Mar-24	85.86	65.79	50.98	202.63	-	-	(2.23)	-	(2.23)	-	70.00
30	Obgenix Software Private Limited <sup>4</sup>	INR	1.00	23-Jun-23	Apr 23 to Mar 24	0.40	26.39	110.66	137.45	-	133.43	3.29	(0.92)	2.37	-	60.00

1. Names of subsidiaries which are yet to commence operations:

AP International Doha Trading W.L.L.

NIL

2. Names of subsidiaries which have been liquidated or sold during the last year:

NIL

**NOTE :**

- On 5<sup>th</sup> November, 2023 Asian Paints International Private Limited incorporated a wholly owned subsidiary named Asian Paints Doha Trading W.L.L.
- On 14<sup>th</sup> February, 2024, Asian Paints Limited (Company) has acquired 51% of the equity share capital of Harind Chemicals & Pharmaceuticals Private Limited (Harind) . Accordingly, Harind and Nova Surface-Care Centre Private Limited, a wholly owned subsidiary of Harind, have become subsidiaries of the Company.
- On 2<sup>nd</sup> May, 2023, the Company has incorporated an investment holding subsidiary Company, namely, Asian White Cement Holding Limited ('AWCHL'). AWCHL has incorporated a wholly owned subsidiary Company, namely, Asian White Inc. FZE on 26<sup>th</sup> June, 2023.
- On 2<sup>nd</sup> April, 2022, the Company had acquired 49% of the equity share capital of Obgenix Software Private Limited (White Teak). On 23<sup>rd</sup> June 2023, the Company has further acquired 11% of equity share capital of White Teak. Consequently, White teak has become a subsidiary of the Company.
- Figures reported above are for full reporting period

^ Investments other than in subsidiary companies

# Amounts less than ₹ 50,000/-

\* PAT does not include Other Comprehensive Income.

**Note :** Indian rupees equivalent of the foreign currency translated at the exchange rate as at 31<sup>st</sup> March, 2024.

**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, 2024	31 <sup>st</sup> March, 2024
2	Shares of Joint Ventures held by the Company as at year end (number of shares)	52,43,961	2,85,18,112
	Amount of Investment in Joint Venture	₹ 30.47 Crores	₹ 81.43 Crores
	Extent of Holding %	50%	50%
3	Description of how there is significant influence	Not Applicable	Not Applicable
4	Reason why the joint venture is not consolidated	Consolidated	Consolidated
5	Networth attributable to Shareholders as per latest audited Balance Sheet	₹ 182.32 Crores	₹ 583.14 Crores
6	Profit for the year		
	i. Considered in Consolidation	₹ 100.18 Crores	₹ 132.46 Crores
	ii. Not Considered in Consolidation	NIL	₹ 132.46 Crores

