



Asian Paints Limited
Asian Paints House
6A, Shantinagar
Santacruz (E)
Mumbai 400 055
T : (022) 6218 1000
F : (022) 6218 1111
www.asianpaints.com

APL/SEC/38/2023-24/03

24th September, 2023

BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Fort, Mumbai – 400 001
Scrip Code: 500820

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
Block G, Bandra - Kurla Complex,
Bandra (East), Mumbai – 400 051
Symbol: ASIANPAINT

Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is with reference to the paint manufacturing plant of the Company situated at Sriperumbudur, Tamil Nadu (“Sriperumbudur plant”).

The Sriperumbudur plant commenced manufacturing of water-based paints in the year 2005 and commenced manufacturing of water-based polymers in the year 2007.

A. Background:

The Sriperumbudur plant of the Company has been operating with the required licenses and statutory approvals.

While commencing the manufacture of water-based polymers in the year 2007, the Company based on the then existing applicable rules, notification, and guidelines, including the interpretation of the Environment Impact Assessment Notification, 1994 and 2006 (“EIA Notification”), believed in the *bona fide* that Environmental Clearance (“EC”) was not applicable for a water – based polymer manufacturing facility.

In the year 2016, as a part of the regulatory approval process for the proposed expansion of the manufacturing capacities at the Sriperumbudur plant, out of abundant caution and considering the ambiguity in the legal framework, the Company had applied for prior EC from the State Environment Impact Assessment Authority, Tamil Nadu (“SEIAA”) under the EIA Notification. The application was being reviewed by SEIAA and State Expert Appraisal Committee, Tamil Nadu (“SEAC”).

Further, based on request from SEIAA in the year 2019, the Tamil Nadu Pollution Control Board (“TNPCB”) sought clarity from the Company and the Ministry of Environment, Forest & Climate Change (“MoEF&CC”) on the applicability of EC under the EIA Notification for manufacture of water-based polymers at the Sriperumbudur plant.



In response to the clarification sought by TNPCB, the MoEF&CC vide Office Memorandum (“OM”) dated 21st March 2022 clarified the definition of “integrated paint industry” to be - any paint industry engaged in the manufacture of ingredients of paint such as resin, lacquer, water-based polymer, etc., besides formulation of paints, and it shall require prior EC in terms of EIA Notification.

Based on the aforesaid OM dated 21st March 2022, the SEAC at its meeting held in October 2022, classified the non – availability of EC for manufacture of polymers at the Sriperumbudur plant as not meeting the requirements of the EIA Notification 2006.

B. Recommendations of SEAC at its meeting held on 25th August 2023:

This is to inform you that the SEAC at its meeting held on 25th August 2023, *inter alia*, noted in the minutes of the meeting published on the website of MoEF&CC for environment clearance, on 23rd September 2023, the observations of the on-site inspection report recognising the efforts taken by the Company over the years in enhancing the green cover and conserving biodiversity within the Sriperumbudur plant, and further has recommended to the SEIAA to grant the EC to the Sriperumbudur plant subject to remittance of Rs. 8.82 crores, in the form of bank guarantee to TNPCB. The aforesaid amount shall be utilised by the Company to carry out works assigned under ecological remediation, natural resource augmentation and community resource augmentation within a period of one year from the date of issue of the EC. It may be noted that the recommendation of SEAC is subject to finalisation by SEIAA.

The financial impact is limited to the aforementioned remittance amount only. There is no operational or other impact on the Company.

We will keep the stock exchanges updated on further material developments in this regard.

It is pertinent to note that, responsible business practices have always been at the core of all that we do at Asian Paints. Sustainability has long been integrated into our decision making process across the board to conduct all our operations in an environmentally sustainable manner and by abiding to all the applicable laws in letter & spirit.

This is for your information and record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

R J JEYAMURUGAN
CFO & COMPANY SECRETARY