Asian Paints Limited
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6A, Shantinagar
Santacruz (E)
Mumbai 400 055
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www.asianpaints.com

APL/SEC/15/674

27th June, 2018

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

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

Sir(s),

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 2017 – 18 duly approved and adopted by the shareholders at the 72nd Annual General Meeting held on Tuesday, 26th June, 2018, at Yashwantrao Chavan Pratishthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021.

The Annual Report for the financial year 2017 – 18 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**

KBS ANAND
MANAGING DIRECTOR & CEO

2017-18
Annual Report

asianpaints

Inspired by life



Read Inside

Business Review

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Progress in FY 2017-18 (Standalone)

Revenue from Operations	EBITDA	PAT	EPS
₹14,153.71 Crores	₹3,198.00 Crores	₹1,894.80 Crores	₹19.75
11.2% Growth (y-o-y)	7.6% Growth (y-o-y)	5.2% Growth (y-o-y)	

Online Report

Check out our online report for simple navigation across your devices.

asianpaints.com/annualreport

Equity share information

BSE code: 500820	NSE code: ASIANPAINT	Market capitalisation	Total dividend per share
PART OF BSE 30 S&P SENSEX	PART OF NSE NIFTY 50	4.4% Growth (y-o-y)	₹8.70

Inspired by life

For over seven decades, we have taken inspiration from life itself to be able to partner customer aspirations and transform their living spaces. Through this journey, we have evolved as professional creators and curators of colours and designs that encourage patrons to enrich their way of life.



We always endeavour to go beyond our products and provide a holistic offering to meet our customers' needs *(Read more on Page 18).* Our manufacturing capabilities and sustainable operations support our ambition to this end *(Read more on Page 22).* Making inspiration the cornerstone of all that we do, we endeavour for technological excellence to support our innovative thinking *(Read more on Page 16).*

We have elevated the paint store to a virtual reality space that delivers real-life experiences to customers *(Read more on Page 20).* We are also committed to delivering more sustainable solutions to the world. For us, being Inspired by Life is an immersive experience that we offer to the world *(Read more on Page 24).*

Inspired by life to inspire others

Since 1942, Asian Paints has come a long way to become India's leading and Asia's third largest paint company. We are also ranked among the top ten decorative coatings companies in the world.

Asian Paints aims to be a forerunner of inspiring décor and to actively empower customers to create their dream homes.

We operate in 16 countries and have 25 paint manufacturing facilities globally, catering to consumers in over 60 countries.

We manufacture a wide range of paints for decorative, automotive and industrial use. In decorative paints, we are present in all the four segments – interior and exterior wall finishes, enamels and wood finishes. Our product portfolio also includes waterproofing, wall coverings, adhesives and painting tools.

A part of our business is operated through two 50:50 joint ventures between Asian Paints Ltd. and PPG Inc., USA. One services the increasing requirements of the Indian automotive coatings segment, while the other caters to the protective, powder coatings and industrial coatings markets in India.

We are also present in the home improvement and décor space in India through Sleek (kitchens and wardrobes) and Ess Ess (bath fittings).

Our corporate brands

asianpaints

Industrial coatings

PPG asian paints

asian paints PPG

Home Improvement businesses

ESSESS BATH FITTINGS by asianpaints

Smart Like You

Sleek by asianpaints



USD 2.5+ Bn
Group revenue

Awarded Forbes
Asia's Fab50 Company,
four times in a row





7,500+
Employee
worldwide

75+
Years of
innovation
in the paint
industry



16
Countries of
operations



25
Paint
manufacturing
plants globally



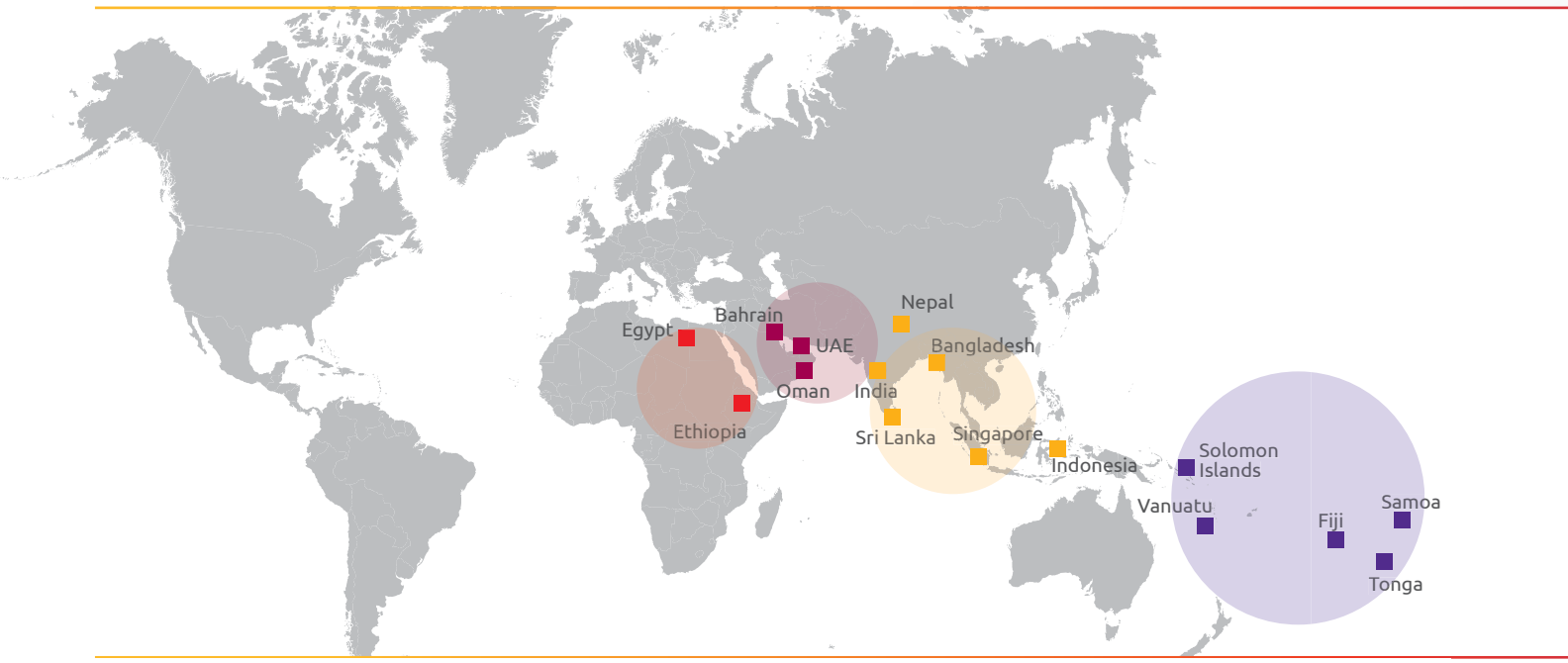
Serviced
Consumers in
60+ countries

International operations

CAUSEWAY PAINTS | scib Paints | TAUBMANS | BERGER PAINTS | KADISCO by asianpaints | APCO

Global operations

We are present in 16 countries spread over four regions.



Note: Maps not to scale

Region-wise revenue from International operations in FY 2017-18

49%

Asia
(Bangladesh, Nepal, Sri Lanka, Singapore & Indonesia)

21%

Africa
(Egypt & Ethiopia)

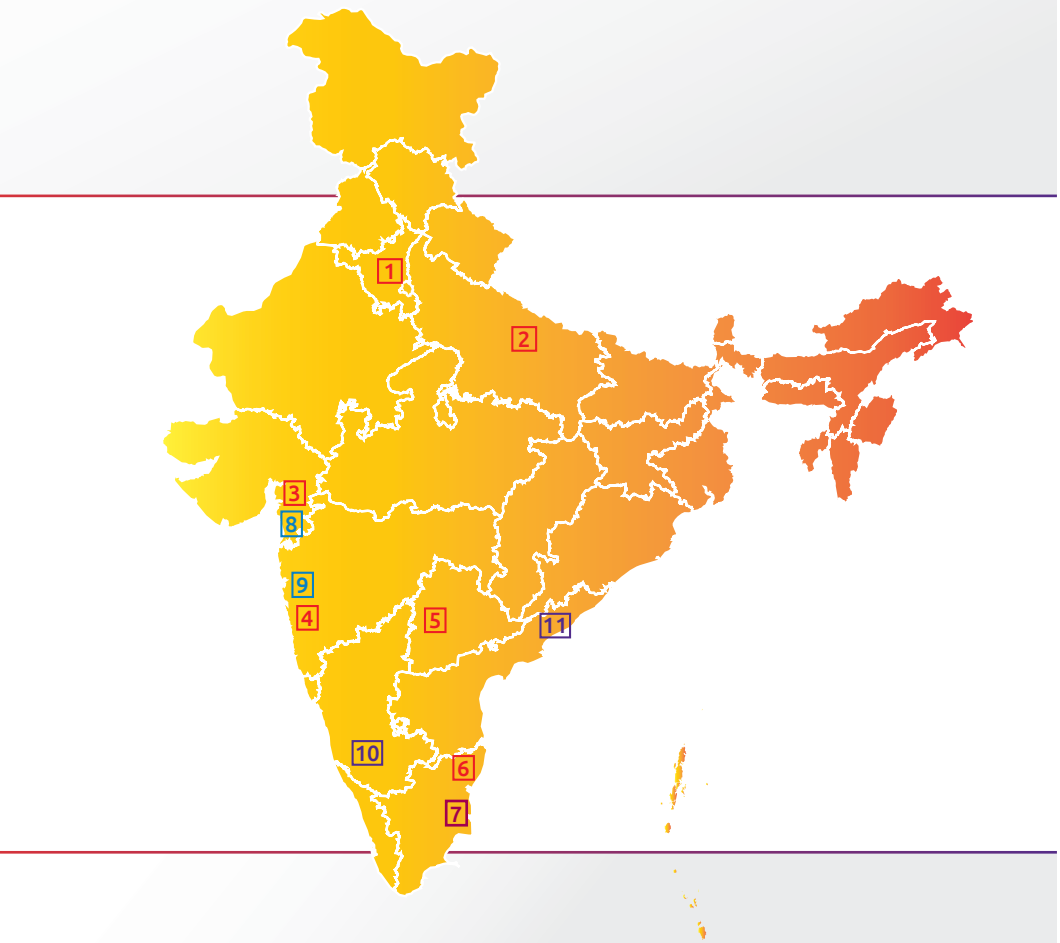
24%

Middle East
(Oman, Bahrain & UAE)

6%

South Pacific
(Fiji, Solomon Islands, Samoa, Tonga & Vanuatu)

Paint manufacturing facilities in India



Locations
Installed capacities (per annum)

Plants

1 Rohtak, Haryana
4,00,000 KL

2 Kasna, Uttar Pradesh
80,000 KL

3 Ankleshwar, Gujarat
1,30,000 KL

4 Khandala, Maharashtra
3,00,000 KL

5 Patancheru, Telangana
80,000 KL

6 Sriperumbudur, Tamil Nadu
1,40,000 KL

Chemical Plant

7 Cuddalore, Tamil Nadu
6,720 MT

Industrial Plants

8 Sarigam, Gujarat
7,200 MT

9 Taloja, Maharashtra
14,000 KL

Upcoming Plants

10 Mysuru, Karnataka
6,00,000 KL*

11 Visakhapatnam, Andhra Pradesh
5,00,000 KL*

* Installed capacities in Phase-I will be 3,00,000 KL per annum





Upcoming paint manufacturing facilities at Visakhapatnam and Mysuru

Key Product Offerings

World of Asian Paints

Interior Paints



Royale Aspira, Royale Play Safari, Royale Play Metallics, Apcolite Premium Emulsion, Tractor Aqualock, Tractor Acrylic Distemper, Royale Luxury Emulsion, Royale Shyne, Royale Atmos, Tractor Emulsion Shyne, Tractor Emulsion, Royale Health Shield

Metal Finishes (Enamels)



Apcolite Satin Enamel, Apcolite Gloss Enamel, Apcolite Rust Shield, Tractor Enamel, Royale Luxury Enamel

Wood Finishes Range



Woodtech PU Palette, Woodtech Aquadur PU, Emporio PU, Woodtech Insignia, Woodtech Polyester

Exterior Paints



Apex Ultima Protek (Base Coat & Top Coat)

Apex Ultima Protek Duralife (Base Coat & Top Coat)

Ace Exterior Emulsion, Apex Exterior Emulsion, Apex Ultima

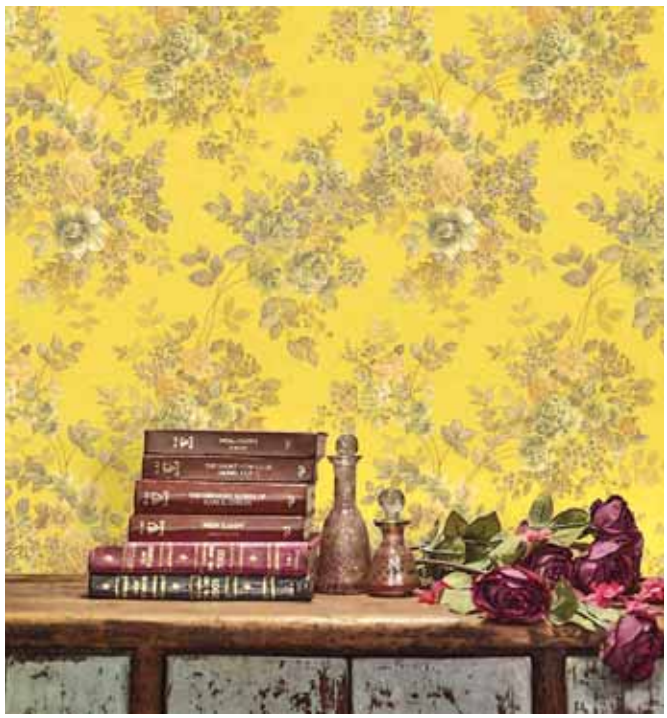
Range of Tools



Adhesives



Nilaya Range of Wall coverings



SmartCare Range of Waterproofing Products



Bath Fittings



Kitchens & Wardrobes









Our services

- **Colour consultancy**
- **Home painting services**
- **Experience retail stores**
- **Décor solutions**
- **Large projects**

Accelerating our growth opportunities

Dear Shareholders,

I am happy to report to you that in spite of uncertain environment both in India and the global markets, the Company remained on track with its vision of being the most inspirational décor brand for consumers.

Asian Paints continues to follow highest standards of corporate governance and considers it as more of an ethical requisite than a regulatory necessity. It is a matter of great pride that our success over the years has come without ever compromising on integrity or environmental and social obligations.

Structural changes cause short-term pain

The Indian economy faced headwinds from three directions, compounding the impact on businesses. The Goods & Services Tax (GST), the long-debated and often delayed tax reform was finally introduced on 1st July, 2017. This is the single biggest structural reform in the country that pushes for creation of a unified common market, laying aside the inefficiencies created by different tax incidences in various states. The Company worked closely with its partners along its entire supply chain to transition its operations to the new tax regime efficiently. This was not without the initial hiccups, as there were challenges around clarity of rules and processes. It led to a temporary disruption of the trade channel, accentuating the impact on demand that was already reeling in the aftermath of demonetisation in the previous fiscal. Along with these, the trade also encountered a difficult credit environment with banks stressed by mounting non-performing assets and a series of frauds leading to tighter credit controls.

Evolving, expanding portfolio

Despite these challenges, Asian Paints continued to maintain strong double-digit growth, slightly ahead of the industry. This performance was driven by continuous expansion of the distribution network, an enhanced product portfolio and introduction of new product and service delivery models. The Company's products are maturing and the waterproofing range of products have captured the attention of consumers in a short span.



Asian Paints has been also building capabilities to provide a seamless interface to consumers by cradling the entire expectation spectrum from 'Inspiration' to 'Customisation' to 'Execution'.