- 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

**R Seshasayee**  
Chairman  
DIN : 00047985

**Amit Syngle**  
Managing Director & CEO  
DIN : 07232566

**Milind Sarwate**  
Chairman of Audit Committee  
DIN : 00109854

**R J Jeyamurugan**  
CFO & Company Secretary

Mumbai  
9<sup>th</sup> May, 2024

# GRI Content Index

Disclosure Number (GRI)	Disclosure Title	Section	Sub-section	Page Number
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2-1	Organizational details	About this report, Our global footprint, BRSR	Report Structure, Section A	3-5, 270-275
2-2	Entities included in the organization's sustainability reporting	About this report, BRSR	Scope of Report, Section A	3, 273, 274
2-3	Reporting period, frequency and contact point	About this report, BRSR	Scope of Report, Board Responsibility Statement, Section A	3, 270
2-4	Restatements of information	Restatements wherever applicable have been mentioned in appropriate places	-	-
2-5	External assurance	About this report, BRSR	Scope of Report, Section A	3, 270
2-6	Activities, value chain and other business relationships	Our products and services, Asian Paints at a glance, Sustainable Operations, Governance, BRSR	Business Segment, - Supplier engagement, Sustainable Supply Chain Management, Section A	14-19, 51, 117, 270, 271
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2-8	Workers who are not employees	Synergising relationships, BRSR	Employee snapshot, Section A	87, 88, 271, 272
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2-11	Chair of the highest governance body	Governance	Board Statistics	100
2-12	Role of the highest governance body in overseeing the management of impacts	Report on Corporate Governance, BRSR	Board of Directors, Section B, P4	221, 276, 277, 293, 294
2-13	Delegation of responsibility for managing impacts	Governance, Report on Corporate Governance, BRSR	Governance Structure, Board Procedures, Section B, P4, P5	99, 223, 277, 293, 294, 296
2-14	Role of the highest governance body in sustainability reporting	Governance, Report on Corporate Governance	ESG Governance, Stakeholders Relationship Committee	103, 236
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2-18	Evaluation of the performance of the highest governance body	Governance, Report on Corporate Governance	Board Effectiveness, Performance Evaluation	101, 235
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2-24	Embedding policy commitments	BRSR	Section B, P1, P5	276, 281, 294, 297
2-25	Processes to remediate negative impacts	BRSR	Section A, Section B, P1, P5	275, 276, 288, 296
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2-27	Compliance with laws and regulations	Governance, BRSR	Compliance, P1, P6	106, 280, 302
2-28	Membership associations	BRSR	P7	304, 305
2-29	Approach to stakeholder engagement	Stakeholder engagement, BRSR	Stakeholder engagement, P4	38-42, 293, 294
2-30	Collective bargaining agreements	Synergising relationships, BRSR	Collective Bargaining, P3	88, 289
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201-3	Defined benefit plan obligations and other retirement plans	BRSR, Standalone Financial Statement	P3, Employee benefits	287, 380
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303-3	Water withdrawal	Sustainable Operations, BRSR	Optimising water usage at Asian Paints, P6	56, 299
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P - Principles of BRSR

# TCFD Index

Recommended disclosures	Reference sections in report	Synopsis
<b>Governance</b>		
<p>a) Describe the board's oversight of climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	Governance -> ESG governance (pg. 103)	Risk Management Committee and Stakeholders Relationship Committee of the Board are entrusted with the responsibility to support the Board in ESG oversight. The Company's One Link team, led by the Managing Director and CEO, is tasked with implementing the ESG objectives of the Company, including climate change mitigation and adaptation.
<b>Strategy</b>		
<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Sustainable operations -&gt; Climate change -&gt; Climate change adaptation (pg 52)</p> <p>Sustainable operations -&gt; Climate change -&gt; Climate change mitigation (pg 47)</p>	In FY 2022-23, we have undertaken a climate risk assessment, in line with TCFD recommendations, and our Climate change mitigation and adaptation strategy is guided by TCFD recommendations.
<b>Risk Management</b>		
<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organization's processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>a) Sustainable operations -&gt; Climate change -&gt; Climate change adaptation (pg 52)</p> <p>b) Sustainable operations -&gt; Climate change -&gt; Climate change mitigation (pg 47)</p> <p>c) Governance -&gt; Managing risks (pg 107)</p>	We have a robust and resilient risk management framework as per ISO 31000, which is guided by Risk Management Committee of the Board. Outcomes of climate risk assessment have been integrated with our risk management processes.
<b>Metric &amp; Targets</b>		
<p>a) Disclose the metric used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>ESG performance snapshot -&gt; Environment: Sustainable operations (pg 08)</p> <p>Sustainable operations -&gt; Climate change mitigation (pg 47) / Product Stewardship (pg 53) / Water Neutrality (pg 56) / Nature Positive (pg 58)</p>	We have ESG commitments through 2030. As part of the same, we are committed to reducing our Scope 1 & Scope 2 emission intensity by 75% and 80% by 2025 and 2030 respectively. We have identified the key enablers to mitigate the Scope 3 emissions across our value chain.

