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/15/487

28th June, 2017

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400001

Sir,

Sub: **Compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]**

In compliance with Regulation 34 of the Listing Regulations, please find attached herewith Annual Report for the financial year 2016 – 17 duly approved and adopted by the shareholders at the 71st Annual General Meeting held on Tuesday, 27th June, 2017, at 11.00 a.m. at Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai – 400 020.

The Annual Report for the financial year 2016 - 17 is uploaded on the website of the Company (www.asianpaints.com).

This is for your information and record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

JAYESH MERCHANT
CFO & COMPANY SECRETARY,
PRESIDENT – INDUSTRIAL JVs

cc: The National Stock Exchange of India Limited



75 Years of Partnering Beautiful Homes

Annual Report 2016-17

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For Online Annual Report, please scan the QR code

Board of Directors



Ashwin Choksi
Chairman



Ashwin Dani
Vice Chairman



Abhay Vakil
Non-Executive Director



K.B.S. Anand
Managing Director & CEO



Mahendra Choksi
Non-Executive Director



Malav Dani
Non-Executive Director



Amrita Vakil
Non-Executive Director



Dipankar Basu
Independent Director
(upto 1st January, 2017)



Deepak Satwalekar
Independent Director



Dr. S. Sivaram
Independent Director



Mahendra Shah
Independent Director



S. Ramadorai
Independent Director



M.K. Sharma
Independent Director



Vibha Paul Rishi
Independent Director



R Seshasayee
Additional Director
(Independent)
(w.e.f. 23rd January, 2017)

Company Secretary

Jayesh Merchant

Executive Council Members

K.B.S. Anand
Managing Director & CEO

Amit Syngle
President - Sales & Marketing,
R&T and Home Improvement

Manish Choksi
President - International Business Unit,
IT, Supply Chain and Chemicals

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Auditors

B S R & Co. LLP
Chartered Accountants

Deloitte Haskins & Sells LLP
Chartered Accountants

Chairman's Letter



The Company leads with the vision of being the forerunner of inspiring décor & partnering with consumers in transforming their living spaces

Dear Shareholders,

The one characteristic that has defined the global economy over the last decade or so, is "uncertainty" – uncertainty that has brought its share of challenges and opportunities. The year 2016-17 had its share of uncertainty which affected the performance of the Company, both domestically as well as in the international markets where the Company operates. Let me take this opportunity to take you through the key highlights of the Company's performance during the financial year 2016-17.

The single biggest event that left its mark on each and every sector of the domestic economy was "demonetisation". Coming at a time when the economy was just beginning to look up, the Central Government's decision to demonetise almost 86% of the currency notes in circulation, caused severe cash shortage in the domestic economy, which prefers cash as the mode of payments, even today. This cash shortage led to a strain on the consumption demand and business activity for a greater part of the second half of the year. Stressed loans plaguing the banking sector and the stretched corporate balance sheets continued to be a drag on capital investments, which have remained much below the trends over the past few years. Low inflation and a largely accommodative monetary policy, though, provided support in an otherwise difficult growth environment. On the global front, the Brexit vote and the surprise election outcome in US, further underlined the uncertainty that persists across the markets. While such events might appear to have limited direct consequences for our domestic economy, the inter-linkages of global trade and financial markets mean that no economy is totally insulated. The large capital flight away from emerging markets, including India, in the aftermath of the US election results on the hopes of strong pro-US growth policy rollouts by the new US dispensation and the subsequent swift and massive reversal back into the emerging markets towards the close of the financial year, highlight the fickleness of today's uncertain times.

Against this uncertain backdrop and the demonetisation move right after the festive season, the Company has managed to register good growth in the domestic market. The Company had a strong focus on consumer upgradation thereby improving the product mix and also continued to work on expanding its product portfolio. The Company leads with the vision of being the forerunner of inspiring décor & partnering with consumers in transforming their living spaces. The Company is looking at scaling up its flagship AP Homes store concept which was launched at Coimbatore last year. AP Homes is a multi-category décor store where a consumer can avail an integrated décor consultancy across categories ranging from paints, bath fittings, kitchen, sanitary ware, wallpapers, furniture, etc. The Company also launched www.beautifulhomes.com – an online décor magazine that will feature inspirational Indian homes and workspaces, practical décor tips, accessible design ideas and Do It Yourself (DIY) guides to further support the décor needs of the consumers. These initiatives would help drive differentiation and enhance the leadership position of the Company in the domestic market.

With the vision of being a complete décor solutions provider, the Company had forayed in the Home Improvement segment with investments in the Kitchen and Bath business. While demand conditions in both these businesses were impacted due to demonetisation and slowdown in real estate and construction arena, the Company has taken steps to improve its capability to drive these businesses over the coming years.

The Company's two joint ventures with PPG Industries Inc, USA in the Industrial and Automotive coatings segments fared well during the year. Profitability of these businesses improved on the back of favourable raw material prices and aided by better sourcing and localisation strategies.

In the international operations, some of the key markets faced challenging business conditions due to the subdued economic environment in those countries. However, most of our units in those countries managed to tide over the challenges and delivered strong performance. The Company started commercial operations in Indonesia through tie-ups with business partners and is also working on completing the setting up of its own manufacturing facility with an initial capacity of 5,000 KL per annum. The Company has recently acquired 100% stake in Causeway Paints Lanka (Pvt) Ltd., Sri Lanka – a leading player in the Sri Lankan coatings market and this would help it further strengthen its international footprint.

While the Company weathered its way through the uncertain environment, it continued to drive its commitment on social responsibility agenda in areas like Education, Health & Hygiene and Water Management. Lot of work has been undertaken at the manufacturing facilities in the area of environmental sustainability like achieving water-neutrality by investing in community rainwater harvesting structures, reducing non-process fresh water consumption and reducing trade-effluent and waste generation. During the year, the Company made further investments in renewable energy to reduce its carbon footprint and drive sustainability. Almost 22% of the power requirement at the manufacturing facilities is being met through renewable energy sources.

The new accounting standards – Ind AS, have become effective from 1st April, 2016 and the financial statements presented in this Annual Report comply with these new accounting standards. The Company has further strengthened its internal controls and governance framework by rolling out a comprehensive compliance requirement guideline to its international subsidiaries. As always, the Company strives to enhance its internal controls and governance standards as a matter of ethical responsibility to all its stakeholders and not merely as a regulatory requirement.

The new financial year has started on an encouraging note with the Government seen keenly pushing the implementation of the Goods and Services Tax (GST) from the second quarter of the financial year. GST is being looked at as the single biggest indirect tax reform and is poised to push India's economic growth forward by creating a single national market and enhancing the efficiency of inter-state movement of goods and services. However, given the wide scale of implementation, it is likely to cause some disruptions in the initial period and the Company will have to face this hurdle as it adapts to this new landscape. The initial forecasts on monsoon are also encouraging and this gives hope for a strong consumption demand from the rural segment. On the other hand, raw material prices have moved up significantly over the last few quarters putting pressure on margins. In the International markets, political stability in key markets of Egypt, Bangladesh and Nepal would be the key for sustained performance.

As we move forward, the vagaries of uncertain environment would continue to confront all the businesses. The Company is confident of navigating these uncertainties and would continue to invest in its capabilities to understand and deliver offerings to satisfy the consumer needs in our quest to deliver sustainable long-term performance. I take this opportunity to thank all our stakeholders for the faith reposed in the Company and look forward to your continued support in this journey.

Yours truly,

Ashwin Choksi

Ashwin Choksi

75 Years of Partnering Beautiful Homes



1942

Four Visionaries

Shri Arvind Vakil, Shri Champaklal Choksey, Shri Suryakant Dani & Shri Chimanlal Choksi begin paint manufacturing in a garage in Mumbai (Maharashtra).



1945

Company Formation

Formation of Asian Oil and Paint Co. (India) Ltd.



1954

Friendly Mascot

R K Laxman creates 'Gattu' who went on to become one of the nation's favourite mascots.



1958

First of the lot

First paint manufacturing facility commissioned at Bhandup (Mumbai, Maharashtra).



1970

Goes Digital

Introduction of MIS.



1967

Market Leader

Emerges as India's leading paint company.



1978

Passport Time

Lays foundation for its first overseas venture in Fiji.



1981

Expanding Manufacturing Footprint

Second paint manufacturing facility commissioned at Ankleshwar (Gujarat).





1982

IPO

The Company went Public in India.



1985

Expanding Manufacturing Footprint

Third paint manufacturing facility commissioned at Patancheru (Andhra Pradesh - now Telangana).



1984

Backward integration

Pentaerythritol plant at Cuddalore (Tamil Nadu).



1987

Backward integration

Phthalic Anhydride plant at Ankleshwar (Gujarat).



1990

Expanding Manufacturing Footprint

Fourth paint manufacturing facility commissioned at Kasna (Uttar Pradesh).

1997

A Solid Venture

50:50 JV with PPG Industries Inc., USA for automotive coatings in India.

1998

Choice of Colours

Launch of Colour World in the Indian market.



1999

Sri Lanka Calling

First overseas acquisition - Delmege Paints Lanka (now known as Asian Paints Lanka).

SCM + ERP
1999 2000

2001

ERP & SCM

Integration of ERP from SAP and SCM from i2 solutions.



2000

Expert Solutions

Launch of 'Home Solutions' - the painting service brand.

2002

New Look

Unveils new visual identity.

BERGER PAINTS
scib Paints

2002

Spreading Wings

Acquires Berger International Limited, Singapore with operations in Middle East, Asia and the Caribbean Islands.

&

Acquires SCIB Chemicals S.A.E in Egypt.



2007

Expanding Manufacturing Footprint

Commissioned Industrial coatings manufacturing facility at Taloja (Maharashtra).



2005

Expanding Manufacturing Footprint

Fifth paint manufacturing facility commissioned at Sriperumbudur (Tamil Nadu).



2008

It's all about Colour

First signature store 'Colour with Asian Paints' at Mumbai (Maharashtra).



2010

Expanding Manufacturing Footprint

Sixth paint manufacturing facility commissioned at Rohtak (Haryana).



2008

Renewing R&D Focus

New Research & Technology Centre at Turbhe (Navi Mumbai, Maharashtra).

2012

Strengthening Ties

Second 50:50 JV with PPG Industries Inc., USA for Industrial Coatings in India.



2013

Expanding Manufacturing Footprint

Seventh paint manufacturing facility commissioned at Khandala (Maharashtra).

2012

New Look

Unveils new brand identity.



2013

Enters Kitchen space

Acquires 51% stake in Sleek International Pvt Ltd.



2014

Enters Bath fittings space

Acquires the front end sales business of Ess Ess Bathroom Products Pvt. Ltd.

2015

Overseas Expansion

Acquires 51% stake in Kadisco Paint and Adhesive Industry Share Company, Ethiopia.



2016

Décor Solutions

Opens "AP Homes" in Coimbatore - a one stop solution for integrated décor consultation and products.

2017

Overseas Expansion

Acquires 100% stake in Causeway Paints Lanka (Pvt) Ltd. in Sri Lanka.



Ten Year Review - Standalone

(₹ in Crores except per share data, numbers of employees, numbers of shareholders and ratios)

RESULTS FOR THE FINANCIAL YEAR	2016-2017**	2015-2016**	2014-2015^	2013-2014^	2012-2013^	2011-2012^	2010-2011^	2009-2010	2008-2009	2007-2008
INCOME STATEMENT										
Gross Revenue	15,997.5	14,774.4	13,483.8	12,042.6	10,405.0	9,064.3	7,202.0	5,753.5	5,003.4	4,062.8
Revenue from Operations	14,360.4	13,332.2	11,648.8	10,418.8	8,960.1	7,964.2	6,336.1	5,134.1	4,278.7	3,426.5
Growth Rates (%)	7.7	14.5	11.8	16.3	12.5	25.7	23.4	20.0	24.9	21.2
Materials Cost	8,581.7	8,086.7	6,439.8	5,940.0	5,163.4	4,746.3	3,646.9	2,840.2	2,606.9	1,956.1
% to Revenue from Operations	59.8	60.7	55.3	57.0	57.6	59.6	57.6	55.3	60.9	57.1
Overheads	3,107.3	2,768.5	3,198.5	2,701.6	2,249.4	1,866.1	1,532.0	1,275.0	1,103.8	908.0
% to Revenue from Operations	21.6	20.8	27.5	25.9	25.1	23.4	24.2	24.8	25.8	26.5
Operating Profit (EBITDA)	2,972.3	2,726.4	2,197.3	1,950.9	1,673.4	1,493.2	1,232.2	1,153.7	619.4	615.2
Finance Costs	18.9	23.4	27.1	26.1	30.6	30.8	15.4	13.8	10.4	8.3
Depreciation	295.4	234.5	223.1	212.3	127.0	99.5	94.5	60.7	57.2	43.8
Profit Before Tax and Exceptional items	2,658.1	2,468.5	1,947.1	1,712.5	1,515.9	1,362.9	1,122.3	1,079.2	551.8	563.2
% to Revenue from Operations	18.5	18.5	16.7	16.4	16.9	17.1	17.7	21.0	12.9	16.4
Growth Rates (%)	7.7	26.8	13.7	13.0	11.2	21.4	4.0	95.6	(2.0)	36.7
Exceptional item	-	(65.4)	(13.5)	(9.9)	-	-	-	25.5	(5.9)	-
Profit Before Tax and after Exceptional items	2,658.1	2,403.1	1,933.6	1,702.6	1,515.9	1,362.9	1,122.3	1,104.7	545.9	563.2
% to Revenue from Operations	18.5	18.0	16.6	16.3	16.9	17.1	17.7	21.5	12.8	16.4
Profit After Tax	1,803.1	1,622.8	1,327.4	1,169.1	1,050.0	958.4	775.2	774.5	362.4	375.2
Return on average capital employed (ROCE) (%)	41.4	45.0	49.9	51.7	54.0	59.3	62.1	78.2	51.3	60.5
Return on average net worth (RONW) (%)	28.0	29.5	33.9	35.3	38.1	42.9	43.9	58.4	35.8	44.9
BALANCE SHEET										
Share Capital	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9
Other Equity	6,855.1	5,829.8	4,134.3	3,505.0	2,926.3	2,391.9	1,879.4	1,461.3	998.6	832.6
Deferred Tax Liability (Net)	261.2	217.2	167.8	177.1	143.3	80.8	75.5	47.9	47.9	31.5
Borrowings	17.08	37.99	39.6	47.7	54.1	168.2	65.7	68.6	74.5	94.7
Property, Plant and Equipment, Goodwill & Other Intangible Assets	2,824.4	2,721.8	2,105.0	2,050.2	2,154.4	1,611.9	1,096.9	1,088.2	711.8	539.2
Investments	2,770.0	2,796.6	1,893.8	1,671.2	872.5	913.8	1,034.8	703.7	234.8	422.9
Debt-Equity Ratio	0.002:1	0.01:1	0.01:1	0.01:1	0.02:1	0.07:1	0.03:1	0.04:1	0.07:1	0.09:1
Market Capitalisation	1,02,970	83,297	77,820	52,559	47,139	31,056	24,238	19,593	7,539	11,510
PER SHARE DATA										
Earnings Per Share (EPS) (₹) #	18.8	*16.9	*13.8	*12.2	10.9	10.0	8.1	*8.1	* 3.8	3.9
Dividend (%)	1,030	750.0	610.0	530.0	460.0	400.0	320.0	270.0	175.0	170.0
Book Value (₹)	72.5	61.8	44.1	37.5	31.5	25.9	20.6	16.2	11.4	9.7
OTHER INFORMATION										
Number of Employees	6,156	6,067	5,897	5,555	5,236	4,937	4,640	4,382	4,260	3,924
Number of Shareholders	2,02,988	1,65,986	1,47,143	87,997	54,813	60,537	59,280	48,290	49,074	47,573

* EPS calculated on Net Profit after Exceptional items.

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

^ Figures have been regrouped as per Revised Schedule VI to the Companies Act, 1956. Hence these numbers are not comparable with previous years.

** Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. ROCE and RONW for these years are computed on the basis of figures as per Ind AS. Hence these numbers are not comparable with previous years.

Ten Year Review - Consolidated

(₹ in Crores except per share data, numbers of employees, numbers of shareholders and ratios)

RESULTS FOR THE FINANCIAL YEAR	2016-2017**	2015-2016**	2014-2015^	2013-2014^	2012-2013^	2011-2012^	2010-2011^	2009-2010@	2008-2009	2007-2008
INCOME STATEMENT										
Gross Revenue	19,076.1	17,640.0	16,325.2	14,567.2	12,488.1	10,778.0	8,610.8	7,314.5	6,229.8	5,075.9
Revenue from Operations	17,084.8	15,841.7	14,182.8	12,714.8	10,938.6	9,632.2	7,722.3	6,680.9	5,463.9	4,407.2
Growth Rates (%)	7.8	11.7	11.5	16.2	13.6	24.7	15.6	22.3	24.0	20.1
Materials Cost	10,225.2	9,619.9	7,971.5	7,340.7	6,413.0	5,795.3	4,474.6	3,758.0	3,370.6	2,577.6
% to Revenue from Operations	59.8	60.7	56.2	57.7	58.6	60.2	57.9	56.2	61.7	58.5
Overheads	3,838.1	3,452.7	3,975.9	3,376.2	2,793.6	2,328.2	1,919.6	1,695.6	1,425.5	1,170.6
% to Revenue from Operations	22.5	21.8	28.0	26.6	25.5	24.2	24.9	25.4	26.1	26.6
Operating Profit (EBITDA)	3,284.0	2,982.5	2,405.1	2,132.1	1,846.5	1,616.2	1,396.1	1,367.9	718.8	718.6
Finance Costs	30.6	40.7	34.8	42.2	36.7	41.0	23.2	28.5	26.3	21.2
Depreciation	338.8	275.6	265.9	245.7	154.6	121.1	113.1	83.6	74.4	59.2
Profit Before Tax and Exceptional items	2,914.6	2,666.3	2,104.4	1,844.2	1,655.2	1,454.1	1,259.7	1,255.9	618.1	638.3
% to Revenue from Operations	17.1	16.8	14.8	14.5	15.1	15.1	16.3	18.8	11.3	14.5
Growth Rates (%)	9.3	26.7	14.1	11.4	13.8	15.4	0.3	103.2	(3.2)	45.8
Exceptional items	-	(52.5)	(27.6)	(9.9)	-	-	-	1.2	(1.2)	(6.8)
Profit Before Tax and after Exceptional items	2,914.6	2,613.9	2,076.9	1,834.3	1,655.2	1,454.1	1,259.7	1,257.0	616.9	631.4
% to Revenue from Operations	17.1	16.5	14.6	14.4	15.1	15.1	16.3	18.8	11.3	14.3
Profit After Tax (after Minority interest) including share of profit of associate	1,939.4	1,745.2	1,395.2	1,218.8	1,113.9	988.7	843.2	835.6	397.8	409.2
Return on average capital employed (ROCE) (%)	38.0	40.5	45.3	47.6	50.3	54.3	58.9	74.4	46.5	56.3
Return on average net worth (RONW) (%)	27.5	28.9	31.8	32.8	36.3	40.1	43.3	57.4	36.4	46.5
BALANCE SHEET										
Share Capital	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9
Other Equity	7,506.4	6,428.9	4,646.4	3,943.3	3,288.4	2,652.6	2,091.5	1,614.1	1,107.3	886.5
Deferred Tax Liability (Net)	359.2	296.8	179.9	187.8	154.4	92.8	85.2	56.2	53.3	39.1
Borrowings	560.3	323.3	418.2	249.2	251.0	341.1	233.4	229.2	308.6	275.2
Property, Plant and Equipment, Goodwill & Other Intangible Assets	3,415.1	3,371.2	2,610.2	2,491.8	2,456.0	1,876.1	1,316.0	1,280.1	905.1	691.7
Investments	2,652.0	2,712.1	1,587.8	1,423.6	778.8	750.7	922.0	624.1	78.4	276.7
Debt-Equity Ratio	0.07:1	0.05:1	0.09:1	0.06:1	0.07:1	0.12:1	0.11:1	0.13:1	0.26:1	0.28:1
PER SHARE DATA										
Earnings Per Share (EPS) (₹)#	20.2	*18.2	*14.5	*12.7	11.6	10.3	8.8	*8.7	*4.1	*4.3
Book Value (₹)	79.3	68.0	49.4	42.1	35.3	28.7	22.8	17.8	12.5	10.2

* EPS calculated on Profit After Tax (after Minority Interest) including share of profit of associate after exceptional items.

@ This period includes 15 months (1st January, 2009 to 31st March, 2010) of Overseas Subsidiaries.

^ Figures are regrouped as per the requirement of revised Schedule VI under Companies Act, 1956. Hence not comparable with previous years.

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

** Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. ROCE and RONW for these years are computed on the basis of figures as per Ind AS. Hence these numbers are not comparable with previous years.

Performance Highlights - Standalone

7.7%
Revenue from Operations Growth

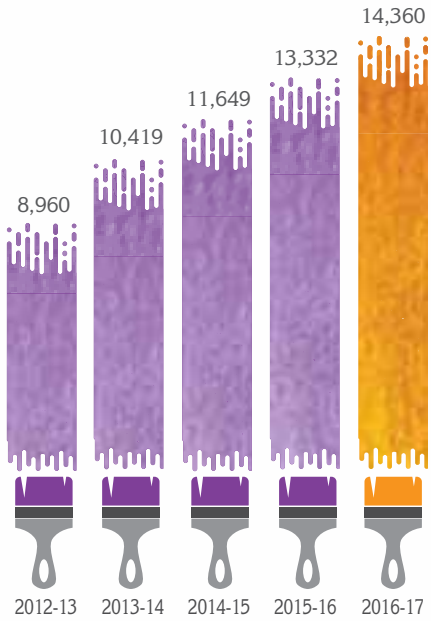
11.1%
Net Profit Growth

₹ 10.30
Total Dividend per Share

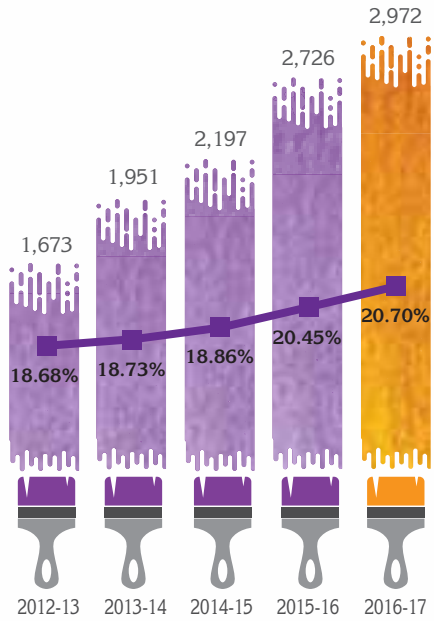
65.9%
Dividend Payout Ratio

$ 15.88 bn
Market Capitalisation as at 31st March, 2017

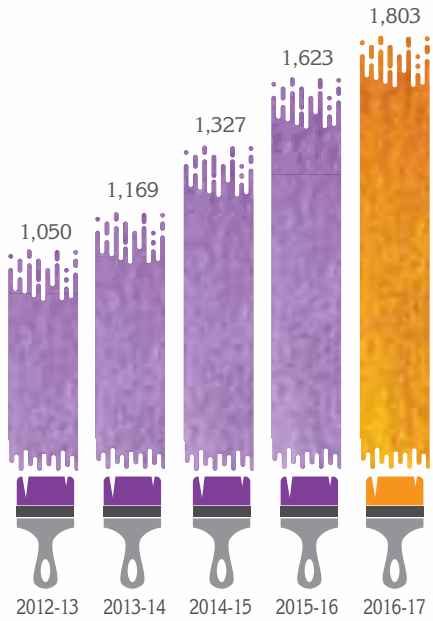
Revenue from Operations
(₹ in Crores)



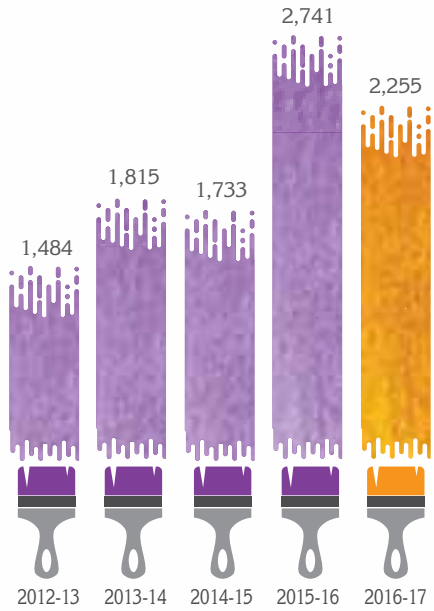
EBITDA & EBITDA Margins (%)
(₹ in Crores)



PAT
(₹ in Crores)

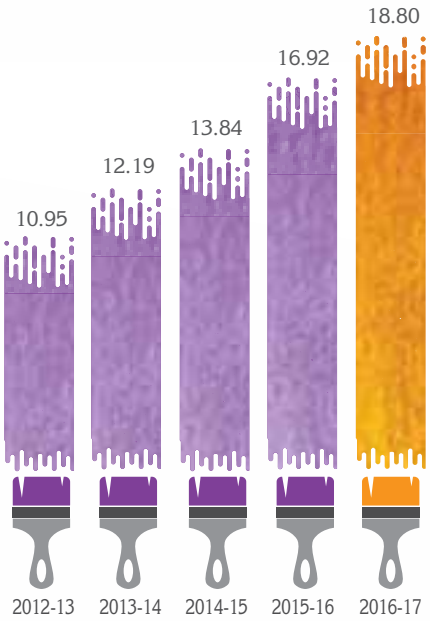


Cash generated from Operations
(₹ in Crores)



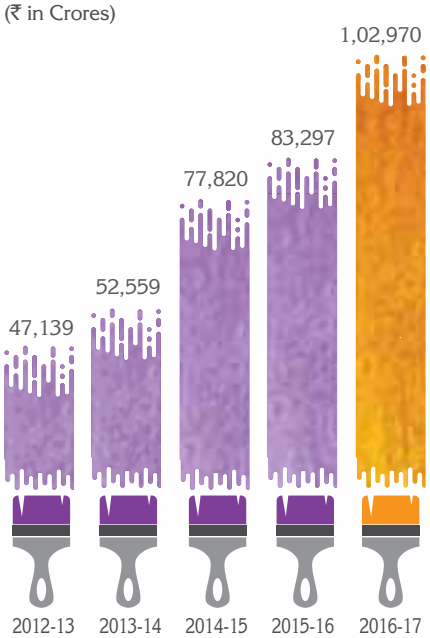
EPS after Exceptional Items

(in ₹)

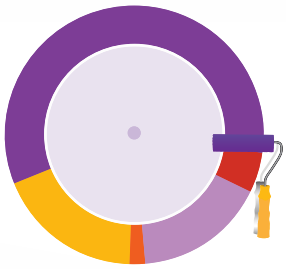


Market Capitalisation

(₹ in Crores)

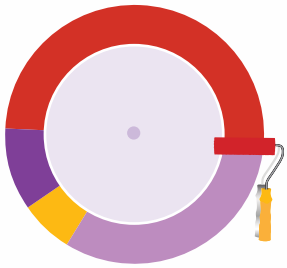


Percentage of total income built-up for 2016-17



- 58.5% Cost of Goods Sold
- 5.1% Employee Cost
- 16.3% Other Expenses
- 2.0% Depreciation
- 18.1% PBT before Exceptional Items and Tax

Percentage of Revenue from Operations' contribution of each region to overall International operations for 2016-17



- 10.4% Caribbean (Barbados, Jamaica, Trinidad & Tobago)
- 51.8% Middle East & Africa (Egypt, Oman, Bahrain, UAE & Ethiopia)
- 31.2% Asia (Bangladesh, Nepal, Sri Lanka, Singapore and Indonesia)
- 6.6% South Pacific (Fiji, Solomon Islands, Samoa, Tonga & Vanuatu)

Balance Sheet elements and ratios

	2013	2014	2015	2016	2017
Net Fixed Assets (₹ in Crores)	2,101.9	2,012.2	1,965.5	2,629.0	2,604.7
Asset Turnover Ratio	4.3	5.2	5.9	5.1	5.5
Capital Employed (₹ in Crores)	2,866	3,362	3,959	5,537	6,466
ROCE (%)	54	52	50	45	41

Key Product Portfolio

Interior Paints



Exterior Paints



Metal Finishes (Enamels)



Wood Finishes Range

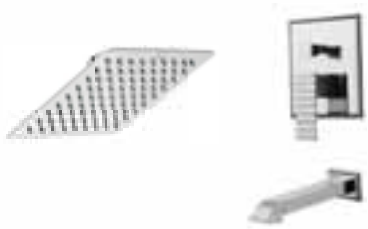


SmartCare Range of Waterproofing Products



Range of Bath Fittings





röyale BATHROOMS asianpaints

ESSESS BATH FITTINGS by asianpaints
Smart Like You

Adhesives Range



Nilaya Range of Wall coverings



Qila by Good Earth for Nilaya



Mogholsarai by Sabyasachi for Nilaya



Painted Sky by Nilaya Signatures

Management Discussion and Analysis



Pebbles - Royale Play Collection

ECONOMIC ENVIRONMENT

The financial year 2016-17 has been a year marked with both excitement and challenges for the global as well as the Indian economy. Some of the events that took place during the course of this year could very well turn out to be the defining moments for the world economy at large. The sheer scale and swiftness with which the Indian Government demonetised almost 86% of the currency notes in circulation in November 2016 is one such event. Coming at a time when the Indian economy was just beginning to look up on the back of positive sentiments from private consumption and normal monsoon, the cash shortage and payment disruptions caused by demonetisation, strained the consumption and business activity for a major part of the second half of the year. Consequently, GDP growth for the year is expected to be almost 1% lower at 6.7% than that in the previous year. Capital investments still remain stagnant with an overhang of spare capacity in many industries and corporate balance sheets still remain stretched hindering their ability to invest on any future uptick in demand. Merchandise exports continued to contract, partly as a result of the lower commodity prices as well as due to the weak global demand.

On the fiscal front, the position is expected to be much better with the Government expected to meet its fiscal deficit target at 3.5% of GDP and the current account deficit narrowing down further to about 1.1% of GDP. Inflation, though inching up in the last few months, also stayed below the RBI's target of 5%, leading to an accommodative monetary policy for most part of the year. The Indian rupee stayed relatively stable this year, trading in a range of 66-67 to USD for most part of the year before seeing a sharp appreciation during the close of the financial year.

It was also encouraging to see the Government move ahead on clearing the legislative hurdles for the implementation of the Goods and Services Tax (GST), touted as the biggest tax reform for the country. All indications now suggest that GST should get implemented in the second quarter of the financial year and although uncertainties remain around the design as well as readiness of the entire economy to implement this structural

change, is poised to provide a fillip to India's economic growth as it will create a single national market and enhance the efficiency of inter-state movement of goods and services apart from moving a large part of the informal sector within the formal set-up of the economy.

On the global front, two key events have led to a lot of uncertainty and spurt in volatility across markets. In June 2016, UK voted to leave the European Union leading to an immediate ratings downgrade and financial market volatility. The financial markets have seemingly factored in this event but the impending round of trade negotiations between UK and the European Union, point to a tough road ahead. The November 2016 US election outcome was also a major surprise and led to a lot of capital flight away from the emerging markets, including India, on the hopes of strong pro-US growth policy rollouts from the new Government. The challenges faced in the initial roll-out of some of this agenda by the new administration, point to a difficult and tumultuous road ahead which will have implications not just for the US economy but the entire global set-up.

All the new categories and new products launched during the last couple of years have done extremely well

DECORATIVE INDIA BUSINESS

Sales and Marketing

The year witnessed an unprecedented move of demonetisation by the government, right after the festive season got over. The Company managed to register good growth during the year despite this unexpected move. There was a strong focus during the year on the product mix and a lot of new products across categories were launched. All the new categories and new products launched during the last couple of years have done extremely well during financial year 2016-17.

Key categories of luxury and premium emulsions have done well during the year. The Company carried out systematic breakthrough programmes to introduce innovation and as a result, launched 3 new revolutionary products - 'Tractor Aqualock', 'Truegrip Ultra Adhesive' and 'Dampsheath Exterior'. In the interiors category, national launch of 'Royale Atmos' created an opportunity for the Company to be the first mover in this segment and build differentiation and innovation for 'Royale'. The Sheen variant of 'Tractor Emulsion' was launched in September and was well received in the market.

The Company's focus on performance has led the growth in the exteriors segment over the last couple of years. The focus on décor has added a new dimension to the overall offering, making the Company's products in the exterior segment much more aspirational. The 'Earth series' inspired by nature and the 'Geometrix' collection with geometric-shaped designs were launched during the year. On the back



AP Homes store in New Delhi



Damascus - Nilaya range of Wall coverings

of comprehensive brand building marketing initiatives across regions and new TVC, 'Ultima Protek' is now clearly seen as the best waterproofing exterior product and continues to grow and increase market share. The 'Baarish Ko Aane Do' campaign featuring actor Ranbir Kapoor strengthened the positioning further. Strengthening the 'Ultima' brand further, the Company launched 'Ultima Protek Duralife'. It is the only painting system in the world to offer fifteen and ten years' warranty on performance and waterproofing, respectively.

The Company made a foray into waterproofing a couple of years back. Taking the category forward, this year, the Company introduced warranty on key waterproofing products, which is a key differentiator in the waterproofing market. 'Damp Block 2K' and 'Damp Sheath' range was launched during the year and both can be key game changers in the coming years. For Projects, specialised products including a full range of repair products were launched, which has opened a significant market for the Company to address.

Amongst the new categories launched recently, the Company made decent inroads in the rollers segment of the tools business. Mechanised range of tools were launched across markets.

The Company is focussed towards driving growth in the luxury wood finishes space. All products in this segment have done well with 'Emporio', 'PU-Palette' and 'APPU' driving the growth story.

The Company's dedicated Projects vertical, Asian Paints Project Sales registered a very good performance during the year with all regions of the country doing equally well. All major sub-segments within projects did well, led by Government & Housing Societies. The largest within projects, builders also did well despite the sluggish demand conditions.

Asian Paints Ezycolour Home Solutions (APEHS) is the painting arm of the Company. While large units of APEHS located in major cities did well, growth was lower in some of the smaller units. Launch of variants like waterproofing solutions, wood solutions and Ezycolour Pro solutions for architects and interior designers helped in strengthening the positioning of APEHS.

During the year, the Company has added a large number of Colour Worlds, extending the coverage further to smaller towns across the country. The new high-end 'Colour Ideas store' have been extended across more than 150 cities offering consumer a number of décor choices for their homes. The Company launched a flagship 'AP Homes' stores at Coimbatore last year. The concept is being scaled up with more stores coming in North and South India in the next year.

'Colour Next' is the Company's proprietory colour research initiative that helps to establish the Company as a colour leader. Colour Next 2017 and Colour of the year – Intense Ocean were launched at the India Design Week in Delhi. The Company leads with the vision of being the forerunner of inspiring décor & partnering with consumers in transforming their living spaces. A new TVC Campaign 'Colour Expert' was launched in August 2016 to this effect to drive awareness around this vision as well as promote the Colour Consulting Service offered by the Company. We have crossed more than 2.5 lakh consultancies during the year through this channel.

The Company is focussed around the usage of the digital medium of marketing. The new website was launched in April 2016. It was followed by a Hindi website in the month of October 2016. 'Colour Visualiser' too was launched in September 2016 and has met with a very positive response. The Company ran a dedicated digital calendar this year with more than 40 digital campaigns during the year. The Company understands that décor enthusiasts across our key consumer segments are looking for inspiration and hence www.beautifulhomes.com was launched in October 2016 as an online décor magazine. The website will feature inspirational Indian homes & workspaces, practical décor tips, accessible design ideas & DIY guides.

Supply Chain

The Company completed the expansion project at its Rohtak plant during the last year. Post the expansion, the capacity at Rohtak has been taken to 4,00,000 KL per annum now. Operations at the plant were stabilised quickly during the year and the plant capacity is being ramped up now.

The Company is also working on two greenfield paint manufacturing facilities at Mysuru and Vishakhapatnam (Vizag). The maximum capacity at Mysuru will be 6,00,000 KL per annum installed in phases. The maximum capacity at Vizag will reach 5,00,000 KL per annum installed in phases. The Company would be investing approximately ₹ 2,300 crores at Mysuru and ₹ 1,785 crores at Vizag to reach these capacities. Both the projects are on track to achieve the capacity of 3,00,000 KL per annum each in the first phase.

The Company is also in the process of seeking statutory approvals for expanding the paint production capacity at Ankleshwar from 1,30,000 KL per annum to 3,00,000 KL per annum and augment the resin and emulsion capacity from 32,000 MT per annum to 85,000 MT per annum. The aforesaid expansion and augmentation would involve phasing out the current Phthalic Anhydride and its allied products manufactured at this facility.

During the year, investments were made in plants to expand infrastructure for receiving powder raw materials in bulk form.

The Company is also working on two greenfield paint manufacturing facilities at Mysuru and Vizag

It would reduce usage of packaging material and lead to better hygiene due to reduced dust generation during handling. Anticipating customer demand and ensuring timely servicing is one of the key strengths of the Company. During the last year, projects were undertaken to implement advanced IT tools to further improve on statistical forecasting and drive high forecast accuracy to ensure better planning around demand and supply. To improve servicing in the eastern parts of the country, a new distribution centre was modelled and implemented in the region.



Laying the foundation stone for the upcoming paint manufacturing facility at Mysuru, Karnataka

INTERNATIONAL OPERATIONS

The international operations of the Company are spread across geographies. Some of the key markets faced challenging business conditions due to the subdued economic environment in those countries. However, most of the International units managed to tide over the challenges and delivered strong performance. Egypt, which is the largest International unit of the Company, faced a volatile year due to a severe foreign exchange shortage in the country. To tide over this crisis, the Egyptian government embarked upon several fiscal reforms during the year, one of them being the sharp devaluation of its currency. This had significant impact on the economy as raw material prices and inflation soared. Despite all these challenges, Egypt posted robust performance by taking required measures. Post devaluation, Egyptian dollar is now a free floating currency and after an initial period of instability, investor confidence has improved, reflected by the improvement in forex reserves, which have gone up from a low of USD 16 Billion to around USD 28 Billion.

Most of the International units managed to tide over the challenges and delivered strong performance

Ethiopia faced a challenging start due to drought and political tensions in the country. State of emergency was declared in the country in October 2016 after anti-government protests. This impacted forex availability and led to decrease in foreign investments. Despite the uncertainty from the political fallout, the International Monetary Fund is upbeat about the future prospects of the economy.

The Company's operations in South Asia registered strong growth led by the performance in Nepal. Post-earthquake, reconstruction and favourable monsoon has aided growth in the country. Bangladesh faced adverse conditions in the first half of the year but bounced back on the back of good growth in agriculture sector and robustness in the all-important garment sector.

Middle East is going through a slowdown as oil prices remain low. Oman witnessed a downturn in the economy, with the GDP declining for the second year in succession. The government was under pressure to maximise revenues and curb expenditure to prevent fiscal deficit from getting out of control. Inflation peaked in Bahrain in 2016 as the Government took some aggressive measures such as increasing prices of petrol, water, electricity and reducing subsidies. This along with the reduction in oil prices dampened market sentiments. Despite the slowdown, both the units of Oman and Bahrain did well in a subdued market on the back of improved servicing and right product mix. United Arab Emirates (UAE) witnessed a slowdown in economic growth. GDP



Upcoming new paint manufacturing facility at Indonesia

growth in UAE was subdued down on the back of slowdown in the oil economy. Even the non-oil sector was subdued, as the strength of the currency affected corporate competitiveness as well as the tourism sector.

Macro environment in Caribbean countries were mixed. Domestic demand in Jamaica was better during the year due to a more stable and business-friendly macro-economic environment, falling unemployment and stronger investment growth. Trinidad and Tobago's economy was caught up in a recession spiral with GDP most likely contracting for the third consecutive year.

Fiji was hit by cyclone Winston in the month of February 2016. The government was quick in the reconstruction efforts and the economy witnessed strong reconstruction demand. Paint market did well on the back of subsidy given by the government.

Berger International Private Limited, Singapore (BIPL), through its subsidiary company acquired land for setting up a manufacturing facility in Indonesia during the last year. Construction for an interim facility of 5,000 KL per annum started in August, 2016 and is nearing completion. Meanwhile, commercial operations were started through tie-ups with business partners.

The work on consolidating all the operating subsidiaries under a single overseas holding company was initiated last year. Phase I of this exercise got completed this year with the transfer of Asian Paints (Lanka) Limited to BIPL. Consequently, Phase II of the exercise of merging Asian Paints International Limited, Mauritius, with the parent company, Asian Paints Limited, was initiated. The Company is in the process of completing all formalities and obtaining all clearances in respect of the same.

The Company strengthened its international footprint by acquiring 100% stake in Causeway Paints Lanka (Pvt) Limited (Causeway), Sri Lanka through its wholly-owned subsidiary Berger International Pvt. Ltd., Singapore. Causeway is a key player in the Sri Lankan coatings market and has been operating for more than two decades in the country.

Against the backdrop of an overall difficult market condition, the international operations have delivered a good performance driven by strong volume growth and operational efficiencies.

HOME IMPROVEMENT BUSINESS

With the vision of being a complete décor solutions provider to help customers create their dream homes, the Company forayed in the Home Improvement business 3 (three) years back. The Company is present in the Kitchen and the Bath business under the Home Improvement segment.

Kitchen Business

Sleek today enjoys the exclusivity of being the only player in the Kitchen space that is into both 'Kitchen Components' and 'Full Kitchen Solutions'. It operates the same through a network of distributors, dealers and retail stores.

During the year, the component segment grew well. Growth was impacted in the November to January period due to demonetisation. New products such as "Tuff Advance" soft close drawer systems, appliances, and hardware such as hinges & channels have driven growth in the segment. More than 1,000 sub-dealers were added to the network. The network today stands at around 3,200 sub-dealers.



Full Kitchen solution by Sleek

For the Full Kitchen solutions, priority was placed on addition of Full Support Dealers. 40 Full Support Dealers were added this year taking the total network to 117 now. The support of well-trained at-store Sleek designers, supervisors and Design & Operations Managers has helped in increasing kitchen bookings from these dealers. During the year, focus was on improving efficiency, reducing errors, reducing closure timelines and implementing 'Design to Manufacture' (D2M) software. Sleek also forayed into wardrobes on a pilot basis during the year. The response on this range has been encouraging.

Conversion of Project orders was slower than expected due to a weak real estate market in the second half of the financial year. However, the Projects and AID (Architects and Interior Designers) division was able to shore up the order book quite well, which has created the foundation for better sales in this segment in 2018.

While, many initiatives were driven throughout the year to improve the position and performance of the business, the pace of growth has been slower as compared to the expectation, partially dented due to demonetisation and slowdown in real estate and construction arena.



Sleek's foray into Wardrobes

Bath Business

During the year, there was a strong focus on driving improvements in manufacturing, logistics & service and sales & marketing in the bath fittings business. The Company has worked on improving material service to the network. Additionally, there is thrust on adding new network as well as adding more showrooms to the existing areas. The aforesaid enhancement will also aid expansion of the network for the Royale range of bath fittings. The Company has made progress in improving the manufacturing facility throughout in accordance with the LEAN-KAIZEN approach.

During the year, the Company has followed a twin-pronged strategy to promote the premium range. While D-Series, Dune and Tarim ranges of the portfolio were driving the upgradation effort in the larger part of the network, Royale range (launched in January, 2016) created a new product story at the upper end. Both have been successful in creation of effective selling points.

At a country level, growth was led mainly through the new dealers added in the recent years. Inflation in prices of key commodities



Royale range of Bath Fittings

like zinc and copper affected margins especially towards the end of the year. The Sanitaryware range launched in March, 2016 was further piloted in select counters during the year.

INDUSTRIAL BUSINESS

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

PPG-AP, the first 50:50 Joint Venture of the Company with PPG Industries Inc., USA for manufacturing Automotive, OEM, Refinish, Marine, Packaging and certain Industrial Coatings, has performed well during the year.

Growth in the business was driven by the passenger vehicle and 2-wheeler build market which grew at 7.9% each accompanied by some contraction in the market of the Japanese suppliers. This along with key wins led the top line growth for Automotive, General Industrial and Refinish segments. Growth in Marine and Packaging segments was subdued.

On the capacity front, the Company is working on setting up a plant in Dahej and the project is under execution currently. Parallely, Packaging cell was commissioned during the year at Sriperumbudur, Tamil Nadu. During the year, margins improved due to favourable material cost helped by better sourcing and localisation strategies.

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

AP-PPG serves the non-auto industrial coatings market of the country and is the Company's second 50:50 joint venture with PPG Industries Inc., USA.

Many initiatives were driven throughout the year to improve the position and performance of the Home Improvement business

Industrial segment growth was driven by continued focus on dealer channel, Maintenance & Repairs (M&R) segment and OEM segment. The Company successfully strengthened the dealer base in North and West markets, establishing gains in key competitive counters, in the Protective Coatings business. The significant increase in customer base in Pre-Engineered Building has helped maintain leadership in metro infrastructure projects. Some segments within OEMs witnessed strong demand due to stricter implementation of safety norms.

While Road markings segment registered decent growth due to several large projects won, the growth of powder business was dampened by slowdown in overall manufacturing industry,



Ezycolour consultancy services

especially in second half of the year. Demand condition in Furniture, Genset, Architectural segment, Auto & Job coater segment was better during the year.

Overall, AP-PPG registered strong growth both in terms of revenues as well as profitability during the year. Profitability improved mainly due to lower raw material costs.

Phthalic and Penta

The Company's two chemical businesses, Phthalic Anhydride, manufactured at Ankleshwar, Gujarat and Pentaerythritol, manufactured at Cuddalore, Tamil Nadu, were set up as backward integration initiatives in the eighties, primarily to cater to the in-house demand for these chemicals.

Phthalic Plant has achieved a new milestone, a world record of 490 days of continuous uninterrupted operations. Phthalic Plant was also awarded a Certificate of Merit for Cleaner Production by Ministry of Environment & Forests, Govt. of Gujarat. Raw material prices remained favourable throughout the year and aided margins in this business.

Prices of Pentaerythritol remained firm throughout the year. Plant continued to export its Di-Penta production and earned valuable foreign exchange. Penta Plant was awarded Certificate of Merit for safety performance by the Tamil Nadu Chapter of Confederation of Indian Industry.

HUMAN RESOURCES

The Company strongly believes in enhancing the value of its people asset consistently. The current talent landscape is being driven by many disruptive factors and the Company is working towards managing the talent landscape in a way such that the



#DonateAWall initiative by Asian Paints - A residential building turns into Masterpiece Art

On 1st February, 2017, Asian Paints completed 75 years of existence

Asian Paints brand delivers on its promise to its customer as well as on the Company's vision. Managing an innovative and inclusive culture, managing the process and culture integration and building the employer brand are some of the high imperative areas that are helping the Company manage the talent landscape. In this regard, steps were taken to create a culture and people framework which is best suited for transforming business models, changing customer needs and sustainable growth. The Company promotes a workplace where extremely diverse set of talents can connect, contribute and thrive in partnership with business leaders. The Company believes that these steps shall help the endeavour of delivering the Signature Asian Paints Employee Experience.

People development has always been a focus area for the Company. Learning needs have been addressed during the year through new programmes in the areas of strategy, execution and critical thinking. To provide a truly holistic platform for people, job rotations have been strategically increased and all movement and development decisions are institutionalised. Work on developing a 360° Feedback Framework and Transition programmes at all levels of the organisation has been carried out during the year. Leadership Competency Framework design and mapping was completed during the year. Based on the pilot approach, changes in the functional competency framework have been identified and will be taken up.

In accordance to the long-term needs of the people, the Company has extensively started using data insights through interactive dashboards in people decisions, focussed on capability building and strengthened the roles of Business Human Resource (BHR) as strategic business partners. An automated grievance handling system was developed and implemented at plants. This will help in capturing the grievances at these locations and tracking the closure within targeted timelines.

On 1st February, 2017, Asian Paints completed 75 years of existence. This milestone was celebrated by employees across all the Asian Paints locations across the globe. All the offices were decorated to mark the event and to create an atmosphere of celebration. An online portal was launched as a platform for employees to engage on this theme through various activities.

An employee CSR initiative, Kaleidoscope, was launched to begin a wonderful journey to touch multiple lives and inspire even more, to reach out to others on this occasion of 75th year of Asian Paints. Employees volunteered to work with various NGOs across India in activities ranging from reading sessions for children, excel lessons for youth, sports drill sessions, science fair, etc. and even included volunteering in old-age homes. In the Kaleidoscope launch programme's lifecycle of less than 50 days, 7,500 Beneficiaries were reached and 1,350 Employee Volunteers participated with 5,100 Volunteer hours' contribution.

ENVIRONMENT, HEALTH AND SAFETY

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

Last year, the Company released its 2nd Sustainability Report, wherein disclosures on environmental performance were detailed. The Company will continue to publish the Sustainability Report going forward as well, with sufficient information around all aspects of environmental, health & safety performance and activities.

In 2016-17, the six decorative paint factories have continued to act upon the following areas of environmental sustainability:

a. improving water-neutrality by investing in community rain water harvesting structures
b. reducing non-process fresh water consumption
c. reducing trade-effluent generation
d. reducing hazardous waste generation
e. reducing non-hazardous waste generation
f. reducing electricity consumption
g. increasing the contribution of renewable sources in electricity usage
h. maintaining volatile organic compounds (VOCs) in the shop floor at internationally acceptable levels

The Company has identified renewable energy generation as one of the focus areas and investments are being made in this area. Rooftop Solar Power plant was commissioned at Khandala and



ZIG ZAG - Royale Play Special Effects

Kasna factories during the last year. Windmill was commissioned in the state of Tamil Nadu. During the previous year, 22% of the total energy requirement at the paint manufacturing locations was met by renewable energy. Additionally, the Company has started using Biogas at the Khandala plant to reduce the usage of fossil fuel (diesel) in Boilers & Thermic Fluid Heater.

The Company is sensitive about the health and safety of its employees. During the financial year 2015-16, the Occupational Health Centre (OHC) at Patancheru plant was upgraded. Continuing this initiative, OHC's at Khandala, Kasna and Rohtak Plants were upgraded this year. A pilot project on behaviour-based safety programme at the Ankleshwar plant was initiated a couple of years back. The intent of this programme was to create a culture wherein all employees exhibit and practice safe behaviour. This initiative was extended to Patancheru plant this year. Credible achievement was seen at Ankleshwar plant, where, based on the recent assessment, the Company has moved from being on the Calculative stage to the Proactive stage. To increase safety of employees at manufacturing locations and reduce chances of accidents, investments were made in locations within plants, which have high movement of machines like material handling equipment or trucks along with high movement of employees. These investments will help in reducing such parallel

movement of employees and machines and thus help increase the safety of employees.

INFORMATION TECHNOLOGY

Information Technology (IT) continues to be increasingly embedded in every aspect of business activity that any modern enterprise carries out. With emergence of trends like natural language processing, cognitive and machine learning, IT applications are increasingly becoming smarter & intelligent and push the boundaries of how businesses are conducted and people make decisions.

In the year 2016-17, the Company has taken steps towards leveraging some of these emerging technologies. In the home décor space, having the right visual look, go a significant way in helping the consumer make the right choice. The Company made investments in 3-D visualisation technology for the 'AP Homes Stores' and for the kitchen business. This empowers the consultants to create an intuitive visual model within a short period of time thereby not only reducing the consulting time but also nudges the consumer to complete the buying journey.

The Company has a very strong web presence and this serves as a significant source of inspiration for consumers looking for painting and decorating their homes. All key websites of the Company viz., www.asianpaints.com, www.sleekworld.com, www.beautifulhomes.com and the websites of international units have been significantly revamped. By leveraging advanced web analytics and personalisation technology, these websites understand the online behaviour to position the right content and offers to the consumer in line with their preferences.



April Showers, Wallpaper of the year - Nilaya range of Wall coverings

Online behaviours and habits of not only consumers but the entire ecosystem is changing very rapidly in wake of the e-commerce revolution that has swept the country. The Company's dealers also expect a similar experience when they interact with the Company through the digital medium. The Company has launched a comprehensive mobile app for its dealers. The Company is happy to state that this has now become a very popular channel of interaction for the dealers.

Intelligent apps are revolutionising the way businesses operates. Persona-based IT systems that are tailormade to cater to employees in sales function have been implemented. This has significantly enhanced not only the productivity but also decision making and speed of execution. The Company has worked on creating a Virtual TSO (Territory Sales Officer) App for the smaller dealers to increase the connect with them and provide focussed service to this segment.

RESEARCH AND DEVELOPMENT

The Company continued with its endeavour to be an innovative, agile and responsive world-class R&D organisation, aligned to future customer needs and catalysing the growth of Company across existing and future businesses.

The thrust on experimenting with new ideas and building rapid prototypes is the backbone of the Innovation journey. These initiatives have helped the Company to launch several pioneering products in the market with distinctive value proposition for end consumers. The Company launched the Air Cleaning Paint with the brand of 'Royale Atmos' last year. Similarly, this year the Company has launched top of the range exterior emulsion paint named 'Protek Duralife' which offers 15 years' durability along with 10 years of anti-algal and waterproofing warranty as a system. To upgrade the distemper market, the Company has launched 'Tractor Aqualock' entry level emulsion with good water-resistance property. In addition, the Company has made foray into the adhesive market with the introduction of 'True Grip Ultra' adhesive. Many other innovative products are in the pipeline.

In 2016, the Company implemented an ideation software "Eureka" for capturing ideas around new products. This software has helped in generating a significant number of ideas during the year and has seen an encouraging response across. Additionally, the Innovation Gallery was conceptualised and implemented during the year. These ideas have reaped significant benefits to the Company and helped in filing nine patents during the year. In addition, the product 'Genie Polish' received FICCI 2016 Sustainability Award as the best green product in chemical and petrochemical segment. This is the second consecutive year the Company's product received FICCI Sustainability Award. The Company's scientists received four IPA awards, two each in the research and review category, during the 28th Indian Paint Conference held in Bengaluru



Breeze - Royale Play Collection

in January 2017. To encourage talented young masters and engineers in Chemistry and Chemical Engineering to undertake research projects on surface Coatings, the Company has instituted "Asian Paints PhD Fellowship Scheme" from this year. Accordingly, one fellowship programme for a period of four years has been rolled out with the Institute of Chemical Technology, Mumbai.

The Technology Council, constituted in 2014-15, continues to provide expert insights which helps the Company in thriving through innovations, collaborations, talent scouting and meeting global benchmarks. An expert in Emulsion Polymer Chemistry has been inducted into the Council this year, while consultants were also taken on-board for renewed focus on industrial business. To promote outside-in innovation, multiple projects were initiated during the year with raw materials suppliers for value engineering, quality improvement and meeting sustainability goals. Similarly, a couple of research projects were initiated with top research institutes/universities. The Company has also become a member of the Emulsion Consortium-Polymer Material, University of Basque, Spain.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate and effective internal controls to provide reasonable assurance on achievement of its operational, compliance and reporting objectives.

The Company has deployed controls through its policies and procedures. These policies and procedures are periodically revisited to ensure that they remain updated to changes in the environment. There is a well laid out process for making amendments to processes in the Company and implications of changes are well thought through and all stakeholders are consulted so that implementation is smooth.

The Company continues to invest in IT tools to automate controls to the extent possible so as to minimise errors and lapses

Internal Audit as part of their audits, review the design of key processes from an adequacy of controls' point of view. Suggestions to further strengthen the processes or to make them more effective are shared with the process owners and changes are made suitably.

The Company continues to invest in IT tools to automate controls to the extent possible so as to minimise errors and lapses. Controls with respect to authorisation in underlying IT systems are reviewed periodically to ensure that users have access to only those transactions that their roles require.

Various functions run periodic reports which are focussed on identifying exceptions through data analysis as part of their routine monitoring activities. Corrective actions, if any, are taken promptly by the respective functions.

The Company believes in conducting business in a fair, ethical and compliant manner. Towards this, periodic sessions to make the employees aware of the code of conduct are held. The Company has invested in an IT tool which helps track key compliances as close as possible to the actual due date. Any deviations are highlighted for prompt corrective action. Functional owners take responsibility for putting in preventive steps.

The Internal Audit department conducts audits as per the plan approved by the Audit Committee. Findings along with management response are periodically shared with the Audit Committee. Status of action plans are also shared with the Audit Committee. The Audit Committee also reviews the steps taken by the management to ensure that there are adequate internal financial controls in design and operation.

ENTERPRISE RISK MANAGEMENT

The Company recognises that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company periodically assesses risks, in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy and business/operational plans.

The key business risks facing the Company are detailed below. The Company is taking steps to try and reduce the impact of these risks to the operations of the Company.

1. **Safety risk:** Manufacturing of paints involves steps that are potentially hazardous if not done with due care and attention. The manufacturing facilities continue to be certified under ISO or similar industry standards for safety. Each plant has an emergency response plan, which are periodically tested through mock drills, drawn up to meet any eventuality.

2. **Geo-political uncertainty:** The world is getting increasingly interlinked. The changes in EU, uncertain economic prospects in large economies, increasing protectionism, etc. have far-reaching and complex impact on global trade and supply chain, talent and costs. The Company is closely monitoring the situation, while trying to protect its business interests in the market.

3. **Information security:** The Company's operations are run on IT systems with a few applications exposed to the internet. The risk of information assets of the Company being exposed to unauthorised access and/or misuse is inherently high. The Company has taken steps to backup



Spiral - Royale Play Collection

enterprise data at regular frequencies and has buffer/spare server capacities for quick restart of critical operations in the event of any mishap.

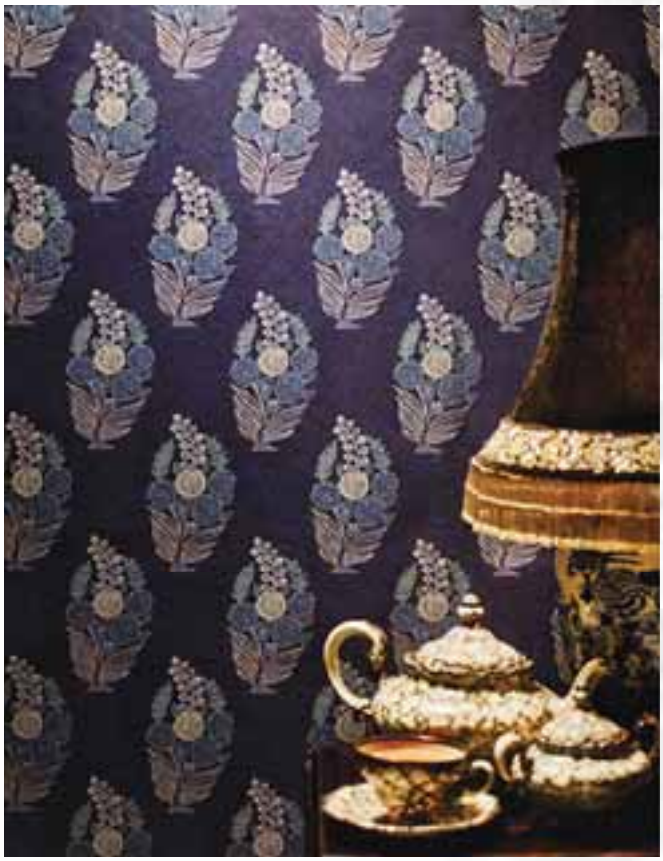
4. **Consolidation in paint industry globally:** We are increasingly seeing consolidation happening across the globe in the paint industry. The Company has operations in various geographies where such consolidation could lead to change in the market dynamics and impact its competitive advantage. The Company is taking steps to ensure impact on its operations are minimised.

5. **Risk of earthquake:** Two of the Company's manufacturing facilities, viz. at Rohtak in Haryana and Khandala in Maharashtra are located in seismic zone IV. The civil constructions are resistant to withstand quakes of moderate intensity. The Company has emergency response plans and insurance cover on all its fixed assets and inventory lying at these locations. However, an earthquake of a higher intensity/duration or one leading to large scale devastation of the entire geography, may impact production at these facilities.

6. **Currency risk:** The Company operates in multiple geographies and in many of the countries there are significant imports of raw materials and capital goods. An adverse and unforeseen fluctuation will lead to pressure on the margins and on profitability. The industrial paint and powder coating businesses are extremely price competitive. The Company closely monitors the exposure while taking currency hedges as and when necessary.

7. **Ethical behaviour:** The Company believes in running its operations in an ethical manner. The Company has published a code of conduct which is applicable to all employees of the Company. The Company periodically communicates to people, including contract employees, customers and vendors to make them aware of its code of conduct. It has a whistle blower policy to ensure that suspected/actual violations to its code of conduct are reported, investigated and acted upon.

8. **Statutory compliance:** The Company has compliance obligations with diverse and complex laws and regulations of the Central government, State governments as well as local regulations specific to towns and cities where it operates. Failure to comply with the laws and regulations could lead to fines, penalties, damages and/or criminal actions against employees of the Company. These laws are subject to differing interpretations which could lead to any of the risks mentioned above. The Company is committed to comply with all laws and regulations as applicable from time to time.



Ranthambore by Sabyasachi - Nilaya range of Wall coverings

AWARDS AND RECOGNITIONS

During the financial year 2016 – 17, the Company was conferred with 'Outstanding Company of the year' award for 2016 at the 'CNBC TV18 India Business Leader award' ceremony held in March, 2017.

Asian Paints efforts towards sustainable practices were recognised by distinguished jury under the Chairmanship of Justice M. N. Venkatachaliah, former Chief Justice, Supreme Court of India, by awarding the prestigious 'Golden Peacock' for sustainable practices in the paints sector.

OUTLOOK AND RISKS

On the domestic front, the financial year 2017-18 has started on a positive note with the progress seen on implementation of the GST regime from the second quarter of the year. While over the long-term it is expected to give a strong fillip to the economic activity with rationalisation of the market place and also boost competitiveness of the industry, it is bound to have disruptions in the short term.

The impact of demonetisation felt over the last two quarters of the previous financial year is expected to fade out and the



Royale Play - International Designer Collection

economy is expected to accelerate to about 7.4% growth for financial year 2017-18 from the 6.7% growth in the previous financial year on the back of a strong consumption demand. However, the pace of investment growth would still remain a challenge unless measures are taken to resolve the high NPA levels in the banking sector.

A lot would also hinge on rainfall in the coming monsoon season and the inflation level in the economy. Any adverse rainfall conditions could have a detrimental impact on consumption, especially the rural segment of demand. Raw material prices have moved up significantly over the last few quarters and coupled with any adverse demand conditions, this could lead to a squeeze on the margins of the industry.

On the international front, a gradual pick-up in crude prices is expected. Despite the challenge of volatile currency, Egypt is expected to gradually benefit from the improved competitiveness and return of foreign investments to the market. However, the recent imposition of emergency in Egypt along with the continued challenges on foreign exchange availability make the business conditions uncertain. The retail sentiment in Gulf region– Oman, Bahrain and UAE is projected to remain dampened due to the not-so-favourable government reforms on consumption tax. Political stability in the two key markets of Bangladesh and Nepal would be key to sustained performance in these markets.

The home improvement segment has been drawing lessons from its experience in an industry where several domestic and international brands are vying for space. The Company continues to adapt based on its market learnings, enhance its capabilities and reach to strengthen its position in the market. Despite the near-term challenges in this business, the Company remains confident about the growth prospects for this business over the long term.

The India story stands at a very interesting juncture today. There are heightened hopes around the growth prospects of the economy with the Government pushing forward its reform agenda. The Government has placed a clear focus on areas like smart cities, clean India and sanitation, which has a bearing on the products and markets that the Company operates in. The Company has consistently invested in building capabilities to meet the requirements of the consumers and the market. The Company's enviable strengths and the opportunities that the market can offer, place the Company in a unique position to deliver sustainable long-term performance over the years to come.

Painting happiness in Communities





"Painting happiness in Communities" is the Company's initiative for inclusive development of communities through social interventions, enhancing skills and building social infrastructure to improve their quality of life.

The Company has adopted a community impact strategy that involves a multi-sectoral inclusive approach to focus on community needs. It strives to improve the well-being of our communities by focussing on education, health and hygiene, water management and vocational training.

In accordance with the CSR Policy, the following thrust areas have been identified as its social impact strategy: (a) Education, (b) Healthcare and Hygiene, (c) Water Conservation, and (d) Enhancing Vocational Skills. These initiatives address the requirements of local communities near the manufacturing plants through focussed projects in the areas of Water Management, Health and Hygiene and Education. The interventions and projects in the cities are focussed around Skill-building and Vocational Training.

Employee engagement in social impact projects enables our people to directly contribute towards the meaningful development of our communities. The Company implements these interventions through strategic trust-based partnerships with social impact organisations

EDUCATION

Some of the salient projects implemented:

1. Programme on holistic development of children through magic bus sports curriculum.
2. Focus on improving numeracy and reading and comprehension for students from 3rd to 5th standard in schools near Khandala and Patancheru through Read India programme of Pratham, NGO.
3. Project Rainbow – Solar-powered computer lab providing digital literacy to village students.
4. UDAAN focussing on providing scholarships to needy and meritorious girl students.
5. Project STEADY focussing on career counselling, parents counselling and self-defence classes to girl child.
6. The Company also continued its association with Gattu school in Ankleshwar, Gujarat and went ahead in refurbishing and constructing state-of-the-art classrooms and providing digital teaching enablers to the team.



Focus on overall development of school children

One of the noteworthy initiatives this year has been

Hole in the Wall: The Company took this project with a target to reduce the digital divide among the children in villages around Ankleshwar, Gujarat, and those in bigger towns. Along with computer literacy, the quality of education is also needed to be addressed in this part of the country. Hole in the Wall is an innovative learning methodology promoted by NIIT Foundation. It helps the children to learn in an unmonitored and facilitative environment. Some of the features of these terminals are:

a. It is based on the premise that the children are inquisitive by nature and can learn on their own.

b. The content is structured in-line with the NCERT textbooks and is available in English and Hindi.

c. The content is taught through animations, games or in the form of general learning sessions.



Providing infrastructure support to schools

d. Children also have access to software like Word, etc. to increase their computer literacy.

e. The terminal also has restricted access to the internet where the children can learn more on their interest areas.

NIIT Foundation also carried out a mid-line assessment to ascertain the impact of the installation of the terminals. Some of the major benefits reported are:

- improvement in performance of students in curricular subjects between the baseline and the mid-line reports. The base-line report showed that no student attempted the English writing section, while in the mid-line survey 10% students attempted the writing section.
- Within six months, there has been a substantial improvement in the understanding of basic computer.
- Students are able to use internet for their assignments, use PowerPoint to present projects.
- There has been an improvement in the understanding of students with respect to the curriculum subjects - English, Maths, Science, etc. and a reduction in the digital gap.



Promoting computer literacy




Mobile Medicare Units

HEALTH AND HYGIENE

Water ATM:

The Company undertook the initiative on Water ATMs to address the issue of scarcity of portable drinking water where the groundwater was saline. In the villages Alimedu and Orakkadu around Sriperumbudur plant in Tamil Nadu, people were suffering from waterborne diseases, cooking issues, etc. The Company joined hands with Sevalaya for executing this project. Key features:

a. The village has one Reverse Osmosis plant with attached ATM in Adhigathur.

b. Supplies water to over 500 families.

c. Groundwater drawn from the bore well is stored in the overhead tank and transmitted to the plant, which has the capacity to treat 1,000 litres per hour.

d. The machine calculates the volume dispensed and deducts the amount from the family water account.

e. Water is provided at a very nominal rate of ₹ 2 for 20 litres of pure water.

Water ATMs are automated water dispensing units, which provide communities with 24/7 safe water access. They are solar-powered and cloud connected, thus enabling remote tracking of the water quality and of each pay per use transaction.

Eye Care Programmes:

Senior Citizens constitute 10.5% (approx.) of the total population in the country. Of these, over 70% live in rural areas. They neither have any other work-related entitlements nor have access to social security schemes of the government. Their health conditions require regular medical interventions. The major challenge however is the availability, accessibility and affordability of health services to them. These regular interventions facilitate the elders to access the required medical care and thereby lead a dignified and respectful life.

The Company took this initiative under the banner of Cure blindness with the help of NGO Helpage, India and Sankara Eye Care Hospital. Through this project:

a. 11 Free Eye Screening Camps at different locations were organised in different locations in Tamil Nadu.

b. A total of 981 persons were screened of which, 372 were men and 609 women.

c. 138 were found to have cataract,100 came forward for the surgery after necessary counselling.

d. Cataract surgery was successfully performed on 44 men and 56 women patients at the base hospital.

Mobile Medicare Units:

Through Mobile Medicare Unit (MMU), the Company provides quality health care services to the poor and needy older persons in their vicinity. The unit reaches out to 10-13 communities identified through Need Assessment Study and provides required medical care each week regularly. The MMU team extends on an average 70-80 treatments per day. Apart from regular medical services, Special Diabetes Screening, Dengue Awareness Camps were also conducted.

Impact through MMU:

- Extending treatment to more than 50,000 elderly beneficiaries with various ailments.
- Extended treatments to 1,759 flood affected victims through 8 general health camps during flood relief intervention at Chennai.
- Improved health status of the beneficiaries through regular health services.
- Restoration of eye sight to 22 beneficiaries through Free Cataract Surgery with Intraocular lens surgery and spectacles to 134 beneficiaries.
- Distribution of Disability Aids such as Walking Sticks and Walkers to more than 100 needy elderly.

WATER CONSERVATION

Livelihoods, food security and local socio-economic development are linked to the availability of adequate amounts of clean water. In the Indian context, the problem of water scarcity is further complicated by population growth, urbanisation and industrialisation. The Company believes it is its responsibility to judiciously use and help conserve this precious resource.



Construction of check-dams

Water is a critical input in the paint manufacturing process. The Company is conscious of its dependence on water and has strived to optimise its water consumption by implementing a range of water conservation projects, waste water treatment, reusing process water and water recharging initiatives at all the paint manufacturing facilities.

Major initiatives include:

- Installation of rooftop rainwater harvesting and recharge systems in village communities and schools.
- Promoting integrated watershed development in areas around manufacturing locations.
- Water recharge through de-silting of lakes, ponds and check dams.
- Construction of check-dams.
- Creating awareness on water conservation and its importance.

Managing consumption of water inside the factory premises

The Company closely monitors the water consumed at every stage of paint manufacturing process and has taken several conservation measures to reduce its water footprint. Key initiatives for reducing non-product freshwater consumption:

- Improved efficiency of cooling towers by optimising make-up water consumption.
- Used pressurised system for cleaning and backwashing process.
- Installed Reverse Osmosis – Multiple Effect Evaporator (RO-MEE) treatment systems.
- Utilised treated water in cleaning and utility operations.
- Deployed scrapper for temperature sensor cleaning in place of jet cleaning.
- Used rainwater in manufacturing processes.
- Planted native species.

ENHANCING VOCATIONAL SKILLS

Colour Academy:

Colour Academy is the Company's initiative for skilling and vocational training facility in painting and allied fields. There are 10 Fixed Academies in major cities of India. However, other parts of India are covered via Mobile and Hyper Mobile Academies.

Asian Paints Colour Academy is a National Skill Development Corporation (NSDC)-approved training partner and has been supporting the Skill India Mission furthered by the Government of India.

Key features:

- Skilling and vocational training provider.
- Productivity and livelihood enhancement.
- Bring respect and recognition to contractors and painters.
- Partner with Corporates and State Governments to help them realise their skills development objectives.
- Asian Paints is a certified NSDC Training Partner.
- Since 2014, over 30,000 individuals were certified through NSDC.
- 11 courses which are approved through by NSDC.

During the financial year 2016-17, more than 72,000 trainings have been conducted in over 600 towns. 42,500+ individuals have been benefited in 6,000+ batches under this initiative. Training has been provided to more than 300 women painters.



An inside view of the Asian Paints Colour Academy

Board's Report

Dear Members,

The Directors have pleasure in presenting the 71st Annual Report of Asian Paints Limited for the financial year ended 31st March, 2017.

FINANCIAL RESULTS

(₹ in crores)

	Standalone			Consolidated		
	Year ended 31.03.2017	Year ended 31.03.2016	Growth (%)	Year ended 31.03.2017	Year ended 31.03.2016	Growth (%)
Revenue from Operations	14,360.43	13,332.18	7.7	17,084.76	15,841.69	7.8
Earnings Before Interest, Taxes, Depreciation and Amortization	**2,972.34**	**2,726.36**	**9.0**	**3,284.03**	**2,982.54**	**10.1**
Less : Finance Costs	18.86	23.40		30.58	40.66	
Less : Depreciation and Amortisation expense	295.43	234.51		338.84	275.58	
Profit Before Exceptional Item & Tax	2,658.05	2,468.45	7.7	2,914.61	2,666.30	9.3
Exceptional Item	-	65.35		-	52.45	
Profit Before Tax	2,658.05	2,403.10	10.6	2,914.61	2,613.85	11.5
Less : Tax Expense	854.95	780.29		947.98	844.49	
Profit After Tax	**1,803.10**	**1,622.81**	**11.1**	**1,966.63**	**1,769.36**	**11.1**
Share of profit of Associate				49.61	33.42	
Profit After Tax including share of Associate	**1,803.10**	**1,622.81**	**11.1**	**2,016.24**	**1,802.78**	**11.8**
Attributable to:						
Shareholders of the Company	1,803.10	1,622.81	11.1	1,939.42	1,745.16	11.1
Non-Controlling Interest				76.82	57.62	
Other Comprehensive Income (net of tax)	139.04	(17.26)		7.68	(23.49)	
Total Comprehensive Income	**1,942.14**	**1,605.55**	**21.0**	**2,023.92**	**1,779.29**	**13.7**
Attributable to:						
Shareholders of the Company	1,942.14	1,605.55	21.0	1,998.40	1,726.97	15.7
Non-Controlling Interest				25.52	52.32	
Opening balance in Retained Earnings	**2,181.55**	**1,839.64**		**2,141.50**	**1,807.76**	
AMOUNT AVAILABLE FOR APPROPRIATION	**3,990.03**	**3,464.17**		**4,090.25**	**3,552.90**	
Dividend - Interim - FY 2016-17	254.19	-		254.19	-	
Interim - FY 2015-16	-	211.03		-	211.03	
- Final - FY 2015-16	508.37	-		508.37	-	
Final - FY 2014-15	-	412.45		-	412.45	
Tax on Dividend	154.33	126.24		154.33	126.24	
Transfer to General Reserve	500.00	532.90		500.00	660.82	
Transfer to Other Reserve	-	-		0.61	0.86	
Closing Balance in Retained Earnings	**2,573.14**	**2,181.55**		**2,672.75**	**2,141.50**	

COMPANY'S PERFORMANCE

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April, 2016, pursuant to the notification of Companies (Indian Accounting Standard) Rules, 2015 issued by the Ministry of Corporate Affairs. Previous years' figures have been restated and audited by the Joint Statutory Auditors of the Company, namely, M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018).

During the financial year 2016-17, revenue from operations on standalone basis increased to ₹ 14,360.43 crores as against ₹ 13,332.18 crores in the previous year – a growth of 7.7%.

Cost of goods sold as a percentage to revenue from operations decreased to 59.8% as against 60.7% in the previous year. Employee cost as a percentage to revenue from operations increased to 5.2% (₹ 742.83 crores) against 5% (₹ 666.83 crores) in the previous year.

Other expenses as a percentage to revenue from operations increased to 16.5% (₹ 2,364.44 crores) as against 15.8% (₹ 2,101.70 crores) in the previous year.

The Profit After Tax for the current year is ₹ 1,803.10 crores as against ₹ 1,622.81 crores in the previous year – a growth of ₹ 11.1%. The growth in profit is mainly driven by increase in revenue from operations and softening of input material prices during the year.

On a consolidated basis, the group achieved revenue of ₹ 17,084.76 crores as against ₹ 15,841.69 crores – a growth of 7.8%. Net profit after non controlling interest for the group for the current year is ₹ 1,939.42 crores as against ₹ 1,745.16 crores in the previous year – a growth of ₹ 11.1%.

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2016-17 and the date of this report.

CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the financial year 2016-17 have been prepared in compliance with applicable Accounting Standards and on the basis of audited financial statements of the Company, its subsidiaries and associate companies, as approved by the respective Board of Directors.

The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report.

SUBSIDIARIES

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

During the year under review,

- In order to consolidate, the Company's investments in overseas subsidiary companies, Asian Paints (International) Limited, Mauritius (APIL), wholly owned subsidiary of the Company, has transferred holdings in its operational subsidiary companies to Berger International Private Limited, Singapore (BIPL), indirect subsidiary of the Company.

- The Board of Directors of the Company, at their meeting held on 25th October, 2016, approved the Scheme of Amalgamation of APIL into the Company ("Scheme"). The Company has also received approval from SEBI in the form of 'No adverse Observation letters' regarding the Scheme, from the BSE Limited and the National Stock Exchange of India Limited, in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. During the financial year 2016-17, the Ministry of Corporate Affairs notified Section 230 to 234 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2017, pursuant to which any foreign company which is proposed to merge with an Indian company requires prior approval of the Reserve Bank of India ("RBI"). Accordingly, the Company has made an application to the RBI and post receiving approval from RBI would file necessary applications with the National Company Law Tribunal for obtaining sanction to the Scheme.

On 3rd April, 2017, BIPL acquired 100% controlling stake in Causeway Paints Lanka (Private) Limited ("CPLPL"), Sri Lanka, for a consideration of ₹ 386.75 crores (approx.) in cash. The aforesaid transaction was entered into with an objective of enhancing the group's presence in the Sri Lankan market where the Company through its indirect subsidiary Company, Asian Paints (Lanka) Limited, already has operations. CPLPL is a key player in the Sri Lankan coatings market, operating for more than 2 (two) decades and supplies mainly decorative paints (including wood finishes) and automotive paints.

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

TRANSFER TO GENERAL RESERVE

The Company proposes to transfer ₹ 500 crores to the General Reserve. An amount of ₹ 2,573.14 crores is proposed to be retained in the Retained Earnings.

DIVIDEND

During the financial year 2016-17, the Company declared and paid to the shareholders, an interim dividend of ₹ 2.65 (Rupees two and paise sixty five only) per equity share of the face value of ₹ 1 (Rupee one) each in the month of October, 2016. For celebrating 75 years of Excellence at Asian Paints, the Board of Directors of the Company have recommended payment of one-time special dividend of ₹ 2 (Rupees two only) per equity share of the face value of ₹ 1 (Rupee one) each in addition to final dividend of ₹ 5.65 (Rupees five and paise sixty five only) per equity share of the face value of ₹ 1 (Rupee one) each, for approval of the shareholders at the ensuing AGM. If approved, the total dividend (interim dividend, one-time special dividend and final dividend) for the financial year 2016-17 will be ₹ 10.30 (Rupees ten and paise thirty only) per equity share of the face value of ₹ 1 (Rupee one) each as against the total dividend of ₹ 7.50 (Rupees seven and paise fifty only) per equity share of the face value of ₹ 1 (Rupee one) paid for the previous financial year 2015-16.

In accordance with Regulation 43A of the Listing Regulations, the Company has formulated a 'Dividend Distribution Policy' and details of the same have been uploaded on the Company's website (www.asianpaints.com).

REGISTRAR AND TRANSFER AGENT OF THE COMPANY

As mentioned in the last year's Annual Report, the Company had during the financial year 2015-16, discovered certain irregularities with regard to the share related and dividend encashment activities carried out by M/s. Sharepro Services (India) Private Limited (hereinafter referred to as "Sharepro"), Company's erstwhile Registrar & Transfer Agent. The Board of Directors of the Company, at their meeting held on 14th March, 2016, had approved the appointment of M/s. TSR Darashaw Limited, as the Registrar and Transfer Agent with effect from 1st April, 2016. Further, SEBI, vide its Interim Order dated 22nd March, 2016, has restrained Sharepro from conducting Registrar & Transfer Agent activities.

The Company has taken necessary legal steps and action against Sharepro and some of its employees.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Resignation of Mr. Dipankar Basu:

Mr. Dipankar Basu, Independent Director, stepped down from the Board of Directors of the Company w.e.f. 1st January, 2017, due to his advancing age.

During his long association with the Company, his contribution to the Audit Committee as the Chairman as well as to the Board and the Nomination and Remuneration Committee has been immensely valuable. The Board places on record, its appreciation for his inspiring guidance and his outstanding contribution to improve the overall functioning of the Company.

Appointment of Mr. R. Seshasayee:

During the financial year 2016-17, the Board of Directors at their meeting held on 23rd January, 2017, had appointed Mr. R. Seshasayee as an Additional Director (Independent Director) of the Company. Appropriate resolution for the appointment of Mr. R. Seshasayee as an Independent Director of the Company is being placed for the approval of the shareholders of the Company at the ensuing AGM for a period of 5 (five) years from the date of his appointment. The Board of Directors of the Company recommend his appointment as an Independent Director of the Company.

Retirement by rotation and subsequent re-appointment:

Mr. Abhay Vakil and Ms. Amrita Vakil, Non-Executive Directors, are liable to retire by rotation at the ensuing AGM, pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and being eligible have offered themselves for re-appointment. Appropriate resolutions for their re-appointment are being placed for the approval of the shareholders of the Company at the ensuing AGM. The brief resume of the Directors and other related information has been detailed in the Notice convening the 71st AGM of the Company. The Directors recommend their re-appointment as Non-Executive Directors of the Company.

In accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations, the Independent Directors of the Company (other than Mr. R. Seshasayee) shall hold office upto 31st March, 2019 and are not liable to retire by rotation.

Re-appointment of Managing Director & CEO:

The Board of Directors at their meeting held on 11th May, 2017, subject to the approval of the shareholders at the ensuing AGM, considered and approved the re-appointment of Mr. K.B.S. Anand as the Managing Director & CEO of the Company for a further period of 2 (two) years commencing from 1st April, 2018.