Asian Paints has been also building capabilities to provide a seamless interface to consumers by cradling the entire expectation spectrum from 'Inspiration' to 'Customisation' to 'Execution'. The Company continued to develop 'beautifulhomes.com', its décor website, as the most preferred destination for curated décor inspiration. At the same time, the Company expanded 'AP Homes', its flagship multi-category décor store offering, by opening two new AP Homes stores at Delhi and Kochi, in addition to the first such store opened last year in Coimbatore. The expanding 'Colourideas' store network, now spreads over hundreds of towns, provides differentiated consumer experience with large focus on personalised colour and décor consultation. The Company under the 'Paint Total' umbrella, a dealer-run painting service programme, has now put in place a scalable model for meeting the execution requirements of consumers.

The home improvement business spread over the kitchens and bath segment also expanded during the year notwithstanding the headwinds. Like in the paints business, the focus has been to provide a complete bouquet of products and match it with service and quality levels that consumers expect from the brand Asian Paints.

The Company's association with PPG Industries Inc., USA, through two joint ventures in the industrial coatings segments, continues to build on the relative strengths of the two partners, with the focus on customer relationships and new cost-effective product introductions.

Streamlined global presence

It was a challenging year across some of the Company's major markets, which were faced with varied issues such as high inflation, forex unavailability and political uncertainty. However, at an overall portfolio level, the international operations have done reasonably well and grown, although with lower profitability than the previous fiscal. The greenfield operations in Indonesia as well as the newly acquired business of Causeway Paints, Sri Lanka, have added to the Company's global presence. Having divested completely from the low growth Caribbean markets, your Company is now focused on expanding its international portfolio in the emerging markets of Asia and Africa.

Focus on water conservation

The Company continues to uphold its commitment towards environmental sustainability, irrespective of the business environment. The Company contributed towards water conservation and helped increase the water available to communities. It has installed rooftop Rainwater Harvesting (RWH) structures, promoted integrated watershed development, desilted lakes and created awareness on water conservation.

These initiatives and the Company's overall growth in the face of odds both domestically and abroad would not have been possible without the unstinted commitment of the people, the management and the Board. I take this opportunity to thank them, as well as express my gratitude to you and all the stakeholders for the trust and faith that you repose in us.

Remembering Mr. Dipankar Basu

I am saddened to inform you that one of our long-time Board colleagues, Mr. Dipankar Basu, who had resigned from the Board in January, 2017, passed away in February, 2018 after prolonged illness. The Board and Management remember him fondly and express gratitude for his immense contribution to the Company. An Independent Director, Mr. Basu, was the Chairman of the Audit Committee along with being a part of the Nomination and Remuneration Committee.

India growth story is intact

Going forward, the uncertainty is likely to continue in the current financial year as well. While the economy gradually absorbs the impact of GST, impending elections across many states and the general elections will add to the instability. However, I am equally certain of the Company's capabilities to scout for opportunities amidst this volatility and drive the business forward with temerity and resoluteness. As always, consumer needs and requirements will be at the centre of all our endeavours and I take confidence from the continued support provided by all our stakeholders to address them as we forge ahead.

Yours truly,

Ashwin Choksi
Chairman

Business Model

Driving sustainable value creation

Our purpose

To be the forerunner of inspiring décor and to actively empower customers to create their dream homes.

Our pillars

* Agility
* People
* Innovation
* Customer-centricity
* Integration

Trusted, Fair and caring are the underlying values for all the pillars.

Our businesses

- **Decorative coatings**
- **International operations**
- **Industrial coatings**
- **Home improvement businesses (Bath, Kitchen & Wardrobes)**

Financial Capital

₹95.92 Crores
Equity

₹7,702.24 Crores
Other Equity

₹7,462.47 Crores
Average Capital Employed



Innovation

- State-of-the-art R&D facility with over 200 scientists
- Supports company strategy around technology development, sustainable new products, green products, value re-engineering for productivity improvement and cost optimisation

People

- **Employees**
- **Suppliers**
- **Dealers**

Business enablers

- Long-standing belief in fostering the principles of trust and transparency
- Ability to adapt ourselves to the constantly evolving environment
- Dynamic team focused towards delivering stakeholder value
- Innovative strategies in the marketplace to consistently drive growth



Operations
State-of-the-art manufacturing facilities with latest automation and strong IT infrastructure adding value to business process in terms of higher productivity, lower cost and consistency, among others

Framework
* Strong governance structure
* Policies to comply with applicable laws and regulations

Key Activities

- Strategic planning and processing
- Execution excellence and efficiency
- Cutting edge and Innovative
- Bespoke branding and marketing
- Industry leading consumer experience

State-of-the-art manufacturing and logistics infrastructure that drives seamless operations

Capabilities to harness information technology to improve operational efficiency

Prudent management of financial resources for consistent growth

Focus on research and development driven product innovation

Impact on stakeholders in FY 2017-18

Dealers

52,000+

Retail outlets enable us to reach Crores of customers across India

Shareholders

₹834.50

Crores

Total Dividend

Communities

₹46.51

Crores

Total CSR expenditure

Environment

35%

Total electricity of 6 decorative plants in India is from Renewable energy sources

Government

₹985.74

Crores

Total Income tax paid (net) during FY 2017-18

Managing Director's perspective

Dear Shareholders,

The year 2017-18 started slowly – retailer offtake in May-June was curtailed due to GST implementation from 1st July, 2017. As a result, first quarter sales fell short of expectations. The retailer channel continued to be uncertain during the second quarter but on account of an early Diwali, growth returned. By the end of the year, things seemed to have calmed down with all businesses recovering and growing. While it is still too early to confidently state, the fourth quarter does show signs of recovering demand – both in urban and rural markets. However, as the year progressed, raw material inflation was observed, which peaked in the fourth quarter with raw materials (essentially crude based) prices rising sharply along with the fall in the Indian Rupee.

In such a scenario, our main business of Architectural Coatings in India fared well, marginally increasing its market share through growths in Projects, Wood Finishes and Economy Interior Emulsions. Many new product launches were successful – Royale Atmos, Ultima Duralife, Tractor Shyne Emulsion – all leading to gain in market share. A unique bacteria-killing product Royale Healthshield was launched in the fourth quarter, a product that kills 99% varieties of bacteria in the home (a truly innovative and much-needed product for India).

On the channel front, we opened more than 4,000 retail outlets bringing our total strength to over 52,000, which includes over 42,000 Colourworlds and 380 Colourideas. The Colourideas have grown from strength to strength, increasing the power of Asian Paints in inspiring and assisting the homemaker to create her 'Dream Home'. The Paint Total service offered by the Colourideas and EzyColour Prime stores have helped paint over 20,000 homes in the year! With over 6 lakh colour consultancies in the year, the Colourideas today are on a successful path in consumer service. The three AP Homes (in Coimbatore, Delhi and Kochi) operating throughout the year have done remarkably well, reinforcing our resolve in offering complete Home Décor. We plan to extend our AP Homes footprint going forward.



The Company is in the midst of its largest manufacturing capacity expansion – two megaplants with initial capacities of 3,00,000 KL per annum each of water-based paints would be commissioned at Mysuru and Visakhapatnam in FY 2018-19.

Our Home Improvement businesses, Sleek and Ess Ess, were severely affected by the GST implementation in the first half of the financial year. However, both grew well in the second half of the year.

Our Waterproofing business has grown beyond expectations. Today with a wide range of products, we are confident of meeting most waterproofing requirements both in homes and in larger projects and expect to continue to do well in this segment.

The Company is in the midst of its largest manufacturing capacity expansion – two megaplants, with initial capacities of 3,00,000 KL per annum each of water-based paints would be commissioned at Mysuru and Visakhapatnam in FY 2018-19. These large plants would give the Company the ability to manufacture paints at the lowest cost well into the future, ensuring we have sufficient capacity to meet future needs.

The Industrial coatings business was badly affected in the first half of the financial year by both GST as well rising input costs. However, with the successful launch of industrial tinting machines in the dealer network, and the success of its direct-to metal coatings, market share gains in the second half of the financial year were significant. In the Automotive segment, gains in Ford, Hyundai and the Indian 4-wheeler manufacturers along with gains in share in the 2-wheeler segment has led to good growths.

The International business has not performed well this year. Egypt (a weak economy and a highly deflated currency) and Ethiopia (a severe foreign exchange crisis), among our largest subsidiaries, saw a fall in sales. Sri Lanka too did not fare well. Nepal, Oman and Bahrain were the outstanding performers. During the year, we divested our Caribbean businesses and acquired Causeway Paints in Sri Lanka. We are confident the International business would perform better in FY 2018-19.

An area where the Company has been continuously working over the last five years is sustainability. The sustainability reports on our website outline the good work done. The introduction of a range of green products Royale Atmos and Apex Ultima Protek (both certified as GS-11, Green Seal) and lowering VOC and removal of carcinogens across our products has been an integral part of our product philosophy. In 2017-18, over 35% of the power consumed in our manufacturing plants came from renewable sources (solar and wind). Simultaneously, in a five-year period, there has been 63% reduction in non-process freshwater consumption, 73% reduction in trade effluent generation, 32% reduction in electricity consumption and 37% reduction in hazardous waste generation across our Indian architectural coating manufacturing facilities. A truly commendable achievement that we expect to improve on in the years ahead. Being a responsible corporate citizen and protecting the environment is our responsibility.

All in all, 2017-18 was a good year in spite of economic uncertainty. Going forward, we are confident of delivering on our vision of becoming 'India's most exciting and inspirational home décor brand and business'.

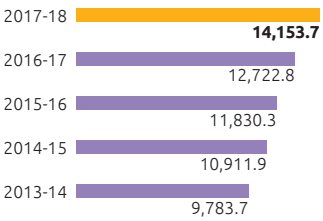
Thank You,

K.B.S. Anand
Managing Director & CEO

Our performance

Financial Metrics - Standalone

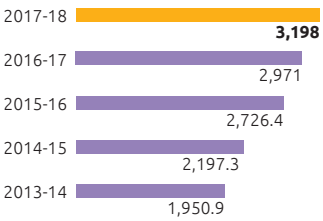
Revenue from Operations (₹ in Crores)



5 year CAGR 10.9%

Revenue from operations increased 11.2% in FY 2017-18, driven by growth across all business divisions and enhanced scale in India and globally

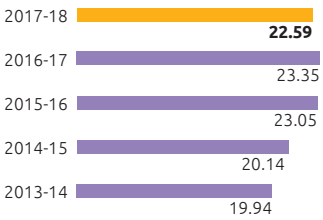
EBITDA (₹ in Crores)



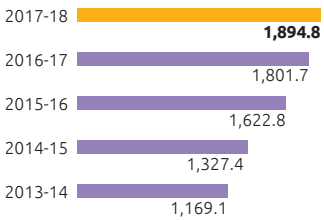
5 year CAGR 13.8%

EBITDA grew 7.6% in FY 2017-18 owing to relentless efforts in improving operational efficiency across business locations

EBITDA margin (%)



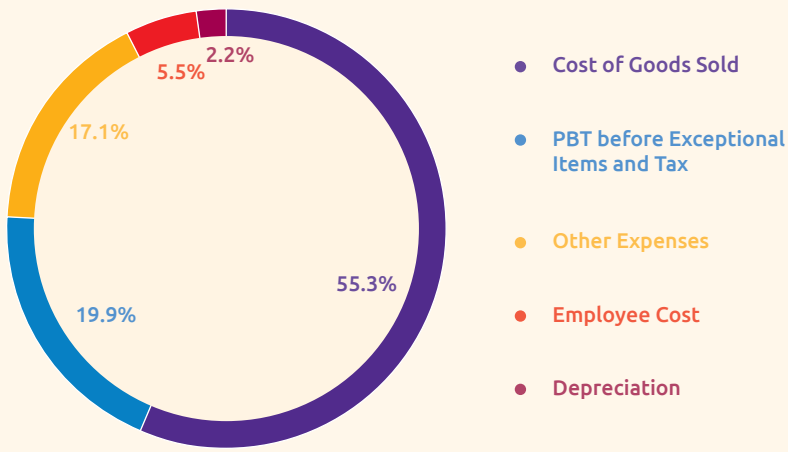
PAT (₹ in Crores)



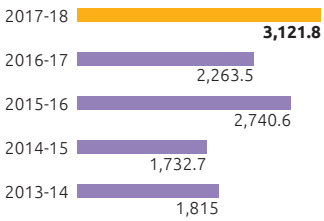
5 year CAGR 12.5%

Reported a 5.2% increase in net profit in FY 2017-18, a result of improved realisations and various operational strategies

Percentage of total income built-up for FY 2017-18



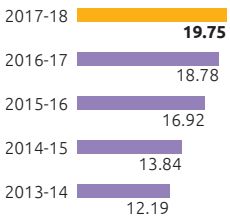
Cash generated from Operations (₹ in Crores)



5 year CAGR 16%

Cash generated from operations increased 37.9% in FY 2017-18 on account of growing profitable earnings

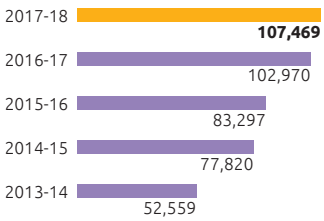
EPS after Exceptional Items (₹)



5 year CAGR 12.5%

Enhanced value for shareholders through growing earnings per share and consistent dividend payout

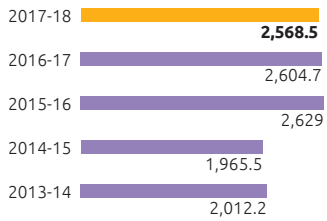
Market Capitalisation (₹ in Crores)



5 year CAGR 17.9%

Consistent performance has resulted in strong growth in our capital markets performance, which has helped in growing shareholders' value

Net Fixed Assets (₹ in Crores)



5 year CAGR 4.1%

Consistently pursued business growth by investing in scale and ensured optimum utilisation of assets

Performance Highlights – FY 2017-18

Net Revenue from Operations
11.2%

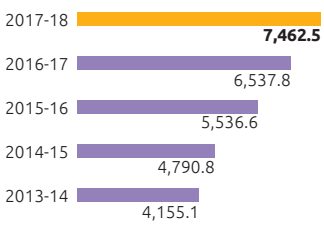
Net Profit Growth
5.2%

Total Dividend per Share
₹8.70

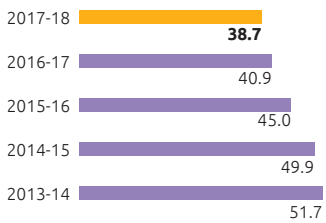
Dividend Payout ratio
53.1%

Market Capitalisation as on 31st March, 2018
₹107,469 Crores

Average Capital Employed (₹ in Crores)



ROCE (%)



Ensured higher ROCE – showcasing our ability in investing every rupee in profitable spaces that generate higher returns for shareholders

Inspired by innovation and research

Home décor is constantly evolving to reflect the changing attitudes and preferences of customers.



Innovation

Integration

Agility

Customer-centricity

People

Our focus on research and innovation has led us to being featured in the top 10 on the Forbes' list of 'The World's Most Innovative Companies'

For the fifth time in a row, the Company has received this distinguished recognition

International recognition

Royale Aspira certified to be compliant with the Green Seal™ Standard for Paints and Coatings (GS-11), USA

'Ambient curing scratch resistant and flexible clear coatings with multi-polar solvent repellency' – Awarded First Place in the Roon Award paper competition at the 2013 Coatings Tech conference in Rosemont, IL

At Asian Paints, we are leading this change by continuously researching and innovating to develop world-class products year after year.

We aim to be innovative, agile, responsive and world-class in the R&D space to align to future customer needs and catalyse the growth of the Company across businesses. This vision is being realised through building our business strategy and initiatives around five pillars.

Research and technology excellence

We are constantly reinventing our offerings to stay ahead of the curve and offer well-researched décor solutions to our customers.