# Assurance Report

## Independent Practitioner's Reasonable Assurance Report on Identified Sustainability Information in Asian Paints Limited's Integrated Annual Report, which includes the Business Responsibility and Sustainability Report

### To the Board of Directors of Asian Paints Limited

We have undertaken to perform a reasonable assurance engagement for Asian Paints Limited (the "Company") vide our Engagement Letter, in respect of the agreed Sustainability Information referred in "Identified Sustainability Information" paragraph below (the "Identified Sustainability Information") in accordance with the Criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information is included in the:

- Business Responsibility and Sustainability Report ("BRSR") section in the Integrated Annual Report of the Company for the financial year ended March 31, 2024, (the "Integrated Annual Report") pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "LODR Regulations"). The Reporting Boundary for BRSR is as disclosed under Question No. 13 of Section A of the BRSR, and any exceptions thereto are disclosed by way of a note under the respective questions in BRSR; and
- the "GRI Content Index" section in the Integrated Annual Report of the Company for the financial year ended March 31, 2024.

This engagement was conducted by a team comprising of assurance practitioners and environment experts.

### Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2024, is summarized in Appendix 1 to this report.

Our reasonable assurance engagement was with respect to the financial year ended March 31, 2024, information only and we have not performed any procedures with respect to prior periods or any other elements included in the Integrated Annual Report, which includes the BRSR, other than those listed in Appendix 1 to this report and, therefore, do not express any opinion thereon.

### Criteria

The criteria used by the Company to prepare the Identified Sustainability Information are as follows:

In respect of the BRSR:

- for the information summarised in Part A – BRSR Core indicators in the Appendix 1 to this report, the criteria used is the "BRSR Core", which is a subset of the BRSR, consisting of a set of Key Performance Indicators ("KPIs")/ metrics under nine Environmental, Social and Governance ("ESG") attributes, as specified by SEBI vide Annexure I and Annexure II to the circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 (the "SEBI Circular").
- for the information summarised in Part B – BRSR Indicators in the Appendix 1 to this report relating to the selected BRSR Indicators, the criteria used is the set of KPIs under Section A - General Disclosures/ Section C – Principle Wise Performance Disclosures under the nine ESG principles, as specified by SEBI vide Annexure II to the SEBI Circular.
- In respect of the Identified Sustainability Indicators in the GRI Content Index included in the Integrated Annual Report and summarised in Part C – GRI Indicators in the Appendix 1 to this report, the criteria used is the Global Reporting Initiative Standards, 2021 ("GRI Standards").

### Management's Responsibilities

The Company's Management is responsible for determining the Reporting Boundary of the Integrated Annual Report including the BRSR, and for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations including the SEBI Circular and GRI Standards, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation, and maintenance of internal control relevant to the preparation of the Integrated Annual Report, which includes the BRSR, and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error. The Management and the Board of Directors of the Company are also responsible for overseeing the Company's compliance with the requirements of LODR Regulations and the SEBI Circular

## Assurance Report (Contd.)

in relation to the BRSR and the GRI Standards in relation to the sustainability information in the Integrated Annual Report which includes the BRSR.

### Inherent Limitations in Preparing the Identified Sustainability Information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

### Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Price Waterhouse Chartered Accountants LLP (the "Firm") applies Standard on Quality Control 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements", the International Standard on Quality Management ("ISQM") 1 "Quality Management for Firms that perform Audits or Reviews of Financials Statements, or Other Assurance or Related Services Engagements" and ISQM 2 "Engagement Quality reviews", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### Practitioner's Responsibilities

Our responsibility is to express a reasonable assurance opinion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained.

We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements ("SSAE") 3000, "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements ("SAE") 3410, "Assurance Engagements on Greenhouse Gas Statements", both issued by the Sustainability Reporting Standards Board of the ICAI, and the International Standard on Assurance Engagement ("ISAE") 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements" both issued by the International Auditing and Assurance Standards Board (collectively referred to as "the Standards"). These Standards require that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the Identified Sustainability Information.
- Made enquiries of Company's Management, including the various teams such as Sustainability team, Corporate Social Responsibility (CSR) team, etc., and those with responsibility for managing Company's Annual Reporting.
- Obtained an understanding and performed an evaluation of the design of the key systems, processes, and controls for managing, recording and reporting on the Identified Sustainability Information as per Appendix 1, including at the sites and corporate office visited. This did not include testing of the operating effectiveness of management systems and controls.