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

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

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s)

or re-enactment(s) thereof for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms a part of this report.

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

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in respect of Directors/employees of the Company is set out in the **Annexure [B]** to this report and is also available on the website of the Company (www.asianpaints.com).

DIRECTORS RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

b. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit and loss of the Company for the financial year ended 31st March, 2017;

c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts have been prepared on a 'going concern' basis;

e. proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively; and

f. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

DECLARATION OF INDEPENDENCE

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

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Regulation 17(10) of the Listing Regulations and the circular issued by SEBI dated 5th January, 2017 with respect to Guidance Note on Board Evaluation, the evaluation of the annual performance of the Directors/Board/Committees was carried out for the financial year 2016-17.

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

NOMINATION AND REMUNERATION POLICY

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations. The details of the Nomination and Remuneration Policy are set out in the Corporate Governance Report which forms a part of this report.

The Nomination and Remuneration Policy of the Company provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board of Directors of the Company and persons in the Senior Management of the Company, their remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Nomination and Remuneration Policy can be accessed on the website of the Company (www.asianpaints.com).

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2016-17 are given in the Corporate Governance Report which forms a part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of the Company's various businesses viz., the decorative business, international operations, industrial and home improvement business, internal controls and their adequacy, risk management systems and other material developments during the financial year 2016-17.

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance, forms an integral part of this report.

BUSINESS RESPONSIBILITY REPORT

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditor(s):

At the 70th AGM of the Company held on 28th June, 2016, the shareholders had approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) jointly with M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Joint Statutory Auditors to hold office till the conclusion of the 71st AGM.

M/s. B S R & Co. LLP, Chartered Accountants, have been the Statutory Auditors of the Company since the financial year 2007-08 and their tenure as the Joint Statutory Auditors of the Company will expire with the conclusion of this ensuing AGM, in accordance with Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Board places on record, its appreciation for the contribution of M/s. B S R & Co. LLP, Chartered Accountants, during their tenure as the Statutory Auditors of the Company.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 70th AGM held on 28th June, 2016 till the conclusion of the 75th AGM, subject to ratification of their appointment by the shareholders of the Company at every AGM held thereafter.

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

The Auditors' Report for the financial year ended 31st March, 2017 on the financial statements of the Company is a part of this Annual Report. During the financial year ended 31st March, 2017, there has been no delay in depositing amounts required to be transferred to the Investor Education and Protection Fund (IEPF), other than one instance of delay in transferring the unclaimed final dividend for the financial year 2008-09 to the IEPF which has been explained in detail in Note 46 to the Standalone Financial Statements of the Company.

Cost Auditor:

The Board of Directors of the Company, on the recommendations made by the Audit Committee, at their meeting held on 11th May, 2017, has approved the appointment of M/s. RA & Co., Cost Accountants, (Firm Registration No. 000242) as the Cost Auditor of the Company to conduct the audit of cost records for the financial year 2017-18. The remuneration proposed to be paid to the Cost Auditor, subject to ratification by the shareholders of the Company at the ensuing 71st AGM, would not exceed ₹ 5.50 lakhs (Rupees five lakhs and fifty thousand only) excluding taxes and out of pocket expenses, if any.

The Company has received consent from M/s. RA & Co., Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2017-18 along with a certificate confirming their independence and arm's length relationship.

Secretarial Auditor:

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on 11th May, 2017 has appointed Dr. K. R. Chandratre, Practicing Company Secretary (Certificate of Practice No. 5144), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2017-18.

The Company has received consent from Dr. K. R. Chandratre to act as the auditor for conducting audit of the Secretarial records for the financial year ending 31st March, 2018.

The Secretarial Audit Report for the financial year ended 31st March, 2017 is set out in the **Annexure [C]** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

POLICIES OF THE COMPANY

The Company is committed to good corporate governance and has consistently maintained its organizational culture as a remarkable confluence of high standards of professionalism and building shareholder equity with principles of fairness, integrity and ethics.

The Board of Directors of the Company have from time to time framed and approved various Policies as required by the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations. These Policies and Codes are reviewed by the Board and are updated, if required.

Some of the key policies adopted by the Company are as follows:

Sr. No.	Name of the Policy
1.	Dividend Distribution Policy
2.	Policy on Determination of materiality of events/ information
3.	Code of Conduct for Board Members and Senior Management Personnel
4.	Policy on Archival of Information
5.	Code of Conduct for Employees
6.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
7.	Code of Conduct to Regulate, Monitor and Report trading by Insiders
8.	Policy on Related Party Transactions
9.	Policy on Materiality of Subsidiaries
10.	Whistle Blower Policy
11.	Corporate Social Responsibility Policy
12.	Nomination and Remuneration Policy

The above mentioned policies and code are also available on the website of the Company (www.asianpaints.com).

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return as on 31st March, 2017 in Form MGT - 9 in accordance with Section 92 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out in the **Annexure [D]** to this report.

RELATED PARTY TRANSACTIONS

During the financial year 2016-17, the Company entered into transactions with related parties as defined under Section 2 (76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations. Further, there were no transactions with related parties which qualify as material transactions under the Listing Regulations.

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on Related Party Transactions formulated in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

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

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

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

LOANS AND INVESTMENTS

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31st March, 2017, are set out in Note 38 to the Standalone Financial Statements of the Company.

RISK MANAGEMENT

The Company has a well defined process to ensure risks are identified and steps to treat them are put in place at the right level in the management. The operating managers are responsible for identifying and putting in place mitigation plan for operational and process risks. Key strategic and business risks are identified and managed by the senior leadership team in the organization.

The risks identified are updated along with the mitigation plans as part of the annual planning cycle. The mitigation plans are then woven into the plans/initiatives for each function and are monitored accordingly. The senior leadership team reviews the status of the initiatives as part of business review meetings.

The key strategic and business risks which are significant in terms of their impact to the overall objectives of the Company along with status of the mitigation plans are periodically presented and discussed at the Risk Management Committee meetings. Inputs from the Committee are duly incorporated in the action plans. During these meetings, brief synopsis of risks with low to medium impact on the objectives of the Company are also shared for the perusal of the Committee. The details of the Committee are set out in the Corporate Governance Report. There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms a part of this report.

VIGIL MECHANISM

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations.

As a part of the Policy, the Company has engaged a third party for managing an 'Ethics Hotline' which can be used by employees and business associates of the Company to, *inter alia*, report any violations, fraud, unfair trade practices, discrimination to the Code of Conduct in an anonymous manner.

In line with the commitment of the Company to open communications, the Policy provides protection to the employees and business associates reporting unethical practices and irregularities and also encourages employees and business associates to report incidences of fraud.

Any incidents that are reported are investigated and suitable action is taken in line with the whistle blower policy.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Prevention of Sexual Harassment of Women at Workplace Act") and Rules framed thereunder and an Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment.

The Company has ensured organisation wide dissemination of the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act by conducting sessions throughout the Company.

During the financial year 2016-17, 4 (four) complaints were received by the Company and the same were investigated in accordance with the procedure prescribed and adequate steps were taken to resolve them.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR expenditure incurred by the Company during the financial year 2016-17 was ₹ 47.84 crores, which was higher than the statutory requirement of 2% of the average profit for the last three financial years.

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

To celebrate 75 years of Excellence at Asian Paints, Kaleidoscope was launched to begin a wonderful journey to touch multiple lives and inspire even more. The key objective of Kaleidoscope is to provide infrastructure support, development oriented activities and events across health and education areas, centered around schools and communities along with activate employee contribution and participation.

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2017, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in the **Annexure [F]** to this report.

DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has put in place adequate internal financial controls over financial reporting. These are reviewed periodically and made part of work instructions or processes in the Company. The Company continuously tries to automate these controls to increase its reliability.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. These are in accordance with Generally Accepted Accounting Principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

The Company has identified inherent reporting risks for each major element in the financial statements and put in place controls to mitigate the same. These risks and the mitigation controls are revisited periodically in the light of changes in business, IT systems, regulations and internal policies. Corporate accounts function is involved in designing large process changes as well as validating changes to IT systems that have a bearing on the books of account.

International subsidiaries provide information required for consolidation of accounts in the format prescribed by the Company. These are certified by the respective statutory auditors for being compliant with the group accounting policies for the purpose of annual consolidation of accounts.

The Company periodically conducts physical verification of inventory, fixed assets and cash on hand and matches them with the books of account. Explanations are sought for any variance noticed from the respective functional heads.

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

The Company, in preparing its financial statements makes judgements and estimates based on sound policies and uses external agencies to verify/validate them as and when appropriate. The basis of such judgements and estimates are also approved by the Audit Committee of the Board of Directors of the Company in consultation with the Joint Statutory Auditors of the Company. The management periodically compares the actual spends against the estimates and makes necessary adjustments to the same based on changes noticed.

The Company has a Code of Conduct applicable to all its employees along with a Whistle Blower Policy which requires employees to update accounting information accurately and in a timely manner. Any non-compliance noticed is to be reported and actioned upon in line with the Whistle Blower Policy.

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

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

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

OTHER DISCLOSURES

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

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

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

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

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

APPRECIATION

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

Further, the Board sincerely 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

Ashwin Choksi
Chairman

Place: Mumbai
Date: 11th May, 2017

Annexure (A) to Board's Report

The financial performance of each of the Subsidiaries and Joint Venture Companies included in the Consolidated Financial Statements are detailed below:

(₹ in crores)

Sr. No.	Name of the Subsidiary/ Joint Venture Company	Turnover			Profit/(Loss) Before Tax			Profit/(Loss) After Tax		
		Current Period	Previous Period	Growth %	Current Period	Previous Period	Growth %	Current Period	Previous Period	Growth %
A)	**Foreign Subsidiaries**									
1.	Berger Paints Jamaica Limited	118.44	112.19	5.57	18.33	7.76	136.21	15.82	6.68	136.83
2.	Berger Paints Trinidad Limited	44.30	56.60	-	(3.33)	1.18	-	(3.55)	0.63	-
3.	Berger Paints Barbados Limited	56.42	57.62	-	7.64	6.34	20.50	6.70	5.61	19.43
4.	Berger Paints Emirates Limited	262.11	249.31	5.13	18.57	12.71	46.11	18.57	12.71	46.11
5.	Asian Paints (Middle East) LLC	136.78	122.14	11.99	14.15	6.43	120.06	12.51	5.72	118.71
6.	Berger Paints Bahrain W.L.L.	103.77	97.80	6.10	18.16	14.82	22.54	18.16	14.82	22.54
7.	SCIB Chemicals S.A.E.	268.36	431.56	-	32.18	56.26	(42.80)	24.34	42.77	(43.09)
8.	Asian Paints Lanka Limited	94.39	90.78	3.98	0.46	0.08	475.00	1.64	(0.76)	-
9.	Asian Paints (Nepal) Private Limited	215.03	163.32	31.66	48.35	28.50	69.65	38.64	22.74	69.92
10.	Asian Paints (Bangladesh) Limited	329.96	315.00	4.75	24.34	24.36	(0.08)	6.56	12.84	(48.91)
11.	Samoa Paints Limited	6.15	8.08	-	1.58	1.98	(20.20)	1.14	1.44	(20.83)
12.	Asian Paints (South Pacific) Pte Limited	105.74	96.98	9.03	25.35	15.87	59.74	20.19	12.66	59.48
13.	Asian Paints (Tonga) Limited	7.71	8.80	-	0.48	1.13	(57.52)	0.37	0.84	(55.95)
14.	Asian Paints (S.I.) Limited	14.66	15.64	-	4.31	4.62	(6.71)	4.18	4.74	(11.81)
15.	Asian Paints (Vanuatu) Limited	7.31	7.77	-	1.52	1.56	(2.56)	1.52	1.56	(2.56)
16.	Berger Paints Singapore Pte Limited	77.76	81.43	-	(2.22)	(4.82)	-	(1.73)	(3.93)	-
17.	Kadisco Paint and Adhesive Industry Share Company	170.02	182.33	-	48.19	52.12	(7.54)	33.87	36.47	(7.13)
18.	PT Asian Paints Indonesia	-	-	-	(10.51)	(6.64)	-	(10.51)	(6.64)	-
19.	PT Asian Paints Color Indonesia *	6.65	-	-	(8.04)	(1.33)	-	(8.04)	(1.33)	-
20.	Berger International Private Limited	-	-	-	65.57	55.45	18.25	58.11	55.54	4.63
21.	Asian Paints (International) Limited	-	-	-	(1.29)	11.59	-	(1.34)	10.86	-
22.	Enterprise Paints Limited	-	-	-	#	#	-	#	#	-
23.	Nirvana Investments Limited	-	-	-	-	-	-	-	-	-
24.	Universal Paints Limited	-	-	-	21.85	9.87	121.38	21.85	9.87	121.38
25.	Lewis Berger (Overseas Holdings) Limited	6.01	6.28	-	4.62	1.89	144.44	3.86	1.16	232.76
B)	**Indian Subsidaries**									
1.	Asian Paints Industrial Coatings Limited	10.23	9.73	5.09	(2.21)	0.19	-	(2.20)	1.14	-
2.	Sleek International Private Limited	157.62	135.11	16.66	(20.23)	(15.73)	-	(20.23)	(16.34)	-
3.	Maxbhumi Developers Limited	-	-	-	(0.23)	(0.24)	-	(0.23)	(0.24)	-
4.	Multifacet Infrastructure (India) Limited $	-	-	-	-	(0.01)	-	-	(0.01)	-
C)	**Joint Ventures** ^									
1.	Asian Paints PPG Private Limited	412.88	364.84	13.17	23.82	6.92	244.12	18.73	6.92	170.69
2.	PPG Asian Paints Private Limited	1,203.30	1,060.45	13.47	138.98	88.73	56.62	101.13	62.73	61.22
3.	Faaber Paints Private Limited @ &	-	36.06	-	0.18	5.44	(96.61)	0.18	3.71	(95.04)
4.	PPG Asian Paints Lanka Private Limited @	3.40	4.43	-	0.07	0.58	-	(0.02)	0.40	-
5.	Revocoat India Private Limited @ **	58.06	-	-	4.05	-	-	2.69	-	-

Notes:

1. * PT Asian Paints Color Indonesia was incorporated on 7th April, 2015. Refer Note 38C (a) of Notes to Consolidated Financial Statements of the Company.
2. # Amount less than ₹ 1 lakh.
3. $ Multifacet Infrastructure (India) Limited has been struck off from Register of companies w.e.f. 24th August, 2016. This is pursuant to an application filed by the Company for striking off its name under the "Fast Track Exit Mode" under Section 560 of Companies Act, 1956 on 1st March, 2016. Refer Note 38C(c) to Consolidated Financial Statements of the Company.
4. ^ Considered 100%.
5. @ Subsidiaries of PPG Asian Paints Private Limited, (PPGAP).
6. & PPGAP has sold its subsidiary - Faaber Paints Private Limited w.e.f. 31st May, 2016.
7. ** PPGAP has acquired 100% stake in Revocoat India Private Limited w.e.f. 1st April, 2016.
8. Indian rupees equivalent of the foreign currency translated at the exchange rate as at 31st March, 2017 for current period and 31st March, 2016 for previous period.

Annexure (B) to Board's Report

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

A. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2016-17 is as follows:

Name of Director(s)	Total Remuneration (₹)	Ratio of Remuneration of director to the Median remuneration*
Ashwin Choksi	45,12,919	6.37
Ashwin Dani	42,05,000	5.94
Abhay Vakil	39,35,000	5.56
K.B.S. Anand	9,72,05,442	137.28
Mahendra Choksi	31,90,000	4.50
Malav Dani	32,20,000	4.55
Amrita Vakil	30,20,000	4.26
Dipankar Basu (Resigned w.e.f. 1st January, 2017)	23,86,000	3.37
Mahendra Shah	35,80,000	5.06
Deepak Satwalekar	34,00,000	4.80
Dr. S. Sivaram	30,40,000	4.29
S. Ramadorai	30,10,000	4.25
M. K. Sharma	40,10,000	5.66
Vibha Paul Rishi	31,00,000	4.38
R. Seshasayee (Appointed w.e.f. 23rd January, 2017)	4,72,000	0.67

Notes:

1. *Median remuneration for the financial year 2016-17 is ₹ 7,08,106 (Rupees seven lakhs eight thousand one hundred and six only)
2. The aforesaid details are calculated on the basis of remuneration for the financial year 2016-17.
3. The remuneration of Directors includes sitting fees paid to them for the financial year 2016-17.

B. Details of percentage increase in the remuneration of each director and CFO & Company Secretary in the financial year 2016-17 are as follows:

Name of Director(s)	Remuneration (in ₹)		Increase/ (Decrease) (%)
	2016-17	2015-16	
Ashwin Choksi	45,12,919	45,25,266	0
Ashwin Dani	42,05,000	42,85,000	(2)
Abhay Vakil	39,35,000	41,65,000	(6)
K.B.S. Anand	9,72,05,442	7,77,41,571	25
Mahendra Choksi	31,90,000	33,40,000	(4)
Malav Dani	32,20,000	32,20,000	0
Amrita Vakil	30,20,000	31,20,000	(3)
Dipankar Basu (Resigned w.e.f. 1st January, 2017)	23,86,000	40,00,000	*
Mahendra Shah	35,80,000	38,20,000	(6)
Deepak Satwalekar	34,00,000	35,00,000	(3)
Dr. S. Sivaram	30,40,000	30,90,000	(2)
S. Ramadorai	30,10,000	29,50,000	2
M.K. Sharma	40,10,000	37,10,000	8
Vibha Paul Rishi	31,00,000	30,70,000	1
R. Seshasayee (Appointed w.e.f. 23rd January, 2017)	4,72,000	-	*

CFO & Company Secretary	Remuneration (in ₹)		Increase (%)
	2016-17	2015-16	
Jayesh Merchant	3,22,35,266	2,82,92,173	14

Notes:

1. * Percentage increase in remuneration is not reported as they were holding Directorship for the part of the financial year 2016-17 and remuneration is proportionately adjusted.
2. The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
3. The remuneration to Directors includes sitting fees paid to them. The sitting fees paid for the financial year 2016-17 are lower than the sitting fees paid for the financial year 2015-16, based on the number of meetings held during the financial year 2016-17.

C. Percentage increase in the median remuneration of all employees in the financial year 2016-17:

(Amount in ₹)

	2016-17	2015-16	Increase (%)
Median remuneration of employees per annum	7,08,106	6,12,864	16

D. Number of permanent employees on the rolls of the Company as on 31st March, 2017:

Executive/Manager cadre	1,080
Staff	3,402
Operators/Workmen	1,674
Total	**6,156**

E. Comparison of average percentage increase in salary of employees other than Key Managerial Personnel and the percentage increase in the remuneration paid to Key Managerial Personnel:

(Amount in ₹)

	2016-17	2015-16	Increase (%)
Avarage salary of all employees (other than Key Managerial Personnel)	10,69,512	9,46,434	13
Key Managerial Personnel			
- Salary of MD & CEO	9,72,05,442	7,77,41,571	25
- Salary of CFO & CS	3,22,35,266	2,82,92,173	14

The increase in remuneration of employees other than the Key Managerial Personnel is considerably in line with the increase in remuneration of Key Managerial Personnel.

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

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

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

List of employees of the Company employed throughout the financial year 2016-17 and were paid remuneration not less than ₹ 1.02 crores per annum:

Name(s)	Designation(s)	Remuneration (₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Aashish Kshetry	Vice President - Supply Chain	1,66,51,146	B.E., MMS	28	04-Jun-1992	49	Larsen and Toubro Limited
Amit Kumar Baveja	General Manager - Joint Value Creation	1,06,84,793	B.Tech. , PGDM	21	12-May-1999	42	Tata Engineering and Locomotive Co Limited
Amit Syngle	President-Technology, Sales & Marketing	3,12,47,068	B.E., MBA	29	01-Jun-1990	51	SEI Services
Anirudha Deshmukh	General Manager - Internal Audit & Risk	1,20,62,059	B.E., PGDM	21	06-Jun-1996	44	-
B P Mallik	Vice President - Technology	1,72,25,688	B.Sc., PhD, M Phil, PGCGM	39	17-Sep-1999	61	Berger Paints India Ltd.
C L Sethunathan	General Manager - Project Sales	1,02,72,460	B.Com	28	18-Jun-1990	50	Enkay Telecommunications (India) Pvt. Ltd.
Emrana Sheikh	Vice President - Human Resources	1,61,12,446	B.Sc. (Physics), M.Sc., PGDM	24	27-Feb-2015	45	Mahindra and Mahindra Ltd
Harish Lade	General Manager - Systems	1,14,19,653	B.E., PGDCM	24	06-Jun-1996	45	Tata Telecom Ltd.
I K Jaiswal	Regional Vice President - International & Chemical Business	2,60,07,704	B.Tech., PGDM	35	03-May-1982	57	-
Jaideep Kanse	General Manager - Brands	1,05,48,468	B.E., PGDM	22	01-Dec-1997	47	Consen Sys Software
Jaideep Nandi	CEO - Asian Paints PPG Private Limited	1,79,89,666	B.E.	27	01-Jun-1990	52	-
Jalaj Dani*	President - Supply Chain, HR & Chemicals	3,02,58,623		24	18-Jan-1999	47	Gujarat Organics Ltd.
Jayesh Merchant	CFO & Company Secretary, President-Industrial JVs	3,22,35,266	B.Com, LLB, CA, CS,	33	01-Nov-2002	59	UTV Software Communications Ltd.
K.B.S. Anand@	Managing Director & CEO	8,72,05,442	B.Tech., PGDM	38	01-Jun-1979	62	-
Manish Choksi#	President - Home Improvement, International & IT	3,06,27,921	B.Sc., MBA	29	17-Sep-1992	50	E.I.Du Pont de Nemours
P Sriram	General Manager - Corporate Accounts	1,08,79,624	B.Com., CA, CWA	20	12-Jan-1998	43	Price Waterhouse Coopers
Pragyan Kumar	General Manager - Home Improvement	1,09,94,033	B.Tech., PGDM	21	06-Jun-1996	44	-
R J Jeyamurugan	Vice President - Finance	1,61,57,586	B.Com., CA, CS	26	15-Nov-1991	52	Sai Kannapiran Mills Ltd.
Rajeev Kumar Goel	General Manager - Technology	1,12,10,306	B.Sc., B.Sc. Tech.	28	02-Jun-1989	51	-
Rajesh Menon	General Manager - Manufacturing	1,08,53,816	B.Tech, PGDBM	23	12-May-1999	45	The Arvind Mills Ltd.
Sameer Salvi	General Manager-Manufacturing Technology	1,20,86,209	B.E.	26	18-Mar-1993	47	Mukand Ltd.
Satish Kulkarni	Vice President - Projects & Services	1,75,23,821	B.E., PGDM	27	02-Jun-1993	48	Tata Engineering and Locomotive Co Limited
Tom Thomas	Region Head Caribbean & General Manager-International Business	1,13,03,485	B.Tech., PGDM	31	01-Jun-1990	54	ORG Systems
V Srivatsan	General Manager - Services & Retailing	1,05,93,640	B.Sc.	30	28-Jun-1987	51	-
V Subramanian	General Manager - Materials	1,42,55,252	B.E. (Mechanical), DBM	36	23-Sep-1985	58	Philips India Limited

Notes:

1. * Mr. Jalaj Dani is a relative of Mr. Ashwin Dani and Mr. Malav Dani, Non-Executive Directors of the Company.
2. @ The contractual terms of Mr. K.B.S. Anand are governed by the resolution passed by the shareholders in the 68th AGM of the Company held on 26th June, 2014. The remuneration includes commission for the financial year 2015-16 paid during the financial year 2016-17.
3. # Mr. Manish Choksi is a relative of Mr. Mahendra Choksi, Non-Executive Director of the Company.
4. Except for Mr. Jalaj Dani and Mr. Manish Choksi, none of the employees mentioned above are related to any of the Directors of the Company within the meaning of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any.
5. None of the employees mentioned above hold more than 2% of the shares of the Company, along with their spouse and dependent children.
6. All appointments are contractual and terminable by notice on either side.
7. Remuneration includes salary, bonus, commission, various allowances, performance incentive, contribution to provident fund and superannuation fund and taxable value of perquisites but excludes provision for gratuity and leave encashment.
8. None of the employees employed for part of the financial year 2016-17, were in receipt of remuneration for any part of that financial year, at a rate which, in aggregate, was not less than ₹ 8.50 lakhs (Rupees eight lakhs and fifty thousand) per month.

Annexure [C] to Board's Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment (Foreign Direct Investment and External Commercial Borrowings were not applicable to the Company during the Audit Period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

(vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) The Environment (Protection) Act, 1986 and The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;

(b) Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards; and

(c) Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that -

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

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

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

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

I further report that during the audit period the Board of Directors of the Company, subject to the other necessary approvals/permissions, approved the scheme of amalgamation of Asian Paints (International) Limited, Mauritius – Wholly owned subsidiary of the Company with the Asian Paints Limited.

Place: Pune
Date: 11th May, 2017

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

Annexure [D] to Board's Report

EXTRACT OF ANNUAL RETURN IN FORM MGT-9

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L24220MH1945PLC004598		
ii)	Registration Date	24	10	1945
		Date	Month	Year
iii)	Name of the Company	Asian Paints Limited		

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

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

v) Address of the Registered Office and Contact Details	
Company Name	Asian Paints Limited
Address	6A, Shantinagar, Santacruz (East)
Town/City	Mumbai
State	Maharashtra
Pin Code	400 055
Country Name	India
Country Code	IND
Telephone with STD Area Code Number	(022) 6218 1000
Fax Number	(022) 6218 1111
Email Address	investor.relations@asianpaints.com
Website, if any	www.asianpaints.com
Name of the Police Station having jurisdiction where the Registered Office is situated	Vakola Police Station

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

Details of the Stock Exchanges where shares are listed:

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

vii)	Name and Address of Registrar & Transfer Agent (RTA)	
RTA		TSR Darashaw Limited
Address		6-10, Haji Moosa Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E Moses Road, Mahalaxmi
Town/City		Mumbai
State		Maharashtra
Pin Code		400 011
Telephone with STD Area Code Number		(022) 6656 8484
Toll free Number		1800 2100 124
Fax Number		(022) 6656 8494
Email Address		csg-unit@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main Products/Services	NIC of the Product/ Service	% to total turnover of the company
1	Paints, Varnishes, Enamels or Lacquers	20221	98.17

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled] - 30

Sr. No.	Name and address of the company	Corporate Identity Number/Global Location Number	Holding/ Subsidiary/ Associate	% of shares held	Applicable Sections of Companies Act, 2013
1.	Asian Paints (Bangladesh) Limited House - 428A, 4th & 5th floor, Road - 30, New DOHS, Mohakhali, Dhaka- 1206, Bangladesh	41467 (826)/2000	Subsidiary	89.78	2 (87)
2.	Asian Paints (International) Limited* 10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	25043556	Subsidiary	100	2 (87)
3.	Asian Paints (Lanka) Limited 81, Koralawella Road, Moratuwa, Sri Lanka	PB 1218	Subsidiary	99.18	2 (87)
4.	Asian Paints (Middle East) LLC P. O. Box No. 462, Al Khuwair, Postal Code 133, Muscat, Sultanate of Oman	1571133	Subsidiary	49	2 (87)
5.	Asian Paints (Nepal) Private Limited Hetauda Industrial Estate, Hetauda-8, Makwanpur, Nepal	1644/40	Subsidiary	51	2 (87)
6.	Asian Paints (Solomon Island) Limited P. O. Box R 156, Ranadi Post Office, Honiara, Solomon Islands	1000429	Subsidiary	75	2 (87)
7.	Asian Paints (South Pacific) Pte Limited 7-9-11, Ruve Place, Tavakubu, P.O. Box 694, Lautoka, Fiji Islands	218/001	Subsidiary	54.07	2 (87)
8.	Asian Paints (Tonga) Limited P. O. Box No. 1454, Nuku'alofa, Tonga	1013	Subsidiary	100	2 (87)
9.	Asian Paints (Vanuatu) Limited P. O. Box No. 253, Port Vila, Vanuatu	100096	Subsidiary	60	2 (87)
10.	Asian Paints Industrial Coatings Limited 6A, Shantinagar, Santacruz (East), Mumbai - 400 055, Maharastra, India	U24220MH2001PLC133523	Subsidiary	100	2 (87)
11.	Berger International Private Limited 22, Benoi Sector, Singapore 629854	199307986G	Subsidiary	100	2 (87)
12.	Berger Paints Bahrain W.L.L. P. O. Box No. 26688, Manama, Kingdom of Bahrain	11658-1	Subsidiary	100	2 (87)
13.	Berger Paints Barbados Limited Exmouth Gap, Brandons, St. Michael, Barbados: BB 12069	2714	Subsidiary	100	2 (87)
14.	Berger Paints Emirates LLC P. O. Box No. 27524, Dubai, UAE	45742	Subsidiary	100	2 (87)
15.	Berger Paints Jamaica Limited 256, Spanish Town Road, P O Box 8, Kingston 11, Jamaica	1804	Subsidiary	51	2 (87)
16.	Berger Paints Singapore Pte Limited 22, Benoi Sector, Singapore 629854	193900021Z	Subsidiary	100	2 (87)
17.	Berger Paints Trinidad Limited 11, Concessions Road, Sea Lots, Port of Spain, Trinidad, W.I.	B-88(C)	Subsidiary	70	2 (87)

Sr. No.	Name and address of the company	Corporate Identity Number/Global Location Number	Holding/ Subsidiary/ Associate	% of shares held	Applicable Sections of Companies Act, 2013
18.	Enterprise Paints Limited 6th Floor, Victory House, Prospect Hill, Douglas, Isle of Man/M1 IEQ	43644	Subsidiary	100	2 (87)
19.	Kadisco Paint & Adhesive Industry S.C. P. O. Box No. 120919, Akaki Kality Industrial Zone, Addis Ababa, Ethiopia	TIN: 0000015683	Subsidiary	51	2 (87)
20.	Lewis Berger (Overseas Holdings) Limited St. Bride's House, 10 salisbury square, London EC4Y 8EH, United Kingdom	480042	Subsidiary	100	2 (87)
21.	Maxbhumi Developers Limited Plot No. 5, Gaiwadi Industrial Estate, S.V. Road, Goregaon (West), Mumbai - 400 062, Maharastra, India	U45400MH2007PLC175925	Subsidiary	100	2 (87)
22.	Nirvana Investments Limited 6th Floor, Victory House, Prospect Hill, Douglas, Isle of Man/M1 IEQ	45691	Subsidiary	100	2 (87)
23.	PT Asian Paints Color Indonesia Marquee Office, 17th Floor, Pondok Indah Office Tower 3, Jl Sultan Iskandar Muda Kav. V-TA, Jakarta - 12310, Indonesia	09.03.1.46.100104	Subsidiary	100	2 (87)
24.	PT Asian Paints Indonesia Marquee Office, 17th Floor, Pondok Indah Office Tower 3, Jl Sultan Iskandar Muda Kav. V-TA, Jakarta - 12310, Indonesia	09.03.1.20.97207	Subsidiary	100	2 (87)
25.	Samoa Paints Limited P. O. Box No. 3037, Apia, Samoa	70224	Subsidiary	80	2 (87)
26.	SCIB Chemical S.A.E 4th Indusrial Zone, Area (1/3/B)/B, 6th October City, Egypt	1025 Tin : 100/399/568	Subsidiary	60	2 (87)
27.	Sleek International Private Limited 301/302, D/G, 3rd Floor, Lotus Corporate Park, Graham Firth Compound, Off. W.E. Highway, Goregaon (East), Mumbai - 400 063, Maharashtra, India	U31300MH1993PTC070859	Subsidiary	51	2 (87)
28.	Universal Paints Limited 6th Floor, Victory House, Prospect Hill, Douglas, Isle of Man/M1 IEQ	39647	Subsidiary	100	2 (87)
29.	Asian Paints PPG Private Limited 6A, Shantinagar, Santacruz (East), Mumbai - 400 055, Maharashtra, India	U24110MH2011PTC220557	Associate	50	2(6)
30.	PPG Asian Paints Private Limited 6A, Shantinagar, Santacruz (East), Mumbai - 400 055, Maharashtra, India	U24200MH1997PTC105961	Associate	50	2(6)

Note:

* The Board of Directors at their meeting held on 25th October, 2016, *inter alia*, approved the Scheme of Amalgamation of Asian Paints (International) Limited, Mauritius, wholly owned subsidiary of the Company with Asian Paints Limited, pursuant to the applicable provisions of the Companies Act, 1956 and the Companies Act, 2013.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Shareholding

	Category of shareholders	No. of shares held at the beginning of the year (As on 01.04.2016)				No. of shares held at the end of the year (As on 31.03.2017)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	**Promoters**									
1.	**Indian**									
(a)	Individuals/Hindu Undivided Family	10,22,08,177	-	10,22,08,177	10.65	10,22,08,177	-	10,22,08,177	10.65	-
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Governments(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	40,39,22,685	-	40,39,22,685	42.11	40,39,22,685	-	40,39,22,685	42.11	-
(e)	Banks/FI	-	-	-	-	-	-	-	-	-
(f)	Any Other									
i.	Trust	2,53,620	-	2,53,620	0.03	2,53,620	-	2,53,620	0.03	-
Sub-Total (A)(1)		50,63,84,482	-	50,63,84,482	52.79	50,63,84,482	-	50,63,84,482	52.79	-
2.	**Foreign**									
(a)	NRI Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Bank/FI	-	-	-	-	-	-	-	-	-
(e)	Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)		50,63,84,482	-	50,63,84,482	52.79	50,63,84,482	-	50,63,84,482	52.79	-
(B)	**Public Shareholding**									
1.	**Institutions**									
(a)	Mutual Funds/UTI	1,70,61,043	4,84,190	1,75,45,233	1.83	1,98,49,878	4,84,190	2,03,34,068	2.12	0.29
(b)	Banks/FI	8,43,305	8,710	8,52,015	0.09	10,36,869	5,760	10,42,629	0.11	0.02
(c)	Central Govt.	-	-	-	-	10,60,681	-	10,60,681	0.11	0.11
(d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	6,84,43,695	1,000	6,84,44,695	7.14	5,14,93,046	1,000	5,14,94,046	5.37	(1.77)
(g)	FIIs	17,28,17,779	2,490	17,28,20,269	18.02	17,33,34,387	-	17,33,34,387	18.07	0.05
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)		25,91,65,822	4,96,390	25,96,62,212	27.08	24,67,74,861	4,90,950	24,72,65,811	25.78	(1.30)

	Category of shareholders	No. of shares held at the beginning of the year (As on 01.04.2016)				No. of shares held at the end of the year (As on 31.03.2017)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2.	Non-Institutions									
(a)	Bodies Corporate									
(i)	Indian	5,48,56,194	57,870	5,49,14,064	5.72	6,59,91,671	54,570	6,60,46,241	6.89	1.17
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	11,37,20,459	29,20,667	11,66,41,126	12.16	10,28,15,243	1,15,04,176	11,43,19,419	11.92	(0.24)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	80,07,049	3,42,060	83,49,109	0.87	89,95,844	3,32,060	93,27,904	0.97	0.10
(c)	Any Other (specify)									
(i)	Non-resident Indian	11,42,677	1,21,04,120	1,32,46,797	1.38	1,08,85,343	17,19,830	1,26,05,173	1.32	(0.06)
(ii)	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
(iii)	Foreign Nationals	-	-	-	-	-	-	-	-	-
(iv)	NBFCs registered with RBI	-	-	-	-	1,31,914	-	1,31,914	0.01	0.01
(v)	Trust	-	-	-	-	31,16,846	-	31,16,846	0.32	0.32
(vi)	Foreign Bodies	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)		17,77,26,379	1,54,24,717	19,31,51,096	20.13	19,19,36,861	1,36,10,636	20,55,47,497	21.43	1.30
Total Public Shareholding (B) = (B)(1)+(B)(2)		43,68,92,201	1,59,21,107	45,28,13,308	47.21	43,87,11,722	1,41,01,586	45,28,13,308	47.21	-
(C)	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)		94,32,76,683	1,59,21,107	95,91,97,790	100.00	94,50,96,204	1,41,01,586	95,91,97,790	100.00	-

B. Shareholding of Promoters

Sr. No.	Shareholder's Name#	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares*	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares*	
1.	Aashay Ashish Choksi	1,25,380	0.01	0.00	1,25,380	0.01	0.00	0.00
2.	Abhay Arvind Vakil	2,32,88,200	2.43	0.00	2,32,88,200	2.43	0.00	0.00
3.	Abhay Arvind Vakil Karta for Abhay Arvind Vakil HUF	20,76,820	0.22	0.00	20,76,820	0.22	0.00	0.00
4.	Abhay Arvind Vakil Karta for Vakil HUF	31,03,290	0.32	0.00	31,03,290	0.32	0.00	0.00
5.	Amar Arvind Vakil	1,09,18,980	1.14	0.00	1,09,18,980	1.14	0.00	0.00
6.	Amar Arvind Vakil Karta for Amar Vakil HUF	21,12,190	0.22	0.00	21,12,190	0.22	0.00	0.00
7.	Ami Manish Choksi	4,72,200	0.05	0.00	4,72,200	0.05	0.00	0.00
8.	Amrita Amar Vakil	25,66,680	0.27	0.00	25,66,680	0.27	0.00	0.00
9.	Anay Rupen Choksi	1,30,500	0.01	0.00	1,30,500	0.01	0.00	0.00
10.	Asha Subhash Gujarathi	14,23,400	0.15	0.00	14,23,400	0.15	0.00	0.00
11.	Ashish Ashwin Choksi	8,80,840	0.09	0.00	8,80,840	0.09	0.00	0.00
12.	Ashish Ashwin Choksi Karta for Ashish Ashwin Choksi HUF	5,620	0.00	0.00	5,620	0.00	0.00	0.00
13.	Ashwin Chimanlal Choksi	4,19,060	0.04	0.00	4,19,060	0.04	0.00	0.00
14.	Ashwin Chimanlal Choksi Karta for Ashwin Chimanlal Choksi HUF	3,66,640	0.04	0.00	3,66,640	0.04	0.00	0.00
15.	Ashwin Ramanlal Gandhi	43,25,790	0.45	0.08	43,25,790	0.45	0.08	0.00
16.	Ashwin Suryakant Dani	12,39,870	0.13	0.00	12,39,870	0.13	0.00	0.00
17.	Ashwin Suryakant Dani Karta for Ashwin Suryakant Dani HUF	8,45,000	0.09	0.00	8,45,000	0.09	0.00	0.00
18.	Bhairavi Abhay Vakil	22,47,000	0.23	0.00	22,47,000	0.23	0.00	0.00
19.	Binita Ashish Choksi	1,31,700	0.01	0.00	1,31,700	0.01	0.00	0.00
20.	Chandanben Chhotalal Shah	20,000	0.00	0.00	20,000	0.00	0.00	0.00
21.	Dipika Amar Vakil	20,26,130	0.21	0.00	20,26,130	0.21	0.00	0.00
22.	Druhi Ashish Choksi	1,00,000	0.01	0.00	1,00,000	0.01	0.00	0.00
23.	Hasit Ashwin Dani	39,56,800	0.41	0.00	39,56,800	0.41	0.00	0.00
24.	Hasit Ashwin Dani Karta for Hasit Ashwin Dani HUF	48,000	0.01	0.00	48,000	0.01	0.00	0.00
25.	Hiren Ashwin Gandhi	15,89,300	0.17	0.00	15,89,300	0.17	0.00	0.00
26.	Ina Ashwin Dani	5,15,920	0.05	0.00	5,15,920	0.05	0.00	0.00
27.	Ishwara Hasit Dani	4,10,710	0.04	0.00	4,10,710	0.04	0.00	0.00
28.	Jalaj Ashwin Dani	16,00,200	0.17	0.00	16,00,200	0.17	0.00	0.00
29.	Jigish Shailesh Choksi	19,95,180	0.21	0.00	19,95,180	0.21	0.00	0.00
30.	Mahendra Chimanlal Choksi	16,56,380	0.17	0.00	16,56,380	0.17	0.00	0.00
31.	Mahendra Chimanlal Choksi Karta for Mahendra Chimanlal Choksi HUF	5,39,800	0.06	0.00	5,39,800	0.06	0.00	0.00
32.	Malav Ashwin Dani	33,05,510	0.34	0.00	33,05,510	0.34	0.00	0.00
33.	Manish Mahendra Choksi	23,81,040	0.25	0.00	23,81,040	0.25	0.00	0.00

Sr. No.	Shareholder's Name#	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares*	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares*	
34.	Manish Mahendra Choksi Karta for Manish Mahendra Choksi HUF	7,500	0.00	0.00	7,500	0.00	0.00	0.00
35.	Meghna Satyen Gandhi	75,000	0.01	0.00	75,000	0.01	0.00	0.00
36.	Mudit Jalaj Dani	1,59,800	0.02	0.00	1,59,800	0.02	0.00	0.00
37.	Nehal Abhay Vakil	23,71,280	0.25	0.00	23,71,280	0.25	0.00	0.00
38.	Nysha Rupen Choksi	1,02,750	0.01	0.00	1,02,750	0.01	0.00	0.00
39.	Prafullika Shailesh Choksi	21,42,560	0.22	0.00	21,42,560	0.22	0.00	0.00
40.	Ragini Varun Vakil	5,000	0.00	0.00	5,000	0.00	0.00	0.00
41.	Rhea Manish Choksi	7,02,000	0.07	0.00	7,02,000	0.07	0.00	0.00
42.	Richa Manish Choksi	1,80,450	0.02	0.00	1,80,450	0.02	0.00	0.00
43.	Rita Mahendra Choksi	9,80,000	0.10	0.00	9,80,000	0.10	0.00	0.00
44.	Rupal Anant Bhat	19,23,770	0.20	0.00	19,23,770	0.20	0.00	0.00
45.	Rupen Ashwin Choksi	9,28,607	0.10	0.00	9,28,607	0.10	0.00	0.00
46.	Satyen Ashwin Gandhi	16,08,880	0.17	0.00	16,08,880	0.17	0.00	0.00
47.	Shailesh Chimanlal Choksi	25,91,210	0.27	0.00	25,91,210	0.27	0.00	0.00
48.	Shailesh Chimanlal Choksi Karta for Shailesh Chimanlal Choksi HUF	17,49,690	0.18	0.00	17,49,690	0.18	0.00	0.00
49.	Shubhlakshmi Hasit Dani	59,500	0.01	0.00	59,500	0.01	0.00	0.00
50.	Smiti Jalaj Dani	1,39,110	0.01	0.00	1,39,110	0.01	0.00	0.00
51.	Urvashi Ashwin Choksi	8,38,110	0.09	0.00	8,38,110	0.09	0.00	0.00
52.	Vaibhavi Hiren Gandhi	75,000	0.01	0.00	75,000	0.01	0.00	0.00
53.	Varun Amar Vakil	22,30,590	0.23	0.00	22,30,590	0.23	0.00	0.00
54.	Vishal Shailesh Choksi	29,51,220	0.31	0.00	29,51,220	0.31	0.00	0.00
55.	Vita Jalaj Dani	4,35,260	0.05	0.00	4,35,260	0.05	0.00	0.00
56.	Vivek Abhay Vakil	31,26,760	0.33	0.00	31,26,760	0.33	0.00	0.00
57.	Asteroids Trading and Investments Private Limited	1,08,18,530	1.13	0.00	1,08,18,530	1.13	0.00	0.00
58.	Castle Investment and Industries Private Limited	1,54,57,470	1.61	0.00	1,54,57,470	1.61	0.00	0.00
59.	Centaurus Trading and Investments Private Limited	74,08,940	0.77	0.03	74,08,940	0.77	0.00	0.00
60.	Dani Charitable Foundation	2,53,620	0.03	0.00	2,53,620	0.03	0.00	0.00
61.	Dani Finlease Limited	10,930	0.00	0.00	10,930	0.00	0.00	0.00
62.	Doli Trading and Investments Private Limited	93,63,440	0.98	0.00	93,63,440	0.98	0.00	0.00
63.	Elcid Investments Limited	2,83,13,860	2.95	0.00	2,83,13,860	2.95	0.00	0.00
64.	ELF Trading and Chemicals Manufacturing Limited	21,08,160	0.22	0.00	21,08,160	0.22	0.00	0.00
65.	Geetanjali Trading and Investments Private Limited	4,92,67,440	5.14	2.89	4,92,67,440	5.14	3.60	0.00
66.	Gujarat Organics Limited	2,28,10,730	2.38	0.00	2,28,10,730	2.38	0.00	0.00
67.	Hiren Holdings Private Limited	6,01,400	0.06	0.00	41,52,310	0.43	0.00	0.37
68.	ISIS Holding and Trading Company Private Limited	5,28,84,120	5.51	1.52	5,28,84,120	5.51	1.52	0.00
69.	Jalaj Trading and Investment Company Private Limited	1,07,76,620	1.12	0.00	1,07,76,620	1.12	0.00	0.00

Sr. No.	Shareholder's Name#	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares*	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares*	
70.	Jaldhar Investments and Trading Company Private Limited	1,24,28,250	1.30	0.00	1,24,28,250	1.30	0.00	0.00
71.	Lambodar Investments and Trading Company Limited	60,15,130	0.63	0.00	60,15,130	0.63	0.00	0.00
72.	Lyon Investment and Industries Private Limited	1,43,42,060	1.50	0.00	1,43,42,060	1.50	0.00	0.00
73.	Murahar Investments and Trading Company Limited	57,43,670	0.60	0.00	57,43,670	0.60	0.00	0.00
74.	Nehal Trading and Investments Private Limited	1,11,02,530	1.16	0.00	1,11,02,530	1.16	0.00	0.00
75.	Omega Properites Private Limited	33,63,750	0.35	0.00	0.00	0.00	0.00	(0.35)
76.	Rayirth Holding and Trading Company Private Limited	13,29,500	0.14	0.00	13,29,500	0.14	0.00	0.00
77.	Rupen Investment and Industries Private Limited	1,88,49,825	1.97	0.02	1,88,49,825	1.97	0.02	0.00
78.	Sadavani Investments and Trading Company Private Limited	43,200	0.00	0.00	0.00	0.00	0.00	0.00
79.	Sapan Investments Private Limited	43,200	0.00	0.00	0.00	0.00	0.00	0.00
80.	Satyadharma Investments and Trading Company Private Limited	1,83,34,280	1.91	0.00	1,83,34,280	1.91	0.00	0.00
81.	Smiti Holding and Trading Company Private Limited	5,40,84,120	5.64	1.77	5,40,84,120	5.64	1.95	0.00
82.	Sudhanava Investments and Trading Company Private Limited	1,90,01,760	1.98	0.66	1,90,01,760	1.98	0.52	0.00
83.	Suprasad Investments and Trading Company Private Limited	1,87,160	0.02	0.00	0.00	0.00	0.00	(0.02)
84.	Suptaswar Investments and Trading Company Limited	65,58,310	0.68	0.00	65,58,310	0.68	0.00	0.00
85.	Tru Trading and Investments Private Limited	1,21,76,500	1.27	0.00	1,21,76,500	1.27	0.00	0.00
86.	Unnati Trading and Investments Private Limited	1,04,72,600	1.09	0.00	1,04,72,600	1.09	0.00	0.00
87.	Vikatmev Containers Limited	25,200	0.00	0.00	1,11,600	0.01	0.00	0.01
Total		**50,63,84,482**	**52.79**	**6.97**	**50,63,84,482**	**52.79**	**7.70**	**0.00**

Notes:

1. # The shares held by the Promoter(s) & Promoter(s) Group have been clubbed on the basis of their first name. S C Dani Research Foundation Private Limited, Haish Holding and Trading Company Private Limited, Vijal Holding and Trading Company Private Limited, Riash Realty Private Limited, Avinash Holding and Trading Company Private Limited, Cronus Merchandise LLP, Naradiya Commercial LLP, Canes Venatici Private Limited, Hydra Trading Private Limited, Hitech Specialities Solution Limited, Naradia Trust, Cronus Trust and Ishwara Trust, forming part of Promoter(s) and Promoter(s) Group do not hold any shares in the Company as on 31st March, 2017.
2. * The % of shares pledged/encumbered represents % of shares pledged/encumbered as a % of the total shares of the Company.
3. The term "encumbrance" has the same meaning as assigned to it in Regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

C. Change in Promoters' Shareholding:

Sr. No.	Shareholders Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative shareholding during the year (01.04.2016 to (31.03.2017)	
		No. of shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total Shares of the Company				No. of shares	% of total Shares of the Company
1.	Omega Properites Private Limited	33,63,750	0.35	01.04.2016				
			0.00	03.06.2016	(33,63,750)	Transfer$	0	0.00
		0	0.00	31.03.2017				
2.	Suprasad Investments and Trading Company Private Limited	1,87,160	0.02	01.04.2016				
				03.06.2016	(1,87,160)	Transfer$	0	0.00
		0	0.00	31.03.2017				
3.	Hiren Holdings Private Limited	6,01,400	0.06	01.04.2016				
				03.06.2016	35,50,910	Transfer$	41,52,310	0.43
		41,52,310	0.43	31.03.2017				
4.	Sadavani Investments and Trading Company Private Limited	43,200	0.00	01.04.2016				
				17.06.2016	(43,200)	Transfer#	0	0.00
		0	0.00	31.03.2017				
5.	Sapan Investments Private Limited	43,200	0.00	01.04.2016				
				17.06.2016	(43,200)	Transfer#	0	0.00
		0	0.00	31.03.2017				
6.	Vikatmev Containers Limited	25,200	0.00	01.04.2016				
				17.06.2016	86,400	Transfer#	1,11,600	0.01
		1,11,600	0.01	31.03.2017				

Notes:

1. * Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.
2. $ Suprasad Investments and Trading Company Private Limited and Omega Properites Private Limited merged with Hiren Holdings Private Limited.
3. # Sapan Investments Private Limited and Sadavani Investments and Trading Company Private Limited merged with Vikatmev Containers Limited.

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

Sr. No.	Shareholder's name	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Ojasvi Trading Private Limited				
	At the beginning of the year	4,69,87,850	4.90	4,69,87,850	4.90
	Bought during the year	0	0	4,69,87,850	4.90
	Sold during the year	0	0	4,69,87,850	4.90
	At the end of the year	4,69,87,850	4.90	4,69,87,850	4.90
2.	Life Insurance Corporation of India				
	At the beginning of the year	5,09,24,787	5.31	5,09,24,787	5.31
	Bought during the year	3,60,975	0.04	5,12,85,762	5.35
	Sold during the year	(62,82,333)	(0.65)	4,50,03,429	4.70
	At the end of the year	4,50,03,429	4.70	4,50,03,429	4.70
3.	Aberdeen Global Indian Equity Limited				
	At the beginning of the year	76,70,000	0.80	76,70,000	0.80
	Bought during the year	11,65,000	0.12	88,35,000	0.92
	Sold during the year	(13,88,000)	(0.14)	74,47,000	0.78
	At the end of the year	74,47,000	0.78	74,47,000	0.78
4.	Government of Singapore				
	At the beginning of the year	75,83,922	0.79	75,83,922	0.79
	Bought during the year	4,99,823	0.05	80,83,745	0.84
	Sold during the year	(22,43,735)	(0.23)	58,40,010	0.61
	At the end of the year	58,40,010	0.61	58,40,010	0.61

Sr. No.	Shareholder's name	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund				
	At the beginning of the year	44,80,643	0.47	44,80,643	0.47
	Bought during the year	5,46,056	0.06	50,26,699	0.53
	Sold during the year	(1,77,618)	(0.02)	48,49,081	0.51
	At the end of the year	48,49,081	0.51	48,49,081	0.51
6.	Copthall Mauritius Investment Limited				
	At the beginning of the year	49,99,695	0.52	49,99,695	0.52
	Bought during the year	11,36,783	0.12	61,36,478	0.64
	Sold during the year	(13,52,414)	(0.14)	47,84,064	0.50
	At the end of the year	47,84,064	0.50	47,84,064	0.50
7.	Tiaa-Cref Funds - Tiaa Cref International Equity Fund				
	At the beginning of the year	16,16,286	0.17	16,16,286	0.17
	Bought during the year	52,45,712	0.55	68,61,998	0.72
	Sold during the year	(21,29,024)	(0.22)	47,32,974	0.50
	At the end of the year	47,32,974	0.50	47,32,974	0.50
8.	Abu Dhabi Investment Authority				
	At the beginning of the year	68,82,739	0.72	68,82,739	0.72
	Bought during the year	48,05,796	0.50	1,16,88,535	1.22
	Sold during the year	(73,40,719)	(0.76)	43,47,816	0.46
	At the end of the year	43,47,816	0.46	43,47,816	0.46
9.	Franklin Templeton Investment Funds				
	At the beginning of the year	30,28,063	0.32	30,28,063	0.32
	Bought during the year	17,04,337	0.18	47,32,400	0.50
	Sold during the year	(9,65,000)	(0.10)	37,67,400	0.40
	At the end of the year	37,67,400	0.39	37,67,400	0.40
10.	Teluk Kemang Investments (Mauritius) Limited				
	At the beginning of the year	36,92,963	0.39	36,92,963	0.39
	Bought during the year	0	0.00	36,92,963	0.39
	Sold during the year	0	0.00	36,92,963	0.39
	At the end of the year	36,92,963	0.39	36,92,963	0.39
11.	SBI Life Insurance Company Limited				
	At the beginning of the year	36,02,675	0.38	36,02,675	0.38
	Bought during the year	12,31,988	0.13	48,34,663	0.51
	Sold during the year	(24,94,955)	(0.26)	23,39,708	0.25
	At the end of the year	23,39,708	0.25	23,39,708	0.25
12.	Ishares India Index Mauritius Company				
	At the beginning of the year	33,86,406	0.35	33,86,406	0.35
	Bought during the year	5,79,566	0.06	39,65,972	0.41
	Sold during the year	(4,83,157)	(0.05)	34,82,815	0.36
	At the end of the year	34,82,815	0.36	34,82,815	0.36
13.	Oppenheimer Developing Markets Fund				
	At the beginning of the year	46,10,800	0.48	46,10,800	0.48
	Bought during the year	0	0.00	46,10,800	0.48
	Sold during the year	(46,10,800)	(0.48)	0	0.00
	At the end of the year	0	0.00	0	0.00

E. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares at the beginning of the year (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
Directors								
1.	Ashwin Choksi	7,85,700	0.08	01.04.2016	0	Nil Movement during the year	7,85,700	0.08
		7,85,700	0.08	31.03.2017			7,85,700	0.08
2.	Ashwin Dani	20,84,870	0.22	01.04.2016	0	Nil Movement during the year	20,84,870	0.22
		20,84,870	0.22	31.03.2017			20,84,870	0.22
3.	Abhay Vakil	2,84,68,310	2.97	01.04.2016	0	Nil Movement during the year	2,84,68,310	2.97
		2,84,68,310	2.97	31.03.2017			2,84,68,310	2.97
4.	Mahendra Choksi	21,96,180	0.23	01.04.2016	0	Nil Movement during the year	21,96,180	0.23
		21,96,180	0.23	31.03.2017			21,96,180	0.23
5.	Malav Dani	33,05,510	0.34	01.04.2016	0	Nil Movement during the year	33,05,510	0.34
		33,05,510	0.34	31.03.2017			33,05,510	0.34
6.	Amrita Vakil	25,66,680	0.27	01.04.2016	0	Nil Movement during the year	25,66,680	0.27
		25,66,680	0.27	31.03.2017			25,66,680	0.27
7.	K.B.S. Anand@	270	0.00	01.04.2016	0	Nil Movement during the year	270	0.00
		270	0.00	31.03.2017			270	0.00
8.	Deepak Satwalekar	0	0.00	01.04.2016	0	Nil Movement during the year	0	0.00
		0	0.00	31.03.2017			0	0.00
9.	S. Sivaram	0	0.00	01.04.2016	0	Nil Movement during the year	0	0.00
		0	0.00	31.03.2017			0	0.00
10.	Mahendra Shah	0	0.00	01.04.2016	0	Nil Movement during the year	0	0.00
		0	0.00	31.03.2017			0	0.00
11.	S. Ramadorai	0	0.00	01.04.2016	0	Nil Movement during the year	0	0.00
		0	0.00	31.03.2017			0	0.00
12.	M. K. Sharma	0	0.00	01.04.2016	0	Nil Movement during the year	0	0.00
		0	0.00	31.03.2017			0	0.00
13.	Vibha Paul Rishi	0	0.00	01.04.2016	0	Nil Movement during the year	0	0.00
		0	0.00	31.03.2017			0	0.00
14.	R. Seshasayee	*	*	01.04.2016	*	*	*	*
		1,496	0.00	31.03.2017			1,496	0.00
Key Managerial Personnel								
1.	K.B.S. Anand@	270	0.00	01.04.2016	0	Nil Movement during the year	270	0.00
		270	0.00	31.03.2017			270	0.00
2.	Jayesh Merchant	0	0.00	01.04.2016	0	Nil Movement during the year	0	0.00
		0	0.00	31.03.2017			0	0.00

Notes:

1. @ Mr. K.B.S. Anand, Managing Director & CEO has been included in the list of Directors as well as KMP.
2. * Mr. R. Seshasayee has been appointed on the Board of Directors of the Company with effect from 23rd January, 2017.

V. INDEBTEDNESS

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

(₹ in Crores)

	Secured Loans (Excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on 01.04.2016)				
(i) Principal Amount	9.37	28.62	-	37.99
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**9.37**	**28.62**	**-**	**37.99**
Change in Indebtedness during the financial year				
(i) Addition	7.89	26.83	-	34.72
(ii) Reduction (repayment)	-	(28.62)	-	(28.62)
Net Change	7.89	(28.62)	-	(20.73)
Indebtedness at the end of the financial year (As on 31.03.2017)				
(i) Principal Amount	17.26	26.83	-	44.09
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**17.26**	**26.83**	**NIL**	**44.09**

The above includes interest free loans under Sales Tax deferment schemes of various states as given in Note 15 of standalone financial statements.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Managing Director K.B.S. Anand
1.	Gross salary (excluding Commission)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,54,36,840
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,38,76,266
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	-
2.	Stock Option	
3.	Sweat Equity	
4.	Commission	4,50,00,000
	- as % of profit	0.14
	- others, specify…	
5.	Others - Employer contribution to provident and other funds	28,92,336
	Total (A)	**9,72,05,442**
	Ceiling as per the Act	1,32,82,95,000

Note:

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

B. Remuneration to other directors:

(Amount in ₹)

1. Independent Directors:				
Name of Director(s)	**Fee for attending board/ committee meetings**	**Commission**	**Others#**	**Total**
Dipankar Basu	1,00,000	22,86,000	-	23,86,000
Mahendra Shah	7,80,000	28,00,000	-	35,80,000
Deepak Satwalekar	4,00,000	30,00,000	-	34,00,000
S. Sivaram	4,40,000	26,00,000	-	30,40,000
S. Ramadorai	4,10,000	26,00,000	-	30,10,000
M.K. Sharma	8,10,000	32,00,000	-	40,10,000
Vibha Paul Rishi	5,00,000	26,00,000	-	31,00,000
R. Seshasayee (Additional Director)	1,00,000	3,72,000	-	4,72,000
Total (1)	**35,40,000**	**1,94,58,000**	**-**	**2,29,98,000**
2. Other Non-Executive Directors:				
Name of Director(s)	**Fee for attending board/ committee meetings**	**Commission**	**Others#**	**Total**
Ashwin Choksi	3,50,000	34,00,000	7,62,919	45,12,919
Ashwin Dani	4,70,000	30,00,000	7,35,000	42,05,000
Abhay Vakil	6,00,000	26,00,000	7,35,000	39,35,000
Mahendra Choksi	5,90,000	26,00,000	-	31,90,000
Malav Dani	4,20,000	28,00,000	-	32,20,000
Amrita Vakil	4,20,000	26,00,000	-	30,20,000
Total (2)	**28,50,000**	**1,70,00,000**	**22,32,919**	**2,20,82,919**
Total (1+2)	**63,90,000**	**3,64,58,000**	**22,32,919**	**4,50,80,919**
Ceiling as per the Companies Act, 2013				26,56,59,000

Note:

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

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel CFO & Company Secretary
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,78,95,916
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	22,73,550
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others, specify	-
5.	Others - Contribution to Provident and other funds	20,65,800
	Total	**3,22,35,266**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES (under the Companies Act, 2013):

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

Annexure [E] to Board's Report

FORM AOC – 2

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

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

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

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

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

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

For and on behalf of the Board

Ashwin Choksi
Chairman

Place: Mumbai
Date: 11th May, 2017

Annexure [F] to Board's Report

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES PURSUANT TO SECTION 135 OF THE COMPANIES ACT, 2013

1. **Brief outline of the Company's CSR policy:**

In accordance with the CSR Policy of the Company, the CSR initiatives were focussed on the following pre-identifed areas:

- **Health & Hygiene:** The Company's initiatives under the thrust area of health & hygiene aim at enabling access and delivering quality primary healthcare services and promote health-seeking attitudes and behaviours. The Company continues to focus on promoting health amongst the village community, helping the communities to stay healthy, giving opportunity to access basic sanitation needs, providing safe drinking water and helping them to stay safe from water related diseases.

- **Education:** In the area of education, the Company would continue its focus on the core indicators of the educational cycle, viz., enrollment and retention, improving learning outcomes in schools, life skills & employability and providing support for education. The Company aims at making a positive impact on society through educational development directly and through its partners.

- **Water Management:** The Company aims at reducing its resource footprint by focusing on water neutrality. The focus is on mapping and reducing water usage for manufacturing processes, watershed management, locating specific interventions like dam desilting, river and streams rejuvenation, water accumulation deep trenches and pits, compartment bunding, etc.

- **Vocational Training Programs:** When it comes to mastering the art of professional painting; Asian Paints Colour Academy aims to offer the best training facilities to both new and experienced paint applicators, in order to enhance their skills, empower them, provide opportunities, enhance their ability to take better employment and better livelihood. With Colour Academies across the nation, various certificate courses and remarkable expertise; the goal of garnering respect for painting professionals has never been this exciting!

  Since the inception of Colour Academies in August, 2014, 1,00,915 trainings were conducted with a total of 55,000 uniquely profiled individuals.

For more details on our CSR policy, visit the website of the Company (www.asianpaints.com)

2. **Composition of the CSR Committee:**

Please refer to the Report on Corporate Governance for the composition of CSR Committee of the Board of Directors of the Company.

Particulars	₹ in crores
3. Average Net Profit of the Company for last 3 financial years:	1,993.93
4. Prescribed CSR expenditure (2% of this amount as in Sr. No. 3 above):	39.88
5. Details of CSR spent for the financial year 2016-17:	
a. Total amount spent for the financial year:	47.84
b. Amount unspent, if any:	Nil

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

(₹ in crores)

CSR projects/Activities	Sector in which the Project is covered	Location where project is undertaken Local Area (District, State)	Amount outlay (budget) Project/ Programs wise	Amount Spent on the Projects or Programs:		Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency**
				1. Direct Expenditure	2. Overheads*		
Promoting education by providing educational materials, setting up of libraries, toy libraries, scholarships, coaching classes, computer hardware and software for smart classes, building infrastructure at schools, organising workshops for enhancing skills, etc.	Education	Tamil Nadu (Cuddalore, Tiruvallur District, Sriperumbudur, Kanchipuram District) Maharashtra (Khandala, Satara District, Bhandup, Mumbai District) Gujarat (Ankleshwar, Bharuch District), Uttar Pradesh (Kasna, Gautam Buddha Nagar District), Haryana (Kherisadh village, Rohtak District), Telangana (Patancheru, Medak District), Karnataka (Mysore, Nanjangud district), Andhra Pradesh (Atchutapuram, Visakhapatnam district)	21.47	20.14	1.06	21.20	Direct and through implementing agency
Promoting healthcare and sanitation by conducting projects and programs, making available safe drinking water to community, preventive healthcare and medical camps, infrastructure support for cancer diagnosis, calibration of healthcare equipment at hospitals, construction of sanitary facilities viz., toilets etc.	Health & Hygiene	Maharashtra (Khandala, Satara District), Gujarat (Ankleshwar, Bharuch District), Uttar Pradesh (Kasna, Gautam Buddha Nagar District), Haryana (Kherisadh village, Rohtak, District),Tamil Nadu (Cuddalore, Tiruvallur District, Sriperumbudur, Kanchipuram District) Telangana (Patancheru, Medak District), Karnataka (Mysore, Nanjangud district)	3.85	3.57	0.19	3.76	Direct and through implementing agency

(₹ in crores)

CSR projects/Activities	Sector in which the Project is covered	Location where project is undertaken Local Area (District, State)	Amount outlay (budget) Project/ Programs wise	Amount Spent on the Projects or Programs: 1. Direct Expenditure	2. Overheads*	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency**
Livelihood enhancement projects in the form of Basic and Specialized Painter Training Programmes to unemployed youth and to painting applicators/ contractors	Vocational Training Program	Maharashtra (Mumbai, Nagpur, Aurangabad & Pune District), Karnataka (Bengaluru District), Telangana (Hyderabad District), Tamil Nadu (Chennai District), West Bengal (Kolkata & Burdwan District), Gujarat (Ahmedabad District), Uttar Pradesh (Lucknow, Varanasi, Kanpur, Ghaziabad, Gorakhpur & Agra District), Madhya Pradesh (Jabalpur & Bhopal District), Rajasthan (Jaipur District), Punjab (Ludhiana District), Kerala (Kozhikode District), Odisha (Bhubaneshwar District), Uttaranchal (Dehradun District) Chandigarh and Jammu & Kashmir	23.13	18.27	0.96	19.23	Direct
Ensuring environmental sustainability through water recharge & conservation projects, rain water harvesting, water - desilting and reclamation in villages, Integrated Water Resources Management in Community Watershed	Water	Tamil Nadu (Sriperumbudur, Kanchipuram District), Gujarat (Ankleshwar, Bharuch District), Uttar Pradesh (Kasna, Gautam Buddha Nagar District), Haryana (Kherisadh village, Rohtak District), Telangana (Patancheru, Medak District)	3.87	3.47	0.18	3.65	Direct and through implementing agency
		TOTAL	**52.32**	**45.45**	**2.39**	**47.84**	

Notes :

1. * Restricted to 5% of Total CSR spends.
2. **Details of the Implementing agencies: 1. Abhivyakti Foundation 2. Aga Khan Rural Support Programme (India) 3. AIDS (Ankleshwar Industrial Development Society) 4. Akash Ganga Trust 5. Bihang Welfare Association 6. Child Survival India 7. Deepalaya 8. Enable Health Society 9. Force - Forum For Organized Resource Conservation & Enhancement 10. Habitat For Humanity India Trust 11. Hand in Hand India 12. Helpage India 13. International Crops Research Institute for the Semi-Arid Tropics 14. Indian Green Service 15. Isha Education 16. Kaka-Ba And Kala Budh Public Charitable Trust 17. Kutuhal 18. Magic Bus 19. NIIT Foundation 20. Pratham Education Foundation 21. Samavedana 22. SEED (Society for the Educational and economic development) 23. Sevalaya 24. Sri Lakshmi Hayagriva Trust 25. Vanarai.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report : Not Applicable

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

K.B.S. Anand
Managing Director & CEO

Malav Dani
Chairman
CSR Committee

Place: Mumbai
Date: 11th May, 2017

Annexure [G] to Board's Report

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

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

A) ENERGY CONSERVATIONS MEASURES TAKEN

The manufacturing units have continued their efforts to reduce the specific energy consumption. Specific energy consumption and absolute units consumption are tracked on a daily basis at individual factory/block level and also at consolidated manufacturing level.

Energy conservation initiatives are being planned and implemented across manufacturing locations. Apart from regular practices and measures for energy conservation, many new initiatives were driven across the units. Some of the key measures taken in all the plants are as follows :-

- Trials taken of adding Hydroxyethyl Cellulose (HEC) in slurry form in the mixer in order to reduce the power consumption in the TSD's. Post this, HEC formulations have now been implemented in most of the plants for most of the formulations.
- Increase in temperature of certain monomers storage after consulting the material manufacturer and visiting other customers and checking their storage methods and temperatures.
- Air leakage audit conducted regularly and the air leakages arrested.
- Segregation of high pressure and low pressure consumption resulting in reduction of losses.
- Pressure based pumping system in utilities.
- Energy efficient chillers.
- Portable air compressor for Sunday operations.
- Light Emitting Diode (LED) light installations in the entire plant premises in some of the plants.
- Auto switching on and off of conveyors/fans etc. when not in use.
- SS tubing for air pipes instead of PU pipes.
- Common Air Filter Regulator (AFR) for air lines instead of having AFR's for individual pneumatically operated valves to reduce the number of leak joints.
- Installation of Motion sensors & Timers for AC/Lighting control in all the cabins.
- Energy efficient motors installed in all new installations and in other identified energy–intensive areas.
- Energy efficient air conditioners (inverter duty) used in new installations to reduce the power consumption.
- Variable Frequency Drive (VFD) installed for screw pumps to reduce the material discharge time and increase the availability of equipment.

Other key initiatives for Energy conservation:

- Energy Management System (EMS) software development has been completed and is being implemented in all the plants – this generates real-time data and help to monitor, analyze, report and compare the power consumption across manufacturing locations.
- Energy cells have been formed in all manufacturing plants and the progress in energy conservation measures and best practices at all plants is shared.
- Energy audits are being planned in the plants with help of a certified external agency and further scope for improvement will be identified.

B) UTILISING ALTERNATE SOURCES OF ENERGY

Solar energy:

Following rooftop solar projects were commissioned in financial year 2016-17

- 1.6MWp- At Khandala plant
- 0.47MWp- At Kasna Plant
- 0.72MWp- At Ankleshwar Plant

Additional 0.3 MWp solar project is being commissioned at Patancheru.

With the commissioning of the above projects, total installed solar energy capacity will now be 9 MWp

For the financial year 2016-17, the solar projects have generated about 71 lakh units which is about 11% of electricity consumption across all decorative paint plants. The Company has spent ₹ 13.95 crores on solar energy during the financial year 2016-17.

Wind Energy:

Following Wind Turbine Generators (WTG) were commissioned during the quarter ended 31st March, 2017:

- 2 MW- At Kayathar, Tamil Nadu for Sriperumbudur plant

Additional 4 MW capacity windmills are being commissioned at Aurangabad for Khandala plant. With the commissioning of the above projects, total installed wind energy capacity will now be 11.5 MW

During the financial year 2016-17, the wind projects have generated about 83 lakh units which is about 13% of electricity consumption across all decorative paint plants. The Company has spent ₹ 14.97 crores on wind energy during the financial year 2016-17.

The new solar and windmill installations have helped the Company to end the year 2016-17 at RE % of 22% as against the targets of 18.6% (RE % = total units generated through renewable energy sources/total units consumed across the plants)

C) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

The Company has spent ₹ 2.76 crores as capital investment on energy conservation equipment during the financial year 2016-17.

TECHNOLOGY ABSORPTION

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

The focus of the Company's Research & Technology (R&T) function continues to build technological self- reliance by promoting in house research, innovation and creativity to design, develop and upgrade its product pipeline continuously to support achieving short, medium and long term business goals of the Company. The entire product portfolio is based on in house technology developed by internal scientists without any support from external partners in the form of technology collaboration/licensing. The nature of activities carried out by R&T team of the Company are as follows:

- Development of new products and processes related to surface coatings help in fullfilling expressed as well as unstated needs of its consumers.
- Creating a basket of green products for premium range decorative consumer segment which are ecologically as well regulatory compliant.
- Upgradation of existing products with value added features to create product differentiation for retaining market share.
- Continuous value generation through formulation re-engineering, sourcing efficiency, process optimization, new raw material search, new manufacturing techniques, vendor collaboration to enhance profitability.
- Provide technological support to the sourcing team at China for new vendor identification, vendor capability assessment, test method realignment and quality monitoring.
- Support sustainability initiatives of the Company by undertaking joint projects with manufacturing plants to reduce cycle time, energy consumption, water consumption and waste generation.
- Building sustainable ideas and prototype pipeline for the Company and develop new capability platforms for creating next generation products to catalyze future growth.
- Generating Intellectual Property (IP) through filing of patents and publications.
- Undertake collaborative projects with vendors, customers, academia, research institutes to develop new products, new capabilities and generate new knowledge.
- Encourage use of new scientific tools such as DFSS (Design for Six sigma) and DOE (design of experiment) to strengthen existing product development methodology.
- Encourage process engineering research to explore novel processes for binder synthesis which are operationally efficient in terms of energy consumption, cycle time, productivity and safety.
- Technology support to all overseas subsidiaries for product development, product benchmarking, cost efficiency, new raw material development, testing etc. to support business growth.
- Application research to establish product suitability for application with different tools (both mechanized and hand held) on different substrates.
- Development of laboratory simulation techniques to support product validation under different geographical climates and usage practices.
- Technical service related support to manufacturing plants, customers for product scale up, solving product complaint, product standardization at customer's place.
- Development of smart test methods to speed up incoming raw material testing and approval.
- Development of new customers for industrial Original Equipment Manufacturer (OEM).
- Establishing product credibility through international certification.
- Continuous benchmarking of products against national/international competition.
- Support technical capability building across organization through in-house seminars, webinars, technical training etc.
- Support in terms of technological due diligence to fulfil company's growth strategy through acquisition.

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

19 (Nineteen) new products were developed and commercialized for Architectural paints segment during the financial year 2016-17. The key products launched during the financial year 2016-17 are:

1. Ultima Protek Duralife Basecoat and Topcoat
2. Truecare Exterior Advanced Primer
3. Tractor Aqualock
4. Smart Care Damp Sheath Exterior
5. Smart Care Damp Sheath Interior
6. AP True Grip Ultra
7. Tractor Shyne
8. AP professional Enamel gloss
9. AP Smart Care Retarder Clear
10. Smartcare HP synthetic Adhesive Clear
11. Micro Concrete Grey
12. Micro Concrete HS Grey
13. Repair Mortar
14. Smart Care Injection Grout Cement grey
15. Smart Care GP Grout Grey
16. Smart Care Plasticizer SNF Brown
17. Smart Care Acrylic Bonding Agent White
18. Smart Care Curing Agent WB White
19. Smart Care Shuttering Agent DB Clear

12 (Twelve) new products were developed for industrial end use during the financial year 2016-17. Some highlights include:

- Listing of "Bitushield" with WRAS after receiving approval certification from Intertek, UK.
- Certification of Apcoguard SF 155 the potable water tank lining from WRAS for usage at 30 Deg.C
- Commercialization of Polyurethane Black with unique jetness property at M/S Accura Helmets
- Commercialization of Apcoquick AD 500 Grey and Yellow for M/S KYB, Conmat, Baroda.

The Company initiated another breakthrough project initiative named Project Antariksh following a different methodology. This has helped in improving the overall execution capabilities of new product development team and crashing the development cycle time significantly. The outcome of this initiative has helped the Company to launch three new challenging products within a record timeline.

For reduction of carbon footprint the Company has ongoing program to reduce rutile consumption from formulations without compromising opacity. The estimated reduction in CO_2 emission due to reduced rutile consumption was around 10000MT during the financial year 2016-17.

For the second consecutive year, the Federation of Indian Chamber of Commerce & Industry (FICCI) has recognized "Genie Water Based French Polish" by conferring 'FICCI 2016 Sustainability Award' as being the "Best Green Product in India in the Chemicals & Petrochemicals sector".

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

a. The details of technology imported:

Technology of Intumescent Coating for cellulosic fire from M/s Neutron Fire Technology Inc., UK having 90 minutes fire rating was successfully commercialized by Berger International Units under the brand name Apcochar WB 100 in Middle East and certifier listing by Warrington UK was obtained.

b. The year of import: Financial year 2013-14

c. Whether the technology has been fully absorbed:

The same has been successfully scaled up for bulk manufacturing in United Arab Emirates and commercialized in Bahrain market during the year.

d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof:

The technology has been fully absorbed

D) The expenditure incurred on Research and Development:

(₹ in crores)

Particulars	2016-17	2015-16
Capital	30.95	7.12
Recurring	75.06	68.04
Total	**106.01**	**75.16**

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned in tems of actual inflows during the year 2016-17 was ₹ 133.62 crores (equivalent value of various currencies).

Foreign exchange outgo in terms of actual outflows during the year 2016-17 was ₹ 2,095.40 crores (equivalent value of various currencies).

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Good Corporate Governance is not an end in itself. It is the means to create confidence with stakeholders and establish business integrity for an organization. Asian Paints has come a long way in adopting some of the key principles of Corporate Governance like transparency, fairness, disclosures and accountability and these principles have been strongly cemented in the pillars, it has been founded upon. The business strategies and operations of the Company are governed by these principles to ensure fiscal accountability, ethical corporate behavior and fairness to all stakeholders.

Besides complying with legal requirements, Asian Paints has adopted best practices and set responsible standards of business. Good Corporate Governance practices have led the Company to raise its standards beyond compliance and foster commitment through-out the Company to adhere to these practices. Asian Paints continues to benchmark itself and strives to meet the expectations of all its stakeholders.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is given below:

GOVERNANCE STRUCTURE

The constituents of the governance structure of the Company are as follows:

Board:

At Asian Paints, the Board represents a finest blend of professionals from various backgrounds who have considerable expertise and experience in their respective fields which enables the Board to discharge its responsibilities effectively. The composition and strength of the Board is reviewed periodically for ensuring compliance with the statutory requirements. The Board reviews and guides the Company in strategic matters, risk policy, ensures that a transparent nomination process exists for appointment of directors, oversees the process of disclosure and communications and oversees the corporate culture to maintain highest standards of ethical conduct and integrity.

Committees of the Board:

The Committees constituted by the Board of Directors of the Company function in accordance with the framework and terms of reference assigned to them by the Board, in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder and Listing Regulations.

The Company currently has 6 (six) Committees of the Board.

Committees of Board of Directors	Audit Committee
	Stakeholders Relationship Committee
	Nomination and Remuneration Committee
	Corporate Social Responsibility Committee
	Risk Management Committee
	Shareholders' Committee

These Committees have optimum representation of the members of the Board with requisite expertise who hold meetings at such intervals as is deemed necessary to effectively perform the tasks assigned to them.

Management:

The Company's management structure comprises of the Managing Director & CEO, Executive Council (EC) and Operating Council (OC). The Managing Director & CEO is entrusted with the responsibility of overall management of the affairs of the Company under the supervision of the Board of Directors. The EC members report to Managing Director & CEO and head different business functions of the organization such as Sales & Marketing, International Business, Industrial Business, Home Improvement Business, Chemical Business, Information Technology, Research & Technology, Finance and Human Resources. The OC consists of heads of functions/businesses within the Company who lead the identified strategy and report to the EC members. The members of the OC discuss and deliberate on the day to day operating efficiency and lead important initiatives like cost efficiency, customer centricity, capability building, etc.

This management structure has brought in strategic supervision, effective implementation and responsive decision making with accountability within the organization.

BOARD OF DIRECTORS

Composition of the Board:

The Company has an optimum composition of Executive and Non-Executive Directors. Out of 14 (fourteen) members on its Board, 7 (seven) are Independent Directors, 6 (six) are Non- Executive/ Promoter Directors and 1 (one) Managing Director & CEO.

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

Independent Directors:

The Independent Directors of the Company have been appointed for a tenure of 5 (five) years upto 31st March, 2019. Mr. R. Seshasayee has been appointed by the Board of Directors with effect from 23rd January, 2017 for a period of 5 (five) years, subject to approval of the shareholders of the Company at this ensuing Annual General Meeting (AGM).

The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. The Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 read with the Rules issued thereunder. A sample letter of appointment is available and can be accessed on the Company's website (www.asianpaints.com).

Directors with materially significant, pecuniary or business relationship with the Company:

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

Board Procedures:

The Board of Directors meet atleast once in each quarter to, *inter alia*, review annual operating and capital expenditure plans and budgets, financial statements of business segments, compliance report(s) of all laws applicable to the Company, major legal issues, minutes of the Board Meetings of subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, presentations on Environment Health & Safety (EHS) initiatives, risk management, transactions involving sale of material nature of investments, subsidiaries and assets, foreign currency exposure, details of joint ventures or collaborations, short-term borrowings, any other proposal from the management regarding mergers, acquisitions and restructuring of investments, etc.

The senior management of the Company make timely disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest in any transaction or matter that may have a potential conflict with the interest of the Company.

The calendar of Meetings of the Board of Directors is decided in advance in consultation with the Board Members and the schedule for meetings of the Board of Directors is published in the Annual Report. Additional meetings are convened whenever necessary. The Company also provides video conferencing facility to its Directors to enable their participation so that they can contribute in the discussions at the Meetings.

The Agenda along with explanatory notes are generally circulated 7 (seven) days before the date of the Meeting(s) in compliance with Secretarial Standards.

With a view to leverage technology and reducing paper consumption, the Company circulates to its Directors, notes for Board/Committee meetings though an electronic platform. Each Director has been provided with iPads for the said purpose. This electronic mode of delivery of Agenda papers, minutes and other documents ensures high standards of security and confidentiality, required for storage and circulation of Board papers.

The Managing Director & CEO and the Members of the EC/OC make presentations to the Board on matters including but not limited to the Company's performance, operations, plans, quarterly and annual financial results, compliance reports, etc. The Board has complete access to any information within the Company which includes information as specified in Regulation 17 and Schedule II (A) of the Listing Regulations. In addition to these matters, the Board also has access to such other information which is relevant for its decision making.

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

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

The meetings of the Board of Directors are generally held in Mumbai and also, if necessary, in locations, where the Company operates. During the financial year, 7 (seven) meetings of the Board of Directors of the Company were held on 11th May, 2016, 27th July, 2016, 29th July, 2016, 25th October, 2016, 9th December, 2016, 23rd January, 2017 and 28th March, 2017. The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days.