Our Research and Technology (R&T) division at Asian Paints – comprises of over 200 qualified scientists who are spread across multiple locations around the world where most of our paint development and testing for architectural and industrial application takes place. The entire architectural product portfolio is based on in-house technology developed by internal scientists.



Innovative solutions

Our R&T team has also been successful in developing a number of safe products and implementing energy-saving processes, such as:

* Cycle time reduction
* Wash water reuse
* Sustainable product solutions for interior and exterior applications with restricted amounts of volatile organic compounds (VOC)
* Creation of energy-saving, heat-management coatings
* Successful removal of lead and heavy toxic materials from decorative products
* Formulation of Green Assure labelled products without toxic substances like CMR, HAPs, heavy metals, APEO, HAPs, VACs, formaldehyde, phthalates, etc.

Industry recognition

Company's products have received FICCI Sustainability awards three years in a row

Analytical Lab received National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditation for 12 methods in January 2017

Company's Research and Technology Centre at Turbhe achieved IGBC Green Factory Building Gold rated certification

A store for every need

A paint store is more than just about paints. It is where imagination and inspiration come to life.

It is where colours become expressions of individuality and customisation – choosing that right shade of red – makes the experience deeply personal. The complexity of the home décor process also necessitates that companies like Asian Paints go beyond products to become service-driven, offering consultation and execution expertise on all-round home beautification.

At Asian Paints, we take the pain out of home décor and make it a fun experience where dreams turn into reality. To serve a range of needs, we have differentiated retail formats from one-stop stores to consultation centres where expert advice and use of immersive technology helps accentuate customers' ideas and aspirations – to create a home that is inviting, engaging and inspiring.



At Asian Paints, we take the pain out of home décor and make it a fun experience where dreams turn into reality.

380 Colourideas stores across hundreds of towns.

Colourideas stores

End-to-end home décor solutions

The Colourideas stores provide a differentiated customer experience with end-to-end home décor solutions, from colour personalisation to painting execution and furnishings. The Colourideas stores are crafted by internationally acclaimed retail design firms and offer customers the right mix of inspiration and detail, with dedicated panels for special effects, latest finishes and trendy colour combinations.

Being our largest offering, the footprint of Colourideas stores have expanded to 380 stores across hundreds of towns.

AP Homes

Multi-category décor stores

The AP Homes stores offer décor inspiration and an engaging in-store experience, along with personalisation consultations and holistic execution across multiple categories like paints, waterproofing, wallpaper, kitchens, bath and light fittings and soft furnishing, among others. The response to the stores, currently located in New Delhi, Kochi and Coimbatore, has been encouraging in terms of footfall, customer feedback and sale of décor products.

Colour by asianpaints

Colour consultancy made accessible

At Colour by asianpaints stores, customers can walk in and experience colour in ways they never imagined. They can find inspiration while browsing through our exclusive range of finishes and see their dream home come to life with our state-of-the-art technology. Located in Mumbai, Delhi and Kolkata, the Colour by asianpaints stores give customers the option of expert assistance through a free one-to-one session with our colour consultants.







Personalised consultations and holistic execution in:


paints


waterproofing


wall coverings


kitchens


wardrobes


bath fittings

Real experiences. Delivered digitally.

Deciding on home décor is an immersive, extensive and intensely personal experience.

The concepts of space, scale, touch-and-feel and look are traditionally physical, but since time and convenience have become paramount, these are now being delivered digitally. Asian Paints is at the forefront of this transformation.

Integrating the physical and the digital into the 'phygital' world, we are delivering seamless convergence by absorbing what one experiences in a physical environment and translating it into an online experience. This is design on the go!

Our digital décor model is centred on partnering with consumers in their home beautification journey across touchpoints – websites, mobile apps, home visits and our stores – each making the experience more satisfying.

Digital

Curated home looks at beautifulhomes.com



Home

Colour Consultancy @ Home



AP Store

AP Homes | Colourideas



We aim to create differentiation from other décor players through curation of looks for Indian homes, visualisation and customisation services, and on-time and professional execution.

1,00,000 downloads

Colour with Asian Paints, a mobile app was launched that lets users to try our entire Colour Spectra range.

Digital

3D & 2D visualisers on beautifulhomes.com and asianpaints.com



Digital

Colour Consultancy Online



AP Store

In-store consultation on surface & space décor



Personalised service through websites

Homes are personal spaces that reflect personalities and inspire ideas. They shape moods and drive emotions. We, at Asian Paints, understand the need to find the inspiration to create a home that mirrors our style while being functional and comfortable. In the 'digital-first' era, our websites, beautifulhomes.com and asianpaints.com, provide the perfect platform for curated décor inspiration. Its online consultation and execution services, store locator and online shopping channel address a wide range of customer requirements.

Finer choices with texture catalogue

To bring more granularity in home décor choices, we have made our entire range of textures available on the website asianpaints.com, where visitors can pick one that accentuates their room and adds a touch of individuality. They can see how the finished walls will look, which helps them make a choice they will feel most at home with.

Homes reimagined on mobile

A mobile app, 'Colour with Asian Paints', was launched to help customers reimagine their homes, virtually. Downloaded over 1,00,000 times on Google Play Store, the app lets users to try our entire Colour Spectra range, which includes 1,800 beautiful shades, and experiment with different colour textures. The 'Visualiser' feature on the app lets users upload a picture of the room they want to repaint and see how it will look in all the colours in our bouquet. This helps them get a first-hand look and feel of the refurbishing, enabling easier decision-making.

Scan to download our app and have some fun while reimagining the colours on your walls.

Digital launches

We are also present on various social media platforms where we interact directly with our customers. Two of our major digital launches during the year on YouTube – 'Monu the Seeker' and 'Homes not Showrooms' – got millions of views.



Monu the Seeker



Homes not Showrooms

Manufacturing footprint and sustainable operations

Asian Paints has been constantly expanding its manufacturing capabilities and creating a base to service the aspirations of a rapidly growing India.

At Asian Paints, we are partnering growth by strengthening our manufacturing capabilities and building greater efficiencies into the existing network.

We are preparing for the future by setting up state-of-the-art plants and supply chains using cutting-edge technology for efficient management and execution. With a focus on effective manufacturing and logistics, we have built world-class, large manufacturing facilities with latest automation technologies.

Our largest single-location paint manufacturing capacities are at Rohtak in Haryana and Khandala, in Maharashtra. We are also setting up new fully-automated paint manufacturing facilities at Mysuru and Visakhapatnam in South India to meet future demand.

This manufacturing prowess is supported by a strong distribution and logistics network, across geographies, using modern material storage and handling technologies. A dedicated in-house IT team adds value to business processes, leading to higher productivity and lower costs, by building speed, consistency and standardisation into them.



Paint manufacturing facility at Khandala, Maharashtra

₹ 1,100 Crores out of the total capex of ₹ 1,350 Crores for FY 2017-18 was spent towards the upcoming two new paint manufacturing facilities:

5,00,000 KL per annum capacity of plant at Visakhapatnam, at an overall investment of ₹ 1,785 Crores

6,00,000 KL per annum capacity of plant at Mysuru, at an overall investment of ₹ 2,300 Crores

Focus on sustainability

This planet is our home, and as a home décor company, we are committed to keeping it beautiful. The proactive investments we make across our sourcing, manufacturing and distribution value chain helps keep our operations sustainable.

In FY 2017-18, significant progress was made in all the key environmental aspects against which improvement targets were set. There were initiatives on renewable and cleaner fuel types, renewable sources of electricity and energy efficiency measures within the factories.

These included various waste reduction initiatives at plants, implementation of new wash-water reuse schemes, non-stick coatings on select equipment, reduction in cooling tower blow-down, a number of measures on reduction in water consumption, etc.

Energy management

Effective energy management has twin drivers for us – ecological preservation and economic benefit. The energy consumed by us has a direct impact on our carbon emissions. And we strive to manage our energy demand by improving operational efficiency and adding alternate sources in the mix.

We have defined targets on reducing electricity consumption and increasing the share of renewable energy as a proportion of the total consumption. Our energy conservation initiatives can be categorised under process optimisation and automation and optimisation of electrical equipment and lighting.

As we go forward, we will continue to develop sustainable products in an effort to reduce our carbon footprint, increase product service life and improve the hygiene standards for our products.

Project NEW

We have initiated Project NEW (Natural resource conservation; Energy and emissions reduction; Waste reduction) at six paint manufacturing facilities that addresses the following key themes:

- Reduction in specific electricity consumption
- Reduction in non-product fresh water consumption
- Water replenishment
- Reduction in specific industrial effluent generation
- Reduction in specific hazardous waste disposal
- Electricity from renewable sources as a proportion of total electricity consumption

In FY 2017-18, significant progress was made in all the key environmental aspects against which improvement targets were set. There were initiatives on renewable and cleaner fuel types, renewable sources of electricity and energy efficiency measures within the factories.

Making the world a colourful place



Colours excite and enthral everyone and we, at Asian Paints, are playing a significant part in painting the world in different shades.

The market for decorative and industrial paints is expanding internationally, creating a base for us to build on with products and services that inspire. We now operate in 16 countries (including India) and have 25 paint manufacturing facilities servicing consumers in over 60 countries.

Determined to succeed in the evolving global landscape and to stay agile to demand, there is a constant recalibration of our international strategy. This includes exiting unprofitable markets to protect and preserve value while focusing efforts on emerging ones.

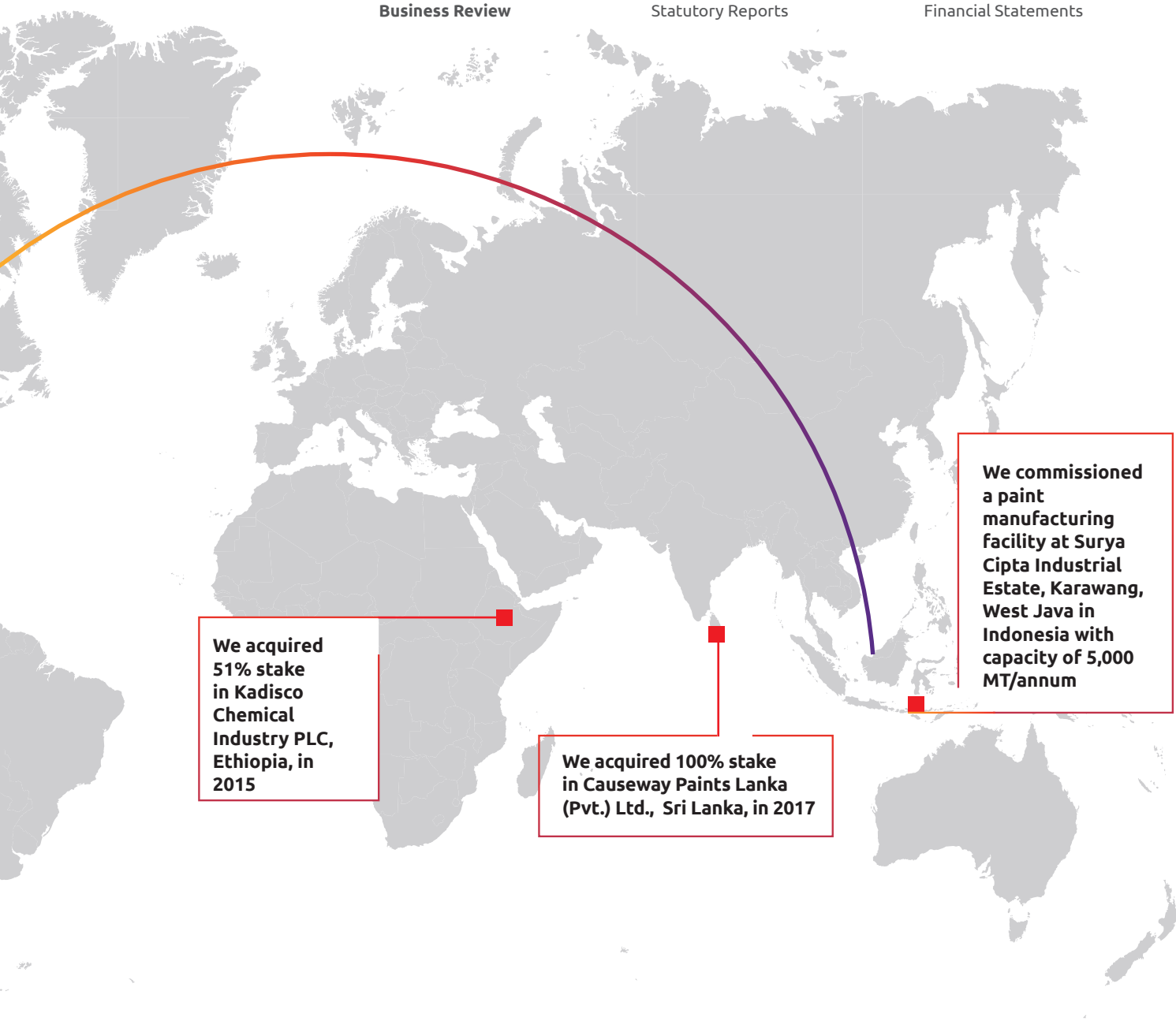
Our international journey began in the year 1978 when we established presence in Fiji and have since expanded to 14 more countries spread over four regions: Middle East (UAE, Bahrain and Oman), Africa (Egypt and Ethiopia), Asia (Nepal, Sri Lanka, Bangladesh, Singapore and Indonesia) and South Pacific (Fiji, Tonga, Solomon Islands, Vanuatu and Samoa).

Indonesia Plant Inauguration









Divested Caribbean operations

With an eye on balanced growth, we exited our Caribbean operations in FY 2017-18. The disposal of the three manufacturing units in Barbados, Jamaica and Trinidad and Tobago in July 2017 led to one-time profit of ₹67.47 Crores.

Expansion in Africa and Asia

Since the last few years, we have been focusing on establishing and cementing presence in emerging markets and looking for expansion in key markets of Africa and Asia.

KADISCO by asianpaints

CPT CAUSEWAY PAINTS

Streamlined operations

Among other key developments of the financial year was a restructuring of our international operations by bringing all the subsidiaries under Asian Paints International Private Limited, Singapore, while Asian Paints Mauritius was merged with Asian Paints India after obtaining statutory approvals.