- Based on above understanding, the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing, and extent of further procedures.
- Performed substantive testing on a sample basis of the Identified Sustainability Information within the standalone boundary to check that data had been appropriately measured with underlying documents recorded, collated, and reported. This included assessing records and performing testing, including recalculation of sample data to establish an assurance trail.
- Checked the consolidation for various sites and corporate office under the standalone reporting boundary (as mentioned in the Integrated Annual Report, which includes BRSR) for ensuring the completeness of data being reported.
- Assessed the level of adherence to GRI Standards and the BRSR followed in preparing the Integrated Annual Report.
- Assessed the Integrated Annual Report, which includes BRSR, for detecting, on a test basis, any major anomalies between the information reported in the Integrated Annual Report, which includes BRSR, on performance with respect to Identified Sustainability Information and the relevant source data/information.
- Where applicable for the Identified Sustainability Information in the Integrated Annual Report, which includes BRSR, we have relied on the information in the audited standalone financial statements of the Company for the year ended March 31, 2024, which were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 9, 2024, expressed an unmodified opinion on those financial statements.
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the Management in the preparation of the Identified Sustainable Information.
- Obtained representations from the Company's Management.

### Exclusions

Our reasonable assurance scope excludes the following and therefore we do not express an opinion on the same:

- Operations of the Company other than the Identified Sustainability Information listed in Appendix 1 to this report.
- Aspects of the Integrated Annual Report, including the BRSR, and data/ information (qualitative or quantitative) included in the Integrated Annual Report, including the BRSR, other than the Identified Sustainability Information.
- Data and information outside the defined reporting period i.e., the financial year ended March 31, 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

### Opinion

Based on the procedures performed and the evidence obtained, the Company's Identified Sustainability Information and summarised in Appendix 1 to this report and included in the Integrated Annual Report, which includes BRSR, for the financial year ended March 31, 2024, are prepared, in all material respects, in accordance with the Criteria.

### Restriction on Use

Our work was performed solely to assist you in meeting the reporting requirements. This deliverable has been issued solely at the request of the Board of Directors of the Company to whom it is addressed, solely to comply with the requirements of SEBI Circular and LODR Regulations, in reporting the Company's sustainability performance and activities and for publishing the deliverable in the Integrated Annual Report, which includes the BRSR. Accordingly, we accept no liability to anyone, other than the Company. Our deliverable should not be used for any other purpose or by any person other than the addressees of our deliverable. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this deliverable is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Sumit Seth  
Partner  
Membership Number: 105869  
UDIN: 24105869BKFWTW7080