The details of attendance at Board Meetings held either in person or through video conference during the financial year 2016-17 and at the Annual General Meeting (AGM) of the Company are detailed below:

Name of the Director(s)/Director Identification Number (DIN)	Attendance at the Board Meeting(s)		Attendance at last AGM
	Held	Attended	
Ashwin Choksi (DIN: 00009095)	7	7	Yes
Ashwin Dani (DIN: 00009126)	7	7	Yes
Abhay Vakil (DIN: 00009151)	7	7	Yes
K.B.S. Anand (DIN: 03518282)	7	7	Yes
Mahendra Choksi (DIN: 00009367)	7	7	Yes
Malav Dani (DIN: 01184336)	7	6	Yes
Amrita Vakil (DIN: 00170725)	7	6	Yes
Dipankar Basu* (DIN: 00009653)	7	2	Yes
Deepak Satwalekar (DIN: 00009627)	7	5	Yes
S. Sivaram (DIN: 00009900)	7	7	Yes
Mahendra Shah (DIN: 00009786)	7	7	Yes
S. Ramadorai (DIN: 00000002)	7	7	Yes
M. K. Sharma (DIN: 00327684)	7	7	Yes
Vibha Paul Rishi (DIN: 05180796)	7	7	Yes
R. Seshasayee** (DIN: 00047985)	7	1	NA

Notes:

* Mr. Dipankar Basu ceased to be a Director of the Company w.e.f 1st January, 2017.

** Mr. R. Seshasayee was appointed as an Additional Director (Independent) on the Board of Directors of the Company w.e.f. 23rd January, 2017.

Independent Directors' Meeting:

The Independent Directors meet without the presence of Non-Independent Directors. These meetings are informal and enable the Independent Directors to interact and discuss matters including review of the performance of the Non-Independent Directors and the Board as a whole, review of the performance of the Chairman of the Company, taking into account views of Executive/Non-Executive Directors and assessing the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors (except Mr. R. Seshasayee) met on 2nd March, 2017 during the financial year 2016-17.

Board Evaluation:

Listing Regulations mandate the Board of listed companies to monitor and review the Board Evaluation framework. The Companies Act, 2013 read with the Rules issued thereunder further provides that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. The Schedule IV of the Companies Act, 2013 read with the Rules issued thereunder states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

After taking into consideration the Guidance Note on Performance Evaluation of Board dated 5th January, 2017 published by SEBI, structured assessment sheets were finalized to evaluate the performance of the Board, Committees of the Board and individual performance of each Director including the Chairman. The evaluation process was facilitated by the Chairman of the Nomination and Remuneration Committee.

These assessment sheets for evaluation of performance of the Directors were prepared based on various aspects which, amongst other parameters, included the level of participation of the Directors, understanding of the roles and responsibilities of Directors, understanding of the business and competitive environment in which the Company operates, understanding of the strategic issues and challenges for the Company, etc.

The parameters for performance evaluation of Board includes composition of the Board, process of appointment to the Board of directors, common understanding that the different Board members have of the roles and responsibilities of the Board, timeliness for circulating the board papers, content and the quality of information provided to the Board, attention to the company's long term strategic issues, evaluating strategic risks, overseeing and guiding major plans of action, acquisitions, divestment, etc.

Some of the performance indicators for the Committees include understanding of the terms of reference, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties and performance of the Committee vis-à-vis its responsibilities.

The Nomination and Remuneration Committee evaluates the performance of the Managing Director by setting his Key

Performance Objectives at the beginning of each financial year. The Committee ensures that the Key Performance Objectives are aligned with the immediate and long term goals of the Company.

The performance of the Independent Directors was also evaluated taking into account the time devoted and attention given to professional obligations for independent decision making and acting in the best interest of the Company, strategic guidance to the Company and help determine important policies, external expertise provided and independent judgment that contributes objectively in the Board's deliberation, particularly on issues of strategy, performance and conflict management.

The outcome of the evaluation exercise was discussed and deliberated at the respective meetings of the Board of Directors and Committees of the Board. The Board of Directors also expressed their satisfaction towards the process followed by the Company for evaluating the performance of the Directors, Board and its Committees.

Directorship and Membership on Committees:

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

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

Name of Director	Nature of Directorships	Relationship with each other	As on 31st March, 2017		
			Directorships in other Companies (*)	Membership and Chairmanship of the Committees of the Board of other companies (**)	
				Chairman	Member
Ashwin Choksi	Non-Executive Chairman/Promoter	Brother of Mahendra Choksi	-	-	-
Ashwin Dani	Non-Executive Vice Chairman/ Promoter	Father of Malav Dani	5	1	3
Abhay Vakil	Non-Executive Director/Promoter	Uncle of Amrita Vakil	3	2	-
K.B.S. Anand	Managing Director & CEO	***	-	-	-
Mahendra Choksi	Non-Executive Directors/Promoter	Brother of Ashwin Choksi	-	-	-
Malav Dani		Son of Ashwin Dani	2	-	1
Amrita Vakil		Niece of Abhay Vakil	2	-	-
Deepak Satwalekar	Non-Executive/Independent Directors	***	2	1	1
S. Sivaram		***	4	-	1
Mahendra Shah		***	-	-	-
S. Ramadorai		***	8	-	1
M. K. Sharma		***	4	1	2
Vibha Paul Rishi		***	8	1	5
R. Seshasayee#		***	3	-	1

Notes:

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

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

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

\# Mr. R. Seshasayee was appointed as an Additional Director (Independent) on the Board of Directors of the Company w.e.f. 23rd January, 2017.

The shareholding of the Non – Executive Directors of the Company as on 31st March, 2017 is as follows:

Name of the Director(s)	Nature of Directorship	No. of shares held *	Percentage to the paid up share capital
Ashwin Choksi	Non-Executive Chairman/Promoter	7,85,700	0.08
Ashwin Dani	Non-Executive Vice Chairman/Promoter	20,84,870	0.22
Abhay Vakil	Non-Executive Director/Promoter	2,84,68,310	2.97
Mahendra Choksi	Non-Executive Director/Promoter	21,96,180	0.23
Malav Dani	Non-Executive Director/Promoter	33,05,510	0.34
Amrita Vakil	Non-Executive Director/Promoter	25,66,680	0.27
Deepak Satwalekar	Non-Executive Director/Independent	Nil	Nil
S. Sivaram	Non-Executive Director/Independent	Nil	Nil
Mahendra Shah	Non-Executive Director/Independent	Nil	Nil
S. Ramadorai	Non-Executive Director/Independent	Nil	Nil
M. K. Sharma	Non-Executive Director/Independent	Nil	Nil
Vibha Paul Rishi	Non-Executive Director/Independent	Nil	Nil
R. Seshasayee#	Non-Executive Director/Independent	1,496	0.00

Notes:

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

\# Mr. R. Seshasayee was appointed as an Additional Director (Independent) on the Board of Directors of the Company w.e.f. 23rd January, 2017.

Mr. K.B.S. Anand, Managing Director & CEO holds 270 equity shares of the Company as on 31st March, 2017.

Familiarization Programme:

The Company has in place a structured induction and familiarization program for the Independent Directors. A familiarization pack is handed over to the new inductee, which include the Company's corporate profile, its Vision and Values Statement, organizational structure, the Company's history and milestones, latest Annual Report, Code of Conduct applicable to Directors/Senior Management employees of the Company, the Asian Paints Code of Conduct for Prevention of Insider Trading and other applicable codes along with the Sustainability Reports of the Company. They are also updated on all business related issues and new initiatives.

The Directors appointed as members on the CSR Committee are also involved and briefed about CSR initiatives of the Company. The Company also arranges for visits to the Company's Plants as well as to the Colour Academies to enable them to get firsthand information and also interact with the stakeholders on the ground. The inductees are introduced to the plant heads and various important functional heads.

The Senior executives of the Company including the EC members make presentations to the members of the Board on the performance of the Company, strategic initiatives, any initiatives in the area of acquisitions, mergers, divestments, etc.

Brief details of the familiarization program are uploaded and can be accessed on the Company's website (www.asianpaints.com).

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management.

The Committee invites the Managing Director & CEO, CFO & Company Secretary and President – Industrial JVs, Vice President – Finance, Statutory Auditor(s) and Chief Internal Auditor to attend the meetings of the Committee. The Audit Committee meets the Statutory Auditors and the Chief Internal Auditor independently without the presence of any members of the management at least once in a year.

Mr. Jayesh Merchant acts as Secretary to the Committee.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31st March, 2017 is detailed below:

Name of the Member(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
M. K. Sharma#	Chairman	5	5
Dipankar Basu@	Chairman	5	-
Mahendra Shah	Member	5	5
Abhay Vakil	Member	5	5
R. Seshasayee*	Member	5	1

Notes:

@ Mr. Dipankar Basu served as the Chairman of the Audit Committee upto 1st January, 2017 consequent to his resignation from the Board of Directors of the Company.

\# Mr. M. K. Sharma was elected as the Chairman of the Audit Committee w.e.f. 23rd January, 2017

* Mr. R. Seshasayee was appointed as Member of the Audit Committee w.e.f. 23rd January, 2017

The Committee met 5 (five) times during the financial year 2016-17 on 9th May, 2016, 26th July, 2016, 24th October, 2016, 23rd January, 2017 and 21st March, 2017.

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management quarterly, half-yearly, nine-months and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Sec 134(3)(c) of the Companies Act, 2013;
    b. Changes in the Accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
    c. Compliance with listing and other legal requirements relating to financial statements;
    d. Disclosure of any related party transactions; and
    e. Modified opinion(s) in the draft audit report, if any.
5. Reviewing the financial statements and investments made by unlisted subsidiary companies (including joint ventures) ;
6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board
    (a) qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;
    (b) whether such qualifications and experience are commensurate with the size and requirements of the company; and
    (c) giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
7. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditors;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the internal financial controls and risk management policies system of the Company;
16. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
17. Review of internal audit reports relating to internal control weaknesses and discuss with internal auditors any significant findings and follow-up thereon;
18. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
19. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the Company by its officers/employees;
20. Approval or any subsequent modification of transactions of the company with related parties;

21. Reviewing the statements of significant related party transactions submitted by the management;

22. Reviewing and scrutinizing the inter-corporate loans and investments;

23. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy and overseeing the functioning of the same;

24. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

25. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialized services along with approval of payment to statutory auditors for the same;

26. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;

27. Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;

28. Appointing registered valuers and defining the terms and conditions for conducting the valuation of undertakings/ assets/net-worth/liabilities of the Company, wherever it is necessary. Reviewing the valuation report and follow-up thereon;

29. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

30. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;

31. Review and approve, policy formulated for determination of material subsidiaries;

32. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions; and

33. Any other matter referred to by the Board of Directors.

NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

The Committee met 4 (four) times during the financial year 2016-17 on 26th April, 2016, 27th July, 2016, 24th October, 2016 and 28th February, 2017.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2016-17 is detailed below:

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

Note:

* Mr. Dipankar Basu ceased to be a Director of the Company w.e.f. 1st January, 2017.

Mr. Jayesh Merchant acts as Secretary to the Committee.

The broad terms of reference of the Nomination and Remuneration Committee include:

1. Formulate a criteria for determining qualifications, positive attributes and independence of a director;

2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

3. Devise a policy on Board Diversity;

4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;

5. Carry out the evaluation of every director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;

6. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company; and

7. Undertake any other matters as the Board may decide from time to time.

Board membership:

The Nomination and Remuneration Committee is responsible to formulate the criteria for appointment of a Director and review the said criteria for determining the qualifications, skills, positive attributes necessary for inducting members on the Board. The Committee is also responsible for screening the candidates who meet the criteria, reviewing their appointment/re-appointment and making recommendations to the Board in this regard.

Some of the parameters considered by the Nomination and Remuneration Committee while recommending the appointment of a Director to the Board, include:

- composition of the Board;
- desired diversity on the Board;
- appropriate balance of skills, experience and knowledge;
- professional qualifications, expertise and experience in specific area of business;
- any present or potential conflict of interest;
- ability to devote sufficient time and attention to his professional obligation for informed and balanced decision; and
- ability to uphold ethical standards of integrity and probity in accordance with the Company's values.

Review of appointment of Senior Management and their performance:

The Nomination and Remuneration Committee lays down the criteria including parameters for qualifications, skills, expertise and qualities required for senior management positions like the Key Managerial Persons and members of the Executive Council, their terms of employment including compensation, variable pay, notice period and other benefits which are governed by the policies of the Company applicable to relevant grade at that point in time. The Nomination and Remuneration Committee considers and evaluates internal as well as external candidates for such senior positions and recommends to the Board their appointments.

The Nomination and Remuneration Committee reviews the performance of the Key Managerial Personnel and the senior management of the Company from time to time based on the KPIs/objectives set.

Remuneration Policy:

Focus on productivity and pay for performance have been the cornerstones of the Company's reward philosophy. The Company regularly benchmarks the compensation levels and employee benefits in the market and makes necessary changes to remain at par with the market. This has ensured that the Company remains attractive for both external and internal talent. Variable pay scheme for the management cadre rewards yearly performance as well as long term organizational capability building. Retention and motivation of top performing talent is enabled through differentiation in salary increments. Fairness, transparency and internal along with external parity continues to remain vital to the reward system at Asian Paints.

The remuneration to the Key Managerial Personnel and Senior Management of the Company 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.

The Nomination and Remuneration Committee recommends to Board for approval, the compensation package of the Managing Director & CEO. The compensation structure includes basic salary, perquisites, commission, etc. The compensation packages are in accordance with applicable law, in line with the Company's objectives, shareholders' interests and as per the industry standards.

The shareholders of the Company at the 68th AGM held on 26th June, 2014 approved the re-appointment of Mr. K.B.S. Anand as Managing Director & CEO of the Company for a period of three (3) years commencing from 1st April, 2015 to 31st March, 2018, not liable to retire by rotation. The terms and conditions of his appointment including remuneration payable to him was approved which was in accordance with the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force). The Board of Director's of the Company at their meeting held on 11th May, 2017, on the recommendations of the Nomination and Remuneration Committee approved the re-appointment of Mr. K.B.S. Anand as the Managing Director & CEO for a further period of 2 (two) years from 1st April, 2018 to 31st March, 2020. Appropriate resolution for the re-appointment of Mr. K.B.S. Anand are placed before the shareholders for their approval at the ensuing AGM. The details of the Remuneration paid to the Managing Directors & CEO are stated in the Form MGT-9 (Extract of the Annual Return) which forms part of the Board's Report in this report.

The commission paid to the Non-Executive Directors of the Company is in accordance with the approval granted by the shareholders of the Company and in compliance with the Companies Act, 2013 read with the Rules issued thereunder. The Nomination and Remuneration Committee recommends the Commission payable to the Non-Executive Directors, including Independent Directors after reviewing payments made to similar sized, successful companies. An additional amount is paid for serving as Chairman of the Board and/or for Chairmanships of

Committees. The Chairman of the Audit and Nomination and Remuneration Committees are paid a higher commission than Chairman and members of other Committees. The Nomination and Remuneration Committee considers various factors while recommending to the Board the commission payable to the Directors including contribution by the Directors to the decision making at meetings of the Board/Committees, participation and time spent, strategic inputs etc. The Company has not granted any stock options to any of its Independent Directors. The Nomination and Remuneration Policy of the Company has been uploaded and can be accessed on the Company's website (www.asianpaints.com)

Details of remuneration paid to Directors during the year 2016-17:

During the financial year 2016-17, the Company paid ₹ 50,000 (Rupees fifty thousand only) as sittings fees for attending the Board/Audit Committee meetings and ₹ 30,000 (Rupees thirty thousand only) for attending other Committee meetings (except Shareholders' Committee where no sitting fees are paid) to the Non-Executive Directors of the Company.

The Independent Directors were also paid ₹ 30,000 (Rupees thirty thousand only) as sitting fees for their separate meeting held during the year.

Details of the remuneration paid to the Directors of the Company for the financial year 2016-17 are as follows:

(Amount in ₹)

Name of the Director	Basic Salary	Perquisites	Sitting fees	Commission	Total
Ashwin Choksi*	-	7,62,919	3,50,000	34,00,000	45,12,919
Ashwin Dani*	-	7,35,000	4,70,000	30,00,000	42,05,000
Abhay Vakil*	-	7,35,000	6,00,000	26,00,000	39,35,000
K.B.S. Anand**	2,28,52,800	2,93,52,642	-	4,50,00,000	9,72,05,442
Mahendra Choksi	-	-	5,90,000	26,00,000	31,90,000
Malav Dani	-	-	4,20,000	28,00,000	32,20,000
Amrita Vakil	-	-	4,20,000	26,00,000	30,20,000
Dipankar Basu#	-	-	1,00,000	22,86,000	23,86,000
Deepak Satwalekar	-	-	4,00,000	30,00,000	34,00,000
S. Sivaram	-	-	4,40,000	26,00,000	30,40,000
Mahendra Shah	-	-	7,80,000	28,00,000	35,80,000
S. Ramadorai	-	-	4,10,000	26,00,000	30,10,000
M.K. Sharma	-	-	8,10,000	32,00,000	40,10,000
Vibha Paul Rishi	-	-	5,00,000	26,00,000	31,00,000
R. Seshasayee	-	-	1,00,000	3,72,000	4,72,000

Notes:

* Perquisites in case of Mr. Ashwin Choksi, Mr. Ashwin Dani and Mr. Abhay Vakil, Non-Executive Directors are retiral benefits like pension and medical reimbursement as per their contracts entered with the Company in their erstwhile capacity as Executive Directors which ended on 31st March, 2009.

** Perquisites for Mr. K.B.S. Anand include Company's contribution to provident fund, superannuation fund, medical and leave travel allowance, special allowance etc., as well as monetary value of perquisites as per Income Tax rules in accordance with Mr. K.B.S. Anand's contract with the Company.

\# Mr. Dipankar Basu ceased to be a Director of the Company w.e.f 1st January, 2017.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

The Committee met 4 (four) times during the financial year 2016-17 on 9th May, 2016, 29th July, 2016, 21st October, 2016 and 16th March, 2017.

The constitution of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2016-17 is detailed below:

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

Mr. Jayesh Merchant is the Compliance Officer for complying with the requirements of Securities Law and acts as Secretary to the Committee.

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

Details pertaining to the number of complaints received and responded and the status thereof during the financial year 2016-17 are given below as on 31st March, 2017:

Nature of complaints	Number of complaints received	Number of complaints redressed
Non-Receipt of Dividend	20	20
Non-Receipt of Annual Report	2	2
Demat of securities	3	3
Others	13	11*

Note:

* Out of the 2 (two) complaints outstanding as on 31st March, 2017, 1 (one) complaint is pending for closure with SEBI and 1 (one) complaint is pending for action with the complainant.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of certificates for transfer, sub-division, consolidation etc. and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the Listing Regulations. Further, the Compliance Certificate under Regulation 7(3) of the Listing Regulations, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent is also submitted to the Stock Exchanges on a half yearly basis.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of the CSR Committee is in line with provisions of Section 135 of the Companies Act, 2013 read with the Rules issued thereunder.

The Committee met 4 (four) times during the financial year 2016-17 on 25th July, 2016, 21st October, 2016, 27th January, 2017 and 16th March, 2017.

The constitution of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2016-17 is detailed below:

Name of the Member(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
Malav Dani	Chairman	4	4
Mahendra Shah*	Member	4	1
K.B.S. Anand	Member	4	4
Mahendra Choksi	Member	4	4
Vibha Paul Rishi	Member	4	4
S Ramadorai*	Member	4	1

Note:

* Mr. Mahendra Shah ceased to be a Member of the CSR Committee w.e.f. 23rd January, 2017 and Mr. S Ramadorai was appointed as a Member of the CSR Committee on the same day.

Mr. Jayesh Merchant acts as Secretary to the Committee.

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

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

The details of the CSR initiatives as per the CSR Policy of the Company form part of the CSR Section in the Annual Report.

SHAREHOLDERS' COMMITTEE

During the financial year 2016-17, the Shareholders' Committee met 11 (eleven) times. The composition of the Shareholders' Committee of the Company along with the details of the meetings held and attended by the Members of the Committee during the financial year 2016-17 is detailed below:

Name of the Member(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
Ashwin Dani	Chairman	11	11
Ashwin Choksi	Member	11	5
Abhay Vakil	Member	11	11
K.B.S. Anand	Member	11	7
Jayesh Merchant	Member	11	11

Mr. Jayesh Merchant acts as Secretary to the Committee.

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

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

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

RISK MANAGEMENT COMMITTEE

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

The Risk Management Committee met 2 (two) times during the financial year 2016-17 on 10th October, 2016 and 17th February, 2017. The composition of the Risk Management Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2017 is detailed below:

Name of the Member(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
M. K. Sharma	Chairman	2	2
S. Sivaram	Member	2	2
K.B.S. Anand	Member	2	2
Amit Syngle*	Member	2	1
Anirudha Deshmukh*@	Member	2	2

Notes:

@ Mr. Anirudha Deshmukh was appointed as Member of the Risk Management Committee w.e.f. 27th July, 2016.

* Senior executives of the Company.

Mr. Jayesh Merchant acts as Secretary to the Committee.

The Board of Directors, at their meeting held on 11th May, 2017, re-constituted the Risk Management Committee by inducting Mr. Amit Kumar Baveja, Chief Internal Auditor, as a member of the Committee with effect from 1st April, 2017, in place of Mr. Anirudha Deshmukh.

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

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

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

CEO/CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2016-17 signed by Mr. K.B.S. Anand, Managing Director & CEO and Mr. Jayesh Merchant, CFO & Company Secretary, President – Industrial JVs, was placed before the Board of Directors of the Company at their meeting held on 11th May, 2017.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The Company had appointed M/s. B S R & Co. LLP, Chartered Accountants and M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants, Joint Statutory Auditors, for Audit of compliance of conditions of Corporate Governance. The Auditors' certificate on Corporate Governance is annexed to this Report.

GENERAL BODY MEETINGS

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

Year(s)	Location(s)	Meeting(s) Date	Time	No. of special resolution(s) set out at the AGM
2015-16	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021	28th June, 2016	11.00 a.m.	NIL
2014-15	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021	3rd July, 2015	11.00 a.m.	NIL
2013-14	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021	26th June, 2014	3.00 p.m.	1

The special resolution set out in the notice for the AGM of 2013 – 14 was passed by the shareholders with requisite majority.

Postal Ballot:

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

Change of place of keeping and inspection of Register and Index of Members, returns, etc. of the Company:

Resolution required			Special Resolution					
Whether promoter/promoter group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of shares held	No. of votes polled*	% of votes polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	50,63,84,482	49,86,15,212	98.47	49,86,15,212	0	100	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total		49,86,15,212	98.47	49,86,15,212	0	100	0.00
Public- Institutions	E-Voting	24,64,49,608	19,09,90,453	77.50	19,09,90,453	0	100	0.00
	Postal Ballot		10,08,742	0.41	10,08,742	0	100	0.00
	Total		19,19,99,195	77.91	19,19,99,195	0	100	0.00
Public- Non Institutions	E-Voting	20,63,63,700	61,08,646	2.96	61,07,442	1,204	99.98	0.02
	Postal Ballot		26,27,556	1.27	26,20,130	7,426	99.72	0.28
	Total		87,36,202	4.23	87,27,572	8,630	99.90	0.10
Total		95,91,97,790	69,93,50,609	72.91	69,93,41,979	8,630	100.00	0.00

Note:
* No. of votes polled does not include invalid votes.

Mr. Makarand Joshi, Partner, M/s. Makarand M. Joshi & Co., Practicing Company Secretary, was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot:

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company provided electronic voting (e-voting) facility to all its members.

The Company engages the services of National Securities Depository Limited ("NSDL") for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting. The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the Register of Members/ list of beneficiaries as on cut – off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with the depository participants/Company's Registrar & Transfer Agents. The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Companies Act, 2013 and the Rules issued thereunder.

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

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

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

OTHER DISCLOSURES

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

2. **Related Party Transactions:**

All transaction entered into by the Company with related parties, during the financial year 2016-17, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

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

The Audit Committee, during the financial year 2016-17, has approved Related Party Transactions along with granting omnibus approval in line with the Policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The policy on Related Party Transactions has been placed and can be accessed on the Company's website (www.asianpaints.com).

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

Employees, who are relatives of the Directors, holding an office or place of profit in the Company pursuant to Section 188 of the Companies Act, 2013 read with the Rules issued thereunder.

The following are the details of the remuneration payable to the employees of the Company, who are relatives of Directors, holding office or place of profit in the Company as on 31st March, 2017:

Name of the employee(s)	Nature of relationship with Director(s)	Remuneration (₹)
Jalaj Dani *	Relative of Ashwin Dani and Malav Dani	3,02,58,623
Manish Choksi	Relative of Mahendra Choksi	3,06,27,921
Varun Vakil	Relative of Amrita Vakil	35,13,530

* Mr. Jalaj Dani resigned from the services of the Company with effect from 3rd April, 2017.

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

3. **Vigil Mechanism and Whistle Blower Policy:**

The Company has adopted a Whistleblower Policy and an effective Vigil Mechanism system to provide a formal mechanism to its Directors, Employees and Business Associates to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organization and also safeguards against victimization of Directors/Employees and Business Associates who avail of the mechanism.

In accordance with the Policy, an Ethics Committee has been constituted comprising of the Managing Director & CEO, the Compliance Officer and the Vice – President – Human Resources for receiving and investigating all complaints and Protected Disclosures under this policy. Employees of the Company or business associates can make Protected Disclosures to the Ethics Committee through the Asian Paints Ethics Hotline (toll free number/web reporting facility) and/or any other written or oral means of communication. The Employees/Directors and Business Associates may, in exceptional cases, approach directly the Chairperson of the Audit Committee of the Board of Directors of the Company for registering complaints.

No personnel is denied access to the Audit Committee of the Company.

4. In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

5. The Company has complied with all the requirements of the Stock Exchange(s) and the SEBI on matters related to Capital Markets. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.

6. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

Mandatory Requirements

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

Non-Mandatory Requirements

a. The Non-Executive Chairman of the Company has been provided a Chairman's Office at the Registered Office of the Company.

b. Half-yearly results of the Company are sent to all shareholders of the Company and additionally, the Company uploads its quarterly results on its website. The Company makes presentations to Institutional Investors and Equity Analysts on the Company's performance on a periodic basis which are also available on the website of the Company.

c. 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.

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

e. The Internal Auditor reports to the Managing Director & CEO and has direct access to the Audit Committee and he participates in the meetings of the Audit Committee of the Board of Directors of the Company and presents his internal audit observations to the Audit Committee.

6. **Subsidiary Companies:**

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

The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website (www.asianpaints.com).

7. **Disclosure on commodity price risks and commodity hedging activities:**

The Company has in place a mechanism to inform the Board members about the Risk assessment, mitigation plans and periodical reviews faced by the Company. Risk based internal audit plan is approved by the Audit Committee which also reviews adequacy and effectiveness of the Company's internal financial controls. The Audit Committee is periodically briefed on the steps taken to mitigate the risks.

The Company does not indulge in commodity hedging activities.

8. The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website (www.asianpaints.com).

9. **Code of Conduct:**

The Company has adopted a Code of Conduct for all employees including the members of the Board and Senior Management Personnel. All members of the Board and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the financial year 2016-17. The declaration to this effect signed by Mr. K.B.S. Anand, Managing Director & CEO of the Company forms part of this Report.

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

In accordance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct to Regulate, Monitor and Report Trading by Insiders ("Insider Trading Code). The said Insider Trading Code applies to Directors, Senior Management Personnel, persons forming part of the Promoter(s) & Promoter(s) Group and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company ("designated persons"). Such designated persons are expected to be in compliance with the Insider Trading Code at all times.

During the year under review, the Board of Directors of the Company approved incremental changes to the Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

The processes to be followed under the Insider Trading Code have been automated by the Company and all the Designated persons, other than Promoter(s) & Promoter(s) Group, are using the same.

MEANS OF COMMUNICATION

Timely disclosure of the information on corporate financial performance and the corporate developments is a sign of good governance practice which Company follows:

a. Publication of quarterly results:

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

b. Website and News Releases:

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

c. Stock Exchange:

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

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

NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, *inter alia*, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically.

e. Reminders to Investors:

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

General Shareholder Information

1.	**Annual General Meeting**	
	Date	Tuesday, 27th June, 2017
	Time	11.00 a.m.
	Venue	Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020
2.	**Financial Calendar**	
	Financial year	1st April to 31st March
	Tentative Schedule for declaration of results during the financial year 2017-18	
	First quarter ending 30th June, 2017	On or around 25th July, 2017
	Second quarter and half year ending 30th September, 2017	On or around 24th October, 2017
	Third quarter and nine months ending 31st December, 2017	On or around 22nd January, 2018
	Fourth quarter and year ending 31st March, 2018	On or around 11th May, 2018
3.	**Date of book closure**	17th June, 2017 to 27th June, 2017 (both days inclusive)
4.	**Registered Office**	Asian Paints Limited 6A, Shantinagar, Santacruz (E), Mumbai – 400 055 Tel: (022) 6218 1000 Fax: (022) 6218 1111
5.	**Payment of Dividend**	
	For interim dividend 2016-17 of ₹ 2.65 per equity share declared on 25th October, 2016	5th November, 2016
	For final dividend 2016-17 of ₹ 5.65 per equity share and one-time special dividend of ₹ 2 per equity share recommended by the Board of Directors at its meeting held on 11th May, 2017	On or after 28th June, 2017 (subject to approval of the shareholders)

6. **The details of dividend declared and paid by the Company for the last five years are as follows:**

Year(s)	Percentage (%)	In ₹ per share (Face Value of ₹ 1 each)*	Dividend Amount (₹ in crores)
2011-2012	400	4.00	383.7
2012-2013	460	4.60	441.2
2013-2014	530	5.30	508.4
2014-2015	610	6.10	585.1
2015-2016	750	7.50	719.4
2016-2017 (Interim)	265	2.65	254.2

* The dividend value per share has been adjusted to reflect the sub-division of the face value of the equity shares of the Company from ₹ 10 (Rupees ten) to ₹ 1 (Rupee one) each in the financial year ended 31st March, 2014.

7. **Listing Details:**

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

The Company has paid the listing fees to BSE and NSE and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year ended 31st March, 2017.

8. **Market Price Data – the monthly high and low prices of the Company's shares at BSE and NSE for the financial year ended 31st March, 2017 are as follows:**

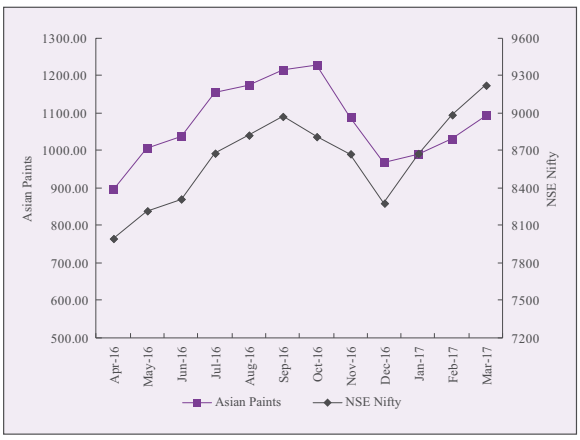
Month(s)	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-16	894.60	843.05	895.00	842.75
May-16	1,003.85	861.00	1,004.25	860.65
Jun-16	1,037.30	964.00	1,037.45	963.60
Jul-16	1,152.65	983.55	1,153.80	983.35
Aug-16	1,172.60	1,091.00	1,173.90	1,091.05
Sep-16	1,212.95	1,137.95	1,213.90	1,137.00
Oct-16	1,230.00	1,067.00	1,227.30	1,066.05
Nov-16	1,087.40	871.80	1,088.20	869.00
Dec-16	968.00	850.10	968.00	851.10
Jan-17	989.00	882.80	989.60	882.25
Feb-17	1,030.00	954.00	1,030.00	953.85
Mar-17	1,100.00	1,007.00	1,092.20	1,006.00

Source: BSE and NSE website

9. **Stock Performance in comparison to broad-based Indices:**

The Chart below shows the comparison of the Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31st March, 2017 (based on month end closing):





10. **Share Transfer System:**

The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares, requests for deletion of name of the shareholder etc. to the designated officials of the Company. The transactions in respect of issuance of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates are approved by the Shareholders' Committee of the Board of Directors of the Company.

The share transfer activities in respect of the shares held in physical form is carried out by M/s. TSR Darashaw Limited, the Company's Registrar and Transfer Agent ("RTA"). The documents received for transfer are scrutinized by the Company's RTA which are subject to review by the officials of the Company. The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

A summary of approved transfers, transmissions, deletion requests, etc. are placed before the Board of Directors from time to time as per the Listing Regulations. The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice to the effect that all certificates have been issued within 30 (thirty) days of the date of valid lodgment of transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations files a copy of the said certificate with BSE & NSE.

11. **Dematerialization of shares:**

98.53% of our equity shares representing **94,50,96,204** equity shares have been dematerialized as on 31st March, 2017.

Break up of shares in physical and demat form as on 31st March, 2017:

Particulars	No. of Shares	% of Shares
Physical segment	1,41,01,586	1.47
Demat segment	94,50,96,204	98.53
NSDL	92,30,88,858	96.24
CDSL	2,20,07,346	2.29
Total	**95,91,97,790**	**100.00**

Shareholders who continue to hold shares in physical form are advised to dematerialize their shares at the earliest since it helps in immediate transfer without any payment of stamp duty. The risks pertaining to physical certificates like loss, theft, forgery, damage are eliminated when shares are held in electronic form. For any clarification, assistance or information, relating to dematerialization of shares please contact the Company's RTA.

12. **Distribution of Shareholding:**

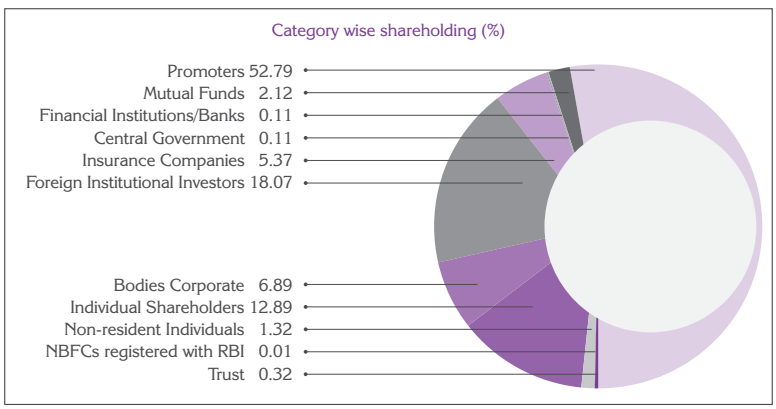
Distribution of shareholding of shares of the Company as on 31st March, 2017 is as follows:

No. of equity shares		Shareholders		Shareholding	
		No.	% to total	No.	% to total
Upto	50	1,10,499	54.44	21,79,785	0.23
51	100	28,010	13.80	23,71,126	0.25
101	200	21,386	10.53	32,70,348	0.34
201	300	7,955	3.92	20,29,629	0.21
301	400	3,729	1.84	13,40,303	0.14
401	500	3,825	1.88	18,22,721	0.19
501	1000	7,384	3.64	57,02,912	0.59
1001	5000	13,420	6.61	3,51,12,144	3.66
5001	10000	3,893	1.92	3,03,31,756	3.16
10001	AND ABOVE	2,887	1.42	87,50,37,066	91.23
Total		**2,02,988**	**100.00**	**95,91,97,790**	**100.00**

Shareholding Pattern as on 31st March, 2017:

	Category of Shareholder(s)	Total No. of Shares	% of Total No. of Shares
(A)	Shareholding of Promoter and Promoter Group		
(a)	Individuals/Hindu Undivided Family	10,22,08,177	10.65
(b)	Bodies Corporate	40,39,22,685	42.11
(c)	Trust	2,53,620	0.03
	Total Shareholding of Promoter and Promoter Group (A)	**50,63,84,482**	**52.79**
(B)	Public shareholding		
(I)	Institutions		
(a)	Mutual Funds/UTI	2,03,34,068	2.12
(b)	Financial Institutions/Banks	10,42,629	0.11
(c)	Central Government	10,60,681	0.11
(d)	Insurance Companies	5,14,94,046	5.37
(e)	Foreign Institutional Investors	17,33,34,387	18.07
	Sub-Total (B)(1)	**24,72,65,811**	**25.78**
(2)	Non-Institutions		
(a)	Bodies Corporate	6,60,46,241	6.89
(b)	Individuals		
(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh	11,43,19,419	11.92
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	93,27,904	0.97
(c)	Non-Resident individuals	1,26,05,173	1.32
(d)	NBFCs registered with Reserve Bank of India (RBI)	1,31,914	0.01
(e)	Trust(s)	31,16,846	0.32
	Sub total (B)(2)	**20,55,47,497**	**21.43**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**45,28,13,308**	**47.21**
	Total (A)+(B)	**95,91,97,790**	**100.00**

Category-wise shareholding:



13. **Outstanding GDRs/ADRs/Warrants/Convertible Instruments and their impact on equity:**

The Company does not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments as on 31st March, 2017.

14. **Plant Locations:**

Paint Plants

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

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

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

(iv) Plot Nos. 50-55, Industrial Development Area, Phase II, Patancheru - 502 319 Dist. Medak, Telangana.

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

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

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

Other Plants:

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

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

15. **Address for Correspondence:**

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

M/s. TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
Near Famous Studios, 20, Dr. E. Moses Road,
Mahalaxmi, Mumbai – 400 011, Maharashtra
Tel No.: (022) 6656 8484
Extn.: 411/412/413
Fax No.: (022) 6656 8494
e-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

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

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

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

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

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

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

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

Asian Paints Limited
CIN: L2422MH1945PLC004598
6A, Shantinagar, Santacruz (E),
Mumbai - 400 055, Maharashtra
Tel. No.: (022) 6218 1000
Fax No.: (022) 6218 1111
E-mail: investor.relations@asianpaints.com
Website: www.asianpaints.com

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

16. **Addresses of the redressal agencies for investors to lodge their grievances:**

Ministry of Corporate Affairs (MCA)
'A' Wing, Shastri Bhawan,
Rajendra Prasad Road,
New Delhi – 110 001
Tel.: (011) 2338 4660, 2338 4659
Website: www.mca.gov.in

Securities and Exchange Board of India
Plot No. C4-A, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051, Maharashtra
Tel.: (022) 2644 9000
Fax: (022) 2644 9019-22
Website: www.sebi.gov.in

Stock Exchanges:

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051, Maharashtra
Tel.: (022) 2659 8100
Fax: (022) 2659 8120
Website: www.nseindia.com

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001, Maharashtra
Tel.: (022) 2272 1233
Fax: (022) 2272 1919
Website: www.bseindia.com

Depositories:

National Securities Depository Limited
Trade World, 'A' Wing, 4th & 5th Floors,
Kamala Mills Compound,
Lower Parel, Mumbai – 400 013
Tel.: (022) 2499 4200
Fax: (022) 2497 6351
Website: www.nsdl.co.in

Central Depository Services (India) Limited
17th Floor, P J Towers,
Dalal Street, Fort,
Mumbai – 400 001
Tel.: (022) 2272 3333
Fax: (022) 2272 3199
Website: www.cdslindia.com

17. **Dividend:**

The Company provides the facility of payment of dividend to the shareholders by directly crediting the dividend amount to the shareholder's Bank Account. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their Bank account through the Banks' Automated Clearing House ("ACH") and/or any other permitted mode for credit of dividend.

Members holding shares in physical form are requested to register and/or update their core banking details with the Company and those holding shares in electronic form shall register/update such details with their Depository Participants (DPs) to enable credit of the dividend to their bank accounts electronically through ACH and/or any other permitted mode for credit of dividend. Further, to prevent fraudulent encashment of dividend warrants, shareholders are requested to provide their bank account details (if not provided earlier) to the Company/its RTA (if shares held in physical form) or to DPs (if shares held in electronic form), as the case may be, for printing of the same on the dividend warrants.

Shareholders are requested to ensure that they claim the dividend(s) before transfer of the said amounts to the IEPF.

Dividend warrants in respect of the dividends declared, have been dispatched to the shareholders at the addresses registered with the Company. Those shareholders who have not yet received the dividend warrants may please write to the Company's RTA for further information in this regard. Shareholders who have not encashed the warrants are requested to do so by getting them revalidated from the Registered Office of the Company or its RTA.

18. **Others:**

A. Non-resident shareholders:

Non-resident shareholders are requested to immediately notify:

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

B. Updation of shareholders details:

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

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

C. Shareholders are requested to keep record of their specimen signature before lodgement of shares with the Company to obviate possibility of difference in signature at a later date.

D. Nomination of shares:

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

E. Requirement of PAN:

Shareholders holding shares in physical form are mandatorily required to furnish self-attested copy of PAN in the following cases:

- Transferees and Transferors PAN Cards for transfer of shares;
- Legal Heirs'/Nominees' PAN Cards for transmission of shares;
- Surviving jointholder's PAN for deletion of name of the deceased shareholder;
- Shareholder's PAN Card for dematerialization of shares;
- Shareholder's and surety's PAN for issuance of duplicate share certificate; and
- Shareholder's and Nominee's PAN Card for registeration of nomination of shares.

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

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 1st April, 2016	919	2,85,580
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	29	55,890
Number of shareholders and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	922	9,22,720
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on 31st March, 2017	1,812	11,52,410

The voting rights on the shares in the Unclaimed Suspense Account as on 31st March, 2017 shall remain frozen till the rightful owners of such shares claim them.

Annexure to Report on Corporate Governance for the financial year ended 31st March, 2017

Declaration of Compliance with the Code of Conduct

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2017.

Place: Mumbai
Date: 11th May, 2017

K.B.S. Anand
Managing Director & CEO

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

The Board of Directors
Asian Paints Limited

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31st March, 2017 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

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

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

We have indicated to the Auditors and the Audit Committee

1. significant changes in internal control over financial reporting during the year;

2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

K.B.S. Anand
Managing Director & CEO

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Place: Mumbai
Date: 11th May, 2017

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

We have examined the compliance of conditions of Corporate Governance by Asian Paints Limited ("the Company"), for the year ended 31st March, 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

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

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2017.

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

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
11th May, 2017

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
11th May, 2017

Business Responsibility Report (BRR)

On 1st January, 2016, the 17 (Seventeen) Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development adopted by world leaders in September, 2015, at historic UN Summit, officially came into force. Over the next 15 (fifteen) years, with these new Goals that universally apply to all, countries, they will mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind. The SDGs have provided the necessary framework for the businesses to develop their individual goals that help them play a larger role in the area of business sustainability. In view of this, it has become imperative for business organizations to take cognizance of India's commitment in adopting and implementing these SDGs.

Sustainable water management, sustainable waste management and sustainable energy management are some of the areas which have always been a priority at Asian Paints, which the Company believes, shall also enhance shareholders' value in long term.

The Business Responsibility Report is a summary of the Company's sustainability programmes and its more detailed Sustainability Report is published separately.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN)** : L24220MH1945PLC004598
2. **Name of the Company** : Asian Paints Limited
3. **Registered address** : 6A, Shantinagar, Santacruz (East), Mumbai - 400 055
4. **Website** : www.asianpaints.com
5. **E-mail Id** : investor.relations@asianpaints.com
6. **Financial Year reported** : 1st April, 2016 to 31st March, 2017
7. **The Company is engaged in (industrial activity code-wise):**

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

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

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

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

Please refer to Company's website (www.asianpaints.com) for complete list of products.

9. **Total number of locations where business activity is undertaken by the Company:**

i. Number of International locations – Nil (on a standalone basis)

ii. Number of National Locations –

Paint Manufacturing facilities	7
Chemical Plants	2
Research & Technology Centre and Test Sites	3
Sales locations	128
Admin Offices	35
Distribution centres	11
Other offices including the Registered Office	5

10. **Markets served by the Company:**

Local	State	National	International
✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital** : ₹ 95.92 crores
2. **Total Turnover** : ₹ 15,997.50 crores
3. **Total profit after taxes** : ₹ 1,803.10 crores
4. **Total Spending on Corporate Social Responsibility (CSR) as a percentage of Profit After Tax (PAT)%**

The Company's total spending on CSR for the financial year 2016-17 is ₹ 47.84 crores which is 2.65% of PAT.

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

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

SECTION C: OTHER DETAILS

- The Company as on 31st March, 2017 has 5 (five) direct subsidiaries and 23 (twenty three) indirect subsidiaries.
- The Company encourages its subsidiaries to adopt its policies and practices.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

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

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

b. Details of the BR head:

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

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

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

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	Y This forms part of the Code of Conduct of the Company which is applicable to all employees.	Y The policy is part of the Company's Environment, Health and Safety (EHS) Policy.	Y Certain policies form part of the Code of Conduct for employees. There are various policies for the benefit of the employees which are issued by the Human Resources function of the Company from time to time. The policies include Maternity Leave Policy, Employee Safety Policy, Sabbatical Policy for employees, Group Mediclaim Policy, etc.	Y The Company does not have a specific policy, however certain aspect of this principle forms part of the CSR Policy and the Consumer Policy.	Y This forms part of the Code of Conduct of the Company which is applicable to all employees.	Y This forms part of the Company's EHS Policy.	N	Y The Company has a CSR Policy.	Y The Company has a Consumer Policy.
2.	Has the policy being formulated in consultation with the relevant stakeholders? Refer Note1	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national/international standards?	Y	Y	Y	Y	Y	Y	NA	Y	N
		The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements and International Standards. Please refer the detailed report for more information.								

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

Note:

1. While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.
2. While the Company has not carried out independent audit of the policies, the Internal Audit Function periodically looks at the implementation of the policies.

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

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

* The Company does not have a separate policy on "policy advocacy". For advocacy on policies related to the Paint Industry, the Company works through industry associations such as Indian Paints Association, Confederation of Indian Industries, etc. There are specified officials in the Company who are authorised for communicating with industrial bodies and managing government affairs in accordance with Communication Policy of the Company.

3. Governance related to BR

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

- The Company has built trust with its stakeholders by committing to adhere to compliance, disclosure, responsible and ethical business conduct. The Company's sustainability approach is based on the principles of transparency and accountability. Across the organisation, it strives to ensure highest levels of adherence to these principles through its policies like Code of Conduct for Board Members and Senior Management Personnel, Code of Conduct for Employees, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information etc. The Company's practice of making timely, accurate and complete disclosure of relevant information has not only enabled it to gain trust of its stakeholders' but also foster a culture promoting ethics and integrity.
- The Company has adopted and implemented various policies and codes thereby setting the foundation for good corporate governance at the core of all its business transactions and processes. The Company has put in place a robust system of compliance in the organization with the help of its people and technology. A well-organised compliance management system which enables the Company's employees to know about the compliance requirements related to their respective areas, report the status of compliances and seek clarity on legal provisions, has been set up. The web based compliance management system not only helps adhere to the regulatory requirements but also develops a culture of self-regulation and accountability at all levels in the Company.
- The Company also has a Whistle Blower policy under which an Ethics Committee comprising of the Managing Director & CEO, Compliance Officer and Head of the Human Resources function has been constituted for receiving and investigating complaints from any employee/ business associates. An Ethics Hotline has been provided to employees to enable them to report any instances of fraud, abuse, misconduct or malpractices at workplace. The Hotline is provided with language options to facilitate employees to report their concerns in the language they are more conversant with. This hotline is available for the Company as well as to all its subsidiaries including international subsidiaries in local languages.
- The Code of Conduct for employees and the Whistle Blower Policy of the Company is also extended to employees of the subsidiary companies. The Code of Conduct and Company's Policy on Fraud Prevention which covers acts such as deception, bribery, forgery, extortion and corruption are applicable to any irregularity involving employees as well as vendors, contractors, customers, and/or any other entities having a business relationship with the Company.

Adequate measures have been taken to educate employees and suppliers on the Company's expectation on ethical conduct.

- The Company is cognizant of its responsibility towards protecting and maintaining the confidentiality and disclosure of price sensitive information in accordance with the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. In this regard, the Company has developed its Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which not only conforms to the regulatory requirements but also instils a sense of responsibility among the designated persons for protecting and maintaining confidentiality. With a view to implement the Code in its true spirit and to ensure full adherence by the designated persons, the Company has automated the process of obtaining disclosures and sanctioning pre-clearance applications for trades by designated persons under the Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Asian Paints Insider Trading Management System not only acts as a repository of relevant information but also provides an electronic platform for submission of statutory declarations by the designated persons, seeking trading approvals and sending out timely compliance reminders. Certain employees at a senior level in the Subsidiaries and Joint Venture Companies who may have access to unpublished price sensitive information are also covered as Designated Persons as per the Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

- The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders viz. shareholders, customers, employees, vendors etc. There are dedicated resources to respond to the complaints within a time bound manner. During the year, the Company received 38 (thirty eight) complaints from shareholders out of which 36 (thirty six) have been resolved and 2 (two) are pending, for which the Company has been taking necessary steps to resolve them.

Principle 2

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

- The Company has given the deserved importance to research and development. The Company is a pioneer of world class technologies and products that are truly eco-friendly and recognised on a global scale. Product stewardship has always been the priority of the Company while ensuring customer satisfaction and delight. The Company has a team of over 200 scientists, who focus on creating products that meet the global standards and are a mark of innovation. All existing and new products for architectural decorative market are free from the presence of heavy metals and respirable crystalline silica. The premium end products are free from heavy metals, Carcinogen, Mutagen and Reproductive toxins (CMR), reduced Volatile Organic Content (VOC) and made compliant to toughest international green standard GS11. Various research and development programs have been initiated to eliminate CMR's such as alkyl phenol ethoxylate from emulsions, carbendazim from biopacks, cellosolve from decorative resins for the economy range of products.

- As per the philosophy of responsible care which has been adopted by the Company, it has always acted ahead of time to remove lead from decorative paints even though there were no prevailing regulations on lead in the country. In November 2016, Ministry of Environment Forest & Climate Change has stipulated regulation on lead restriction which mandates paint manufactures to restrict lead in all decorative products within 90 ppm limit and prohibit production of lead based paint exceeding 90 ppm limit with effect from 1st November 2017. The Company is fully compliant to this regulation because of proactive measures before taken time.

- The Company's product, water based Genie Polish for wood, has received FICCI Sustainability Award 2016 as the best green product in the chemical and petrochemical sector. This is the second consecutive year the Company has been recognized by FICCI for developing best green product in the country.

- As a part of sustainability initiative, the Company has developed several products and systems which are high on durability and come with long term performance warranty ranging from 7 (seven) to 15 (fifteen) years. These products have lower carbon footprint index per KL per year. All these products and systems are targeted to delay the repainting cycle significantly thereby promises savings on energy, labor, waste generation during scaffolding, safety, etc. Last year, the Company has launched "Ultima Protek Duralife" in the high end premium category of exterior architectural products. This product is the first of its kind and promises a 15 (fifteen) years of service life to consumers besides ensuring a 10 (ten) year performance warranty on water proofing and algal protection. The product is heavy metal free and has a VOC of less than 30 grams per litre.

- The Company is committed to create new solutions for consumers which will alleviate pain in painting and would provide long term solution against damp and related defects by integrating waterproofing features within the existing painting systems. Accordingly, in the area of water proofing and construction chemicals the Company has now launched "Damp Sheath Exterior" as an affordable water proofing solution to address the needs of Co-operative

housing societies. The product offers a service life of 3 (three) years and can be top coated with affordable exterior products such as ACE and APEX Exterior Emulsions.

- The Company also established an application laboratory to understand the advancement in the substrates, application techniques, consumer expectations, usage and application practices in various geographies. This team is constantly looking for new solutions such as mechanized painting, new application tools, new surface cleaning techniques to overcome the pain in painting.

- The Company has initiated proactive steps to control, reduce and eliminate use of toxic and hazardous raw materials during design and manufacture of products. Appropriate safeguard mechanism has been instituted to prevent entry of new toxic material at the raw material approval stage itself. Also, identification of toxic and hazardous materials from the active raw material list has been completed and removal plans have been initiated wherever possible. In cases where alternates are not available easily for replacement, a detailed plan for mitigating exposure risk during manufacturing, application and disposal has been documented and implemented at plants.



- The Company as part of its Sustainability Agenda continues to make progress on measurement of carbon footprint index (Kg of CO_2 equivalent per litre of finished product) of water based architectural products. Steps to reduce Carbon footprint index are initiated, wherever possible, by use of alternate raw materials which are low on carbon footprint index.

- To build future readiness on designing zero/ultra-low VOC decorative water based products, the Company has already developed a range of in house ultra-low VOC colorants.

- In terms of abatement of VOC emission from low VOC products the expected VOC reduction for the year 2016-17 has been more than 4000 MT. For reduction of carbon footprint the Company has ongoing program to reduce rutile consumption from formulations without compromising opacity. The estimated reduction in CO_2 emission due to reduced rutile consumption has touched around 10000MT during the year 2016-17.

- The Company continues to accord highest priority in developing eco-friendly products which meet the best international standards such as GS 11 from Green Seal USA. The Company's internal green logo "Green Assure" on certain categories of products is a testimony of its commitment to develop and market green products.

- The Company intends to educate its customers and employees about the safe use of its products. Product Information Sheets for all the major products are available on the Company's website. It contains information pertaining to product features, process of application, technical details, safety precautions etc. The information can be accessed through the following link: https://www.asianpaints.com/pro/product_listing.aspx. Further, the Company ensures that all processes, plant, equipment, machinery and material provided at plant are safe to the people as well as environment.

- As a part of its sustainability drive, the Company believes in building up relationships with those suppliers that commit to social and environmental responsibilities. The Company is committed to improve awareness about legal compliances, enhance eco-friendly efficiencies in terms of packaging and logistics. Supplier and transporter meets are held on a periodical basis where the Company engages and encourages them to undertake sustainable practices across supply chain.

- More than 50% of the net revenue of the Company is spent on raw material and packing material. The Company also incurs cost in treatment and disposal of waste which increases with higher material wastage. It is therefore imperative for the organisation to emphasise on material efficiency to reduce the resource consumption, avoid waste generation and reduce expenditure.

- Developing nearby and domestic sources is taken as one of the important focus areas. Localisation helps us to reduce cost, lead time and emissions in terms of reduced distance travelled during transportation of goods. For some of the high volume raw materials/packing material categories the Company works with its suppliers to set up facilities closer to the Company's locations.

- An efficient distribution network is an asset to any industry and is one of the key contributors in the sustainability and profitability. The Company has strategically created storage locations and introduced concept of Warehouse Management System for finished goods across the country for quick and easy serving and better transparency of stocks. An Enterprise Resource Planning (ERP) driven distribution system not only optimizes freight cost but also inventory levels.

- The Company has adopted multiple initiatives to reduce damage and spillages during transportation at a few selected locations. The Company has started palletised dispatches leading to lesser damage. The Company is investing heavily to secure cargo during dispatches by improving loading procedures, by inserting plywood between the stacks and securing the cargo with straps and buckles to unities the load and reduce target. The Company has covered all dispatches for high risk/damage routes under these procedures.

- The Company has redesigned its 20L DTS pails from cylindrical to nested design. This has helped the Company to achieve significant savings in freight cost for transportation of packaging material, reduced emissions, improved operational efficiency and scrap management, streamlined quality checks and helped the Company's vendors to better manage their own spaces.

- The Company ensures de-dusting of powder from the bags across all the plants to reduce wastage. This collected powder is used back in the process leading to saving material and reducing wastage. At the manufacturing locations, with significantly high production volumes, a few powdered raw materials are supplied in pneumatic tankers.

- To ensure the Company's commitment towards sustainable sourcing, the Company has explored the usage of certified cartons. On a pilot project, the Company has enabled 2 (two) of its suppliers to be certified by the Forest Stewardship Council (FSC). They have been made capable to handle and fulfil the requirements of certification. The Company worked with these suppliers to ensure Forest Stewardship Council Chain of Custody Standard certification for their operations. This was a first of its kind project for the Company.

- The Company uses, recycles and reuses jumbo bags for transportation and handling of powdered materials such as extenders across the large plants. Specifically, for the extenders, a fairly large proportion has been moved to bulk tankers in two of the Company's large plants. The Company is working towards maximizing the supply of the monomers and certain additives in bulk form that helps us to reduce cost and transportation emissions. The Company launched a water-based high end premium interior product "Royale Aspira" in 2013, which is the only product approved by US Green Seal body in paint category in India for being compliant to GS-11 standard in all aspects. The plastic container used for this product contains 20% recycled materials.

- Reducing paper consumption and replacing virgin paper by recycled paper has been another focus area at Asian Paints.

- The Company has also moved away from paper based clearance of imported consignments. Moving to an electronic clearance system has helped us in saving approximately 50,000 sheets of paper per year. The Company has also replaced corrugated paper separators by plastic separators in packing material received in the plants at a few locations.

Principle 3

Businesses should promote the well-being of all employees

- The Company strives to create shared value through inclusive growth, bringing about a measurable change in the lives of its employees and communities. The Company believe that a healthy working environment founded on principles of empathy and symbiosis can unleash the full potential of the employees. Over the years, the Company has steadily built a culture of empowerment and providing appropriate opportunities to support its employees' aspirations. Human Resource (HR) at Asian Paints has been about partnering the business through strategic initiatives. It translates into all people processes, from inviting new hires to join or helping its existing employees to design and develop their career.

- The Company has a total number of 5,952 permanent employees in India (including permanent women employees). Details of women employees and contracted work force in India are listed below:



- There are recognized trade unions at the Company's manufacturing locations and certain sales units are affiliated to various trade union bodies. 28% of its employees are unionized.

- At Asian Paints, union settlements have always been linked with productivity improvements. The robust grievance redressal system across the organisation means that 'justice is not only done, but also seen to be done'. There has been a focus on growth and inclusive participation for all cadres in the plant, which has seen operators take up supervisory roles and grow in their careers. This has translated into a new outcome based approach to labor settlements replacing the traditional activity based model.
- The Company's policy prohibits engaging of any child labour or involuntary labour. Thus, there are no complaints relating to child labour, forced labour and involuntary labour.
- In order to provide its employees with a safe working environment, the Company endeavors to follow industry accredited best practices on health and safety management across its operations. The Company is committed to conducting its operations in a responsible manner to ensure safety of workers, protect the environment and maintain integrity of its assets. The Company's goal is to enhance safety in its field units and prevent accidents at all times.
- Some of the initiatives taken in the area of health and safety are listed below:
  - Implemented the Find It-Fix It (FI-FI) project at Khandala plant.
  - Eliminated raw material with 100% respirable crystalline silica from all decorative paints.
  - Implemented the 10 life-saving rules @ Patancheru plant.
  - Introduced of visual LOTO and visual inspection procedures at Sriperumbudur.
  - Launched a new work permit system at Rohtak, Ankleshwar and Kasna.
  - Commissioned projects to reduce man-machine interface.
  - Partnered with Health Spring for health and wellness programmes.
  - Conducted defensive driving sessions for the employees/contract employees.
- Occupational Health and Safety is centrally governed by a 'Safety Council' and is supplemented by plant level 'Apex' and 'Department' Safety Committees. The Company has in its staff, specially trained safety professionals along with trained line management. Health and safety aspects are covered in all its formal agreements with trade unions and contractors, and are a part of the Settlement Book.
- The Occupational Health Centre at Patancheru plant received a certificate of appreciation from the Director of Factories, Telangana State in recognition of maintenance of best Occupational Health Centre as per the statute.
- To secure individual rights and safety at the workplace, The Company has designed an internal module to apprise employees on the provisions of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and redressal mechanisms. All executive and above level employees have been sensitised through workshops. An Internal Complaints Committee has been constituted at all locations with an empaneled external expert. During the financial year 2016-17, the Company received 4 (four) complaints on sexual harassment and took necessary steps to resolve and close 3 (three) of them in accordance with applicable laws and guidelines. As on 31st March, 2017 1 (one) complaint is under investigation.
- The Company work towards ensuring fair treatment and safeguarding interests of its contract workforce. Contract labour is deployed at its manufacturing facilities and in other functions like sales and marketing. Each facility maintains suitable checks and balances to ensure that wage payments, statutory contributions, provision of safety equipment and other such obligations are met by the contractor. The Company provides welfare facilities like subsidised food, rest rooms, medical check-up and medical facilities to all contract employees working at plants. The Company provides Mediclaim facility under the Group Mediclaim Policy to its employees including employees at the manufacturing locations (based on settlement agreements signed by the Company).
- A limited number of women are present in its contract workforce and there is no discrimination between men and women with regard to working conditions and payment of wages. The Company's terms of contract clearly stipulate statutory requirements for contractors and they undergo stringent selection criteria and screening.
- The Company has created 'Sambandh' - a '5S' approach to employee relations encompassing communication, welfare, growth, inclusive participation which enables us to ensure sustainable industrial relations.



Samvad
(Communication)



Sangam
(Inclusive participation)



Samarthya
(Development)



Shikhar
(Inclusive growth)



Samriddhi
(Welfare)

- While the Company has initiated several activities and programmes under Sambandh, following are some of the key highlights:

Samvaad

- Code of conduct driven at an operator level covering 1200+ employees across all manufacturing locations.

- A Voice of Employee platform available on Mobile App/ desktops for grievance management enabling better employee pulse traction and employee experience.

Sangam

- "Visioning for SriP" for involving the entire Sriperumbudur plant right till the operator level towards a common goal was done for the first time at Sriperumbudur plant. A visual vision was created for the plant.
- TRACC, the Company's manufacturing excellence model involving employees to work in large teams to collectively deliver volumes has been started off at Company's plants at Ankleshwar, Khandala and Sriperumbudur.
- HR Automation, an initiative to improve employee experience at Operator level to manage their leave, OT/Comp Off/grievance handling processes was delivered. Kaleidoscope, the Company's CSR Initiative as a part of its 75 year celebration ensured higher level of involvements of all people across cadres in plants in doing CSR work.

Samarthya

- Humble Inquiry concept was used to build a culture of having deeper conversations was delivered across 4 (four) plants for managerial cadre employees as a part of building Employee Relations (ER) Capability at Plants.
- A Computer Literacy Program series has been started as a part of the HR Automation project where the Company is ensuring that every operator is comfortable in using digital platforms.
- Employee Relations Induction workshop has been conceptualized and implemented for all new joiners into manufacturing to create better sensitization for ER in Plant context.
- A structured program was conceptualized, designed and implemented for building engineering capability within supply chain.
- Catalyst: A transition program was conducted successfully at a central level for newly promoted Senior Officers.
- Union Management capability building program for Union office bearers and Management.

Shikhar

- 48+ employees have been promoted so far from the operator level to Officer cadre through the Vertical Growth Plan so far.
- Cross-functional moves and Interplant movement were also facilitated at the Officer level.

Samriddhi

- A lot of infrastructure upliftment was carried out across manufacturing locations. Introduction of newer meeting rooms, modern looking interiors, canteen infra upliftment.
- The Company promotes an inclusive culture where merit is rewarded, openness is fostered, diversity is valued and individuals' opinions are respected. Open, effective communication, as well as clear channels for feedback are provided to all employees to optimise the opportunities for discussion on issues related to inclusion and discrimination.
- In March 2014, the Company began exploring 'Diversity & Inclusion' (D&I) as a focus area to create an enabling work environment where there is appreciation, acknowledgement and acceptance of differences. To make the entire process of D&I at Asian Paints participatory and to identify the different themes of inclusion, the Company conducted 5 (five) half-day D&I diagnostic workshops with a cross section of employees spanning across offices and plants. Some of the themes which emerged were: Gender, Generations, Functional Rhythm and Working/Personal Styles. The Company created forum theatre scenarios around these themes to sensitise employees. The outcome of these roundtables was also shared for review of the Executive Council members. The Company will utilize these outcomes to create new D&I programs and further strengthen existing ones.
- The Company took various initiatives on the D&I front like conducting gender readiness audit across its operations to understand the status of gender equality within Asian Paints, create a baseline for collective discussion and analysis and develop a participatory process for gender action planning involving amendments in infrastructure, policies and procedures and organizational culture, conducting D&I diagnostic workshops with a cross section of employees spanning across offices and plants to make the entire process of D&I at Asian Paints participatory and to identify the different themes of inclusion, enrolling more women employees at plant level, developing Maternity Conversation Guide to facilitate better communication and interaction between an expecting/new mother and her reporting manager.
- The other employee welfare oriented initiatives taken up were implementation of Sabbatical Policy, Child Care Support Policy, revision of employee safety guidelines, setting up of a crèche facility at the Company's Research & Technology Centre at Turbhe and organizing workshops on the subject of Prevention of Sexual Harassment at Workplace etc.

➢ Percentage of employees who were given safety and skill upgradation training in the last year are:

I	Permanent employees	63.02%
II	Permanent women employees	74.72%
III	Casual/Temporary/Contractual employees at plants	100%
IV	Employees with disabilities	100%

Principle 4

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

- The Company has established processes of engaging with its stakeholders to understand and address their key concerns. The Company's success is directly dependent on their satisfaction levels and the Company strives to meet their reasonable demands. Depending on the purpose of the engagement, the Company adopts appropriate practices to interact with them. Post engagement, the Company endeavors to close the loop as it is the key to maintain symbiotic relationships with its stakeholders.



- Over the past 2 (two) years, the Company had sustainability specific engagements across its operations inviting participation from key representatives of different business verticals, plant heads, employees, staff, workmen from plant sites and a mix of external stakeholders that included suppliers, community representatives and non-governmental organisations. In all the Company has individually interacted with more than 500 stakeholders or their representatives. During the engagement, the Company asked them to identify and highlight Company's strengths as well as the scope for improvement. During its elaborate and extensive sessions with the senior leadership on finalising the priority material issues, the Company considered the concerns raised by external stakeholders to further consolidate its sustainability agenda.

- The Company endeavours to develop a social capital by supporting the standard of living, health and wellbeing, environmental conservation, security and stability in local villages, rural enterprises and schools. The Company has adopted a community impact strategy that adopts a multi-sectoral inclusive approach to focus on community needs. The Company strives to improve the well-being of its communities by focusing on education, health and hygiene, water management and vocational training. The Company's CSR initiatives address the requirements of local communities near its manufacturing plants along with enhancing livelihoods of the underserved through innovative pan-India programs.

- Asian Paints offers vocational training programs to painters and contractors across a variety of skills including designer finishes, water proofing, wood finishes and wallpaper installation in order to improve lives of unskilled individuals. In the financial year 2016-17, Colour Academies have conducted more than 72,000 trainings where more than 42,000 participants have come for more multiple training modules.

- Asian Paints Colour Academy is a NSDC approved training partner and the Company has been supporting the Skill India Mission furthered by the Government of India. Further in order to reach out and support communities, special training batches have been done for inmates of Yerwada Jail, Pune and Solan Jail, Himachal Pradesh.

- The Color Academy at Bhandup launched its first batch for training women painters. The skills imparted included everything from the basics of painting to advanced applications including wall art, texture applications and paint effects, on site exposure before they could starts assignments on their own. The Colour Academy also helped to source contracts from its network for them to complete the training.

- The Company generates significant amount of local employment through its existing and upcoming manufacturing facilities. Also, the Company has wide distribution network which engages carrying and forwarding

agencies which generally comprises of local workforce. At certain locations, community development is also done by way of providing basic educational facilities and skillsets for maintenance of livelihood to local population. The details of initiatives taken by the Company in the area of community development have been provided in the Corporate Social Responsibility section of the Annual Report.

Principle 5

Business should respect and promote human rights

- The Code of Conduct for Employees and the Human Resource policies and the settlements reached with the Trade Unions at the Company's plants are based upon the principles of human rights as enshrined in the Universal Declaration of the Human Rights of the United Nations. Some of the points like prohibition of child labour and forced labour and workers' right to information are of special importance for the employment of contract workforce at the Company's manufacturing units. The Company is compliant to national regulations pertaining to human rights and covers all the aspects of the term 'human rights' including freedom of association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others, as provided in the international conventions. Several workshops explaining the principles enshrined in the Code of Conduct of the Company were organized for its employees. The Code of Conduct of the Company also applies to the employees of the subsidiary companies.

- The Company has provided grievances redressal systems with a view to provide an effective means for the employees to raise their concerns. Further, through one of its initiatives named "Sambandh" the Company engages with the workers to receive or provide timely feedback. These initiatives provide a sound platform for continued dialog and thus help maintain cordial relation with the workers. During the financial year 2016-17, there were no complaints received from the stakeholders.

Principle 6

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

- The Company's endeavour to adopt an inclusive approach to protect and conserve the environment. The Company has been constantly working towards improving its environmental footprint while optimally utilising natural resources. The Company's emphasis has been on the entire value chain from addressing raw material vulnerability to reducing environmental impact to creating safe products and services.

- The Company has an Environment, Health and Safety Policy which is communicated to all employees. The EHS Policy (signed by the MD & CEO) is available on the Company's website and can be accessed at https://www.asianpaints.com/footer-links/ehs-policy.html

- The Company has initiated Project NEW (Natural resource conservation, Energy and emissions reduction, Waste reduction) for six decorative paint manufacturing facilities. The Company has adopted 6 (six) key themes under Project NEW. For each theme, the Company has set performance target with a timeframe of 3 (three) or 5 (five) years against a financial year 2013-14 baseline. Each theme is led by a senior management representative. A team of 7 (seven) to 8 (eight) representatives from different plants and Head Office (HO) supports the leader. This structure enables strong governance, knowledge sharing and horizontal deployment of initiatives across the plants.

- Water is a critical resource for us – both as a raw material and as an operational requirement and hence it is in its interest to conserve and utilise water responsibly. An abundant and stable supply of water is the basic need for all communities and the Company addresses it in the immediate ecosystem near its plants through:
  - Roof-top rain water harvesting and recharge systems
  - Integrated watershed development in nearby villages
  - Check dam and lake de-silting.

- The Company closely monitor the water consumed at every stage of paint manufacturing process and have taken several conservation measures to reduce its water footprint. The volume of water used in its products depends on the product specification. Thus the opportunity to reduce such water is limited. However, there are opportunities for efficient water usage in non-product applications such as steam-boilers, cooling towers, chilling plants, cleaning of process equipment, gardening, domestic purposes, etc. This is the reason behind selecting a target on non-product water consumption.

- The following initiatives were taken for reducing non-product fresh water consumption:
  - Improved efficiency of cooling towers by optimising make-up water consumption
  - Used pressurised system for cleaning and backwashing process
  - Installed Reverse Osmosis – Multiple Effect Evaporator (RO-MEE) treatment systems
  - Utilised treated water in cleaning and utility operations
  - Deployed scrapper for temperature- sensor cleaning in place of jet cleaning
  - Used rainwater in manufacturing processes
  - Planted native species.

- The Company has adopted a two way approach for efficient and effective effluent management. The Company focus on reducing the trade effluent generated at source and find ways of reusing the treated effluent. This strategy has assisted us in achieving zero liquid discharge outside factory premises across all its decorative manufacturing units.

- Energy management has twin drivers for us – ecological preservation and economic benefit. Additionally, the energy consumed by us has a direct impact on its carbon emissions. The Company strives to manage its energy demand by improving operational efficiency and adding alternate sources of energy. The Company has defined targets on reducing specific electricity consumption and increasing the energy share of renewable energy as a proportion of total energy consumption. The Company's energy conservation initiatives can be categorised under process optimisation and automation, optimisation of electrical equipment and lighting.

- The Company has substantially augmented investments in renewable energy projects to reduce the Company's dependency on fossil fuels. As a part of the Company's renewable energy strategy 'RE36 by 2020', the Company is working towards consuming 36% of the total electricity consumption at decorative paint plants as renewable energy.

- The Company gives highest priority to avoid generation of waste through material efficiency and process improvements. Wherever avoidance is not possible, the Company focuses on recycle or reuse as an alternative. Finally, the Company tries to minimise the environmental impact of the generated waste by ensuring its safe disposal. The Company has implemented co-processing in some of the factories. The factories have started transporting hazardous waste to nearby cement kilns. Co-processing uses hazardous waste as AFR (Alternate Fuel and Refuse) material; this for Asian Paints, will lead to lower hazardous waste generation on account of reduced ash from incineration.

- At the Company's Khandala plant has initiated the use of biogas to replace high speed diesel in the thermic fluid heater and boilers. The use of biogas has helped the Company to lower the Green House Gas (GHG) emissions and also the operational cost. Energy efficiency and renewable energy efforts have also helped the Company in reducing the overall GHG emissions.

- The emissions/waste generated by the Company is within the permissible limits given by Central or State Pollution Control Bodies (CPCB/SPCB) for the financial year being reported. There are no show cause/legal notices from CPCB/SPCB which are pending as at the end of financial year.

- The Company's manufacturing facilities have ISO 14001 certified Environment Management System. As part of the ISO 14001 Environment Management system, every factory monitors the state of the Environment inside the factory. Every factory conducts Aspect Impact study of various activities and identifies Controllable/Uncontrollable and Normal/Abnormal/Emergency scenarios of operation. Any deviations from laid down policies and procedures are tracked and reviewed by effective procedures of Corrective Action and Preventive Action (CAPA).

- In order to keep a check on its Environment Management System, Environment Management Review meetings are conducted twice in a year. These meetings are chaired by the Vice President- Supply Chain and General Works Managers of all factories, as also their Environment representatives. The members deliberate on the topics of Natural Resource Conservation, Electricity Consumption Reduction, Industrial Effluent Reduction, Water Conservation, Air Emissions, Waste Generation and Disposal. Presentations are made by the factory representatives on the status of the Environmental Targets and Management Plans for their respective factories. Confirmation on statutory compliance is provided by each factory by way of adherence to various clauses of Environmental Laws.

Principle 7

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

- The Company has always adhered to its principle of transparency through timely and adequate disclosure of information to public and regulatory bodies. The Company has been an active participant in representations to the regulatory bodies or trade associations on the matters relevant to the paint industry as a whole. As on 31st March, 2017 the Company is a member of following trade associations:
  - Confederation of Indian Industries (CII)
  - Federation of Indian Chambers of Commerce and Industry (FICCI)
  - Bombay Chamber of Commerce and Industry
  - The Indian Paints Association (IPA)

- The Company's scientists are active participants in meetings with statutory agencies like Bureau of Indian Standards, Chemical Division Council and help in evolving new standards for finished products and raw materials for human safety and environmental protection.

Principle 8

Businesses should support inclusive growth and equitable development

- The Company has always strived to provide better health, education and vocational skills to the people in or around its manufacturing and other units. The Company extends its social responsibility by engaging its strategic and trust based community development interventions.

- An amount of ₹ 47.84 crores was spent towards various CSR projects during the financial year 2016-17 and people of more than 100 villages and certain cities in the states of Uttar Pradesh, Haryana, Gujarat, Andhra Pradesh, Maharashtra and Tamil Nadu were benefited.

- The details of the CSR initiatives undertaken by the Company are set out in Annexure F to the Board's Report.

Principle 9

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

- The Company chooses to work in a sensitive and responsible manner to create a partnership with its customers for enhancing and enriching the interiors and exteriors of their dream houses. With the aim of making customer satisfaction a priority across all functions and levels, the Company has established a function called Customer Centricity. This function has two major objectives - fostering a cultural transformation which will ensure that customer needs are placed at the center of every decision and addressing all retail complaints in a fair and transparent manner. The Company's customer policy is ingrained in its interactions with its customers.

- The culture of customer centricity has been instilled through various efforts including setting up of Customer Centricity Function, launching Customer First Campaign, training programs for the employees to understand customer issues and streamlining of the Complaint Management Processes with clear SLAs that are made aware to all employees.

- The Customer Policy is based on three pillars – Partnership, Sensitivity and Responsibility. On the Partnership front, the Company is a partner with its customers and provide any assistance required in using its products and services in the areas of decor and protection. On Sensitivity, the Company offers the finest products in its line of businesses and provide the best possible services to its customers and for the Responsibility it operates in an ethical and transparent manner treating customers as the Company would like to be treated.

- Customer feedback and complaints gives the Company an opportunity to continuously better its products and services. It is vital for the Company to ensure resolution of all complaints in a timely and transparent manner, while capturing the complaints as comprehensively as possible. The Company has organised itself for creating immediate solutions as well as building capacity in the long term. The Company has a 3 (three) level structure to address customer complaints and feedback:

  - Complaint Action Team (CAT) - The role of this team is to register the complaint information and initiate actions for problem identification, finding root causes and implementing solutions to prevent recurrence.

  - Customer Response Team (CRT) - The role of this team is to facilitate all areas from problem identification to solution implementation and work in seamless boundaries. MD & CEO reviews the progress on complaint areas with CRT.

  - Customer Capability Development Team (CCDT) - This team is responsible for reviewing effectiveness of CRT, identifying specific capability building areas/ long term areas, constituting teams for actioning and monitoring the overall effectiveness.

- In order to facilitate its customers to communicate their views, feedback, suggestions, complaints etc. the Company has provided a dedicated helpline which operates in six regional languages. Each compliant is brought to a final point of closure within the defined level of service commitment of 2 (two) days in main cities and 4 (four) days in uptown locations.

- The Company conducts annual customer experience surveys for all its products and services and measure the percentage of customers who would promote its products and services to other customers through the Net Promoter Score (NPS) method. The NPS survey helps to interpret shifts in customer preferences. This is one of the key parameters used to define strategy for product innovation, marketing communication and retail experience design. There is high awareness created for this score within the organisation with the intention of improving the customer experience by each function in their capacity. The NPS method of customer feedback now covers most of its customer interaction points including retail experiences, direct to home painting and colour consultancy services.

- On its website, the Company has created an interactive platform that allows any potential customer to raise queries pertaining to its products and services. Be it the Company's toll free number (1800-209-5678) or the Company website (www.asianpaints.com) all the channels ensure that a potential customer with access to phone/internet is able to engage, receive or share the desired information about its products and services. The platform called Your Voice helps in customers addressing their concerns directly to the Company. The platform accepts complaints/queries/ feedback/compliments and responds to the customer in 48 hours at the latest. Further every customer interaction is issued a "Closed" Stamp once the complaint has been resolved or an agreement is reached.

- While there are 34 (thirty four) consumer related legal cases pending as at the end of the financial year, there are no customer complaints pending for closure.

- The products of the Company display all information which is mandated by law including the directions for use. Product information is available in the Product Information Sheet that is available with the dealers of the Company and on the website of the Company.

- There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last (5) five years.

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Report

To The Members of Asian Paints Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Asian Paints Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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 then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2016 and the transition date opening Balance Sheet as at 1st April, 2015 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by one of us whose report for the year ended 31st March, 2016 and 31st March, 2015 dated 11th May, 2016 and 18th May, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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.

   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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS 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, other than one instance of delay of 51 days in respect of unpaid dividend as explained in Note 46 to the standalone Ind AS financial statements.

   iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditors' Report) Order, 2016 ("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 B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
11th May, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
11th May, 2017

Annexure "A" to the Independent Auditors' 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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Asian Paints Limited ("the Company") as of 31st March, 2017 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods

are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
11th May, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
11th May, 2017

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets 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) According to the information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

ii. The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

iii. According to the information and explanations given to us, the Company has granted an unsecured loan to one wholly owned subsidiary covered under Section 189 of the Act.

(a) The terms and conditions on which loan has been granted to the borrower company covered under Section 189 of the Act is not, prima facie, prejudicial to the interest of the Company.

(b) The principal amount is repayable within two years from the date of receipt of such loan. The borrower has been regular in paying interest on loan and the loan has been repaid during the year.