Board of Directors



Ashwin Choksi
Chairman

Member, Shareholders Committee



Ashwin Dani
Vice Chairman

Chairman, Shareholders Committee
Member, Nomination and Remuneration Committee



Abhay Vakil
Non-Executive Director

Member, Audit Committee
Member, Shareholders Committee



K.B.S. Anand
Managing Director & CEO

Member, Corporate Social Responsibility Committee
Member, Risk Management Committee
Member, Shareholders Committee
Member, Stakeholders Relationship Committee



Mahendra Choksi
Non-Executive Director

Member, Corporate Social Responsibility Committee
Member, Stakeholders Relationship Committee



Malav Dani
Non-Executive Director

Chairman, Corporate Social Responsibility Committee



Amrita Vakil
Non-Executive Director

Member, Stakeholders Relationship Committee



Deepak Satwalekar
Independent Director

Chairman, Nomination and Remuneration Committee



Mahendra Shah
Independent Director

Chairman, Stakeholders Relationship Committee
Member, Audit Committee



Dr. S. Sivaram
Independent Director

Member, Risk Management Committee

Board of Directors



S. Ramadorai
Independent Director

Member, Corporate Social Responsibility Committee



M.K. Sharma
Independent Director

Chairman, Audit Committee
Chairman, Risk Management Committee
Member, Nomination and Remuneration Committee



Vibha Paul Rishi
Independent Director

Member, Corporate Social Responsibility Committee



R. Seshasayee
Independent Director

Member, Audit Committee

Leadership Team



K.B.S. Anand
Managing Director & CEO



Amit Syngle
Chief Operating Officer



Manish Choksi
President – International Business, IT, HR and Chemicals



Jayesh Merchant
CFO & Company Secretary, President – Industrial JVs

Ten-year Review - Standalone

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

RESULTS FOR THE FINANCIAL YEAR	2017-18**	2016-17**	2015-16**	2014-15^	2013-14^	2012-13^	2011-12^	2010-11^	2009-10	2008-09
INCOME STATEMENT										
Gross Revenue	16,002.4	14,359.8	13,272.5	13,483.8	12,042.6	10,405.0	9,064.3	7,202.0	5,753.5	5,003.4
Net Revenue from Operations	14,153.7	12,722.8	11,830.3	11,648.8	10,418.8	8,960.1	7,964.2	6,336.1	5,134.1	4,278.7
Growth Rates (%)	11.2%	7.5%	1.6%	11.8	16.3	12.5	25.7	23.4	20.0	24.9
Materials Cost	7,982.7	6,944.1	6,584.9	6,439.8	5,940.0	5,163.4	4,746.3	3,646.9	2,840.2	2,606.9
% to Net Revenue from Operations	56.4	54.6	55.7	55.3	57.0	57.6	59.6	57.6	55.3	60.9
Overheads	3,250.5	3,107.9	2,768.5	3,198.5	2,701.6	2,249.4	1,866.1	1,532.0	1,275.0	1,103.8
% to Net Revenue from Operations	23.0	24.4	23.4	27.5	25.9	25.1	23.4	24.2	24.8	25.8
Operating Profit (EBITDA)	3,198.0	2,971.0	2,726.4	2,197.3	1,950.9	1,673.4	1,493.2	1,232.2	1,153.7	619.4
Finance Costs	21.1	18.9	23.4	27.1	26.1	30.6	30.8	15.4	13.8	10.4
Depreciation	311.1	295.4	234.5	223.1	212.3	127.0	99.5	94.5	60.7	57.2
Profit Before Tax and Exceptional items	2,865.8	2,656.7	2,468.5	1,947.1	1,712.5	1,515.9	1,362.9	1,122.3	1,079.2	551.8
% to Net Revenue from Operations	20.2	20.9	20.9	16.7	16.4	16.9	17.1	17.7	21.0	12.9
Growth Rates (%)	7.9	7.6	26.8	13.7	13.0	11.2	21.4	4.0	95.6	(2.0)
Exceptional items	-	-	(65.4)	(13.5)	(9.9)	-	-	-	25.5	(5.9)
Profit Before Tax and after Exceptional items	2,865.8	2,656.7	2,403.1	1,933.6	1,702.6	1,515.9	1,362.9	1,122.3	1,104.7	545.9
% to Net Revenue from Operations	20.2	20.9	20.3	16.6	16.3	16.9	17.1	17.7	21.5	12.8
Profit After Tax	1,894.8	1,801.7	1,622.8	1,327.4	1,169.1	1,050.0	958.4	775.2	774.5	362.4
Return on average capital employed (ROCE) (%)	38.7	40.9	45.0	49.9	51.7	54.0	59.3	62.1	78.2	51.3
Return on average net worth (RONW) (%)	25.4	27.7	29.5	33.9	35.3	38.1	42.9	43.9	58.4	35.8
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	7,702.2	6,998.8	5,829.8	4,134.3	3,505.0	2,926.3	2,391.9	1,879.4	1,461.3	998.6
Deferred Tax Liability (Net)	270.3	261.2	217.2	167.8	177.1	143.3	80.8	75.5	47.9	47.9
Borrowings	14.94	17.08	38.0	39.6	47.7	54.1	168.2	65.7	68.6	74.5
Property, Plant and Equipment, Goodwill & Other Intangible Assets	3,960.4	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
Investments	2,577.3	2,913.6	2,796.6	1,893.8	1,671.2	872.5	913.8	1,034.8	703.7	234.8
Debt-Equity Ratio	0.002:1	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
Market Capitalisation	107,469	102,970	83,297	77,820	52,559	47,139	31,056	24,238	19,593	7,539
PER SHARE DATA										
Earnings Per Share (EPS)(₹) #	19.8	18.8	*16.9	*13.8	*12.2	10.9	10.0	8.1	*8.1	*3.8
Dividend (%)	870	1,030	750	610	530	460	400	320	270	175
Book Value (₹)	81.3	74.0	61.8	44.1	37.5	31.5	25.9	20.6	16.2	11.4
OTHER INFORMATION										
Number of Employees	6,238	6,156	6,067	5,897	5,555	5,236	4,937	4,640	4,382	4,260
Number of Shareholders	191,561	202,988	165,986	147,143	87,997	54,813	60,537	59,280	48,290	49,074

* 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. However, Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years. 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	2017-18**	2016-17**	2015-16**	2014-15^	2013-14^	2012-13^	2011-12^	2010-11^	2009-10@	2008-09
INCOME STATEMENT										
Gross Revenue	19,222.6	17,158.6	16,061.5	16,325.2	14,567.2	12,488.1	10,778.0	8,610.8	7,314.5	6,229.8
Net Revenue from Operations	16,843.8	15,168.2	14,263.2	14,182.8	12,714.8	10,938.6	9,632.2	7,722.3	6,680.9	5,463.9
Growth Rates (%)	11.0	6.3	0.6	11.5	16.2	13.6	24.7	15.6	22.3	24.0
Materials Cost	9,710.4	8,435.1	8,041.3	7,971.5	7,340.7	6,413.0	5,795.3	4,474.6	3,758.0	3,370.6
% to Net Revenue from Operations	57.6	55.6	56.4	56.2	57.7	58.6	60.2	57.9	56.2	61.7
Overheads	3,935.8	3,746.7	3,452.7	3,975.9	3,376.2	2,793.6	2,328.2	1,919.6	1,695.6	1,425.5
% to Net Revenue from Operations	23.4	24.7	24.2	28.0	26.6	25.5	24.2	24.9	25.4	26.1
Operating Profit (EBITDA)	3,418.2	3,248.9	2,982.5	2,405.1	2,132.1	1,846.5	1,616.2	1,396.1	1,367.9	718.8
Finance Costs	35.1	30.0	40.7	34.8	42.2	36.7	41.0	23.2	28.5	26.3
Depreciation	360.5	334.8	275.6	265.9	245.7	154.6	121.1	113.1	83.6	74.4
Profit Before Tax and Exceptional items (including share of profit of associate)	3,068.5	2,933.7	2,699.7	2,104.4	1,844.2	1,655.2	1,454.1	1,259.7	1,255.9	618.1
% to Net Revenue from Operations	18.2	19.3	18.9	14.8	14.5	15.1	15.1	16.3	18.8	11.3
Growth Rates (%)	4.6	8.7	28.3	14.1	11.4	13.8	15.4	0.3	103.2	(3.2)
Exceptional items	-	-	(52.5)	(27.6)	(9.9)	-	-	-	1.2	(1.2)
Profit Before Tax and after Exceptional items	3,068.5	2,933.7	2,647.3	2,076.9	1,834.3	1,655.2	1,454.1	1,259.7	1,257.0	616.9
% to Net Revenue from Operations	18.2	19.3	18.6	14.6	14.4	15.1	15.1	16.3	18.8	11.3
Profit for the year (after Tax and Non-Controlling interest)^^	2,038.9	1,939.4	1,745.2	1,395.2	1,218.8	1,113.9	988.7	843.2	835.6	397.8
Return on average capital employed (ROCE) (%)	34.8	37.6	40.5	45.3	47.6	50.3	54.3	58.9	74.4	46.5
Return on average net worth (RONW) (%)	25.5	27.5	28.9	31.8	32.8	36.3	40.1	43.3	57.4	36.4
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	8,314.3	7,508.0	6,428.9	4,646.4	3,943.3	3,288.4	2,652.6	2,091.5	1,614.1	1,107.3
Deferred Tax Liability (Net)	417.1	359.2	296.8	179.9	187.8	154.4	92.8	85.2	56.2	53.3
Borrowings	533.4	560.3	323.3	418.2	249.2	251.0	341.1	233.4	229.2	308.6
Property, Plant and Equipment, Goodwill & Other Intangible Assets	4,857.4	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
Investments	2,140.7	2,652.0	2,712.1	1,587.8	1,423.6	778.8	750.7	922.0	624.1	78.4
Debt-Equity Ratio	0.06 : 1	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
PER SHARE DATA										
Earnings Per Share (EPS) (₹)#	21.3	20.2	*18.2	*14.5	*12.7	11.6	10.3	8.8	*8.7	*4.1
Book Value (₹)	87.7	79.3	68.0	49.4	42.1	35.3	28.7	22.8	17.8	12.5

* EPS calculated on Net Profit (including share of profit of associate) 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.

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

^ 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. However, Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years. 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.

^^Includes 'Profit for the period from discontinued operations'. Refer note 31 (d) of Consolidated Financial Statements


Rat-Hole
Horse-Stable

Commitment Towards Society

Offering equal growth opportunities



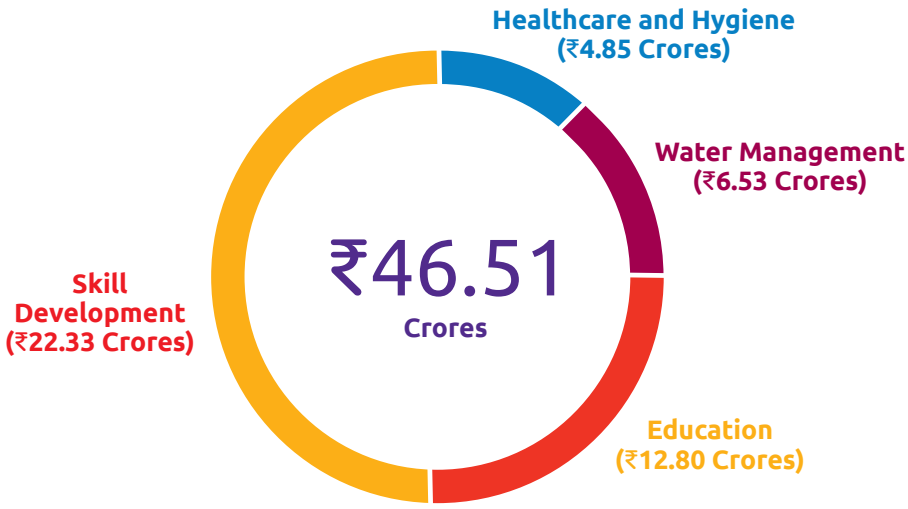
We believe corporates can play a major role in transforming communities, collaborating with them to coexist.

At Asian Paints, we are focusing on inclusive growth and need-based social interventions to enhance the quality of lives across communities. Our commitment to social responsibility permeates every level of the organisation, as we seek to promote a socially responsible ecosystem.

We ensure our employees are also a part of it. Therefore, as part of our 75th anniversary celebrations, we organised an Employee Volunteering Week, where we encouraged our people to participate in Corporate Social Responsibility (CSR) activities.

At Asian Paints, we primarily focus on education, skill development, healthcare and hygiene, and water management in our CSR programmes.

Amount in ₹ spent in each area for FY 2017-18



Education

Education is the key to unlock a better life. It is a powerful tool to access opportunities.





At Asian Paints, we are committed to encourage education for communities around us.

We are helping strengthen infrastructure for education to motivate children by implementing various programmes through our project partners.

Our ambition is to enrich the 'school-going' experience for children. We support every stage of a child's education through these projects, helping him/her to transition smoothly from being a student to an adult with the right means of livelihood.

Key projects implemented

Developing infrastructure of schools — upgrading school buildings; providing classroom setups like benches, desks and boards, among others; helping set up libraries and science laboratories

Socialising the importance of education amongst children and community leaders

Providing educational resources for students — imparting training on computers and self-defence; workshops to enhance soft skills

Granting scholarships for higher education

Revamping educational infrastructure

During FY 2017-18, we helped in refurbishing the infrastructure of three government schools and improving learning outcomes of students. Our interventions included equipping a classroom in each school with digital learning tools and enabling the use of simplified activity-based learning. Besides, we also helped in construction/repairs of school buildings, toilet units, classrooms, laboratories, library and drinking water units. The programme has enabled teachers to make their lessons more interactive, increasing classroom participation and enhancing learning outcomes.

Assisting India's digital literacy agenda

We are working towards enhancing Government of India's digital literacy scheme. We introduced **TabLab** — a digital literacy programme — to help establish digital learning infrastructure in government schools. The project is designed to deliver life-shaping learning outcomes for students and turn them into evangelists for digital literacy among their families and communities. Children participating in this programme will help to promote the use of mobile phones and other digital devices as tools for skill development and learning among adults.

Driving science education

During FY 2017-18, we partnered with Kutuhal Science Activities Pvt. Ltd. to organise science workshops and distribute science kits to school children between the ages of 6 and 15 years.

We also organised a district level science exhibition that covered 950+ children from 20+ schools under this programme and appreciated students for their efforts and innovative ideas.







"As a teacher, I am truly grateful to Asian Paints and their NGO partner for providing our school with the digital teaching equipment. The use of the equipment has brought significant changes in children's classroom behaviour.
My classes have now become more interactive with greater participation from all students. Children are able to pick up complex lessons faster and retain them better. This shows in their higher scores.
I am sure that other teachers and our students are equally happy to have these facilities."

Ms. Josephine Priyadarshini
Echoor School Teacher

Skills Development

Skill building is a powerful tool to empower individuals and drive financial growth and community development of a nation.





At Asian Paints, our objective is to enhance employable skills and knowledge of an individual to assist him/her in contributing to India's economic growth.

The Asian Paints Colour Academy helps us remain steadfast in our support to the National Skill Development Mission and assist in upskilling of the unorganised workforce. The Academy functions with the objective to enhance employability opportunities for people in our industry through vocational trainings that expand skills of painters, applicators, carpenters and workers.

At the Academy, we provide technical know-how, prepare content and deliver training modules. The institutes are equipped with modern training facilities for providing hands-on experience. All the courses delivered are certified by the Government of India.



During FY 2017-18, we organised more than one lakh (1,04,321) training sessions in various categories.

At the Academy, we provide technical know-how, prepare content and deliver training modules





Association with National Skill Development Corporation (NSDC)

The Academy further partners with NSDC to enhance delivery of our skill development programme. NSDC monitors, evaluates and certifies participants who complete the training programme at Asian Paints Colour Academy and they are awarded the NSDC certification.

Helping jail inmates reclaim life

We connected with inmates at Belgaum Prison to provide Basic Painting Course (BPC) training to them. Four of the convicts who had attended the very first batch were able to start a life of dignity by beginning work as painters upon their release. Buoyed by the success of the first batch, we conducted a second BPC training. We are hopeful that after the release of these prisoners, we will be able to help them, too, to find apprenticeship and turn a new leaf.

Partnering with Industrial Training Institute (ITI)

We joined Karnataka Vocational Training and Skill Development Corporation to launch Colour Academy in ITI Peenya, Bengaluru for training their students. Participants at ITI Peenya will go through the BPC course and after they complete the training, we will help them to get placements under known contractors.



Asian Paints Colour Academy focuses on:

* Skilling and vocational training
* Technical knowledge distribution
* Productivity and livelihood enhancement for dignified living



"The video 'Saroj – The Leader' inspired me to complete the basic painting course through Asian Paints Colour Academy in September 2017. Post that, I opened my own firm called 'Decoraa – The Painting Expert'. Currently, I am working with 20 painters and have completed more than 10 sites in just four months with great earnings."

Sikha Mishra,
Founder, Decoraa –
The Painting Expert

Healthcare and hygiene

Health and hygiene are two of the fundamental pillars of a developed society.



At Asian Paints, our objective is to make affordable healthcare facilities available to communities around us.

Thus, we are working towards implementing strategic partnerships to promote better access to quality healthcare and sanitation facilities.



Our major interventions are in the realms of:

* Providing primary healthcare support and free medical camps for rural communities
* Provisioning mobile medical units and ambulances
* Implementing sanitation projects
* Running awareness programmes for communities on health and hygiene
* Facilitating the ongoing programme 'Safar' to improve health and awareness among truck drivers
* Providing access to potable water

Offering specialised medicalcare in rural region

We extend healthcare support for rural communities residing near our manufacturing units, through localised medical camps. We invite specialists and trained doctors for these periodic check-up and diagnosis camps. Patients who require further medical care are referred to local hospitals and their treatment charges are borne by us. We further encourage our people to participate in these social responsibility programmes by organising these medical camps.