Place: Paris, France  
Date: May 29, 2024



**Appendix 1**

**Identified Sustainability Information**

**A. BRSR Core Indicators**

S. No.	Principle/Indicator Reference	Attribute	Parameter
1.	Principle 6 – E7	Green-house gas (GHG) footprint	<ol style="list-style-type: none"> <li>Total Scope 1 emissions (Break-up of the GHG into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, if available)</li> <li>Total Scope 2 emissions (Break-up of the GHG (CO<sub>2</sub>e) into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, if available)</li> <li>GHG Emission Intensity (Scope 1 +2)                             <ol style="list-style-type: none"> <li>Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP</li> <li>Total Scope 1 and Scope 2 emissions (MT) / Total Output of Product or Services</li> </ol> </li> </ol>
2.	Principle 6 – E3 and E4	Water footprint	<ol style="list-style-type: none"> <li>Total water consumption</li> <li>Water consumption intensity                             <ol style="list-style-type: none"> <li>Water Intensity per rupee of turnover adjusted for PPP</li> <li>Water Intensity in terms of physical output</li> </ol> </li> <li>Water Discharge by destination and levels of Treatment</li> </ol>
3.	Principle 6 – E1	Energy Footprint	<ol style="list-style-type: none"> <li>Total Energy Consumed</li> <li>% of energy consumed from renewable sources</li> <li>Energy intensity                             <ol style="list-style-type: none"> <li>Energy Intensity per rupee of turnover adjusted for PPP</li> <li>Energy Intensity in terms of physical output</li> </ol> </li> </ol>
4.	Principle 6 – E9	Embracing circularity- details related to waste management by the entity	<ol style="list-style-type: none"> <li>Plastic waste (A)</li> <li>E-waste (B)</li> <li>Bio-medical waste (C)</li> <li>Construction and demolition waste (D)</li> <li>Battery waste (E)</li> <li>Radioactive waste (F)</li> <li>Other Hazardous waste (G)</li> <li>Other Non-hazardous waste generated (H)</li> <li>Total waste generated (A+B+C+D+E+F+G+H)</li> <li>Waste intensity                             <ol style="list-style-type: none"> <li>Waste Intensity per rupee of turnover adjusted for PPP</li> <li>Waste Intensity in terms of physical output</li> </ol> </li> <li>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations.</li> <li>For each category of waste generated, total waste disposed by nature of disposal method.</li> </ol>
5.	Principle 3 – E1(C) Principle 3 – E11	Enhancing employee wellbeing and Safety	<ol style="list-style-type: none"> <li>Spending on measures towards well-being of employees and workers- cost incurred as a % of total revenue of the company.</li> <li>Details of safety related incidents for employees and workers                             <ol style="list-style-type: none"> <li>Number of Permanent Disabilities</li> <li>Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</li> <li>No. of fatalities</li> </ol> </li> </ol>

S. No.	Principle/Indicator Reference	Attribute	Parameter
6.	Principle 5 – E3(b) Principle 5 – E7	Enabling Gender Diversity in Business	<ol style="list-style-type: none"> <li>Gross wages paid to females as a % of wages paid.</li> <li>Complaints on POSH                             <ol style="list-style-type: none"> <li>Total Complaints on Sexual Harassment (POSH) reported.</li> <li>Complaints on POSH as a % of female employees / workers</li> <li>Complaints on POSH upheld</li> </ol> </li> </ol>
7.	Principle 8 – E4 Principle 8 – E5	Enabling Inclusive Development	<ol style="list-style-type: none"> <li>Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and directly from within India.</li> <li>Job creation in smaller towns- wages paid to people employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost</li> </ol>
8.	Principle 9 – E7 Principle 1 – E8	Fairness in Engaging with Customers and Suppliers	<ol style="list-style-type: none"> <li>Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events.</li> <li>Number of days of accounts payable</li> </ol>
9.	Principle 1 – E9	Open-ness of business	<ol style="list-style-type: none"> <li>Concentration of purchases &amp; sales done with trading houses, dealers, and related parties                             <ol style="list-style-type: none"> <li>Purchases from trading houses as % of total purchases</li> <li>Number of trading houses where purchases are made from.</li> <li>Purchases from top 10 trading houses as % of total purchases from trading houses</li> <li>Sales to dealers / distributors as % of total sales</li> <li>Number of dealers / distributors to whom sales are made.</li> <li>Sales to top 10 dealers / distributors as % of total sales to dealers / distributors.</li> </ol> </li> <li>Loans and advances &amp; investments with related parties Share of RPTs (as respective %age) in-                             <ol style="list-style-type: none"> <li>Purchases</li> <li>Sales</li> <li>Loans &amp; advances</li> <li>Investments</li> </ol> </li> </ol>