(c) There was no amount outstanding as at the year end in respect of the said loan.

iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

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. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of 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 31st March, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2017 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	Commissioner of Income Tax (Appeals)	A.Y. 2014-15	120.06	115.13
			A.Y. 2013-14	37.48	31.86
			A.Y. 2012-13	34.54	29.36
		Assessing Officer	A.Y. 2006-07	0.82	-
		High Court	A.Y. 2007-08	0.09	0.09
		Tribunal	A.Y. 2009-10	0.11	0.11
			A.Y. 2010-11	0.13	0.13
		Total (A)		**193.23**	**176.68**
Sales Tax	Assessment Dues	First Appellate level	F.Y. 1994-95 to F.Y. 1999-00, F.Y. 2000-01 to F.Y. 2015-16	51.81	38.41
		Second Appellate level	F.Y. 2008-09	0.31	0.31
		Tribunal	F.Y. 1991-92, F.Y. 1993-94, F.Y.1996-97 to F.Y. 1999-00, F.Y. 2000-01 to F.Y. 2011-12	8.51	5.71
		High court	F.Y. 1993-94, F.Y. 1997-98, F.Y. 2000-01 to F.Y. 2005-06, F.Y. 2007-08, F.Y. 2009-10, F.Y. 2012-13	1.73	0.59
		Supreme Court	F.Y. 1992-93, F.Y. 1993-94, F.Y. 2001-02 to F.Y. 2008-09	1.68	0.22
		Total (B)		**64.04**	**45.24**
Central Excise Act, 1944	Dispute relating to Excise Duty	Adjudicating Authority	F.Y. 2015-16	0.30	0.28
		First Appellate	F.Y. 1986-87, F.Y. 1996-97, F.Y. 2000-01, F.Y. 2004-05 to F.Y. 2007-08, F.Y. 2011-12 to F.Y. 2015-16	1.80	1.72
		Tribunal	F.Y. 2005-06 to F.Y. 2011-12, F.Y. 2013-14 to F.Y. 2015-16	17.83	15.96
		Total (C)		**19.93**	**17.96**
		Total (A+B+C)		**277.20**	**239.88**

There are no dues of Customs Duty which have not been deposited on account of dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its financial institutions, bankers and government. The Company did not have any outstanding debentures during the year.

ix. The Company did not have any term loans outstanding during the year. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, reporting under clause (xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
11th May, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
11th May, 2017

Balance Sheet

as at 31st March, 2017

(₹ in Crores)

	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	2	2,512.01	2,532.97	1,886.42
Capital work-in-progress		219.76	92.79	139.54
Goodwill	3A	35.36	35.36	35.36
Other Intangible Assets	3B	57.31	60.66	43.71
Financial Assets				
Investments	4	1,454.55	1,319.64	1,118.53
Loans	5	70.27	61.07	45.28
Other Financial Assets	6	198.05	30.54	17.08
Current Tax Assets (Net)	7	36.48	15.15	16.21
Other Non-current Assets	8	200.39	35.01	148.05
		4,784.18	4,183.19	3,450.18
CURRENT ASSETS				
Inventories	9	2,194.09	1,610.12	1,802.18
Financial Assets				
Investments	4	1,315.40	1,477.00	1,127.40
Trade Receivables	10	994.63	759.06	729.55
Cash and Cash Equivalents	11A	61.34	76.75	54.63
Other Balances with Banks	11B	143.93	84.03	8.60
Loans	5	13.55	9.65	11.72
Other Financial Assets	6	474.43	306.27	231.26
Assets classified as Held for Sale	12	0.57	0.96	4.87
Other Current Assets	8	231.94	217.92	205.64
		5,429.88	4,541.76	4,175.85
TOTAL ASSETS		10,214.06	8,724.95	7,626.03
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	13	95.92	95.92	95.92
Other Equity	14	6,855.06	5,829.81	4,973.98
		6,950.98	5,925.73	5,069.90
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	15	10.38	29.27	32.09
Other Financial Liabilities	16	2.31	1.68	-
Provisions	17	109.84	94.23	85.25
Deferred Tax Liabilities (Net)	18C	261.17	217.17	176.72
Other Non-current Liabilities	19	3.65	1.82	-
		387.35	344.17	294.06
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	15	26.83	-	-
Trade Payables				
Due to Micro and Small Enterprises	20	26.59	17.95	11.63
Due to Others	20	1,644.67	1,315.25	1,301.45
Other Financial Liabilities	16	879.80	823.47	661.47
Other Current Liabilities	19	206.32	198.23	171.92
Provisions	17	36.20	36.35	30.19
Current Tax Liabilities (Net)	21	55.32	63.80	85.41
		2,875.73	2,455.05	2,262.07
TOTAL EQUITY AND LIABILITIES		10,214.06	8,724.95	7,626.03
Significant accounting policies and key accounting estimates and judgements	1			
See accompanying notes to the financial statements	2-49			

As per our report of even date attached

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

For B S R & Co. LLP
Chartered Accountants
F.R.N: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai, 11th May, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai, 11th May, 2017

Ashwin Choksi
Chairman
DIN: 00009095

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

Mumbai, 11th May, 2017

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

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Statement of Profit and Loss

for the year ended 31st March, 2017

(₹ in Crores)

Particulars	Notes	Year 2016-17	Year 2015-16
REVENUE FROM OPERATIONS			
Revenue from sale of products (including Excise Duty)	22A	14,154.54	13,132.32
Revenue from sale of services	22B	7.59	12.63
Other Operating Revenues	22C	198.30	187.23
Other Income	23	300.90	249.43
TOTAL INCOME (I)		**14,661.33**	**13,581.61**
EXPENSES			
Cost of Materials Consumed	24A	6,737.45	5,865.94
Purchases of Stock-in-Trade	24B	646.53	524.42
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	24C	(515.58)	194.51
Excise duty		1,713.32	1,501.85
Employee Benefits Expense	25	742.83	666.83
Other Expenses	26	2,364.44	2,101.70
TOTAL (II)		**11,688.99**	**10,855.25**
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		**2,972.34**	**2,726.36**
Finance Costs	27	18.86	23.40
Depreciation and Amortisation Expense	28	295.43	234.51
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**2,658.05**	**2,468.45**
Exceptional Items	45	-	65.35
PROFIT BEFORE TAX		**2,658.05**	**2,403.10**
Tax Expense	18		
(1) Current Tax		817.22	743.74
(2) (Excess)/Short Tax provision for earlier years		(3.60)	(3.33)
(3) Deferred Tax		41.33	39.88
Total Tax expense		854.95	780.29
PROFIT AFTER TAX		**1,803.10**	**1,622.81**
OTHER COMPREHENSIVE INCOME (OCI)			
A Items that will not be reclassified to Statement of Profit and Loss			
(a) (i) Remeasurement benefit of defined benefit plans		8.22	2.63
(ii) Income tax expense on remeasurement benefit of defined benefit plans		(2.84)	(0.91)
(b) Net fair value gain/(loss) on investments in equity instruments through OCI		130.76	(19.85)
B Items that will be reclassified to Statement of Profit and Loss			
(a) (i) Net fair value gain on investments in debt instruments through OCI		2.73	0.53
(ii) Income tax benefit on net fair value gain on investments in debt instruments through OCI		0.17	0.34
TOTAL OTHER COMPREHENSIVE INCOME (A+B)		**139.04**	**(17.26)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,942.14**	**1,605.55**
Earnings per equity share (Face value of ₹ 1 each)	42		
(1) Basic (in ₹)		18.80	16.92
(2) Diluted (in ₹)		18.80	16.92
Significant accounting policies and key accounting estimates and judgements	1		
See accompanying notes to the financial statements	2-49		

As per our report of even date attached

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

For B S R & Co. LLP
Chartered Accountants
F.R.N: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai, 11th May, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai, 11th May, 2017

Ashwin Choksi
Chairman
DIN: 00009095

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

Mumbai, 11th May, 2017

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

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Statement of Changes in Equity

for the year ended 31st March, 2017

(₹ in Crores)

A) EQUITY SHARE CAPITAL	As at 31.03.2017	As at 31.03.2016
Balance at the beginning of the reporting year	95.92	95.92
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	95.92	95.92

(₹ in Crores)

B) OTHER EQUITY	Reserves and Surplus				Debt instruments through OCI	Equity instruments through OCI	Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings			
Balance as at 1st April, 2015 (A)	*	0.50	3,133.84	1,839.64	-	-	4,973.98
Additions during the year:							
Profit for the year	-	-	-	1,622.81	-	-	1,622.81
Items of OCI for the year, net of tax							-
Remeasurement benefit of defined benefit plans	-	-	-	1.72	-	-	1.72
Net fair value loss on investment in equity instruments through OCI	-	-	-	-	-	(19.85)	(19.85)
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	0.87	-	0.87
Total Comprehensive Income for the year 2015-16 (B)	-	-	-	1,624.53	0.87	(19.85)	1,605.55
Reductions during the year:							
Dividends (Refer Note 30)	-	-	-	(623.48)	-	-	(623.48)
Income tax on dividend (Refer Note 30)	-	-	-	(126.24)	-	-	(126.24)
Transfer to General Reserve	-	-	532.90	(532.90)	-	-	-
Total (C)	-	-	532.90	(1,282.62)	-	-	(749.72)
Balance as at 31st March, 2016 (D) = (A+B+C)	*	0.50	3,666.74	2,181.55	0.87	(19.85)	5,829.81
Additions during the year:							
Profit for the year	-	-	-	1,803.10	-	-	1,803.10
Items of OCI for the year, net of tax							
Remeasurement benefit of defined benefit plans	-	-	-	5.38	-	-	5.38
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	130.76	130.76
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	2.90	-	2.90
Total Comprehensive Income for the year 2016-17 (E)	-	-	-	1,808.48	2.90	130.76	1,942.14
Reductions during the year:							
Dividends (Refer Note 30)	-	-	-	(762.56)	-	-	(762.56)
Income tax on dividend (Refer Note 30)	-	-	-	(154.33)	-	-	(154.33)
Transfer to General Reserve	-	-	500.00	(500.00)	-	-	-
Total (F)	-	-	500.00	(1,416.89)	-	-	(916.89)
Balance as at 31st March, 2017 (D+E+F)	*	0.50	4,166.74	2,573.14	3.77	110.91	6,855.06

* ₹ 5,000/-

As per our report of even date attached

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

For B S R & Co. LLP
Chartered Accountants
F.R.N: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai, 11th May, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai, 11th May, 2017

Ashwin Choksi
Chairman
DIN: 00009095

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

Mumbai, 11th May, 2017

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

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Cash Flow Statement

for the year ended 31st March, 2017

(₹ in Crores)

Particulars	Year 2016-17		Year 2015-16	
(A) Cash Flow From Operating Activities				
Profit before tax	2,658.05		2,403.10	
Adjustments for:				
Depreciation and amortisation expense	295.43		234.51	
Interest income	(21.54)		(11.53)	
Dividend income	(76.91)		(70.30)	
Finance costs	18.86		23.40	
Allowance for doubtful debts and advances	2.51		3.34	
Bad debts written off	2.11		1.98	
Income on prepayment of loan	(3.54)		-	
Deferred income arising from government grant	(0.62)		-	
Net unrealised foreign exchange loss/(gain)	1.84		(10.98)	
Gain on sale of financial assets measured at fair value through profit or loss (FVTPL)	(15.45)		(7.03)	
Gain on sale of property, plant and equipment (net)	(0.79)		(10.37)	
Net gain arising on financial assets measured at FVTPL	(49.40)		(44.82)	
Impairment loss on non-current investments	-		65.35	
Operating Profit before working capital changes	2,810.55		2,576.65	
Adjustments for :				
(Increase) in trade receivables	(240.57)		(34.91)	
(Increase) in financial assets	(192.60)		(98.98)	
(Increase)/Decrease in inventories	(583.97)		192.06	
(Increase) in other assets	(19.58)		(7.67)	
Increase in trade and other payables	465.74		98.33	
Increase in provisions	15.46		15.15	
Cash generated from Operating activities	2,255.03		2,740.63	
Income Tax paid (net of refund)	(843.43)		(760.96)	
Net Cash generated from Operating activities		1,411.60		1,979.67
(B) Cash Flow from Investing Activities				
Purchase of Property, plant and equipment	(611.48)		(686.72)	
Sale of Property, plant and equipment	1.81		12.22	
Repayment of loan by subsidiary/(Loan given to subsidiary)	0.20		(0.20)	
Purchase of non-current investments - Subsidiaries	(6.71)		(143.17)	
Purchase of non-current investments - others	(70.00)		(282.33)	
Sale of non current investments	220.93		209.70	
Purchase of term deposits	(290.00)		(70.04)	
Proceeds from maturity of term deposits	70.00		-	
Proceeds from sale of current investments (net)	2.91		22.85	
Interest received	13.92		4.61	
Dividend received from subsidiaries	5.08		3.05	
Dividend received from others	71.83		67.25	
Net Cash used in Investing activities		(591.51)		(862.78)

Cash Flow Statement (Contd.)

for the year ended 31st March, 2017

(₹ in Crores)

Particulars		Year 2016-17		Year 2015-16	
(C)	**Cash Flow from Financing Activities**				
	Proceeds from non-current borrowings	7.89		5.90	
	Repayment of non-current borrowings	(25.14)		(7.48)	
	Acceptances (net)	13.16		65.75	
	Finance costs paid	(22.58)		(19.76)	
	Dividend and Dividend tax paid	(913.58)		(748.66)	
	Net Cash used in Financing activities		(940.25)		(704.25)
(D)	**Net (Decrease)/Increase in cash and cash equivalents (A+B+C):**		(120.16)		412.64
	Add: Cash and cash equivalents as at 1st April		1,276.49		863.85
	Cash and cash equivalents as at 31st March		1,156.33		1,276.49

Notes:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

(₹ in Crores)

		As At 31.03.2017	As At 31.03.2016
(b)	Cash and Cash Equivalents comprises of		
	Balances with Banks:		
	- Current Accounts	22.22	2.13
	- Cash Credit Account	8.30	6.42
	- Deposit with bank with maturity less than 3 months	-	43.51
	Cheques, draft on hand	30.79	24.63
	Cash on hand	0.03	0.06
	Cash and cash equivalents (Refer Note 11A)	61.34	76.75
	Add: Investment in liquid mutual funds [Refer Note 4II (ii)]	1,121.82	1,199.74
	Less: Bank Overdraft (Refer Note 15)	(26.83)	-
	Cash and Cash equivalents in Cash Flow Statement	1,156.33	1,276.49

As per our report of even date attached

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

For B S R & Co. LLP
Chartered Accountants
F.R.N: 101248W/W-100022

Bhavesh Dhupelia
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Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Notes to the Financial Statements

for the year ended 31st March, 2017

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. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

SIGNIFICANT 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.

For all periods up to and including the year ended 31st March, 2016, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note 31.

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.

1.2. 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 realized/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 realized/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 realization in cash and cash equivalents.

1.3. Summary of Significant accounting policies

a) Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. 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 acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

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 difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are 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) Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103, 'Business Combinations'.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Company's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Company.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired; by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Company recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

c) Property, Plant and Equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

Notes to the Financial Statements

for the year ended 31st March, 2017

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, 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. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

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 of property, plant and equipment is provided using the Straight Line Method based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful life of items of property, plant and equipment 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 and Vehicles	5
Information Technology Hardware	4

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of the lease.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipment (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 (Schedule III). The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- The useful lives of certain plant and equipment are estimated in the range of 10-20 years. These lives are different from those indicated in Schedule II.
- Scientific research equipment are depreciated over the estimated useful life of 8 years, which is higher than the life prescribed in Schedule II.
- Vehicles are depreciated over the estimated useful life of 5 years, which is lower than the life prescribed in Schedule II.
- Information Technology hardware are depreciated over the estimated useful life of 4 years, which is higher than the life prescribed in Schedule II.

The useful lives, residual values of each part of an item of property, plant and equipment 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 property, plant and equipment is derecognized 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 property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

d) Intangible Assets

Measurement at recognition:

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 not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized 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
Acquired Brand (Bath fitting brand - Ess Ess)	2

The amortization period and the amortization 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.

Derecognition:

The carrying amount of an intangible asset is derecognized 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

e) Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Assets that are subject to depreciation and amortization 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.

Notes to the Financial Statements

for the year ended 31st March, 2017

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (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 recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses 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 recognized.

f) Revenue

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company.

Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties such as sales tax and value added tax are excluded from revenue.

Sale of products:

Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold.

Rendering of services:

Revenue from services is recognized when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

Interest, royalties and dividends:

Interest income is recognized using effective interest method. Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreement. Dividend income is recognized when the right to receive payment is established.

g) Government grants and subsidies

Recognition and Measurement:

The Company is entitled to subsidies from government in respect of manufacturing units located in specified regions. Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to them. Income from subsidies is recognized on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognized.

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. It is recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to the loans. Income from such benefit is recognized on a systematic basis over the period of the loan during which the Company recognizes interest expense corresponding to such loans.

Presentation:

Income from subsidies are presented on gross basis under Revenue from Operations. Income arising from below-market rate of interest loans are presented on gross basis under Other Income.

h) 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. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

i) Financial Instruments

A financial instrument is any 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:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized 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.

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 recognized 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 recognized 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.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.

Notes to the Financial Statements

for the year ended 31st March, 2017

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized 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 amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization 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 asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at 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 recognized in the Other Comprehensive Income (OCI). However, the Company recognizes 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 recognized 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 recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized 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 FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized 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 recognized in the Statement of Profit and Loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

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 recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes 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 recognized 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 allowance on the following:

i. Trade receivables and lease receivables

ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized 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 recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Notes to the Financial Statements

for the year ended 31st March, 2017

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 recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

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) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Financial Liabilities

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized 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 recognized 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 recognized 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 amortized cost using the effective interest method (Refer Note 29 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization 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 amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognized 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 derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

j) Derivative financial instruments and Hedge accounting

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 amortized cost. The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognized 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 recognized 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 recognized in the Statement of Profit and Loss. Hedging instrument is recognized 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 (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized 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 recognized in the Statement of Profit and Loss.

Derecognition:

On Derecognition of the hedged item, the unamortized fair value of the hedging instrument adjusted to the hedged item, is recognized in the Statement of Profit and Loss.

k) 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 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

Notes to the Financial Statements

for the year ended 31st March, 2017

For assets and liabilities that are recognized 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.

l) Investment in Subsidiary and Associate Companies

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 4. Impairment policy applicable on such investments is explained in note 1.3(e) above.

m) 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. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

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 these translations are recognized in the Statement of Profit and Loss.

n) 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 recognized 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 liabilities are generally recognized for all taxable temporary differences. 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, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. 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, deferred tax assets are not recognized.

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.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

o) Provisions and Contingencies

The Company recognizes 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 embodying economic benefits will be required to settle such obligation and the amount of such obligation 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 recognized 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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

p) Measurement of EBITDA

The Company has opted to present Earnings Before Interest (finance cost), Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the period. The Company measures EBITDA based on profit/(loss) from continuing operations.

q) 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.

r) 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 recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Notes to the Financial Statements

for the year ended 31st March, 2017

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 recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized 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 recognized as an asset to the extent that the prepayment will lead to, for example, 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 recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized 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 recognized 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 recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

s) Lease Accounting

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless

(1) another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or

(2) the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases

t) Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

u) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period 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) Non-Current Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

Notes to the Financial Statements

for the year ended 31st March, 2017

y) Recent Accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards)(Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendment is applicable to the Company from April 1, 2017.

Amendments to Ind AS 7

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

1.4. 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 affected 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, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

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 40, 'Employee benefits'.

f. Fair value measurement of Financial Instruments

When the fair values of financials 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.

Notes to the Financial Statements

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

	Gross carrying value				Depreciation/Amortisation				Net carrying value
	As at 01.04.16	Additions during the year	Deductions / Adjustments #	As at 31.03.17	As at 01.04.16	Additions during the year	Deductions / Adjustments #	As at 31.03.17	As at 31.03.17
Land :									
Freehold	162.01	0.02	-	162.03	-	-	-	-	162.03
Leasehold	147.25	-	-	147.25	1.20	1.69	0.02	2.87	144.38
Buildings	691.24	23.93	0.20	714.97	23.02	27.09	-	50.11	664.86
Plant and Equipment	1,567.13	167.87	0.79	1,734.21	148.18	199.19	0.10	347.27	1,386.94
Scientific Research :									
Buildings	30.40	-	-	30.40	1.30	1.30	-	2.60	27.80
Equipment	24.60	8.40	-	33.00	5.85	4.86	-	10.71	22.29
Furniture and Fixtures	30.67	9.85	0.08	40.44	4.85	5.62	0.04	10.43	30.01
Vehicles	0.92	0.19	0.06	1.05	0.23	0.24	0.04	0.43	0.62
Office Equipment	24.97	12.13	0.14	36.96	5.82	7.47	0.09	13.20	23.76
Leasehold improvements	1.28	8.62	0.01	9.89	0.65	1.09	0.01	1.73	8.16
Information Technology Hardware	63.01	18.55	0.34	81.22	19.41	20.95	0.30	40.06	41.16
Total	**2,743.48**	**249.56**	**1.62**	**2,991.42**	**210.51**	**269.50**	**0.60**	**479.41**	**2,512.01**

(₹ in Crores)

	Gross carrying value				Depreciation/Amortisation				Net carrying value
	As at 01.04.15	Additions during the year	Deductions / Adjustments #	As at 31.03.16	As at 01.04.15*	Additions during the year	Deductions / Adjustments #	As at 31.03.16	As at 31.03.16
Land :									
Freehold	90.16	71.85	-	162.01	-	-	-	-	162.01
Leasehold	98.05	49.20	-	147.25	-	1.21	0.01	1.20	146.05
Buildings	565.22	126.02	-	691.24	-	23.02	-	23.02	668.22
Plant and Equipment	1,004.34	563.46	0.67	1,567.13	-	148.38	0.20	148.18	1,418.95
Scientific Research :									
Buildings	30.40	-	-	30.40	-	1.30	-	1.30	29.10
Equipment	19.91	4.69	-	24.60	-	5.85	-	5.85	18.75
Furniture and Fixtures	21.92	8.86	0.11	30.67	-	4.85	-	4.85	25.82
Vehicles	0.63	0.30	0.01	0.92	-	0.23	-	0.23	0.69
Office Equipment	16.91	8.12	0.06	24.97	-	5.84	0.02	5.82	19.15
Leasehold improvements	1.28	-	-	1.28	-	0.66	0.01	0.65	0.63
Information Technology Hardware	37.60	25.58	0.17	63.01	-	19.50	0.09	19.41	43.60
Total	**1,886.42**	**858.08**	**1.02**	**2,743.48**	**-**	**210.84**	**0.33**	**210.51**	**2,532.97**

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 32 (b)(1).
Deductions / Adjustments include assets classified as held for sale (Refer Note 12)
* Refer Note 31, point 3 under Exemptions availed.

NOTE 3 : INTANGIBLE ASSETS (Acquired separately)

(₹ in Crores)

	Gross carrying value				Amortisation				Net carrying value
	As at 01.04.16	Additions during the year	Deductions / Adjustments	As at 31.03.17	As at 01.04.16	Additions during the year	Deductions / Adjustments	As at 31.03.17	As at 31.03.17
A. GOODWILL									
Goodwill (Refer Note below)	35.36	-	-	35.36	-	-	-	-	35.36
Total (A)	**35.36**	**-**	**-**	**35.36**	**-**	**-**	**-**	**-**	**35.36**
B. OTHER INTANGIBLE ASSETS									
Trademark	0.94	-	-	0.94	0.19	0.19	-	0.38	0.56
Computer Software	80.74	22.53	-	103.27	21.22	25.36	-	46.58	56.69
Brand	2.50	-	-	2.50	2.14	0.36	-	2.50	-
Scientific Research:									
Computer Software	0.08	0.05	-	0.13	0.05	0.02	-	0.07	0.06
Total (B)	**84.26**	**22.58**	**-**	**106.84**	**23.60**	**25.93**	**-**	**49.53**	**57.31**
Total (A+B)	**119.62**	**22.58**	**-**	**142.20**	**23.60**	**25.93**	**-**	**49.53**	**92.67**

(₹ in Crores)

	Gross carrying value				Amortisation				Net carrying value
	As at 01.04.15	Additions during the year	Deductions / Adjustments	As at 31.03.16	As at 01.04.15*	Additions during the year	Deductions / Adjustments	As at 31.03.16	As at 31.03.16
A. GOODWILL									
Goodwill (Refer Note below)	35.36	-	-	35.36	-	-	-	-	35.36
Total (A)	**35.36**	**-**	**-**	**35.36**	**-**	**-**	**-**	**-**	**35.36**
B. OTHER INTANGIBLE ASSETS									
Trademark	0.85	0.09	-	0.94	-	0.19	-	0.19	0.75
Computer Software	40.28	40.54	0.08	80.74	-	21.29	0.07	21.22	59.52
Brand	2.50	-	-	2.50	-	2.14	-	2.14	0.36
Scientific Research :									
Computer Software	0.08	-	-	0.08	-	0.05	-	0.05	0.03
Total (B)	**43.71**	**40.63**	**0.08**	**84.26**	**-**	**23.67**	**0.07**	**23.60**	**60.66**
Total (A+B)	**79.07**	**40.63**	**0.08**	**119.62**	**-**	**23.67**	**0.07**	**23.60**	**96.02**

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 32 (b)(1).

* Refer Note 31, point 3 under Exemptions availed

Notes to the Financial Statements

NOTE 3 : INTANGIBLE ASSETS (Acquired separately) (contd.)

Note:

Allocation of Goodwill to cash generating units

Goodwill is allocated to the following cash generating unit ("CGU") for impairment testing purpose-

(₹ in Crores)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Goodwill relating to Bath Fittings Business	35.36	35.36	35.36

The recoverable amount of this CGU for impairment testing is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering a seven-year period, as the Company 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. Cash flows beyond the seven-year period were extrapolated using estimate rates stated below.

As at 31st March, 2017, 31st March, 2016 and 1st April, 2015, goodwill in respect of Bath Fittings Business was not impaired.

Key Assumptions used for value in use calculations are as follows:

	As at 31.03.2017	As at 31.03.2016
Compounded average net sales growth rate for seven-year period	27%	29%
Growth rate used for extrapolation of cash flow projections beyond the seven-year period	4%	4%
Discount rate	14%	14%

Discount rates- Management estimates discount rates using pre-tax rates that reflect current market assessments 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 Company 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 market development. The weighted average growth rates used were consistent with industry reports.

Notes to the Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. Non-Current Investments								
A. Investments in Equity Instruments								
a. Quoted equity shares								
Akzo Nobel India Limited	20,10,626	10	384.45	272.55	282.51	-	-	-
Housing Development Finance Corporation Limited	4,65,000	2	69.85	51.13	60.97	-	-	-
Apcotex Industries Limited	13,672	5	0.44	0.29	0.33	-	-	-
6,836 shares as on 1st April, 2015 (6,836 shares alloted pursuant to issue of bonus shares during the year 2015-16)	(13,672)							
Total Quoted equity shares			454.74	323.97	343.81	-	-	-
b. Unquoted equity shares								
(i) Subsidiaries (measured at cost, Refer Note 1.3 l)								
(a) Asian Paints Industrial Coatings Limited	3,04,50,000	10	30.45	30.45	30.45	-	-	-
(b) Asian Paints (International) Limited, Mauritius	3,36,97,616	US $ 1	262.95	256.24	113.07	-	-	-
2,39,45,444 shares as on 1st April, 2015 (4,34,782 shares in 2016-17 (93,17,390 shares in 2015-16) of face value US $ 1 per share alloted for cash at a premium of US $ 1.3 per share pursuant to additional equity infusion.)	(3,32,62,834)							
(c) Asian Paints (Nepal) Private Limited, Nepal	32,54,310	NPR 10	0.12	0.12	0.12	-	-	-
(16,27,155 shares alloted pursuant to issue of bonus shares during the year 2016-17)	(16,27,155)							
(d) Maxbhumi Developers Limited	4,19,000	10	15.55	15.55	15.55	-	-	-
(e) Multifacet Infrastructure (India) Limited*	50,000	10	-	0.05	0.05			
Less: Impairment loss (Refer Note 45B)			-	(0.05)	-			
			-	-	0.05	-	-	-
(f) Sleek International Private Limited	62,312	10	119.48	119.48	119.48	-	-	-
Less: Impairment loss (Refer Note 45A)			(65.30)	(65.30)	-			
			54.18	54.18	119.48	-	-	-
(g) Asian Paints PPG Private Limited	52,43,961	10	30.47	30.47	30.47	-	-	-
			393.72	387.01	309.19	-	-	-
(ii) Associate (measured at cost, Refer Note 1.3 l)								
(a) PPG Asian Paints Private Limited	2,85,18,112	10	81.43	81.43	81.43	-	-	-
			81.43	81.43	81.43	-	-	-
(iii) Other Entities								
(a) SKH Metals Limited	62,500	10	0.50	0.50	0.50	-	-	-
(b) Patancheru Enviro-tech Limited	12,900	10	0.01	0.01	0.01	-	-	-
(c) SIPCOT Common Utilities Limited	2,830	100	0.03	0.03	0.03	-	-	-
(d) Narmada Clean Tech Limited	4,97,833	10	0.50	0.50	0.50	-	-	-
(e) Paints and Coatings Skill Council (10 shares alloted for cash at face value, during the year 2015-16)	10	25,000	0.03	0.03	-	-	-	-
			1.07	1.07	1.04	-	-	-
Total Unquoted equity shares			476.22	469.51	391.66	-	-	-
Total Investments in Equity Instruments		A	930.96	793.48	735.47	-	-	-

* The Company's name has been struck off from Register of Companies w.e.f. 24th August, 2016. This is pursuant to an application filed by the Company for striking off its name under the "Fast Track Exit Mode" under Section 560 of Companies Act, 1956 on 21st March, 2016.

Notes to the Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. Non-Current Investments (contd.)								
B. Investments in Government securities - Unquoted								
Unquoted Investments								
National Savings Certificates, Indira Vikas Patra and Defence Certificates deposited with Government Authorities		B	*	*	*	-	-	-
*[₹ 39,500/- (As at 31st March, 2016 and 1st April, 2015 - ₹ 39,500/-)]								
C. Investments in Debentures or Bonds - Quoted								
7.93 % Rural Electrification Corporation (REC) Tax Free Bond	1,22,476	1,000	13.07	13.13	12.82	-	-	-
8.20 % Power Finance Corporation (PFC) Tax Free Bond	1,00,000	1,000	10.82	10.53	10.57	-	-	-
11.50% L&T Finance Limited Perpetual 2021	50	1,000,000	5.46	5.51	5.31	-	-	-
7.11 % Power Finance Corporation (PFC) Tax Free Bond	51,341	1,000	5.52	5.13	-	-	-	-
7.11% NTPC Limited Tax Free Bond	62,457	1,000	6.55	6.25	-	-	-	-
7.07 % Indian Railway Finance Corporation Limited (IRFC) Tax Free Bond	2,26,500	1,000	23.78	22.65	-	-	-	-
7.14% National Highways Authority of India (NHAI) Tax Free Bond	1,42,849	1,000	15.08	14.35	-	-	-	-
Total Investments in Debentures or Bonds - Quoted		C	80.28	77.55	28.70	-	-	-
D. Investments in Mutual Funds - Quoted								
Quoted Mutual Funds								
DHFL Pramerica Fixed Maturity Plan Series 53 - Direct Plan - Growth (1,40,00,000 units matured during the year 2015-16)	(1,40,00,000)	10	-	-	-	-	-	15.43
BIRLA Sun Life Fixed Term Plan Series KE - Growth. Direct (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.08
HDFC Fixed Maturity Plan Series 29 Direct Growth (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.11
IDFC Fixed Term Plan Series 66 Direct Plan - Growth (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.12
KOTAK Fixed Maturity Plan Series 133 Direct Growth (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.14
LIC Mutual Fund Fixed Maturity Plan Series 77 - Direct Growth Plan (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.00
RELIANCE Fixed Horizon Fund XXV - Series 17 - Direct Plan - Growth (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.13
RELIANCE Fixed Horizon Fund XXV- Series 16 - Direct Plan - Growth (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.14
AXIS Fixed Term Plan - Series 49 - Direct Growth - Z7DG (80,00,000 units matured during the year 2015-16)	(80,00,000)	10	-	-	-	-	-	8.88
DHFL Pramerica Fixed Maturity Plan Series - 45 - Direct Plan Growth (50,00,000 units matured during the year 2015-16)	(50,00,000)	10	-	-	-	-	-	5.56
SBI Debt Fund Series A2 - Direct Growth (50,00,000 units matured during the year 2015-16)	(50,00,000)	10	-	-	-	-	-	5.55

Notes to the Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. Non-Current Investments (contd.)								
D. Investments in Mutual Funds - Quoted (Contd.)								
Quoted Mutual Funds (Contd.)								
Invesco India Fixed Maturity Plan - Series 22 - Direct Plan Growth (50,00,000 units matured during the year 2015-16)	(50,00,000)	10	-	-	-	-	-	5.56
IDFC Yearly Series Interval Fund Regular Plan Series - II Growth (50,00,000 units matured during the year 2015-16)	(50,00,000)	10	-	-	-	-	-	6.05
ICICI Prudential Interval Fund Annual Interval Plan IV - Direct Plan (33,17,035 units matured during the year 2015-16)	(33,17,035)	15	-	-	-	-	-	5.64
SUNDARAM Fixed Term Plan EU Direct Growth (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.13
ICICI Prudential Interval Fund Series VII Annual Interval Plan C - Direct Plan - Cumulative (80,00,000 units matured during the year 2015-16)	(80,00,000)	10	-	-	-	-	-	8.88
ICICI Prudential Fixed Maturiity Plan - Series 73 - Plan T Direct Plan Cumulative (2,00,00,000 units matured during the year 2015-16)	(2,00,00,000)	10	-	-	-	-	-	21.85
Kotak Fixed Maturity Plan - Series 155 - Direct - Growth (2,00,00,000 units matured during the year 2015-16)	(2,00,00,000)	10	-	-	-	-	-	21.84
Reliance Fixed Horizon Fund XXVI - Series 8 - Direct Plan - Growth Plan (2,00,00,000 units matured during the year 2015-16)	(2,00,00,000)	10	-	-	-	-	-	21.85
Tata Fixed Maturity Plan - Series 47 - Scheme J - Direct Plan - Growth (1,30,00,000 units matured during the year 2015-16)	(1,30,00,000)	10	-	-	-	-	-	14.20
Reliance Fixed Horizon Fund XXIV - Series 25 - Direct Plan - Growth (2,00,00,000 units matured during the year 2016-17)	(2,00,00,000)	10	-	-	22.55	-	24.45	-
SBI Debt Fund Series 45 DP Growth (50,00,000 units matured during the year 2016-17)	(50,00,000)	10	-	-	5.64	-	6.13	-
Birla Sunlife Fixed Term Plan-Series JA - Growth Direct (2,00,00,000 units matured during the year 2016-17)	(2,00,00,000)	10	-	-	22.52	-	24.44	-
UTI Fixed Term Income Fund Series XVII - Direct Growth Plan (2,00,00,000 units matured during the year 2016-17)	(2,00,00,000)	10	-	-	22.51	-	24.42	-
IDFC Fixed Trem Plan Series 49 Direct Plan - Growth (1,10,00,000 units matured during the year 2016-17)	(1,10,00,000)	10	-	-	12.37	-	13.43	-
Invesco India Fixed Maturity Plan - Series XXI - Plan E Direct Plan (2,10,00,000 units matured during the year 2016-17)	(2,10,00,000)	10	-	-	23.64	-	25.66	-
HDFC FMP December 2013 (2) Series -29 Direct Growth (80,00,000 units matured during the year)	(80,00,000)	10	-	-	8.99	-	9.75	-
SBI Debt Fund Series 49 DP Growth (3,10,00,000 units matured during the year 2016-17)	(3,10,00,000)	10	-	-	34.75	-	37.74	-
Reliance Fixed Horizon Fund XXV - Series 4 - Direct Plan - Growth Plan (1,00,00,000 units matured during the year 2016-17)	(1,00,00,000)	10	-	-	11.25	-	12.20	-

Notes to the Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. Non-Current Investments (contd.)								
D. Investments in Mutual Funds - Quoted (Contd.)								
Quoted Mutual Funds (Contd.)								
Tata Fixed Maturity Plan Sereis 45 Scheme C- Direct Plan - Growth (60,00,000 units matured during the year 2016-17)	(60,00,000)	10	-	-	6.77	-	7.35	-
Birla Sun Life Interval Income Fund-Annual Plan IX - Growth - Direct (1,50,00,000 units matured during the year 2016-17)	(1,50,00,000)	10	-	-	17.48	-	18.88	-
ICICI Prudential Fixed Maturity Plan Series 73- Plan B Direct Plan Cumulative	1,00,00,000	10	-	12.02	11.05	12.91	-	-
Invesco India Fixed Maturity Plan - Series XXV - Plan A- Direct Plan	2,00,00,000	10	-	22.17	20.40	24.17	-	-
Reliance Fixed Horizon Fund XXVIII - Series 4 - Direct Plan - Growth	80,00,000	10	-	8.84	8.14	9.64	-	-
ICICI Prudential Fixed Maturity Plan - Series 76- Plan F Direct Plan Cumulative	2,00,00,000	10	-	22.07	20.30	24.00	-	-
Sundaram Fixed Term Plan - Plan GU - Direct Plan - Growth	2,00,00,000	10	-	22.09	20.35	24.08	-	-
ICICI Prudential Fixed Maturity Plan - Series 76 - Plan G - Direct Plan Cumulative	1,00,00,000	10	-	11.02	10.13	11.99	-	-
Kotak Fixed Maturity Plan - Series 171 - Direct - Growth	1,00,00,000	10	-	10.99	10.13	11.97	-	-
Reliance Fixed Horizon Fund XXVIII - Series 7 - Direct Plan - Growth	1,50,00,000	10	-	16.49	15.18	18.02	-	-
DHFL Pramerica Fixed Maturity Plan - Series 85 - Direct Plan - Growth	50,00,000	10	-	5.47	5.02	5.98	-	-
SBI Magnum Debt Fund Series A - 2 - Direct Plan -Growth	50,00,000	10	-	6.03	-	6.51	-	-
IDFC Yearly Series Interval Fund Regular Plan Series - II Growth	50,00,000	10	-	-	-	7.07	-	-
ICICI Prudential Interval Fund Annual Interval Plan IV - Direct Plan	33,17,035	15	-	-	-	6.54	-	-
ICICI Prudential Interval Fund Series VII Annual Interval Plan C - Direct Plan - Cumulative	80,00,000	10	-	-	-	10.38	-	-
Birla Sun Life Interval Income Fund-Annual Plan IX - Growth - Direct	1,50,00,000	10	-	-	-	20.32	-	-
HDFC FMP - February 2015 (1) - Direct Growth - Series 33	1,00,00,000	10	12.01	10.98	10.10	-	-	-
Invesco India Fixed Maturity Plan - Series XXV - Plan D - Direct Plan	1,00,00,000	10	11.95	10.95	10.06	-	-	-
DHFL Pramerica Fixed Maturity Plan - Series 87 - Direct Plan - Growth	1,50,00,000	10	17.87	16.36	15.03	-	-	-
Invesco India Fixed Maturity Plan - Series XXV - Plan F - Direct Plan	1,00,00,000	10	11.87	10.88	10.00	-	-	-
Reliance Fixed Horizon Fund 29 - Series 8 - Direct Plan - Growth	1,00,00,000	10	11.43	10.45	-	-	-	-
SBI Magnum Debt Fund Series - B - 16 - Direct Plan - Growth	2,50,00,000	10	29.35	26.90	-	-	-	-
SBI Magnum Debt Fund Series - B - 17 - Direct Plan - Growth	2,00,00,000	10	23.41	21.47	-	-	-	-
SBI Magnum Debt Fund Series - B - 26 - Direct Plan-Growth	1,50,00,000	10	16.93	15.46	-	-	-	-

Notes to the Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. Non-Current Investments (contd.)								
D. Investments in Mutual Funds - Quoted (Contd.)								
Quoted Mutual Funds (Contd.)								
Reliance Fixed Horizon Fund 29 - Series 10 - Direct Plan - Growth	1,60,00,000	10	18.08	16.51	-	-	-	-
Reliance Fixed Horizon Fund 29 - Series 14 - Direct Plan - Growth	1,00,00,000	10	11.29	10.29	-	-	-	-
Sundaram Fixed Term Plan - Plan GW - Direct Plan - Growth	2,00,00,000	10	23.40	21.47	-	-	-	-
Reliance Fixed Horizon Fund 28 - Series 19 - Direct Plan - Growth	1,00,00,000	10	11.76	10.76	-	-	-	-
Sundaram Fixed Term Plan - Plan HA - Direct Plan - Growth	2,00,00,000	10	22.43	20.50	-	-	-	-
Sundaram Fixed Term Plan - Plan HB - Direct Plan - Growth	2,00,00,000	10	22.45	20.48	-	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan E - Direct Plan	1,50,00,000	10	16.70	15.27	-	-	-	-
UTI Fixed Term Income Fund - Series XXIII - Plan 15 - Direct Plan - Growth	1,50,00,000	10	16.69	15.26	-	-	-	-
UTI Fixed Term Income Fund - Series XXIII - Plan 7 - Direct Plan - Growth	70,00,000	10	7.90	7.21	-	-	-	-
Invesco India Fixed Maturity Plan - Series XXVII - Plan A - Direct Plan	70,00,000	10	7.84	7.17	-	-	-	-
Kotak Fixed Maturity Plan - Series 182 - Direct Plan - Growth	1,20,00,000	10	13.45	12.30	-	-	-	-
Invesco India Fixed Maturity Plan - Series XXVI - Plan E - Direct Plan	1,50,00,000	10	17.07	15.61	-	-	-	-
HDFC Fixed Maturity Plan - January 2016 (35) - 1 - Direct Plan - Growth	1,50,00,000	10	16.71	15.14	-	-	-	-
Reliance Fixed Horizon Fund XXIV - Series 25 - Direct Plan - Growth	2,00,00,000	10	26.32	-	-	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 79 - Plan M - Direct Plan Cumulative	10,000,000	10	10.48	-	-	-	-	-
Reliance Fixed Horizon Fund 32 - Series 5 - Direct Plan - Growth	10,000,000	10	10.20	-	-	-	-	-
Reliance Fixed Horizon Fund - XXXII - Series 8 - Direct Plan - Growth	30,000,000	10	30.13	-	-	-	-	-
HDFC FMP - February 2017 (2) Series 37 - 1169Days - Direct Plan Growth	20,000,000	10	20.07	-	-	-	-	-
UTI Fixed Term Income Fund - Series XXIV - Plan 7 - Direct Plan - Growth	50,00,000	10	5.52	-	-	-	-	-
			443.31	448.61	354.36	193.58	204.45	230.14
Amount included under the head "Current Investments"			-	-	-	(193.58)	(204.45)	(230.14)
Total Investments in Mutual Funds - Quoted		D	443.31	448.61	354.36	-	-	-
Total Non-Current Investments (A+B+C+D)			1,454.55	1,319.64	1,118.53	-	-	-
Aggregate amount of quoted investments - At cost			509.38	537.38	399.07	-	-	-
Aggregate amount of quoted investments - At market value			978.33	850.13	726.87	-	-	-
Aggregate amount of unquoted investments - At cost			476.22	469.51	391.66	-	-	-
Aggregate amount of impairment in value of investments			65.30	65.35	-	-	-	-

Notes to the Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
II. Current Investments								
Investments in Mutual Funds - Quoted								
i. Current Portion of Long Term Investments (Refer Note 4(I)(D))			-	-	-	193.58	204.45	230.14
ii. Investments in Liquid Mutual Funds								
HDFC Floating Rate Income Fund - Wholesale Option - Growth (1,32,06,031 units matured during the year 2015-16)	(1,32,06,031)	10	-	-	-	-	-	31.64
Invesco India Ultra Short Term Fund - Direct Plan - Growth (2,33,907 units matured during the year 2015-16)	(2,33,907)	1,000	-	-	-	-	-	45.41
ICICI Prudential Flexible Income - Regular Plan - Growth (4,83,383 units matured during the year 2015-16)	(4,83,383)	100	-	-	-	-	-	12.72
IDFC Ultra Short Term Fund - Regular Plan - Growth (1,21,50,692 units matured during the year 2015-16)	(1,21,50,692)	10	-	-	-	-	-	23.75
Birla Sun Life Savings Fund - Growth - Regular Plan (54,86,803 units matured during the year 2015-16)	(54,86,803)	100	-	-	-	-	-	147.63
ICICI Prudential Money Market Fund - Regular Plan - Growth (11,91,821 units matured during the year 2015-16)	(11,91,821)	100	-	-	-	-	-	23.03
Axis Liquid Fund - Growth - CFGP (2,14,131 units matured during the year 2015-16)	(2,14,131)	1,000	-	-	-	-	-	33.16
JM High Liquidity Fund - Growth Option (81,48,017 units matured during the year 2015-16)	(81,48,017)	10	-	-	-	-	-	31.09
JP Morgan India Liquid Fund - Super Institutional Plan - Growth Option (2,32,43,465 units matured during the year 2015-16)	(2,32,43,465)	10	-	-	-	-	-	42.09
Sundaram Money Fund - Regular - Growth (47,66,498 units matured during the year 2015-16)	(47,66,498)	10	-	-	-	-	-	14.05
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth (5,25,46,750 units matured during the year 2015-16)	(5,25,46,750)	10	-	-	-	-	-	97.43
Kotak Treasury Advantage Fund - Growth (Regular Plan) (77,88,251 units matured during the year 2015-16)	(77,88,251)	10	-	-	-	-	-	17.34
L&T Liquid Fund - Growth (2,10,967 units matured during the year 2015-16)	(2,10,967)	1,000	-	-	-	-	-	40.44
Reliance Liquid Fund - Cash Plan - Direct Growth Plan -CPAG (1,47,404 units matured during the year 2015-16)	(1,47,404)	1,000	-	-	-	-	-	33.23
SBI Magnum Insta Cash Fund - Regular Plan - Growth (84,211 units matured during the year 2015-16)	(84,211)	1,000	-	-	-	-	-	26.03
Tata Money Market Fund - Plan A - Growth (1,28,661 units matured during the year 2015-16)	(1,28,661)	1,000	-	-	-	-	-	28.31
Franklin India Low Duration Fund - Direct - Growth (6,62,60,519 units matured during the year 2015-16)	(6,62,60,519)	10	-	-	-	-	-	102.39
LIC Mutual Fund Liquid Fund - Growth Plan - LICLF (2,34,817 units matured during the year 2015-16)	(2,34,817)	1,000	-	-	-	-	-	59.48

Notes to the Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
II. Current Investments (contd.)								
Investments in Mutual Funds - Quoted (contd.)								
ii. Investments in Liquid Mutual Funds (contd.)								
Baroda Pioneer Liquid Fund - Plan A - Growth (6,19,888 units matured during the year 2016-17)	(6,19,888)	1,000	-	-	-	-	107.59	-
Birla Sun Life Savings Fund - Direct Plan- Growth (53,28,516 units matured during the year 2016-17)	(53,28,516)	100	-	-	-	-	156.56	-
DHFL Pramerica Insta Cash Plus Fund - Growth (12,71,204 units matured during the year 2016-17)	(12,71,204)	100	-	-	-	-	24.96	-
DHFL Pramerica Ultra Short-Term Fund - Direct Plan-Growth (4,90,13,941 units matured during the year 2016-17)	(4,90,13,941)	10	-	-	-	-	90.12	-
HDFC Liquid Fund - Growth (54,130 units matured during the year 2016-17)	(54,130)	1,000	-	-	-	-	16.16	-
ICICI Prudential Flexible Income Plan - Direct Plan - Growth (36,01,946 units matured during the year 2016-17)	(36,01,946)	100	-	-	-	-	103.37	-
IDFC Cash Fund - Regular - Growth (1,20,277 units matured during the year 2016-17)	(1,20,277)	1,000	-	-	-	-	22.12	-
JM High Liquidity - Growth (4,03,14,775 units matured during the year 2016-17)	(4,03,14,775)	10	-	-	-	-	166.61	-
L&T Liquid Fund - Growth (1,73,776 units matured during the year 2016-17)	(1,73,776)	1,000	-	-	-	-	36.05	-
LIC Mutual Fund Liquid Fund - Growth (2,53,964 units matured during the year 2016-17)	(2,53,964)	1,000	-	-	-	-	69.61	-
Reliance Medium Term Fund - Direct Plan - Growth (70,06,886 units matured during the year 2016-17)	(70,06,886)	10	-	-	-	-	22.24	-
Invesco India Credit Opportunities Fund - Growth (5,67,965 units matured during the year 2016-17)	(5,67,965)	1,000	-	-	-	-	98.24	-
SBI Magnum Insta Cash - Cash Plan (29,930 units matured during the year 2016-17)	(29,930)	1,000	-	-	-	-	10.01	-
Tata Liquid Fund - Regular - Growth (39,576 units matured during the year 2016-17)	(39,576)	1,000	-	-	-	-	11.04	-
SBI Ultra Short Term Debt Fund - Direct Plan - Growth (2,58,462 units matured during the year 2016-17)	(2,58,462)	1,000	-	-	-	-	50.45	-
Tata Money Market Fund - Regular - Growth (3,00,338 units matured during the year 2016-17)	(3,00,338)	1,000	-	-	-	-	71.49	-
UTI Money Market - Institutional Plan - Growth (1,00,705 units matured during the year 2016-17)	(1,00,705)	1,000	-	-	-	-	17.05	-
Axis Liquid Fund - Growth (6,01,205 units matured during the year 2016-17)	(6,01,205)	1,000	-	-	-	-	100.76	-
Reliance Interval Fund - Quarterly Series II - Direct Plan - Growth (97,57,573 units matured during the year 2016-17)	(97,57,573)	10	-	-	-	-	20.25	-

Notes to the Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
II. Current Investments (contd.)								
Investments in Mutual Funds - Quoted (contd.)								
ii. Investments in Liquid Mutual Funds (contd.)								
UTI Fixed Term Income Fund - Series XXIV - Plan 7 - Direct Plan - Growth (50,00,000 units matured during the year 2016-17)	(50,00,000)	10	-	-	-	-	5.06	-
Birla Sun Life Savings Fund - Direct Plan- Daily Dividend	1,05,24,746	100	-	-	-	105.56	-	-
Baroda Pioneer Liquid Fund - Plan A - Daily Dividend	10,71,401	1,000	-	-	-	107.26	-	-
DHFL Pramerica Insta Cash Plus Fund - Daily Dividend	77,79,950	100	-	-	-	78.04	-	-
LIC Mutual Fund Savings Plus Fund- Growth	4,08,93,273	10	-	-	-	101.88	-	-
Kotak Floater Short Term Regular Daily Dividend	3,22,850	1,000	-	-	-	32.66	-	-
Birla Sun Life Floating Rate Fund Long Term Growth	30,32,333	100	-	-	-	60.84	-	-
UTI Liquid Fund - Cash Plan - Institutional Plan - Daily Dividend	98,205	1,000	-	-	-	10.01	-	-
L&T Ultra Short Term Fund - Direct Plan- Daily Dividend	5,37,79,753	10	-	-	-	56.14	-	-
ICICI Prudential Flexible Income Plan - Direct Plan - Daily Dividend	1,03,71,126	100	-	-	-	109.66	-	-
JM High Liquidity Fund - Daily Dividend	15,38,11,022	10	-	-	-	160.43	-	-
L&T Liquid Fund - Daily Dividend	1,38,545	1,000	-	-	-	14.02	-	-
Reliance Medium Term Fund - Direct Plan - Daily Dividend	1,38,37,335	10	-	-	-	23.66	-	-
Invesco India Credit Opportunities Fund - Growth	5,59,327	1,000	-	-	-	103.83	-	-
UTI Money Market - Institutional Plan - Daily Dividend	6,00,528	1,000	-	-	-	60.26	-	-
Axis Liquid Fund Daily Dividend	9,74,977	1,000	-	-	-	97.57	-	-
			-	-	-	1,121.82	1,199.74	809.22
iii. Investments with original maturity more than three months but less than twelve months								
ICICI Prudential Fixed Maturity Plan - S 78 - Plan L - Direct Plan - Growth (1,00,00,000 units matured during the year 2016-17)	(1,00,00,000)	10	-	-	-	-	10.10	-
UTI Fixed Income Interval Fund - Quarterly Plan III - Direct - Growth (1,23,81,938 units matured during the year 2016-17)	(1,23,81,938)	10	-	-	-	-	25.23	-
HDFC Fixed Maturity Plan - March 2016 (35) - 1 - Direct Plan - Growth (1,50,00,000 units matured during the year 2016-17)	(1,50,00,000)	10	-	-	-	-	15.12	-
ICICI Prudential Interval Fund Annual Interval Plan IV - Direct Plan (33,17,035 units matured during the year 2016-17)	(33,17,035)	15	-	-	-	-	6.14	-

Notes to the Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
II. Current Investments (contd.)								
Investments in Mutual Funds - Quoted (contd.)								
iii. Investments in Liquid Mutual Funds (contd.)								
IDFC Yearly Series Interval Fund Regular Plan Series - II Growth (50,00,000 units matured during the year 2016-17)	(50,00,000)	10	-	-	-	-	6.57	-
ICICI Prudential Interval Fund Series VII Annual Interval Plan C - Direct Plan - Cumulative (80,00,000 units matured during the year 2016-17)	(80,00,000)	10	-	-	-	-	9.65	-
HDFC Fixed Maturity Plan- February 2015 (1) - Direct - Growth - Series 33 (1,20,00,000 units matured during the year 2015-16)	(1,20,00,000)	10	-	-	-	-	-	12.11
KOTAK Quarterly Interval Plan Series 6- Direct Plan - Growth (1,43,14,097 units matured during the year 2015-16)	(1,43,14,097)	10	-	-	-	-	-	25.32
ICICI Prudential Interval Fund III - Quarterly Interval - Direct Plan - Growth (1,68,43,069 units matured during the year 2015-16)	(1,68,43,069)	10	-	-	-	-	-	25.30
Reliance Quaterly Interval Fund - Series II - Direct Growth Plan Growth Option - K5AG (1,32,11,855 units matured during the year 2015-16)	(1,32,11,855)	10	-	-	-	-	-	25.31
			-	-	-	-	72.81	88.04
Total Investments in Mutual Funds - Quoted (i+ii+iii)			-	-	-	1,315.40	1,477.00	1,127.40
Total Current Investments			-	-	-	1,315.40	1,477.00	1,127.40
Aggregate amount of quoted investments - At cost			-	-	-	1,273.08	1,432.79	1,103.06
Aggregate amount of quoted investments - At market value			-	-	-	1,315.40	1,477.00	1,127.40

Figures in brackets indicate that of 31st March, 2016 and 1st April, 2015, as applicable.

(₹ in Crores)

NOTE 5 : LOANS	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured and Considered good						
(a) Sundry deposits	70.27	60.87	45.28	13.55	9.65	11.72
(b) Loan to related party						
Loan to Maxbhumi Developers Limited (wholly owned subsidiary) (Refer Note 38 and 43)	-	0.20	-	-	-	-
TOTAL	70.27	61.07	45.28	13.55	9.65	11.72

Notes to the Financial Statements

(₹ in Crores)

NOTE 6 : OTHER FINANCIAL ASSETS	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Royalty receivable	-	-	-	43.13	40.12	17.80
Due from Subsidiary Companies	-	-	-	12.04	14.99	10.20
Due from Associate Company	-	-	-	3.32	2.48	2.61
Subsidy receivable from State Government	44.04	30.53	17.06	241.11	119.48	119.04
Term deposits held as margin money against Bank Guarantee and other commitments	0.05	0.01	0.02	-	-	-
Bank deposits with more than 12 months of original maturity	153.96	-	-	15.64	-	-
Interest accrued on investments in debentures or bonds measured at FVTOCI	-	-	-	3.45	2.32	0.01
Forward exchange contract (net)	-	-	-	-	0.01	-
Quantity discount receivable	-	-	-	155.74	126.87	81.60
TOTAL	**198.05**	**30.54**	**17.08**	**474.43**	**306.27**	**231.26**

(₹ in Crores)

NOTE 7 : CURRENT TAX ASSETS (NET)	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advance payment of income tax (net)	36.48	15.15	16.21	-	-	-
TOTAL	**36.48**	**15.15**	**16.21**	-	-	-

(₹ in Crores)

NOTE 8 : OTHER ASSETS	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Capital advances	173.00	13.18	121.60	-	-	-
(b) Advances other than capital advances						
i) Advances/claims recoverable in cash or in kind	27.39	21.83	26.45	101.87	83.39	110.64
ii) Balances with government authorities						
- CENVAT credit receivable	-	-	-	86.08	106.35	69.66
- Service tax credit receivable	-	-	-	20.21	19.75	11.61
iii) Advances to employees	-	-	-	6.35	3.51	2.31
iv) Duty credit entitlement	-	-	-	6.96	0.90	6.20
v) Other Receivables	-	-	-	2.25	4.02	5.22
vi) Employee benefit assets (Refer Note 40)	-	-	-	8.22	-	-
TOTAL	**200.39**	**35.01**	**148.05**	**231.94**	**217.92**	**205.64**

Notes to the Financial Statements

(₹ in Crores)

NOTE 9 : INVENTORIES (At lower of cost and net realisable value)	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Raw materials	516.78	455.11	496.72
Raw materials-in-transit	81.16	79.23	44.79
	597.94	534.34	541.51
(b) Packing materials	36.32	40.13	35.63
(c) Work-in-progress	74.80	64.47	91.90
(d) Finished goods	1,231.50	775.99	1,008.49
Finished goods-in-transit	1.80	2.42	1.04
	1,233.30	778.41	1,009.53
(e) Stock-in-trade (acquired for trading)	182.41	134.52	70.32
Stock-in-trade (acquired for trading) in-transit	2.97	0.50	0.66
	185.38	135.02	70.98
(f) Stores, spares and consumables	66.10	57.75	52.63
Stores, spares and consumables-in-transit	0.25	-	-
	66.35	57.75	52.63
TOTAL	2,194.09	1,610.12	1,802.18

The cost of inventories recognised as an expense during the year is disclosed in Note 24.

The cost of inventories recognised as an expense includes ₹ 26.90 crores (Previous year - ₹ 4.28 crores) in respect of write down of inventory to net realisable value. There has been no reversal of such write down in current and previous years.

(₹ in Crores)

NOTE 10 : TRADE RECEIVABLES	Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Trade receivables			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good	994.63	759.06	729.55
(c) Unsecured, considered doubtful	12.63	10.12	6.78
	1,007.26	769.18	736.33
Less: Allowance for unsecured doubtful debts	(12.63)	(10.12)	(6.78)
TOTAL	994.63	759.06	729.55

Notes to the Financial Statements

(₹ in Crores)

NOTE 11 : CASH AND BANK BALANCES	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(A) Cash and Cash Equivalents						
(a) Balances with Banks						
(i) Current Accounts	-	-	-	22.22	2.13	22.58
(ii) Cash Credit Account##	-	-	-	8.30	6.42	1.60
(iii) Deposits with original maturity of less than 3 months	-	-	-	-	43.51	-
(b) Cheques, drafts on hand	-	-	-	30.79	24.63	30.40
(c) Cash on hand	-	-	-	0.03	0.06	0.05
TOTAL	**-**	**-**	**-**	**61.34**	**76.75**	**54.63**
(B) Other Balances with Banks						
(i) Term deposits with original maturity for more than 3 months but less than 12 months		-	-	132.38	75.80	1.43
(ii) Unpaid dividend and sales proceeds of Fractional Bonus Shares account*		-	-	11.55	8.23	7.17
(iii) Term deposits held as margin money against bank guarantee and other commitments	0.05	0.01	0.02	-	-	-
	0.05	0.01	0.02	143.93	84.03	8.60
Amount included under the head "Other Financial Assets"	(0.05)	(0.01)	(0.02)		-	-
TOTAL	**-**	**-**	**-**	**143.93**	**84.03**	**8.60**

Secured by hypothecation of inventories and trade receivables and carries interest rate @ 9.15% p.a. (as at 31st March, 2016 and 1st April, 2015, the rate was 10.25%.)

* The Company can utilise these balances only towards settlement of unclaimed dividend and fractional bonus shares.

(₹ in Crores)

NOTE 12 : ASSETS CLASSIFIED AS HELD FOR SALE	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Plant and Equipment (i)	0.57	0.96	2.79
Tinting Systems (ii)	-	-	0.01
Freehold Land (iii)	-	-	2.07
TOTAL	**0.57**	**0.96**	**4.87**

(i) The Company intends to dispose off plant and equipment as it no longer intends to utilise in the next 12 months. It was previously used in its manufacturing facility at Bhandup. A search for a buyer is underway. No impairment loss was recognised on reclassification of the plant & equipment as held for sale and the Company expects the fair value less cost to sell to be higher than carrying amount.

(ii) As at 01st April, 2015, the Company intended to sell tinting systems as it no longer planned to utilise then in the next 12 months. It was previously given on operating lease to dealers. No impairment loss was recognised on reclassification of tinting systems as held for sale. The same was sold during the year 2015-16.

(iii) As at 01st April, 2015, the Company intended to dispose off freehold land as it no longer had plans to utilise the same in the next 12 months. It was previously held for setting up a manufacturing plant. No impairment loss was recognised on reclassification of the freehold land as held for sale. The same was sold during the year 2015-16.

Notes to the Financial Statements

(₹ in Crores)

NOTE 13 : EQUITY SHARE CAPITAL	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Authorised			
99,50,00,000 Equity Shares of ₹ 1 each	99.50	99.50	99.50
50,000 11% Redeemable Cumulative Preference shares of ₹ 100 each	0.50	0.50	0.50
	100.00	100.00	100.00
Issued, Subscribed and Paid up capital			
95,91,97,790 Equity Shares of ₹ 1 each fully paid	95.92	95.92	95.92
	95.92	95.92	95.92

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Fully paid Equity Shares	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	95,91,97,790	95.92	95,91,97,790	95.92	95,91,97,790	95.92
Add: Issued during the year	-	-	-	-	-	-
At the end of the year	95,91,97,790	95.92	95,91,97,790	95.92	95,91,97,790	95.92

b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c) Details of Shareholders holding more than 5% equity shares in the Company@

Name of the Shareholders	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of Equity Shares	Percentage holding	No. of Equity Shares	Percentage holding	No. of Equity Shares	Percentage holding
Fully paid Equity Shares of ₹ 1 each held by:						
1. Smiti Holding and Trading Company Private Limited	5,40,84,120	5.64	5,40,84,120	5.64	5,40,84,120	5.64
2. ISIS Holding and Trading Company Private Limited	5,28,84,120	5.51	5,28,84,120	5.51	5,28,84,120	5.51
3. Geetanjali Trading and Investments Private Limited	4,92,67,440	5.14	4,92,67,440	5.14	4,92,67,440	5.14
4. Life Insurance Corporation of India	4,50,04,429	4.69	5,08,91,803	5.31	4,68,39,707	4.88

@ As per the records of the Company, including its register of members

As per the Companies Act, 2013, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors at its meeting held on 25th October, 2016 declared an interim dividend of ₹ 2.65 (Rupees two and paise sixty five only) per equity share of the face value of ₹ 1 each. The Board of Directors at its meeting held on 11th May, 2017 have recommended a payment of final dividend of ₹ 5.65 (Rupees five and paise sixty five only) per equity share of the face value of ₹ 1 each for the financial year ended 31st March, 2017. In addition, the Board of Directors have recommended a one-time special dividend of ₹ 2 (Rupees two only) per equity share of the face value of ₹ 1 each for celebrating 75 years of Excellence at Asian Paints. If approved, the total dividend (interim and final dividend) for the financial year 2016-17 will be ₹ 8.3 per equity share of the face value of ₹ 1 each (₹ 7.50 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year), while the total dividend along with special dividend amounts to ₹ 10.30 (Rupees ten and paise thirty only) per equity share of the face value of ₹ 1 each.

Notes to the Financial Statements

(₹ in Crores)

NOTE 14 : OTHER EQUITY	Reserves and Surplus				Debt instruments through OCI	Equity instruments through OCI	Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings			
Balance as at 1st April, 2015 (A)	*	0.50	3,133.84	1,839.64	-	-	4,973.98
Additions during the year:							
Profit for the year	-	-	-	1,622.81	-	-	1,622.81
Items of OCI for the year, net of tax-							
Remeasurement benefit of defined benefit plans	-	-	-	1.72	-	-	1.72
Net fair value loss on investment in equity instruments through OCI	-	-	-	-	-	(19.85)	(19.85)
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	0.87	-	0.87
Total Comprehensive Income for the year 2015-16 (B)	-	-	-	1,624.53	0.87	(19.85)	1,605.55
Reductions during the year:							
Dividends (Refer Note 30)	-	-	-	(623.48)	-	-	(623.48)
Income tax on dividend (Refer Note 30)	-	-	-	(126.24)	-	-	(126.24)
Transfer to General Reserve	-	-	532.90	(532.90)	-	-	-
Total (C)	-	-	532.90	(1,282.62)	-	-	(749.72)
Balance as at 31st March, 2016 (D) (A+B+C)	*	0.50	3,666.74	2,181.55	0.87	(19.85)	5,829.81
Additions during the year:							
Profit for the year	-	-	-	1,803.10	-	-	1,803.10
Items of OCI for the year, net of tax-							
Remeasurement benefit of defined benefit plans	-	-	-	5.38	-	-	5.38
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	130.76	130.76
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	2.90	-	2.90
Total Comprehensive Income for the year 2016-17 (E)	-	-	-	1,808.48	2.90	130.76	1,942.14

Notes to the Financial Statements

(₹ in Crores)

NOTE 14 : OTHER EQUITY (contd.)	Reserves and Surplus				Debt instruments through OCI	Equity instruments through OCI	Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings			
Reductions during the year:							
Dividends (Refer Note 30)	-	-	-	(762.56)	-	-	(762.56)
Income tax on dividend (Refer Note 30)	-	-	-	(154.33)	-	-	(154.33)
Transfer to General Reserve			500.00	(500.00)			-
Total (F)	-	-	500.00	(1,416.89)	-	-	(916.89)
Balance as at 31st March, 2017 (D+E+F)	*	0.50	4,166.74	2,573.14	3.77	110.91	6,855.06

*₹ 5,000

Description of nature and purpose of each reserve

General Reserve - General reserve is created from time to time by way of transfer 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.

Capital Reserve - Capital reserve 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 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.

Debt instruments through other comprehensive income -This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognized 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 other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Notes to the Financial Statements

(₹ in Crores)

NOTE 15 : BORROWINGS*	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Secured						
(i) Term Loans						
From other parties :						
Loan taken from National Skill Development Corporation^	-	0.06	0.06	-	-	-
(ii) Deferred payment liabilities :						
Interest free loan from Financial Institution (Sales tax deferment scheme - State of Uttar Pradesh)#	-	-	-	-	-	3.24
Loan from State of Haryana##	10.38	7.03	3.41	1.98	-	-
Unsecured						
(i) Deferred payment liabilities :						
Sales tax deferment scheme - State of Andhra Pradesh###	-	22.18	28.62	-	6.44	4.24
(ii) Loans repayable on demand						
From banks (Bank overdraft)@	-	-	-	26.83	-	-
	10.38	29.27	32.09	28.81	6.44	7.48
Amount Included under the head "Other Financial liabilities" (Refer Note 16)	-	-	-	(1.98)	(6.44)	(7.48)
TOTAL	10.38	29.27	32.09	26.83	-	-

Notes:

^ The Company had partnered with National Skill Development Corporation (NSDC) for undertaking a painter skill development project. Under the arrangement, the Company was granted a financial assistance of ₹ 0.31 crores from NSDC disbursable in five tranches. The assistance was secured by a bank guarantee provided by the Company to NSDC on the outstanding amount. The assistance carried an interest @ 6% p.a. and was repayable over a period of nine years including a moratorium of three years on the principal amount, starting from the date of first disbursement. During the year 2014-15, the Company received ₹ 0.06 crores as per the schedule of disbursement and no amounts were repayable during the next one year. During the year 2016-17, the loan was repaid on 26th September, 2016.

Interest free loan from The Pradeshiya Industrial Corporation of U.P. Limited (PICUP) under Sales Tax Deferment Scheme of Government of Uttar Pradesh was secured by a first charge on the Company's immovable properties of the paint plant at Kasna and by way of hypothecation of all movable properties at the above location. This interest free loan had a deferment period of 10 years and was repayable in 9 yearly installments starting from May, 2007 as per repayment schedule. Out of the total loan of ₹ 30.60 crores, the Company had already repaid ₹ 27.36 crores till 31st March, 2015 and the balance amount of ₹ 3.24 crores was paid during the previous year by 31st May, 2015. Pursuant to the repayment of loan, the charge on Company's immovable properties was released.

The Company is eligible to avail interest free loan in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April, 2010. For the year ended 31st March, 2011, 31st March, 2012 and 31st March, 2013, the Company has already received the interest free loan of ₹ 3.41 crores, ₹ 5.90 crores and ₹ 7.89 crores respectively. Loan of ₹ 7.89 crores received during the current year and ₹ 5.90 crores received during the last year (after the date of transition to Ind AS) are recognised at fair value using prevailing market interest rates for an equivalent loan. The fair value of loans received in 2016-17 and 2015-16 is estimated at ₹ 4.84 crores and ₹ 3.62 crores, respectively, on initial recognition. The difference between the gross proceeds and fair value of the loan is the benefit derived from the interest free loan and is recognised as deferred income (Refer Note 19(b)). Loan as at 1st April, 2015 (date of transition to Ind As) is carried at historical cost (Refer point 5 under Exemptions availed under Note 31). This loan is secured by way of a bank guarantee issued by the Company and is repayable after a period of 5 years from the date of receipt of interest free loan. For the year ended 31st March, 2014, 31st March, 2015 and 31st March, 2016, the Company had made the necessary application to the Haryana Government for the issue of eligibility certificate and for the year ended 31st March, 2017, the Company is in the process of making the necessary application.

Sales tax deferment scheme- State of Andhra Pradesh represents sales tax deferment availed under the Sales tax deferment scheme of the Government of Andhra Pradesh. It had a deferment period of 14 years and was repayable over 9 years. Out of the total loan of ₹ 40.70 crores, the Company had already repaid ₹ 12.08 crores till 31st March, 2016. The balance amount was settled during the current year by early repayment of ₹ 25.08 crores resulting in a gain of ₹ 3.54 crores accounted as other income.

@ Overdraft in current account carries interest rate @ 8.90% p.a. (as at 31st March, 2016 and 1st April, 2015 it was 12.50% p.a.)

* Default in terms of repayment of principal and interest - NIL.

Notes to the Financial Statements

(₹ in Crores)

NOTE 16 : OTHER FINANCIAL LIABILITIES	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) **Current maturities of Long-term debt** (Refer Note 15)	-	-	-	1.98	6.44	7.48
(b) **Investor Education and Protection Fund#**						
(i) Unpaid/Unclaimed dividend^	-	-	-	11.51	8.19	7.13
(ii) Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years	-	-	-	0.04	0.04	0.04
	-	-	-	11.55	8.23	7.17
(c) **Others**						
Retention monies relating to capital expenditure	2.31	1.68	-	29.59	46.49	16.08
Trade Deposits (from certain customers)	-	-	-	-	-	2.37
Payable towards capital expenditure	-	-	-	40.74	77.40	52.68
Payable towards services received	-	-	-	205.51	196.27	158.51
Payable towards stores, spares and consumables	-	-	-	37.93	16.37	13.03
Payable to employees [including ₹ 4.5 crores due to Managing Director (as at 31st March, 2016 ₹ 3.5 crores and as at 1st April, 2015 ₹ 2.4 crores)]	-	-	-	130.17	124.05	110.14
Payable towards other expenses [including ₹ 3.65 crores due to Non-Executive Directors (as at 31st March, 2016 ₹ 3.66 crores and as at 1st April, 2015 ₹ 3.16 crores)]	-	-	-	419.89	348.22	294.01
Forward exchange contract (Net)	-	-	-	2.44	-	-
	2.31	1.68	-	866.27	808.80	646.82
TOTAL	2.31	1.68	-	879.80	823.47	661.47

Investor Education and Protection Fund ('IEPF')- As at 31st March, 2017, 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.

^ Unpaid/Unclaimed dividend - Refer Note 46

Notes to the Financial Statements

(₹ in Crores)

NOTE 17: PROVISIONS	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Provision for Employee Benefits (Refer Note 40)						
Provision for Compensated absences	103.91	90.78	81.95	13.48	12.00	8.25
Provision for Gratuity	-	-	-	-	0.21	1.96
Provision for Pension	1.55	1.88	2.09	0.35	0.40	0.44
Provision for Post-retirement medical and other benefits	4.38	1.57	1.21	0.14	0.13	0.44
	109.84	**94.23**	**85.25**	**13.97**	**12.74**	**11.09**
(b) Others (Refer Note 34)						
Provision for Excise	-	-	-	0.58	0.96	1.23
Provision for Central Sales Tax / VAT	-	-	-	21.65	22.65	17.87
	-	-	-	**22.23**	**23.61**	**19.10**
TOTAL	**109.84**	**94.23**	**85.25**	**36.20**	**36.35**	**30.19**

(₹ in Crores)

NOTE 18 : INCOME TAXES	Year 2016-17	Year 2015-16
A. The major components of income tax expense for the year are as under :		
(i) Income tax recognised in the Statement of Profit and Loss		
Current tax		
In respect of current year	817.22	743.74
Adjustments in respect of previous year	(3.60)	(3.33)
Deferred tax:		
In respect of current year	41.33	39.88
Income tax expense recognised in the Statement of Profit and Loss	**854.95**	**780.29**
(ii) Income tax expense recognised in OCI		
Deferred tax :		
Deferred tax benefit on fair value gain on investments in debt instruments through OCI	0.17	0.34
Deferred tax expense on remeasurements of defined benefit plans	(2.84)	(0.91)
Income tax expense recognised in OCI	**(2.67)**	**(0.57)**
B. Reconciliation of tax expense and the accounting profit for the year is as under :		
Profit before tax	**2,658.05**	**2,403.10**
Income tax expense calculated at 34.608%	919.90	831.67
Tax effect on non-deductible expenses	22.62	38.81
Incentive tax credits	(34.70)	(46.23)
Effect of Income which is taxed at special rates	(19.70)	(14.12)
Effect of Income that is exempted from tax	(26.66)	(24.26)
Others	(2.91)	(2.25)
Total	**858.55**	**783.62**
Adjustments in respect of current income tax of previous year	(3.60)	(3.33)
Tax expense as per Statement of Profit and Loss	**854.95**	**780.29**

The tax rate used for reconciliation above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under Indian tax law.

Notes to the Financial Statements

NOTE 18 : INCOME TAXES (Contd.)

C. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

As at 31st March, 2017 (₹ in Crores)

Particulars	Balance Sheet 01.04.2016	Profit and Loss 2016-17	OCI 2016-17	Balance Sheet 31.03.2017
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961.	(251.95)	(43.05)	-	(295.00)
Expense claimed for tax purpose on payment basis	(8.79)	(1.51)	-	(10.30)
Provision for expense allowed for tax purpose on payment basis	45.46	7.88	-	53.34
Allowance for doubtful debts and advances	0.38	-	-	0.38
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act, 1961 over 5 years)	6.79	(1.73)	-	5.06
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	1.68	-	0.17	1.85
Remeasurement benefit of the defined benefit plans through OCI	(0.91)	-	(2.84)	(3.75)
Difference in carrying value and tax base of investments measured at FVTPL	(9.83)	(2.92)	-	(12.75)
Deferred tax (expense)/benefit		(41.33)	(2.67)	
Net Deferred tax liabilities	(217.17)			(261.17)

As at 31st March, 2016 (₹ in Crores)

Particulars	Balance Sheet 01.04.2015	Profit and Loss 2015-16	OCI 2015-16	Balance Sheet 31.03.2016
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961.	(207.56)	(44.39)	-	(251.95)
Expense claimed for tax purpose on payment basis	(10.00)	1.21	-	(8.79)
Provision for expense allowed for tax purpose on payment basis	39.40	6.06	-	45.46
Allowance for doubtful debts and advances	0.75	(0.37)	-	0.38
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act, 1961 over 5 years)	8.20	(1.41)	-	6.79
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	1.34	-	0.34	1.68
Remeasurement benefit of the defined benefit plans through OCI	-	-	(0.91)	(0.91)
Difference in carrying value and tax base of investments measured at FVTPL	(10.28)	0.45	-	(9.83)
Capital losses carried forward under Income Tax Act, 1961	1.43	(1.43)	-	-
Deferred tax (expense)/benefit		(39.88)	(0.57)	
Net Deferred tax liabilities	(176.72)			(217.17)

The Company has the following unused tax losses which arose on incurrence of capital losses under the Income Tax Act, 1961, for which no deferred tax asset has been recognised in the Balance Sheet.

(₹ in Crores)

Financial Year	As at 31.03.2017	Expiry Date	As at 31.03.2016	Expiry Date
2009-2010	-	-	3.73	31st March, 2019
2011-2012	1.07	31st March, 2021	9.93	31st March, 2021
2013-2014	2.03	31st March, 2023	2.03	31st March, 2023
2014-2015	8.64	31st March, 2024	8.64	31st March, 2024
TOTAL	11.74		24.33	

Notes to the Financial Statements

(₹ in Crores)

NOTE 19 : OTHER LIABILITIES	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Revenue received in advance						
Advance received from customers	-	-	-	10.29	6.16	0.68
(b) Others						
Statutory payables -						
Payable towards Central Sales Tax and VAT	-	-	-	137.29	139.13	126.34
Payable towards Excise and Service Tax	-	-	-	34.50	22.02	24.87
Payable towards TDS under Income Tax	-	-	-	17.97	26.64	13.54
Payable towards Providend Fund, Profession Tax and ESIC	-	-	-	5.20	3.82	3.74
Deferred income arising from government grant (Refer Note 15)	3.65	1.82	-	1.07	0.46	-
Advance received against assets held for disposal	-	-	-	-	-	2.75
	3.65	1.82	-	196.03	192.07	171.24
TOTAL	**3.65**	**1.82**	**-**	**206.32**	**198.23**	**171.92**

(₹ in Crores)

NOTE 20 : TRADE PAYABLES	Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Trade Payables (including Acceptances)*			
Due to Micro and Small Enterprises (Refer Note 36)	26.59	17.95	11.63
Due to others	1,644.67	1,315.25	1,301.45
TOTAL	**1,671.26**	**1,333.20**	**1,313.08**

*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.

(₹ in Crores)

NOTE 21 : CURRENT TAX LIABILITIES (NET)	Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for Income Tax (net)	55.32	63.80	85.41
TOTAL	**55.32**	**63.80**	**85.41**

Notes to the Financial Statements

(₹ in Crores)

NOTE 22 : REVENUE FROM OPERATIONS	Year 2016-17	Year 2015-16
(A) Revenue from sale of products (including excise duty)		
Home market (net of returns)	15,933.80	14,725.28
Exports	63.70	49.10
Turnover	15,997.50	14,774.38
Less: Discounts	1,842.96	1,642.06
TOTAL	**14,154.54**	**13,132.32**
(B) Revenue from sale of services		
Revenue from home solutions operations	4.70	9.69
Colour consultancy income	2.89	2.94
TOTAL	**7.59**	**12.63**
(C) Other operating revenues		
Processing and service income (Refer Note 43)	53.07	45.17
Scrap sales	8.61	7.85
Subsidy from state government (Refer Note 41)	136.62	134.21
TOTAL	**198.30**	**187.23**

(₹ in Crores)

NOTE 23 : OTHER INCOME	Year 2016-17	Year 2015-16
(a) Interest Income		
Investments in debt instruments measured at fair value through OCI	5.57	4.02
Other Financial assets carried at amortised cost	15.97	7.51
	21.54	11.53
(b) Dividend Income		
Dividends from quoted equity investments measured at fair value through OCI*	14.87	4.77
Dividends from subsidiary companies (Refer Note 43)	5.08	3.05
Dividends from mutual fund investments measured at FVTPL	56.96	62.48
	76.91	70.30
(c) Other non-operating income		
(i) Insurance claims received	0.29	0.42
(ii) Royalty received		
- From subsidiaries and associate (Refer Note 43)	40.12	42.82
- From Others	0.17	0.18
	40.29	43.00
(iii) Others (Refer Note 43)	76.60	58.80
	117.18	102.22
(d) Other gains and losses		
Net gain arising on financial assets measured at FVTPL	52.20	45.61
Gain on sale of financial assets measured at FVTPL	15.45	7.03
Net foreign exchange gain	16.83	2.37
Net gain on sale of property, plant and equipment	0.79	10.37
	85.27	65.38
TOTAL	**300.90**	**249.43**

* Relates to investments held at the end of reporting period

Notes to the Financial Statements

(₹ in Crores)

	Year 2016-17	Year 2015-16
NOTE 24 (A) COST OF MATERIALS CONSUMED		
Raw Materials Consumed		
Opening Stock	534.34	541.51
Add : Purchases	5,629.73	4,808.89
	6,164.07	5,350.40
Less: Closing Stock	597.94	534.34
	5,566.13	4,816.06
Packing Materials Consumed		
Opening Stock	40.13	35.63
Add : Purchases	1,167.51	1,054.38
	1,207.64	1,090.01
Less : Closing Stock	36.32	40.13
	1,171.32	1,049.88
Total Cost of Materials Consumed	6,737.45	5,865.94
NOTE 24 (B) PURCHASES OF STOCK-IN-TRADE	646.53	524.42
NOTE 24 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Stock at the beginning of the year		
Finished Goods (including goods in transit)	778.41	1,009.53
Work-in-Progress	64.47	91.90
Stock-in-trade- acquired for trading (including goods in transit)	135.02	70.98
TOTAL	977.90	1,172.41
Stock at the end of the year		
Finished Goods (including goods in transit)	1,233.30	778.41
Work-in-Progress	74.80	64.47
Stock-in-trade- acquired for trading (including goods in transit)	185.38	135.02
TOTAL	1,493.48	977.90
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	(515.58)	194.51

(₹ in Crores)

NOTE 25 : EMPLOYEE BENEFITS EXPENSE	Year 2016-17	Year 2015-16
Salaries and wages	642.44	575.03
Contribution to provident and other funds (Refer Note 40)	39.92	37.30
Staff welfare expenses	60.47	54.50
TOTAL	742.83	666.83

Notes to the Financial Statements

(₹ in Crores)

NOTE 26 : OTHER EXPENSES	Year 2016-17	Year 2015-16
Consumption of stores, spares and consumables	42.66	45.88
Power and fuel	87.98	95.07
Processing charges	100.39	93.50
Repairs and maintenance:		
Buildings	12.17	14.60
Machinery	21.01	22.14
Other assets	53.07	45.65
	86.25	82.39
Rent (Refer Note 39)	195.56	156.13
Rates and taxes	42.46	38.52
Water charges	4.62	4.22
Insurance	6.89	6.88
Printing, stationery and communication expenses	47.82	41.32
Travelling expenses	100.95	92.20
Donations	2.49	2.30
Corporate social responsibility expenses (Refer Note 47)	47.84	34.44
Commission to Non Executive Directors	3.65	3.66
Directors' sitting fees	0.65	0.80
Payment to auditors (Refer Note 35)	2.25	1.32
Electricity expenses	9.58	8.57
Bank charges	3.44	3.60
Information technology expenses	44.74	36.82
Legal and professional expenses	37.36	30.40
Training and recruitment	45.61	37.80
Freight and handling charges	829.41	716.23
Advertisement expenses	516.50	465.84
Bad debts written off	2.11	1.98
Allowance for doubtful debts and advances (net)	2.51	3.34
Security expenses	27.53	26.60
Miscellaneous expenses	73.19	71.89
TOTAL	**2,364.44**	**2,101.70**

(₹ in Crores)

NOTE 27 : FINANCE COSTS	Year 2016-17	Year 2015-16
Interest on financial liabilities carried at amortised cost		
(a) Interest on bank borrowings	0.08	0.06
(b) Interest on bill discounting	16.81	17.17
(c) Interest on loan from State of Haryana	0.50	-
(d) Other Interest expense	0.51	0.99
Total interest expense for financial liabilities carried at amortised cost	17.90	18.22
Interest on income tax	0.96	5.18
TOTAL	**18.86**	**23.40**

(₹ in Crores)

NOTE 28 : DEPRECIATION AND AMORTISATION EXPENSE	Year 2016-17	Year 2015-16
Depreciation of Property, Plant and Equipment (Refer Note 2)	269.50	210.84
Amortisation of Intangible assets (Refer Note 3)	25.93	23.67
TOTAL	**295.43**	**234.51**

Notes to the Financial Statements

NOTE 29(A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Crores)

	Refer Note	Non-Current			Current		
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial assets measured at fair value through profit or loss (FVTPL)							
Investments in quoted mutual funds	4(I)D & 4(II)	443.31	448.61	354.36	1,315.40	1,477.00	1,127.40
Investments in unquoted equity shares	4(I)(A)(b)(iii)	1.07	1.07	1.04	-	-	-
Forward exchange contract (net)	6	-	-	-	-	0.01	-
		444.38	449.68	355.40	1,315.40	1,477.01	1,127.40
Financial assets measured at fair value through other comprehensive income (FVTOCI)							
Investments in quoted equity shares#	4(I)(A)(a)	454.74	323.97	343.81	-	-	-
Investments in quoted debentures or bonds	4(I)C	80.28	77.55	28.70	-	-	-
		535.02	401.52	372.51	-	-	-
Financial assets measured at amortised cost							
Investments in unquoted government securities	4(I)(B)	*	*	*	-	-	-
Trade receivables	10	-	-	-	994.63	759.06	729.55
Cash and Cash Equivalents	11A	-	-	-	61.34	76.75	54.63
Other Balances with Banks	11B	-	-	-	143.93	84.03	8.60
Royalty receivable	6	-	-	-	43.13	40.12	17.80
Due from Subsidiary Companies	6	-	-	-	12.04	14.99	10.20
Due from Associate Company	6	-	-	-	3.32	2.48	2.61
Subsidy receivable from State Government	6	44.04	30.53	17.06	241.11	119.48	119.04
Interest accrued on investments in debentures or bonds measured at FVTOCI	6	-	-	-	3.45	2.32	0.01
Quantity discount receivable	6	-	-	-	155.74	126.87	81.60
Term deposits held as margin money against Bank Guarantee and other commitments	6	0.05	0.01	0.02	-	-	-
Bank deposits with more than 12 months original maturity	6	153.96	-	-	15.64	-	-
Loan to related party	5	-	0.20	-	-	-	-
Sundry deposits	5	70.27	60.87	45.28	13.55	9.65	11.72
		268.32	91.61	62.36	1,687.88	1,235.75	1,035.76
Financial liabilities measured at fair value through profit or loss							
Forward exchange contract (net)	16	-	-	-	2.44	-	-
		-	-	-	2.44	-	-
Financial liabilities measured at amortised cost							
Loan taken from National Skill Development Corporation	15	-	0.06	0.06	-	-	-
Loan from State of Haryana	15	10.38	7.03	3.41	1.98	-	-
Interest free loan from Financial Institution (Sales tax deferment scheme - State of Uttar Pradesh)	15	-	-	-	-	-	3.24

Notes to the Financial Statements

NOTE 29(A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS (Contd.)