Mobile Medicare Unit
We are partnering with HelpAge India to provide healthcare facilities to elderly residents in several villages of Tamil Nadu through mobile medicare units. In the last decade, we have increased the reach of the programme manifold.



Enhancing access to sanitation

In line with India's Swachh Bharat campaign, we are helping build toilets and improve sanitary conditions for communities residing near our facilities. The process involves identifying homes that require our interventions and help them build sanitation facilities. We further educate them on proper maintenance of toilets and importance of their use. The toilets serve a dual purpose as they are designed to require minimal maintenance and have leach pits to convert domestic waste into manure.



Making affordable healthcare accessible

Our healthcare programme 'Swasth' is for urban slum populations. The programme provides affordable healthcare facilities that include consultation with general physicians, dental care and pathology tests. We use a network of financially sustainable health centres to provide medical attention to the target population. Swasth attracts an average footfall of 45 patients every day and also runs specialised clinics on diabetes and blood pressure screening, among others. Between January to March 2018, we conducted free camps for paediatric check-up and treatment under the programme.



Supporting healthcare for truck drivers

We established 'Safar', a healthcare programme to improve health awareness and facilities among truck drivers. The programme enhances awareness on problems such as ergonomic illnesses, AIDS, skin diseases and gastritis, among truck drivers through 'nukkad nataks', games, inter-personal communication sessions and movies.

Swasth Health Clinic



"I was a person who never completed any of the medical treatments prescribed to me. But now I take my medicines regularly. This is due to the easily approachable Swasth clinic and their caring and supportive approach towards me."

Hamid, Differently-abled college student from Mumbai

Water conservation

Water is among the most precious natural resources that supports life.





The growth in population, increased industrialisation and urbanisation, and depleting water sources are making water scarcity a real threat. To manage future water scarcity challenges, it is imperative to promote judicious use of water.
At Asian Paints, we are holistically addressing the challenges in water scarcity by actively developing water management systems.

We provide infrastructural support at each stage of water conservation and preservation to communities around us. Further, at our manufacturing units, we practice water recycling and waste water treatments to enhance water conservation.



For water conservation efforts, we have introduced the following programmes:

Creating awareness on water conservation in schools and villages

Installing rooftop rainwater harvesting units and recharge systems in villages and schools

Promoting integrated watershed development in areas around our manufacturing locations



Stimulating water management systems

We are implementing rainwater harvesting systems for communities near us to collect, store and consume rainwater for landscape irrigation and other uses. During FY 2017-18, we assisted in erecting 18 Rainwater Harvesting (RWH) structures with a recharge potential of 13,000 KL per annum. Along with our NGO partner, we also desilted a pond near our Rohtak plant.

Counting every drop

We launched the Water ATM project to provide potable water to more than thousands of people daily in Thiruvallur district of Tamil Nadu. The project has 1,000 LPH running capacity and an individual water ATM card that can provide ~20 litres of drinking water per family. The project, once complete, will be handed over to self-help groups for maintenance and management.





18 rainwater harvesting systems installed

During FY 2017-18, we assisted in erecting 18 RWH structures with a recharge potential of 13,000 KL per annum. Along with our NGO partner, we also desilted a pond near our Rohtak plant.


We are mosaics
pieces of light,
love, history, stars
glued together
with magic
and music
and words
Anne Kreamer



Management discussion and analysis

ECONOMIC ENVIRONMENT

Global economy

The financial year 2017-18 has been favourable for the global economy with broad-based and synchronised growth across most countries. While the developed economies of the USA and Europe witnessed further consolidation, pushing the global GDP growth rate to 3.7%, the emerging economies exhibited resilience, benefitting from global trade and the rebound in commodity prices. China remained buoyant despite tightening of liquidity and slowdown in the booming property as well as financial markets. Global inflation stayed within control and at relatively modest levels, though some key central banks, including the US Fed, tightened policy rates to sustain robustness in investments and induce industrial activity and international trade.

Although the world economy saw good growth, political discourse leaned towards trade protectionism. There has been rising speculation around rebalancing of trade surpluses, specifically by the USA – the economy that has gained the most from globalisation. Significant announcements were made by major world economies in the last quarter of FY 2017-18, increasing trade barriers to protect their domestic industries.

Global growth (GDP) trend (%)



Source: International Monetary Fund (IMF)
E: Estimate | P: Projection

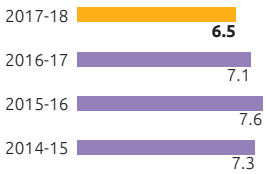
Although the world economy saw a period of good growth, political discourse clearly leaned towards trade protectionism. There was rising speculation around rebalancing of trade surpluses, specifically by the USA – the economy that has gained the most from globalisation.

Indian economy

FY 2017-18 has been a watershed year in the domestic economy with the Government of India effecting a unified tax regime, Goods and Service Tax (GST), from July 2017. The implementation of GST will create a single marketplace, enabling supply chain efficiencies over the long-term. However, the first year of its implementation, as anticipated, witnessed disruptions in supply chain, working capital constraints and greater compliance responsibility, especially for small and medium enterprises. Consumer sentiments were subdued for most of the financial year. While the economy witnessed a revival in activity in the second half, the overall annual growth stood at 6.5% for FY 2017-18, lower than 7.1% for FY 2016-17.

The manufacturing sector's performance, suffering from the GST-induced de-stocking, was volatile. Capital investment remained weak owing to modest capacity utilisation hindering the confidence to sanction fresh outlays. An increase in the stressed assets of the banking sector further impacted the industrial sector with cost of credit going up significantly. Rise in crude oil prices and shortfall in Government revenues led to widening fiscal deficit with the Central Government missing the deficit target for FY 2017-18. Although all these pressures worsened the macroeconomic conditions, there were some noteworthy positives which offer hope for revival in economic growth. The Government

India growth (GDP) trend (%)



Source: Central Statistics Office (CSO)

firmly pushed ahead its reform agenda with substantial movement on GST, the Indian Bankruptcy Code and implementation of Real Estate Regulations (RERA), among others.

Taking note of these developments, Moody's raised India's rating from the lowest investment grade of Baa3 to Baa2 and changed the outlook from stable to positive in November 2017. This was India's first rating upgrade in 14 years.

Outlook

The financial year 2018-19 could well be the period that witnesses a strong and sustained economic upsurge. Improvement in growth conditions in the second half of FY 2017-18 indicates normalisation of the supply chain, which was disrupted on account of demonetisation and GST implementation. The massive bank recapitalisation programme coupled with the progress seen on resolving the initial set of insolvency cases is expected to augment the banking sector's capability to lend credit to the industry. This will boost the capex revival cycle in the industry as well.

Early indications of a normal monsoon for three years in a row are likely to aid not only the agriculture sector but also the rural economy. The Union Budget for FY 2018-19 has substantially increased the minimum support prices for farm procurement. Additionally, the farm loan waivers rolled out in various states and the Central Government's push towards rural infrastructure spends are expected to significantly improve rural consumption. At the same time, the Centre's efforts to streamline GST rates and minimise the compliance burden are likely to facilitate recovery, specifically for small and medium enterprises.

However, rising prices of commodities, especially crude oil, could potentially act as a deterrent, raising inflation levels. This could increase the cost of credit, impacting the anticipated revival of consumption. Moreover, concerns around job creation, income growth and setbacks that could be faced by nascent growth drivers, stand to hurt the overall business confidence.

On the international front, rise in the crude oil prices will augur well for the economies in the Middle East and thereby, on the Company's operations in the region, particularly given the slowdown experienced during the last few years. Political stability in some of the Company's key markets such as Sri Lanka, Ethiopia and Egypt will also have a positive bearing. Meanwhile, trade frictions are beginning to materialise, with the USA and China locked in a retaliatory trade war. India, being an integral part of the global trade network, will have to remain wary of the ramifications.



Ease of doing business

India shot up 30 places to enter in the top 100 of the 'Ease of Doing Business' rankings index released by World Bank.

Attracting global investors

Not only did the country witness sustained investments from portfolio investors in debt and equity markets, it also ranked among the top 10 destinations for long-term investments with FDI inflows of almost $45 billion in 2017. The continuous inflows helped the Indian Rupee post an appreciating trend for most of FY 2017-18, reaching a high of ₹ 63.24 per $ in January 2018 before closing FY 2017-18 at nearly ₹ 65 per dollar.

Industry Insight

DECORATIVE PAINT INDUSTRY

Major segments in decorative paint industry include exterior wall paints, interior wall paints, wood finishes and enamel and ancillary products such as primers, putties, etc. Decorative paints account for around 75% of the overall paint market in India. The per capita paint consumption in India – a little over 2.5 kgs to 3.5 kgs – is still very low as compared to the developed western nations. The unorganised sector controls around 35% of the paint market, with the organised sector accounting for the balance.

Industry trends

In Q1 FY 2017-18, the paint industry experienced de-stocking following the GST rollout. In the succeeding three quarters, the industry gradually returned to normalcy. While the long-held correlation between growth in industry and in GDP lost ground in the recent three to four years, the industry continues to be in a reasonable growth phase. The housing construction sector has suffered due to multiple reasons, namely, lack of investor interest after stagnating real estate prices; reduced availability of river sand, generic rise in ready reckoner rates across major markets; and diminished cash component subsequent to GST and demonetisation. On the positive side, substantial benefits under the economic housing scheme have pushed several large developers towards construction of lower value units. This is a healthy sign since the excess demand in the budget housing sector from the days of construction boom, can be corrected. It is likely to revive the troubled real estate sector in medium to long run.

Rising labour costs are pushing painting contractors to adopt mechanised painting – a trend that is estimated to gain momentum in the coming years.

Home owners are rapidly warming up to the 'Digital First' economy. With higher spends on home décor, the search for a 'professional integrator' is expanding. As a result, interior designers and aggregator services for painting contractors are growing.

Hyper-segmentation is another trend dominating the paint industry. Consumers are seeking personalised home décor solutions; thus, all established paint players are launching multiple variants of new as well as existing products. With changing consumer behaviour, progressive retailers too are evolving to cater to the unique needs of the new-age consumers. Consequently, collaborative work between manufacturers and retailers are transforming the retailing formats in the industry.

Outlook

While the outlook remains positive for the paints industry for FY 2018-19, concerns on the cost of raw materials would remain, if crude oil prices continue to soar. Raw material prices in the paint industry have already moved up over the last three quarters, leading to a series of price hikes in the sector. Any potentially adverse market conditions could further affect the industry. The political climate, with assembly elections pending across several states as well as at the Centre, is also likely to have an impact on the industry.

Hyper-segmentation

Hyper-segmentation is another trend dominating the paint industry. Consumers are seeking personalised home décor solutions; thus, all established paint players are launching multiple variants of new as well as existing products.





INDUSTRIAL COATINGS INDUSTRY

The main segments of the industrial paint industry include automotive coatings, marine coatings, packaging coatings, powder coatings, protective coatings and other general industrial coatings. The industrial paints segment is more technology intensive than the decorative segment.

Industry trends

The Automotive Coatings market is primarily driven by auto and two-wheeler build markets, which grew at 5.5% and 16.1% respectively. While the auto builds for Japanese Original Equipment Manufacturers (OEMs) grew by 6.2%, the auto builds for non-Japanese OEMs grew by 5%, over last year.

Non-Automotive Industrial Coatings market grew at a low single-digit rate during the year under review. Delays in finalisation of contracts post-GST, slowdown in manufacturing and exports, and lack of new construction in oil and gas, and wind power segments slowed the overall market growth. Overall, project order book continued to remain sluggish. Demonetisation effect was seen in OEMs, particularly in northern India, with a sharp decline in manufacturing activity. Liquidity issues and delayed allocation of projects by Government agencies impacted road construction projects, thus affecting the demand for the road marking coatings.

Outlook

There has been slight revival in investment activity. Global demand has been improving, which should boost exports as well as fresh investments. The Government's focus on infrastructure development is likely to spur demand for industrial coatings. However, while the economic activity is showing signs of improvement, rising raw material and packing material prices could pose as challenges.



HOME IMPROVEMENT INDUSTRY

KITCHEN SOLUTIONS

The kitchen industry comprises components (hardware, shutters/ cabinets, accessories and appliances) and kitchen solutions. Asian Paints, through its Sleek brand, is present in both these categories.

The kitchen hardware market in India is estimated to be in the range of ₹ 5,000 to ₹ 6,000 Crores and the organised sector commands only ~40% share. The appliances market is estimated to be in the range of ₹ 1,000 Crores, served primarily by organised players. The accessories market is highly fragmented and dominated by unorganised players. The organised kitchen solutions market is in the range of ₹ 700 to ₹ 800 Crores and is largely dominated by Indian brands, with some presence of multinational companies in top cities.

Industry trends

A majority of kitchen installations in India continue to be undertaken by local carpenters, either directly or through architects. However, consumers' desire for better-quality designs and seamless installations is gradually driving a transition towards complete solution providers like Sleek.

Until now, the industry had focused on differentiating itself as an error-free service offering vis-à-vis traditional carpenters and service providers. With consumers wishing to own 'beautiful kitchens', the design element has garnered spotlight and is likely to be a key differentiator going forward.

Outlook

The kitchen industry is fragmented, not only in the overall segment but also within product categories. The presence of a large number of unorganised players presents an opportunity for organised players. New product offerings and operational excellence are expected to be the key success factors for the industry in the coming years.



The segment's potential has fuelled entry of internet-based start-ups that propose to provide holistic assistance with home interiors, including kitchens. While this has intensified competition, executional expertise will be vital for any entrant.

BATH FITTINGS

The bathroom segment consists mainly of sanitaryware, chrome-plated (CP) fittings and tiles. The Company operates in the CP fittings market, estimated to be in the range of ~₹ 8,000 Crores, nearly 60% of which is estimated to be serviced by organised players. The industry has several domestic and international brands, and hence, there is healthy competition. The organised share is expected to increase further with evolving consumption behaviour.

Industry trends

Growing incomes and aspirations have led to consumers upscaling expenditure on bathrooms. This is expected to increase the share of luxury and premium segments in the total fittings market. Correspondingly, demand for branded fittings is also catching up in smaller towns and cities.

Products based on water-saving technologies have been gaining prominence with the increase in environmental awareness. The role of plumbers as influencers is on the rise in the industry.

Outlook

Apart from the surge in aspirational spending in this category, the Government's drive towards improved infrastructure, affordable housing and Swachh Bharat initiative are key drivers for the industry. The real estate sector is also picking up, with some of the major cities registering an increase in activity.

All these factors will provide a sustainable platform for the industry to grow on in the next couple of years.

The home improvement segment, a promising business for the Company, offers ample opportunities to draw from the well-established brand and network of the Company, with the implementation of GST expected to formalise the demand. Besides, growing aspirations of consumers to experience branded products enables the Company to remain confident about growth prospects for this business over the long-term.





REVIEW OF THE BUSINESS

Decorative paints business in India

The decorative paints segment forms the largest business unit of Asian Paints in India. The Company has a strong presence throughout the country, with products catering to varied price points and requirements, consisting primarily of four segments – interior walls, exterior walls, wood finishes and metal finishes. The business has also introduced new categories such as waterproofing, wallpapers, painting tools and implements, and adhesives.



Operating environment

The GST rollout resulted in severe de-stocking by the entire channel and frequent changes in GST rates and regulations pushed the dealer network to adopt a cautious approach, especially in working capital investment. Early Diwali hampered potential recovery in Q3. The combined effect of demonetisation, GST and RERA in few states adversely impacted fund availability and circulation in the real estate sector. While developers doubled down on completing ongoing projects, credit cycles expanded in the entire value chain.