**B. BRSR Indicators**

S. No.	Principle Reference	Attribute	Parameter
1.	Section A – 20a	Employees	Number and percentage of Gender-wise Employees and Workers (including differently abled)
2.	Section A – 21	Participation/Inclusion/Representation of women	Number and percentage of Representation of Women in Board of Directors and Key Managerial Personnels
3.	Section A – 22	Turnover rate for permanent employees and workers	Turnover Rate of Permanent Employees & Workers
4.	Section C – Principle 3 – E2	Details of retirement benefits for Current Financial Year	Details of retirement benefits, (excluding amounts deducted and deposited with the authority)
5.	Section C – Principle 3 – E5	Return to work and Retention rates of permanent employees	Return to work and retention rates of permanent employees and workers that took parental leave
6.	Section C – Principle 5 – E2	Details of minimum wages paid to employees and workers	Details of minimum wages paid to employees and workers
7.	Section C – Principle 5 – E3(a)	Details of remuneration/ salary/wages	Male-Median remuneration/ salary/ wages of respective category Female-Median remuneration/ salary/wages of respective category
8.	Section C – Principle 6 – E6	Emissions	Air emissions (other than GHG emissions)
9.	Section C – Principle 1– E6	Governance	Number of complaints with regard to conflict of interest (Directors and Key Managerial Personnels)

**GRI Indicators**

S. No.	GRI Reference	Particulars of Indicators
1.	301-2	Recycled input materials used
2.	302-1	Energy consumption within the organization
3.	302-3	Energy intensity
4.	303-3	Water withdrawal
5.	303-4	Water discharge
6.	303-5	Water consumption
7.	305-1	Direct (Scope 1) GHG emissions
8.	305-2	Energy indirect (Scope 2) GHG emissions
9.	305-4	GHG emissions intensity
10.	305-5	Reduction of GHG emissions
11.	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
12.	306-3	Waste generated
13.	306-4	Waste diverted from disposal
14.	306-5	Waste directed to disposal
15.	401-1	New employee hires and employee turnover
16.	401-3	Parental leave
17.	405-1	Diversity of governance bodies and employees

For BRSR indicators, "E" indicates Essential indicator.

# Assurance Report

**Independent Practitioner's Limited Assurance Report on Identified Sustainability Information in Asian Paints Limited's Integrated Annual Report, which includes the Business Responsibility and Sustainability Report**

**To the Board of Directors of Asian Paints Limited**

We have undertaken to perform a limited assurance engagement for Asian Paints Limited (the "Company") vide our Engagement Letter, in respect of the agreed Sustainability Information referred in "Identified Sustainability Information" paragraph below (the "Identified Sustainability Information") in accordance with the Criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information is included in:

- (a) the "GRI Content Index" section in the Integrated Annual Report of the Company for the financial year ended March 31, 2024 (the "Integrated Annual Report"); and
- (b) the Business Responsibility and Sustainability Report ("BRSR") section of the Integrated Annual Report, prepared by the Company pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "LODR Regulations").

This engagement was conducted by a team comprising of assurance practitioners and environment experts.

**Identified Sustainability Information**

The Identified Sustainability Information for the financial year ended March 31, 2024, is summarised in Appendix 1 to this report.

Our limited assurance engagement was with respect to the financial year ended March 31, 2024, information only and we have not performed any procedures with respect to prior periods or any other elements included in the Integrated Annual Report, which includes the BRSR, other than those listed in Appendix 1 to this report, and therefore, do not express any conclusion thereon.

**Criteria**

The criteria used by the Company to prepare the Identified Sustainability Information are as follows:

In respect of the selected BRSR Indicators summarised in Part A – BRSR Indicators in the Appendix 1 to this report and included in the BRSR, the criteria used is the set of Key Performance Indicators ("KPIs") / metrics under Section A - General Disclosures/ Section C - Principle wise Performance Disclosures under the nine Environmental, Social and Governance ("ESG") principles, as specified by SEBI vide Annexure II to its circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 (the "SEBI Circular").

In respect of the Identified Sustainability Indicators in the GRI Content Index included in the Integrated Annual Report and summarised in Part B – GRI Indicators in the Appendix 1 to this report, the criteria used is the Global Reporting Initiative Standards, 2021 (the "GRI Standards").