(₹ in Crores)

	Refer Note	Non-Current			Current		
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Sales tax deferment scheme - State of Andhra Pradesh	15	-	22.18	28.62	-	6.44	4.24
Loans repayable on demand - Bank overdraft	15	-	-	-	26.83	-	-
Trade payables (including Acceptances)	20	-	-	-	1,671.26	1,333.20	1,313.08
Retention monies relating to capital expenditure	16	2.31	1.68	-	29.59	46.49	16.08
Trade Deposits (from certain customers)	16	-	-	-	-	-	2.37
Payable towards capital expenditure	16	-	-	-	40.74	77.40	52.68
Payable towards services received	16	-	-	-	205.51	196.27	158.51
Payable towards stores, spares and consumables	16	-	-	-	37.93	16.37	13.03
Payable to employees	16	-	-	-	130.17	124.05	110.14
Unpaid/Unclaimed dividend	16	-	-	-	11.51	8.19	7.13
Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years	16	-	-	-	0.04	0.04	0.04
Payable towards other expenses	16	-	-	-	419.89	348.22	294.01
TOTAL		**12.69**	**30.95**	**32.09**	**2,575.45**	**2,156.67**	**1,974.55**

Investments in these equity instruments are not held for trading. Upon the 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 and losses relating to these investments in the Statement of Profit and Loss may not be indicative of the performance of the Company.

* ₹ 39,500/-

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 31st March, 2017

(₹ in Crores)

Financial assets/ financial liabilities	Fair value as at 31.03.2017	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 4(I)(A)(a))	454.74	454.74	-	-
Investments in quoted debentures or bonds (Refer Note 4(I)C)	80.28	80.28	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer Note 4(I)D & 4(II))	1,758.71	1,758.71	-	-
Investments in unquoted equity shares- Other Entities (Refer Note 4(I)(A)(b)(iii))	1.07	-	-	1.07
Financial liabilities measured at fair value through profit or loss				
Forward exchange contract (net) (Refer Note 16)	2.44	2.44	-	-

Notes to the Financial Statements

NOTE 29(B) : FAIR VALUE MEASUREMENTS (Contd.)

As at 31st March, 2016

(₹ in Crores)

Financial assets	Fair value	Fair value hierarchy		
	As at 31.03.2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 4(I)(A)(a))	323.97	323.97	-	-
Investments in quoted debentures or bonds (Refer Note 4(I)C)	77.55	77.55	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer Note 4(I)D & 4(II))	1,925.61	1,925.61	-	-
Investments in unquoted equity shares- Other Entities (Refer Note 4(I)(A)(b)(iii))	1.07	-	-	1.07
Forward exchange contract (net) (Refer Note 6)	0.01	0.01	-	-

As at 1st April, 2015

(₹ in Crores)

Financial assets	Fair value	Fair value hierarchy		
	as at 01.04.2015	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 4(I)(A)(a))	343.81	343.81	-	-
Investments in quoted debentures or bonds (Refer Note 4(I)C)	28.70	28.70	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer Note 4(I)D & 4(II))	1,481.76	1,481.76	-	-
Investments in unquoted equity shares- Other Entities (Refer Note 4(I)(A)(b)(iii))	1.04	-	-	1.04

(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.

Notes to the Financial Statements

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

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 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 analysis 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 includes borrowings, investments, trade payables, trade receivables, loans 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. 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.

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 predefined thresholds from recognised liabilities and firm commitments that fall due in 20-30 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:

(₹ in crores)

Currency	Liabilities			Assets		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
USD	402.68	300.41	260.16	120.75	107.70	69.46
EUR	30.21	39.94	13.22	18.53	1.10	0.57
GBP	3.13	8.69	0.21	0.54	0.60	-
SEK	1.20	2.29	0.02	-	-	-
SGD	0.11	0.05	0.79	0.34	0.04	-
JPY	0.02	0.94	-	-	-	-
Others	0.46	0.14	0.17	0.75	0.35	-

The above table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of exposures hedged using forward exchange contracts are given as a part of Note 37(a) and the details of unhedged exposures are given as part of Note 37(b).

Notes to the Financial Statements

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (Contd.)

The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD 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.

(₹ in crores)

Change in USD Rate	Effect on profit after tax			Effect on total equity		
	Year 2016-17	Year 2015-16	Year 2014-15	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
+5%	(9.52)	(5.49)	(6.54)	(9.52)	(5.49)	(6.54)
-5%	9.52	5.49	6.54	9.52	5.49	6.54

c) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2017, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 454.74 crores (Previous year ₹ 323.97 crores and ₹ 343.81 crores as at 1st April, 2015). The details of such investments in equity instruments are given in Note 4 (I)(A)(a).

The Company is also exposed to price risk arising from investments in bonds recognised at FVTOCI. As at 31st March, 2017, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 80.28 crores (₹ 77.55 crores as at 31st March, 2016 and ₹ 28.70 crores as at 1st April, 2015). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds are given in Note 4 (I)(C).

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 31st March, 2017, Other Comprehensive Income for the year ended 31st March, 2017 would increase/decrease by ₹ 45.47 crores (2015-16 ₹ 32.40 crores, 2014-15 ₹ 34.40 crores) with a corresponding increase/decrease in Total Equity of the Company as at 31st March, 2017. 10% represents management's assessment of reasonably possible change in equity 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, loans and other receivables. The Company's exposure to credit risk is disclosed in Note 4 (except equity shares and bonds), 5, 6, 10 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 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.

Notes to the Financial Statements

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (Contd.)

The average credit period on sales of products is less than 30 days. 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 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 as follows:

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	31.03.2017	31.03.2016	01.04.2015
Balance at the beginning of the year	10.12	6.78	5.19
Loss allowance measured at lifetime expected credit losses	2.51	3.34	1.59
Balance at the end of the year	12.63	10.12	6.78

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 table below analysis derivative and non-derivative 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 to 5 years	Over 5 years	Total	Carrying Value
At 31st March, 2017					
Borrowings (Refer Note 15)	26.83	15.22	-	42.05	37.21
Trade Payables (Refer Note 20)	1,671.26	-	-	1,671.26	1,671.26
Derivative financial liabilities (Refer Note 16)	2.44	-	-	2.44	2.44
Other financial liabilities (Refer Note 16)	877.36	2.31	-	879.67	879.67
At 31st March, 2016					
Borrowings (Refer Note 15)	-	31.49	0.06	31.55	29.27
Trade Payables (Refer Note 20)	1,333.20	-	-	1,333.20	1,333.20
Derivative financial liabilities (Refer Note 16)	-	-	-	-	-
Other financial liabilities (Refer Note 16)	823.47	1.68	-	825.15	825.15
At 1st April, 2015					
Borrowings (Refer Note 15)	-	32.03	0.06	32.09	32.09
Trade Payables (Refer Note 20)	1,313.08	-	-	1,313.08	1,313.08
Derivative financial liabilities (Refer Note 16)	-	-	-	-	-
Other financial liabilities (Refer Note 16)	661.47	-	-	661.47	661.47

Notes to the Financial Statements

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 31st March, 2017, 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.

(₹ in Crores)

NOTE 30 : DIVIDEND	Year 2016-17	Year 2015-16
Dividend on equity shares paid during the year		
Final dividend for the FY 2015-16 [₹ 5.30 (Previous year ₹ 4.30) per equity share of ₹ 1 each]	508.37	412.46
Dividend distribution tax on final dividend	102.68	83.97
Interim dividend for the FY 2016-17 [₹ 2.65 (Previous year ₹ 2.20) per equity share of ₹ 1 each]	254.19	211.02
Dividend distribution tax on interim dividend	51.65	42.27
TOTAL	**916.89**	**749.72**

Proposed Dividend:

The Board of Directors at its meeting held on 11th May, 2017 have recommended a payment of final dividend of ₹ 5.65 (Rupees five and paise sixty five only) per equity share of face value of ₹ 1 each for the financial year ended 31st March, 2017. The same amounts to ₹ 652.27 crores including dividend distribution tax of ₹ 110.33 crores.

In addition, the Board of Directors have recommended a one-time special dividend of ₹ 2 (Rupees two only) per equity share of the face value of ₹ 1 each for celebrating 75 years of Excellence at Asian Paints. The same amounts to ₹ 230.89 crores including dividend distribution tax of ₹ 39.05 crores.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

Notes to the Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS

For all periods up to and including the year ended 31st March, 2016, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP for the following-

a) Balance Sheet as at 1st April, 2015 (Transition date);

b) Balance Sheet as at 31st March, 2016;

c) Statement of Profit and Loss for the year ended 31st March, 2016; and

d) Statement of Cash flows for the year ended 31st March, 2016.

EXEMPTIONS AVAILED:

Ind AS 101- First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Company has availed the following exemptions as per Ind AS 101:

1. The Company has elected not to apply Ind AS 103- Business Combinations, retrospectively to past business combinations that occurred before 1st January, 2015. Consequent to use of this exemption from retrospective application:

    - the carrying amounts of assets and liabilities acquired pursuant to past business combinations and recognised in the financial statements prepared under Previous GAAP, are considered to be the deemed cost under Ind AS, on the date of acquisition. After the date of acquisition, measurement of such assets and liabilities is in accordance with respective Ind AS. Also, there is no change in classification of such assets and liabilities;

    - the Company has not recognised assets and liabilities that neither were recognised in the financial statements prepared under Previous GAAP nor qualify for recognition under Ind AS in the Balance Sheet of the acquiree;

    - the Company has excluded from its opening Ind AS Balance Sheet (as at 1st April, 2015), those assets and liabilities which were recognised in accordance with Previous GAAP but do not qualify for recognition as an asset or liability under Ind AS; and

    - use of these exemption from retrospective application of Ind AS 103- Business Combinations requires that the carrying amount of goodwill as per financial statements prepared under Previous GAAP should be recognised in the opening Ind AS Balance Sheet after adjusting for impairment, if any. The Company has therefore tested goodwill for impairment as at the date of transition to Ind AS and accordingly, no goodwill impairment was deemed necessary.

2. For financial instruments, wherein fair market values are not available (viz. interest free and below market rate security deposits or loans) the Company has elected to adopt fair value recognition prospectively to transactions entered after the date of transition.

3. The Company has elected to consider the carrying value of all its items of property, plant and equipment and intangible assets recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.

4. The carrying amounts of the Company's investments in its subsidiary and associate companies as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.

5. The requirements of Ind AS 20- Accounting for Government Grants and Disclosure of Government Assistance and Ind AS 109- Financial Instruments, in respect of recognition and measurement of interest free loans from government authorities is opted to be applied prospectively to all grants received after the date of transition to Ind AS. Consequently, the carrying amount of such interest free loans as per the financial statements of the Company prepared under Previous GAAP is considered for recognition in the opening Ind AS Balance Sheet.

Notes to the Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

(₹ in Crores)

Effect of Ind AS adoption on the Balance Sheet as at 1st April, 2015	Footnotes	Previous GAAP	Effect of Transition to Ind AS	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment		1,886.42	-	1,886.42
Capital work in progress		139.54	-	139.54
Goodwill		35.36	-	35.36
Other Intangible Assets		43.71	-	43.71
Financial Assets				
Investments	1	790.72	327.81	1,118.53
Loans		45.28	-	45.28
Other financial Assets		17.08	-	17.08
Current Tax Assets (Net)		16.21	-	16.21
Other Non-current Assets		148.05	-	148.05
		3,122.37	327.81	3,450.18
CURRENT ASSETS				
Inventories		1,802.18	-	1,802.18
Financial Assets				
Investments	2	1,103.06	24.34	1,127.40
Trade Receivables		729.55	-	729.55
Cash and Cash Equivalents		54.63	-	54.63
Other Balances with Banks		8.60	-	8.60
Loans		11.72	-	11.72
Other Financial Assets		231.26	-	231.26
Assets classified as Held for Sale		4.87	-	4.87
Other Current Assets		205.64	-	205.64
		4,151.51	24.34	4,175.85
TOTAL ASSETS		7,273.88	352.15	7,626.03
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		95.92	-	95.92
Other Equity		4,134.34	839.64	4,973.98
		4,230.26	839.64	5,069.90
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings		32.09	-	32.09
Provisions		85.25	-	85.25
Deferred Tax liabilities (Net)	1,2,8	167.78	8.94	176.72
		285.12	8.94	294.06
CURRENT LIABILITIES				
Financial Liabilities				
Trade Payables				
Due to Micro and Small Enterprises		11.63	-	11.63
Due to Others		1,301.45	-	1,301.45
Other Financial Liabilities		661.47	-	661.47
Other Current Liabilities		171.92	-	171.92
Provisions	3	526.62	(496.43)	30.19
Current Tax Liabilities (Net)		85.41	-	85.41
		2,758.50	(496.43)	2,262.07
TOTAL EQUITY AND LIABILITIES		7,273.88	352.15	7,626.03

Notes to the Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

(₹ in Crores)

Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2016	Footnotes	Previous GAAP	Effect of Transition to Ind AS	Ind AS
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment		2,532.97	-	2,532.97
Capital work in progress		92.79	-	92.79
Goodwill	6	31.51	3.85	35.36
Other Intangible Assets		60.66	-	60.66
Financial Assets				
Investments	1	1,006.89	312.75	1,319.64
Loans		61.07	-	61.07
Other Financial Assets		30.54	-	30.54
Current Tax Assets (Net)		15.15	-	15.15
Other Non-current Assets		35.01	-	35.01
		3,866.59	316.60	4,183.19
CURRENT ASSETS				
Inventories		1,610.12	-	1,610.12
Financial Assets				
Investments	2	1,432.80	44.20	1,477.00
Trade Receivables		759.06	-	759.06
Cash and Cash Equivalents		76.75	-	76.75
Other Balances with Banks		84.03	-	84.03
Loans		9.65	-	9.65
Other Financial Assets		306.27	-	306.27
Assets Classified as Held for Sale		0.96	-	0.96
Other Current Assets		217.92	-	217.92
		4,497.56	44.20	4,541.76
TOTAL ASSETS		8,364.15	360.80	8,724.95
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital		95.92	-	95.92
Other Equity		4,867.25	962.56	5,829.81
		4,963.17	962.56	5,925.73
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	7	31.55	(2.28)	29.27
Other Financial Liabilities		1.68	-	1.68
Provisions		94.23	-	94.23
Deferred Tax Liabilities (Net)	1,2,6,8	207.69	9.48	217.17
Other Non-current Liabilities	7	-	1.82	1.82
		335.15	9.02	344.17
CURRENT LIABILITIES				
Financial Liabilities				
Trade Payables				
Due to Micro and Small Enterprises		17.95	-	17.95
Due to Others		1,315.25	-	1,315.25
Other Financial Liabilities		823.47	-	823.47
Other Current Liabilities	7	197.77	0.46	198.23
Provisions	3	647.59	(611.24)	36.35
Current Tax Liabilities (Net)		63.80	-	63.80
		3,065.83	(610.78)	2,455.05
TOTAL EQUITY AND LIABILITIES		8,364.15	360.80	8,724.95

Notes to the Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

(₹ in Crores)

Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016	Footnotes	Previous GAAP	Effect of Transition to Ind AS	Ind AS
REVENUE FROM OPERATIONS				
Revenue from sale of products (including Excise Duty)	4	12,446.02	686.30	13,132.32
Revenue from sale of services		12.63	-	12.63
Other operating revenues		187.23	-	187.23
Other Income	1 & 2	225.30	24.13	249.43
TOTAL INCOME (I)		**12,871.18**	**710.43**	**13,581.61**
EXPENSES				
Cost of Materials Consumed	4	5,842.29	23.65	5,865.94
Purchase of Stock in Trade		524.42	-	524.42
Changes in inventories of finished goods, Stock in Trade and work in progress		194.51	-	194.51
Excise Duty	4	(31.65)	1,533.50	1,501.85
Employee Benefits Expense	5	664.20	2.63	666.83
Other Expenses	4	2,972.55	(870.85)	2,101.70
TOTAL (II)		**10,166.32**	**688.93**	**10,855.25**
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		**2,704.86**	**21.50**	**2,726.36**
Finance Costs		23.40	-	23.40
Depreciation and Amortisation Expense	6	238.36	(3.85)	234.51
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**2,443.10**	**25.35**	**2,468.45**
Exceptional Items		65.35	-	65.35
PROFIT BEFORE TAX		**2,377.75**	**25.35**	**2,403.10**
Tax Expense				
(1) Current Tax		743.74	-	743.74
(2) Excess Tax provision for earlier years		(3.33)	-	(3.33)
(3) Deferred Tax	1,2,5,6,8	39.91	(0.03)	39.88
Total Tax expense		780.32	(0.03)	780.29
PROFIT AFTER TAX		**1,597.43**	**25.38**	**1,622.81**
OTHER COMPREHENSIVE INCOME*				
A Items that will not be reclassified to Statement of Profit and loss				
(a) (i) Remeasurement benefit of the defined benefit plans	5	-	2.63	2.63
(ii) Income tax expense on remeasurement benefit of the defined benefit plans	5	-	(0.91)	(0.91)
(b) Net fair value loss on investment in equity instruments through OCI	1	-	(19.85)	(19.85)
B Items that will be reclassified to Statement of Profit and loss				
(i) Net fair value gain on investment in debt instruments through OCI	1	-	0.53	0.53
(ii) Income tax benefit on net fair value gain on investment in debt instruments through OCI	1	-	0.34	0.34
TOTAL OTHER COMPREHENSIVE INCOME (A+B)		-	**(17.26)**	**(17.26)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,597.43**	**8.12**	**1,605.55**

* Under the Previous GAAP, there was no concept of Other Comprehensive Income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in Other Comprehensive Income.

Notes to the Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

A. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016

(₹ in Crores)

Nature of Adjustments	Footnotes	For the year ended 31.03.2016
Net Profit as per Previous GAAP		1,597.43
Remeasurement benefit of net defined benefit plans	5	(2.63)
Effect of measuring financial instruments at fair value	1 & 2	24.13
Amortisation of intangible assets	6	3.85
Deferred taxes	1,2,5,6 & 8	0.03
Net Profit as per Ind AS		1,622.81
Other Comprehensive Income (Net of Tax)	1, 5 & 8	(17.26)
Total Comprehensive Income as per Ind AS		1,605.55

B. Reconciliation of Equity as at 31st March, 2016 and 1st April, 2015

(₹ in Crores)

Nature of Adjustments	Footnotes	As at 31.03.2016	As at 01.04.2015
Equity as per Previous GAAP (i)		4,963.17	4,230.26
Effect of measuring Non-Current Investments at fair value	1	312.75	327.81
Effect of measuring Current Investments at fair value	2	44.20	24.34
Adjustment for Proposed Dividend	3	611.24	496.43
Amortisation of Goodwill	6	3.85	-
Deferred taxes	1, 2 & 8	(9.48)	(8.94)
Total effect of transition to Ind AS (ii)		962.56	839.64
Equity as per Ind AS (i) + (ii)		5,925.73	5,069.90

C. Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31st March, 2016

(₹ in Crores)

	Footnotes	For the year ended 31.03.2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	9	1,978.88	0.79	1,979.67
Net cash flows from investing activities		(862.78)	-	(862.78)
Net cash flows from financing activities		(704.25)	-	(704.25)
Net increase in cash and cash equivalents	9	411.85	0.79	412.64
Cash and cash equivalents at the beginning of the year	9	862.69	1.16	863.85
Cash and cash equivalents at the end of the year		1,274.54	1.95	1,276.49

Footnotes:

1. **Non-Current Investments:**

   In the financial statements prepared under Previous GAAP, Non-current Investments of the Company were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Company has recognised such investments as follows:

   - Government securities - At amortised cost
   - Debt oriented Mutual Funds and Fixed Maturity Plans - At fair value through profit and loss (FVTPL)
   - Debentures or Bonds - At fair value through other comprehensive income (FVTOCI)
   - Equity shares of subsidiary and associate companies – At cost
   - Quoted equity shares - At FVTOCI through an irrevocable election
   - Unquoted equity shares - At FVTPL through an irrevocable election

Notes to the Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

Ind AS requires the above investments to be recognised at fair value (except investments in equity shares of subsidiary and associate companies).

On the date of transition to Ind AS, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹ 327.81 crores which has been recognised directly in retained earnings (Equity). Deferred tax liability (net) amounting to ₹ 1.40 crores has been recognised on such fair valuation gain.

As at 31st March, 2016, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹ 312.75 crores. On such fair valuation, net gain amounting to ₹ 4.26 crores has been recognised in other income in the Statement of Profit and Loss and net loss amounting to ₹ 19.32 crores has been recognised in OCI. Correspondingly, deferred tax expense amounting to ₹ 1.64 crores has been recognised in the Statement of Profit and Loss and deferred tax benefit amounting to ₹ 0.34 crores has been recognised in OCI.

The above transition has resulted in increase in equity by ₹ 327.81 crores as at date of transition to Ind AS and by ₹ 312.75 crores as at 31st March, 2016. Also, deferred tax on the same has resulted in decrease in equity by ₹ 1.40 crores as at date of transition to Ind AS and by ₹ 1.30 crores as at 31st March, 2016.

2. Current Investments:

In the financial statements prepared under Previous GAAP, Current Investments of the Company were measured at lower of cost or fair value. Under Ind AS, these investments have been classified as FVTPL on the date of transition. The fair value changes are recognised in the Statement of Profit and Loss.

On the date of transition to Ind AS, the difference between the fair value of Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹ 24.34 crores, which has been recognised directly in retained earnings (Equity). Deferred tax liability (net) amounting to ₹ 7.54 crores has been recognised on such fair valuation gain.

As at 31st March, 2016, the difference between the fair value of Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹ 44.20 crores.

Fair valuation gain for the year ended 31st March, 2016, amounted to ₹ 19.87 crores and the same has been recognised in Other income in Statement of Profit and Loss. Correspondingly, deferred tax benefit amounting to ₹ 2.09 crores has been recognised in Statement of Profit and Loss.

The above transition has impacted an increase in equity by ₹ 24.34 crores as at transition date and by ₹ 44.20 crores as at 31st March, 2016. Also, deferred tax on the same has resulted in decrease in equity by ₹ 7.54 crores as at date of transition to Ind AS and increase in equity by ₹ 2.09 crores as at 31st March, 2016.

3. Proposed Dividend

In the financial statements prepared under Previous GAAP, dividend on equity shares recommended by the Board of Directors after the end of reporting period but before the financial statements were approved for issue, was recognised as a liability in the financial statements in the reporting period relating to which dividend was proposed. Under Ind AS, such dividend is recognised in the reporting period in which the same is approved by the members in a general meeting.

Notes to the Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

On the date of transition, the above change in accounting treatment of proposed dividend has resulted in increase in Equity with a corresponding decrease in Provisions by ₹ 496.43 crores. As at 31st March, 2016 above change has resulted in an increase in Equity with a corresponding decrease in Provisions by ₹ 611.24 crores. The above change however, does not affect the Profit before tax and Profit after tax for the year ended 31st March, 2016.

4. Revenue from sale of products:

In the financial statements prepared under Previous GAAP, revenue from sale of products was presented net of excise duty. However, under Ind AS, revenue from sale of products includes excise duty. Excise duty expense amounting to ₹ 1,533.50 crores is presented separately on the face of the Statement of Profit and Loss for the year ended 31st March, 2016.

In the financial statements prepared under Previous GAAP, cash discount and sales promotional expenses were shown as a part of other expenses. However, under Ind AS, such discounts and sales promotional expenses amounting to ₹ 870.85 crores for the year ended 31st March, 2016, are reduced from revenue from sale of products.

Further, in the financial statements prepared under Previous GAAP, an amount of ₹ 23.65 crores relating to sale of certain raw materials was presented by netting off directly from cost of materials consumed. The same has now been regrouped and presented in revenue from sale of products.

In light of the above, revenue from sale of products under Ind AS has increased by ₹ 686.30 crores (₹ 1533.50 crores less ₹ 870.85 crores plus ₹ 23.65 crores) with an corresponding increase in excise duty by ₹ 1533.50 crores, decrease in other expenses by ₹ 870.85 crores and increase in Cost of materials consumed by ₹ 23.65 crores in the Statement of Profit and Loss for the year ended 31st March, 2016.

The above changes do not affect equity as at date of transition to Ind AS, profit after tax for the year ended 31st March, 2016 and Equity as at 31st March, 2016.

5. Remeasurement benefit of defined benefit plans:

In the financial statements prepared under Previous GAAP, remeasurement benefit of defined plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such remeasurement benefits relating to defined benefit plans is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

For the year ended 31st March, 2016, remeasurement of gratuity liability resulted in a net benefit of ₹ 2.63 crores which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in OCI. This has resulted in increase in employee benefits expense by ₹ 2.63 crores and gain in OCI by ₹ 2.63 crores for the year ended 31st March, 2016. Consequently, tax effect of the same amounting to ₹ 0.91 crores is also recognised separately in OCI.

The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2016. However, Profit before tax and profit for the year ended 31st March, 2016 decreased by ₹ 2.63 crores and ₹ 1.72 crores respectively.

6. Goodwill:

In the financial statements prepared under Previous GAAP, acquired Goodwill was amortised over its useful life not exceeding five years unless a longer period could be justified. Under Ind AS, Goodwill is not required to be amortised but needs to be tested for impairment at least annually. The Company has assessed and concluded that no impairment is deemed necessary on Goodwill recognised as at date of transition to Ind AS and as at 31st March, 2016.

On the date of transition to Ind AS, there is no change in amount recognised as goodwill since the Company has opted for exemption from retrospective application of accounting of business combinations. The reversal of amortisation expense for the year ended 31st March, 2016 has resulted in decrease in depreciation and amortisation expense in the

Notes to the Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

Statement of Profit and Loss with a corresponding increase in goodwill in the Balance Sheet as at 31st March, 2016, by ₹ 3.85 crores. Corresponding deferred tax expense on the same amounting to ₹ 1.33 crores has been recognised in Statement of Profit and Loss for the year ended 31st March, 2016.

The above change has resulted in increase in profit after tax for the year ended 31st March, 2016 by ₹ 2.52 crores, increase in deferred tax liability as at 31st March, 2016 by ₹ 1.33 crores and increase in equity as at 31st March, 2016 by ₹ 2.52 crores.

7. Interest free loan:

In the financial statements prepared under Previous GAAP, the carrying value of Interest free loan was recognised at the principal amounts payable by the borrower. Under Ind AS, Interest free borrowing being a financial liability is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The difference between such fair value and the carrying value is recognised as deferred income disclosed under Other liabilities.

On the date of transition, there is no change in the amount of Interest free loan since the Company has opted for exemption from retrospective application for fair valuation of such financial instruments. Interest free loan amounting to ₹ 5.90 crores received subsequent to the date of transition to Ind AS has been recognised at fair value amounting to ₹ 3.62 crores, thereby leading to creation of deferred income amounting to ₹ 2.28 crores. Such loan was received on 31st March, 2016 and hence there is no effect arising from subsequent measurement.

The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2016. However, it has resulted in decrease in borrowings and increase in other liabilities by ₹ 2.28 crores as at 31st March, 2016.

8. Deferred tax:

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under Previous GAAP. In addition, the above mentioned transitional adjustments relating to current/non-current investments and goodwill have also led to temporary differences and creation of deferred tax thereon.

The above changes have resulted in creation of deferred tax liabilities (net) amounting to ₹ 8.94 crores as at date of transition to Ind AS and ₹ 9.48 crores as at 31st March, 2016. For the year ended 31st March, 2016, it has resulted in an increase in deferred tax expense by ₹ 0.03 crores in the Statement of Profit and Loss and recognition of deferred tax benefit by ₹ 0.57 crores in OCI.

9. Effect of Ind AS adoption on Statement of Cash flow for the year ended 31st March, 2016:

In the financial statements prepared under Previous GAAP, cash and cash equivalents represented by short term highly liquid mutual funds were recognised at cost. However, under Ind AS, such cash and cash equivalents being financial instruments, are required to be recognised at fair value.

The Company has recognised fair value gain amounting to ₹ 1.16 crores on such cash and cash equivalents as at date of transition to Ind AS. Further, as at 31st March, 2016, the Company has recognised fair value gain amounting to ₹ 1.95 crores on such cash and cash equivalents. The difference between the fair value gain/loss recognised as at the date of transition to Ind AS and as at 31st March, 2016 represents a cash flow impact amounting to ₹ 0.79 crores which is adjusted in the profit after tax considered for the purpose of preparation of Statement of Cash Flow for the year ended 31st March, 2016.

Notes to the Financial Statements

NOTE 32 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crores)

a.	Contingent Liabilities	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1.	Letters of comfort issued to banks on behalf of some of its operating subsidiary companies	6.90	18.16	37.29
2.	Claims against the Company not acknowledged as debts			
	i. Tax matters in dispute under appeal	237.15	150.02	98.37
	ii. Others	16.96	16.25	12.99

(₹ in Crores)

b.	Commitments	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1.	Estimated amount of contracts remaining to be executed on capital account and not provided for			
	i. Towards Property, Plant and Equipment	1,145.04	112.83	372.44
	ii. Towards Intangible Assets	2.65	0.65	0.67
		1,147.69	113.48	373.11
2.	Letters of Credit and Bank guarantees issued by bankers and outstanding as on 31st March, 2017. [Pertaining to capital goods - ₹ 0.98 crores as at 31st March, 2017 (₹ 2.98 crores as at 31st March, 2016 and ₹ 35.58 crores as at 1st April, 2015)]	54.94	53.29	76.52
3.	For Lease commitments, Refer Note 39B (b)			
4.	For derivative contract related commitments, Refer Note 37 (a)			

NOTE 33 : EXPENDITURE ON RESEARCH AND DEVELOPMENT

(₹ in Crores)

a) Revenue Expenditure	Year 2016-17	Year 2015-16
Employee Cost	44.73	39.05
Depreciation on Equipment and Building	6.45	7.47
Travelling Expenditure	3.04	1.90
Testing and Laboratory Expenditure	1.52	1.73
Power and fuel	3.11	2.87
Stores and Spares	0.78	0.75
Repairs and Maintenance	1.93	1.33
Materials Consumed	0.46	0.47
Others	13.04	12.47
TOTAL	**75.06**	**68.04**

An amount of ₹ 0.92 crores (Previous Year ₹ 1.09 crores) has been recovered from the Company's associate Company towards Research and Development activity carried out on their behalf.

Notes to the Financial Statements

NOTE 33 : EXPENDITURE ON RESEARCH AND DEVELOPMENT (Contd.)

(₹ in Crores)

b) Capital Expenditure	Year 2016-17	Year 2015-16
- For Turbhe Research and Development facility	30.95	7.11
- For Cochin Research and Development facility (Land & civil work)	-	0.01
TOTAL	**30.95**	**7.12**

NOTE 34 : Pursuant to the Ind AS-37 - 'Provisions, Contingent Liabilities and Contingent Assets', the disclosure relating to provisions made in the accounts for the year ended 31st March, 2017 is as follows:

(₹ in Crores)

	Provision for Excise*		Provision for Sales tax**	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Opening Balance	0.96	1.23	22.65	17.87
Additions	0.48	0.09	1.39	4.78
Utilizations	(0.02)	(0.09)	-	-
Reversals	(0.84)	(0.27)	(2.39)	-
Closing Balance	**0.58**	**0.96**	**21.65**	**22.65**

These provisions represent estimates made mainly for probable claims arising out of litigations/disputes pending with authorities under various statutes (Excise duty, Sales tax). The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Company is not able to reasonably ascertain the timing of the outflow.

* Excise provisions made towards matters disputed at various appellate levels.

** Sales tax provisions made towards non receipt of C Forms and towards matters disputed at various appellate levels.

(₹ in Crores)

NOTE 35 : PAYMENT TO AUDITORS: (EXCLUDING SERVICE TAX)	Year 2016-17	Year 2015-16
Statutory audit fee	1.50	0.85
Taxation Matters	0.13	0.12
Certification fees and other services	0.52	0.27
For reimbursement of expenses	0.10	0.08
TOTAL	**2.25**	**1.32**

Notes to the Financial Statements

NOTE 36 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2016-17, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in Crores)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)			
	Principal amount due to micro and small enterprise	26.59	17.95	11.63
	Interest due on above	-	-	-
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-	-
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 37 : DETAILS OF HEDGED AND UNHEDGED EXPOSURE IN FOREIGN CURRENCY DENOMINATED MONETARY ITEMS

a) Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
Forward contract to buy USD - As at 31.03.2017	39.00	21.13	139.88
Forward contract to buy USD - As at 31.03.2016	67.00	4.36	28.89
Forward contract to buy USD - As at 01.04.2015	-	-	-

Notes to the Financial Statements

NOTE 37 : DETAILS OF HEDGED AND UNHEDGED EXPOSURE IN FOREIGN CURRENCY DENOMINATED MONETARY ITEMS (contd.)

b) Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2017 are as under:

Currency	Payable (In millions FC)			Receivable (In millions FC)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
USD	40.52	40.98	41.63	18.56	16.26	11.11
EUR	4.41	5.30	1.97	2.67	0.15	0.08
SGD	0.02	0.01	0.17	0.07	0.01	-
GBP	0.39	0.91	0.02	0.07	0.06	-
SEK	1.65	2.80	0.02	-	-	-
JPY	0.34	15.99	-	-	-	-
Others	0.07	0.02	0.03	0.13	0.08	-

Currency	Payable (₹ In Crores)			Receivable (₹ In Crores)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
USD	262.80	271.52	260.16	120.38	107.70	69.46
EUR	30.54	39.94	13.22	18.53	1.10	0.57
SGD	0.10	0.05	0.79	0.34	0.04	-
GBP	3.13	8.69	0.21	0.54	0.60	-
SEK	1.20	2.29	0.02	-	-	-
JPY	0.02	0.94	-	-	-	-
Others	0.46	0.14	0.17	0.75	0.35	-
TOTAL	298.25	323.57	274.57	140.54	109.79	70.03

NOTE 38 : (A) DISCLOSURE AS PER REGULATION 53(F) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

(₹ in Crores)

Name of the party	Relationship	Amount outstanding as at 31.03.2017	Amount outstanding as at 31.03.2016	Maximum balance outstanding during the year 31.03.2017	Maximum balance outstanding during the year 31.03.2016
Maxbhumi Developers Limited	Wholly Owned Subsidiary company	-	0.20 (-)	0.30	0.20

The above loan was given to the subsidiary for its business activities (Refer Note 43).
Figures in bracket refer to amount as at 1st April, 2015.

Notes to the Financial Statements

NOTE 38 : (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:

(i) Details of Investments made are given in Note 4(I)(A)(b)(i) and 4(I)(A)(b)(ii).

(ii) Details of loans given by the Company are as follows:

(₹ in Crores)

Name of the party	Relationship	Amount as at 31.03.2017	Amount as at 31.03.2016	Amount as at 01.04.2015
Maxbhumi Developers Limited	Wholly Owned Subsidiary company	-	0.20	-

(iii) There are no guarantees issued by the Company in accordance with Section 186 of the Companies Act, 2013 read with rules issued thereunder.

NOTE 39 : PURSUANT TO Ind AS-17 - 'LEASES', THE FOLLOWING INFORMATION IS DISCLOSED

A. Assets given on operating lease

The Company does not have any assets given on operating lease during the reporting period.

B. Assets taken on operating lease

a) The Company has taken certain assets such as Vehicles, Computers, Information Technology hardware and Office space on operating lease. The lease rentals are payable by the Company on a monthly or quarterly basis.

b) Future minimum lease rentals payable under non-cancellable lease agreements are as under :

(₹ in Crores)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
i) Not later than one year	15.67	8.67	8.22
ii) Later than one year and not later than five years	19.46	12.46	10.99
iii) Later than five years	-	-	-
TOTAL	35.13	21.13	19.21

c) Lease payments recognised in the Statement of Profit and Loss for the year is ₹ 195.56 crores (Previous year ₹ 156.13 crores).

Notes to the Financial Statements

NOTE 40 : EMPLOYEE BENEFITS

1) Post-employment benefits :

The company has the following post-employment benefit plans:

a) Defined benefit gratuity plan (Funded)

The company has defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund. It is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. 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 India gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company decides its contribution based on the results of this annual review. 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, 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 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

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.

Investment Risk	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 bonds.
Interest Risk	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.
Longevity Risk	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.
Salary Risk	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 31st March, 2017 by Mr. Saket Singhal, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

Notes to the Financial Statements

NOTE 40 : EMPLOYEE BENEFITS (contd.)

1) Post-employment benefits : (contd.)

The following tables summarise the components of defined benefit expense recognised in the statement of profit or 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 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
(i)	**Opening defined benefit obligation**	**145.24**	**130.70**	**2.28**	**2.53**	**1.29**	**1.25**
(ii)	Current service cost	9.99	10.34	-	-	0.06	0.06
(iii)	Interest cost	11.32	10.08	0.05	0.19	0.13	0.04
(iv)	Past Service Cost	-	0.71	-	-	-	-
(v)	**Sub-total included in Statement of Profit and Loss (ii+iii+iv)**	**21.31**	**21.13**	**0.05**	**0.19**	**0.19**	**0.10**
(vi)	Actuarial loss/ (gain) from changes in financial assumptions	6.50	(0.31)	0.04	0.03	0.09	0.02
(vii)	Experience adjustment	(9.44)	(0.74)	(0.04)	(0.03)	(0.09)	(0.02)
(viii)	**Sub-total included in other comprehensive income(vi+vii)**	**(2.94)**	**(1.05)**	-	-	-	-
(ix)	Benefits paid	(8.87)	(5.54)	(0.43)	(0.44)	(0.06)	(0.06)
(x)	**Closing defined benefit obligation(i+v+viii+ix)**	**154.74**	**145.24**	**1.90**	**2.28**	**1.42**	**1.29**
(xi)	**Opening fair value of plan assets**	**145.03**	**128.74**	-	-	-	-
(xii)	Expected return on plan assets	11.31	10.00	-	-	-	-
(xiii)	**Sub-total included in Statement of Profit and Loss(xii)**	**11.31**	**10.00**	-	-	-	-
(xiv)	Actuarial gains	5.28	1.58	-	-	-	-
(xv)	**Sub-total included in other comprehensive income(xiv)**	**5.28**	**1.58**	-	-	-	-
(xvi)	Contributions by employer	10.21	10.25	0.43	0.44	0.06	0.06
(xvii)	Benefits paid	(8.87)	(5.54)	(0.43)	(0.44)	(0.06)	(0.06)
(xviii)	**Closing fair value of plan assets(xi+xiii+xv+xvi+xvii)**	**162.96**	**145.03**	-	-	-	-
(xix)	**Net (Asset)/ Liability (x-xviii) (Refer Note 8 and 17)**	**(8.22)**	**0.21**	**1.90**	**2.28**	**1.42**	**1.29**
	Expense recognised in:						
(xx)	**Statement of Profit and Loss(v-xiii)**	**10.00**	**11.13**	**0.05**	**0.19**	**0.19**	**0.10**
(xxi)	**Statement of other comprehensive income (viii-xv)**	**(8.22)**	**(2.63)**	-	-	-	-

Notes to the Financial Statements

NOTE 40 : EMPLOYEE BENEFITS (contd.)

1) **Post-employment benefits : (contd.)**

The major categories of plan assets of the fair value of the total plan assets are as follows:

(₹ in Crores)

	Gratuity (Funded Plan) As at 31.03.2017	Gratuity (Funded Plan) As at 31.03.2016	Gratuity (Funded Plan) As at 01.04.2015
Government of India securities (Central and State)	88.05	78.72	66.95
High quality corporate bonds (including Public Sector Bonds)	64.81	61.26	60.51
Diversified equity mutual funds focused on large cap stocks	2.51	1.15	-
Cash (including liquid mutual funds)	1.11	0.46	-
Others	6.49	3.43	1.29

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 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Discount Rate	7.31%	7.87%	7.78%	7.31%	7.87%	7.78%	7.31%	7.87%	7.78%
Salary Escalation Rate	All Grades- 11% for first year 10% for next 3 years 8% thereafter	All Grades- 11% for first 2 years 10% for next 3 years 8% thereafter	All Grades- 12% for first year 11% for next 2 years 10% for next 3 years 8% thereafter	-	-	-	-	-	-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have 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)		Post-Retirement Medical (Unfunded Plan)	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Defined Benefit Obligation - Discount Rate + 100 basis points	(13.99)	(14.74)	(0.09)	(0.09)	(0.20)	(0.19)
Defined Benefit Obligation - Discount Rate - 100 basis points	14.12	15.08	0.09	0.10	0.20	0.19
Defined Benefit Obligation – Salary Escalation Rate + 100 basis points	12.44	12.12	-	-	-	-
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(12.17)	(11.90)	-	-	-	-

The sensitivity analysis 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.

Notes to the Financial Statements

NOTE 40 : EMPLOYEE BENEFITS (contd.)

1) Post-employment benefits : (contd.)

The average duration of the defined benefit plan obligation at the end of the reporting period is 11.17 years.

The Company expects to make a contribution of ₹ 3.72 crores (Previous year ₹ 10.20 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 31st March, 2017.

The Company contributed ₹ 11.76 crores (Previous Year ₹ 10.29 crores) towards Asian Paints Office Provident Fund during the year ended 31st March, 2017. The Company contributed ₹ 6.11 crores (Previous Year ₹ 5.52 crores) crores towards Asian Paints Factory Employees Provident Fund during the year ended 31st March, 2017.

The details of the Asian Paints Office Provident Fund and plan assets position as at 31st March, 2017 is given below:

(₹ in Crores)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Present value of benefit obligation at period end	230.98	197.14	161.75
Plan assets at period end, at fair value, restricted to	230.98	197.14	161.75
Asset recognized in Balance Sheet			

The details of the Asian Paints Factory Employees Provident Fund and plan assets position as at 31st March, 2017 is given below:

(₹ in Crores)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Present value of benefit obligation at period end	184.38	160.43	137.49
Plan assets at period end, at fair value, restricted to	184.38	160.43	137.49
Asset recognized in Balance Sheet			

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Discounting Rate	7.31%	7.87%	7.78%
Expected Guaranteed interest rate	8.65%*	8.80%	8.75%

* Rate mandated by EPFO for the FY 2016-17 and the same is used for valuation purpose.

Notes to the Financial Statements

NOTE 40 : 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 31st March, 2017 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 14.61 crores. (Previous Year ₹ 12.58 crores)

(a) Financial Assumptions

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Discount Rate	7.31%	7.87%	7.78%
Basic salary increases allowing for Price inflation	All Grades 11.00% for first year 10.00% for next 3 years 8.00% thereafter	All Grades 11.00% for first 2 years 10.00% for next 3 years 8.00% thereafter	All Grades 12.00% for first year 11.00% for next 2 years 10.00% for next 3 years 8.00% thereafter

(b) Demographic Assumptions

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee Turnover	Upto 44yrs - 5.00%, Above 44yrs - 2.00%	Upto 44yrs - 5.00%, Above 44yrs - 2.00%	Upto 44yrs - 5.00%, Above 44yrs - 2.00%
Leave Availment Ratio	5%	5%	5%

NOTE 41: The Company's manufacturing facility at Khandala, Maharashtra has been granted "Mega Project Status" by Government of Maharashtra and hence is eligible for Industrial Promotion Subsidy (IPS) under Package Scheme of Incentive, 2007 in the form of refund of VAT paid to Maharashtra Government, exemption on electricity duty and stamp duty within a period of 9 years from the date of commencement of commercial production, restricted to a maximum of 100% of fixed capital investment as per the Eligibility Certificate issued by Director of Industries, Government of Maharashtra. In terms of the Ind AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance", eligible incentive as mentioned above amounting to ₹ 136.53 crores (Previous year ₹ 134.11 crores) for year ended 31st March, 2017 is credited to Statement of Profit and Loss and included under the head "Other operating income" on accrual basis.

NOTE 42 : EARNINGS PER SHARE		Year 2016-17	Year 2015-16
a)	Basic and diluted earnings per share in rupees (face value – ₹ 1 per share)	18.80	16.92
b)	Profit after tax as per Statement of Profit and Loss (₹ in crores)	1,803.10	1622.81
c)	Weighted average number of equity shares outstanding	95,91,97,790	95,91,97,790

Notes to the Financial Statements

NOTE 43 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS- 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2017.

a) Associates:

i. PPG Asian Paints Private Limited.

Wholly owned subsidiaries of PPG Asian Paints Private Limited:

a) Revocoat India Private Limited. (w.e.f. 1st April, 2016)

b) PPG Asian Paints Lanka Private Limited.

c) Faaber Paints Private Limited (Upto 31st May, 2016)

b) Subsidiaries : (where control exists)

Direct Subsidiaries:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2017	% of Holding as at 31.03.2016	% of Holding as at 01.04.2015
Asian Paints (Nepal) Private Limited	Nepal	51.00	51.00	51.00
Asian Paints (International) Limited#	Mauritius	100.00	100.00	100.00
Asian Paints Industrial Coatings Limited	India	100.00	100.00	100.00
Multifacet Infrastructure (India) Limited*	India	-	100.00	100.00
Maxbhumi Developers Limited	India	100.00	100.00	100.00
Sleek International Private Limited	India	51.00	51.00	51.00
Asian Paints PPG Private Limited	India	50.00	50.00	50.00

The Board of Directors of the Company, at its meeting held on 25th October, 2016, had approved the scheme of amalgamation of Asian Paints (International) Limited with the Company. The scheme will come into effect upon receipt of approval of statutory authorities as may be required in India and Mauritius.

* The Company's name has been struck off from Register of Companies w.e.f. 24th August, 2016. This is pursuant to an application filed by the Company for striking off its name under the "Fast Track Exit Mode" under Section 560 of Companies Act, 1956 on 21st March, 2016. (Refer Note 45B)

Indirect Subsidiaries:

i) Subsidiaries of the wholly owned subsidiary, Asian Paints (International) Limited, Mauritius (where control exists)

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2017	% of Holding as at 31.03.2016	% of Holding as at 01.04.2015
Asian Paints (Lanka) Limited#	Sri Lanka	-	99.18	99.18
Berger International Private Limited	Singapore	100.00	100.00	100.00
Asian Paints (Tonga) Limited##	Kingdom of Tonga	-	-	100.00
Asian Paints (South Pacific) Pte Limited##	Fiji Islands	-	-	54.07
Asian Paints (Bangladesh) Limited##	Bangladesh	-	-	89.78
Asian Paints (S.I.) Limited##	Solomon Islands	-	-	75.00
Asian Paints (Middle East) LLC##	Sultanate of Oman	-	-	49.00
SCIB Chemicals S.A.E.##	Egypt	-	-	60.00
Samoa Paints Limited##	Samoa	-	-	80.00
Asian Paints (Vanuatu) Limited##	Republic of Vanuatu	-	-	60.00

Notes to the Financial Statements

NOTE 43 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS- 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2017. (Contd.)

ii) Subsidiaries of Berger International Private Limited (where control exists)

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2017	% of Holding as at 31.03.2016	% of Holding as at 01.04.2015
Berger Paints Singapore Pte Limited	Singapore	100.00	100.00	100.00
Enterprise Paints Limited	Isle of Man, U.K.	100.00	100.00	100.00
Universal Paints Limited	Isle of Man, U.K.	100.00	100.00	100.00
Lewis Berger (Overseas Holdings) Limited	U.K.	100.00	100.00	100.00
Kadisco Paint and Adhesive Industry Share Company@	Ethiopia	51.00	51.00	51.00
PT Asian Paints Indonesia	Indonesia	100.00	100.00	100.00
PT Asian Paints Color Indonesia*	Indonesia	100.00	100.00	-
Asian Paints (Tonga) Limited##	Kingdom of Tonga	100.00	100.00	-
Asian Paints (South Pacific) Pte Limited##	Fiji Islands	54.07	54.07	-
Asian Paints (S.I.) Limited##	Solomon Islands	75.00	75.00	-
Asian Paints (Bangladesh) Limited##	Bangladesh	89.78	89.78	-
Asian Paints (Middle East) LLC##	Sultanate of Oman	49.00	49.00	-
SCIB Chemicals S.A.E.##	Egypt	60.00	60.00	-
Samoa Paints Limited##	Samoa	80.00	80.00	-
Asian Paints (Vanuatu) Limited##	Republic of Vanuatu	60.00	60.00	-
Asian Paints (Lanka) Limited#	Sri Lanka	99.18	-	-

During the year, as part of consolidation of investments in overseas subsidiaries, Asian Paints (International) Limited, Mauritius, a wholly owned subsidiary of the Company, has transferred its entire holding in its subsidiary to its wholly owned subsidiary, Berger International Private Limited, Singapore. This does not have any impact on the financial results.

During the previous year, as part of consolidation of investments in overseas subsidiaries, Asian Paints (International) Limited, Mauritius, a wholly owned subsidiary of the Company, has transferred its entire holding in its subsidiaries to its wholly owned subsidiary, Berger International Private Limited, Singapore. This does not have any impact on the financial results.

@ Berger International Private Limited, Singapore ("BIPL"), a wholly owned indirect subsidiary of the Company, acquired 51% stake in Kadisco Paint and Adhesive Industry Share company for a consideration of US$ 18.95 million (₹ 117 crores) in cash, on 9th February, 2015.

* PT Asian Paints Colour Indonesia was incorporated in Indonesia as a wholly owned subsidiary of Berger International Private Limited during the previous year.

iii) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2017	% of Holding as at 31.03.2016	% of Holding as at 01.04.2015
Nirvana Investments Limited	Isle of Man, U.K.	100.00	100.00	100.00

iv) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2017	% of Holding as at 31.03.2016	% of Holding as at 01.04.2015
Berger Paints Emirates Limited	U.A.E.	100.00	100.00	100.00

v) Subsidiary of Universal Paints Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2017	% of Holding as at 31.03.2016	% of Holding as at 01.04.2015
Berger Paints Bahrain W.L.L.	Bahrain	100.00	100.00	100.00

Notes to the Financial Statements

NOTE 43 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS- 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2017. (Contd.)

vi) Subsidiaries of Lewis Berger (Overseas Holdings) Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2017	% of Holding as at 31.03.2016	% of Holding as at 01.04.2015
Berger Paints Jamaica Limited	Jamaica	51.00	51.00	51.00
Berger Paints Trinidad Limited	Trinidad	70.00	70.00	70.00
Berger Paints Barbados Limited	Barbados	100.00	100.00	100.00

vii) Subsidiary of Sleek International Private Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2017	% of Holding as at 31.03.2016	% of Holding as at 01.04.2015
Kitchen Grace (India) Private Limited**	India	-	-	100.00

** During the previous year, Kitchen Grace India Private Limited has been merged with Sleek International Private Limited pursuant to a scheme of amalgamation approved by Honourable High Court of Bombay, effective 1st April, 2015.

c) Key Managerial Personnel:

Name of the Director	Designation
Shri K. B. S. Anand	Managing Director & CEO
Shri Jayesh Merchant	CFO & Company Secretary, President – Industrial JVs

d) Promoters and their relatives having control:

Directors	
Shri. Ashwin Choksi	Non-Executive Chairman
Shri. Ashwin Dani	Non-Executive Vice Chairman
Shri. Mahendra Choksi	Non-Executive Director
Shri. Abhay Vakil	Non-Executive Director
Shri. Malav Dani	Non-Executive Director
Ms. Amrita Vakil	Non-Executive Director

Relatives of promoters who are under the employment of the Company:

Shri. Jalaj Dani*#
Shri. Manish Choksi**
Shri. Jigish Choksi (upto 3rd April, 2015)
Shri. Varun Vakil
Shri. Vivek Vakil (upto 29th July, 2015)

* Shri. Jalaj Dani, a relative of Company's Non-Executive Vice Chairman resigned from the services of the Company w.e.f. 3rd April, 2017.

Shri. Jalaj Dani, a relative of Company's Non-Executive Vice Chairman was also a Non-Executive Chairman of Berger International Private Limited in the previous year till 9th September, 2015, Director on the Board of one of the subsidiary companies and the associate company.

** Shri. Manish Choksi, a relative of Company's Non-Executive Director is also Non-Executive Chairman of Berger International Private Limited w.e.f. 10th September, 2015, Director on the Board of two of the subsidiary companies.

Notes to the Financial Statements

NOTE 43 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS- 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2017. (Contd.)

e) Entities controlled by Directors/Relatives of Directors :

AR Intertect Design Pvt. Ltd.	Haish Holding and Trading Company Pvt. Ltd.	Parekh Plast India Ltd.
ARI Designs LLP*	Hasit Dani (HUF)	Pragati Chemicals Ltd.
Ashwin Suryakant Dani (HUF)	Hitech Insurance Broking Services Ltd.	Rayirth Holding and Trading Co. Pvt. Ltd.
Ashwin Ina Charitable Trust	Hitech Plast Ltd.	Resins and Plastics Ltd.
Asteroids Trading and Investments Pvt. Ltd.	Hitech Skills Development Pvt. Ltd.	Ria Enterprises
Avinash Holding and Trading Co. Pvt. Ltd.	Hitech Specialities Solutions Ltd.	Riash Realty Private Ltd.
Canes Venatici Trading Company Pvt. Ltd.	Hydra Trading Pvt. Ltd.	Ricinash Oil Mill Ltd.
Castle Investment and Industries Pvt. Ltd.	ISIS Holding and Trading Co. Pvt. Ltd.	Rituh Holding and Trading Company Pvt. Ltd.
Centaurus Trading and Investments Pvt. Ltd.	Jalaj Trading and Investments Pvt. Ltd.	Rupen Investment and Industries Pvt. Ltd.
Dani Charitable Foundation	Jalaj Dani HUF	S.C. Dani Research Foundation Pvt. Ltd.
Dani Finlease Ltd.	Jaldhar Trading and Investments Pvt. Ltd.	Satyadharma Investments & Trading Co. Pvt. Ltd.
Doli Trading and Investments Pvt. Ltd.	Lambodar Investment and Trading Co. Ltd.	Smiti Holding and Trading Co. Pvt. Ltd.
Elcid Investments Ltd.	Lyon Investment and Industries Pvt. Ltd.	Sudhanva Investments and Trading Co. Pvt. Ltd.
ELF Trading and Chemicals Mfg. Ltd.	Murahar Investments and Trading Co. Ltd.	Suptaswar Investments and Trading Co. Pvt. Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Naradiya Commercial LLP	Unnati Trading and Investments Pvt. Ltd.
Germinait Solutions Pvt. Ltd.	Navbharat Packaging Industries Ltd.	Vikatmev Containers Ltd.
Gujarat Organics Ltd.	Nehal Trading and Investments Pvt. Ltd.	Vijal Holding and Trading Company Pvt. Ltd.
Hiren Holdings Pvt. Ltd.	Paladin Paints and Chemicals Pvt. Ltd.#	

* w.e.f. 13th June, 2015

\# w.e.f. 22nd April, 2015

f) Post employment-benefit plan entity:

Asian Paints (India) Limited Employees' Gratuity Fund

g) Other entity over which there is a significant influence:

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)

Asian Paints Charitable Trust

NOTE 43 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS- 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2017. (contd.)

h) Details of related party transactions during the year ended 31st March, 2017:

(₹ in Crores)

Particulars	Associate		Subsidiaries		Key Managerial Personnel ^		Promoters & their relatives having control ^		Entities Controlled by Directors/Relatives		Employment benefit plans	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue from sale of products	9.29	10.61	34.88	29.55	-	-	-	-	1.11	0.89	-	-
Processing of goods (Income)	17.42	16.05	15.83	13.39		-	-	-	-	-	-	-
Royalty Received	3.99	3.51	38.06	40.92	-	-	-	-	-	-	-	-
Other non operating income	8.50	6.78	19.06	15.93	-	-	-	-	-	-	-	-
Sitting Fees Received (from subsidiaries for nominee directors)	-	-	0.72	0.54	-	-	-	-	-	-	-	-
Other services – Paid	-	-	0.01	0.01	-	-	-	-	0.11	0.17	-	-
Reimbursement of Expenses - received	0.17	0.14	7.08	7.24	-	-	-	-	-	-	-	-
Dividend received	-	-	5.08	3.05	-	-	-	-	-	-	-	-
Purchase of goods	0.02	0.03	0.84	0.82	-	-	-	-	368.36	375.29	-	-
Remuneration	-	-			12.94	10.60	6.44	6.05	-	-	-	-
Retiral benefits	-	-			-	-	0.22	0.22	-	-	-	-
Commission to Promoter Non-executive Directors	-	-			-	-	1.70	1.70	-	-	-	-
Sitting Fees Paid to Promoter Non-executive Directors	-	-			-	-	0.29	0.34	-	-	-	-
Reimbursement of Expenses - paid	-	-	1.17	3.83	-	-	-	-	-	-	-	-
Receipt of Employee Leave Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Payment of Employee Leave Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-		#	#	79.47	66.44	323.11	262.71	-	
Contributions during the year *(includes Employees' share and contribution)*	-	-			-	-	-	-	-	-	62.92	57.64
Investment made	-	-	6.71	143.16	-	-	-	-	-	-	-	
Loan given	-	-	0.10	0.20	-	-	-	-	-	-	-	-
Sale of assets	-	0.09	-	0.11	-	-	-	-	0.15	0.24	-	-
Outstanding as at 31st March												
Loans	-	-	-	0.20	-	-	-	-	-	-	-	-
		(-)		(-)		(-)		(-)		(-)		(-)
Trade and other receivables	5.53	4.18	64.20	61.98	-	-	-	-	0.09	0.12	-	-
		(4.44)		(34.38)		(-)		(-)		(0.23)		(-)
Trade and other payables	0.08	0.01	0.88	0.61	4.50	3.50	1.70	1.70	37.81	24.87	4.15	4.00
		(-)		(0.13)		(2.40)		(1.47)		(6.93)		(5.16)

Dividend paid to Key Managerial Personnel - current year ₹ 2,146 (Previous year ₹ 1,755).

^ Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

The Company has issued letters of comfort to banks on behalf of some of its operating subsidiaries from time to time and the financial support based on such letters is limited to ₹ 6.90 crores (Previous year ₹ 18.16 crores) as on 31st March, 2017.

Figures in brackets indicate that of 1st April, 2015.

Notes to the Financial Statements

NOTE 43 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS- 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2017. (contd.)

Terms and conditions of transactions with related parties

1. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payables.
2. Employee related recoverable balances are unsecured, interest free and will be settled in cash. During the year ended 31st March, 2017, the Company has recorded an amount of ₹ 0.12 crores (previous year ₹ 0.15 crores) as provision for doubtful debts on account of such receivables. As at 31st March, 2017, the provision for doubtful receivables from subsidiaries is ₹ 0.52 crores (previous year ₹ 0.40 crores).

   The above mentioned assessment is undertaken each financial year through examining the financial position of related parties, the market in which related party operate and the accounting policy of the Company.
3. The Company had provided a loan to its wholly owned subsidiary, Maxbhumi Developers Limited for its business activities. The loan has been fully repaid during the year. The loan was unsecured and was repayable in two years on demand. The loan carries an interest @ 9.55% p.a. (previous year @ 10.10% p.a.)

Compensation of key management personnel of the company:*

(₹ in Crores)

	Year 2016-17	Year 2015-16
Short-term employee benefits	12.94	10.60
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total compensation paid to key management personnel	**12.94**	**10.60**

* Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Disclosure in respect of material transactions of the same type with related parties during the year:

(₹ in Crores)

	Year 2016-17	Year 2015-16
Revenue from sale of products		
PPG Asian Paints Private Limited	9.29	10.61
Asian Paints PPG Private Limited	6.32	6.27
Asian Paints (Nepal) Private Limited	15.74	11.34
Asian Paints (Bangladesh) Limited	6.08	4.32
Others	7.85	8.51
	45.28	**41.05**
Processing of Goods (Income)		
PPG Asian Paints Private Limited	17.42	16.05
Asian Paints PPG Private Limited	15.83	13.39
	33.25	**29.44**

Notes to the Financial Statements

NOTE 43 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS- 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2017. (contd.)

Disclosure in respect of material transactions of the same type with related parties during the year: (contd.)

(₹ in Crores)

	Year 2016-17	Year 2015-16
Royalty Received		
SCIB Chemicals S.A.E., Egypt	7.29	11.74
Asian Paints PPG Private Limited	7.17	6.58
Asian Paints (Bangladesh) Limited	7.46	7.14
Berger International Private Limited	4.36	4.56
Others	15.77	14.41
	42.05	**44.43**
Other non operating income		
PPG Asian Paints Private Limited	7.64	6.78
Asian Paints PPG Private Limited	7.54	6.47
Sleek International Private Limited	5.83	4.74
Others	6.55	4.72
	27.56	**22.71**
Sitting Fees Received		
Berger International Private Limited	0.72	0.54
	0.72	**0.54**
Other Services Paid		
Asian Paints PPG Private Limited	0.01	0.01
ARI Designs LLP	0.11	0.17
	0.12	**0.18**
Reimbursement of Expenses – Received		
Asian Paints PPG Private Limited	0.68	2.01
Berger International Private Limited	0.64	0.99
SCIB Chemicals S.A.E., Egypt	0.81	0.44
Others	5.12	3.94
	7.25	**7.38**
Dividend Received		
Asian Paints (Nepal) Private Limited	5.08	3.05
	5.08	**3.05**

Notes to the Financial Statements

NOTE 43 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS- 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2017. (contd.)

Disclosure in respect of material transactions of the same type with related parties during the year: (contd.)

(₹ in Crores)

	Year 2016-17	Year 2015-16
Purchase of Goods		
Hitech Plast Limited	234.00	238.04
Parekhplast India Limited	92.75	96.42
Others	42.47	41.68
	369.22	376.14
Remuneration		
Shri. K.B.S. Anand	9.72	7.77
Shri. Manish Choksi	3.06	2.92
Shri. Jalaj Dani	3.03	2.77
Shri. Jayesh Merchant	3.22	2.83
Others	0.35	0.36
	19.38	16.65
Retiral Benefits		
Shri. Ashwin Choksi	0.08	0.07
Shri. Ashwin Dani	0.07	0.07
Shri. Abhay Vakil	0.07	0.08
	0.22	0.22
Commission to Promoter - Non Executive Directors		
Shri. Mahendra Choksi	0.26	0.27
Shri. Ashwin Choksi	0.34	0.34
Shri. Ashwin Dani	0.30	0.30
Shri. Abhay Vakil	0.26	0.26
Shri. Malav Dani	0.28	0.27
Ms. Amrita Amar Vakil	0.26	0.26
	1.70	1.70
Sitting Fees Paid to Promoter - Non Executive Directors		
Shri. Mahendra Choksi	0.06	0.06
Shri. Ashwin Choksi	0.04	0.04
Shri. Ashwin Dani	0.05	0.06
Shri. Abhay Vakil	0.06	0.08
Shri. Malav Dani	0.04	0.05
Ms. Amrita Amar Vakil	0.04	0.05
	0.29	0.34

Notes to the Financial Statements

NOTE 43 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS- 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2017. (contd.)

Disclosure in respect of material transactions of the same type with related parties during the year: (contd.)

(₹ in Crores)

	Year 2016-17	Year 2015-16
Reimbursement of Expenses – Paid		
Asian Paints Industrial Coatings Limited	0.02	2.33
Berger Paints Singapore Pte Limited Singapore	0.03	0.04
SCIB Chemicals S.A.E.	0.09	0.48
Berger Paints Emirates Limited	0.21	0.25
Asian Paints (Lanka) Limited	0.16	0.09
PT Asian Paints Indonesia	0.15	0.00
Others	0.51	0.64
	1.17	3.83
Dividend Paid		
Smiti Holding And Trading Company Private Limited	43.00	35.15
ISIS Holding And Trading Company Private Limited	42.04	34.37
Others	317.54	259.63
	402.58	329.15
Contributions during the year *(includes Employees' share and contribution)*		
Asian Paints Office Provident Fund	30.56	27.35
Asian Paints Factory Employees Provident Fund	19.63	17.76
Asian Paints Management Cadres Superannuation Scheme	2.52	2.28
Asian Paints (India) Limited Employees' Gratuity Fund	10.21	10.25
	62.92	57.64
Investment made		
Asian Paints (International) Limited	6.71	143.16
	6.71	143.16
Loan Given		
Maxbhumi Developers Limited	0.10	0.20
	0.10	0.20
Sale of Asset		
Resins & Plastics Limited	0.15	0.24
PPG Asian Paints Private Limited	-	0.09
Asian Paints (Lanka) Limited	-	0.05
Others	-	0.06
	0.15	0.44

Notes to the Financial Statements

NOTE 44 : SEGMENT REPORTING

Basis of Segmentation:

Factors used to identify the reportable segments:

The Company has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

Reportable Segment	Products/Services
Paints	Manufacturing and Trading of Paints and related services
Home Improvement	Manufacturing and Trading of Bath Fitting products and related services

The measurement principles of segments are consistent with those used in Significant Accounting Policies. There are no inter segment transfer.

(₹ in Crores)

	Year 2016-17			Year 2015-16		
	Paints	Home Improvement	Total	Paints	Home Improvement	Total
A. SEGMENT REVENUE	14,210.14	150.29	14,360.43	13,213.14	119.04	13,332.18
B. SEGMENT RESULT	2,799.26	(18.53)	2,780.73	2,645.05	(26.54)	2,618.51
C. SPECIFIED AMOUNTS INCLUDED IN SEGMENT RESULTS						
Depreciation and amortisation	251.89	1.03	252.92	191.22	2.71	193.93
Interest Income	0.67	-	0.67	0.54	-	0.54
Net foreign exchange loss	8.03	-	8.03	-	-	-
Finance costs	17.28	0.04	17.32	17.80	0.11	17.91
Dividend Income	5.08	-	5.08	3.05	-	3.05
D. RECONCILIATION OF SEGMENT RESULT WITH PROFIT AFTER TAX						
SEGMENT RESULT	2,799.26	(18.53)	2780.73	2,645.05	(26.54)	2618.51
Add/(Less):						
Interest Income			20.87			10.99
Depreciation and amortisation			(42.51)			(40.58)
Net foreign exchange gain			24.86			2.37
Dividend received			71.83			67.25
Net gain arising on financial assets measured at FVTPL			52.20			45.61
Gain on sale of financial assets measured at FVTPL			15.45			7.03
Finance costs			(1.54)			(5.49)
Exceptional items			-			(65.35)
Income taxes			(854.95)			(780.29)
Other Un-allocable Expenses net of Un-allocable Income			(263.84)			(237.25)
PROFIT AFTER TAX AS PER STATEMENT OF PROFIT AND LOSS			1,803.10			1,622.81

Notes to the Financial Statements

NOTE 44 : SEGMENT REPORTING (contd.)

(₹ in Crores)

	31.03.2017			31.03.2016			01.04.2015		
	Paints	Home Improvement	Total	Paints	Home Improvement	Total	Paints	Home Improvement	Total
E. OTHER INFORMATION									
Segment assets	6,659.67	112.98	6,772.65	5,536.23	90.14	5,626.37	5,107.68	93.63	5,201.31
Un-allocable assets			3,441.41			3,098.58			2,424.72
Total assets			10,214.06			8,724.95			7,626.03
Segment liabilities	2,752.56	55.02	2,807.58	2,342.52	29.25	2,371.77	2,126.74	28.17	2,154.91
Un-allocable liabilities			455.50			427.45			401.22
Total liabilities			3,263.08			2,799.22			2,556.13
Capital expenditure	342.57	1.47	344.04	807.77	0.71	808.48	209.24	48.07	257.31
Un-allocable capital expenditure			55.07			43.48			29.14
Total Capital expenditure			399.11			851.96			286.45

(₹ in Crores)

	Year 2016-17	Year 2015-16
F. REVENUE FROM EXTERNAL CUSTOMERS		
India	14,296.73	13,283.08
Outside India	63.70	49.10
TOTAL REVENUE	**14,360.43**	**13,332.18**

All non-current assets of the Company are located in India.

There is no transactions with single external customer which amounts to 10% or more of the Company's revenue.

(₹ in Crores)

NOTE 45 : EXCEPTIONAL ITEMS	Year 2016-17	Year 2015-16
Impairment loss in the value of non-current investment in subsidiary companies (Refer Note A and B below)	-	65.35
Total exceptional items	**-**	**65.35**

A. In the previous year, the Company had made an assessment of the fair value of investment made in its subsidiary, Sleek International Private Limited ('Sleek'), taking into account the past business performance, prevailing business conditions and revised expectations of the future performance given the understanding built up since acquisition. Based on above factors and as a matter of prudence, the Company had recognised an impairment loss in the value of investment made in Sleek to the tune of ₹ 65.30 crores. The same is disclosed under "Exceptional items" in the Statement of Profit and Loss. The recoverable amount of the investment was determined at ₹ 54.20 crores, which was based on its value in use. This value in use calculation was carried taking into account the discount rate of 14% per annum.

B. In the previous year, the Company had filed an application for striking off the name of Multifacet Infrastructure (India) Limited ('Multifacet'), wholly owned non-operating subsidiary of the Company, under the "Fast Track Exit Mode" under Section 560 of Companies Act, 1956. Consequently, the Company had recognised an impairment loss in the value of investment in Multifacet for ₹ 0.05 crores. During the current year, Multifacet's name has been struck off from Register of Companies w.e.f. 24th August, 2016.

Notes to the Financial Statements

NOTE 46 : During the previous year, the Company had discovered certain irregularities at M/s Sharepro Services (India) Private Limited ('Sharepro'), the erstwhile Registrar and Transfer Agent (R&T) of the Company, in respect of share related and dividend encashment activities. Subsequently the Company had filed a criminal complaint against Sharepro and its employees and appointed M/s TSR Darashaw Limited ('TSR') as its R&T Agent with effect from 1st April, 2016. The process of transferring the records from Sharepro to TSR was delayed due to lack of reliable record maintenance and availability of appropriate support from Sharepro. Also, the Company could not rely on the data of unpaid dividend provided by Sharepro which required detailed verification before concluding the correctness of the same. Owing to this, unpaid final dividend for the financial year 2008-09 amounting to ₹ 29.59 lakhs was transferred to Investor Education and Protection fund ('IEPF') beyond the stipulated timeline as per the provisions of Section 124(5) of the Companies Act, 2013. The transfer to IEPF was effected on 21st October, 2016 as against the due date of 31st August, 2016.

NOTE 47 : CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(₹ in Crores)

		Year 2016-17			Year 2015-16		
		In cash*	Yet to be paid in cash	Total	In cash*	Yet to be paid in cash	Total
A.	**Gross amount required to be spent by the Company during the year 2016-17 - ₹ 39.88 crores (Year 2015-16 - ₹ 33.75 crores)**						
B.	**Amount spent during the year on:**						
i	Construction/Acquisition of any assets	-	-	-	-	-	-
ii	Purposes other than (i) above	46.51	1.33	47.84	31.85	2.59	34.44
		46.51	**1.33**	**47.84**	**31.85**	**2.59**	**34.44**
C.	**Related party transactions in relation to Corporate Social Responsibility:**			NIL			NIL
D.	**Provision movement during the year:**						
	Opening provision			2.59			3.55
	Addition during the year			1.05			2.59
	Utilised during the year			(2.59)			(3.55)
	Closing provision			1.05			2.59

*Represents actual outflow during the year.

NOTE 48 : DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD FROM 8TH NOVEMBER, 2016 TO 30TH DECEMBER, 2016 IS PROVIDED IN TABLE BELOW:

(₹ in Crores)

	Specified Bank Notes (SBN)	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.04	0.03	0.07
(+) Permitted receipts	-	0.08	0.08
(-) Permitted payments [*₹ 7,500/-]	*	0.06	0.06
(-) Amount deposited in Banks [*₹ 838/-]	0.04	*	0.04
Closing cash in hand as on 30.12.2016	-	0.05	0.05

NOTE 49 : The financial statements are approved for issue by the Audit Committee at its meeting held on 10th May, 2017 and by the Board of Directors on 11th May, 2017.