Despite these macroeconomic adversities, the Company managed to end FY 2017-18 on a positive note with a good double-digit growth. The Company capitalised on opportunities in the growing markets of eastern and northern India, whereas the adverse market conditions in South impacted the growth.

Business performance

Core interior emulsions registered good growth in FY 2017-18, supported by new launches in the Royale range as well as new sheen variants across all emulsion paints. Premium interior and exterior paints registered good growth aided by strong advertising support and applicator connect efforts.

The Company has gained market share in the crowded luxury wood finishes segment, with the top-end Polyurethane (PU)/Polyester range now well-established in all key wood finishes markets.

In the large institutional projects segment, the Company registered record growth, enhancing market share in all key segments of builders, cooperative housing societies, hotels and PSUs. A lot of work was taken up with structural consultant firms to include the Company's products in their specifications.

The Company grew in the waterproofing and adhesives segments in a big way in FY 2017-18. It registered good growth in painting tools and implements. TruCare has become the only national brand for rollers.

Product launches

The Company continued to make big strides in new categories, not only gaining market share against established players but also laying the foundation for sustained growth in the next decade.

The Company's research and technology division undertook breakthrough innovation projects to launch best-in-class products at the top end of both interiors and exterior emulsions. The Company focused on establishing itself as a brand in health and hygiene coatings with the launch of Royale HealthShield (anti-bacterial interior paint), Royale Atmos (odour absorbing interior paint) and Ultima Puranature (anti-pollution and anti-radiation exterior paint).



Asian Paints consolidated its position as a leading 'wood décor' company by installing new wood palette tinting machines that can tint a large number of colours in PU products.

In a short span of four years, the Company has established SmartCare as a prominent brand that provides assured waterproofing solutions for all household needs. A newly launched range enabled the Company to offer affordable waterproofing solutions for interior and exterior surfaces. Sustained retail focus on applicators resulted in exponential growth in the category. Several new products were launched in the high-performance preventive waterproofing segment.

During FY 2017-18, efforts were made to customise brushes to suit market preferences. Partial indigenisation and packaging innovation helped shore up margins on non-mechanised tools. The Company launched a series of mechanised tools such as power sanders, sprayers, putty mixers and water jets; stabilised a reliable servicing and warranty programme and undertook training of thousands of applicators to increase their productivity using the mechanised tools. The efforts resulted in near-doubling of sale of mechanised tools in the financial year.

The Company entered the adhesives segment in FY 2016-17, mainly to exploit the network synergy and gain access to thousands of hardware and décor stores. In FY 2017-18, the Company expanded its reach into hundreds of new stores with its PVA (polyvinyl acetate) range.

Marketing and branding

The Company has followed a tiered network strategy to engage with its vast dealer network and to upgrade the capabilities of dealers in customer engagement at their stores.

AP Homes
At the top end, the Company opened two more AP Homes stores in Delhi and Kochi. An AP Homes store is a multi-category décor store offering décor inspiration, engaging in-store experience, personalisation consultations and holistic décor execution across multiple categories such as paints, waterproofing, wall paper, kitchens, bath and light fittings, and soft furnishing, among others. The response to the stores has been encouraging in terms of footfall, customer feedback and sales.

Colourideas
The next tier, the Colourideas stores, continued to provide a differentiated customer experience in the form of an end-to-end solution, from colour personalisation to painting execution. Colourideas stores have expanded footprint to nearly hundreds of towns.

4,000

Asian Paints fortified its Colour World dealer network by adding close to 4,000 new dealers during FY 2017-18.



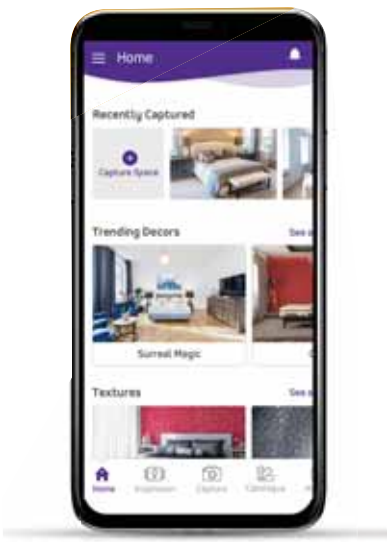
AP Homes store at Kochi, Kerala

World of décor
The Company pursued building capabilities in the world of décor with the ambition of being the most inspiring and accessible décor brand in the coming years. In the 'digital-first' era, the Company has started its décor foray with the launch of décor website 'beautifulhomes.com', a destination to curated décor inspiration. The Company has also leveraged the digital medium for marketing brands and propositions.

The 'Décor For You' consultation service, Décor Solutions Execution Service, AP Homes décor stores and Beautiful Homes Shop Décor online channel complete the range of décor fulfilment avenues for visitors of beauitifulhomes.com and asianpaints.com websites. The Company has entered the world of ecommerce by promoting its D-Cal range on popular ecommerce sites.

20 mn+

The website, asianpaints.com, the most popular destination for consumers renovating their homes, attracts more than 20 million unique visitors every year.





Home Solutions variants
(waterproofing solutions, wood solutions and ProSolutions) have done well by providing value-adding solutions to customers.

Paint Total, a dealer-run painting service, expanded significantly during FY 2017-18 with admirable customer advocacy, measured by the Net Promoter Score.

A large number of Ezycolour stores offer 'kiosk-based' product and colour consultation to lakhs of consumers. Some of these stores are enrolled into the Paint Total network.

Nilaya and Royale Play collections are décor fashion collections from the Company's stable. The Company launched the second signature Indian collection of wallpapers designed by celebrity designer Sabyasachi Mukherjee. This, along with other Indian designs launched by the Company, received exceptional response by architects and interior designers.



To foster its décor credentials, the Company continues to undertake colour and décor research that culminates into the launch of annual colour and décor trends under the 'ColourNext' channel. In its 15th year, ColourNext is the only credible Indian trend forecast and is well-accepted by the community of designers. The four trends and the Colour of 2018 (Passion Flower) were launched at India Design Week in February 2018.

Apart from conventional advertising, the Company pursued 'public inspirations' – beautifying several public facades in an interesting thematic manner. The Company consolidated its brand positioning as the brand that is synonymous with happy emotions through its 'Har Ghar Kuch Kehta Hai' campaigns on digital and TV media. Despite significant rise in advertising spends by competitors, the Company managed to get a good 'share of voice' across a range of media at efficient costs.



Supply Chain

The Company is currently working on two greenfield paint manufacturing facilities at Mysuru and Visakhapatnam (Vizag). The maximum capacity at Mysuru will be 6,00,000 KL per annum It will be installed in a phased manner. The maximum capacity at Vizag will reach 5,00,000 KL per annum (also to be installed in phases). The Company will invest ~₹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, which will be commissioned in FY 2018-19.

The Company is also in the process of seeking statutory approvals for expanding the paint production capacity from 1,30,000 KL per annum to 3,00,000 KL per annum and augmenting the resin and emulsion capacity from 32,000 MT per annum to 85,000 MT per annum at Ankleshwar. This also includes phasing out the production of phthalic anhydride and its allied products. The operations of the phthalic plant were stopped in FY 2017-18.

In FY 2017-18, all the artwork for the Company's packing material was modified in line with the new packaging commodity rules. The same was implemented across all the manufacturing plants and external processing centres.





International operations

Asian Paints operates in 16 countries across four regions of the world – Asia, Middle East, South Pacific and Africa – through the seven corporate brands, namely Asian Paints, Berger International, SCIB Paints, Apco Coatings, Causeway, Taubmans and Kadisco.

The Company remains focused on establishing its presence in high-growth emerging markets, especially Africa and Asia. The Company exited from its Caribbean operations, in Jamaica, Barbados and Trinidad & Tobago, in July 2017.

Operating environment

The financial year 2017-18 has been difficult for the international business due to turbulent economic and political conditions worldwide. Most currencies across the countries where the Company's units are located also weakened versus the USA Dollar and the Indian Rupee, exacerbating the profitability situation in rupee terms.

Africa

In Egypt, hyperinflation cooled down after the central bank-led devaluation of the currency. The GDP growth is improving, and conditions are stabilising. In Ethiopia, the currency was devalued by 15% in October 2017, and inflation was at 13% towards year end. Foreign exchange availability remains scarce and the country has declared a six-month political emergency starting February 2018. The performance of both these units negatively affected the Company's international business.

Middle East

The trade and diplomatic embargoes imposed on Qatar in June 2017 by Saudi Arabia, UAE, Bahrain and Egypt have impacted movement of goods and people within the region. It also affected the Company's export sales to Qatar from UAE. UAE introduced VAT for the first time in January 2018, with Bahrain to follow suit in FY 2018-19. Increasing oil prices and growing infrastructure spending by governments signal better times ahead after the recent slowdown.

Asia

Sri Lanka's crucial agricultural sector was badly hit in 2017 by heavy flooding as well as the worst drought in four decades, severely affecting GDP growth. In Nepal, GDP growth had looked up in FY 2016-17, but one-third of the country was affected by severe floods in August 2017, leading to a fall in GDP growth in FY 2017-18. In Bangladesh, the economy performed well despite the Rohingya crisis. The South-Asian units registered a strong performance led by Nepal and Bangladesh. In Singapore, the economy grew by 3.6% in 2017, an improvement from 2.4% in 2016. However, the construction and shipping sector remained weak. Indonesia's economic growth trajectory was on a gradually accelerating path. Growth should kick into a higher gear in 2018, boosted by infrastructure projects, the election cycle and rising commodities prices.



Indonesia Plant Inauguration

South Pacific

In Fiji, the GDP growth improved to 4% supported by fiscal stimulus, public investment, higher visitor arrivals, and continuing reconstruction after Cyclone Winston in 2016. Most of the countries where the Company's units are located are going through troubled times, but things are likely to have bottomed out in most places and economic growth and stability are expected to improve.

Green shoots

Growth was led by the Company's units in Nepal, Bangladesh and Oman.

Business performance

FY 2017-18 was characterised by sluggish sales and high raw material inflation in most markets, not all of which was passed on as higher prices to consumers, leading to erosion in profitability. To counter this, most units ensured stringent cost controls that helped to moderately alleviate the situation.


Causeway Paints, Sri Lanka



During FY 2017-18, the Company exited from its operations in the Caribbean. Disposal of the three units was completed on 24th July, 2017 and the proceeds were fully used to repay its borrowings.

Leading in Sri Lanka

Asian Paints has emerged as the market leader in Sri Lanka.

The acquisition of Causeway Paints Lanka (Pvt.) Ltd. in Sri Lanka was completed effective April, 2017 and with this acquisition, Asian Paints now has the leading market share in the Sri Lankan paint market. The Company is working on strategies to align both its Sri Lankan operations to ensure maximum value to the Company.

The Company commenced work on setting up a new plant in Bangladesh with finalisation of land acquisition. In Indonesia, the factory in West Java with a paint capacity of 5,000 KL per annum was inaugurated in September 2017. The unit grew well during FY 2017-18 and performed as per plans.

Work on consolidating all the operating subsidiaries under a single overseas holding company was initiated in FY 2015-16. Phase I of this exercise was completed in FY 2016-17 with the transfer of all units to Berger International Pvt. Ltd. (BIPL). Phase II of merging Asian Paints International Limited, Mauritius, with the parent company, Asian Paints Limited, was effected on 15th January, 2018. Further, the name of BIPL was changed to Asian Paints International Private Ltd. (APIPL) effective 13th November, 2017.

Overall, on a comparable basis, the Company has performed better in terms of sales but adversely in terms of profits when compared to FY 2016-17 (excluding foreign exchange impact). However, the Company is confident of a recovery in FY 2018-19 and is optimistic about the growth potential of the markets in which the Company operates.

Home improvement business in india

The Company operates in the kitchen and the bath business through the home improvement division and helps its customers create kitchen and bathroom spaces of their choice for their dream homes. The Home Improvement division of the Company complements its vision of being a complete décor solutions provider.

Business performance

During FY 2017-18, the kitchen components segment grew well on the back of high growth in hardware and accessories and expansion of network. This was despite a slow start to FY 2017-18 due to the disturbance caused by the GST rollout. Sales in the appliances segment were affected due to issues around product complaints and servicing.



KITCHEN BUSINESS

The Company forayed into the kitchen business by acquiring 51% stake in Sleek International Pvt. Ltd. (Sleek) in FY 2013-14. During FY 2017-18, the Company proceeded to acquire the remaining 49% stake in Sleek from the previous promoters for a consideration of ₹ 50 Crores.

Sleek enjoys the exclusivity of being the only player in the Kitchen space that is a part of both 'kitchen components' and 'full kitchen solutions'. It operates through a network of distributors, dealers and retail stores, under a co-branding arrangement with the parent company, viz. – Sleek by Asian Paints.

In the full kitchens segment, the Company is present in retail stores as well as in sales to projects and institutions. The projects business saw a steep rise, highlighting the traction among builders to work with Sleek by Asian Paints. In retail kitchen sales, performance in the first half of FY 2017-18 was sluggish, impacted by the introduction of GST and a consequent lull in retail sales. However, orders picked up in the latter half and the performance in the second half of the year has been good.

During FY 2017-18, the Company closed some of its retail stores with a view to rationalise the footprint as well as the operating costs.

The Company implemented a 'Design to Manufacture' (D2M) software in FY 2015-16. This software is expected to reduce closure timelines and errors and scale up dispatch of 'factory pre-drilled kitchens'. Adhering to kitchen installation timelines with the least amount of error was an area of focus during FY 2017-18 considering the complexities involved, and the Company expects to increase output through the D2M model.

Product launches
The wardrobe range launched in FY 2015-16 was enhanced to introduce a new range of 'Yuva' wardrobes at attractive price points. This offering received a positive response from the network of dealers, with several of the stores upgrading their display units to include wardrobes.

Future-focused
Aided by smart technologies, the aesthetically crafted modular kitchens are at the heart of a rapidly booming home renovation market. The Company also expects wardrobes to substantially complement kitchen sales.

130+

The Company operates 130+ kitchen stores owned and operated by dealers in major towns across India, perhaps the largest network currently in India for any single player in the modular kitchen space.

BATH BUSINESS

The Company envisions a new world of contemporary bathroom fittings and accessories. Continuous research of new products has secured its capacity to remain attuned to the changing aesthetical and functional demands of the market.

Business performance
The business grew well during FY 2017-18 but almost all the growth was attributable to the second half as H1 was severely affected by the GST rollout.

1,000

In the Company's bath business, the focus remained on expanding the network, which has grown to over 1,000 dealers across the country.

Inflation in prices of key commodities such as brass affected margins in the first nine months of FY 2017-18. The Company opted for a price increase in January 2018 to offset the rise, and hence foresees improved margins for FY 2018-19. The Company is also taking other measures to improve margins through various manufacturing and sourcing initiatives. However, the commodity price situation remains volatile, and the Company continues to closely monitor it. The Company keeps a strong focus on driving improvements in logistics, after-sales service and timely service to the dealer network.

Product launches
Several new products were launched during FY 2017-18 such as the Amplus 'half turn' range for areas with weak water pressure. This product was well-received in the market. The focus has been on building the Royale brand in the luxury space and the BathSense brand in the premium space. Brand Ess Ess continues in the economy segment and completes the full range of offering to consumers.
A new television commercial for Royale bathrooms was launched in certain markets, and the feedback from dealers and the network has been encouraging. Sanitaryware, launched under the BathSense brand in certain markets in the North, plays an important part in the Company's strategy of providing 'complete bathroom solutions'.

Future-focused
The sanitaryware industry in India is experiencing high growth due to a shift in preferences. Customers increasingly prefer designs that combine contemporary trends with environment-friendly solutions.
The Company is highly dedicated to developing original product lines aimed at satisfying the needs of the urban and demanding clientele.



Industrial business in India

Asian Paints operates in the industrial coatings segment through two 50:50 JVs with PPG Industries Inc. of USA The Indian industrial sector, manufacturing and capital-intensive sectors in particular, was impacted by the rollout of GST and lingering effect of demonetisation in FY 2017-18.