**Management's Responsibilities**

The Company's Management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation, and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Integrated Annual Report, which includes the BRSR, and measurement of the Identified Sustainability Information, which are free from material misstatement, whether due to fraud or error.

**Inherent Limitations in Preparing the Identified Sustainability Information**

The absence of a significant body of established practice on which to draw to evaluate and measure non- financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

## Assurance Report (Contd.)

### Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) and the International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Price Waterhouse Chartered Accountants LLP (the “Firm”) applies Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements”, the International Standard on Quality Management (“ISQM”) 1 “Quality Management for Firms that perform Audits or Reviews of Financials Statements, or Other Assurance or Related Services Engagements” and ISQM 2 “Engagement Quality reviews”, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### Practitioner’s Responsibilities

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, “Assurance Engagements on Sustainability Information” and the Standard on Assurance Engagements (SAE) 3410 “Assurance Engagements on Greenhouse Gas Statements”, both issued by the Sustainability Reporting Standards Board of the ICAI, and the International Standard on Assurance Engagement (“ISAE”) 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” and the ISAE 3410 “Assurance Engagements on Greenhouse Gas Statements” both issued by the International Auditing and Assurance Standards Board (collectively referred to as “the Standards”). These Standards require that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company’s use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the Identified Sustainability Information.
- Made enquiries of Company’s Management, including the various teams such as Sustainability team, Corporate Social Responsibility (CSR) team, etc., and those with the responsibility for managing Company’s Annual Reporting.
- Obtained an understanding and performed an evaluation of the key systems and processes for managing, recording, and reporting on the Identified Sustainability Information as per Appendix 1, including at the sites and corporate office visited. This did not include testing of the design and operating effectiveness of management systems and controls.
- Based on above understanding, the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing, and extent of further procedures.
- Checked the consolidation for the standalone boundary (as mentioned in the Integrated Annual Report, which includes the BRSR) for ensuring the completeness of data being reported.

- Performed limited substantive testing on a sample basis of the Identified Sustainability Information within the standalone boundary to check that data had been appropriately measured with underlying documents recorded, collated, and reported. This included assessing records and performing testing, including recalculation of sample data to establish an assurance trail.
- Assessed the level of adherence to GRI Standards and BRSR followed by the Company in preparing the Integrated Annual Report, which includes the BRSR.
- Assessed the Integrated Annual Report, which includes the BRSR, for detecting, on a test basis, any major anomalies between the information reported in the Integrated Annual Report, which includes the BRSR, on performance with respect to Identified Sustainability Information and relevant source data/information.
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the Management in the preparation of the Identified Sustainable Information.
- Obtained representations from the Company’s Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Information have been prepared, in all material respects, in accordance with the Criteria.

### Exclusions

Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Operations of the Company other than the Identified Sustainability Information listed in Appendix 1 to this report.
- Aspects of the Integrated Annual Report, including the BRSR, and data/ information (qualitative or quantitative) included in the Integrated Annual Report, including the BRSR, other than the Identified Sustainability Information.
- Data and information outside the defined reporting period i.e., the financial year ended March 31, 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

### Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Company’s Identified Sustainability Information and summarised in Appendix 1 to this report and included in the Integrated Annual Report, which includes the BRSR, for the financial year ended March 31, 2024, is not prepared, in all material respects, in accordance with the Criteria.

### Restriction on Use

Our work was performed solely to assist you in meeting the reporting requirements. This deliverable has been issued solely at the request of the Board of Directors of the Company to whom it is addressed, solely to assist the Company in reporting the Company’s sustainability performance and activities and for publishing the deliverable in the Integrated Annual Report, which includes the BRSR. Accordingly, we accept no liability to anyone, other than the Company. Our deliverable should not be used for any other purpose or by any person other than the addressees of our deliverable. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this deliverable is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Sumit Seth  
Partner  
Membership Number: 105869  
UDIN: 24105869BKFVTV6781

Place: Paris, France  
Date: May 29, 2024















**ap asianpaints**

**Asian Paints Limited**  
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