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To The Members of Asian Paints Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Asian Paints Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associates referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements/consolidated financial information of 2 subsidiaries, included in the

consolidated Ind AS financial statements, whose financial statements/consolidated financial information reflect total assets of ₹ 1,948.08 crore as at 31st March, 2017, total revenues of ₹ 2,204.02 crore and net cash inflows amounting to ₹ 323.37 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 49.61 crore for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of 1 associate, whose 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

(b) The comparative financial information of the Group and its associates for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by one of us whose report for the year ended 31st March, 2016 and 31st March, 2015 dated 11th May, 2016 and 18th May, 2015 respectively expressed an unmodified opinion on those consolidated financial statements and have been restated to comply with Ind AS. Adjustments made to the said consolidated financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the consolidated Ind AS 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

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements of subsidiary and associate companies incorporated in India, referred in the Other Matters paragraph 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 Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and 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 Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding 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 and its associate companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of, the Holding Company's / subsidiary company's / associate company's incorporated in India, internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS 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 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 Holding Company and its subsidiary companies and associate companies incorporated in India, other than one instance of delay of 51 days in respect of unpaid dividend by the Holding Company as explained in note 43 to the consolidated Ind AS financial statements.

iv. The Holding Company has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and other auditors by the Management of the respective Group entities.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
11th May, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
11th May, 2017

Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Ind AS financial statements of the Company for the year ended 31st Mach, 2017, we have audited the internal financial controls over financial reporting of Asian Paints Limited ("the Company" or "the Holding Company") and its subsidiary companies and its associate companies, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting (criteria established by the Company) considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 4 subsidiary companies and 2 associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
11th May, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
11th May, 2017

Consolidated Balance Sheet

as at 31st March, 2017

(₹ in Crores)

	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	2	2,956.65	3,056.15	2,267.01
Capital work-in-progress		257.54	106.59	195.56
Goodwill	3(A)	191.89	198.99	245.33
Other Intangible Assets	3(B)	153.61	161.21	144.16
Financial Assets				
Investments				
Investment in Associate	4	319.83	274.83	242.13
Other Investments	4	980.82	852.00	728.69
Loans	5	72.62	64.81	48.98
Trade Receivables	6	-	4.84	4.45
Other Financial Assets	7	199.42	31.85	18.48
Deferred Tax Assets (Net)	20	16.16	1.83	0.20
Current Tax Assets (Net)	9	84.01	17.93	21.68
Other Non-Current Assets	10	221.53	54.81	183.99
		5,454.08	4,825.84	4,100.66
CURRENT ASSETS				
Inventories	11	2,626.94	1,998.24	2,199.90
Financial Assets				
Investments	4	1,351.34	1,585.30	1,215.06
Trade Receivables	6	1,446.60	1,186.84	1,125.45
Cash and Cash Equivalents	8(A)	582.08	337.42	194.50
Other Balances with Banks	8(B)	219.13	86.78	10.54
Loans	5	17.88	20.13	19.16
Other Financial Assets	7	421.66	252.29	205.23
Assets classified as Held for Sale	12	14.99	4.45	8.36
Other Current Assets	10	285.06	263.57	256.74
		6,965.68	5,735.02	5,234.94
TOTAL ASSETS		12,419.76	10,560.86	9,335.60
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	13	95.92	95.92	95.92
Other Equity	14	7,506.38	6,428.90	5,451.65
Equity attributable to owners of the Company		7,602.30	6,524.82	5,547.57
Non-Controlling Interests	14	375.45	383.69	345.88
		7,977.75	6,908.51	5,893.45
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	15	41.07	72.63	78.28
Other Financial Liabilities	16	7.20	10.62	10.91
Provisions	17	146.03	121.37	115.95
Deferred Tax Laibilities (Net)	20	359.19	296.83	251.29
Other Non-Current Liabilities	18	3.65	1.82	-
		557.14	503.27	456.43
CURRENT LIABILITIES				
Financial Liabilties				
Borrowings	15	504.43	231.08	331.28
Trade Payables				
Due to Micro and Small Enterprises	19	30.38	21.23	12.84
Due to Others	19	1,892.45	1,543.84	1,521.50
Other Financial Liabilities	16	1,039.79	980.71	790.32
Other Current Liabilities	18	227.14	218.81	186.24
Provisions	17	49.13	56.90	39.76
Current Tax Liabilities (Net)	21	141.55	96.51	103.78
		3,884.87	3,149.08	2,985.72
TOTAL EQUITY AND LIABILITIES		12,419.76	10,560.86	9,335.60
Significant accounting policies and Key accounting estimates and judgements	1			
See accompanying notes to the consolidated financial statements	2-47			

As per our report of even date attached

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

For B S R & Co. LLP
Chartered Accountants
F.R.N: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai, 11th May, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai, 11th May, 2017

Ashwin Choksi
Chairman
DIN: 00009095

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

Mumbai, 11th May, 2017

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

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2017

(₹ in Crores)

Particulars	Notes	Year 2016-17	Year 2015-16
REVENUE FROM OPERATIONS			
Revenue from sale of products (including Excise Duty)	22A	16,848.12	15,627.13
Revenue from sale of services	22B	47.17	34.63
Other Operating Revenues	22C	189.47	179.93
Other Income	23	262.60	213.39
TOTAL INCOME (I)		**17,347.36**	**16,055.08**
EXPENSES			
Cost of Materials Consumed	24A	8,109.96	7,194.80
Purchases of Stock-in-Trade	24B	851.75	655.52
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24C	(531.07)	199.33
Excise Duty		1,794.56	1,570.20
Employee Benefits Expense	25	1,086.29	989.51
Other Expenses	26	2,751.84	2,463.18
TOTAL (II)		**14,063.33**	**13,072.54**
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		**3,284.03**	**2,982.54**
Finance Costs	27	30.58	40.66
Depreciation and Amortisation Expense	28	338.84	275.58
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**2,914.61**	**2,666.30**
Exceptional Items	39	-	52.45
PROFIT BEFORE TAX		**2,914.61**	**2,613.85**
Tax Expense	20		
(1) Current Tax		895.32	801.68
(2) Minimum Alternate Tax (MAT) credit utilised/paid		0.53	1.32
(3) MAT Credit entitlement of earlier years		-	(1.32)
(4) Short/(Excess) tax provision for earlier years		2.80	(4.46)
(5) Deferred Tax		49.33	47.27
Total tax expense		**947.98**	**844.49**
PROFIT AFTER TAX BEFORE SHARE OF PROFIT OF ASSOCIATE		**1,966.63**	**1,769.36**
SHARE OF PROFIT OF ASSOCIATE		49.61	33.42
PROFIT FOR THE YEAR		**2,016.24**	**1,802.78**
OTHER COMPREHENSIVE INCOME (OCI)			
(A) Items that will not be reclassified to Statement of Profit and Loss			
(a) (i) Remeasurement of defined benefit plans		15.39	(0.70)
(ii) Income tax relating to remeasurement of defined benefit plans		(4.36)	(0.09)
(b) Net fair value gain/(loss) on investment in equity instruments through OCI		130.76	(19.85)
(c) Share of OCI in associate		(0.57)	(0.73)
(B) Items that will be reclassified to Statement of Profit and Loss			
(a) (i) Net fair value gain on investment in debt instruments through OCI		2.73	0.53
(ii) Income tax benefit on net fair value gain on investment in debt instruments through OCI		0.17	0.34
(b) Exchange difference arising on translation of foreign operations		(136.44)	(2.99)
TOTAL OTHER COMPREHENSIVE INCOME (A+B)		**7.68**	**(23.49)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,023.92**	**1,779.29**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
-Owners of the Company		1,939.42	1,745.16
-Non-controlling interest		76.82	57.62
		2,016.24	**1,802.78**
OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
-Owners of the Company		58.98	(18.19)
-Non-controlling interest		(51.30)	(5.30)
		7.68	**(23.49)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
-Owners of the Company		1,998.40	1,726.97
-Non-controlling interest		25.52	52.32
		2,023.92	**1,779.29**
Earnings per equity share (Face value of ₹ 1 each)	41		
(1) Basic (in ₹)		20.22	18.19
(2) Diluted (in ₹)		20.22	18.19
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to the consolidated financial statements	2-47		

As per our report of even date attached

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

For B S R & Co. LLP
Chartered Accountants
F.R.N: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai, 11th May, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
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Shyamak R Tata
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Membership No: 038320

Mumbai, 11th May, 2017

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Chairman
DIN: 00009095

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Chairman of Audit Committee
DIN:00327684

Mumbai, 11th May, 2017

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

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2017

(₹ in Crores)

A) EQUITY SHARE CAPITAL

	As at 31.03.2017	As at 31.03.2016
Balance at the beginning of the reporting year	95.92	95.92
Changes in Equity Share capital during the reporting year	-	-
Balance at the end of the reporting year	95.92	95.92

(₹ in Crores)

B) OTHER EQUITY

	Attributable to owners of the Company												
	Reserves and Surplus						Items of Other comprehensive income (OCI)				Total attributable to owners of the Company	Non-controlling interests	Total
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in associate			
Balance as at 1st April, 2016 (A)	39.16	*	5.37	11.29	4,219.78	2,141.50	0.87	31.51	(19.85)	(0.73)	6,428.90	383.69	6,812.59
Additions during the year;													
Profit for the year	-	-	-	-	-	1,939.42	-	-	-	-	1,939.42	76.82	2,016.24
Items of OCI for the year, net of tax													
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	(83.44)	-	-	(83.44)	(53.00)	(136.44)
Remeasurement of defined benefit plans	-	-	-	-	-	9.33	-	-	-	-	9.33	1.70	11.03
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-		-	130.76	-	130.76	-	130.76
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	-	-	2.90	-	-	-	2.90	-	2.90
Share of the OCI in associate	-	-	-	-	-	-	-	-	-	(0.57)	(0.57)	-	(0.57)
Total comprehensive income for the year (B)	-	-	-		-	1,948.75	2.90	(83.44)	130.76	(0.57)	1,998.40	25.52	2,023.92
Reductions during the year;													
Dividends (Refer Note 30)	-	-	-	-	-	(762.56)	-	-	-	-	(762.56)	(33.76)	(796.32)
Income tax on Dividend (Refer Note 30)	-	-	-	-	-	(154.33)	-	-	-	-	(154.33)	-	(154.33)
Share of effect in reserves of Associate pursuant to an acquisition made by the Associate	-	-	-	-	(4.03)	-	-	-	-	-	(4.03)	-	(4.03)
Transfer to Statutory Reserves amd General Reserve	-	-	-	0.61	500.00	(500.61)	-	-	-	-	-	-	-
Total (C)	-	-	-	0.61	495.97	(1,417.50)	-	-	-	-	(920.92)	(33.76)	(954.68)
Balance as at 31st March, 2017 (A+B+C)	39.16	*	5.37	11.90	4,715.75	2,672.75	3.77	(51.93)	110.91	(1.30)	7,506.38	375.45	7,881.83

*₹ 5,000

As per our report of even date attached

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

For B S R & Co. LLP
Chartered Accountants
F.R.N: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai, 11th May, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai, 11th May, 2017

Ashwin Choksi
Chairman
DIN: 00009095

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

Mumbai, 11th May, 2017

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

Jayesh Merchant
CFO & Company Secretary, President - Industrial JVs

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2017

(₹ in Crores)

B) OTHER EQUITY

	Attributable to owners of the Company												Total attributable to owners of the Company	Non-controlling interests	Total
	Reserves and Surplus						Items of Other comprehensive income (OCI)								
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in associate					
Balance as at 1st April, 2015 (A)	39.16	*	5.37	10.43	3,558.96	1,807.76	-	29.97	-	-			5,451.65	345.88	5,797.53
Additions during the year;															
Profit for the year	-	-	-	-	-	1,745.16	-	-	-	-			1,745.16	57.62	1,802.78
Items of OCI for the year, net of tax															
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	1.54	-	-			1.54	(4.53)	(2.99)
Remeasurement of defined benefit plans	-	-	-	-	-	(0.02)	-	-	-	-			(0.02)	(0.77)	(0.79)
Net fair value loss on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	(19.85)	-			(19.85)	-	(19.85)
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	-	-	0.87	-	-	-			0.87	-	0.87
Share of the OCI in associate	-	-	-	-	-	-	-	-	-	(0.73)			(0.73)	-	(0.73)
Total comprehensive income for the year (B)	-	-	-	-	-	1,745.14	0.87	1.54	(19.85)	(0.73)			1,726.97	52.32	1,779.29
Reductions during the year;															
Dividends (Refer Note 30)	-	-	-	-	-	(623.48)	-	-	-	-			(623.48)	(14.51)	(637.99)
Income tax on Dividend (Refer Note 30)	-	-	-	-	-	(126.24)	-	-	-	-			(126.24)	-	(126.24)
Transfer to Statutory Reserves amd General Reserve	-	-	-	0.86	660.82	(661.68)	-	-	-	-			-	-	-
Total (C)	-	-	-	0.86	660.82	(1,411.40)	-	-	-	-			(749.72)	(14.51)	(764.23)
Balance as at 31st March, 2016 (A+B+C)	39.16	*	5.37	11.29	4,219.78	2,141.50	0.87	31.51	(19.85)	(0.73)			6,428.90	383.69	6,812.59

*₹ 5,000

Consolidated Cash Flow Statement

for the year ended 31st March, 2017

(₹ in Crores)

Particulars		Year 2016-17	Year 2015-16
(A)	**Cash Flow From Operating Activities**		
	Profit Before Tax	2,914.61	2,613.85
	Adjustments for:		
	Depreciation and amortisation expense	338.84	275.58
	Gain on sale of financial assets measured at fair value through profit or loss (FVTPL)	(15.60)	(8.60)
	Gain on sale of property, plant and equipment (net)	(1.42)	(11.23)
	Finance costs	30.58	40.66
	Allowances for doubtful debts and advances (net)	14.81	11.09
	Bad debts written off	0.32	2.53
	Interest income	(33.14)	(22.43)
	Dividend income	(73.90)	(69.13)
	Other Non-cash items (Refer Note 39)	-	52.45
	Net gain arising on financial assets measured at fair value through profit or loss (FVTPL)	(49.40)	(43.81)
	Income on prepayment of loan	(3.54)	-
	Deferred income arising from government grant	(0.62)	-
	Net unrealised foreign exchange loss/(gain)	1.84	(10.98)
	Effect of exchange rates on translation of operating cashflows	(67.84)	17.54
	Operating Profit before working capital changes	3,055.54	2,847.52
	Adjustments for:		
	(Increase) / Decrease in Inventories	(628.70)	201.66
	(Increase) in Trade and Other Receivables	(474.70)	(145.84)
	Increase in Trade and Other Payables	500.59	141.97
	Cash generated from Operating activities	2,452.73	3,045.31
	Income Tax paid (net of refund)	(925.40)	(802.36)
	Net Cash generated from operating activities	1,527.33	2,242.95
(B)	**Cash Flow from Investing Activities**		
	Purchase of Property, plant and equipment	(684.13)	(817.11)
	Sale of Property, plant and equipment	16.92	14.91
	Purchase of investments	(152.75)	(282.33)
	Sale of non-current investments	209.54	204.85
	Proceeds from sale of current Investments (net)	147.14	-
	Net investment in bank/term deposits (having original maturity more than three months)	(298.73)	(70.28)
	Interest received	32.01	14.77
	Dividend received	73.90	68.90
	Net Cash used in investing activities	(656.10)	(866.29)

Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March, 2017

(₹ in Crores)

Particulars		Year 2016-17	Year 2015-16
(C)	**Cash Flow from Financing Activities**		
	Proceeds from non-current borrowings	31.10	6.77
	Repayment of non-current borrowings	(57.65)	(1.63)
	Proceeds from current borrowings	269.24	1.69
	Repayment of current borrowings	(29.27)	(117.16)
	Acceptances - Net	13.16	65.75
	Finance costs paid	(35.68)	(40.17)
	Dividend and Dividend tax paid (including dividend paid to Minority Shareholders)	(947.33)	(764.23)
	Net Cash used in financing activities	(756.43)	(848.98)
(D)	**Net Increase in cash and cash equivalents [A+B+C]**	114.80	527.68
	Add : Cash and cash equivalents as at 1st April	1,577.73	1,049.97
	Net effect of exchange (loss) / gain on cash and cash equivalents	(25.01)	0.08
	Cash and cash equivalents as at 31st March	1,667.52	1,577.73

Notes:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flows

(₹ in Crores)

		As at 31.03.2017	As at 31.03.2016
(b)	Cash and Cash Equivalent comprises of:		
	Cash on hand	0.74	0.59
	Balances with Banks:		
	- Current Accounts	490.57	212.59
	- Cash Credit Accounts	9.37	9.42
	- Deposits with Bank with maturity less than 3 months	42.72	86.91
	Cheques, drafts on hand	38.68	27.91
	Cash and cash equivalents (Refer Note 8(A))	582.08	337.42
	Investment in Liquid mutual funds and Government Securities - Unquoted [Refer Note 4 II B (i) and 4 II C (i)]	1.38	23.74
	Investment in Liquid mutual funds - Quoted [Refer Note 4 II A (ii)]	1,156.38	1,233.01
	Less: Loan repayable on demand - Cash Credit /Overdraft Accounts [Refer Note 15]	72.32	16.44
	Cash and cash equivalents in Cash Flow Statement	1,667.52	1,577.73

As per our report of even date attached

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

For B S R & Co. LLP Chartered Accountants F.R.N: 101248W/W-100022	For Deloitte Haskins & Sells LLP Chartered Accountants F.R.N: 117366W/W-100018	Ashwin Choksi Chairman DIN: 00009095	K.B.S. Anand Managing Director & CEO DIN:03518282
Bhavesh Dhupelia Partner Membership No: 042070	Shyamak R Tata Partner Membership No: 038320	M.K. Sharma Chairman of Audit Committee DIN:00327684	Jayesh Merchant CFO & Company Secretary, President - Industrial JVs
Mumbai, 11th May, 2017	Mumbai, 11th May, 2017	Mumbai, 11th May, 2017	

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2017

GROUP'S BACKGROUND

The consolidated financial statements comprise financial statements of Asian Paints Limited (the Parent), its subsidiaries and associate (collectively, the Group) for the year ended 31st March, 2017.

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 and providing related services.

1. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

SIGNIFICANT ACCOUNTING POLICIES:

1.1. Basis of preparation of consolidated financial statements

These financial statements are the consolidated financial statements of the Group 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.

For all periods up to and including the year ended 31st March, 2016, the Group had prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Group's Balance Sheet, financial performance and cash flows is given under Note 31.

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.

1.2. 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 realized/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 realized/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 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 and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

1.3. Summary of Significant accounting policies

a) Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2017

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 acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

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 difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are 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) Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Group.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

c) Property, plant and equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, 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. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

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 item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Consolidated Statement of Profit and Loss. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life. Depreciation on tinting systems leased to dealers, is provided under Straight Line Method over the estimated useful life of nine years as per technical evaluation.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of lease.

The useful lives, residual values of each part of an item of property, plant and equipment 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 property, plant and equipment is derecognized 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 property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the consolidated Statement of Profit and Loss when the item is derecognized.

d) Intangible assets

Measurement at recognition:

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 not capitalized and the related expenditure is recognized in the Consolidated Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets with finite useful life are carried at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets with indefinite useful lives, that are acquired separately, are carried at cost/fair value at the date of acquisition less accumulated impairment loss, if any.

Notes to the Consolidated Financial Statements

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Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Consolidated Statement of Profit and Loss.

The amortization period and the amortization 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.

Derecognition:

The carrying amount of an intangible asset is derecognized 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 recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

e) Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization 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 recognized whenever the carrying amount of an asset or its cash generating unit (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 recognized in the consolidated Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses 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 recognized.

f) Revenue

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Group in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Group.

Revenue includes only the gross inflows of economic benefits, including excise duty, received and receivable by the Group, on its own account. Amounts collected on behalf of third parties such as sales tax and value added tax are excluded from revenue.

Sale of goods:

Revenue from sale of goods is recognized when the Group transfers all significant risks and rewards of ownership to the buyer, while the Group retains neither continuing managerial involvement nor effective control over the goods sold.

Rendering of services:

Revenue from services is recognized when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

Interest, royalties and dividends:

Interest income is recognized using effective interest method. Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreement. Dividend income is recognized when the right to receive payment is established.

g) Government grants and subsidies

Recognition and Measurement:

The parent is entitled to subsidies from government in respect of manufacturing units located in specified regions. Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognized as income when there is a reasonable assurance that the parent will comply with all necessary conditions attached to them. Income from subsidies is recognized on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognized.

The parent 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. It is recognized as income when there is a reasonable assurance that the parent will comply with all necessary conditions attached to the loans. Income from such benefit is recognized on a systematic basis over the period of the loan during which the Parent recognizes interest expense corresponding to such loans.

Presentation:

Income from subsidies are presented on gross basis under Revenue from Operations. Income arising from below-market rate of interest loans are presented on gross basis under Other income.

h) 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. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

i) Financial Instruments

A financial instrument is any 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:

The Group recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

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All financial assets are recognized 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.

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 recognized 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 recognized 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.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.

Based on the above criteria, the Group classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized 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 amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization 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 asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the consolidated Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at 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 recognized in the Other Comprehensive Income (OCI). However, the Group recognizes 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 recognized 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 recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Group recognizes dividend income from such instruments in the Consolidated Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from 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 FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in associate (Refer Note 29 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Consolidated Statement of Profit and Loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Group neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

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 recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes 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.

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for the year ended 31st March, 2017

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 recognized 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 and lease receivables

ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECLis 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 recognized 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 is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL area portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

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) recognized during the period is recognized as income/ expense in the Consolidated Statement of Profit and Loss under the head 'Other expenses'.

Financial Liabilities

Initial recognition and measurement:

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized 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 recognized 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 recognized 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 amortized cost using the effective interest method (Refer Note 29 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization 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 amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Consolidated Statement of Profit and Loss.

Derecognition:

A financial liability is derecognized 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 derecognized and the consideration paid is recognized in the Consolidated Statement of Profit and Loss.

j) Derivative financial instruments and hedge accounting

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 amortized cost. The Group formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognized 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 recognized 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 recognized in the Consolidated Statement of Profit and Loss. Hedging instrument is recognized 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 (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized 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 recognized in the Consolidated Statement of Profit and Loss.

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Derecognition:

On Derecognition of the hedged item, the unamortized fair value of the hedging instrument is recognized in the Consolidated Statement of Profit and Loss.

k) 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 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 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 recognized 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 categorization at the end of each reporting period and discloses the same.

l) Foreign Currency Translation

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group 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. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Consolidated Statement of Profit and Loss.

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 these translations are recognized 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.

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 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 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.

Deferred tax:

Deferred tax is recognized 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 under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. 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, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. 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, deferred tax assets are not recognized.

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.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and each subsidiary company, as per their applicable laws and then aggregated.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective group company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

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Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

n) Provisions and Contingencies

The Group recognizes 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 embodying economic benefits will be required to settle such obligation and the amount of such obligation 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 recognized 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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

o) Measurement of EBITDA

The Group has opted to present Earnings Before Interest (finance cost), Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of the Consolidated Statement of Profit and Loss for the period. The Group measures EBITDA on the basis of 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.

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 recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

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 recognizes contribution payable to a defined contribution plan as an expense in the Consolidated Statement of Profit and Loss when the employees render services to the Group during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized 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 recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined benefit plans:

i) Provident fund scheme:

The Parent Company operates a provident fund scheme by paying contribution into separate entities' funds administrated by the Parent Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. These entities have an obligation to make good the shortfall, if any, between the return on 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 and Leaving Indemnity Scheme:

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 carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability (asset) are recognized 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 recognized 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, the entire liability towards gratuity is considered as current as the Group will contribute this amount to the gratuity fund within the next twelve months.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2017

Other Long Term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The 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.

r) Lease accounting

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets taken on lease:

In respect of operating leases, lease rentals are recognized as an expense in the Consolidated Statement of Profit and Loss on straight line basis over the lease term unless

i) Another systematic basis is more representative of the time pattern in which the benefit is derived from leased asset; or

ii) The payments to the lessor are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The excess of lease payments over the recorded lease obligations are treated as 'finance charges' which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

Assets given on lease:

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

s) Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, plant and equipment and Intangible Assets.

t) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period 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 Parent Company. 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 Balance Sheet date of material size or nature are only disclosed.

w) Non-Current Assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

x) Investment in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If Group's share of losses of an associate exceeds its interest in that associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

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 of an associate in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2017

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 profit or loss.

y) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the company has:

- Power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the 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 Company's voting rights and potential voting rights
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The 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. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

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 31st March. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

z) Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notify amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendment is applicable to the Company from April 1, 2017.

Amendments to Ind AS 7

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

1.4. Key accounting estimates and judgements

The preparation of the Group's 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 affected 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 judgments 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. Also Refer Note 20.

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2017

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, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

d. Impairment of Goodwill and Other Intangible Assets with Indefinite Life

Goodwill and other intangible assets with indefinite 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 benefiting 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. Fair value measurement of financial instruments

When the fair values of financials 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.

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

	Gross carrying value					Depreciation / Amortisation					Net carrying value
	As at 01.04.16	Translation Difference	Additions /Adjustments during the year	Deductions /Adjustments during the year#	As at 31.03.17	As at 01.04.16	Translation Difference	Additions /Adjustments during the year	Deductions /Adjustments during the year#	As at 31.03.17	As at 31.03.17
Land:											
Freehold	193.70	(4.95)	0.02	13.26	175.51	-	-	-	-	-	175.51
Leasehold	235.58	(3.45)	-	0.06	232.07	1.63	(0.10)	3.00	0.02	4.51	227.56
Buildings:											
Freehold	876.35	(26.04)	27.89	0.32	877.88	27.71	0.35	31.72	0.03	59.75	818.13
Leasehold	44.18	(3.13)	0.81	-	41.86	2.67	(0.73)	3.06	-	5.00	36.86
Leasehold improvements	2.64	-	8.65	0.01	11.28	0.86	-	1.35	0.01	2.20	9.08
Plant and Equipment	1,792.69	(17.65)	206.19	1.73	1,979.50	186.28	0.16	239.89	0.46	425.87	1,553.63
Scientific Research:											
Buildings	30.49	-	-	-	30.49	1.30	-	1.30	-	2.60	27.89
Equipment	24.90	-	8.41	0.02	33.29	5.93	0.01	4.93	0.01	10.86	22.43
Furnitures & Fixtures	48.90	(0.61)	12.64	1.73	59.20	8.68	0.03	9.47	0.92	17.26	41.94
Vehicles	8.45	(0.41)	3.03	0.06	11.01	2.68	(0.02)	2.67	0.04	5.29	5.72
Office Equipment	41.25	(1.34)	15.12	0.24	54.79	9.97	(0.12)	11.52	0.02	21.35	33.44
Assets Given on Operating Lease:											
Tinting systems	3.59	(0.58)	0.71	-	3.72	0.77	(0.42)	0.73	-	1.08	2.64
Assets Taken on Finance Lease:											
Vehicles	2.60	(0.12)	0.39	-	2.87	0.69	(0.08)	0.84	0.40	1.05	1.82
TOTAL	3,305.32	(58.28)	283.86	17.43	3,513.47	249.17	(0.92)	310.48	1.91	556.82	2,956.65

(₹ in Crores)

	Gross carrying value					Depreciation / Amortisation					Net carrying value
	As at 01.04.15	Translation Difference	Additions /Adjustments during the year	Deductions /Adjustments during the year#	As at 31.03.16	As at 01.04.15*	Translation Difference	Additions /Adjustments during the year	Deductions /Adjustments during the year#	As at 31.03.16	As at 31.03.16
Land:											
Freehold	122.40	(0.55)	71.85	-	193.70	-	-	-	-	-	193.70
Leasehold	127.61	2.58	105.40	0.01	235.58	-	-	1.64	0.01	1.63	233.95
Buildings:											
Freehold	711.23	(1.66)	168.49	1.71	876.35	-	(0.11)	27.82	-	27.71	848.64
Leasehold	21.22	1.39	21.58	0.01	44.18	-	0.02	2.65	-	2.67	41.51
Leasehold improvements	2.03	-	0.62	0.01	2.64	-	-	0.87	0.01	0.86	1.78
Plant and Equipment	1,155.37	(0.02)	639.07	1.73	1,792.69	-	(0.24)	186.81	0.29	186.28	1,606.41
Scientific Research:											
Buildings	30.49	-	-	-	30.49	-	-	1.30	-	1.30	29.19
Equipment	20.18	-	4.72	-	24.90	-	-	5.93	-	5.93	18.97
Furnitures & Fixtures	36.40	0.15	12.62	0.27	48.90	-	-	8.68	-	8.68	40.22
Vehicles	6.64	0.09	1.96	0.24	8.45	-	(0.02)	2.70	-	2.68	5.77
Office Equipment	27.88	0.09	13.46	0.18	41.25	-	(0.03)	10.02	0.02	9.97	31.28
Assets Given on Operating Lease:											
Tinting systems	3.37	(0.18)	0.35	(0.05)	3.59	-	(0.05)	0.82	-	0.77	2.82
Assets Taken on Finance Lease:											
Vehicles	2.19	0.08	0.34	0.01	2.60	-	0.01	0.68	-	0.69	1.91
TOTAL	2,267.01	1.97	1,040.46	4.12	3,305.32	-	(0.42)	249.92	0.33	249.17	3,056.15

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in note no 37 (b)

Deductions / Adjustments include Assets classified as held for sale (Refer Note 12)

* Refer Note 31, point 3 under Exemptions availed

Notes to the Consolidated Financial Statements

NOTE 3 : INTANGIBLE ASSETS

(₹ in Crores)

	Gross carrying value					Amortisation					Impairment					Net carrying value
	As at 01.04.16	Translation Difference	Additions /Adjustments during the year	Deductions /Adjustments during the year	As at 31.03.17	As at 01.04.16	Translation Difference	Additions /Adjustments during the year	Deductions /Adjustments during the year	As at 31.03.17	As at 01.04.16	Translation Difference	Additions /Adjustments during the year	Deductions /Adjustments during the year	As at 31.03.17	As at 31.03.17
3A. GOODWILL																
Goodwill on Consolidation	204.16	(7.10)	-	-	197.06	-	-	-	-	-	52.45	-	-	-	52.45	144.61
Goodwill (acquired separately)	47.28	-	-	-	47.28	-	-	-	-	-	-	-	-	-	-	47.28
Total (3A)	251.44	(7.10)	-	-	244.34	-	-	-	-	-	52.45	-	-	-	52.45	191.89
3B. OTHER INTANGIBLES ASSETS (acquired separately)																
Brand (refer 1 below)	86.16	(4.62)	-	-	81.54	2.14	-	0.36	-	2.50	-	-	-	-	-	79.04
Trademark	0.94	-	-	-	0.94	0.19	-	0.19	-	0.38	-	-	-	-	-	0.56
Computer Software	84.18	(0.63)	26.09	-	109.64	22.41	(0.60)	27.05	-	48.86	-	-	-	-	-	60.78
Others	15.43	(0.89)	-	0.02	14.56	0.79	(0.14)	0.74	-	1.39	-	-	-	-	-	13.17
Scientific Research:																
Computer Software	0.08	-	0.05	-	0.13	0.05	-	0.02	-	0.07	-	-	-	-	-	0.06
Total (3B)	186.79	(6.14)	26.14	0.02	206.81	25.58	(0.74)	28.36	-	53.20	-	-	-	-	-	153.61
Total (3A+3B)	438.23	(13.24)	26.14	0.02	451.15	25.63	(0.74)	28.36	-	53.20	52.45	-	-	-	52.45	345.50

(₹ in Crores)

	Gross carrying value					Amortisation					Impairment					Net carrying value
	As at 01.04.15	Translation Difference	Additions /Adjustments during the year	Deductions /Adjustments during the year	As at 31.03.16	As at 01.04.15*	Translation Difference	Additions /Adjustments during the year	Deductions /Adjustments during the year	As at 31.03.16	As at 01.04.15*	Translation Difference	Additions /Adjustments during the year	Deductions /Adjustments during the year	As at 31.03.16	As at 31.03.16
3A. GOODWILL																
Goodwill on Consolidation	198.05	6.11	-	-	204.16	-	-	-	-	-	-	-	52.45	-	52.45	151.71
Goodwill (acquired separately)	47.28	-	-	-	47.28	-	-	-	-	-	-	-	-	-	-	47.28
Total (3A)	245.33	6.11	-	-	251.44	-	-	-	-	-	-	-	52.45	-	52.45	198.99
3B. OTHER INTANGIBLES ASSETS (acquired separately)																
Brand (refer 1 below)	85.14	1.02	-	-	86.16	-	-	2.14	-	2.14	-	-	-	-	-	84.02
Trademark	0.85	-	0.09	-	0.94	-	-	0.19	-	0.19	-	-	-	-	-	0.75
Computer Software	43.11	0.15	41.03	0.11	84.18	-	(0.01)	22.48	0.06	22.41	-	-	-	-	-	61.77
Others	14.98	0.45	-	-	15.43	-	(0.01)	0.80	-	0.79	-	-	-	-	-	14.64
Scientific Research:					-										-	
Computer Software	0.08	-	-	-	0.08	-	-	0.05	-	0.05	-	-	-	-	-	0.03
Total (3B)	144.16	1.62	41.12	0.11	186.79	-	(0.02)	25.66	0.06	25.58	-	-	-	-	-	161.21
Total (3A+3B)	389.49	7.73	41.12	0.11	438.23	-	(0.02)	25.66	0.06	25.58	-	-	52.45	-	52.45	360.20

1: 'Brand' include 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 brands are not amortised.

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in note no 37 (b).

* Refer Note 31, point 3 under Exemptions availed

Notes to the Consolidated Financial Statements

NOTE 3A : Goodwill (contd.)

2. 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 had been allocated as follows:

(₹ in Crores)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Goodwill on Consolidation			
Berger Paints Emirates LLC	2.34	2.48	2.30
Kadisco Paint and Adhesive Industry S.C.	54.59	59.63	58.81
Asian Paints (Vanuatu) Limited	0.83	0.85	0.80
Asian Paints (South Pacific) Limited	1.69	1.73	1.63
SCIB Chemicals, S.A.E.	10.86	11.13	10.46
Asian Paints (Lanka) Limited	0.07	0.07	0.07
Berger International Private Limited	74.24	75.83	71.54
Sleek International Private Limited	-	-	52.45
Goodwill acquired separately			
Asian Paints Limited (Bath Fittings Business)*	35.36	35.36	35.36
Sleek International Private Limited *	11.91	11.91	11.91
TOTAL	**191.89**	**198.99**	**245.33**

The Group's goodwill on consolidation and 'goodwill acquired separately' are tested for impairment annually or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares its cash flow forecasts based on the most recent financial budgets approved by management with projected revenue growth rates ranging from 4% to 65%. Growth rate used for extrapolation of cash flows beyond the period covered by the forecast is 4%.

The rates used to discount the forecasted cash flows is 8% to 18%.

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

The Group made an assessment of recoverable amount of the CGU - Sleek International Private Limited ('Sleek') based on value-in-use, taking into account the past business performance, prevailing business conditions and revised expectations of the future performance given the understanding built up since acquisition. The recoverable amount was calculated at ₹ 54.2 Crore for value of investment of ₹ 119.5 Crore resulting in impairment of investment value by ₹ 52.5 Crore and hence the goodwill on consolidation related to Sleek was fully impaired.

* 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-year period. Cash flows beyond the seven-year period were extrapolated using estimate rates stated above.

Discount rates - Management estimates discount rates using pre-tax rates that reflect current market assessments 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 Company 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 of market development. The weighted average growth rates used were consistent with industry reports.

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. Non-Current Investments								
A. Investments in Equity Instruments								
a. Quoted equity shares								
Akzo Nobel India Limited	20,10,626	10	384.45	272.55	282.51	-	-	-
Housing Development Finance Corporation Limited	4,65,000	2	69.85	51.13	60.97	-	-	-
Apcotex Industries Limited 6,836 shares as on 1st April, 2015. (6,836 shares alloted pursuant to issue of bonus shares during the year 2015-16)	13,672 (13,672)	5	0.44	0.29	0.33	-	-	-
Pan United Corp (7000 shares were sold during the year 2015-16)	- (7,000)	-	-	0.02	0.02	-	-	-
Total Quoted equity shares			454.74	323.99	343.83	-	-	-
b. Unquoted equity shares								
(i) Associate								
PPG Asian Paints Private Limited (Refer Note 34)	2,85,18,112	10	319.83	274.83	242.13	-	-	-
			319.83	274.83	242.13	-	-	-
(ii) Other Entities								
SKH Metals Limited	62,500	10	0.50	0.50	0.50	-	-	-
Patancheru Enviro-tech Limited	12,900	10	0.01	0.01	0.01	-	-	-
SIPCOT Common Utilities Limited	2,830	100	0.03	0.03	0.03	-	-	-
Narmada Clean Tech Limited	4,97,833	10	0.50	0.50	0.50	-	-	-
Paints and Coatings Skill Council (10 shares alloted for cash at face value, during the year 2015-16)	10	25,000	0.03	0.03	-	-	-	-
Shares of Saraswat Co-op. Bank * (₹ 25,000)	2,500	10	*	*	*	-	-	-
			1.07	1.07	1.04	-	-	-
Total Unquoted equity shares			320.90	275.90	243.17	-	-	-
Total Investments in Equity Instruments		A	775.64	599.89	587.00	-	-	-
B. Investments in Government securities - Unquoted								
Unquoted Investments								
National Savings Certificates, Indira Vikas Patra and Defence Certificates deposited with Government Authorities *[₹ 39,500/- (As at 31st March, 2016 and 1st April, 2015 - ₹ 39,500)]		B	*	*	*	-	-	-
C. Investments in Debentures or Bonds								
a. Quoted debentures or bonds								
7.93 % Rural Electrification Corporation (REC) Tax Free Bond	1,22,476	1,000	13.07	13.13	12.82	-	-	-
8.20 % Power Finance Corporation (PFC) Tax Free Bond	1,00,000	1,000	10.82	10.53	10.57	-	-	-
7.11 % Power Finance Corporation (PFC) Tax Free Bond	51,341	1,000	5.52	5.13	-	-	-	-
11.50% L&T Finance Limited Perpetual 2021	50	1,000,000	5.46	5.51	5.31	-	-	-
7.11% NTPC Limited Tax Free Bond	62,457	1,000	6.55	6.25	-	-	-	-
7.07 % Indian Railway Finance Corporation Limited (IRFC) Tax Free Bond	2,26,500	1,000	23.78	22.65	-	-	-	-
7.14% National Highways Authority of India (NHAI) Tax Free Bond	1,42,849	1,000	15.08	14.35	-	-	-	-
Total Quated Debentures or Bonds			80.28	77.55	28.70	-	-	-
b. Unquoted debentures or bonds								
Abay Dam bond	5,000 (2,500)	ETB1000	1.42	0.78	0.75	-	-	-
Total Investments in Debentures or Bonds		C	81.70	78.33	29.45	-	-	-

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (Contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. Non-Current Investments (Contd.)								
D. Investments in Mutual Funds - Quoted								
Quoted Mutual Funds								
DHFL Pramerica Fixed Maturity Plan Series 53 - Direct Plan - Growth (1,40,00,000 units matured during the year 2015-16)	(1,40,00,000)	10	-	-	-	-	-	15.43
BIRLA Sun Life Fixed Term Plan Series KE - Growth. Direct (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.08
HDFC Fixed Maturity Plan Series 29 Direct Growth (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.11
IDFC Fixed Term Plan Series 66 Direct Plan - Growth (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.12
KOTAK Fixed Maturity Plan Series 133 Direct Growth (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.14
LIC Mutual Fund Fixed Maturity Plan Series 77 - Direct Growth Plan (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.00
RELIANCE Fixed Horizon Fund XXV - Series 17 - Direct Plan - Growth (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.13
RELIANCE Fixed Horizon Fund XXV- Series 16 - Direct Plan - Growth (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.14
AXIS Fixed Term Plan - Series 49 - Direct Growth - Z7DG (80,00,000 units matured during the year 2015-16)	(80,00,000)	10	-	-	-	-	-	8.88
DHFL Pramerica Fixed Maturity Plan Series - 45 - Direct Plan Growth (50,00,000 units matured during the year 2015-16)	(50,00,000)	10	-	-	-	-	-	5.56
SBI Debt Fund Series A2 - Direct Growth (50,00,000 units matured during the year 2015-16)	(50,00,000)	10	-	-	-	-	-	5.55
Invesco India Fixed Maturity Plan - Series 22 - Direct Plan Growth (50,00,000 units matured during the year 2015-16)	(50,00,000)	10	-	-	-	-	-	5.56
IDFC Yearly Series Interval Fund Regular Plan Series - II Growth (50,00,000 units matured during the year 2015-16)	(5,000,000)	10	-	-	-	-	-	6.05
ICICI Prudential Interval Fund Annual Interval Plan IV - Direct Plan (33,17,035 units matured during the year 2015-16)	(3,317,035)	15	-	-	-	-	-	5.64
SUNDARAM Fixed Term Plan EU Direct Growth (1,00,00,000 units matured during the year 2015-16)	(1,00,00,000)	10	-	-	-	-	-	11.13
ICICI Prudential Interval Fund Series VII Annual Interval Plan C - Direct Plan - Cumulative (80,00,000 units matured during the year 2015-16)	(8,000,000)	10	-	-	-	-	-	8.88
ICICI Prudential Fixed Maturiity Plan - Series 73 - Plan T Direct Plan Cumulative (2,00,00,000 units matured during the year 2015-16)	(2,00,00,000)	10	-	-	-	-	-	21.85

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (Contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. Non-Current Investments (Contd.)								
D. Investments in Mutual Funds - Quoted (Contd.)								
Quoted Mutual Funds (Contd.)								
Kotak Fixed Maturity Plan - Series 155 - Direct - Growth (2,00,00,000 units matured during the year 2015-16)	(2,00,00,000)	10	-	-	-	-	-	21.84
Reliance Fixed Horizon Fund XXVI - Series 8 - Direct Plan - Growth Plan (2,00,00,000 units matured during the year 2015-16)	(2,00,00,000)	10	-	-	-	-	-	21.85
Tata Fixed Maturity Plan - Series 47 - Scheme J - Direct Plan - Growth (1,30,00,000 units matured during the year 2015-16)	(1,30,00,000)	10	-	-	-	-	-	14.20
Reliance Fixed Horizon Fund XXIV - Series 25 - Direct Plan - Growth (2,00,00,000 units matured during the year 2016-17)	(2,00,00,000)	10	-	-	22.55	-	24.45	-
SBI Debt Fund Series 45 DP Growth (50,00,000 units matured during the year 2016-17)	(50,00,000)	10	-	-	5.64	-	6.13	-
Birla Sunlife Fixed Term Plan - Series JA - Growth Direct (2,00,00,000 units matured during the year 2016-17)	(2,00,00,000)	10	-	-	22.52	-	24.44	-
UTI Fixed Term Income Fund Series XVII - Direct Growth Plan (2,00,00,000 units matured during the year 2016-17)	(2,00,00,000)	10	-	-	22.51	-	24.42	-
IDFC Fixed Trem Plan Series 49 Direct Plan - Growth (1,10,00,000 units matured during the year 2016-17)	(1,10,00,000)	10	-	-	12.37	-	13.43	-
Invesco India Fixed Maturity Plan - Series XXI - Plan E Direct Plan (2,10,00,000 units matured during the year 2016-17)	(2,10,00,000)	10	-	-	23.64	-	25.66	-
HDFC FMP December 2013 (2) Series - 29 Direct Growth (80,00,000 units matured during the year 2016-17)	(80,00,000)	10	-	-	8.99	-	9.75	-
SBI Debt Fund Series 49 DP Growth (3,10,00,000 units matured during the year 2016-17)	(3,10,00,000)	10	-	-	34.75	-	37.74	-
Reliance Fixed Horizon Fund XXV - Series 4 - Direct Plan - Growth Plan (1,00,00,000 units matured during the year 2016-17)	(1,00,00,000)	10	-	-	11.25	-	12.20	-
Tata Fixed Maturity Plan Sereis 45 Scheme C- Direct Plan - Growth (60,00,000 units matured during the year 2016-17)	(60,00,000)	10	-	-	6.77	-	7.35	-
Birla Sun Life Interval Income Fund-Annual Plan IX - Growth - Direct (15,000,000 units matured during the year 2016-17)	(15,000,000)	10	-	-	17.48	-	18.88	-
ICICI Prudential Fixed Maturity Plan Series 73 - Plan B Direct Plan Cumulative	1,00,00,000	10	-	12.02	11.05	12.91	-	-
Invesco India Fixed Maturity Plan - Series XXV - Plan A - Direct Plan	2,00,00,000	10	-	22.17	20.40	24.17	-	-
Reliance Fixed Horizon Fund XXVIII - Series 4 - Direct Plan - Growth	80,00,000	10	-	8.84	8.14	9.64	-	-
ICICI Prudential Fixed Maturity Plan - Series 76 - Plan F Direct Plan Cumulative	2,00,00,000	10	-	22.07	20.31	24.00	-	-

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (Contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. Non-Current Investments (Contd.)								
D. Investments in Mutual Funds - Quoted (Contd.)								
Quoted Mutual Funds (Contd.)								
Sundaram Fixed Term Plan - Plan GU - Direct Plan - Growth	2,00,00,000	10	-	22.09	20.35	24.08	-	-
ICICI Prudential Fixed Maturity Plan - Series 76 - Plan G - Direct Plan Cumulative	1,00,00,000	10	-	11.02	10.13	11.99	-	-
Kotak Fixed Maturity Plan - Series 171 - Direct - Growth	1,00,00,000	10	-	10.99	10.13	11.97	-	-
Reliance Fixed Horizon Fund XXVIII - Series 7 - Direct Plan - Growth	1,50,00,000	10	-	16.49	15.18	18.02	-	-
HDFC FMP - February 2015 (1) - Direct Growth - Series 33	1,00,00,000	10	12.01	10.98	10.10	-	-	-
Invesco India Fixed Maturity Plan - Series XXV - Plan D - Direct Plan	1,00,00,000	10	11.95	10.95	10.06	-	-	-
Reliance Fixed Horizon Fund 29 - Series 8 - Direct Plan - Growth	10,000,000	10	11.43	10.45	-	-	-	-
SBI Magnum Debt Fund Series A - 2 - Direct Plan - Growth	5,000,000	10	-	6.03	-	6.51	-	-
IDFC Yearly Series Interval Fund Regular Plan Series - II Growth	5,000,000	10	-	-	-	7.07	-	-
ICICI Prudential Interval Fund Annual Interval Plan IV - Direct Plan	3,317,035	15	-	-	-	6.54	-	-
ICICI Prudential Interval Fund Series VII Annual Interval Plan C - Direct Plan - Cumulative	8,000,000	10	-	-	-	10.38	-	-
Birla Sun Life Interval Income Fund-Annual Plan IX - Growth - Direct	1,50,00,000	10	-	-	-	20.32	-	-
ICICI Prudential Fixed Maturity Plan - Series 79 - Plan M - Direct Plan Cumulative	10,000,000	10	10.48	-	-	-	-	-
Reliance Fixed Horizon Fund 32 - Series 5 - Direct Plan - Growth	10,000,000	10	10.20	-	-	-	-	-
Reliance Fixed Horizon Fund - XXXII - Series 8 - Direct Plan - Growth	30,000,000	10	30.13	-	-	-	-	-
HDFC FMP - February 2017 (2) Series 37 - 1169 Days - Direct Plan Growth	20,000,000	10	20.07	-	-	-	-	-
UTI Fixed Term Income Fund - Series XXIV - Plan 7 - Direct Plan - Growth	50,00,000	10	5.52	-	-	-	-	-
DHFL Pramerica Fixed Maturity Plan - Series 85 - Direct Plan - Growth	50,00,000	10	-	5.47	5.02	5.98	-	-
DHFL Pramerica Fixed Maturity Plan - Series 87 - Direct Plan - Growth	1,50,00,000	10	17.87	16.36	15.03	-	-	-
Invesco India Fixed Maturity Plan - Series XXV - Plan F - Direct Plan	1,00,00,000	10	11.87	10.88	10.00	-	-	-
SBI Magnum Debt Fund Series - B - 16 - Direct Plan - Growth	25,000,000	10	29.35	26.90	-	-	-	-
SBI Magnum Debt Fund Series - B - 17 - Direct Plan - Growth	2,00,00,000	10	23.41	21.47	-	-	-	-
SBI Magnum Debt Fund Series - B - 26 - Direct Plan- Growth	1,50,00,000	10	16.93	15.46	-	-	-	-
Reliance Fixed Horizon Fund 29 - Series 10 - Direct Plan - Growth	1,60,00,000	10	18.08	16.51	-	-	-	-

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (Contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. Non-Current Investments (Contd.)								
D. Investments in Mutual Funds - Quoted (Contd.)								
Quoted Mutual Funds (Contd.)								
Reliance Fixed Horizon Fund 29 - Series 14 - Direct Plan - Growth	1,00,00,000	10	11.29	10.29	-	-	-	-
Sundaram Fixed Term Plan - Plan GW - Direct Plan - Growth	2,00,00,000	10	23.40	21.47	-	-	-	-
Reliance Fixed Horizon Fund 28 - Series 19 - Direct Plan - Growth	1,00,00,000	10	11.76	10.76	-	-	-	-
Sundaram Fixed Term Plan - Plan HA - Direct Plan - Growth	2,00,00,000	10	22.43	20.50	-	-	-	-
Sundaram Fixed Term Plan - Plan HB - Direct Plan - Growth	2,00,00,000	10	22.45	20.48	-	-	-	-
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan E - Direct Plan	1,50,00,000	10	16.70	15.27	-	-	-	-
UTI Fixed Term Income Fund - Series XXIII - Plan 15 - Direct Plan - Growth	1,50,00,000	10	16.69	15.26	-	-	-	-
UTI Fixed Term Income Fund - Series XXIII - Plan 7 - Direct Plan - Growth	70,00,000	10	7.90	7.21	-	-	-	-
Invesco India Fixed Maturity Plan - Series XXVII - Plan A - Direct Plan	70,00,000	10	7.84	7.17	-	-	-	-
Kotak Fixed Maturity Plan - Series 182 - Direct Plan - Growth	1,20,00,000	10	13.45	12.30	-	-	-	-
Invesco India Fixed Maturity Plan - Series XXVI - Plan E - Direct Plan	1,50,00,000	10	17.07	15.61	-	-	-	-
HDFC Fixed Maturity Plan - January 2016 (35) - 1 - Direct Plan - Growth	1,50,00,000	10	16.71	15.14	-	-	-	-
Reliance Fixed Horizon Fund XXIV - Series 25 - Direct Plan - Growth	2,00,00,000	10	26.32	-	-	-	-	-
			443.31	448.61	354.37	193.58	204.45	230.14
Amount included under the head "Current Investments"			-	-	-	(193.58)	(204.45)	(230.14)
Total Investments in Mutual Funds - Quoted		D	443.31	448.61	354.37	-	-	-
Total Non-Current Investments (A+B+C+D)			1,300.65	1,126.83	970.82	-	-	-
Total Non-Current Investments in Associate			319.83	274.83	242.13	-	-	-
Total Non-Current Investments in Other entities			980.82	852.00	728.69	-	-	-
Aggregate amount of quoted investments - At cost			509.38	537.40	399.07	-	-	-
Aggregate amount of quoted investments - At market value			978.33	850.15	726.90	-	-	-
Aggregate amount of unquoted investments - At cost			322.32	276.68	243.92	-	-	-
Aggregate amount of impairment in value of investments			-	-	-	-	-	-
II. Current Investments								
A. Investments in Mutual Funds - Quoted								
i. Current Portion of Long Term Investments (Refer Note 4(I)(D))			-	-	-	193.58	204.45	230.14
ii. Investments in Liquid Mutual Funds								
HDFC Floating Rate Income Fund - Wholesale Option - Growth (1,32,06,031 units matured during 2015-16)	(1,32,06,031)	10	-	-	-	-	-	31.64
Invesco India Ultra Short Term Fund - Direct Plan - Growth (2,33,907 units matured during 2015-16)	(2,33,907)	1,000	-	-	-	-	-	45.41

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (Contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
II. Current Investments (Contd.)								
A. Investments in Mutual Funds - Quoted (Contd.)								
ii. Investments in Liquid Mutual Funds (Contd.)								
ICICI Prudential Flexible Income - Regular Plan - Growth (4,83,383 units matured during 2015-16)	(4,83,383)	100	-	-	-	-	-	12.72
IDFC Ultra Short Term Fund - Regular Plan - Growth (1,21,50,692 units matured during 2015-16)	(1,21,50,692)	10	-	-	-	-	-	23.75
Birla Sun Life Savings Fund - Growth - Regular Plan (54,86,803 units matured during 2015-16)	(54,86,803)	100	-	-	-	-	-	147.63
ICICI Prudential Money Market Fund - Regular Plan - Growth (11,91,821 units matured during 2015-16)	(11,91,821)	100	-	-	-	-	-	23.03
Axis Liquid Fund - Growth - CFGP (2,14,131 units matured during 2015-16)	(2,14,131)	1,000	-	-	-	-	-	33.16
JM High Liquidity Fund - Growth Option (81,48,017 units matured during 2015-16)	(81,48,017)	10	-	-	-	-	-	31.09
JPMorgan India Liquid Fund - Super Institutional Plan - Growth Option (2,32,43,465 units matured during 2015-16)	(2,32,43,465)	10	-	-	-	-	-	42.09
Sundaram Money Fund - Regular - Growth (47,66,498 units matured during 2015-16)	(47,66,498)	10	-	-	-	-	-	14.05
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth (5,25,46,750 units matured during 2015-16)	(5,25,46,750)	10	-	-	-	-	-	97.43
Kotak Treasury Advantage Fund - Growth (Regular Plan) (77,88,251 units matured during 2015-16)	(77,88,251)	10	-	-	-	-	-	17.34
L&T Liquid Fund - Growth (2,10,967 units matured during 2015-16)	(2,10,967)	1,000	-	-	-	-	-	40.44
Reliance Liquid Fund - Cash Plan - Direct Growth Plan -CPAG (1,47,404 units matured during 2015-16)	(1,47,404)	1,000	-	-	-	-	-	33.23
SBI Magnum Insta Cash Fund - Regular Plan - Growth (84,211 units matured during 2015-16)	(84,211)	1,000	-	-	-	-	-	26.03
Tata Money Market Fund - Plan A - Growth (1,28,661 units matured during 2015-16)	(1,28,661)	1,000	-	-	-	-	-	28.31
LIC Mutual Fund Liquid Fund - Growth Plan - LICLF (2,34,817 units matured during 2015-16)	(2,34,817)	1,000	-	-	-	-	-	59.48
Franklin India Low Duration Fund - Direct - Growth (6,62,60,519 units matured during 2015-16)	(6,62,60,519)	10	-	-	-	-	-	102.39
Baroda Pioneer Liquid Fund - Plan A - Growth (6,19,888 units matured during 2016-17)	(6,19,888)	1,000	-	-	-	-	107.59	-
Birla Sun Life Savings Fund - Direct Plan- Growth (53,28,516 units matured during 2016-17)	(53,28,516)	100	-	-	-	-	156.56	-
DHFL Pramerica Insta Cash Plus Fund - Growth (12,71,204 units matured during 2016-17)	(12,71,204)	100	-	-	-	-	24.96	-
DHFL Pramerica Ultra Short-Term Fund - Direct Plan-Growth (4,90,13,941 units matured during 2016-17)	(4,90,13,941)	10	-	-	-	-	90.12	-
UTI Liquid Fund - Cash Plan - Institutional Plan - Daily Dividend	98,205	1,000	-	-	-	10.01	-	-

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (Contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
II. Current Investments (Contd.)								
A. Investments in Mutual Funds - Quoted (Contd.)								
ii. Investments in Liquid Mutual Funds (Contd.)								
L&T Ultra Short Term Fund - Direct Plan- Daily Dividend	53,779,753	10	-	-	-	56.14	-	-
HDFC Liquid Fund - Growth (54,130 units matured during 2016-17)	(54,130)	1,000	-	-	-	-	16.16	9.78
ICICI Prudential Flexible Income Plan - Direct Plan - Growth (36,01,946 units matured during the year 2016-17)	(36,01,946)	100	-	-	-	-	103.37	0.10
ICICI Prudential Flexible Income Plan - Direct Plan - Daily Dividend	10,371,126	100	-	-	-	109.66	-	-
IDFC Cash Fund - Regular - Growth (1,20,277 units matured during 2016-17)	(1,20,277)	1,000	-	-	-	-	22.12	-
JM High Liquidity - Growth (4,03,14,775 units matured during 2016-17)	(4,03,14,775)	10	-	-	-	-	166.61	-
JM High Liquidity Fund - Daily Dividend	153,811,022	10	-	-	-	160.43	-	-
L&T Liquid Fund - Growth (1,73,776 units matured during 2016-17)	(1,73,776)	1,000	-	-	-	-	36.05	-
L&T Liquid Fund - Daily Dividend	138,545	1,000	-	-	-	14.02	-	-
LIC Mutual Fund Liquid Fund - Growth (2,53,964 units matured during 2016-17)	(2,53,964)	1,000	-	-	-	-	69.61	-
Reliance Medium Term Fund - Direct Plan - Growth (70,06,886 units matured during 2016-17)	(70,06,886)	10	-	-	-	-	22.24	-
Reliance Medium Term Fund - Direct Plan - Daily Dividend	13,837,335	10	-	-	-	23.66	-	-
Invesco India Credit Opportunities Fund - Growth (5,67,965 units matured during 2016-17)	(5,67,965)	1,000	-	-	-	-	98.24	-
Invesco India Credit Opportunities Fund - Growth	559,327	1,000	-	-	-	103.83	-	-
SBI Magnum Insta Cash - Cash Plan (29,930 units matured during 2016-17)	(29,930)	1,000	-	-	-	-	10.01	-
Kotak Floater Short Term - Growth (11,546 units matured during 2016-17)	(11,546)	1,000	-	-	-	-	2.87	2.48
Kotak Floater Short Term - Daily Dividend Regular Plan	7,926	1,000	-	-	-	0.80	-	-
UTI Money Market Fund Institutional Plans - Growth (45,386 units matured during 2016-17)	(45,386)	1,000	-	-	-	-	7.69	8.08
UTI Money Market Fund Institutional Plans - Daily Dividend	80,340	1,000	-	-	-	8.07	-	-
UTI Treasury Advantage Fund - Institutional Plan - Growth (80,897 units matured during 2016-17)	(80,897)	1,000	-	-	-	-	16.78	15.83
UTI Treasury Advantage Fund - Institutional Plan - Daily Dividend Plan	177,353	1,000	-	-	-	17.78	-	-
DSP BlackRock Liquidity fund-Instnl Plan - Growth (10,003 units matured during the year 2015-16)	(10,003)	1,000	-	-	-	-	-	2.00
Kotak Floater - ST - Growth (21,768 units matured during the year 2016-17)	(21,768)	1,000	-	-	-	-	5.41	3.09
Reliance Liquid Fund - TP - Growth (1375 units matured during the year 2016-17)	(1,375)	1,000	-	-	-	-	0.52	0.51
Reliance Liquid Fund - TP - Daily Dividend	51,719	1,000	-	-	-	7.91	-	-

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (Contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
II. Current Investments (Contd.)								
A. Investments in Mutual Funds - Quoted (Contd.)								
ii. Investments in Liquid Mutual Funds (Contd.)								
SBI Ultra Short Term Debt Fund - Direct Plan - Growth (2,58,462 units matured during the year 2016-17)	(2,58,462)	1,000	-	-	-	-	50.45	-
Tata Liquid Fund - Regular - Growth (39,576 units matured during 2016-17)	(39,576)	1,000	-	-	-	-	11.04	-
Tata Money Market Fund - Regular - Growth (3,00,338 units matured during 2016-17)	(3,00,338)	1,000	-	-	-	-	71.49	-
UTI Money Market - Institutional Plan - Growth (1,00,705 units matured during 2016-17)	(1,00,705)	1,000	-	-	-	-	17.06	-
UTI Money Market - Institutional Plan - Daily Dividend	600,528	1,000	-	-	-	60.26	-	-
Axis Liquid Fund - Growth (6,01,205 units matured during 2016-17)	(6,01,205)	1,000	-	-	-	-	100.76	-
Axis Liquid Fund Daily Dividend	974,977	1,000	-	-	-	97.57	-	-
Reliance Interval Fund - Quarterly Series II - Direct Plan - Growth (97,57,573 units matured during 2016-17)	(97,57,573)	10	-	-	-	-	20.25	-
Birla Sun Life Savings Fund - Direct Plan - Daily Dividend	10,524,746	100	-	-	-	105.56	-	-
Baroda Pioneer Liquid Fund - Plan A - Daily Dividend	1,071,401	1,000	-	-	-	107.26	-	-
DHFL Pramerica Insta Cash Plus Fund - Daily Dividend	7,779,950	100	-	-	-	78.04	-	-
LIC Mutual Fund Savings Plus Fund - Growth	40,893,273	10	-	-	-	101.88	-	-
Kotak Floater Short Term Regular Daily Dividend	322,850	1,000	-	-	-	32.66	-	-
Birla Sun Life Floating Rate fund Long term Growth	3,032,333	100	-	-	-	60.84	-	-
UTI Fixed Term Income Fund - Series XXIV - Plan 7 - Direct Plan - Growth (50,00,000 units matured during the year 2016-17)	(50,00,000)	10	-	-	-	-	5.05	-
			-	-	-	1,156.38	1,233.01	851.09
iii. Investment with original maturity more than three months but less than twelve months								
ICICI Prudential Fixed Maturity Plan - S 78 - Plan L - Direct Plan - Growth (1,00,00,000 units matured during 2016-17)	(1,00,00,000)	10	-	-	-	-	10.10	-
UTI Fixed Income Interval Fund - Quarterly Plan III - Direct - Growth (1,23,81,938 units matured during 2016-17)	(1,23,81,938)	10	-	-	-	-	25.23	-
HDFC Fixed Maturity Plan - March 2016 (35) - 1 - Direct Plan - Growth (1,50,00,000 units matured during 2016-17)	(1,50,00,000)	10	-	-	-	-	15.12	-
ICICI Prudential Interval Fund Annual Interval Plan IV - Direct Plan (33,17,035 units matured during 2016-17)	(33,17,035)	15	-	-	-	-	6.14	-
IDFC Yearly Series Interval Fund Regular Plan Series - II Growth (50,00,000 units matured during 2016-17)	(50,00,000)	10	-	-	-	-	6.57	-
ICICI Prudential Interval Fund Series VII Annual Interval Plan C - Direct Plan - Cumulative (80,00,000 units matured during 2016-17)	(80,00,000)	10	-	-	-	-	9.65	-

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 4 : INVESTMENTS (Contd.)	Nos.	Face value (₹)	Non-Current			Current		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
II. Current Investments (Contd.)								
A. Investments in Mutual Funds - Quoted (Contd.)								
iii. Investment with original maturity more than three months but less than twelve months (Contd.)								
HDFC Fixed Maturity Plan- February 2015 (1) - Direct - Growth - Series 33 (1,20,00,000 units matured during 2015-16)	(1,20,00,000)	10	-	-	-	-	-	12.11
KOTAK Quarterly Interval Plan Series 6 - Direct Plan - Growth (1,43,14,097 units matured during 2015-16)	(1,43,14,097)	10	-	-	-	-	-	25.32
ICICI Prudential Interval Fund III - Quarterly Interval - Direct Plan - Growth (1,68,43,069 units matured during 2015-16)	(1,68,43,069)	10	-	-	-	-	-	25.30
Reliance Quarterly Interval Fund - Series II - Direct Growth Plan Growth Option - K5AG (1,32,11,855 units matured during 2015-16)	(1,32,11,855)	10	-	-	-	-	-	25.31
Fixed Maturity Plan - Religare Invesco FMP - Sr. 23 - Plan E (382 days) - Direct Plan - Growth (50,00,000 units matured during 2015-16)	(5,000,000)	10	-	-	-	-	-	5.47
			-	-	-	-	72.81	93.51
Total Investments in Mutual Funds - Quoted (i+ii+iii)		A	-	-	-	1,349.96	1,510.27	1,174.74
B. Investments in Debenture or Bonds - Unquoted			-	-	-	-	0.03	0.03
(i). Investments with original maturity less than three months								
Premium Money Market Fund - Bank of Nova Scotia			-	-	-	-	0.03	0.03
		B	-	-	-	-	0.03	0.03
C. Investment in Government Securities -Unquoted								
(i). Investments with original maturity less than three months								
Treasury bills			-	-	-	1.38	23.71	24.82
(ii). Investments with original maturity more than three months but less than twelve months:								
Treasury bills			-	-	-	-	51.29	15.47
		C	-	-	-	1.38	75.00	40.29
Total Unquoted Current Investment			-	-	-	1.38	75.03	40.32
Total Investment in Debentures or Bonds and Government Securities - Unquoted (B+C)			-	-	-	1.38	75.03	40.32
Total Current Investments (A+B+C)			-	-	-	1,351.34	1,585.30	1,215.06
Aggregate amount of quoted investments - At cost			-	-	-	1,037.63	1,463.03	1,103.06
Aggregate amount of quoted investments - At market value			-	-	-	1,349.96	1,510.27	1,174.74

Figures in brackets indicate that of 31st March, 2016 and 1st April, 2015 as applicable

(₹ in Crores)

NOTE 5 : LOANS	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured and Considered good						
(a) Sundry Deposits	72.54	64.73	48.73	17.73	19.60	18.41
(b) Finance Lease Receivables [Refer Note 42 (IV)]	0.08	0.08	0.25	0.15	0.53	0.75
TOTAL	72.62	64.81	48.98	17.88	20.13	19.16

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 6 : TRADE RECEIVABLES	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Trade receivables						
(a) Secured, considered good	-	-	-	10.55	-	-
(b) Unsecured, considered good	-	4.84	4.45	1,436.05	1,186.84	1,125.45
(c) Unsecured, considered doubtful	7.30	5.25	-	79.34	66.58	58.83
	7.30	10.09	4.45	1,525.94	1,253.42	1,184.28
Less: Allowance for unsecured bad and doubtful debts	(7.30)	(5.25)	-	(79.34)	(66.58)	(58.83)
TOTAL	-	4.84	4.45	1,446.60	1,186.84	1,125.45

(₹ in Crores)

NOTE 7 : OTHER FINANCIAL ASSET	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Royalty receivable	-	-	-	0.09	0.31	0.12
Due from associate company (Refer Note 33)	-	-	-	3.90	2.37	4.04
Subsidy Receivable from State Government	44.04	30.53	17.06	241.11	119.48	119.04
Term deposits held as margin money against bank guarantee and other commitments	1.32	1.24	1.10	-	-	-
Interest accrued on investments in debentures or bonds measured at FVTOCI	-	-	-	3.45	2.32	0.01
Quantity discount receivable	-	-	-	157.47	127.80	82.02
Forward exchange contracts (net)	-	-	-	-	0.01	-
Bank deposits with more than 12 months of original maturity	154.06	0.08	0.32	15.64	-	-
TOTAL	199.42	31.85	18.48	421.66	252.29	205.23

(₹ in Crores)

NOTE 8 : CASH AND BANK BALANCES	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(A) Cash and Cash Equivalents						
(a) Balances with Banks:						
(i) Current Accounts	-	-	-	490.57	212.59	125.58
(ii) Cash Credit Account ##	-	-	-	9.37	9.42	5.50
(iii) Deposits with original maturity of less than 3 months	-	-	-	42.72	86.91	23.06
(b) Cheques, drafts on hand	-	-	-	38.68	27.91	31.83
(c) Cash on hand	-	-	-	0.74	0.59	8.53
TOTAL	-	-	-	582.08	337.42	194.50
(B) Other Bank Balances						
(i) Term deposits with original maturity for more than 3 months but less than 12 months	-	-	-	207.58	78.55	3.37

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 8 : CASH AND BANK BALANCES (Contd.)	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(ii) Unpaid dividend and sales proceeds of Fractional Bonus Shares account *	-	-	-	11.55	8.23	7.17
(iii) Term deposits held as margin money against bank guarantee and other commitments	1.32	1.24	1.10	-	-	-
	1.32	1.24	1.10	219.13	86.78	10.54
Amount included under the head "Other Financials Assets"	(1.32)	(1.24)	(1.10)	-	-	-
TOTAL	-	-	-	219.13	86.78	10.54

Secured by hypothecation of inventories and trade receivables and carries interest rate @ 9.15% p.a (as at 31st March, 2016 and 1st April, 2015, the rate was 9.95% to 12.50% p.a.).

* The Group can utilise these balances only towards settlement of unclaimed dividend and fractional bonus shares.

(₹ in Crores)

NOTE 9 : CURRENT TAX ASSETS (NET)	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advance payment of Income Tax (net)	84.01	17.93	21.68	-	-	-
TOTAL	84.01	17.93	21.68	-	-	-

(₹ in Crores)

NOTE 10 : OTHER ASSETS	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Capital advances	174.34	15.79	134.23	-	-	-
(b) Advances other than capital advances						
i) Advances/claims recoverable in cash or in kind	28.02	22.50	27.43	128.18	103.16	133.20
ii) Balances with government authorities						
-CENVAT credit receivable	-	-	1.50	89.53	109.60	69.81
-Service tax credit receivable	-	-	4.44	20.24	19.78	11.61
-Others	5.82	5.09	1.15	12.28	10.29	6.76
iii) Advances to employees	-	0.32	0.30	10.43	8.87	8.37
iv) Employee benefits assets (Refer Note 32)	12.34	8.71	12.09	8.22	-	-
v) Duty Credit Entitlement	-	-	-	6.96	0.90	6.20
vi) Other Receivables	1.01	2.40	2.85	9.22	10.97	20.79
(c) Doubtful advances other than capital advances						
i) Doubtful advances/claims recoverable in cash or in kind	0.03	0.03	-	0.08	0.08	0.08
Less: Provision for doubtful advances/claims recoverable in cash or in kind	(0.03)	(0.03)	-	(0.08)	(0.08)	(0.08)
TOTAL	221.53	54.81	183.99	285.06	263.57	256.74

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 11 : INVENTORIES (At lower of cost and net realisable value)	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Raw materials	705.96	624.82	669.59
Raw materials-in-transit	108.90	101.33	67.35
	814.86	726.15	736.94
(b) Packing materials	55.23	55.36	52.03
(c) Work-in-progress	85.92	74.06	102.15
(d) Finished goods	1,379.10	920.11	1,153.26
Finished goods-in-transit	2.21	3.53	1.64
	1,381.31	923.64	1,154.90
(e) Stock-in-trade (acquired for trading)	213.68	160.26	100.24
Stock-in-trade (acquired for trading) in-transit	8.62	0.50	0.50
	222.30	160.76	100.74
(f) Stores, spares and consumables	67.07	58.27	53.14
Stores, spares and consumables-in-transit	0.25	-	-
TOTAL	**2,626.94**	**1,998.24**	**2,199.90**

The cost of inventories recognised as an expense during the year is disclosed in Note 24.

The cost of inventories recognised as an expense includes ₹ 27.30 crores (previous year ₹ 33.11 crores) in respect of write down of inventory to net realisable value. There has been no reversal of such write down in current and previous years.

(₹ in Crores)

NOTE 12 : ASSETS CLASSIFIED AS HELD FOR SALE	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Carrying Value	Carrying Value	Carrying Value
Plant and Equipment (i)	0.75	1.38	3.21
Tinting Systems (ii)	-	-	0.01
Freehold Land (iii)	13.76	0.49	2.56
Building (iv)	0.48	2.58	2.58
TOTAL	**14.99**	**4.45**	**8.36**

(i) In the next 12 months, the Parent Company and one of it's subsidiaries intend to dispose off plant and equipment as that it no longer plans to utilise. They were previously used in the manufacturing facilities at Bhandup and Baddi. A search for a buyer is underway. No impairment was recognise on reclassifcation of this assets as 'held for sale'. However during the year, based on an assessment done by the subsidiary, an impairment loss of ₹ 0.24 crores was recognised on the plant and equipments in Baddi, since it now expects that fair value less cost to sell is lower than carrying amount. This loss is included in Other Expenses in statement of proft and loss.

(ii) As at 01st April, 2015 the Parent Company intended to sell tinting systems it no longer planned to utilise in the next 12 months. It was previously given on operating lease to dealers. No impairment loss was recognised on reclassification of the tinting system as held for sale. The same was sold during the year 2015-16.

(iii) In the next 12 months, two of the subsidiaries of the Parent Company intend to sell freehold land they no longer plan to utilise. One of these was previously used in the manufacturing facility at Baddi and the other was acquired for setting up a manufacturing facility. A search is underway for suitable buyer(s) for these properties. No impairment loss was recognised on reclassification of the freehold land as held for sale as the subsidiaries expect that fair value less cost to sell is higher than carrying amount.

As at 01st April, 2015, the Parent Company held a freehold land which it intended to dispose as it no longer had plans to utilise the same. It was previously held for setting up a manufacturing plant. No impairment loss was recognised on reclassification of the freehold land as held for sale. This land was disposed during the year 2015-16.

(iv) In the next 12 months, one of the subsidiaries intends to sell building it no longer plans to utilise. They were previously used in the manufacturing facility at Baddi. A search is underway for a buyer. No impairment was recognise on reclassifcation of this assets as 'held for sale'. However during the year, based on an assessment done by the subsidiary, an impairment loss of ₹ 2.20 crores was recognised since it now expects that fair value less cost to sell is lower than carrying amount. This loss is included in Other Expenses in statement of proft and loss.

Note: The above mentioned 'Assets classified as held for sale' are part of the Paints segment.

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 13 : EQUITY SHARE CAPITAL	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Authorised			
99,50,00,000 Equity Shares of ₹ 1 each	99.50	99.50	99.50
50,000 11% Redeemable Cumulative Preference shares of ₹ 100 each	0.50	0.50	0.50
	100.00	100.00	100.00
Issued, Subscribed and Paid up capital			
95,91,97,790 Equity Share of ₹ 1 each fully paid	95.92	95.92	95.92
	95.92	95.92	95.92

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Fully paid Equity Shares	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	95,91,97,790	95.92	95,91,97,790	95.92	95,91,97,790	95.92
Add: Issued during the year	-	-	-	-	-	-
At the end of the year	95,91,97,790	95.92	95,91,97,790	95.92	95,91,97,790	95.92

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.

c) Details of Shareholders holding more than 5% equity shares in the parent company @

Name of the Shareholders	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of Equity Shares	Percentage holding	No. of Equity Shares	Percentage holding	No. of Equity Shares	Percentage holding
Fully paid Equity Shares of ₹ 1 each held by:						
1. Smiti Holding and Trading Company Private Limited	5,40,84,120	5.64	5,40,84,120	5.64	5,40,84,120	5.64
2. ISIS Holding and Trading Company Private Limited	5,28,84,120	5.51	5,28,84,120	5.51	5,28,84,120	5.51
3. Geetanjali Trading and Investments Private Limited	4,92,67,440	5.14	4,92,67,440	5.14	4,92,67,440	5.14
4. Life Insurance Corporation of India	4,50,04,429	4.69	5,08,91,803	5.31	4,68,39,707	4.88

@ As per the records of the Parent Company, including its register of members

As per the Companies Act 2013, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the event of liquidation of the Company. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors at its meeting held on 25th October, 2016 declared an interim dividend of ₹ 2.65 (Rupees two and paise sixty five only) per equity share of the face value of ₹ 1 each. The Board of Directors at its meeting held on 11th May, 2017 have recommended a payment of final dividend of ₹ 5.65 (Rupees five and paise sixty five only) per equity share of the face value of ₹ 1 each for the financial year ended 31st March, 2017. In addition, the Board of Directors have recommended a one-time special dividend of ₹ 2 (Rupees two only) per equity share of the face value of ₹ 1 each for celebrating 75 years of Excellence at Asian Paints. If approved, the total dividend (interim and final dividend) for the financial year 2016-17 will be ₹ 8.3 per equity share of the face value of ₹ 1 each (₹ 7.50 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year), while the total dividend along with special dividend amounts to ₹ 10.30 (Rupees ten and paise thirty only) per equity share of the face value of ₹ 1 each.



(₹ in Crores)

NOTE 14 : OTHER EQUITY	Attributable to owners of the Company										Total attributable to owners of the Company	Non-controlling interests	Total
	Reserves and Surplus						Items of Other Comprehensive income (OCI)						
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in associate			
Balance as at 1st April, 2016 (A)	39.16	*	5.37	11.29	4,219.78	2,141.50	0.87	31.51	(19.85)	(0.73)	6,428.90	383.69	6,812.59
Additions during the year;													
Profit for the year	-	-	-	-	-	1,939.42	-	-	-	-	1,939.42	76.82	2,016.24
Items of OCI for the year, net of tax													
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	(83.44)	-	-	(83.44)	(53.00)	(136.44)
Remeasurement of defined benefit plans	-	-	-	-	-	9.33	-	-	-	-	9.33	1.70	11.03
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-		-	130.76	-	130.76	-	130.76
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	-	-	2.90	-	-	-	2.90	-	2.90
Share of the OCI in associate	-	-	-	-	-	-	-	-	-	(0.57)	(0.57)	-	(0.57)
Total Comprehensive Income for the year (B)	-	-	-		-	1,948.75	2.90	(83.44)	130.76	(0.57)	1,998.40	25.52	2,023.92
Reductions during the year;													
Dividends (Refer Note 30)	-	-	-	-	-	(762.56)	-	-	-	-	(762.56)	(33.76)	(796.32)
Income tax on Dividend (Refer Note 30)	-	-	-	-	-	(154.33)	-	-	-	-	(154.33)	-	(154.33)
Share of effect in reserves of Associate pursuant to an acquisition made by the Associate	-	-	-	-	(4.03)	-	-	-	-	-	(4.03)	-	(4.03)
Transfer to Statutory Reserves and General Reserve	-	-	-	0.61	500.00	(500.61)	-	-	-	-	-	-	-
Total (C)	-	-	-	0.61	495.97	(1,417.50)	-	-	-	-	(920.92)	(33.76)	(954.68)
Balance as at 31st March, 2017 (A+B+C)	39.16	*	5.37	11.90	4,715.75	2,672.75	3.77	(51.93)	110.91	(1.30)	7,506.38	375.45	7,881.83

*₹ 5,000/-

Notes to the Consolidated Financial Statements

NOTE 14 : OTHER EQUITY (contd.)

1. **Description of nature and purpose of each reserve**

Capital Reserve - Capital reserve 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 on Consolidation: During the year 2012-13, a Composite Scheme of Restructuring ('Scheme') as approved by Hon'ble High Court of Bombay was affected to transfer certain businesses between the Parent, 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 pursuant to the Scheme.

Capital Redemption Reserve: This reserve was created for redemption of preference shares by the group prior to 2003.

General Reserve - General reserve is created from time to time by way of transfer 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.

Debt instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognized 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.

Equity instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

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.

Statutory reserve - 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 furthur 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.

2. The Group doesn't have any material subsidiary warranting a disclosure in respect of individual subsidiaries.



(₹ in Crores)

NOTE 14 : OTHER EQUITY	Attributable to owners of the Company										Total attributable to owners of the Company	Non-controlling interests	Total
	Reserves and Surplus						Items of Other Comprehensive income (OCI)						
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in associate			
Balance as at 1st April, 2015 (A)	39.16	*	5.37	10.43	3,558.96	1,807.76	-	29.97	-	-	5,451.65	345.88	5,797.53
Additions during the year;													
Profit for the year	-	-	-		-	1,745.16	-	-	-	-	1,745.16	57.62	1,802.78
Items of OCI for the year, net of tax													
Exchange difference arising on translation of foreign operations	-	-	-		-	-	-	1.54	-	-	1.54	(4.53)	(2.99)
Remeasurement of defined benefit plans	-	-	-		-	(0.02)	-	-	-	-	(0.02)	(0.77)	(0.79)
Net fair value loss on investment in equity instruments through OCI	-	-	-		-	-	-	-	(19.85)	-	(19.85)	-	(19.85)
Net fair value gain on investment in debt instruments through OCI	-	-	-		-	-	0.87	-	-	-	0.87	-	0.87
Share of the OCI in associate	-	-	-		-	-	-	-	-	(0.73)	(0.73)	-	(0.73)
Total Comprehensive Income for the year (B)	-	-	-		-	1,745.14	0.87	1.54	(19.85)	(0.73)	1,726.97	52.32	1,779.29
Reductions during the year;													
Dividends (Refer Note 30)	-	-	-	-	-	(623.48)	-	-	-	-	(623.48)	(14.51)	(637.99)
Income tax on Dividend (Refer Note 30)	-	-	-	-	-	(126.24)	-	-	-	-	(126.24)	-	(126.24)
Transfer to Statutory Reserves and General Reserve	-	-	-	0.86	660.82	(661.68)	-	-	-	-	-	-	-
Total (C)	-	-	-	0.86	660.82	(1,411.40)	-	-	-	-	(749.72)	(14.51)	(764.23)
Balance as at 31st March, 2016 (A+B+C)	39.16	*	5.37	11.29	4,219.78	2,141.50	0.87	31.51	(19.85)	(0.73)	6,428.90	383.69	6,812.59

*₹ 5,000/-

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 15 : BORROWINGS^	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Secured						
(i) Term Loans						
From Banks: Bank Loan+	28.49	40.50	42.97	11.99	12.30	0.01
From Other parties: Loan taken from National Skill Development Corporation@	-	0.06	0.06	-	-	-
(ii) Deferred payment liabilities						
Interest free loan from financial institution - (Sales tax deferment - State of Uttar Pradesh)#	-	-	-	-	-	3.24
Loan from State of Haryana##	10.38	7.03	3.41	1.98	-	-
Finance Lease liability### (Refer Note 42 (III))	1.56	2.04	2.35	0.65	0.67	0.63
(iii) Loan repayable on demand from						
Banks or financial institutions**	-	-	-	6.91	2.54	48.30
Cash Credit / Overdraft Accounts**	-	-	-	6.06	5.58	12.78
Unsecured						
(i) Deferred payment liabilities						
Sales tax deferment scheme - State of Andhra Pradesh$	-	22.18	28.62	-	6.44	4.24
Sales tax deferment scheme - State of Maharashtra*	0.64	0.82	0.87	0.22	0.17	0.15
(ii) Loan repayable on demand - from banks/financial institutions***	-	-	-	424.31	211.98	263.01
(iii) Loan repayable on demand - Cash Credit / Overdraft Accounts****	-	-	-	66.26	10.86	7.19
(iv) Foreign Currency Loan (Buyers' credit)	-	-	-	0.89	0.12	-
	41.07	72.63	78.28	519.27	250.66	339.55
Amount Included under the head "Other Financial liabilities" (Refer Note 16)	-	-	-	(14.84)	(19.58)	(8.27)
TOTAL	41.07	72.63	78.28	504.43	231.08	331.28

Notes:

\+ Secured against mortgage on Building and Plant & Equipment of one of the subsidiary companies. Non-current portion is repayable in quarterly installments by December, 2020. [Interest rate: 4% p.a. (2015-16-4%)]

@ The Parent Company had partnered with National Skill Development Corporation (NSDC) for undertaking a painter skill development project. Under the arrangement, the Parent Company was granted a financial assistance of ₹ 0.31 crores from NSDC disbursable in five tranches. The assistance was secured by a bank guarantee provided by the Parent Company to NSDC on the outstanding amount. The assistance carried an interest @ 6% p.a and was repayable over a period of nine years including a moratorium of three years on the principal amount, starting from the date of first disbursement. During the year 2014-15, the Parent Company received ₹ 0.06 crores as per the schedule of disbursement and no amounts were repayable during the next one year. During the year 2016-17, loan has been repaid on 26th September, 2016.

Notes to the Consolidated Financial Statements

\# Interest free loan from The Pradeshiya Industrial Corporation of U.P. Limited (PICUP) under Sales Tax Deferment Scheme of Government of Uttar Pradesh was secured by a first charge on the Parent Company's immovable properties of the paint plant at Kasna and by way of hypothecation of all movable properties at the above location. This interest free loan had a deferment period of 10 years and was repayable in 9 yearly installments starting from May, 2007 as per repayment schedule. Out of the total loan of ₹ 30.60 crores, the Parent Company had already repaid ₹ 27.36 crores till 31st March, 2015 and the balance amount of ₹ 3.24 crores was paid during the previous year by 31st May, 2015. Pursuant to the repayment of loan, the charge on Parent Company's immovable properties was released.

\## The Parent Company is eligible to avail interest free loan in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April, 2010. For the year ended 31st March, 2011, 31st March, 2012 and 31st March, 2013, the Parent Company has already received the interest free loan of ₹ 3.41 crores, ₹ 5.90 crores and ₹ 7.89 crores respectively. Loans of ₹ 7.89 crores received during the current year and ₹ 5.90 crores received during the last year (after the date of transition to Ind AS) are recognised at fair value using prevailing market interest rates for an equivalent loan. The fair value of loans received in 2016-17 and 2015-16 is estimated at ₹ 4.84 crores and ₹ 3.62 crores, respectively, on initial recognition. The difference between the gross proceeds and fair value of the loan is the benefit derived from the interest free loan and is recognised as deferred income (Refer Note 18). Loan as at 1st April, 2015 (date of transition to Ind AS) is carried at historical cost (Refer point 4 under Exemptions availed under Note 31). This loan is secured by way of a bank guarantee issued by the Parent Company and is repayable after a period of 5 years from the date of receipt of interest free loan. For the year ended 31st March, 2014, 31st March, 2015 and 31st March, 2016, the Parent Company had made the necessary application to the Haryana Government for the issue of eligibility certificate and for the year ended 31st March, 2017, the Parent Company is in the process of making the necessary application.

\### Secured by assets taken on finance lease by the respective subsidiaries. ₹ 1.15 crores of non-current portion is repayable within 2-5 years and remaining ₹ 0.41 crores after 5 years. [Effective interest rate: 2016-17: 4.25% - 15.00% p.a (2015-16: 2.22% - 16.25% p.a).

** Secured against the debtors, stock and plant & machinery of two of the subsidiary companies carry interest rate @ 5.8% - 6.2% p.a.

$ Sales tax deferment scheme- State of Andhra Pradesh represents sales tax deferment availed under the Sales tax deferment scheme of the Government of Andhra Pradesh. It had a deferment period of 14 years and was repayable over 9 years. Out of the total loan of ₹ 40.70 crores, the Parent Company had already repaid ₹ 12.08 crores till 31st March, 2016. The balance amount was settled during the current year by early repayment of ₹ 25.08 crores resulting in a gain of ₹ 3.54 crores accounted as other income.

* Sales tax deferral scheme - State of Maharashtra represents Sales tax deferment availed under the Sales tax deferment scheme of Government of Maharashtra. It has a deferment period of 10 years starting from April, 2011 and is repayable over 5 yearly installments as per repayment schedule.

*** Loan from banks bear interest at rates ranging from 1.0% to 1.7% p.a. and are repayable in within 12 months.

**** Unsecured cash credit / overdraft facility with banks carries interest rate of 8.9 % to 11.7% p.a. (As at 31st March, 2016 and 1st April, 2015 it was 8.37% to 12.5% p.a.)

^ Default in terms of repayment of principal and interest - NIL

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 16 : OTHER FINANCIAL LIABILITIES	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) **Current maturities of Long-term debt** (Refer Note 15)	-	-	-	14.19	18.91	7.64
(b) **Current maturities of finance lease obligations** (Refer Note 15)	-	-	-	0.65	0.67	0.63
(c) **Investor education and protection fund#**						
(i) Unpaid/ Unclaimed dividend^	-	-	-	11.51	8.19	7.13
(ii) Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years	-	-	-	0.04	0.04	0.04
	-	-	-	11.55	8.23	7.17
(d) **Others**						
Retention monies relating to capital expenditure	2.31	1.68	0.13	29.62	46.49	16.19
Trade deposits (from certain customers)	4.69	5.75	6.74	3.19	2.22	4.72
Payable towards capital expenditure	-	-	-	41.37	79.22	53.76
Payable towards Services received	-	-	-	215.58	205.73	170.96
Payable towards Stores spares and consumables	-	-	-	38.07	16.61	13.13
Payable to Employees [including ₹ 4.5 crores due to Managing Director (as at 31st March, 2016 ₹ 3.5 crores and as at 1st April, 2015 ₹ 2.4 crores)]	-	-	-	159.26	150.17	132.37
Payable towards other expenses [including ₹ 3.65 crores due to Non-Executive Directors (as at 31st March, 2016 ₹ 3.66 crores and as at 1st April, 2015 ₹ 3.16 crores)]	-	-	-	522.49	451.73	347.74
Interest accrued but not due on borrowings	-	-	-	0.35	0.73	0.33
Forward exchange contract (Net)	-	-	-	2.44	-	-
Others	0.20	3.19	4.04	1.03	-	35.68
	7.20	10.62	10.91	1,013.40	952.90	774.88
TOTAL	7.20	10.62	10.91	1,039.79	980.71	790.32

Investor Education and Protection Fund ("IEPF") - As at 31st March, 2017, 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.