AUTOMOTIVE, INDUSTRIAL, REFINISH, PACKAGING AND MARINE COATINGS

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, is the second largest supplier in India. The segment has performed well in FY 2017-18.

Operating environment
The coatings market has seen M&As and higher investments in terms of manufacturing capacities and R&D expansions. The business growth is primarily driven by the auto and two-wheeler markets which grew at 5.5% and 16.1% respectively.

Business performance
Despite increased competition, the Company has registered key wins that led to an increase in share of business with the Company's customers, resulting in top-line growth for automotive and general industrial segments. The wins also included new trending colours and new product additions on the back of technology innovations. PPG-AP continues to be recognised and treated as the preferred partner by key customers.

The Company has witnessed accelerated growth in the marine and packaging business as well. The refinish business growth was impacted by lower demand (partly due to demonetisation and GST impact).

The business is witnessing a sharp increase in raw material prices from the fourth quarter of FY 2017-18, which is being attempted to be offset by other initiatives including price increase.

New capacity
The Company has commissioned an Industrial Coating cell at its manufacturing facility at Sriperumbudur, Tamil Nadu.

On the capacity front, the setting up of a resin plant at Dahej is progressing as per timelines.

Future-focused
PPG-AP continues to focus on its R&D facilities to innovate, leverage technological support from PPG Industries Inc., USA & Asian Paints and provide value proposition to the Company's customers. PPG-AP continues to build on its core values, which includes focus on customer connect, people development, and EHS (Environment, Health & Safety).

NON-AUTO INDUSTRIAL COATINGS

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. The JV services customers in the sectors of infrastructure, oil and gas, power plants and white goods, among others. It caters to protective coatings, floor coatings, road marking paints and powder coatings segments.

Business performance
AP-PPG's strategy to focus on expansion of channel business with introduction of industrial tinting system, high-end protective coatings and powder coatings through customer acquisition and enhancement of product portfolio resulted in substantial growth in these market segments. Introduction of innovative products and systems helped the Company garner good share of business in the infrastructure segment. Slower recovery in manufacturing growth impacted demand from OEMs, while the road markings segment witnessed delay in finalisation of contracts.

In the second half of FY 2017-18, material cost inflation due to increase in prices of key raw materials posed a fresh challenge. Overheads management, technical service and technology support were major points of focus during FY 2017-18.

Overall, AP-PPG registered good growth in terms of revenues and posted profits in a challenging year.

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 80s, primarily to cater to the in-house demand for these chemicals. More than 50% of the output is consumed internally. The contribution of the segment to the Company's turnover has been steadily decreasing.

Business performance
Phthalic plant operations were closed effective 31st July, 2017 to augment the manufacturing capacity of paints, synthetic resins and emulsions. The site will be used for expansion of the adjacent paint plant. Prices of pentaerythritol remained firm throughout FY 2017-18. The plant increased its export of Di-Penta production and earned valuable foreign exchange. The Company plans to increase Penta capacity by removing bottlenecks.

HUMAN RESOURCES

The emphasis on employees learning within the Company as well as adapting to its changing external environment promotes a workplace where diverse set of talents can connect, contribute and thrive in partnership with business leaders.

Highlights of FY 2017-18

To attract talent that will bring in diverse perspectives, the Company started the process of structured interviewing, keeping its competencies in mind. This has helped build a talent pipeline that can be fostered along its values.

External initiatives
The Company's campus branding was reinforced with Canvas, its case study competition, along with a supply chain simulation, live case studies and academic sessions conducted by Asian Paints employees, which helped forge connections with management students across the country.

Internal policies
The leadership competency framework for the organisation has been fully integrated with various HR processes. A functional competency framework for all the different functions in the Company has been developed; it is now being used to create learning academies and drive excellence in each function.

360° approach
The 360° feedback framework has been rolled out; it is now an integral part of the development process.

To enable people to take up the higher responsibilities, the transition programmes have been made more relevant and robust. Learning needs have been addressed during FY 2017-18 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 have been institutionalised. In FY 2017-18, more than 10 operators underwent the Company's Vertical Growth Plan to be promoted to officers, reinforcing its emphasis on nurturing potential across cadres and functions. With the automation of the Company's flexible plants currently in the process, its focus remains on capability development in employees to maximise productivity and expand their skillset.



Technological innovations
In its endeavour to use technology for transformation, the Company introduced a chat bot called 'Jarvis' to address employee queries related to policies and created a user-friendly portal for employee recognition. Rigorous processes have been implemented and a feedback loop has been created by reaching out to individual employees to institutionalise the Company's intention of generating a Signature Employee Experience across all touchpoints of an employee's journey. Automation in the HR sphere as well as in production is well underway in plants, with the implementation of its leave management system. Its portal, Voice of Employee, was introduced with the intent of capturing suggestions and feedback.

Nurturing ideas
To foster and promote a culture of innovation, the Company launched and implemented 'Start-up Inside'. Ideas from employees were invited and various inputs were taken to prepare a business case for them. A multi-step rigorous evaluation was undertaken to identify the business idea that would be taken forward.

'MD Awards' were announced for six employees to recognise individuals who have made a lasting impact on the organisation. With such initiatives, the Company is creating an organisation which is agile, recognises contribution and encourages diverse thinking.

Community engagement
As a part of the CSR commitment of the organisation, employees volunteered to work with various NGOs across India. They were engaged in a plethora of activities, ranging from reading sessions and science fairs for children and Excel lessons for youth, to personality development sessions and volunteering in old-age homes. This has created a meaningful engagement for employees who want avenues to give back to society.

ENVIRONMENT

Environment, Health and Safety (EHS) is one of the primary focus areas for Asian Paints. 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.

Highlights of FY 2017-18

The Company released its third Sustainability Report in FY 2016-17, wherein disclosures on environmental performance for the year were detailed. The same report will be published for FY 2017-18, with emphasis on Environmental and Social areas of importance.

In FY 2017-18, the six decorative paint factories have continued to act upon the following areas of environmental sustainability:

* Improving water-replenishment by investing in community rain water harvesting structures
* Reducing non-process water consumption and maximising rainwater consumption
* Reducing trade-effluent generation
* Reducing hazardous waste generation
* Reducing electricity consumption
* Increasing the contribution of renewable sources in electricity usage

The Company focuses on investing in creation of rainwater harvesting structures in nearby communities. The objective is to enable communities conserve water, ensuring availability during the water-scarce summer months. The Company has been able to replenish rainwater around factory locations far more than its freshwater use in factories.

The Company has identified renewable energy generation as one of the focus areas and investments are being made in this area. ~2MW of Rooftop Solar Power and ~6.3MW of Windmills were commissioned in FY 2017-18.



~2MW of Rooftop Solar Power and ~6.3MW of Windmills in FY 2017-18

This, along with all previous investments, helped the Company consume renewable electricity of ~35% of the total electricity requirement at the six paint manufacturing locations. The Company has continued to use biogas at one manufacturing facility to reduce the dependence on fossil fuel (diesel).

To provide its employees with a safe working environment, the Company endeavours to follow industry-accredited best practices in health and safety management across its operations. The Company is committed to ensure safety of its workers, to protect the environment and to maintain integrity of its assets. The Company's goal is to enhance safety in its field units and prevent accidents.

Some of the initiatives taken in the area of health and safety are listed below:

* Executed the 'Kavasam' initiative at the Sriperumbudur Plant to excel in safety systems implementation
* Started a safety culture building initiative at Ankleshwar plant in 2014; extended it to Patancheru Plant in 2016; within two years of implementation, both the plants moved to the next maturity level in the culture assessment — the Company is extending this initiative to other four plants in FY 2018-19
* Released engineering standards to prevent dust explosion was released in FY 2016-17. The implementation is being taken up in a phased manner
* Implemented various administration controls and engineering controls, to reduce risks due to man-machine interactions
* Advanced a health-focused initiative across all its manufacturing units and offices in decorative business — this involved upgradation of Occupational Health Centres, conducting health check-ups and implementing various wellness programmes, for which the Company partnered with various professional agencies
* Ran safety programmes under Suraksha Sarvopari and Safety Stalwart in transhipment locations and sales warehouses respectively — the programmes focused on safety audits, safety campaigns, electrical safety, mock drills and incident management; each unit was graded monthly whereby the winning unit was awarded with a trophy
* Partnered with Nicer Globe to monitor the location and speed of vehicles, to reduce the risks during transportation of hazardous chemicals
* Received the Sword of Honour from the British Safety Council, for its Khandala plant — this award is presented to a select few companies globally based on British Council's Five Star Audit

INFORMATION TECHNOLOGY

Asian Paints continues to invest in Information Technology (IT) to enhance customer experiences, improve productivity and bolster agility by refining operational efficiency through automation and better data-driven insights.

IT is today embedded into virtually all operating processes of the Company's business, enabling it to successfully implement a wide variety of strategic and tactical initiatives.

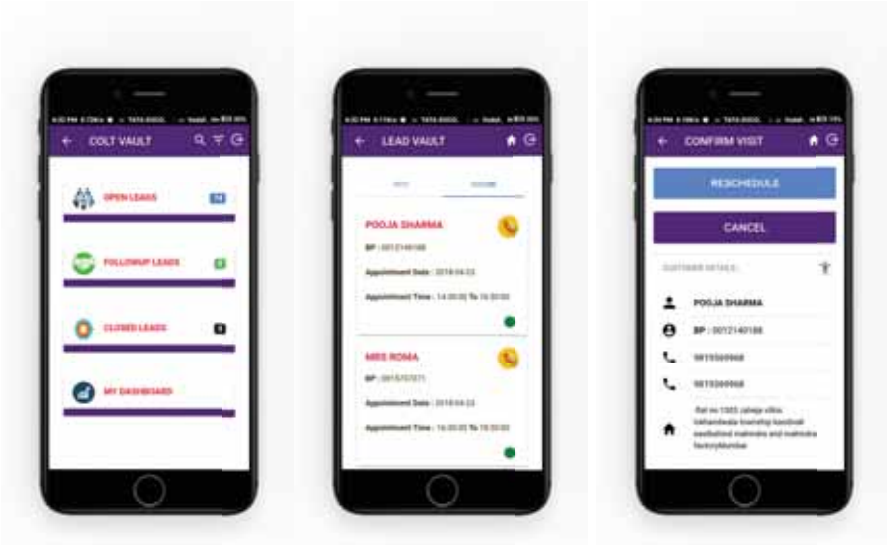
Highlights of FY 2017-18

The shift of all IT platforms for the Company to the new GST regime for all its businesses in India was completed on time and without any disruption to operations.

On the customer-facing side, newer competencies were developed in terms of a new marketing automation platform that allows for more contextualised end-to-end campaign management. Significant capabilities were added towards managing loyalty for the Company's partner ecosystem, especially for its contractors and applicators across the businesses in India and abroad. The Company has also invested in a cloud-based CRM for its B2B business, which will help in delivering better customer service. For the international businesses, the Company has begun upgrading and re-implementing the CRM systems so that they are at par with the latest technology in user experience and functionalities.

Industry 4.0-based technologies are being deployed in the two new paint facilities commissioned by the Company. It covers the entire gamut of factory operations from inbound logistics, paint processing, warehousing and outbound logistics. The foundational blocks for an intelligent factory are being put in place to help run the factory of the future.

The Company believes in conducting early pilots on emerging IT trends to leverage the first mover advantage. A conversational bot named Jarvis was launched to provide employees with better experience in resolving their queries.



Augmenting IT security

With an increase in the overall threat to information assets across the world, the Company has placed an even greater emphasis on IT security in FY 2017-18. To this end, the Company:

* Deployed multiple tools and technologies to improve the security of information in storage, access, processing and transmission
* Implemented a 24x7 Securities Operations Centre to add more muscle to the Company's proactive approach to security
* Recorded no instance of downtime due to a security lapse throughout FY 2017-18
* Successfully carried out IT Disaster Recovery drill to ensure that key systems are resilient to disruptions

New-age technologies

Augmented Reality (AR)/Virtual Reality (VR) as a technology has moved into productive usage wherein the Company has deployed a VR-based training module to equip its teams to manage customer complaints. Prototypes for 3D visualisations using AR have also been tested.

Creating differentiated experiences

The Company has strengthened its home visualisation capabilities by supplementing them with machine learning. It will be a key element in the Company's ambition to become a leading décor player.

RESEARCH AND DEVELOPMENT

Asian Paints, in its endeavour to be a world-class R&D organisation, aligns the needs of the consumers with that of its own, across existing and future businesses. The thrust on experimenting with new ideas and building rapid prototypes is the backbone of the Company's journey of innovation. It is a matter of immense satisfaction that a substantial part of the growth during FY 2017-18 came from the Company's innovations.

These research initiatives have helped Asian Paints launch several pioneering products with distinctive value proposition for end-consumers. Technical engagement with top institutes both in India and abroad has also expanded.

Highlights of FY 2017-18

* The Company's focus on launching differentiated and unique products was extended through the launch of 'Royale Health Shield', which offers a combined value of health and aesthetics



* The Company launched a revolutionary new crystalline waterproofing product offering 15 years of warranty for basements, and many other innovative products are in the pipeline. The Company has progressed on using tools to generate new ideas and converting some of them into products



* The product 'Royale Atmos' received the FICCI 2017 Sustainability Award for the best green product in the petrochemical segment. This is the third consecutive year the Company's product received FICCI Sustainability Award
* One of the Company's scientists received the OP Narula Young Scientist Award in 2017 for his outstanding contribution to technological applications of oils for paints and allied products
* The Technology Council, constituted in 2014-15, continues to provide expert insights that help the Company thrive through innovations, collaborations, talent scouting and meeting global benchmarks
* A consulting project has been initiated in the field of emulsion polymers and a couple of other research projects were initiated with top research institutes
* To promote outside-in innovation, multiple projects were initiated during FY 2017-18 with raw materials suppliers for value engineering, quality improvement and meeting sustainability goals
* A Company employee is pursuing a PhD degree with IIT-Kharagpur in the field of coatings
* The Company has also continued its association with Emulsion Consortium-Polymer Material, University of Basque, Spain. The Company has agreed on a post-doctoral research project with the University, wherein the research work will be performed by a Company employee at the University

Sustainable operations

The Company's products have received FICCI Sustainability Award three years in a row.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company implemented suitable controls to ensure its operational, compliance and reporting objectives are achieved.

The Company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness, and compliance is ingrained into the management review process.

Deviations are addressed through systemic identification of causals. Various data analytics reports, run as a part of routine monitoring activities by all functions, also assist in identification of exceptions. Corrective actions, if any, are taken promptly by the respective functions. As far as possible, emphasis is placed on automation of controls within the process to minimise deviations and exceptions. Investment in advanced IT tools on an ongoing basis is one of the key means to achieve the automation.

Adequacy of controls of the key processes is also being reviewed by the Internal Audit team. Suggestions to further strengthen the process are shared with the process owners and changes are suitably made. Significant findings, along with management response and status of action plans, are also periodically shared with and reviewed by the Audit Committee. It ensures adequate internal financial controls exist in design and operation.

The Company believes that every employee has a role to play in fostering an environment in which emphasis on compliance with regulations and ethical behaviour is accorded due importance. Towards this, sessions are periodically held to increase employee awareness on the Company's code of conduct.

The Company has also invested in an IT tool that helps track crucial compliances as close as possible to the actual due date. Any deviations are highlighted for prompt corrective action. Functional owners take responsibility for introducing preventive steps. Proactive steps are taken to ensure compliance with the several upcoming regulations through deployment of cross-functional teams.

The Company continues to stay committed to working at the highest standards of governance.

Seamless transition

A well-planned and coordinated initiative was undertaken to design systems and set up process controls that ensured a smooth, efficient and effective transition to the GST regime.