^ Unpaid/Unclaimed dividend - Refer Note 43

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 17: PROVISIONS	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Provision for Employee Benefits (Refer Note 32)						
Provision for compensated absences	111.05	97.14	89.23	17.43	18.02	11.19
Provision for Gratuity and Pension (funded)	2.32	3.17	0.68	0.83	1.12	3.90
Provision for Pension, Leaving Indemnity, Medical Plan and Others (unfunded)	29.30	18.87	24.65	1.16	8.78	0.87
Others	1.36	0.14	0.22	0.02	-	-
	144.03	119.32	114.78	19.44	27.92	15.96
(b) Others (Refer Note 44)						
Provision for Excise	-	-	-	0.58	0.96	1.23
Provision for Sales Tax and Other Statutory Liabilities	1.68	2.05	1.17	26.91	25.67	20.44
Provision for Warranties	0.32	-	-	2.20	2.35	2.13
	2.00	2.05	1.17	29.69	28.98	23.80
TOTAL	146.03	121.37	115.95	49.13	56.90	39.76

(₹ in Crores)

NOTE 18 : OTHER LIABILITIES	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Revenue received in advance						
Advance received from customers	-	-	-	17.40	12.41	2.22
(b) Other Payables						
Statutory payables -						
Payable towards Central Sales Tax and VAT	-	-	-	139.62	140.93	127.91
Payable towards Excise & Service tax	-	-	-	35.28	22.53	25.20
Payable towards TDS under Income tax	-	-	-	19.24	27.65	14.37
Payable towards Provident Fund, Profession Tax and ESIC	-	-	-	5.58	4.16	4.04
Payable towards other taxes	-	-	-	8.81	10.21	9.75
Payable towards Minimum Alternate Tax	-	-	-	-	0.22	-
Advance received against asset held for disposal	-	-	-	-	-	2.75
Deferred income arising from government grant (Refer Note 15)	3.65	1.82	-	1.07	0.46	-
Others	-	-	-	0.14	0.24	-
	3.65	1.82	-	209.74	206.40	184.02
TOTAL	3.65	1.82	-	227.14	218.81	186.24

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 19 : TRADE PAYABLES	Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Trade Payables (including Acceptances)*			
Due to Micro and Small Enterprises	30.38	21.23	12.84
Due to Others	1,892.45	1,543.84	1,521.50
TOTAL	**1,922.83**	**1,565.07**	**1,534.34**

*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.

(₹ in Crores)

NOTE 20 : INCOME TAXES	Year 2016-17	Year 2015-16
A. The major components of income tax expense for the year are as under:		
(i) Income tax recognised in the Consolidated Statement of Profit and Loss		
Current tax		
In respect of current year	895.32	801.68
Adjustments in respect of previous year	2.80	(2.59)
Minimum Alternate Tax (MAT)	-	1.32
Deferred tax:		
In respect of current year	49.33	47.27
Adjustments in respect of deferred tax of previous year	-	(1.87)
MAT Credit utilised	0.53	-
MAT Credit entitlement of earlier years	-	(1.32)
Income tax expense reported in the Consolidated Statement of Profit and Loss	**947.98**	**844.49**
(ii) Income tax expense recognised in OCI		
Deferred tax related to items recognised in OCI		
Deferred tax benefit on fair value gain on investments in debt instruments through OCI	(0.17)	(0.34)
Deferred tax expense on remeasurements of defined benefit plans	4.36	0.09
Income tax income / (expense) recognised in OCI	**4.19**	**(0.25)**
B. Reconciliation of tax expense and the accounting profit for the year is as under:		
Profit before tax	**2,914.61**	**2,613.85**
Income tax expense calculated at corporate tax rate	1,008.69	904.55
Prior Years Tax Loss carry forwards utilised	(2.78)	-
Tax effect on non-deductible expenses	25.36	49.93
Incentive tax credits	(36.63)	(52.37)
Effect of Income which is taxed as special rates	(19.71)	(13.08)
Effect of Income that is exempted from tax	(21.79)	(29.63)
Effect of different tax rates in the components	(36.26)	(24.25)
Deferred Tax on undistributed profits	11.87	9.47
Others	16.43	4.33
TOTAL	**945.18**	**848.95**
Adjustments in respect of current income tax of previous year	2.80	(4.46)
Income tax expense reported in the Consolidated Statement of Profit and Loss	**947.98**	**844.49**

The tax rate used for reconciliation above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under Indian tax law.

Notes to the Consolidated Financial Statements

NOTE 20 : INCOME TAXES (Contd.)

The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

As at 31st March, 2017

(₹ in Crores)

Particulars	Balance Sheet		Profit and loss	OCI	Balance Sheet	
	Deferred Tax Liabilities - Net	Deferred Tax Assets - Net			Deferred Tax Liabilities - Net	Deferred Tax Assets - Net
	01.04.2016	01.04.2016	2016-17	2016-17	31.03.2017	31.03.2017
Deferred Tax relates to following						
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and income tax	(298.17)	(1.84)	(43.88)	-	(335.24)	(0.13)
Expense claimed for tax purpose on payment basis	(8.79)	1.63	(1.51)	-	(10.30)	-
Provision for expense allowed for tax purpose on payment basis	44.80	-	8.12	-	53.34	0.25
Unremitted income	-	-	-	-	-	-
Retirement Benefit Plans	1.45	-	1.39	4.36	(5.62)	3.88
Provision for doubtful debts and advances	0.38	0.05	-	-	0.38	-
Expenditure debited to Statement of Profit and Loss but allowed in Income Tax over a longer period	7.29	0.67	(1.73)	-	5.06	-
Net fair value gain on investment in debt instruments through OCI	1.68	-	-	(0.17)	1.85	-
Net fair value loss on investments through FVTPL	(9.84)	-	(2.92)	-	(12.75)	-
Capital losses carried forward under Income Tax	1.84	-	(2.57)	-	-	(0.86)
Undistributed profits of subsidiaries	(41.83)	-	(11.87)	-	(53.42)	-
Others	4.36	1.32	5.11	-	(2.49)	13.03
Deferred tax (expense) / benefit	**-**	**-**	**(49.86)**	**4.19**	**-**	**-**
Net Deferred tax assets/(liabilities) of earlier years	-	-	-	-	-	-
Currency translation loss / (gain)	-	-	-	6.02	-	-
Net Deferred tax assets/(liabilities)	**(296.83)**	**1.83**	**-**	**-**	**(359.19)**	**16.16**

Notes to the Consolidated Financial Statements

NOTE 20 : INCOME TAXES (Contd.)

As at 31st March, 2016

(₹ in Crores)

Particulars	Balance Sheet		Profit and loss	OCI	Balance Sheet	
	Deferred Tax Liabilities - Net	Deferred Tax Assets - Net			Deferred Tax Liabilities - Net	Deferred Tax Assets - Net
	01.04.2015	01.04.2015	2015-16	2015-16	31.03.2016	31.03.2016
Deferred Tax relates to following						
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and income tax	(254.13)	(1.79)	(45.51)	-	(298.17)	(1.84)
Expense claimed for tax purpose on payment basis	(10.47)	-	1.22	-	(8.79)	1.63
Provision for expense allowed for tax purpose on payment basis	39.90	1.10	6.59	-	44.80	-
Unremitted income	(1.85)	-	1.92	-	-	-
Retirement Benefit Plans	0.71	-	(0.58)	0.09	1.45	-
Provision for doubtful debts and advances	2.80	0.40	(0.39)	-	0.38	0.05
Expenditure debited to Statement of Profit and Loss but allowed in Income Tax over a longer period	9.13	0.39	(1.39)	-	7.29	0.67
Net fair value gain on investment in debt instruments through OCI	-	-	-	(0.34)	1.68	-
Net fair value loss on investments through FVTPL	(8.95)	-	0.45	-	(9.84)	-
Capital losses carried forward under Income Tax	1.43	0.10	1.32	-	1.84	-
Undistributed profits of subsidiaries	(32.36)	-	(9.47)	-	(41.83)	-
Others	2.50	-	1.76	-	4.36	1.32
Deferred tax (expense) / benefit	-	-	**(44.08)**	**(0.25)**	-	-
Currency translation loss / (gain)	-	-	-	(0.08)	-	-
Net Deferred tax assets/(liabilities)	**(251.29)**	**0.20**	-	-	**(296.83)**	**1.83**

Notes to the Consolidated Financial Statements

NOTE 20 : INCOME TAXES (Contd.)

The Parent and its Subsidiaries have the following unused tax losses which arose on incurrence of capital losses and business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet.

(₹ in Crores)

Financial Year	Category	31.03.2017	Expiry Date
2010-2011	Depreciation	0.81	NA
2011-2012	Capital losses	1.07	31st March, 2021
2011-2012	Depreciation	1.27	NA
2012-2013	Depreciation	1.93	NA
2012-2013	Business Loss	0.10	31st March, 2021
2012-2013	Depreciation	1.12	31st March, 2021
2013-2014	Capital losses	2.03	31st March, 2023
2013-2014	Business loss	0.83	31st March, 2024
2013-2014	Depreciation	15.64	NA
2013-2014	Business Loss	1.35	31st March, 2022
2013-2014	Depreciation	0.97	31st March, 2022
2014-2015	Capital losses	8.64	31st March, 2024
2014-2015	Business loss	11.45	31st March, 2025
2014-2015	Depreciation	12.61	NA
2014-2015	Business loss	0.26	31st March, 2023
2014-2015	Depreciation	0.87	31st March, 2023
2015-2016	Business loss	21.76	31st March, 2026
2015-2016	Depreciation	15.82	NA
2015-2016	Business loss	0.10	31st March, 2024
2015-2016	Depreciation	0.78	31st March, 2024
2016-2017	Business loss	15.79	31st March, 2027
2016-2017	Depreciation	10.75	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 ₹ 184.63 crores (2015-16: ₹ 173.96 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.

(₹ in Crores)

NOTE 21 : CURRENT TAX LIABILITIES (NET)	Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for Income Tax (net)	141.55	96.51	103.78
TOTAL	**141.55**	**96.51**	**103.78**

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 22 : REVENUE FROM OPERATIONS	Year 2016-17	Year 2015-16
(A) Revenue from sale of products (including excise duty)		
Home market (Net of returns)	18,895.36	17,459.33
Exports	180.75	180.65
Turnover	19,076.11	17,639.98
Less: Discounts	2,227.99	2,012.85
TOTAL	**16,848.12**	**15,627.13**
(B) Revenue from sale of services		
Revenue from home solutions operations	4.70	9.69
Revenue from painting and related services	35.10	18.74
Colour Consultancy Income	2.89	2.94
Other Services	4.48	3.26
TOTAL	**47.17**	**34.63**
(C) Other operating revenues		
Processing and service income	39.28	32.07
Scrap sales	12.58	11.35
Subsidy from State Government (Refer Note 40)	136.62	134.21
Lease Rent	0.85	1.48
Others	0.14	0.82
TOTAL	**189.47**	**179.93**

(₹ in Crores)

NOTE 23 : OTHER INCOME	Year 2016-17	Year 2015-16
(a) Interest Income		
Investments in debt instruments measured at fair value through OCI	5.57	4.02
Other financial assets carried at amortised cost	27.57	18.42
	33.14	22.44
(b) Dividend Income		
Dividends from quoted equity investments measured at fair value through OCI*	14.87	4.77
Dividends from mutual fund investments measured at FVTPL	59.03	64.36
	73.90	69.13
(c) Other non-operating income		
(i) Insurance claim received	3.12	0.77
(ii) Royalty received		
- From associate (Refer Note 33)	3.31	3.51
- From Others	0.42	0.18
	3.73	3.69
(iii) From Others	68.19	50.74
	75.04	55.20
(d) Other gains and losses		
Net gain arising on financial assets measured at FVTPL	52.20	44.65
Gain on sale of financial assets measured at FVTPL	15.60	8.60
Net foreign exchange gain (Other than considered as finance cost)	11.30	2.14
Net gain on sale of property, plant and equipment	1.42	11.23
	80.52	66.62
TOTAL	**262.60**	**213.39**

* Relates to investments held at the end of reporting period.

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 24:	Year 2016-17	Year 2015-16
(A) COST OF MATERIALS CONSUMED		
Raw Materials Consumed		
Opening Stock	726.15	736.94
Add: Purchases	6,774.30	5,903.52
	7,500.45	6,640.46
Less: Closing Stock	814.86	726.15
	6,685.59	5,914.31
Packing Materials Consumed		
Opening Stock	55.36	52.03
Add: Purchases	1,424.24	1,283.82
	1,479.60	1,335.85
Less: Closing Stock	55.23	55.36
	1,424.37	1,280.49
Total Cost of Materials Consumed	8,109.96	7,194.80
NOTE 24 (B) PURCHASES OF STOCK-IN-TRADE	851.75	655.52
NOTE 24 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Stock at the beginning of the year		
Finished Goods (including goods in transit)	923.64	1,154.90
Work-in-Progress	74.06	102.15
Stock-in-trade-acquired for trading (including goods in transit)	160.76	100.74
TOTAL	1,158.46	1,357.79
Stock at the end of the year		
Finished Goods (including goods in transit)	1,381.31	923.64
Work-in-Progress	85.92	74.06
Stock-in-trade-acquired for trading (including goods in transit)	222.30	160.76
TOTAL	1,689.53	1,158.46
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	(531.07)	199.33

(₹ in Crores)

NOTE 25 : EMPLOYEE BENEFITS EXPENSE	Year 2016-17	Year 2015-16
Salaries and wages	947.10	858.02
Contribution to provident and other funds (Refer Note 32)	59.32	51.50
Staff welfare expenses	79.87	79.99
TOTAL	1,086.29	989.51

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 26 : OTHER EXPENSES	Year 2016-17	Year 2015-16
Consumption of stores, spares and consumables	47.92	51.49
Power and fuel	101.23	109.37
Processing charges	105.19	100.19
Repairs and maintenance:		
Buildings	17.46	17.27
Machinery	31.00	31.35
Other assets	61.73	54.43
	110.19	103.05
Rent [Refer Note 42 (II)]	217.91	179.44
Rates and taxes	49.45	48.66
Water Charges	5.57	5.11
Insurance	13.34	13.17
Printing, stationery and communication expenses	57.74	50.01
Travelling expenses	127.01	115.81
Donations	2.55	2.51
Corporate social responsibility expenses	47.84	34.44
Commission to Non Executive Directors	3.65	3.66
Directors' sitting fees	2.82	1.81
Payment to auditors	6.32	5.49
Bank Charges	8.24	8.34
Information Technology expenses	49.21	42.48
Legal and professional expenses	48.21	41.36
Training and recruitment	46.96	39.15
Freight and handling charges	916.48	802.75
Advertisement expenses	626.34	561.13
Bad debts written off	0.32	0.62
Allowances for doubtful debts and advances (net)	14.81	13.00
Miscellaneous expenses	142.54	130.14
TOTAL	**2,751.84**	**2,463.18**

(₹ in Crores)

NOTE 27 : FINANCE COSTS	Year 2016-17	Year 2015-16
Interest on financial liabilities carried at amortised cost		
(a) Interest on bank borrowings	9.57	12.66
(b) Interest on bill discounting	16.83	17.22
(c) Net foreign exchange loss on borrowings (considered as finance cost)	2.21	3.94
(d) Other interest expense	1.01	1.66
Total interest expense for financial liabilities carried at amortised cost	29.62	35.48
Interest on income tax	0.96	5.18
TOTAL	**30.58**	**40.66**

(₹ in Crores)

NOTE 28 : DEPRECIATION AND AMORTISATION EXPENSE	Year 2016-17	Year 2015-16
Depreciation of Property, Plant and Equipment (Refer Note 2)	310.48	249.92
Amortisation of Intangible assets (Refer Note 3 (B))	28.36	25.66
TOTAL	**338.84**	**275.58**

Notes to the Consolidated Financial Statements

NOTE 29(A) : CATERGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Crores)

	Refer Note	Non-Current			Current		
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial assets measured at fair value through profit or loss (FVTPL)							
Investments in quoted mutual funds	4(I)D & 4(II) (A)	443.31	448.61	354.37	1,349.96	1,510.27	1,174.74
Investments in unquoted equity shares	4(I)(A)(b) (ii)	1.07	1.07	1.04	-	-	-
Forward exchange contract (net)	7	-	-	-	-	0.01	-
		444.38	449.68	355.41	1,349.96	1,510.28	1,174.74
Financial assets measured at fair value through other comprehensive income (FVTOCI)							
Investments in quoted equity shares#	4(I)(A)(a)	454.74	323.99	343.83	-	-	-
Investments in quoted debentures or bonds	4(I)C	80.28	77.55	28.70	-	-	-
		535.02	401.54	372.53	-	-	-
Financial assets measured at amortised cost							
Investments in unquoted government securities	4(I)B	*	*	*	-	-	-
Investments in unquoted debentures or bonds	4(I)C (b) / 4(II)B + 4(II)C	1.42	0.78	0.75	1.38	75.03	40.32
Sundry deposits	5	72.54	64.73	48.73	17.73	19.60	18.41
Finance lease receivables	5	0.08	0.08	0.25	0.15	0.53	0.75
Trade receivables	6	-	4.84	4.45	1,446.60	1,186.84	1,125.45
Royalty receivable	7	-	-	-	0.09	0.31	0.12
Subsidy receivable from state government	7	44.04	30.53	17.06	241.11	119.48	119.04
Interest accrued on investments in debentures or bonds measured at FVTOCI	7	-	-	-	3.45	2.32	0.01
Quantity discount receivable	7	-	-	-	157.47	127.80	82.02
Term deposits held as margin money against bank guarantee and other commitments	7	1.32	1.24	1.10	-	-	-
Bank deposits with more than 12 months of original maturity	7	154.06	0.08	0.32	15.64	-	-
Amount due from associate	7	-	-	-	3.90	2.37	4.04
Cash and Cash Equivalents	8 A	-	-	-	582.08	337.42	194.50
Other Bank Balances	8 B	-	-	-	219.13	86.78	10.54
		273.46	102.28	72.66	2,688.73	1,958.48	1,595.20
Financial liabilities measured at fair value through profit or loss (FVTPL)							
Forward exchange contract (net)	16	-	-	-	2.44	-	-
		-	-	-	2.44	-	-

Notes to the Consolidated Financial Statements

NOTE 29(A) : CATERGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS (Contd.)

(₹ in Crores)

	Refer Note	Non-Current			Current		
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial liabilities measured at amortised cost							
Loan from financial institution - (Sales tax deferment - State of Uttar Pradesh)	15	-	-	-	-	-	3.24
Loan taken from National Skill Development Corporation	15	-	0.06	0.06	-	-	-
Loan from State of Haryana	15	10.38	7.03	3.41	1.98	-	-
Sales tax deferment scheme - State of Andhra Pradesh	15	-	22.18	28.62	-	6.44	4.24
Sales tax deferment scheme - State of Maharashtra	15	0.64	0.82	0.87	0.22	0.17	0.15
Term Loan from Bank	15	28.49	40.50	42.97	11.99	12.30	0.01
Finance lease liability	15	1.56	2.04	2.35	0.65	0.67	0.63
Loan repayable on demand - from banks / financial institutions	15	-	-	-	431.22	214.52	311.31
Loan repayable on demand - Cash Credit / Overdraft Accounts	15	-	-	-	72.32	16.44	19.97
Foreign Currency Loan (Buyers' credit)	15	-	-	-	0.89	0.12	-
Retention monies relating to capital expenditure	16	2.31	1.68	0.13	29.62	46.49	16.19
Payable towards capital expenditure	16	-	-	-	41.37	79.22	53.76
Payable towards services received	16	-	-	-	215.58	205.73	170.96
Payable towards stores spares and consumables	16	-	-	-	38.07	16.61	13.13
Payable to employees	16	-	-	-	159.26	150.17	132.37
Unpaid/unclaimed dividend	16	-	-	-	11.51	8.19	7.13
Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years	16	-	-	-	0.04	0.04	0.04
Trade deposits from certain customers	16	4.69	5.75	6.74	3.19	2.22	4.72
Interest accrued but not due on borrowings	16	-	-	-	0.35	0.73	0.33
Payable towards other expenses	16	-	-	-	522.49	451.73	347.74
Trade payables (including Acceptances)	19	-	-	-	1,922.83	1,565.07	1,534.34
Others	16	0.20	3.19	4.04	1.03	-	35.68
		48.27	**83.25**	**89.19**	**3,464.61**	**2,776.86**	**2,655.94**

#Investments in these equity instruments are not held for trading. Upon the 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 and loss 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

NOTE 29(B) : FAIR VALUE MEASUREMENTS

(i) The following table provides the fair value measurement hierarchy of the Group's financial assets:

As at 31st March, 2017

(₹ in Crores)

Financial assets / financial liabilities	Fair value As at 31.03.2017	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 4(I)(A)(a))	454.74	454.74	-	-
Investments in quoted debentures or bonds (Refer Note 4(I)C)	80.28	80.28	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer Note 4(I)D & 4(II) (A))	1,793.27	1,793.27	-	-
Investments in unquoted equity shares- Other Entities (Refer Note 4(I)(A)(b) (ii)	1.07	-	-	1.07
Financial liabilities measured at fair value through profit or loss				
Forward exchange contract (net) (Refer Note 16)	2.44	2.44	-	-

As at 31st March, 2016

(₹ in Crores)

Financial assets/ financial liabilities	Fair value As at 31.03.2016	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 4(I)(A)(a))	323.99	323.99	-	-
Investments in quoted debentures or bonds (Refer Note 4(I)C)	77.55	77.55	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer Note 4(I)D & 4(II) (A))	1,958.88	1,958.88	-	-
Investments in unquoted equity shares- Other Entities (Refer Note 4(I)(A)(b)(ii)	1.07	-	-	1.07
Forward exchange contract (Net)	0.01	0.01	-	-

Notes to the Consolidated Financial Statements

NOTE 29(B) : FAIR VALUE MEASUREMENTS (Contd.)

As at 1st April, 2015 (₹ in Crores)

Financial assets/ financial liabilities	Fair value As at 01.04.2015	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 4(I)(A)(a))	343.83	343.83	-	-
Investments in quoted debentures or bonds (Refer Note 4(I)C)	28.70	28.70	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer Note 4(I)D & 4(II) (A))	1,529.11	1,529.11	-	-
Investments in unquoted equity shares- Other Entities (Refer Note 4(I)(A)(b)(ii)	1.04	-	-	1.04

(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.

NOTE 29 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

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 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 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, loans 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 31st March, 2017 would decrease/increase by 2.28 Crores (Previous Year ₹ 1.17 Crores).

Notes to the Consolidated Financial Statements

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (Contd.)

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 (trade payables). The Group's policy is to hedge its exposures above predefined thresholds from recognised liabilities and firm commitments that fall due in 20-30 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 Crores)

Currency	Liabilities			Assets		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
USD	793.39	347.96	307.87	237.38	135.00	98.40
EUR	30.82	39.94	13.22	19.15	1.10	0.57
GBP	3.13	8.97	69.40	0.54	1.56	-
SEK	1.20	2.29	0.02	-	-	-
SGD	0.11	0.05	0.79	0.34	0.04	-
JPY	0.02	0.94	-	-	-	-
AED	10.05	7.31	1.36	30.95	39.17	32.59
Others	0.46	2.35	2.30	5.48	1.67	0.60

The above table represents total exposure of the group towards foreign exchange denominated liabilities (net). 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 31.03.2017	39.00	21.13	139.88
Forward contract to buy USD - As at 31.03.2016	67.00	4.36	28.89
Forward contract to buy USD - As at 01.04.2015	-	-	-

(₹ in Crores)

Change in USD Rate	Effect on profit after tax			Effect on total equity		
	Year 2016-17	Year 2015-16	Year 2014-15	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
5%	(9.85)	(5.38)	(5.98)	(9.85)	(5.38)	(5.98)
(5%)	9.85	5.38	5.98	9.85	5.38	5.98

c) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Parent Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2017, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 454.74 crores (Previous year ₹ 323.97 crores and ₹ 343.81 crores as at 1st April, 2015). The details of such investments in equity instruments are given in Note 4 (I)(A)(a).

Notes to the Consolidated Financial Statements

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (Contd.)

The Parent Company is also exposed to price risk arising from investments in bonds recognised at FVTOCI. As at 31st March, 2017, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 80.28 crores (Previous year ₹ 77.55 crores and ₹ 28.70 crores as at 1st April, 2015). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds are given in Note 4 (I)(C).

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 31st March, 2017, Other Comprehensive Income for the year ended 31st March, 2017 would increase/decrease by ₹ 45.47 crores (Previous year ₹ 32.40 crores) with a corresponding increase/decrease in Total Equity of the Parent Company as at 31st March, 2017. Similarly, if the equity prices had been higher/lower by 10% from the market prices as at 1st April, 2015, Total Equity of the Parent Company as at 1st April, 2015 would increase/decrease by ₹ 34.40 crores. 10% represents management's assessment of reasonably possible change in equity 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 4 (except equity shares and bonds), 5, 6, 7 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 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 210 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 and accordingly individual credit limits are defined. 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 as follows:

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.

All Indian and overseas subsidiaries have made full allowance for all receivables over 365 days because historical experience is such that receivables that are due beyond 365 days are generally not recoverable.

Notes to the Consolidated Financial Statements

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (Contd.)

(₹ in Crores)

Movement in expected credit loss allowance on trade receivables	Year 2016-17	Year 2015-16
Balance at the beginning of the year	71.83	58.83
Loss allowance measured at lifetime expected credit losses	14.81	13.00
Balance at the end of the year	86.64	71.83

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 having adequate amount of 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 table below analyses derivative and non-derivative 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 to 5 years	Over 5 years	Total	Carrying Value
At 31st March, 2017					
Borrowings (Refer Note 15)	504.43	45.91	-	550.34	545.50
Trade Payables (Refer Note 19)	1,922.83	-	-	1,922.83	1,922.83
Other financial liabilities (Refer Note 16)	1,039.79	7.20	-	1,046.99	1,046.99
At 31st March, 2016					
Borrowings (Refer Note 15)	231.08	74.85	0.06	305.99	303.71
Trade Payables (Refer Note 19)	1,565.07	-	-	1,565.07	1,565.07
Other financial liabilities (Refer Note 16)	980.71	10.62	-	991.33	991.33
At 1st April, 2015					
Borrowings (Refer Note 15)	331.28	78.28	-	409.56	409.56
Trade Payables (Refer Note 19)	1,534.34	-	-	1,534.34	1,534.34
Other financial liabilities (Refer Note 16)	790.32	10.91	-	801.23	801.23

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 Company, comprising issued capital, reserves and accumulated profits as presented in the 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.

Notes to the Consolidated Financial Statements

(₹ in Crores)

NOTE 30 : DIVIDEND	Year 2016-17	Year 2015-16
Dividend on equity shares paid during the year		
Final dividend for FY 2015-16 [₹ 5.30 (Previous year ₹ 4.30) per equity share of ₹1 each]	508.37	412.46
Dividend distribution tax on final dividend	102.68	83.97
Interim dividend for FY 2016-17 [₹ 2.65 (Previous year ₹ 2.20) per equity share of ₹1 each]	254.19	211.02
Dividend distribution tax on interim dividend	51.65	42.27
	916.89	**749.72**

Proposed Dividend

The Board of Directors at its meeting held on 11th May, 2017 have recommended a payment of final dividend of ₹ 5.65 (Rupees five and paise sixty five only) per equity share of the face value of ₹ 1 each for the financial year ended 31st March, 2017. The same amounts to ₹ 652.27 crores including dividend distribution tax of ₹ 110.33 crores.

In addition, the Board of Directors have recommended a one-time special dividend of ₹ 2 (Rupees two only) per equity share of the face value of ₹ 1 each for celebrating 75 years of Excellence at Asian Paints. The same amounts to ₹ 230.89 crores including dividend distribution tax of ₹ 39.05 crores.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

NOTE 31 : FIRST TIME ADOPTION OF Ind AS

For all periods upto and including the year ended 31st March, 2016, The Group had prepared its financials statements in accordance with the accounting standards notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP'). This note explains the principal adjustments made by the Group in restating its financial statements prepared under Previous GAAP for the following:

a) Balance Sheet as at 1st April, 2015 (Transition date)

b) Balance Sheet as at 31st March, 2016

c) Statement of Profit and Loss for the year ended 31st March, 2016 and

d) Statement of Cash flows for the year ended 31st March, 2016.

EXEMPTIONS AVAILED:

Ind AS 101, First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Group has availed the following exemptions as per Ind AS 101:

1. The Group has elected not to apply Ind AS 103, Business Combinations, retrospectively to past business combinations that occurred before 1st January, 2015. Consequent to use of this exemption from retrospective application:
   - the carrying amounts of assets and liabilities acquired pursuant to past business combinations and recognised in the financial statements prepared under Previous GAAP, are considered to be the deemed cost under Ind AS, on the date of acquisition. After the date of acquisition, measurement of such assets and liabilities is in accordance with respective Ind AS. Also, there is no change in classification of such assets and liabilities;
   - the Group has not recognised assets and liabilities that neither were recognised in the financial statements prepared under Previous GAAP nor qualify for recognition under Ind AS in the Balance Sheet of the acquiree;
   - the Group has excluded from its opening Ind AS Balance Sheet (as at 1st April, 2015), those assets and liabilities which were recognised in accordance with Previous GAAP but do not qualify for recognition as an asset or liability under Ind AS; and

Notes to the Consolidated Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

- use of this exemption from retrospective application of Ind AS 103, Business Combination, requires that the carrying amount of goodwill as per financial statements prepared under Previous GAAP should be recognised in the opening Ind AS Balance Sheet after adjusting for impairment, if any. The Group has therefore tested goodwill for impairment as at the date of transition to Ind AS and accordingly, no goodwill impairment was deemed necessary.

2. For financial instruments, wherein fair market values are not available (viz. interest free and below market rate security deposits or loans) the Group has elected to adopt fair value recognition prospectively to transactions entered after the date of transition.

3. The Group has elected to consider the carrying value of all its items of property, plant and equipment and intangible assets recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.

4. The requirements of Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance and Ind AS 109, Financial Instruments, in respect of recognition and measurement of interest free loans from government authorities is opted to be applied prospectively to all grants received after the date of transition to Ind AS. Consequently, the carrying amount of such interest free loans as per the financial statements of the Group prepared under Previous GAAP is considered for recognition in the opening Ind AS Balance Sheet.

(₹ in Crores)

Effect of Ind AS adoption on the Balance Sheet as at 1st April, 2015	Footnotes	Previous GAAP	Effect of transition of Ind AS			Ind AS
			PPGAP (Refer Note 1)	APPPG (Refer Note 2)	Other Changes	
ASSETS						
NON CURRENT ASSETS						
Property, Plant and Equipment	3	2,290.16	(66.41)	0.15	43.11	2,267.01
Capital work in progress		196.00	(0.44)	-	-	195.56
Goodwill	3	292.77	(2.67)	-	(44.77)	245.33
Other Intangible Assets	3	77.11	(0.10)	-	67.15	144.16
Financial Assets						
Investments	1, 4	400.88	242.13	-	327.81	970.82
Trade Receivables		4.45	-	-	-	4.45
Loans		50.59	(1.80)	0.19	-	48.98
Other financial Assets		20.51	(2.12)	0.09	-	18.48
Deferred Tax Assets (Net)	12	0.20	-	-	-	0.20
Current Tax Assets (Net)		26.18	(4.55)	0.05	-	21.68
Other Non Current Assets		216.88	(32.98)	0.09	-	183.99
		3,575.73	**131.06**	**0.57**	**393.30**	**4,100.66**
CURRENT ASSETS						
Inventories		2,258.52	(90.99)	32.37	-	2,199.90
Financial Assets						
Investments	5	1,186.91	-	2.80	25.35	1,215.06
Trade Receivables	14	1,182.07	(95.47)	40.03	(1.18)	1,125.45
Cash and Cash Equivalents		195.48	(3.51)	2.53	-	194.50
Other Balances with Banks		10.89	(0.35)	-	-	10.54
Loans		19.93	(0.79)	0.02	-	19.16
Other financial assets	14	206.53	-	0.21	(1.51)	205.23
Assets classified as held for sale		8.36	-	-	-	8.36
Other current assets		270.28	(16.70)	3.16	-	256.74
		5,338.97	**(207.81)**	**81.12**	**22.66**	**5,234.94**
TOTAL ASSETS		**8,914.70**	**(76.75)**	**81.69**	**415.96**	**9,335.60**

Notes to the Consolidated Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

(₹ in Crores)

Effect of Ind AS adoption on the Balance Sheet as at 1st April, 2015	Footnotes	Previous GAAP	Effect of transition of Ind AS			Ind AS
			PPGAP (Refer Note 1)	APPPG (Refer Note 2)	Other Changes	
EQUITY AND LIABILITIES						
EQUITY						
Equity Share Capital		95.92	-	-	-	95.92
Other Equity		4,646.44	-	-	805.21	5,451.65
Equity attributable to owners of the Company		4,742.36	-	-	805.21	5,547.57
Non-controlling interests		263.67	-	45.18	37.03	345.88
		5,006.03	-	45.18	842.24	5,893.45
LIABILITIES						
NON CURRENT LIABILITIES						
Financial Liabilities						
Borrowings		78.28	-	-	-	78.28
Other financial liabilities		10.91	-	-	-	10.91
Provisions		119.89	(4.84)	0.90	-	115.95
Deferred tax liabilities (Net)	12	180.14	(1.69)	-	72.84	251.29
		389.22	(6.53)	0.90	72.84	456.43
CURRENT LIABILITIES						
Financial Liabilities						
Borrowings		331.62	(0.34)	-	-	331.28
Trade Payables						
Due to Micro and Small Enterprises		12.81	(0.06)	0.09	-	12.84
Due to others	14	1,535.94	(38.77)	25.51	(1.18)	1,521.50
Other financial liabilities	14	808.03	(23.79)	7.59	(1.51)	790.32
Other current liabilities		191.64	(6.59)	1.19	-	186.24
Provisions	6	535.63	(0.67)	1.23	(496.43)	39.76
Current tax liabilities (Net)		103.78	-	-	-	103.78
		3,519.45	(70.22)	35.61	(499.12)	2,985.72
TOTAL EQUITY AND LIABILITIES		8,914.70	(76.75)	81.69	415.96	9,335.60

(₹ in Crores)

Effect of Ind AS Adoption on the Consolidated Statement of Profit and Loss for the year ended 31st March, 2016	Footnotes	Previous GAAP	Effect of transition of Ind AS			Ind AS
			PPGAP (Refer Note 1)	APPPG (Refer Note 2)	Other Changes	
REVENUE FROM OPERATIONS						
Revenue from sale of products (including Excise Duty)	7	15,293.05	(514.80)	161.35	687.53	15,627.13
Revenue from sale of services		37.67	(3.04)	-	-	34.63
Other operating revenues	8	203.42	(0.73)	0.22	(22.98)	179.93
Other Income	4,5 & 9	200.72	(1.55)	0.69	13.53	213.39
TOTAL INCOME (I)		15,734.86	(520.12)	162.26	678.08	16,055.08
EXPENSES						
Cost of materials consumed	7	7,311.09	(241.55)	106.92	18.35	7,194.81
Purchase of Stock in Trade		723.20	(71.05)	3.37	-	655.52
Changes in inventories of finished goods, Stock in Trade and work in progress		201.69	(0.93)	(1.44)	-	199.32
Excise Duty	7	(30.39)	(0.95)	0.30	1,601.24	1,570.20
Employee benefits expense	10	1,017.84	(38.18)	10.55	(0.70)	989.51
Other expenses	7,8 & 9	3,502.09	(113.16)	38.96	(964.71)	2,463.18
TOTAL (II)		12,725.52	(465.82)	158.66	654.18	13,072.54

Notes to the Consolidated Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

(₹ in Crores)

Effect of Ind AS Adoption on the Consolidated Statement of Profit and Loss for the year ended 31st March, 2016	Footnotes	Previous GAAP	Effect of transition of Ind AS			Ind AS
			PPGAP (Refer Note 1)	APPPG (Refer Note 2)	Other Changes	
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		**3,009.34**	**(54.30)**	**3.60**	**23.90**	**2,982.54**
Finance costs		40.51	(0.02)	0.17	-	40.66
Depreciation and amortisation expense	3	287.97	(7.77)	0.03	(4.65)	275.58
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**2,680.86**	**(46.51)**	**3.40**	**28.55**	**2,666.30**
Exceptional Items		52.45	-	-	-	52.45
PROFIT BEFORE TAX		**2,628.41**	**(46.51)**	**3.40**	**28.55**	**2,613.85**
Tax expense						
(1) Current tax		812.18	(10.50)	-	-	801.68
(2) Minimum Alternate Tax (MAT) credit utilised		3.43	(2.77)	0.66	-	1.32
(3) MAT Credit entitlement of earlier years		(1.60)	0.94	(0.66)	-	(1.32)
(4) Excess tax provision for earlier years		(4.47)	0.01	-	-	(4.46)
(5) Deferred tax	4,5 & 12	39.60	(1.33)	-	9.00	47.27
PROFIT FOR THE YEAR BEFORE SHARE OF PROFIT OF ASSOCIATE		**1,779.27**	**(32.86)**	**3.40**	**19.55**	**1,769.36**
SHARE OF PROFIT OF ASSOCIATE		-	-	-	33.42	33.42
PROFIT AFTER TAX		**1,779.27**	**(32.86)**	**3.40**	**52.97**	**1,802.78**
OTHER COMPREHENSIVE INCOME (OCI)*						
(A) Items that will not be reclassified to Statement of Profit and Loss						
(a) (i) Remeasurement of the defined benefit plans	10	-	-	-	(0.70)	(0.70)
(ii) Income tax relating to remeasurement of defined benefit plans	10,12	-	-	-	(0.09)	(0.09)
(b) Net fair value loss on investment in equity instruments through (OCI)	4	-	-	-	(19.85)	(19.85)
(c) Share of OCI in associate	1	-	(0.73)	-	-	(0.73)
(B) Items that will be reclassified to Statement of Profit and Loss						
(a) (i) Net fair value gain on investment in debt instruments through OCI	4,5	-	-	-	0.53	0.53
(ii) Income tax benefit on net fair value gain on investment in debt instruments through OCI	4,5,12	-	-	-	0.34	0.34
(b) Exchange difference arising on translation of foreign operations		-	-	-	(2.99)	(2.99)

Notes to the Consolidated Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

(₹ in Crores)

Effect of Ind AS Adoption on the Consolidated Statement of Profit and Loss for the year ended 31st March, 2016	Footnotes	Previous GAAP	Effect of transition of Ind AS			Ind AS
			PPGAP (Refer Note 1)	APPPG (Refer Note 2)	Other Changes	
TOTAL OTHER COMPREHENSIVE INCOME (A+B)		-	(0.73)	-	(22.76)	(23.49)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,779.27	(33.59)	3.40	30.21	1,779.29
PROFIT FOR THE YEAR ATTRIBUTABLE TO:						
- Owners of the company		1,726.21	-	-	18.95	1,745.16
- Non-controlling interest		53.06	-	3.40	1.16	57.62
OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:						
- Owners of the company		-	-	-	(18.19)	(18.19)
- Non-controlling interest		-	-	-	(5.30)	(5.30)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:						
- Owners of the Group		1,726.21	-	-	0.76	1,726.97
- Non-controlling interest		53.06	-	3.40	(4.14)	52.32

* Under the Previous GAAP, there was no concept of Other Comprehensive Income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in Other Comprehensive Income.

(₹ in Crores)

Effect of Ind AS Adoption on the Balance Sheet as at 31st March, 2016	Footnotes	Previous GAAP	Effect of transition of Ind AS			Ind AS
			PPGAP (Refer Note 1)	APPPG (Refer Note 2)	Other Changes	
ASSETS						
NON CURRENT ASSETS						
Property, Plant and Equipment	3	3,074.59	(59.25)	0.18	40.63	3,056.15
Capital work in progress		110.80	(4.21)	-	-	106.59
Goodwill	3	238.54	(1.89)	-	(37.66)	198.99
Other Intangible Assets	3	89.94	(0.05)	-	71.32	161.21
Financial Assets						-
Investments	1,4	539.25	274.83	-	312.75	1,126.83
Trade Receivables		4.84	-	-	-	4.84
Loans		66.70	(2.10)	0.21	-	64.81
Other financial Assets		33.73	(1.92)	0.04	-	31.85
Deferred Tax Assets (Net)		1.83	-	-	-	1.83
Current tax Assets (Net)		22.47	(4.58)	0.04	-	17.93
Other Non Current assets		100.01	(45.95)	0.75	-	54.81
		4,282.70	154.88	1.22	387.04	4,825.84

Notes to the Consolidated Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

(₹ in Crores)

Effect of Ind AS Adoption on the Balance Sheet as at 31st March, 2016	Footnotes	Previous GAAP	Effect of transition of Ind AS			Ind AS
			PPGAP (Refer Note 1)	APPPG (Refer Note 2)	Other Changes	
CURRENT ASSETS						
Inventories		2,064.00	(97.13)	31.37	-	1,998.24
Financial Assets						
Investments	5	1,558.94	(20.90)	2.95	44.31	1,585.30
Trade Receivables	14	1,248.26	(104.79)	45.45	(2.08)	1,186.84
Cash and Cash Equivalents		340.18	(5.36)	2.60	-	337.42
Other Balances with Banks		87.25	(0.48)	0.01	-	86.78
Loans		20.24	(0.24)	0.13	-	20.13
Other Financial Asset	14	255.60	(0.18)	0.47	(3.60)	252.29
Assets Classified as Held for Sale		4.29	-	-	0.16	4.45
Other Current Assets		281.87	(20.79)	2.49	-	263.57
		5,860.63	(249.87)	85.47	38.79	5,735.02
TOTAL		10,143.33	(94.99)	86.69	425.83	10,560.86
EQUITY AND LIABILITIES						
EQUITY						
Equity Share Capital		95.92	-	-	-	95.92
Other Equity		5,509.33	-	-	919.57	6,428.90
Equity attributable to owners of the Company		5,605.25	-	-	919.57	6,524.82
Non-controlling interests		294.21	-	48.54	40.94	383.69
		5,899.46	-	48.54	960.51	6,908.51
LIABILITIES						
NON CURRENT LIABILITIES						
Financial Liabilities						
Borrowings	11	74.91	-	-	(2.28)	72.63
Other financial liabilities		10.57	-	0.05		10.62
Provisions		124.36	(4.54)	1.55	-	121.37
Deferred tax laibilities (Net)	12	217.60	(3.02)	-	82.25	296.83
Other non current liabilities	11	-	-	-	1.82	1.82
		427.44	(7.56)	1.60	81.79	503.27
CURRENT LIABILITIES						
Financial Liabilities						
Borrowings		231.08	-	-	-	231.08
Trade Payables						
Due to Micro and Small Enterprises		21.51	(0.60)	0.32		21.23
Due to others	14	1,568.59	(44.84)	22.17	(2.08)	1,543.84
Other financial liabilities	14	1,007.72	(33.46)	10.05	(3.60)	980.71
Other current liabilities	11	224.23	(8.13)	2.26	0.45	218.81
Provisions	6	666.79	(0.40)	1.75	(611.24)	56.90
Current tax liability (Net)		96.51	-	-	-	96.51
		3,816.43	(87.43)	36.55	(616.47)	3,149.08
TOTAL		10,143.33	(94.99)	86.69	425.83	10,560.86

Notes to the Consolidated Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

A. Reconciliation of total comprehensive income for the year ended 31st March, 2016

(₹ in Crores)

Nature of Adjustments	Footnotes	For the year ended 31.03.2016
Net Profit as per Previous GAAP		1,779.27
Remeasurement of net defined benefit Plan	10	1.56
Effect of measuring Financial instruments at fair value	4,5	23.18
Depreciation/amortisation on assets acquired pursuant to Business Combination	3	(4.22)
Amortisation of intangible assets	3	8.74
Deferred taxes	12	(9.30)
Impact of change in definition of control/subsidiary	2	3.40
Others		0.15
Net Profit as per Ind AS		1,802.78
Other Comprehensive Income (net of tax)		(23.49)
Total Comprehensive Income/Equity as per Ind AS		1,779.29

B. Reconciliation of equity as at 31st March, 2016 and 1st April, 2015

(₹ in Crores)

Nature of Adjustments	Footnotes	As at 31.03.2016	As at 01.04.2015
Equity as per Previous GAAP (i)		5,899.46	5,006.03
Effect of measuring Non-Current Investments at fair value	4	312.75	327.81
Effect of measuring Current Investments at fair value	5	44.31	25.35
Depreciation/amortisation on assets acquired pursuant to Business Combination	3	(4.30)	(0.26)
Non controlling interest on fair valuation assets acquired pursuant to Business Combination (net of tax)	3	38.55	39.25
Amortisation of Intangible assets		7.40	-
Adjustment for Proposed Dividend	6	611.24	496.43
Deferred taxes	12	(49.60)	(41.19)
Impact of change in defition of control/subsidiary	2	48.54	45.14
Loss on Merger/Stake change in subsidiary	3	-	(5.11)
Others		0.16	-
Total effect of transition to Ind AS (ii)		1,009.05	887.42
Equity as per Ind AS (i) + (ii)		6,908.51	5,893.45

C. Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31st March, 2016

(₹ in Crores)

	Footnotes	For the year ended 31.03.2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	13	2,267.53	(24.58)	2,242.95
Net cash flows from investing activities	13	(869.14)	2.85	(866.29)
Net cash flows from financing activities	13	(848.90)	(0.08)	(848.98)
Net increase in cash and cash equivalents		549.49	(21.82)	527.68
Cash and cash equivalents at the beginning of the year		1,046.96	3.01	1,049.97
Net effect of exchange gain on cash and cash equivalents		0.08	-	0.08
Cash and cash equivalents at the end of the year		1,596.53	(18.81)	1,577.73

Notes to the Consolidated Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

Footnotes:

1. Associate:

The group holds 50% interest in PPG Asian Paints Private Limited. In the financial statements prepared under Previous GAAP, group proportionately consolidated its interest in the PPG Asian Paints Private Limited in the Consolidated Financial Statement. On transition to Ind AS the group has assessed and determined that PPG Asian Paints Private Limited is an Associate under Ind AS 28 Investments in Associates. Therefore, it needs to be accounted for using the equity method as against proportionate consolidation. For the application of equity method, the initial investment is measured as the aggregate of amount of assets and liabilities that the group had previously proportionately consolidated including any goodwill arising on acquisition. On application of equity method the investment stands increased by ₹ 242.13 crores on 1st April, 2015 and by ₹ 274.84 crores on 31st March, 2016. Derecognition of proportionately consolidated PPG Asian Paints Private Limited has resulted in change in Balance Sheet, Statement of Profit and Loss and cash flow statement which is reflected line by line in the reconciliation.

2. Subsidiary:

The group holds 50% interest in Asian Paints PPG Private Limited. In the financial statements prepared under Previous GAAP, group had proportionately consolidated its interest in the Asian Paints PPG Private Limited in the Consolidated Financial Statement. On transition to Ind AS the group has assessed and determined that Asian Paints PPG Private Limited is a Subsidiary and accordingly consolidated under Ind AS 110- Consolidated Financial Statements. Consolidation of Asian Paints PPG Private Limited has resulted into change in the Balance Sheet, Statement of Profit and Loss and cash flow statement which is reflected line by line in the reconciliation.

The above transaction has impacted an increase in equity by ₹ 45.14 crores as at the transition date and by ₹ 48.54 crores as at 31st March, 2016.

3. Property, Plant and equipment, Goodwill and Intangible Assets:

Effect of Business Combination:

The group has adopted Ind AS 103-Business Combination with effect from 1st January, 2015. Under Ind AS, acquisition of Kadisco Paints and Adhesives Industry Share Company is accounted using acquisition method wherein all the assets and liabilities acquired were carried at Fair Value. The impact of fair valuation has resulted in increase in the value of Property, Plant and equipment by ₹ 43.11 crores as at the transition date of Ind AS and ₹ 40.63 crores as at 31st March, 2016 and Intangible Assets by ₹ 67.15 crores and ₹ 67.87 crores respectively and correspondingly, Goodwill on Consolidation has reduced to the extent of ₹ 39.66 crores as at the transition date of Ind AS and ₹ 42.94 crores as at 31st March, 2016. Correspondingly, depreciation and amortisation expense has increased by ₹ 4.22 crores consequent to increase in the value of Property, plant and equipment and Intangible Assets.

The above transition has resulted in increase in Equity by ₹ 38.99 crores as at date of transition to Ind AS and by ₹ 34.25 crores as at 31st March, 2016. Also, deferred tax on the same has resulted in decrease in equity by ₹ 31.76 crores as at date of transition to Ind AS and by ₹ 31.31 crores as at 31st March, 2016.

Effect of Merger/Stake change in subsidiary:

During 2015-16, Kitchen Grace India Private Limited (KGIPL), a wholly owned subsidiary of Sleek International Private Limited (SIPL) merged with SIPL with effect from 1st April, 2015 pursuant to a scheme approved by the Honourable High Court of Bombay. Consequently, Goodwill on Consolidation in the books of SIPL pertaining to KGIPL amounting to ₹ 5.11 Crores has been adjusted against Equity. This change has resulted in decrease in 'Goodwill on Consolidation' by ₹ 5.11 Crores, 'Equity Attributable to owners of the Company' by ₹ 2.61 Crores and Non-Controlling Interest by ₹ 2.50 Crores as at 1st April, 2015.

Notes to the Consolidated Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

Other Changes:

In the financial statements prepared under Previous GAAP, acquired Goodwill was amortised over its useful life not exceeding five years unless a longer period could be justified. Under Ind AS, Goodwill is not required to be amortised but needs to be tested for impairment atleast annually. The Group has assessed and concluded that no impairment is deemed necessary on Goodwill recognised as at date of transition to Ind AS and as at 31st March, 2016.

The reversal of amortisation expense for the year ended 31st March, 2016 has resulted in decrease in Depreciation and amortisation expense in the Consolidated Statement of Profit and Loss with a corresponding increase in Goodwill and Other Intangible Assets in the Balance Sheet as at 31st March, 2016, by ₹ 5.29 crores and ₹ 3.44 crores respectively. Correspondingly deferred tax expense on the same amounting to ₹ 1.33 crores has been recognised in the Consolidated Statement of Profit and Loss for the year ended 31st March, 2016. The above change has resulted in increase in Profit after tax for the year ended 31st March, 2016 by ₹ 7.40 crores, increase in Deferred tax liability as at 31st March, 2016 by ₹ 1.33 crores and increase in Equity as at 31st March, 2016 by ₹ 7.40 crores.

4. Non-Current Investments:

In the Consolidated financial statements prepared under Previous GAAP, Non-current Investments of the Group were recognised at cost less provision for diminution (other than temporary). Under Ind AS, the Group has recognised such investments as follows:

- Government securities - At amortised cost
- Debt oriented Mutual Funds and Fixed Maturity Plans - At fair value through profit and loss (FVTPL)
- Debentures or Bonds - At fair value through other comprehensive income (FVTOCI)
- Quoted equity shares - At FVTOCI through an irrevocable election
- Unquoted equity shares - At FVTPL through an irrevocable election

Ind AS requires the above investments to be recognised at fair value (except investments in equity shares of associate company and government securities)

On the date of transition to Ind AS, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per consolidated financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹ 327.81 crores which has been recognised directly in retained earnings (Equity). Deferred tax liability (net) amounting to ₹ 1.40 crores has been recognised on such fair valuation gain.

As at 31st March, 2016, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹ 312.75 crores. On such fair valuation, net gain amounting to ₹ 4.26 crores has been recognised in other income in the Statement of Profit and Loss and net loss amounting to ₹ 19.32 crores has been recognised in Other Comprehensive Income. Correspondingly, deferred tax expense amounting to ₹ 1.64 crores has been recognised in the Consolidated Statement of Profit and Loss and deferred tax benefit amounting to ₹ 0.34 crores has been recognised in Other Comprehensive Income.

The above transition has resulted in increase in Equity by ₹ 327.81 crores as at date of transition to Ind AS and by ₹ 312.75 crores as at 31st March, 2016. Also, deferred tax on the same has resulted in decrease in equity by ₹ 1.40 crores as at date of transition to Ind AS and by ₹ 1.30 crores as at 31st March, 2016.

Notes to the Consolidated Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

5. Current Investments:

In the financial statements prepared under Previous GAAP, Current Investments of the Group were measured at lower of cost or fair value. Under Ind AS, these investments have been classified as FVPTL on the date of transition. The fair value changes are recognised in the Consolidated Statement of Profit and Loss.

On the date of transition to Ind AS, the difference between the fair value of Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹ 25.35 crores. The gain on such fair valuation as at the date of transition to Ind AS has been recognised directly in retained earnings (Equity). Deferred tax liability (net) amounting to ₹ 7.54 crores has been recognised on such fair valuation gain.

As at 31st March, 2016, the difference between the fair value of Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹ 44.31 crores.

Fair valuation gain for the year ended 31st March, 2016, amounted to ₹ 18.92 crores and the same has been recognised in Other income in Consolidated Statement of Profit and Loss. Correspondingly, deferred tax benefit amounting to ₹ 2.09 crores has been recognised in Consolidated Statement of Profit and Loss.

The above transition has impacted an increase in Equity by ₹ 25.35 crores as at transition date and by ₹ 44.31 crores as at 31st March, 2016. Also, deferred tax on the same has resulted in decrease in equity by ₹ 7.54 crores as at date of transition to Ind AS and increase in equity by ₹ 2.09 crores as at 31st March, 2016.

6. Proposed Dividend

In the financial statements prepared under Previous GAAP, dividend on equity shares recommended by the board of directors after the end of reporting period but before the financial statements were approved for issue, was recognised as a liability in the financial statements in the reporting period relating to which dividend was proposed. Under Ind AS, such dividend is recognised in the reporting period in which the same is approved by the members in a general meeting.

On the date of transition, the above change in accounting treatment of proposed dividend has resulted in increase in Equity with a corresponding decrease in Provisions by ₹ 496.43 crores. As at 31st March, 2016 above change has resulted in an increase in Equity ₹ 611.24 crores. The above change however, does not affect the Consolidated Statement of Profit and Loss.

7. Revenue from sale of products and services:

In the financial statements prepared under Previous GAAP, revenue from sale of products was presented net of excise duty. However, under Ind AS, revenue from sale of products includes excise duty. Excise duty expense amounting to ₹ 1601.24 crores is presented separately on the face of the Statement of Profit and Loss for the year ended 31st March, 2016.

In the financial statements prepared under Previous GAAP, cash discount and sales promotional expenses were shown as a part of other expenses. However, under Ind AS, such discounts and sales promotional expenses amounting to ₹ 932.08 crores for the year ended 31st March, 2016, are reduced from revenue from sale of products.

Further, in the financial statements prepared under Previous GAAP, an amount of ₹ 24.88 crores relating to sale of certain raw materials was presented by netting off directly from cost of materials consumed. The same has now been regrouped and presented in revenue from sale of products.

Notes to the Consolidated Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

Further, in the financial statements prepared under Previous GAAP, transactions of Asian Paints (PPG) Private Limited, a Joint Venture, with the group were not eliminated. However, under Ind AS, such transactions have been eliminated while preparing consolidated financials since Asian Paints (PPG) Private Limited is a subsidiary. The impact of the same on Revenue from sale of products and services is a reduction of ₹ 6.51 Crores with a corresponding decrease in cost of materials consumed in the Statement of Profit and Loss for the year ended 31st March, 2016.

In light of the above, revenue from sale of products under Ind AS has increased by ₹ 687.53 crores (₹ 1601.24 crores less ₹ 932.08 crores plus ₹ 24.88 crores less ₹ 6.51 crores) with a corresponding increase in Excise Duty by ₹ 1601.24 crores, decrease in Other expenses by ₹ 932.08 crores and increase in Cost of materials consumed by ₹ 24.88 crores in the Consolidated Statement of Profit and Loss for the year ended 31st March, 2016.

The above changes do not affect Equity as at date of transition to Ind AS, Profit after tax for the year ended 31st March, 2016 and Equity as at 31st March, 2016.

8. Other Operating revenue:

In the financial statements prepared under Previous GAAP, transactions of Asian Paints (PPG) Private Limited, a Joint Venture, with the group were not eliminated. However, under Ind AS, such transactions have been eliminated while preparing consolidated financials of the Group since Asian Paints (PPG) Private Limited is a subsidiary. The impact of the same is a reduction of ₹ 22.98 crores from Other operating revenue with a corresponding decrease in other expenses in the Statement of Profit and Loss for the year ended 31st March, 2016.

9. Other Income:

The difference between the fair value of investments as per Ind AS and the carrying value of investments as per Previous GAAP has resulted in increase of Investments by ₹ 23.18 Crores

Further, in the financial statements prepared under Previous GAAP, transactions of Asian Paints (PPG) Private Limited, a Joint Venture, with the group were not eliminated. However, under Ind AS, such transactions have been eliminated while preparing consolidated financials of the Group since Asian Paints (PPG) Private Limited is a subsidiary. The impact of the same is a reduction of ₹ 9.65 crores from Other Income.

In light of the above, Other Income under Ind AS has increased by ₹ 13.53 crores (₹ 23.18 crores less ₹ 9.65 crores) with a corresponding decrease in Other Expenses by ₹ 9.65 crores.

10. Remeasurement cost of defined benefit plan:

In the consolidated financial statements prepared under Previous GAAP, remeasurement costs of defined benefit plans, arising primarily due to change in actuarial assumptions was recognised as Employee benefits expense in the Consolidated Statement of Profit and Loss. Under Ind AS, such remeasurement costs relating to defined benefit plans is recognised in Other Comprehensive Income as per the requirements of Ind AS 19, Employee benefits. Consequently, the related tax effect of the same has also been recognised in Other Comprehensive Income.

For the year ended 31st March, 2016, remeasurement of gratuity liability resulted in a net loss of ₹ 0.70 crores which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in Other Comprehensive Income. This has resulted in decrease in Employee benefits expense by ₹ 0.70 crores and loss in Other Comprehensive income by ₹ 0.70 crores for the year ended 31st March, 2016. Consequently, tax effect of the same amounting to ₹ 0.09 crores is also recognised separately in Other Comprehensive Income.

The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2016. However, Profit before tax for the year increased by ₹ 0.70 crores and Profit for the year increased by ₹ 0.79 crores.

Notes to the Consolidated Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

11. Interest free loan:

In the financial statements prepared under Previous GAAP, the carrying value of Interest free loan was recognised at the principal amounts payable by the borrower. Under Ind AS, Interest free borrowing being a financial liability is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The difference between such fair value and the carrying value is recognised as deferred income disclosed under Other liabilities.

On the date of transition, there is no change in the amount of Interest free loan since the Company has opted for exemption from retrospective application for fair valuation of such financial instruments. Interest free loan amounting to ₹ 5.90 crores received subsequent to the date of transition to Ind AS has been recognised at fair value amounting to ₹ 3.62 crores, thereby leading to creation of deferred income amounting to ₹ 2.28 crores. Such loan was received on 31st March, 2016 and hence there is no effect arising from subsequent measurement.

The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2016. However, it has resulted in decrease in borrowings and increase in other liabilities by ₹ 2.28 crores as at 31st March, 2016.

12. Deferred tax:

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under Previous GAAP. In addition, the above mentioned transitional adjustments relating to current/non-current investments and goodwill have also led to temporary differences and creation of deferred tax there.

Further, under Ind AS, deferred tax on account of undistributed profits of subsidiaries and associate has been recognised in Consolidated Statement of Profit and Loss amounting to ₹ 32.36 crores as at the transition date on Ind AS and ₹ 41.83 crores as at 31st March, 2016.

The above changes have resulted in creation of deferred tax liabilities (net) amounting to ₹ 72.84 crores as at date of transition to Ind AS and ₹ 82.26 crores respectively as at 31st March, 2016. For the year ended 31st March, 2016, it has resulted in an increase in deferred tax expense by ₹ 9.00 crores in the Statement of Profit and Loss and by ₹ 0.25 crores in Other Comprehensive Income.

The above transition has impacted an decrease in Equity by ₹ 41.19 crores as at transition date and by ₹ 49.60 crores as at 31st March, 2016.

Notes to the Consolidated Financial Statements

NOTE 31 : FIRST TIME ADOPTION OF Ind AS (Contd.)

13. Effect of Ind AS adoption on Statement of Cashflow for the year ended 31st March, 2016:

In the consolidated financial statements prepared under Previous GAAP, cash and cash equivalents represented by short term highly liquid mutual funds were recognised at cost. However, under Ind AS, such cash and cash equivalents being financial instruments, are required to be recognised at fair value. The Group has recognised fair value gain amounting to ₹ 1.19 crores on such cash and cash equivalents as at date of transition to Ind AS. Further, as at 31st March, 2016, the Group has recognised fair value gain amounting to ₹ 2.03 crores on such cash and cash equivalents. The difference between the fair value gain/loss recognised as at the date of transition to Ind AS and as at 31st March, 2016 represents a cash flow impact amounting to ₹ 0.84 crores which is adjusted in the profit before tax considered for the purpose of preparation of Statement of Cash Flow for the year ended 31st March, 2016. For all other transition changes in Consolidated Cash flow statement, refer to Note 1 and Note 2.

14. Trade Payables, Trade Receivables, Other Financial Assets and Other:

In the consolidated financial statements prepared under Previous GAAP, balances payable to and receivable from Asian Paints (PPG) Private Limited, a Joint Venture, with the group were not eliminated. However, under Ind AS, such balances have been eliminated while preparing consolidated financials of the Group since Asian Paints (PPG) Private Limited is a subsidiary. The impact of the same is shown below:

a) As at the transition date: Trade Receivables and Trade Payables have reduced by ₹ 1.18 crores and Other financial assets and Other financial liabilities have reduced by ₹ 1.51 crores.

b) As at 31st March, 2016: Trade Receivables and Trade Payables have reduced by ₹ 2.08 crores and Other financial assets and Other financial liabilities have reduced by ₹ 3.60 crores.

Notes to the Consolidated Financial Statements

NOTE 32 : EMPLOYEE BENEFITS

1) Post-employment benefits:

The group has the following post-employment benefit plans:

a) Defined benefit gratuity plan

The Parent 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, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. 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.

As the plan assets include significant investments in quoted debt and equity instruments the parent is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

Fair value of the Parent's own transferable financial instruments held as plan assets: NIL

b) Defined benefit pension plan

The Parent 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. Certain overseas subsidiaries also operate defined benefit plans for their pensioners. These plans are salary defined benefit plans and are fully funded. The assets of the fund are held separately from those of the subsidiaries in an independently administered fund. The plans are funded by payments from employees and the subsidiaries based on the recommendations of independent qualified actuaries.

c) Defined benefit post-retirement medical benefit plan

The Parent 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.

Asset-Liability Matching (for gratuity and pension plan funded)

Each year, the Board of Trustees and the Parent 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 decides its contribution based on the results of this annual review. 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 to manage its risks from prior periods.

For overseas subsidiaries, pensions are secured through the purchase of annuities. The remaining assets are invested in segregated pooled funds. Investments are reviewed on a periodical basis after taking into account the expected payments and contributions to the fund to ensure liquidity to ensure the funds are able to pay pensioners as and when they are due.

Notes to the Consolidated Financial Statements

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.

Investment Risk	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 bonds.
Interest Risk	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.
Longevity Risk	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.
Salary Risk	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 31st March, 2017 are as follows: -

1. Singhal Associates
2. Rambarran & Associates Limited
3. Bacon Woodrow & de Souza Limited
4. Eckler Ltd.
5. Aon Services India Private Ltd.

The following tables summarise the components of net defined benefit expense recognised in the consolidated Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans:

(₹ in Crores)

		Gratuity and Pension (Funded)		Pension, Leaving Indemnity, Gratuity and Medical Plan (Unfunded)	
		As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
(i)	**Opening defined benefit obligation**	**268.37**	**244.68**	**27.25**	**25.13**
(ii)	Current service cost	13.73	13.93	3.09	2.13
(iii)	Interest cost	20.16	18.78	1.83	1.87
(iv)	Past Service Cost	-	0.71	-	-
(v)	**Sub-total included in Statement of Profit and Loss (ii+iii+iv)**	**33.89**	**33.42**	**4.92**	**4.00**
(vi)	Experience adjustment (Gain) / Loss	4.42	(2.24)	(1.27)	(0.05)
(vii)	Financial (Gain) / Loss	(9.67)	2.80	(0.20)	(0.62)
(viii)	Demographic (Gain) / Loss	-	(0.02)	-	-
(ix)	**Sub-total included in other comprehensive income (vi+vii+viii)**	**(5.25)**	**0.54**	**(1.47)**	**(0.67)**
(x)	Benefits paid	(15.77)	(15.91)	(2.11)	(1.81)
(xi)	Annuities Purchased	0.98	1.83	-	-
(xii)	Exchange Difference on Foreign Plans	(6.71)	2.38	(1.20)	0.60
(xiii)	Member Contributions	1.42	1.43	-	-
(xiv)	**Closing defined benefit obligation (i+v+ix+x+xi+xii+xiii)**	**276.93**	**268.37**	**27.39**	**27.25**
(xv)	**Opening fair value of plan assets**	**272.78**	**252.21**	**-**	**-**
(xvi)	Expected return on plan assets	20.79	19.33	-	-

Notes to the Consolidated Financial Statements

NOTE 32 : EMPLOYEE BENEFITS (contd.)

1) **Post-employment benefits: (contd.)**

(₹ in Crores)

		Gratuity and Pension (Funded)		Pension, Leaving Indemnity, Gratuity and Medical Plan (Unfunded)	
		As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
(xvii)	**Sub-total included in Statement of Profit and Loss (xvi)**	**20.79**	**19.33**	**-**	**-**
(xviii)	Actuarial gains	8.67	(0.79)	-	-
(xix)	**Sub-total included in other comprehensive income (xviii)**	**8.67**	**(0.79)**	**-**	**-**
(xx)	Contributions by employer	13.22	11.97	0.49	1.81
(xxi)	Annuities Purchased	0.98	1.83	-	-
(xxii)	Exchange Difference on Foreign Plans	(7.81)	2.71	-	-
(xxiii)	Member Contributions	1.42	1.43	-	-
(xxiv)	Benefits paid	(15.76)	(15.91)	(0.49)	(1.81)
(xxv)	Closing unrecognised asset due to asset ceiling	0.05	-	-	-
(xxvi)	**Closing fair value of plan assets (xv+xvii+xix+xx+xxi+xxii+xxiii+xxiv+xxv)**	294.34	272.78	-	-
	Expense recognised in:				
(xxvii)	**Statement of Profit and Loss (v-xvii)**	**13.10**	**14.09**	**4.92**	**4.00**
(xxviii)	**Statement of other comprehensive income (ix+xix)**	**(13.92)**	**1.33**	**(1.47)**	**(0.67)**

The major categories of plan assets of the fair value of the total plan assets are as follows:

(₹ in Crores)

Particulars	As at 31.03.2017*	As at 31.03.2016*	As at 01.01.2015*
Government of India Securities (Central and State)	88.05	78.72	66.95
High quality corporate bonds (including Public Sector Bonds)	64.81	61.26	60.51
Equity instruments	41.27	38.97	37.56
Insurer Managed Funds & T-bills	6.48	3.13	3.65
Cash (including Bank Balance, Special Deposit Scheme)	1.11	0.46	-
Fixed Income Funds of Foreign Subsidiaries	30.71	32.57	28.63
Mortgage and Real Estate Fund of Foreign Subsidiaries	17.22	17.63	17.06
Foreign Exchange Fund of Foreign Subsidiaries	7.48	9.10	8.89
Annuities of Foreign Subsidiaries	19.34	19.85	17.30
Others	21.12	14.49	12.44

* The above amounts are before adjustment of plan asset ceiling

Notes to the Consolidated Financial Statements

NOTE 32 : EMPLOYEE BENEFITS (contd.)

1) Post-employment benefits : (contd.)

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group plans are shown below:

	Gratuity and Pension (Funded)			Pension, Leaving Indemnity, Gratuity and Medical Plan (Unfunded)		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Discount Rate	4.5% to 11.5%	4.5 % to 10.88 %	5 % to 11 %	4.5% to 11.5%	4.5 % to 10.88 %	4.5 % to 11.97 %
Salary Escalation Rate	4.5% to 11%	4 % to 14 %	4 % to 12 %	4.5% to 11%	4 % to 14 %	4 % to 12 %

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Crores)

	Defined Benefits Plan		Leaving Indemnity Plan and Retiree Medical Plan)	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Defined Benefit Obligation - Discount Rate + 100 basis points	(26.29)	(28.77)	(2.59)	(2.73)
Defined Benefit Obligation - Discount Rate - 100 basis points	30.24	33.41	3.02	3.19
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	18.31	18.89	1.45	1.35
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(17.20)	(17.54)	(1.29)	(1.22)

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 average duration of the defined benefit plan obligation at the end of the reporting period ranges from 11.17 years to 20.6 years.

The Group expects to make a contribution of ₹ 11.59 crores (Previous year ₹ 7.38 crores) to the defined benefit plans during the next financial year.

e) Provident Fund

The provident fund assets and liabilities of the Parent Company is managed by its provident fund trusts. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Parent 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 31st March, 2017.

The details of benefit obligation and plan assets of the provident funds as at 31st March, 2017 is as given below:

(₹ in Crores)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Present value of benefit obligation at period end	415.36	357.57	299.24
Plan assets at period end, at fair value, restricted to Asset recognized in Balance Sheet	415.36	357.57	299.24

Notes to the Consolidated Financial Statements

NOTE 32 : EMPLOYEE BENEFITS (contd.)

1) **Post-employment benefits: (contd.)**

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Discounting Rate	7.31%	7.87%	7.78%
Expected Guaranteed interest rate	8.65%	8.80%	8.75%

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 31st March, 2017 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 14.78 crores (Previous Year ₹ 12.58 crores)

Financial Assumptions

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Discount Rate	4.5% to 11.5%	4.5 % to 10.88 %	5 % to 11 %
Basic salary increases allowing for Price inflation	All Grades 11.00% for first year 10.00% for next 3 years 8.00% thereafter	All Grades 11.00% for first 2 years 10.00% for next 3 years 8.00% thereafter	All Grades 12.00% for first year 11.00% for next 2 years 10.00% for next 3 years 8.00% thereafter

Demographic Assumptions

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Employee Turnover	2% to 15%	2% to 15%	2% to 15%
Leave Availment Ratio	5%	5%	5%

NOTE 33 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2017

a) **Key Managerial Personnel:**

Name of the Director	Designation
Shri K. B. S. Anand	Managing Director & CEO
Shri Jayesh Merchant	CFO & Company Secretary, President – Industrial JVs

b) **Promoters and their relatives having control:**

Directors:	
Shri. Ashwin Choksi	Non-Executive Chairman
Shri. Ashwin Dani	Non-Executive Vice Chairman
Shri. Mahendra Choksi	Non-Executive Director
Shri. Abhay Vakil	Non-Executive Director
Shri. Malav Dani	Non-Executive Director
Ms. Amrita Vakil	Non-Executive Director

Notes to the Consolidated Financial Statements

NOTE 33 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS-24 "RELATED PARTY DISCLOSURES" FOR THE YEAR ENDED 31ST MARCH, 2017. (contd.)

b) Promoters and their relatives having control (contd.)

Shri. Jalaj Dani* #
Shri. Manish Choksi**
Shri. Jigish Choksi (upto 3rd April, 2015)
Shri. Varun Vakil
Shri. Vivek Vakil (upto 29th July, 2015)

* Shri. Jalaj Dani, a relative of Company's Non-Executive Vice Chairman resigned from the services of the Company w.e.f. 3rd April, 2017

Shri. Jalaj Dani, a relative of Company's Non-Executive Vice Chairman was also a Non-Executive Chairman of Berger International Private Limited in the pervious year till 9th September, 2015, Director on the Board of one of the subsidiary company and the associate company.

** Shri. Manish Choksi, a relative of Company's Non-Executive Director is also Non-Executive Chairman of Berger International Private Limited w.e.f. 10th September, 2015, Director on the Board of two of the subsidiary companies.

c) Entities controlled by Directors/Relatives of Directors:

AR Intertect Design Pvt. Ltd.	Haish Holding and Trading Company Pvt. Ltd.	Parekh Plast India Ltd.
ARI Designs LLP*	Hasit Dani (HUF)	Pragati Chemicals Ltd.
Ashwin Suryakant Dani (HUF)	Hitech Insurance Broking Services Ltd.	Rayirth Holding and Trading Co. Pvt. Ltd.
Ashwin Ina Charitable Trust	Hitech Plast Ltd.	Resins and Plastics Ltd.
Asteroids Trading and Investments Pvt. Ltd.	Hitech Skills Development Pvt. Ltd.	Ria Enterprises
Avinash Holding and Trading Co. Pvt. Ltd.	Hitech Specialities Solutions Ltd.	Riash Realty Private Ltd.
Canes Venatici Trading Company Pvt. Ltd.	Hydra Trading Pvt. Ltd.	Ricinash Oil Mill Ltd.
Castle Investment and Industries Pvt. Ltd.	ISIS Holding and Trading Co. Pvt. Ltd.	Rituh Holding and Trading Company Pvt. Ltd.
Centaurus Trading and Investments Pvt. Ltd.	Jalaj Trading and Investments Pvt. Ltd.	Rupen Investment and Industries Pvt. Ltd.
Dani Charitable Foundation	Jalaj Dani HUF	S.C. Dani Research Foundation Pvt. Ltd.
Dani Finlease Ltd.	Jaldhar Trading and Investments Pvt. Ltd.	Satyadharma Investments & Trading Co. Pvt. Ltd.
Doli Trading and Investments Pvt. Ltd.	Lambodar Investment and Trading Co. Ltd.	Smiti Holding and Trading Co. Pvt. Ltd.
Elcid Investments Ltd.	Lyon Investment and Industries Pvt. Ltd.	Sudhanva Investments and Trading Co. Pvt. Ltd.
ELF Trading and Chemicals Mfg. Ltd	Murahar Investments and Trading Co. Ltd.	Suptaswar Investments and Trading Co. Pvt. Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Naradiya Commercial LLP	Unnati Trading and Investments Pvt. Ltd
Germinait Solutions Pvt. Ltd.	Navbharat Packaging Industries Ltd.	Vikatmev Containers Ltd.
Gujarat Organics Ltd.	Nehal Trading and Investments Pvt. Ltd.	Vijal Holding and Trading Company Pvt. Ltd.
Hiren Holdings Pvt. Ltd.	Paladin Paints and chemicals Pvt. Ltd.#	

* w.e.f. 13th June, 2015

w.e.f. 22nd April, 2015

Notes to the Consolidated Financial Statements

NOTE 33 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS-24 "RELATED PARTY DISCLOSURES" FOR THE YEAR ENDED 31ST MARCH, 2017. (contd.)

c) Entities controlled by Directors/Relatives of Directors: (contd.)

Associates, promoters and affilites of subsidiary companies / Associate:

LKP Hardware, Solomon Islands	Al Hassan Investment & Trading LLC
Sultan Bin Sulayem, UAE	Germinait Solutions Private Limited
Santo Hardware Ltd.	Cross-Tab Marketing Services Pvt. Ltd.
Asset Management Unit, Vanuatu	Just legal Corporate Advisors Pvt. Ltd.
Port Villa Hardware Ltd.	Palmleaf Furnitech Private Limited
Aladdin Investments Limited	Star Solutions
Kitchen Creations Private Limited	Borderless Access Panels Pvt. Ltd.
M/S Sleek International	Quasar Consolidated Services Private Limited
Thakur T. Ahuja HUF	M/S MRJ Industries
Mr. Rajesh T. Ahuja	M/S Ess Ess Industries
Mr. Monesh T. Ahuja	Monesh T. Ahuja HUF
AU Bon Marche	Mrs. Seema P. Ahuja
Cronus Merchandise LLP	Al Hasan Engineering Co. SAOG
B-More Consulting LLP	Super Coaters HUF
Orasscom Construction Industries	Jatayu Investments Limited

d) Post employment-benefit plan entity:

Asian Paints (India) Limited Employees' Gratuity Fund

e) Other entity over which there is a significant influence:

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)

Asian Paints Charitable Trust

Sleek International Pvt. Ltd. Employees' Group Gratuity Trust

Kitchen Grace India Pvt. Ltd. Employees' Group Gratuity Trust

Sleek FoundationTrust

f) Associates:

PPG Asian Paints Private Limited

Wholly owned subsidiaries of PPG Asian Paints Private Limited:

a) Revocoat India Private Limited (w.e.f. 1st April, 2016)

b) PPG Asian Paints Lanka Private Limited

c) Faaber Paints Private Limited (Upto 31st May, 2016)

NOTE 33 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS-24 "RELATED PARTY DISCLOSURES" FOR THE YEAR ENDED 31ST MARCH, 2017. (contd.)

f) Details of related party transactions during the year ended 31st March, 2017:

(₹ in Crores)

Particulars	Associate		Key Managerial Personnel ^		Promoters & their relatives having control ^		Entities Controlled by Directors/Relatives		Employment benefit plans	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue from sale of products	9.50	10.96	-	-	3.03	4.03	1.11	0.89	-	-
Processing of goods (Income)	17.42	16.05	-	-	-	-	-	-	-	-
Royalty Received	3.99	3.51	-	-	-	-	-	-	-	-
Other non operating income	8.50	6.78	-	-	-	-	-	-	-	-
Other services – Paid	-	-	-	-	-	-	0.11	0.17	-	-
Reimbursement of Expenses - received	0.19	0.15	-	-	-	-	-	-	-	-
Purchase of goods	0.12	0.22	-	-	-	-	368.36	375.99	-	-
Remuneration	-	-	12.94	10.60	6.44	6.05	-	-	-	-
Retiral benefits	-	-	-	-	0.22	0.22	-	-	-	-
Commission to Promoter Non-executive Directors	-	-	-	-	1.70	1.70	-	-	-	-
Sitting Fees Paid to Promoter Non-executive Directors	-	-	-	-	0.29	0.34	-	-	-	-
Reimbursement of Expenses - paid	0.17	-	-	-	-	-	-	-	-	-
Dividend Paid			#	#	79.47	66.44	323.11	262.71	-	
Contributions during the year *(includes Employees' share and contribution)*	-	-	-	-	-	-	-	-	62.92	57.64
Loan given	-	-	-	-	-	-	-	-	-	-
Sale of assets	-	0.09	-	-	-	-	0.15	0.24	-	-
Rent Paid	-	-	-	-	0.45	0.43	-	0.01	-	-
Purchase of Assets	-	-	-	-	-	-	-	0.08	-	-
Security Deposits refunded	-	-	-	-	-	-	-	0.02	-	-
Royalty Paid	-	-	-	-	-	-	-	-	-	-
Processing Charges	0.11	0.13	-	-	-	-	-	-	-	-
Outstanding as at 31st March										
Loans	-	-	-	-	-	-	-	-	-	-
	-	(-)	-	(-)	-	(-)	-	(-)	-	(-)
Trade and other receivables	5.64	4.21	-	-	-	-	2.91	0.49	-	-
	-	(4.44)	-	-	-	-	-	(0.61)	-	(-)
Trade and other payables	0.17	0.12	4.50	3.50	1.70	1.70	37.81	24.87	4.15	4.00
	-	-	-	(2.40)	-	(1.47)	-	(6.93)	-	(5.16)

\# Dividend paid to Key Managerial Personnel - current year ₹ 2,146 (Previous year ₹ 1,755).

^ Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Figures in brackets indicate that of 1st April, 2015.

Notes to the Consolidated Financial Statements

NOTE 33 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS-24 "RELATED PARTY DISCLOSURES" FOR THE YEAR ENDED 31ST MARCH, 2017. (contd.)

Terms and conditions of transactions with related parties

1. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payables.

Compensation of key management personnel of the company:*

(₹ in Crores)

Particulars	Year 2016-17	Year 2015-16
Short-term employee benefits	12.94	10.60
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total compensation paid to key management personnel	**12.94**	**10.60**

* Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above

Disclosure in respect of material transactions of the same type with related parties during the year:

(₹ in Crores)

	Year 2016-17	Year 2015-16
Revenue from sale of products		
PPG Asian Paints Private Limited	9.50	10.96
Santo Hardware Ltd.	1.21	0.75
Port Villa Hardware Ltd.	1.18	1.63
Orasscom Construction Industries	0.32	0.51
Al Hasan Engineering	-	0.78
LKP Hardware	0.32	0.36
Others	1.11	0.89
	13.64	**15.88**
Processing and service income		
PPG Asian Paints Private Limited	17.42	16.05
	17.42	**16.05**
Processing Charges		
PPG Asian Paints Private Limited	0.11	0.13
	0.11	**0.13**
Royalty Received		
PPG Asian Paints Private Limited	3.99	3.51
	3.99	**3.51**
Other non operating income		
PPG Asian Paints Private Limited	8.50	6.78
	8.50	**6.78**

Notes to the Consolidated Financial Statements

NOTE 33 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS-24 "RELATED PARTY DISCLOSURES" FOR THE YEAR ENDED 31ST MARCH, 2017. (contd.)

(₹ in Crores)

	Year 2016-17	Year 2015-16
Other Services Paid		
ARI Designs LLP	0.11	0.17
	0.11	**0.17**
Reimbursement of Expenses – Received		
PPG Asian Paints Private Limited	0.19	0.15
	0.19	**0.15**
Purchase of Goods		
PPG Asian Paints Private Limited	0.12	0.22
Hitech Plast Limited.	234.00	238.04
Parekhplast India Limited	92.75	96.42
Others	41.60	41.53
	368.47	**376.21**
Remuneration		
Shri. K.B.S. Anand	9.72	7.77
Shri. Manish Choksi	3.06	2.92
Shri. Jalaj Dani	3.03	2.77
Shri. Jayesh Merchant	3.22	2.83
Others	0.35	0.36
	19.38	**16.65**
Retiral Benefits		
Shri. Ashwin Choksi	0.08	0.07
Shri. Ashwin Dani	0.07	0.07
Shri. Abhay Vakil	0.07	0.08
	0.22	**0.22**
Commission to Promoter - Non Executive Directors		
Shri. Mahendra Choksi	0.26	0.27
Shri. Ashwin Choksi	0.34	0.34
Shri. Ashwin Dani	0.30	0.30
Shri. Abhay Vakil	0.26	0.26
Shri. Malav Dani	0.28	0.27
Ms. Amrita Amar Vakil	0.26	0.26
	1.70	**1.70**
Sitting Fees Paid to Promoter -Non Executive Directors		
Shri. Mahendra Choksi	0.06	0.06
Shri. Ashwin Choksi	0.04	0.04
Shri. Ashwin Dani	0.05	0.06
Shri. Abhay Vakil	0.06	0.08
Shri. Malav Dani	0.04	0.05
Ms. Amrita Amar Vakil	0.04	0.05
	0.29	**0.34**

Notes to the Consolidated Financial Statements

NOTE 33 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS-24 "RELATED PARTY DISCLOSURES" FOR THE YEAR ENDED 31ST MARCH, 2017. (contd.)

(₹ in Crores)

	Year 2016-17	Year 2015-16
Reimbursement of Expenses – Paid		
PPG Asian Paints Private Limited	0.17	-
	0.17	-
Dividend Paid		
Smiti Holding And Trading Company Private Limited	43.00	35.15
ISIS Holding And Trading Company Private Limited	42.04	34.37
Others	317.54	259.63
	402.58	329.15
Contributions during the year *(includes Employees' share and contribution)*		
Asian Paints Office Provident Fund	30.56	27.35
Asian Paints Factory Employees Provident Fund	19.63	17.76
Asian Paints Management Cadres Superannuation Scheme	2.52	2.28
Asian Paints (India) Limited Employees' Gratuity Fund	10.21	10.25
	62.92	57.64
Rent Paid		
Mr Thakur Ahuja	0.45	0.43
M/S MRJ Industries	-	0.01
	0.45	0.44
Purchase of Assets		
M/S Ess Industries	-	0.08
	-	0.08
Security Deposits refunded		
M/S MRJ Industries	-	0.02
	-	0.02
Sale of Asset		
Resins & Plastics Limited.	0.15	0.24
PPG Asian Paints Private Limited	-	0.09
	0.15	0.33

Notes to the Consolidated Financial Statements

NOTE 34 : INVESTMENT IN AN ASSOCIATE

The Group has a 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 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current Assets	655.37	499.67	417.59
Non-current Assets	219.35	239.95	222.28
Current Liabilities	(218.07)	(174.35)	(142.53)
Non-current Liabilities	(16.99)	(15.62)	(13.08)
Equity	**639.66**	**549.65**	**484.26**
Proportion of the group's ownership interest	50%	50%	50%
Carrying amount of the group's interest	319.83	274.83	242.13

(₹ in Crores)

	Year 2016-17	Year 2015-16
Revenue	1,273.23	1,103.76
Cost of raw material and components consumed	(830.57)	(743.61)
Depreciation & amortization	(15.58)	(15.52)
Finance cost	(0.13)	(0.18)
Employee benefit	(86.28)	(74.57)
Other expenses	(202.16)	(175.13)
Profit before tax	**138.51**	**94.75**
Income tax expense	(39.29)	(27.91)
Profit for the year	**99.22**	**66.84**
Group's share of profit for the year	**49.61**	**33.42**
Group's share of other comprehensive income for the year	(0.57)	(0.73)
Group's total comprehensive income for the year	49.04	32.69
Dividend received from the associate during the year	-	-

The associate had the following contingent liabilities and capital commitments:

(₹ in Crores)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Contingent liabilities:			
Sales tax demands disputed in appeals	18.85	35.55	27.68
Income Tax demand disputed in appeals	43.46	23.27	19.55
Capital Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for	20.06	7.04	5.60

Notes to the Consolidated Financial Statements

NOTE 35 : SEGMENT REPORTING

Basis of Segmentation:

Factors used to identify the reportable segments:

The Group has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes

Reportable Segment	Operations
Paints	Buying and Manufacturing of Paints and related services
Home Improvement	Buying and Manufacturing of Kitchen products along with related services and Bath Fitting products along with related services

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

The measurement principles of segments are consistent with those used in Significant Accounting Policies. Inter-segment transactions are determined on an arm's length basis.

(₹ in Crores)

	Year 2016-17			Year 2015-16		
	Paints	Home Improvement	Total	Paints	Home Improvement	Total
A. SEGMENT REVENUE	16,776.86	307.90	17,084.76	15,587.54	254.15	15,841.69
B. SEGMENT RESULT	3,125.68	(38.77)	3,086.91	2,892.05	(42.27)	2,849.78
C. SPECIFIED AMOUNTS INCLUDED IN SEGMENT RESULTS						
Depreciation and amortisation	289.69	6.64	296.33	227.35	7.65	235.00
Interest Income	12.13	0.14	12.27	11.37	0.08	11.45
Net foreign exchange loss	13.73	(0.16)	13.57	0.40	(0.17)	0.23
Finance costs	27.23	1.81	29.04	34.70	0.46	35.16
Dividend Income	2.07	-	2.07	1.88	-	1.88
Share of profit of associate	49.61	-	49.61	33.42	-	33.42
D. RECONCILIATION OF SEGMENT RESULT WITH PROFIT AFTER TAX						
SEGMENT RESULT	3,125.68	(38.77)	3,086.91	2,892.05	(42.27)	2,849.78
Add/(Less):						
Interest Income			20.87			10.99
Depreciation and amortisation			(42.51)			(40.58)
Net foreign exchange gain			24.87			2.37
Dividend received			71.83			67.25
Net gain arising on financial assets measured at FVTPL			52.20			45.61
Gain on sale of financial assets measured at FVTPL			15.45			7.03
Finance costs			(1.54)			(5.50)
Exceptional items			-			(52.45)
Income taxes			(947.98)			(844.49)
Other Un-allocable Expenses net of Un-allocable Income			(263.86)			(237.23)
PROFIT AFTER TAX AS PER STATEMEMT OF PROFIT AND LOSS			2,016.24			1,802.78

Notes to the Consolidated Financial Statements

NOTE 35 : SEGMENT REPORTING (contd.)

(₹ in Crores)

	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Paints	Home Improvement	Total	Paints	Home Improvement	Total	Paints	Home Improvement	Total
OTHER INFORMATION									
Segment assets	9,201.23	252.27	9,453.50	7,707.59	223.12	7,930.71	7,065.70	235.80	7,301.50
Un-allocable assets			2,966.26			2,630.15			2,034.10
Total assets			12,419.76			10,560.86			9,335.60
Segment liabilities	3,872.74	113.76	3,986.50	3,163.11	61.79	3,224.90	2,987.26	53.67	3,040.93
Un-allocable liabilities			455.51			427.45			401.22
Total liabilities			4,442.01			3,652.35			3,442.15
Capital expenditure	402.78	5.32	408.10	943.05	6.09	949.14	256.85	53.16	310.01
Un-allocable capital expenditure			55.07			43.47			29.14
Total Capital expenditure			463.17			992.61			339.15

(₹ in Crores)

	Year 2016-17	Year 2015-16
REVENUE FROM EXTERNAL CUSTOMERS		
Domestic Operations	14,880.73	13,700.17
International Operations	2,204.03	2,141.52
TOTAL REVENUE	**17,084.76**	**15,841.69**

(₹ in Crores)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
SEGMENT NON CURRENT ASSETS*			
Domestic Operations	3,423.85	3,142.39	2,551.66
International Operations	429.04	444.57	493.98
TOTAL	**3,852.89**	**3,586.96**	**3,045.64**

* Non Current Assets are excluding Financial Instruments, Deferred tax assets and Post-employment benefit assets.

Notes to the Consolidated Financial Statements

Note 36: 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	
	2016-17		2016-17		2016-17		2016-17	
	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
Parent Company								
Asian Paints Limited	87.1	6,950.60	89.2	1,798.15	1811.1	139.04	95.7	1,937.19
Indian Subsidiaries								
Direct Subsidiaries								
Asian Paints Industrial coating Limited	0.1	8.38	(0.1)	(2.20)	(1.2)	(0.09)	(0.1)	(2.29)
Maxbhumi Developers Limited	0.0	(1.72)	0.0	(0.23)	0.0	-	0.0	(0.23)
Sleek International Private Limited	(0.2)	(13.10)	(0.5)	(10.32)	2.3	0.18	(0.5)	(10.14)
Asian Paints PPG Private Limited	0.3	27.60	0.5	9.37	2.1	0.16	0.5	9.53
Foreign Subsidiaries								
Direct Subsidiaries								
Asian Paints (Nepal) Private Limited	0.7	56.87	1.0	19.90	0.4	0.03	1.0	19.93
Asian Paints (International) Limited	1.7	135.09	(0.2)	(1.39)	0.0	-	(0.1)	(1.39)
Indirect Subsidiaries								
Samoa Paints Limited	0.0	0.80	0.0	0.97	0.0	-	0.0	0.97
Asian Paints (South Pacific) Limited	0.4	30.92	0.6	11.58	0.0	-	0.6	11.58
Asian Paints (Tonga) Limited	0.0	1.54	0.0	0.31	0.0	-	0.0	0.31
Asian Paints (S I) Limited	0.1	4.80	0.2	3.36	0.0	-	0.2	3.36
Asian Paints (Vanuatu) Limited	0.0	0.56	0.0	0.91	0.0	-	0.0	0.91
Asian Paints (Middle East) LLC	0.4	28.23	0.3	6.47	(0.6)	(0.05)	0.3	6.42
Asian Paints (Bangladesh) Limited	0.4	31.80	0.3	6.58	0.0	0.00	0.3	6.58
SCIB Chemicals S.A.E.	0.4	34.70	1.1	22.09	0.0	-	1.1	22.09
Asian Paints (Lanka) Limited	0.0	(0.81)	0.1	1.73	1.5	0.11	0.1	1.84
Berger International Private Limited	0.2	13.83	(0.6)	(12.36)	0.0	-	(0.6)	(12.36)
Berger Paints Singapore Pte Limited	(0.4)	(32.97)	(0.1)	(1.82)	0.0	-	(0.1)	(1.82)
Berger Paints Bahrain W.L.L.	0.5	43.01	0.9	18.82	(1.2)	(0.09)	0.9	18.73
Berger Paints Emirates Limited	0.8	64.11	1.0	19.25	3.9	0.30	1.0	19.54
Nirvana Investments Limited	0.0	1.97	0.0	-	0.0	-	0.0	0.00
Enterprise Paints Limited	(0.2)	(18.23)	0.0	(0.00)	0.0	-	0.0	0.00
Universal Paints Limited	0.0	3.26	0.0	(0.00)	0.0	-	0.0	(0.00)
Lewis Berger (Overseas Holdings) Limited	0.1	5.17	0.0	(0.13)	0.0	-	0.0	(0.13)
Berger Paints Jamaica Limited	0.1	7.81	0.4	8.14	12.3	0.95	0.4	9.09
Berger Paints Trinidad Limited	0.1	4.80	(0.1)	(2.48)	34.5	2.65	0.0	0.17
Berger Paints Barbados Limited	0.5	38.48	0.3	6.87	0.0	-	0.3	6.87
Kadisco Paint and Adhesive Industry Share Company	0.1	9.30	0.8	16.49	(2.7)	(0.20)	0.8	16.29
PT Asian Paints Indonesia	(0.2)	(16.36)	(0.6)	(11.79)	0.0	-	(0.6)	(11.79)
PT Asian Paints Color Indonesia	(0.1)	(9.23)	(0.4)	(8.36)	0.0	-	(0.4)	(8.36)
Minority Interests in all subsidiaries	4.7	375.45	3.8	76.82	(668.2)	(51.30)	1.3	25.52
Associates company								
Indian								
PPG Asian Paints Private Limited	2.4	191.09	2.0	39.51	(7.4)	(0.57)	1.9	38.94
Foreign Currency Translation Reserve (FCTR)	0.0	-	0.0	-	(1,086.9)	(83.44)	(4.1)	(83.44)
TOTAL	**100.0**	**7,977.75**	**100.0**	**2,016.24**	**100.0**	**7.68**	**100.0**	**2,023.92**

Note: The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2017

Notes to the Consolidated Financial Statements

Note 36: 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	
	2015-16		2015-16		2015-16		2015-16	
	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
Parent Company								
Asian Paints Limited	85.1	5,870.32	90.6	1,632.37	73.5	(17.26)	90.8	1,615.11
Indian Subsidiaries								
Direct Subsidiaries								
Asian Paints Industrial Coating Limited	0.2	10.68	0.1	1.14	0.5	(0.11)	0.1	1.03
Multifacet Infrastructure (India) Limited *	0.0	-	0.0	-	0.0	-	0.0	-
Maxbhumi Developers Limited	0.0	(1.29)	0.0	(0.24)	0.0	-	0.0	(0.24)
Sleek International Private Limited	0.0	(2.96)	(0.5)	(8.33)	(0.2)	0.05	(0.5)	(8.28)
Asian Paints PPG Private Limited	0.3	18.07	0.2	3.46	0.3	(0.06)	0.2	3.40
Foreign Subsidiaries								
Direct Subsidiaries								
Asian Paints (Nepal) Private Limited	0.7	46.14	0.7	11.84	0.9	(0.20)	0.7	11.64
Asian Paints (International) Limited	1.9	128.90	(0.2)	(2.58)	0.0		(0.1)	(2.58)
Indirect Subsidiaries								
Samoa Paints Limited	0.0	1.66	0.1	1.15	0.0	-	0.1	1.15
Asian Paints (South Pacific) Limited	0.4	28.98	0.4	6.48	0.0	-	0.4	6.48
Asian Paints (Tonga) Limited	0.0	0.16	0.0	0.84	0.0	-	0.0	0.84
Asian Paints (S I) Limited	0.0	2.57	0.1	2.18	0.0	-	0.1	2.18
Asian Paints (Vanuatu) Limited	0.0	0.24	0.0	0.87	0.0	-	0.0	0.87
Asian Paints (Middle East) LLC	0.4	26.32	0.1	2.57	(0.2)	0.04	0.1	2.61
Asian Paints (Bangladesh) Limited	0.9	59.36	0.6	10.99	0.0	(0.01)	0.6	10.98
SCIB Chemicals S.A.E.	1.6	112.42	1.5	27.10	0.0	-	1.5	27.10
Asian Paints (Lanka) Limited	0.0	0.93	0.0	(0.84)	(0.5)	0.12	0.0	(0.72)
Berger International Private Limited	(0.1)	(4.06)	(0.7)	(11.94)	0.0	-	(0.7)	(11.94)
Berger Paints Singapore Pte Limited	(0.9)	(65.45)	(0.2)	(3.92)	0.0	-	(0.2)	(3.92)
Berger Paints Bahrain W.L.L.	0.7	48.60	0.8	14.49	0.0	-	0.8	14.49
Berger Paints Emirates Limited	0.7	47.24	0.7	12.03	(1.6)	0.38	0.7	12.41
Nirvana Investments Limited	0.0	2.20	0.0	0.00	0.0	-	0.0	0.00
Enterprise Paints Limited	(0.3)	(20.84)	0.0	0.00	0.0	-	0.0	0.00
Universal Paints Limited	0.1	4.88	0.1	1.48	0.0	-	0.1	1.48
Lewis Berger (Overseas Holdings) Limited	0.1	8.20	(0.1)	(0.96)	0.0	-	(0.1)	(0.96)
Berger Paints Jamaica Limited	0.0	0.78	0.2	3.29	(0.2)	0.05	0.2	3.34
Berger Paints Trinidad Limited	0.1	6.00	0.0	0.69	6.5	(1.52)	0.0	(0.83)
Berger Paints Barbados Limited	0.5	34.69	0.3	5.51	0.9	(0.22)	0.3	5.29
Kadisco Paint and Adhesive Industry Share Company	0.2	11.07	0.9	16.45	1.1	(0.27)	0.9	16.18
PT Asian Paints Indonesia	(0.1)	(6.04)	(0.4)	(6.41)	0.0	-	(0.4)	(6.41)
PT Asian Paints Color Indonesia	0.0	(1.13)	(0.1)	(1.28)	0.0	-	(0.1)	(1.28)
Minority Interests in all subsidiaries	5.6	383.69	3.2	57.62	22.5	(5.30)	2.9	52.32
Associates company								
Indian								
PPG Asian Paints Private Limited	2.3	156.18	1.5	26.73	3.1	(0.73)	1.5	26.00
Foreign Currency Translation Reserve (FCTR)	0.0	-	0.0	-	(6.6)	1.54	0.1	1.54
TOTAL	**100.0**	**6,908.51**	**100.0**	**1,802.78**	**100.0**	**(23.49)**	**100.0**	**1,779.29**

* Refer Note 38 C (c).

Note: The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2016.

Notes to the Consolidated Financial Statements

NOTE 37 : CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liabilities

(₹ in Crores)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1	Performance Bonds and Immigration Bonds given by Subsidiaries	9.24	2.58	1.98
2	Claims against the Group not acknowledged as debts			
	i. Tax matters in dispute under appeal	255.85	169.31	116.35
	ii. Others	17.39	16.25	13.02
3	Berger International Private Limited and its subsidiary, Berger Paints Trinidad Limited, are engaged in litigation initiated by its former Regional Managing Director. The Company upon discontinuing his services has paid him compensation as per his contract of employment and the same has been charged to income statement. Berger Paints Trinidad Limited filed a counter claim for the recovery of the amounts due from former Regional Managing Director. This matter is subject to Trinidad and Tobago's High Court Action No. 3085 of 2004. Based on the information presently available, the likely outcome of this trial cannot be determined with any reasonable certainty. Therefore, no further provision has been made in these financial statements for this matter. However, in the event that this case is ruled against the Group, the likely impact is not expected to be material, based on management's best estimate.			

(b) Commitments

(₹ in Crores)

		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1	Estimated amount of contracts remaining to be executed on capital account and not provided for			
	i. Towards Property, Plant and Equipment	1,151.69	124.09	406.89
	ii. Towards Intangible Assets	2.65	0.65	0.67
2	Letters of Credit and Bank guarantees issued by bankers and outstanding as on 31st March.	101.83	111.57	115.00
3	For Lease commitments, Refer Note 42 II (b)			
4	For derivative contract related commitments, Refer Note 29 C			

Notes to the Consolidated Financial Statements

NOTE 38 : DETAILS OF SUBSIDIARIES AND ASSOCIATE:

(A) Subsidiaries:

The subsidiary companies considered in the consolidated financial statements are:

i. Direct Subsidiaries:

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2017	% of Holding as on 31.03.2016	% of Holding as on 01.04.2015	Accounting period
Asian Paints (Nepal) Private Limited	Nepal	51.00	51.00	51.00	14th March 2016 – 13th March, 2017
Asian Paints (International) Limited #	Mauritius	100.00	100.00	100.00	1st April, 2016 – 31st March, 2017
Asian Paints Industrial Coatings Limited	India	100.00	100.00	100.00	1st April, 2016 – 31st March, 2017
Multifacet Infrastructure (India) Limited [Refer Note 38 C (c)]	India	-	100.00	100.00	1st April, 2016 – 31st March, 2017
Maxbhumi Developers Limited	India	100.00	100.00	100.00	1st April, 2016 – 31st March, 2017
Sleek International Private Limited	India	51.00	51.00	51.00	1st April, 2016 – 31st March, 2017
Asian Paints PPG Private Limited	India	50.00	50.00	50.00	1st April, 2016 – 31st March, 2017

The Board of Directors of the Parent Company, at its meeting held on 25th October, 2016, had approved the scheme of amalgamation of Asian Paints (International) Ltd. with the Parent Company. The scheme will come into effect upon receipt of approval of statutory authorities as may be required in India and Mauritius.

ii. Indirect Subsidiaries:

a) Subsidiaries of the wholly owned subsidiary, Asian Paints (International) Limited, Mauritius

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2017	% of Holding as on 31.03.2016	% of Holding as on 01.04.2015	Accounting period
Asian Paints (Lanka) Limited #	Sri Lanka	-	99.18	99.18	1st April, 2016 – 31st March, 2017
Berger International Private Limited	Singapore	100.00	100.00	100.00	1st April, 2016 – 31st March, 2017
Asian Paints (Tonga) Limited *	Kingdom of Tonga	-	-	100.00	1st April, 2016 – 31st March, 2017
Asian Paints (South Pacific) Limited*	Fiji Islands	-	-	54.07	1st April, 2016 – 31st March, 2017
Asian Paints (S.I.) Limited*	Solomon Islands	-	-	75.00	1st April, 2016 – 31st March, 2017
Asian Paints (Bangladesh) Limited*	Bangladesh	-	-	89.78	1st April, 2016 – 31st March, 2017
Asian Paints (Middle East) LLC*	Sultanate of Oman	-	-	49.00	1st April, 2016 – 31st March, 2017
SCIB Chemicals S.A.E.*	Egypt	-	-	60.00	1st April, 2016 – 31st March, 2017
Samoa Paints Limited *	Samoa	-	-	80.00	1st April, 2016 – 31st March, 2017
Asian Paints (Vanuatu) Limited *	Republic of Vanuatu	-	-	60.00	1st April, 2016 – 31st March, 2017

Notes to the Consolidated Financial Statements

NOTE 38 : DETAILS OF SUBSIDIARIES AND ASSOCIATE: (Contd.)

(A) Subsidiaries: (Contd.)

ii. Indirect Subsidiaries: (Contd.)

b) Subsidiaries of Berger International Private Limited.

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2017	% of Holding as on 31.03.2016	% of Holding as on 01.04.2015	Accounting period
Berger Paints Singapore Pte Limited	Singapore	100.00	100.00	100.00	1st April, 2016-31st March, 2017
Enterprise Paints Limited	Isle of Man, U.K.	100.00	100.00	100.00	1st April, 2016-31st March, 2017
Universal Paints Limited	Isle of Man, U.K.	100.00	100.00	100.00	1st April, 2016-31st March, 2017
Lewis Berger (Overseas Holdings) Limited	U.K.	100.00	100.00	100.00	1st April, 2016-31st March, 2017
Kadisco Paint and Adhesive Industry Share Company	Ethiopia	51.00	51.00	51.00	1st April, 2016-31st March, 2017
PT Asian Paints Indonesia	Indonesia	100.00	100.00	100.00	1st April, 2016-31st March, 2017
PT Asian Paints Color Indonesia [refer 38 C (a)]	Indonesia	100.00	100.00	100.00	1st April, 2016-31st March, 2017
Asian Paints (Tonga) Limited*	Kingdom of Tonga	100.00	100.00	-	1st April, 2016-31st March, 2017
Asian Paints (South Pacific) Limited*	Fiji Islands	54.07	54.07	-	1st April, 2016-31st March, 2017
Asian Paints (S.I.) Limited*	Solomon Islands	75.00	75.00	-	1st April, 2016-31st March, 2017
Asian Paints (Bangladesh) Limited*	Bangladesh	89.78	89.78	-	1st April, 2016-31st March, 2017
Asian Paints (Middle East) LLC*	Sultanate of Oman	49.00	49.00	-	1st April, 2016-31st March, 2017
SCIB Chemicals S.A.E.*	Egypt	60.00	60.00	-	1st April, 2016-31st March, 2017
Samoa Paints Limited *	Samoa	80.00	80.00	-	1st April, 2016-31st March, 2017
Asian Paints (Vanuatu) Limited*	Republic of Vanuatu	60.00	60.00	-	1st April, 2016-31st March, 2017
Asian Paints (Lanka) Limited #	Sri Lanka	99.18	-	-	1st April, 2016-31st March, 2017

During the year, as part of consolidation of investments in overseas subsidiaries, Asian Paints (International) Limited, Mauritius, a wholly owned subsidiary of the Parent Company, has transferred its entire holding in Asian Paints (Lanka) Limited to its wholly owned subsidiary, Berger International Private Limited, Singapore. This does not have any impact on the consolidated financial results.

* During the previous year, as part of consolidation of investments in overseas subsidiaries, Asian Paints (International) Limited, Mauritius, a wholly owned subsidiary of the Parent Company, has transferred its entire holding in its certain subsidiaries to its wholly owned subsidiary, Berger International Private Limited, Singapore. This does not have any impact on the consolidated financial results.

Notes to the Consolidated Financial Statements

NOTE 38 : DETAILS OF SUBSIDIARIES AND ASSOCIATE: (Contd.)

(A) Subsidiaries: (Contd.)

ii. Indirect Subsidiaries: (Contd.)

c) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2017	% of Holding as on 31.03.2016	% of Holding as on 01.04.2015	Accounting period
Nirvana Investments Limited	Isle of Man, U.K	100.00	100.00	100.00	1st April, 2016 – 31st March, 2017

d) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2017	% of Holding as on 31.03.2016	% of Holding as on 01.04.2015	Accounting period
Berger Paints Emirates LLC	U.A.E.	100.00	100.00	100.00	1st April, 2016 – 31st March, 2017

e) Subsidiaries of Lewis Berger (Overseas Holdings) Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2017	% of Holding as on 31.03.2016	% of Holding as on 01.04.2015	Accounting period
Berger Paints Jamaica Limited	Jamaica	51.00	51.00	51.00	1st April, 2016 – 31st March, 2017
Berger Paints Trinidad Limited	Trinidad	70.00	70.00	70.00	1st April, 2016 – 31st March, 2017
Berger Paints Barbados Limited	Barbados	100.00	100.00	100.00	1st April, 2016 – 31st March, 2017

f) Subsidiary of Universal Paints Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2017	% of Holding as on 31.03.2016	% of Holding as on 01.04.2015	Accounting period
Berger Paints Bahrain W.L.L.	Bahrain	100.00	100.00	100.00	1st April, 2016 – 31st March, 2017

g) Subsidiary of Sleek International Private Limited

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2017	% of Holding as on 31.03.2016	% of Holding as on 01.04.2015	Accounting period
Kitchen Grace India Private Limited [Refer Note 38 C (b)]	India	-	-	100.00	1st April, 2015 – 31st March, 2016

Notes to the Consolidated Financial Statements

NOTE 38 : DETAILS OF SUBSIDIARIES AND ASSOCIATE: (Contd.)

(B) Associates:

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2017	% of Holding as on 31.03.2016	% of Holding as on 01.04.2015	Accounting period
PPG Asian Paints Private Limited	India	50.00	50.00	50.00	1st April, 2016 – 31st March, 2017
Subsidiaries of PPG Asian Paints Private Limited:					
Faaber Paints Private Limited @	India	-	100.00	100.00	1st April, 2016 – 31st March, 2017
Revocoat India Private Limited $	India	100.00	-	-	1st April, 2016 – 31st March, 2017
PPG Asian Paints Lanka Private Limited	Sri Lanka	100.00	100.00	100.00	1st April, 2016 – 31st March, 2017

@ Faaber Paints Private Limited was a subsidiary of the associate up to 31st May, 2016.

$ PPG Asian Paints Private Limited, ("PPGAP"), associate of the Company, has acquired 100% stake in Revocoat India Private Limited w.e.f. 1st April, 2016.

C. Other notes

a) PT Asian Paints Color Indonesia has been incorporated in Indonesia as a wholly owned subsidiary of Berger International Private Limited, Singapore (an indirect wholly owned subsidiary of the Company) during the previous year.

b) During the previous year, Kitchen Grace (India) Pvt. Ltd. (wholly owned subsidiary of Sleek International Private Limited) has been merged with Sleek International Private Limited, pursuant to scheme of amalgamation approved by Hon'ble High Court of Bombay effective 1st April, 2015.

c) Multifacet Infrastructure (India) Limited's name has been struck off from Register of Companies w.e.f. 24th August, 2016. This is pursuant to an application filed by the Company for striking off its name under the "Fast Track Exit Mode" under Section 560 of Companies Act, 1956 on 21st March, 2016.

(₹ in Crores)

NOTE 39 : EXCEPTIONAL ITEM	Year 2016-17	Year 2015-16
Impairment loss on Goodwill on Consolidation	-	52.45

The Group had made an assessment of the fair value of investment made in its subsidiary, Sleek International Private Limited (Sleek) taking into account the past business performance, prevailing business conditions and revised expectations of the future performance given the understanding built up since acquisitions. Based on above factors and as a matter of prudence, the Group had recognised an impairment loss on the 'Goodwill on Consolidation' of ₹ 52.45 crores which was recognised on acquisition of Sleek in the year ended 31st March, 2016. The same is disclosed under "Exceptional items" in the consolidated Statement of Profit and Loss.

NOTE 40 :

The Company's manufacturing facility at Khandala, Maharashtra has been granted "Mega Project Status" by Government of Maharashtra and hence is eligible for Industrial Promotion Subsidy (IPS) under Package Scheme of Incentive, 2007 in the form of refund of VAT paid to Maharashtra Government, exemption on electricity duty and stamp duty within a period of 9 years from the date of commencement of commercial production, restricted to a maximum of 100% of fixed capital investment as per the Eligibility Certificate issued by Director of Industries, Government of Maharashtra. In terms of the Ind AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance", eligible incentive as mentioned above amounting to ₹ 136.53 crores (Previous year ₹ 134.11 crores)for year ended 31st March, 2017 is credited to Statement of Profit and Loss and included under the head "Other operating income" on accrual basis.

Notes to the Consolidated Financial Statements

NOTE 41 : EARNINGS PER SHARE:

Particulars		Year 2016-17	Year 2015-16
a)	Basic and diluted earnings per share in rupees (face value – ₹ 1 per share)	20.22	18.19
b)	Profit after tax as per Statement of Profit and Loss (₹ in crores)	1,939.42	1,745.16
c)	Weighted average number of equity shares outstanding	95,91,97,790	95,91,97,790

NOTE 42 : PURSUANT TO Ind AS-17 - LEASES, THE FOLLOWING INFORMATION IS DISCLOSED:

I. Assets given on operating leases

(a) Certain subsidiaries have provided tinting systems to its dealers on an operating lease basis. The lease period varies between four to nine years. The lease rentals are payable monthly by the dealers. A refundable security deposit is collected at the time of signing the agreement.

(b) Future minimum lease rentals receivable as at 31st March, 2017 as per the lease agreements:

(₹ in Crores)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Not Later than 1 year	0.05	0.31	0.25
Later than 1 year and not later than 5 years	0.06	0.08	0.08
Later than five years	-	-	-
TOTAL	**0.11**	**0.39**	**0.33**

The information pertaining to future minimum lease rentals receivable is based on the lease agreements entered into between the respective companies and the dealers and variation made thereto. The lease rentals are reviewed periodically taking into account prevailing market conditions.

(c) The initial direct cost relating to acquisition of tinting system is capitalised

(d) The information on gross amount of leased assets, depreciation and impairment is given in Note 2.

II. Assets taken on operating leases

(a) The Parent Company has taken certain assets such as Vehicles, Computers, Information Technology hardware and Office space on operating lease. The lease rentals are payable by the Company on a monthly or quarterly basis. In addition, certain overseas subsidiaries have also taken certain assets on operating lease.

(b) Future minimum lease rentals payable under non-cancellable lease agreements are as under:

(₹ in Crores)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Not Later than 1 year	23.41	16.49	15.58
Later than 1 year and not later than 5 years	28.24	23.14	27.81
Later than five years	17.99	22.74	34.29
TOTAL	**69.64**	**62.37**	**77.68**

(c) Lease payments recognized in the consolidated Statement of Profit and Loss for the year is ₹ 217.91Crores (Previous year ₹ 179.44 Crores).

Notes to the Consolidated Financial Statements

NOTE 42 : PURSUANT TO Ind AS-17 - LEASES, THE FOLLOWING INFORMATION IS GIVEN: (Contd.)

III. Assets taken on finance lease

(a) Certain subsidiaries have taken vehicles on finance lease which effectively transferred to the respective subsidiaries substantially all of the risks and benefits incidental to the ownership.

(b) Future minimum lease rentals payable as at 31st March, 2017 as per the lease agreements are as under:

(₹ in Crores)

Particulars	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Minimum Lease payment	Finance charge allocated to future periods	Present Value	Minimum lease payment	Finance charge allocated to future periods	Present Value	Minimum lease payment	Finance charge allocated to future periods	Present Value
Not later than 1 year	0.86	0.21	0.65	0.98	0.30	0.67	0.97	0.34	0.63
Later than 1 year and not later than 5 years	1.52	0.37	1.15	1.98	0.42	1.55	2.34	0.51	1.83
Later than five years	0.66	0.25	0.41	0.78	0.29	0.49	0.85	0.33	0.52
TOTAL	3.04	0.83	2.21	3.74	1.01	2.71	4.16	1.18	2.98

(c) The information on gross amount of leased assets, depreciation and impairment is given in Note 2.

IV. Assets given on finance lease

a) Certain subsidiaries have leased some of their plant and equipment on finance lease which effectively transferred substantially all of the risks and benefits incidental to the ownership.

b) The total gross investment in these leases and the present value of minimum lease payment receivable as on 31st March, 2017 is as under:

(₹ in Crores)

Particulars	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Gross investment in lease	Unearned finance Income	Present value receivables	Gross investment in lease	Unearned finance Income	Present value receivables	Gross investment in lease	Unearned finance Income	Present value receivables
Not later than 1 year	0.49	0.34	0.15	0.81	0.28	0.53	1.63	0.88	0.75
Later than 1 year and not later than 5 years	0.11	0.03	0.08	0.08	-	0.08	0.32	0.07	0.25
Later than five years	-	-	-	-	-	-	-	-	-
TOTAL	0.60	0.37	0.23	0.89	0.28	0.61	1.95	0.95	1.00

NOTE 43 :

During the previous year, the Parent Company had discovered certain irregularities at M/s Sharepro Services (India) Private Limited ('Sharepro'), the erstwhile Registrar and Transfer Agent (R&T) of the Company, in respect of share related and dividend encashment activities. Subsequently the Parent Company had filed a criminal complaint against Sharepro and its employees and appointed M/s TSR Darashaw Limited ('TSR') as its R&T Agent with effect from 1st April, 2016. The process of transferring the records from Sharepro to TSR was delayed due to lack of reliable record maintenance and availability of appropriate support from Sharepro. Also, the Parent Company could not rely on the data of unpaid dividend provided by Sharepro which required detailed verification before concluding the correctness of the same. Owing to this, unpaid final dividend for the financial year 2008-09 amounting to ₹ 29.59 lakhs was transferred to Investor Education and Protection fund ('IEPF') beyond the stipulated timeline as per the provisions of Section 124(5) of the Companies Act, 2013. The transfer to IEPF was effected on 21st October, 2016 as against the due date of 31st August, 2016.

Notes to the Consolidated Financial Statements

NOTE 44 : Pursuant to the Ind AS-37 - Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2017 is as follows:

(₹ in Crores)

	Provision for Excise (1)		Provision for Sales Tax (2)		Other Provisions (3)		Provision for Warranties (4)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Opening Balance	0.96	1.23	27.37	20.31	0.35	1.31	2.35	2.13
Additions / (Write back)	0.48	0.09	4.46	7.33	0.13	-	0.32	0.05
Utilisations	(0.02)	(0.09)	(0.51)	(0.26)	-	(0.29)	(0.02)	(0.01)
Reversals	(0.84)	(0.27)	(3.21)	(0.01)	-	(0.67)	-	-
Currency translation	-	-	-	-	-	-	(0.13)	0.18
Closing Balance	**0.58**	**0.96**	**28.11**	**27.37**	**0.48**	**0.35**	**2.52**	**2.35**

These provisions represent estimates made mainly for probable claims arising out of litigations/disputes pending with authorities under various statutes (Excise duty, Sales tax). The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Group is not able to reasonably ascertain the timing of the outflow.

(1) Excise provision made towards matters disputed at various appellate levels.

(2) Sales tax provisions made towards non-receipt of 'C' forms and towards matters disputed at various appellate level.

(3) Provision for other statutory liabilities represent provision for probable outflow towards employee related statutory liabilities.

(4) Provision for warranties represents management's best estimate of the liability for warranties granted on paints by some of the subsidiaries based on past experience of claims.

NOTE 45 : Details of Specified Bank Notes (SBN) held and transacted by the Parent Company and subsidiary companies in India during the period from 8th November, 2016 to 30th December, 2016 is provided in table below:

(₹ in Crores)

	Specified Bank Notes (SBN)	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.16	0.03	0.19
(+) Permitted receipts	-	0.14	0.14
(-) Permitted payments [*₹ 7,500/-]	*	0.07	0.07
(-) Amount deposited in Banks	0.16	0.05	0.21
Closing cash in hand as on 30.12.2016	**-**	**0.05**	**0.05**

NOTE 46 :

On 3rd April, 2017, Berger International Private Limited, a subsidiary of the Parent Company, acquired 100% interest in Causeway Paints (Lanka) Private Limited for a consideration of LKR 9,050 million (equivalent to ₹ 386.75 Crores at exchange rate of ₹ 1 = 2.34 LKR) in cash.

NOTE 47 :

The Consolidated financial statements are approved for issue by the Audit Committee at its meeting conducted on 10th May, 2017 and by the Board of Directors on 11th May, 2017.

FORM AOC-I: STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES AND JOINT VENTURES. (PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS)RULES, 2014)

PART "A": SUBSIDIARIES

(All figures except exchange rates in ₹ crores)

Sr No.	Name of the Subsidiary	Reporting Currency	Exchange Rate		Reporting period		Share Capital		Reserves & Surplus		Total Liabilities		Total Assets		Investments ~		Turnover		PBT		Tax provision		PAT		Dividends for the year		% of Share holding
			Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	
1	Asian Paints (Bangladesh) Ltd	Taka	0.81	0.85	Apr 16 to Mar 17	Apr 15 to Mar 16	32.04	33.40	15.82	14.58	101.85	93.01	149.71	140.99	-	-	329.96	315.00	24.34	24.36	(17.78)	(11.53)	6.56	12.84	4.81	2.50	89.78
2	Asian Paints (International) Ltd	US $	64.85	66.25	Apr 16 to Mar 17	Apr 15 to Mar 16	218.53	225.82	179.52	181.02	0.68	12.62	398.72	419.45	-	-	-	-	(1.29)	11.59	(0.05)	(0.72)	(1.34)	10.86	-	-	100
3	Asian Paints (Middle East) LLC	QMR	168.46	172.69	Apr 16 to Mar 17	Apr 15 to Mar 16	18.90	19.38	50.43	41.19	77.19	83.77	146.51	144.34	2.53	-	136.78	122.14	14.15	6.43	(1.64)	(0.71)	12.51	5.72	2.27	1.94	49
4	Asian Paints (Nepal) Pvt Ltd	Nepal Rs	0.61	0.63	14 Mar 16 to 13 Mar 17	15 Mar 15 to 13 Mar 16	3.90	2.02	109.88	85.99	88.17	65.72	201.95	153.72	-	-	215.03	163.32	48.35	28.50	(9.71)	(5.76)	38.64	22.74	9.86	6.06	51
5	Asian Paints (S.I.) Ltd	SI $	8.35	8.41	Apr 16 to Mar 17	Apr 15 to Mar 16	0.53	0.53	9.56	9.71	3.37	6.94	13.46	17.18	-	1.80	14.66	15.64	4.31	4.62	(0.13)	0.12	4.18	4.74	4.26	5.05	75
6	Asian Paints (South Pacific) Pte Ltd	Fiji $	31.17	32.09	Apr 16 to Mar 17	Apr 15 to Mar 16	1.48	1.52	68.33	59.46	24.34	18.14	94.15	79.12	-	2.60	105.74	96.98	25.35	15.87	(5.16)	(3.21)	20.19	12.66	9.62	3.05	54.07
7	Asian Paints (Tonga) Ltd	$ Top	28.09	29.20	Apr 16 to Mar 17	Apr 15 to Mar 16	0.34	0.35	4.34	6.64	2.89	2.75	7.57	9.73	-	0.91	7.71	8.80	0.48	1.13	(0.11)	(0.29)	0.37	0.84	2.42	0.18	100
8	Asian Paints (Vanuatu) Ltd	Vatu	0.59	0.61	Apr 16 to Mar 17	Apr 15 to Mar 16	1.84	1.88	3.59	3.09	0.90	1.58	6.33	6.55	-	0.01	7.31	7.77	1.52	1.56	-	-	1.52	1.56	0.96	0.18	60
9	Asian Paints Industrial Coatings Ltd	₹	1.00	1.00	Apr 16 to Mar 17	Apr 15 to Mar 16	30.45	30.45	8.38	10.67	3.00	3.38	41.83	44.50	26.65	27.33	10.23	9.73	(2.21)	0.19	0.01	0.96	(2.20)	1.14	-	-	100
10	Asian Paints (Lanka) Ltd	LKR	0.43	0.45	Apr 16 to Mar 17	Apr 15 to Mar 16	33.55	35.70	(4.28)	(6.45)	30.76	32.00	60.03	61.25	-	-	94.39	90.78	0.46	0.08	1.18	(0.84)	1.64	(0.76)	-	-	99.18
11	Berger International Private Ltd	SG$	46.41	49.15	Apr 16 to Mar 17	Apr 15 to Mar 16	424.55	401.25	(85.69)	(152.30)	448.01	227.56	786.87	476.51	-	-	-	-	65.57	55.45	(7.46)	0.09	58.11	55.54	-	-	100
12	Berger Paints Bahrain W.L.L.	BHD	172.01	176.34	Apr 16 to Mar 17	Apr 15 to Mar 16	7.19	7.37	41.43	46.78	19.20	18.74	67.83	72.89	-	-	103.77	97.80	18.16	14.82	-	-	18.16	14.82	22.36	8.82	100
13	Berger Paints Barbados Ltd	Barbados $	32.43	33.24	Apr 16 to Mar 17	Apr 15 to Mar 16	6.10	6.25	35.76	32.04	9.03	6.73	50.88	45.01	-	-	56.42	57.62	7.64	6.34	(0.94)	(0.73)	6.70	5.61	-	1.16	100
14	Berger Paints Emirates LLC	AED	17.66	18.10	Apr 16 to Mar 17	Apr 15 to Mar 16	1.77	1.81	61.13	43.62	90.91	96.17	153.81	141.60	-	-	262.11	249.31	18.57	12.71	-	-	18.57	12.71	-	-	100
15	Berger Paints Jamaica Ltd	Jamaican $	0.50	0.55	Apr 16 to Mar 17	Apr 15 to Mar 16	7.11	7.76	41.86	28.84	25.66	27.32	74.63	63.93	-	-	118.44	112.19	18.33	7.76	(2.51)	(1.08)	15.82	6.68	2.15	1.41	51
16	Berger Paints Singapore Pte Ltd	SG$	46.41	49.15	Apr 16 to Mar 17	Apr 15 to Mar 16	67.49	71.47	(43.31)	(44.04)	41.16	41.39	65.34	68.82	-	0.02	77.76	81.43	(2.22)	(4.82)	0.50	0.89	(1.73)	(3.93)	-	-	100
17	Berger Paints Trinidad Ltd	Trinidad $	9.61	10.09	Apr 16 to Mar 17	Apr 15 to Mar 16	5.68	5.96	19.98	22.72	25.15	19.80	50.81	48.47	-	-	44.30	56.60	(3.33)	1.18	(0.22)	(0.56)	(3.55)	0.63	0.25	0.42	70
18	Kadisco Paint and Adhesive Industry Share Company	Ethiopian Birr	2.84	3.10	Apr 16 to Mar 17	Apr 15 to Mar 16	39.70	30.99	39.16	41.48	26.20	19.59	105.05	92.06	1.42	0.77	170.02	182.33	48.19	52.12	(14.32)	(15.65)	33.87	36.47	21.12	-	51
19	Enterprise Paints Ltd	GBP	80.99	95.69	Apr 16 to Mar 17	Apr 15 to Mar 16	1.18	1.39	(13.73)	(16.22)	12.56	14.84	-	0.01	-	-	-	-	#	#	-	-	#	#	-	-	100
20	Lewis Berger (Overseas Holdings) Ltd	GBP	80.99	95.69	Apr 16 to Mar 17	Apr 15 to Mar 16	15.15	17.89	15.32	18.97	1.02	1.68	31.49	38.54	-	-	6.01	6.28	4.62	1.89	(0.77)	(0.73)	3.86	1.16	-	0.96	100
21	Maxbhumi Developers Limited	₹	1.00	1.00	Apr 16 to Mar 17	Apr 15 to Mar 16	0.42	0.42	13.41	13.64	1.06	0.26	14.89	14.32	-	-	-	-	(0.23)	(0.24)	-	-	(0.23)	(0.24)	-	-	100
22	Nirvana Investments Ltd	GBP	80.99	95.69	Apr 16 to Mar 17	Apr 15 to Mar 16	#	#	1.53	1.81	-	-	1.53	1.81	-	-	-	-	-	-	-	-	-	-	-	-	100
23	Samoa Paints Ltd	WST $	25.22	28.73	Apr 16 to Mar 17	Apr 15 to Mar 16	0.23	0.26	4.60	4.97	0.62	2.11	5.44	7.34	-	-	6.15	8.08	1.58	1.98	(0.44)	(0.54)	1.14	1.44	0.91	1.03	80
24	SCIB Chemicals S.A.E.	EGP	3.57	7.49	Apr 16 to Mar 17	Apr 15 to Mar 16	6.42	13.48	86.12	160.34	73.48	129.92	166.02	303.75	1.41	75.86	268.36	431.56	32.18	56.26	(7.83)	(13.49)	24.34	42.77	14.63	20.22	60
25	Universal Paints Ltd	GBP	80.99	95.69	Apr 16 to Mar 17	Apr 15 to Mar 16	3.48	4.11	11.42	13.50	-	-	14.90	17.61	-	-	-	-	21.85	9.87	-	-	21.85	9.87	21.85	81.08	100
26	PT Asian Paints Indonesia	IDR	0.005	0.01	Apr 16 to Mar 17	Apr 15 to Mar 16	70.01	71.98	(17.05)	(6.73)	45.71	4.19	98.67	69.44	-	-	-	-	(10.51)	(6.64)	-	-	(10.51)	(6.64)	-	-	100
27	PT Asian Paints Color Indonesia @	IDR	0.005	0.01	Apr 16 to Mar 17	7th Apr 15 to Mar 16	4.30	4.42	(9.33)	(1.33)	15.17	1.05	10.14	4.14	-	-	6.65	-	(8.04)	(1.33)	-	-	(8.04)	(1.33)	-	-	100
26	Multifacet Infrastructure (India) Ltd *	₹	1.00	1.00	Apr 16 to Mar 17	Apr 15 to Mar 16	-	0.05	-	(0.05)	-	-	-	-	-	-	-	-	-	(0.01)	-	-	-	(0.01)	-	-	100
27	Sleek International Private Limited	₹	1.00	1.00	Apr 16 to Mar 17	Apr 15 to Mar 16	0.12	0.12	80.43	100.32	58.74	32.54	139.29	132.98	-	-	157.62	135.11	(20.23)	(15.73)	-	(0.61)	(20.23)	(16.34)	-	-	51
	1. Names of subsidiaries which have been liquidated or sold during the year.	NIL																									

* The Company's name has been struck off from Register of companies w.e.f. 24th August, 2016. This is pursuant to an application filed by the Company for striking off its name under the "Fast Track Exit Mode" under Section 560 of Companies act, 1956 on 21st March, 2016. (Refer Note 38C(c))

@ PT Asian Paints Color Indonesia was incorporated on 7th April, 2015. Refer Note 38C (a) of Notes to Consolidated Financial Statements.

~ Investments other than in subsidiary companies

Amounts less than ₹ 1 Lac

Note - Indian rupees equivalent of the foreign currency translated at the exchange rate as at 31.03.2017 for current period and 31.03.2016 for previous period.

PART "B": JOINT VENTURES

Sl No.	Name of Joint Ventures	Asian Paints PPG Private Limited	PPG Asian Paints Private Limited
1	Latest audited Balance Sheet Date	31st March, 2017	31st March, 2017
2	Shares of Joint Ventures held by the company as at year end Number	5,243,961	28,518,112
	Amount of Investment in Joint Venture	₹ 30.47 Cr	₹ 81.43 Cr
	Extend 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 Shareholding as per latest audited Balance Sheet	₹ 58.07 Cr	₹ 319.83 Cr
6	(Loss) / Profit for the year		
	i. Considered in Consolidation	₹ 18.73 Cr	₹ 49.61 Cr
	ii. Not Considered in Consolidation	NIL	NIL

1. Names of joint ventures which are yet to commence operations - NIL
2. 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

K. B. S. Anand
Managing Director & CEO
DIN No: 03518282

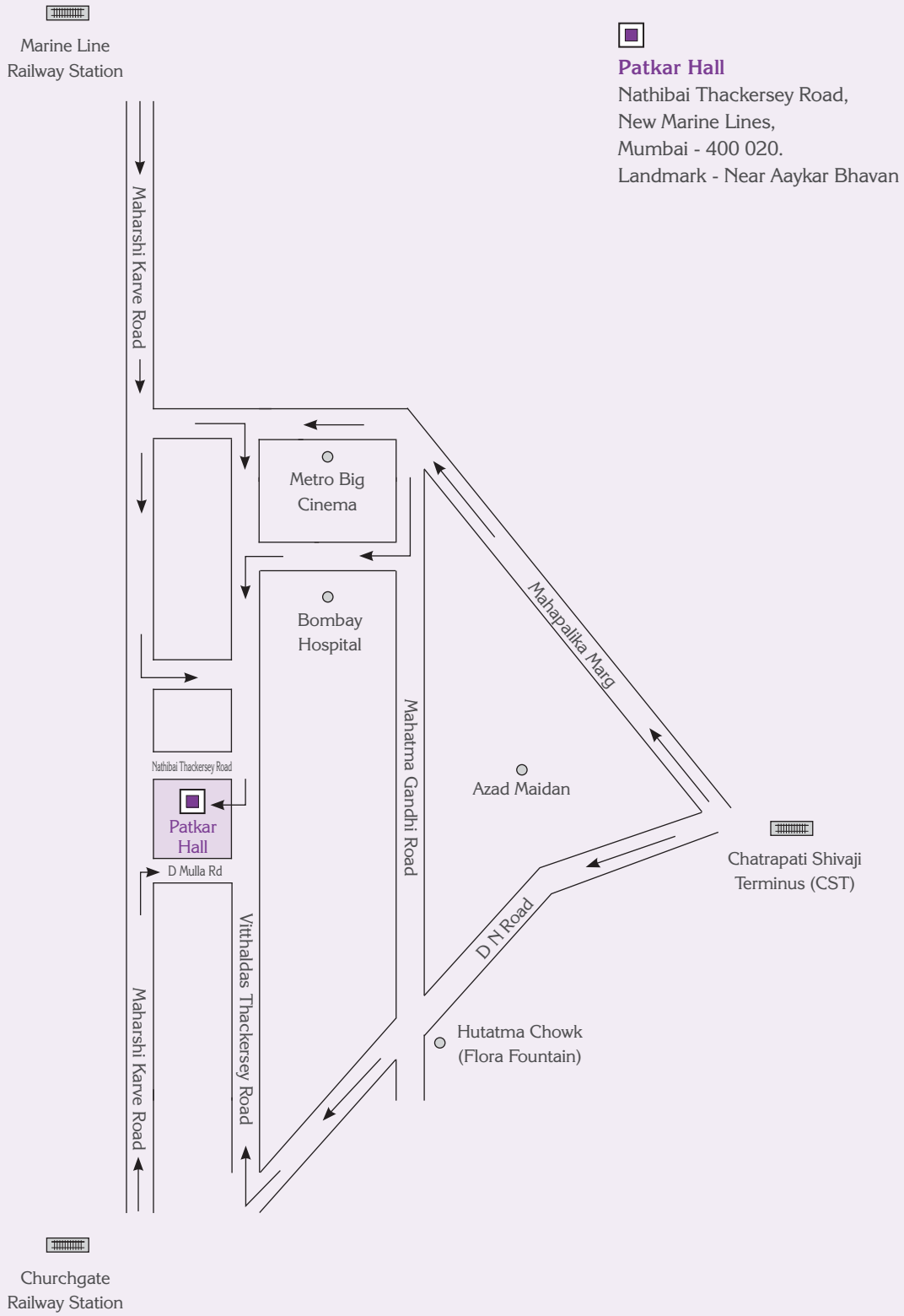
Ashwin Choksi
Chairman
DIN No: 00009095

M.K. Sharma
Chairman of Audit Committee
DIN No: 00327684

Jayesh Merchant
CFO & Company Secretary
President - Industrial JVs

Mumbai
11th May, 2017

ROUTE MAP OF THE VENUE OF THE AGM



Form No. SH-13
Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

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

I/We _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio. No	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

(a) Name:

(b) Date of Birth:

(c) Father's/Mother's/Spouse's name:

(d) Occupation:

(e) Nationality:

(f) Address:

(g) E-mail id:

(h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR

(a) Date of birth:

(b) Date of attaining majority:

(c) Name of guardian:

(d) Address of guardian:

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY

(a) Name:

(b) Date of Birth:

(c) Father's/Mother's/Spouse's name:

(d) Occupation:

(e) Nationality:

(f) Address:

(g) E-mail id:

(h) Relationship with the security holder:

(i) Relationship with the minor nominee:

Name:_____

Address: _____

Name of the Security Holder (s):_____

Signature:_____

Witness with Name and Address:_____

NOTES



Asian Paints Limited
6A, Shantinagar,
Santacruz (East), Mumbai - 400 055.
CIN: L24220MH1945PLC004598
Email: investor.relations@asianpaints.com
www.asianpaints.com

www.sapprints.com
WYATT Prism COMMUNICATIONS

Asian Paints Limited

CIN: L24220MH1945PLC004598

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

ATTENDANCE SLIP

(To be presented at the entrance)

DP ID _____

Folio No./Client ID _____

I/We hereby record my/our presence at the 71st ANNUAL GENERAL MEETING of the Company at Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020 on Tuesday, 27th June, 2017 at 11.00 a.m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

_____

Signature of the Member/Proxy

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Asian Paints Limited

CIN: L24220MH1945PLC004598

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

Name of the Member(s):
Registered address:
E-mail Id:
DP ID:
Folio No./Client ID:

I/We being the member(s) of _____ shares of the above named Company hereby appoint:

(1) Name: _____

Address: _____

E-mail Id: _____ or failing him;

(2) Name: _____

Address: _____

E-mail Id: _____ or failing him;

(3) Name: _____

Address: _____

E-mail Id: _____ or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/behalf at the 71st Annual General Meeting of the Company to be held on Tuesday, 27th June, 2017 at 11.00 a.m. at Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No(s).	Resolution(s)	For	Against
1.	Adoption of the financial statements of the Company for the financial year ended 31st March, 2017 together with the reports of the Board of Directors and Auditors' thereon		
2.	Declaration of dividend on equity shares for the financial year ended 31st March, 2017		
3.	Re-appointment of Mr. Abhay Vakil (DIN: 00009151) as a Director of the Company		
4.	Re-appointment of Ms. Amrita Vakil (DIN: 00170725) as a Director of the Company		

Resolution No(s).	Resolution(s)	For	Against
5.	Ratification of appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018) as Statutory Auditors of the Company		
6.	Appointment of Mr. R. Seshasayee (DIN: 00047985) as an Independent Director of the Company		
7.	Re-appointment of Mr. K.B.S. Anand (DIN: 03518282) as the Managing Director & CEO of the Company		
8.	Ratification of remuneration payable to M/s. RA & Co., Cost Accountants (Firm Registration Number 000242), Cost Auditors, of the Company for the financial year ending 31st March, 2018		

Signed this _____ day of _____ 2017

Signature of the Shareholder _____

Affix Revenue Stamp

_____ Signature of first proxy holder

_____ Signature of second proxy holder

_____ Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

asianpaints

NOTICE

ASIAN PAINTS LIMITED

CIN: L24220MH1945PLC004598

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

Website: www.asianpaints.com, Email: investor.relations@asianpaints.com, Tel No.: (022) 6218 1000, Fax No.: (022) 6218 1111

NOTICE is hereby given that the **SEVENTY–FIRST ANNUAL GENERAL MEETING** of the Company will be held on **Tuesday, 27th June, 2017**, at 11.00 a.m. at Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai – 400 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements including audited consolidated financial statements of the Company for the financial year ended 31st March, 2017 together with the reports of the Board of Directors and Auditors thereon.

2. To declare dividend on equity shares for the financial year ended 31st March, 2017.

3. To appoint a Director in place of Mr. Abhay Vakil (DIN: 00009151), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Ms. Amrita Vakil (DIN: 00170725), who retires by rotation and being eligible, offers herself for re-appointment.

5. To consider and if thought fit, pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 72nd Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company for the financial year ending 31st March, 2018.

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

SPECIAL BUSINESS:

6. To consider and if thought fit, pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** Mr. R. Seshasayee (DIN: 00047985), who was appointed as an Additional / Independent Director by the Board of Directors of the Company with effect from 23rd January, 2017 pursuant to Sections 149, 152, 161, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force), in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for 5 (five) consecutive years upto 22nd January, 2022.

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

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. K.B.S. Anand as the Managing Director & CEO of the Company for a period of two (2) years, commencing from 1st April, 2018 to 31st March, 2020.

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

   Remuneration:

   A. Basic Salary: with effect from 1st April, 2018, in the range of ₹ 21,90,000 (Rupees twenty one lakhs and ninety thousand only) to ₹ 27,37,500 (Rupees twenty seven lakhs thirty seven thousand and five hundred only) per month. Further, the annual increments in the basic salary will be not exceeding 25% per annum at the discretion of the Board of Directors of the Company.

   B. Commission: The Managing Director & CEO will be entitled to receive commission with effect from 1st April, 2018, as may be determined by the Board of Directors of the Company from time to time, but

shall not exceed 0.75% of net profit of the Company as calculated under Section 198 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), for each financial year.

Perquisites and other allowances:

(A) The Managing Director & CEO will be provided furnished accommodation and in case no accommodation is provided by the Company, the Managing Director & CEO shall be entitled to House Rent Allowance not exceeding ₹ 3,50,000 (Rupees three lakhs and fifty thousand only) per month.

(B) Provident Fund: 12% of the basic salary.

(C) Superannuation: 15% of the basic salary. The contribution stated in (B) and (C) is subject to any changes effected in the schemes / rules of the respective funds as per the policy of the Company.

(D) Car: Provision of Company cars for official and for personal purpose of the Managing Director & CEO including maintenance expenses.

(E) Telephone: Provision of 2 (two) telephones at the residence of the Managing Director & CEO and internet broadband and reimbursement of internet, mobile and telephone expenses. Personal international calls shall be billed by the Company to the Managing Director & CEO.

(F) Other Perquisites and allowances : The perquisites and allowances other than A, B, C, D and E above shall be within an overall limit of 55% of annual basic salary of the Managing Director & CEO. Such other perquisites will include leave travel assistance, utilities expenses, reimbursement of personal driver's salary, etc. but exclusive of reimbursement of medical expenses, any insurance premium paid as per the policy of the Company and reimbursement of petrol expenses (subject to a limit of 300 litres per month). The perquisites shall be valued as per the Income Tax Act, 1961, wherever applicable.

Benefits and Amenities:

Gratuity: Benefits in accordance with the rules and regulations in force in the Company from time to time.

Leave: In accordance with the practices, rules and regulations in force in the Company from time to time, subject to applicable laws.

Loan and Other Schemes: Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time, subject to applicable laws.

Other benefits and amenities: Such other benefits and amenities as may be provided by the Company to other senior employees from time to time.

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

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

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

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

8. To consider and if thought fit, pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. RA & Co., Cost Accountants (Firm Registration Number 000242) be and are hereby appointed as the Cost Auditors of the Company for conducting audit of the cost records, if required, for the financial year ending 31st March, 2018 and be paid remuneration not exceeding ₹ 5.50 lakhs (Rupees five lakhs and fifty thousand only) excluding service tax and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit.

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

NOTES:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48

(forty-eight) hours before commencement of the AGM. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital carrying voting rights may appoint single person as a proxy and such person shall not act as proxy for any other member. The Proxy-holder shall prove his identity at the time of attending the Meeting.

3. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send, a certified copy of relevant Board Resolution together with the respective specimen signature(s) of those representative(s) authorized under the said resolution to attend and vote on their behalf at the AGM, to the Company's Registrar and Transfer Agent, M/s. TSR Darashaw Limited (TSRDL), Registered Office: 6-10, Haji Moosa Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E Moses Road, Mahalaxmi, Mumbai - 400 011, by not less than 48 (forty-eight) hours before commencement of the AGM.

4. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.

5. The details of the Directors seeking re-appointment under Item Nos. 3 and 4 of this Notice, are annexed hereto in terms of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and Secretarial Standard – 2 on General Meetings.

6. Documents open for inspection:

   a. During the period beginning 24 (twenty-four) hours before the time fixed for the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days of advance notice in writing is given to the Company;

   b. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102 (1) of the Companies Act, 2013 are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the AGM; and

   c. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by members at the AGM.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 17th June, 2017 to Tuesday, 27th June, 2017 (both days inclusive).

8. Payment of Dividend for the financial year ended 31st March, 2017:

   a. The one-time special dividend and final dividend for the financial year ended 31st March, 2017, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or after Wednesday, 28th June, 2017 to those members whose names appear on the Register of Members as on Friday, 16th June, 2017.

   b. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or TSRDL cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the DP of the members.

   c. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to intimate TSRDL and the Company.

   d. Members are encouraged to update their details to enable expeditious credit of dividend into their respective bank accounts electronically through Automated Clearing House (ACH) mode or such other permitted mode for credit of dividend.

9. Transfer of Unclaimed and/or Unpaid Amounts to Investor Education and Protection Fund (IEPF):

   a. In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of 7 (seven) years from the date of transfer to the unpaid dividend account is required to be transferred to IEPF, maintained by the Central Government.

   b. Accordingly, during the financial year 2017-18, the Company would be transferring unclaimed final dividend amount for the financial year ended 31st March, 2010 on or before 18th September, 2017 and unclaimed interim dividend amount for the financial year ended 31st March, 2011 on or before 31st December, 2017 to IEPF.

   c. In accordance with Section 124(6) of the Companies Act, 2013 read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for 7 (seven) consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority.

   d. In accordance with the IEPF Rules, for cases wherein the period of 7 (seven) years provided under Section 124(5) of the Companies Act, 2013 has been completed or will be completed during the period from 7th September, 2016 to 31st May, 2017, the due date of transfer of such shares shall be deemed to be 31st May, 2017. The Company has already sent

notices to all such members. In case the Company receives no communication from the members by the said date, necessary steps will be initiated by the Company to transfer shares held by the members to the IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to the IEPF.

e. The shares transferred to the IEPF can be claimed back by the concerned members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are available on the Company's website (www.asianpaints.com) and the Ministry of Corporate Affairs' website (www.mca.gov.in).

10. Green Initiative:

a. Electronic copy of the Notice convening the 71st AGM of the Company, Annual Report along with the Attendance Slip and Proxy Form are being sent to the members who have registered their email ids with the Company/Depository Participant(s). For members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode.

b. Members who have not registered their email ids so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.

11. A route map showing directions to reach the venue of the 71st AGM is given along with this Annual Report as per the requirement of the Secretarial Standards - 2 on General Meetings.

12. Procedure for voting:

a. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the members are provided with the following alternatives by which they may cast their votes:

(i) by electronic means through the remote e-voting platform provided by National Securities Depository Limited (NSDL). The process for voting through remote e-voting is annexed hereto. The remote e-voting period will commence on Friday, 23rd June, 2017 at 9.00 a.m. and will end on Monday, 26th June, 2017 at 5.00 p.m. During this period, members of the Company holding shares either in physical or electronic form, as on the cut-off date, i.e. Tuesday, 20th June, 2017, may cast their vote by remote e-voting. The remote e-voting module will be disabled by NSDL for voting thereafter.

(ii) Members who do not have access to remote e-voting facility may send duly completed Ballot Form, annexed hereto, so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Makarand Joshi, Practicing Company Secretary, (Membership No. 5533, COP: 3662), at the Registered Office of the Company not later than by 5.00 p.m. on Monday, 26th June, 2017. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Tuesday, 20th June, 2017 has the option to request for physical copy of the Ballot Form by sending an e-mail to investor.relations@asianpaints.com or csg-unit@tsrdarashaw.com by mentioning their Folio No./DP ID and Client ID No. Ballot Forms received after 5.00 p.m. on Monday, 26th June, 2017 will be treated as invalid.

(iii) The facility of e-voting shall also be made available at the AGM venue for the members who have not cast their votes earlier.

b. A member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a member casts vote by both modes, voting done through remote e-voting shall prevail and the Ballot form shall be treated as invalid.

c. Members who have cast their votes by remote e-voting or by Ballot Form prior to the AGM may also attend the Meeting but they shall not be entitled to cast their vote again.

d. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. Tuesday, 20th June, 2017.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

14. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to TSRDL. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

15. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the AGM.

For **Asian Paints Limited**

Jayesh Merchant
CFO & Company Secretary,
President – Industrial JVs

11th May, 2017

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

PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING AGM

Name of the Director	Mr. Abhay Vakil (DIN: 00009151)	Ms. Amrita Vakil (DIN: 00170725)
Brief resume of the Director	Mr. Abhay Vakil (66 years) has a Bachelors Degree in Science from the University of Mumbai and B.S. from Syracuse University, USA. He has been associated with the Company since the year 1974. Prior to becoming the Managing Director in the year 1998, he was holding the post of Whole-time Director of the Company. Mr. Abhay Vakil was overseeing the decorative business and was in – charge of the supply chain/sales and marketing activities of the decorative business of the Company. His role also included containment of costs, maintenance of quality and ensuring achievement of the targeted sales and profits. He ceased to be a Whole-Time Director in the year 2009 and is now a Non-Executive Director on the Board of Directors of the Company.	Ms. Amrita Vakil (36 years) holds a Bachelor's of Science Degree in Human Resources and Economics Degree from Michigan State University, East Lansing, Michigan. She began her career at Asian Paints Limited, in the year 2003 in the Human Resource department and was responsible for end-to-end training of the Executives cadre of the Company. She was also instrumental in the launch of employees' intranet portal of Asian Paints Limited. In the year 2005, she joined Frost & Sullivan, an American Consulting Company as a Senior HR Executive and managed a Generalist HR profile. She handled HR operations for all their India & Middle East offices. She spent a total of 5 (five) years at Frost and Sullivan and then she quit the organization to pursue her passion in the hospitality sector and she continues to work towards it.
Date of first appointment in the current designation	3rd July, 2015	26th June, 2014
Shareholding in the Company	2,84,68,310	25,66,680
Directorships and Committee memberships held in other companies	• Resins and Plastics Limited, Chairman - Stakeholder Relationship Committee • Asian Paints Industrial Coatings Limited, Chairman - Audit Committee • Vikatmev Containers Limited	• Suptaswar Investments and Trading Company Limited • Murahar Investments and Trading Company Limited
Inter-se relationships between - **Directors** - **Key Managerial Personnel**	 Uncle of Ms. Amrita Vakil NA	 Niece of Mr. Abhay Vakil NA
No. of Board Meetings attended	7 of 7	6 of 7
Details of remuneration last drawn (₹) (includes commission for the FY 2016-17 payable after the 71st AGM of the Company)	32,00,000	30,20,000

The Board of Directors propose the re-appointment of Mr. Abhay Vakil and Ms. Amrita Vakil as Non-Executive Directors on the Board of Directors of the Company and recommend the resolutions as set out at Item No(s). 3 & 4 of the Notice for the approval of the members at the ensuing AGM.

Except Mr. Abhay Vakil and Ms. Amrita Vakil and their relatives, no other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in their re-appointment as Non-Executive Directors of the Company.

Explanatory Statement

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 6

The Board of Directors of the Company at their meeting held on 23rd January, 2017, based on the recommendations of the Nomination & Remuneration Committee, appointed Mr. R. Seshasayee (DIN: 00047985) as an Additional Director (Independent) in terms of Sections 149, 152, 161, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force), to hold office for a period of 5 (five) consecutive years, not liable to retire by rotation, subject to the approval of the shareholders at the ensuing AGM.

As an Additional Director, Mr. R. Seshasayee holds office upto the date of the ensuing AGM and is eligible for being appointed as an Independent Director of the Company. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. R. Seshasayee for the office of Director of the Company.

Mr. R. Seshasayee (68 years), Chartered Accountant, started his career with Hindustan Unilever Limited in the year 1971. Seshasayee joined Ashok Leyland Limited in the year 1976, rose to becoming the Executive Director-Finance in the year 1983 and was elevated to Deputy Managing Director in the year 1993, and Managing Director in the year 1998. He became the Executive Vice Chairman of Ashok Leyland Limited in the year 2011 and was the Non-Executive Vice Chairman, until July, 2016.

Mr. R. Seshasayee is presently the Chairman of Infosys Limited, having served on its Board from the year 2011. He is also the Chairman of IndusInd Bank Limited. He was the President of the Confederation of Indian Industry during the financial year 2006-07.

With his considerable wealth of experience, Mr. R. Seshasayee brings immense value to the Board.

The Company has also received a declaration from Mr. R. Seshasayee confirming that he meets the criteria of independence as prescribed under the Companies Act, 2013 and the Listing Regulations. He has also confirmed that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Date of first appointment in the current designation	23rd January, 2017
Shareholding in the Company	1,496
Directorships and Committee memberships held in other companies	• Infosys Limited, Chairman – Audit Committee • IndusInd Bank Limited • Hinduja National Power Corporation Limited
Inter-se relationships between Directors and Key Managerial Personnel	NA
No. of Board Meetings attended	1 of 7
Details of remuneration last drawn (₹) (includes commission for the FY 2016-17 payable after the 71st AGM of the Company)	4,72,000

In the opinion of the Board, Mr. R Seshsayee fulfills the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and is independent of the management of the Company.

The Board of Directors propose the appointment of Mr. R. Seshasayee as a Non-Executive/Independent Director of the Company and recommend the Ordinary Resolution as set out in Item No. 6 of the Notice for the approval of the members at the ensuing AGM.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item No. 6 of this Notice.

ITEM NO. 7

At the sixty-eighth AGM of the Company held on 26th June, 2014 the shareholders, pursuant to the provisions of 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), accorded their

approval through an Ordinary Resolution to the appointment of Mr. K.B.S. Anand, as the Managing Director & CEO of the Company for a period of three (3) years commencing from 1st April, 2015 to 31st March, 2018.

The Board of Directors at their meeting held on 11th May, 2017 based on the recommendations of the Nomination and Remuneration Committee, approved the re-appointment of Mr. K.B.S. Anand as the Managing Director & CEO of the Company for a period of two (2) years commencing from 1st April, 2018 to 31st March, 2020, not liable to retire by rotation. The Board also approved the terms and conditions of his appointment including remuneration, as recommended by the Nomination and Remuneration Committee, in accordance with the provisions of Sections 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of the shareholders at the ensuing Annual General Meeting.

Mr. K.B.S. Anand, Managing Director & CEO (61 years) is a Mechanical Engineer with Post Graduation in Management (IIM Calcutta). He joined the Company in the year 1979 and has held various positions in Decorative Sales/Industrial Sales/ Chemical Sales functions of the Company. For 8 (eight) years, he was in the manufacturing function looking after Kasna and Patancheru Plants of the Company. From the year 1998 to 2008, he served as Vice President – Sales and Marketing for the Decorative Business Unit of the Company. Prior to his appointment as Managing Director & CEO, he held the position of President – Decorative Business Unit from the year 2008 to 2012.

During his tenure as the Managing Director & CEO, he has transitioned the Company from being a Paints' major towards a complete décor solutions provider to help customers create their dream homes.

During the year, Mr. K.B.S Anand, Managing Director & CEO, made it to the 'India's Most Valuable CEOs' list – Business World magazine, March, 2017 and under his leadership the Company has received the 'Outstanding Company of the year' award for the year 2016 at the 'CNBC TV18 India Business Leader award' ceremony in March, 2017.

Date of first appointment in the current designation	1st April, 2012
Shareholding in the Company	270
Directorships and Committee memberships held in other companies	NIL
Inter-se relationships between Directors and Key Managerial Personnel	NA
No. of Board Meetings attended	7 of 7
Details of remuneration last drawn (₹) (includes commission for the FY 2016-17 payable after the 71st AGM of the Company)	9,72,05,442

The terms and conditions as to the appointment of Mr. K.B.S. Anand are briefly mentioned as under:

1. The appointment of Mr. K.B.S. Anand as the Managing Director shall be subject to the supervision and control of the Board of Directors of the Company. The Managing Director & CEO shall manage the business and affairs of the Company and exercise such powers as are vested in the Managing Director & CEO by the Board of Directors subject to any limitation or conditions which may be prescribed by the Companies Act, 2013 or the provisions of Memorandum and/or Articles of Association of the Company or the Board of Directors or by the Company in General Meeting.
2. The Managing Director & CEO of the Company shall devote his whole time and attention to the business of the Company and shall use his best endeavour to promote its interest and welfare, excluding cases where he is appointed or nominated as a Director on the Board of any of the Company's subsidiaries, Joint Ventures and other associate Companies.
3. The Managing Director & CEO shall maintain confidentiality of any information or knowledge in connection with the business affairs of the Company, obtained by him during the course of his tenure as the Managing Director & CEO or at any time thereafter.
4. The Managing Director & CEO after ceasing to be a Managing Director & CEO shall not either on his behalf or on behalf of any other person solicit business in competition with the Company from any clients of the Company.
5. Subject to the provisions of the Companies Act, 2013, the Managing Director & CEO, while he continues to hold office of the Managing Director & CEO, shall not be liable to retire by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors in fixing the number of Directors to retire, but shall, *ipso facto*, and immediately cease to be the Managing Director & CEO, if he ceases to hold office of a Director due to any cause.
6. Notwithstanding, the fact that the Managing Director & CEO was appointed as a Director, forthwith upon termination of his agreement as the Managing Director & CEO, for any reasons whatsoever, he shall be deemed to have vacated his office as a Director in accordance with the provisions of Section 164(2) of the Companies Act, 2013.
7. The Agreement may be terminated by the Managing Director & CEO or the Company by giving, not less than 6 (six) calendar months notice in writing. The Company shall be entitled to terminate the employment agreement forthwith at any time by paying him 6 (six) months' basic salary in lieu of such notice. Notwithstanding anything to the contrary herein, wherein any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits or its profits are inadequate,

the Company will pay to the Managing Director & CEO, remuneration, perquisites, benefits and amenities not exceeding the ceiling for the time being laid down in Schedule V of the Companies Act, 2013 and as may be decided by the Board of Directors of the Company and subject to such sanctions and approvals as may be necessary.

The scope and quantum of remuneration, perquisites, benefits and amenities specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and/or the rules and regulations made thereunder and/ or such guidelines as may be notified by the regulatory authorities from time to time. Mr. K.B.S. Anand satisfies all the conditions as set out in Part I of Schedule V as also under Section 196 of the Companies Act, 2013 for being eligible to be appointed as a Managing Director & CEO of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Board of Directors are of the opinion that the re-appointment of Mr. K.B.S. Anand as the Managing Director & CEO is in the best interest of the Company and accordingly, recommend the resolution as set out in Item No. 7 of the Notice for approval of the members.

Other than Mr. K.B.S. Anand and his relatives, none of the other Directors, Key Managerial personnel or their relatives are interested or concerned in the proposed Resolution at Item No. 7of this Notice.

This explanatory statement may also be regarded as disclosure under the Listing Regulations.

ITEM NO. 8

The Board of Directors at its meeting held on 11th May, 2017, on the recommendations of the Audit Committee, had approved the appointment of M/s. RA & Co., Cost Accountants (Firm Registration No. 000242), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2018, at a remuneration not exceeding ₹ 5.50 lakhs (Rupees five lakhs and fifty thousand only) excluding service tax and reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re – enactment(s) for the time being in force), the remuneration payable to Cost Auditor shall be ratified by the members of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company, if required, for the financial year ending 31st March, 2018.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Ordinary Resolution as set out at Item No. 8 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 8 of the Notice for approval by the members.

For **Asian Paints Limited**

Jayesh Merchant
CFO & Company Secretary,
President – Industrial JVs

11th May, 2017

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

Asian Paints Limited

CIN : L24220MH1945PLC004598
Registered Office: 6A, Shantinagar, Santacruz (East), Mumbai - 400 055
Email: investor.relations@asianpaints.com Website: www.asianpaints.com
Tel No.: 022 62181000 Fax No.: 022 62181111

BALLOT FORM

1. Name(s) and Registered Address of the Sole / First named Holder :

2. Name(s) of Joint Holder(s), if any :

3. Registered Folio Number/ DP ID No. and Client ID No. (Applicable to investors holding shares in dematerialized form) :

4. Number of shares held :

5. REVEN (Remote e-Voting Event Number) :

6. User-ID :

7. Password :

8. I/We hereby exercise my/our vote(s) in respect of the Ordinary Resolutions enumerated below by recording, my/ our assent or dissent to the said Resolutions by placing the tick (√) mark in the appropriate box below:

Sr. No.	Particulars	No. of Shares held	FOR	AGAINST
			I/We assent to the Resolutions	I/We dissent to the Resolutions
1.	Adoption of the financial statements of the Company for the financial year ended 31st March, 2017 together with the reports of the Board of Directors and Auditor's thereon			
2.	Declaration of dividend on equity shares for the financial year ended 31st March, 2017			
3.	Re-appointment of Mr. Abhay Vakil (DIN: 00009151) as a Director of the Company			
4.	Re-appointment of Ms. Amrita Vakil (DIN:00170725) as a Director of the Company			
5.	Ratification of appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018) as Statutory Auditors of the Company			
6.	Appointment of Mr. R. Seshasayee (DIN: 00047985) as an Independent Director of the Company			
7.	Re-appointment of Mr. K.B.S. Anand (DIN: 03518282) as the Managing Director & CEO of the Company			
8.	Ratification of remuneration payable to M/s. RA & Co., Cost Accountants (Firm Registration Number 000242) Cost Auditors of the Company for the financial year ending 31st March, 2018			

Place:

Date:

(Signature of the Shareholder)

Note: Please read the instructions printed overleaf carefully before exercising your vote.

P.T.O.

I. GENERAL INSTRUCTIONS

1. This Ballot Form is provided for the benefit of Members who do not have access to remote e-voting facility.
2. A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and ballot shall be treated as invalid. The facility of electronic voting shall also be made available at the AGM venue for members who have not already cast their votes either by remote e – voting or by Ballot Form.
3. The scrutinizer will collate the votes downloaded from the remote e-voting system and votes received through ballot to declare the final result for each of the resolutions forming part of the Notice of the AGM.
4. The results declared along with Scrutinizer's Report, shall be placed on the Company's website www.asianpaints.com and on the website of the National Securities Depository Limited www.evoting.nsdl.com within two (2) days of the passing of the Resolutions at the AGM of the Company on Tuesday, 27th June, 2017 and communicated to the BSE Limited www.bseindia.com and National Stock Exchange of India Limited www.nseindia.com, where the shares of the Company are listed.

II. PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE BY USING THE BALLOT FORM

1. Voting rights are reckoned on the basis of the shares registered in the names of the Members/Beneficial Owners as on the cut-off date i.e. Tuesday, 20th June, 2017.
2. Please complete and sign the Ballot Form and return the form in the self-addressed Business Reply envelope so as to reach the Scrutinizer, Mr. Makarand Joshi at Asian Paints Limited, 6A, Shantinagar, Santacruz (East), Mumbai – 400 055 appointed by the Board of Directors of the Company on or before Monday, 26thJune, 2017 (5.00 p.m.).
3. The Form should be signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder.
4. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution together with their specimen signatures authorizing their representative. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
5. A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in Serial No. 2.above.
6. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. The Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
7. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.

III. PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE BY REMOTE E-VOTING

A. In case a member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company / Depository Participant(s)]:

1. Open email and open PDF file **"remote e-voting.pdf"** giving your Client ID No. or Folio No. as password. The said PDF file contains your User ID and Password/ PIN for remote e-voting. Please note that the password is an initial password.
   Note: Members already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf"
2. Launch internet browser by typing the URL https://www.evoting.nsdl.com/
3. Click on Shareholder - Login.
4. Put User ID and password. Click Login.
5. Password Change Menu appears. Change the Password/ PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new Password, It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
6. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
7. Select "EVEN" of Asian Paints Limited.
8. Now you are ready for remote e-voting" as Cast Vote page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
10. Upon confirmation, the message "Vote cast successfully" will be displayed.
11. Once you have voted on the resolution, you will not be allowed to modify your vote.
12. Institutional shareholders (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority Letter etc. together with their attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through an e-mail to asianpaints.scrutinizer@asianpaints.com with a copy marked to evoting@nsdl.co.in.

B. In case a member receives physical copy of the Notice convening the AGM [for members whose e-mail IDs are not registered with the Company/Depository Participant(s)] or requesting physical copy:

1. User ID and initial password - Printed Overleaf
2. Please follow all steps from Sr. No. 2 to 12 as mentioned in (A) above to cast your vote.

C. In case of any queries**,** you may refer to the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the Downloads section of www.evoting.nsdl.com or contact NSDL on toll free no. 1800-222-990

D**.** OTHER INFORMATION

1. Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.
   In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).
   In case Shareholders are holding shares in physical mode, USER-ID is the combination of (EVEN No+Folio No).
2. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
3. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Tuesday, 20th June, 2017.
4. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th June, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Company. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using *"*Forgot User Details/Password?*" or "*Physical User Reset Password?*"* option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
5. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
7. Mr. Makarand Joshi, Practicing Company Secretary (Membership No. 5533, COP:3662) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
8. 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.
9. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and through ballot in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
10. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.asianpaints.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.