ENTERPRISE RISK MANAGEMENT

The Asian Paints group recognises that risk is inherent in every business activity. Effectively managing these risks is key to achieving our strategic objectives and the long-term sustainable growth of the business. Identification, treatment and mitigation of risk is done by the Company through an institutionalised approach that often calls for extensive cross-functional involvement.

The key risk areas are periodically and systematically reviewed by Senior Management. The Risk Management Committee also reviews and provides inputs for the significant risks. Some of the significant risks have been entailed below:

Safety risk

Safety is an ever-evolving journey. Asian Paints strives to be at the forefront of this evolution. It follows a multi-pronged strategy, with additional emphasis on establishing a culture that promotes sound safety practices.

The Company implements Behaviour Based Safety (BBS) at its manufacturing facilities. Facilities that have already implemented BBS are, at present, focusing on enhancing the maturity stage of safety culture. Manufacturing facilities have adopted Safety Management System (SMS) based on the leading safety standards. Regular audits are conducted to assess the on-ground implementation of various processes prescribed by SMS.

Critical safety incidents are studied by the senior leadership. The manufacturing locations work to reduce Man Machine Interface (MMI), identified as the key cause for some of the safety incidents. Fire risk at warehouses is another critical safety theme. Various actions, including, but









not limited to, comprehensive safety audits, periodic checks of electrical fittings and regular reviews by the management are taken to address risks at all the warehouses.

Sustainability risk

The Company has set 2020 as the year before which it seeks to implement various environment-friendly practices for its manufacturing facilities. These include reduction of power consumption, emphasis on renewables as an energy source and effluent and hazardous waste reduction, among others. Since water is the key component for water-based paints, water security poses a key risk. Reduction in freshwater consumed in manufacturing, water harvesting and recharge, developing alternate supply sources of water and exploring the usage of treated water from common effluent/sewage treatment plants are the areas where substantial amount of work has been completed.

The Company has also laid down a roadmap towards making its products green and environment-friendly, forming the bedrock of the product development philosophy.

Major sustainability initiatives are captured in greater detail in the Sustainability Report published by the Company on a yearly basis.

Statutory compliance risk

The Company adheres to a diverse set of laws and regulations laid down by governments and regulatory bodies at the local, state and national levels. Failure to fulfil regulatory obligations migst result in fines, penalties, damages and/or criminal actions.

The Company is committed to complying with all laws and regulations as applicable. It monitors and adapts to significant changes in the legal systems, regulatory controls, customs and practices. Given the rapid pace of regulatory changes, the Company proactively analyses the impact of imminent changes well in advance. Cross-functional teams are set up, where necessary, to ensure seamless transition, as was evidenced in the implementation of GST, lead-related regulation and recent changes in Legal Metrology regulation.

Information security and disaster recovery risk

New and emerging technologies bring unprecedented threats to internet-connected devices, while the rise in global hacking incidents indicate an increase in the motivation to launch cyber-attacks.

The Company has adopted a five-element framework based on the life-cycle of data, which includes 'Where is the data stored', 'How does it move', 'Who accesses it', 'How is it accessed' and 'How is it processed'. A large number of initiatives have been taken to address risks identified under each element. Substantial investments have been made in advanced IT tools to enhance the Information Security capabilities. The Company also has a clear roadmap for the areas to be worked upon in all the elements.

Disaster Recovery (DR) deserves significant attention considering the growing dependence on IT systems within the Company. Currently, backups are taken across the enterprise-wide applications. The Company has invested in establishing both Near DR and Far DR sites. Depending on the critical nature of the IT system, replications are regularly put in place in one or both of the DR setups. Drills are conducted across select IT systems to test their efficacy.

Ethical behaviour risk

The Company has published a code of conduct mandating the highest moral and ethical standards for its employees, which is also periodically communicated to other stakeholders. It has a whistle-blower policy to ensure suspected or actual violations to the code are reported, investigated and acted upon.



Currency risk

The Company operates in multiple geographies, many of which are crucial for the import of its raw materials. An adverse and unforeseen fluctuation can affect margins and profitability. The Company closely monitors the exposure while taking currency hedges when necessary. In select countries, availability of dollars poses a challenge at times. The Company then takes steps to reduce the impact on operations. However, depending on the severity of the situation, these steps may be inadequate to completely mitigate the effect of dollar availability.

Customer risk

The Company has a rigorous complaint management process in place, with scope for swift and prompt corrective actions, to mitigate the risk of losing connection with customers. Further, the Company implements several programmes to cement relationships with customers and influencers, particularly through digital platforms.

Human capital risk

The Company finds it imperative to attract, retain and engage a talented pool of individuals at its plants and offices. The Company actively monitors its staff movement and works continuously to reduce shortages and inefficiencies.

Awards and recognition

Rated as the 4th 'Most Valuable Brand in India' – September 2017 (Compiled by marketing and brand consultancy Millward Brown and WPP Group)

8th

Ranked 8th in 'Top 100 Most Innovative Companies in the world' list by Forbes (August 2017)

Fifth consecutive appearance by Asian Paints in the elite list

Super 50

We made it to the Forbes India's list of 'Super 50 companies in India' second time in a row (August 2017)

5th

Ranked 5th Best Managed company in India; 8th Best in Investor Relations (FinanceAsia Survey – March 2017)

Outstanding Company

Received 'Outstanding Company of the year' award for 2016 at the 'CNBC TV18 India Business Leader award' ceremony (March 2017)

10th

Ranked 10th amongst coatings companies in the world (Coatings World – July 2017 report)



Ranked amongst 'India's Most Respected Companies' by Business World Magazine (August 2017)



Recognised in the 'Marketing Excellence' category at the Economic Times Brand Equity Marketing Awards

Notice

ASIAN PAINTS LIMITED

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Tel No.: (022) 6218 1000, Fax No.: (022) 6218 1111

NOTICE is hereby given that the **SEVENTY–SECOND ANNUAL GENERAL MEETING** of the Company will be held on **Tuesday, 26th June, 2018**, at **11.00 a.m.** at Yashwantrao Chavan Pratishthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   A. Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.
   B. Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Report of Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2018.
3. To appoint a Director in place of Mr. Ashwin Choksi (DIN: 00009095), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ashwin Dani (DIN: 00009126), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. To ratify the remuneration of Cost Auditor for the financial year ending 31st March, 2019 and in this regard 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), the Company hereby ratifies the remuneration of ₹ 6.75 lakhs (Rupees six lakhs seventy five thousand only) plus taxes and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit payable to M/s. RA & Co., Cost Accountants (Firm Registration Number 000242) who were appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audits relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2015 for the financial year ending 31st March, 2019.

   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, proper or expedient for the purpose of giving effect to this resolution".

NOTES:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of business to be transacted at the Annual General Meeting (AGM), as set out under Item No. 5 above and the relevant details of the Directors seeking re – appointment under Item No(s). 3 and 4 above as required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed thereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM MAY APPOINT A PROXY TO ATTEND AND 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. A Proxy form is annexed to the Annual Report. Proxies submitted on behalf of limited 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. A Proxy-holder shall prove his identity at the time of attending the Meeting.

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), 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.

3. Book Closure and Dividend:

   A. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 16th June, 2018 to Tuesday, 26th June, 2018 (both days inclusive).

   B. Payment of dividend for the financial year ended 31st March, 2018:

      (i) final dividend for the financial year ended 31st March, 2018, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or after Wednesday, 27th June, 2018 to those members whose names appear on the Register of Members as on Friday, 15th June, 2018.

      (ii) 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.

      (iii) 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/or the Company.

      (iv) 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.

4. In accordance with the amendments to Regulation 40 of Listing Regulations, to be made effective later, the Securities and Exchange Board of India (SEBI) has revised the provisions relating to transfer of listed securities and has decided that requests for effecting transfer of listed securities shall not be processed unless the securities are held in dematerialized form with a Depository (National Securities Depository Limited and Central Depository Services (India) Limited). This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, facilitate convenience and safety of transactions for investors.

   Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

5. Transfer of Unclaimed Dividend Amounts to the Investor Education and Protection Fund (IEPF):

   A. Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of 7 (seven) years. Further, according to the Rules, shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

   B. During the financial year 2017 – 18, the Company has transferred to the IEPF unclaimed dividends and corresponding shares thereto in the manner stated hereunder:

Particulars	Amount of dividend (in ₹)	No. of Shares
Final Dividend for the Financial Year 2009 -10*	43,62,232	1,24,670
Interim Dividend for the Financial Year 2010 -11	21,05,437	40,210

   * Due date for transfer of shares to the IEPF Authority was 31st October, 2017 pursuant to the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 effective 13th October, 2017.

   C. The shares transferred to the IEPF can be claimed by the concerned members from the 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 at https://www.asianpaints.com/more/investors/unclaimed-dividend.html and the Ministry of Corporate Affairs' website (www.mca.gov.in).

6. Members are requested to hand over the Attendance Slip, duly signed in accordance with the 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.

7. 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 3 (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;

   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 the members at the AGM.

8. Green Initiative:

   A. Electronic copy of the Notice convening the 72nd 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.

9. 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), 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 the National Securities Depository Limited (NSDL). The remote e-voting period will commence on Friday, 22nd June, 2018 at 9.00 a.m. and will end on Monday, 25th June, 2018 at 5.00 p.m. The remote e-voting module will be disabled by NSDL for voting thereafter. Instructions and information relating to e-voting are as follows:

Instructions

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 108379 then user ID is 108379001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/ Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company which is 108379.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to asianpaints.scrutinizer@asianpaints.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

(ii) 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. Members who have cast their votes by remote e-voting prior to the AGM may also attend the Meeting but they shall not be entitled to cast their vote again.

C. 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, 19th June, 2018.

D. Mr. Makarand Joshi, Practicing Company Secretary (Membership No. 5533, COP: 3662) has been appointed as the Scrutinizer for conducting voting process in a fair and transparent manner.

E. 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 rem ote e-voting facility.

F. 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.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are 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.

11. 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.

12. 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.

13. A route map showing directions to reach the venue of the 72nd AGM is given along with this Annual Report as per the requirement of the Secretarial Standards - 2 on General Meetings.

For **Asian Paints Limited**

Jayesh Merchant
CFO & Company Secretary,
President – Industrial JVs

10th May, 2018

Registered Office:
6A, Shantinagar, Santacruz (E), Mumbai - 400 055

PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING AGM

Particulars	Mr. Ashwin Choksi (DIN: 00009095)	Mr. Ashwin Dani (DIN: 00009126)
Designation	Non-Executive Chairman	Non-Executive Vice-Chairman
Age	74 years	75 years
Experience (including expertise in specific functional area) / Brief resume	Mr. Ashwin Choksi holds a Masters' Degree in Commerce from Sydenham College, Mumbai. He joined the Company in the year 1965 and was initially inducted into the Materials Function of the Company. He obtained detailed knowledge and understanding of the functioning of the Company during his stint under various capacities. His expertise in materials, sourcing, logistics and finance function along with entrepreneurial acumen and leadership qualities guided the Company when he rose to the position of Managing Director in the year 1984. In the year 1997, he went on to become the Executive Chairman of the Company. During his tenure as Executive Chairman, his constant endeavor was to excel and to sustain the position of the Company as a successful Company with best governance standards. With such in-depth knowledge of the Company's functioning he brings immense value in enhancing Board effectiveness. He ceased to be the Executive Chairman of the Company with effect from 1st April, 2009 and continues to hold the position of Non-Executive Chairman since then.	Mr. Ashwin Dani has completed BSc (Hons) from the Institute of Science, University of Mumbai. He completed B.Sc. (Tech) - Paints, Pigments and Varnishes from U.D.C.T. {now known as Institute of Chemical Technology (ICT)}, University of Mumbai. He also holds a Masters' Degree in Polymer Science (USA) and a Diploma in Colour Science (USA). He started his career in the year 1967, as a Development Chemist with Inmont Corp., (now known as BASF) Detroit, USA, a major supplier of automotive OEM and refinishes. He joined the Company in 1968 as a Senior Executive and moved through successive senior positions like Director - R&D, Works Director, Whole - time Director and served as Vice-Chairman and Managing Director from December, 1997 to March, 2009. He was the founder promoter for Loctite India Private Limited which is now Henkel Adhesive Technologies India Private Limited. Mr. Ashwin Dani is the past President of Indian Paint Association (IPA) and has received numerous awards for his contribution to the Paint Industry. He was the Vice-President of Federation of Indian Chambers of Commerce and Industry (FICCI). He was also a member of the Central Board of Trustees - Employees Provident Fund of the Government of India and the President of the Board of Governors of the UDCT (presently ICT) Alumni Association, Mumbai. Mr. Ashwin Dani is a technocrat and drives strong focus on Research and Development initiatives within the Company. His knowledge of the business environment and vast experience in general management has been an asset to the Company. He ceased to be the Vice-Chairman & Managing Director in 2009 and presently holds the position of Non-Executive Vice-Chairman of the Company. He also holds Independent Directorships in other listed companies.
Date of first appointment in the current designation	26th June, 2009	26th June, 2009
Shareholding in the Company as on 31st March, 2018	7,85,700	20,84,870

Particulars	Mr. Ashwin Choksi (DIN: 00009095)	Mr. Ashwin Dani (DIN: 00009126)
Designation	Non-Executive Chairman	Non-Executive Vice-Chairman
Directorships and Committee memberships held in other companies as on 31st March, 2018	Yog Bharat	ACC Limited • Member, Audit Committee • Chairman, Nomination and Remuneration Committee Sun Pharmaceuticals Industries Limited • Member, Audit Committee Gujarat Organics Limited Hitech Corporation Limited • Chairman, Stakeholders Relationship Committee • Chairman, Committee of Directors • Member, Nomination & Remuneration Committee • Member, Allotment Committee Resins & Plastics Limited • Member, Nomination and Remuneration Committee • Member, Stakeholders Relationship Committee • Member, Share Transfer Committee Geetanjali Trading and Investments Private Limited Rituh Holding and Trading Company Private Limited Avinash Holding and Trading Company Private Limited Haish Holding and Trading Company Private Limited
Inter-se relationships between • **Directors** • **Key Managerial Personnel**	 Brother of Mr. Mahendra Choksi NA	 Father of Mr. Malav Dani NA
No. of Board Meetings attended during the financial year 2017 – 18	8 of 8	8 of 8
Details of remuneration last drawn (₹) (includes commission for the FY 2017-18 payable after the 72nd AGM of the Company)	47,35,000	43,95,000
Terms and conditions of re-appointment	As per the resolution passed by the Shareholders of the Company on the 63rd Annual General Meeting held on 26th June, 2009, Mr. Ashwin Choksi has been appointed as a Non – Executive Director, liable to retire by rotation.	As per the resolution passed by the Shareholders of the Company on 63rd Annual General Meeting held on 26th June, 2009, Mr. Ashwin Dani has been appointed as a Non – Executive Director, liable to retire by rotation.
Details of proposed remuneration	As per existing terms & conditions and in accordance with the provisions of Companies Act, 2013	

The Board of Directors proposes the re-appointment of Mr. Ashwin Choksi and Mr. Ashwin Dani as Non-Executive Directors on the Board of Directors of the Company and recommends 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. Ashwin Choksi and Mr. Mahendra Choksi and their relatives, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the re-appointment of Mr. Ashwin Choksi as a Non-Executive Director of the Company, except to the extent of their shareholding, if any, in the Company.

Except Mr. Ashwin Dani and Mr. Malav Dani and their relatives, no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the re-appointment of Mr. Ashwin Dani as a Non-Executive Director of the Company, except to the extent of their shareholding, if any, in the Company.

Explanatory Statement

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

The Board of Directors at its meeting held on 10th May, 2018, on the recommendations of the Audit Committee, had approved the appointment and remuneration 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, 2019, at a remuneration not exceeding ₹ 6.75 (Rupees six lakhs seventy five thousand only) excluding taxes and reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

M/s. RA & Co., Cost Accountants (Firm Registration No. 000242) have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959.

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 has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought to the 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, 2019.

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. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval by the members.

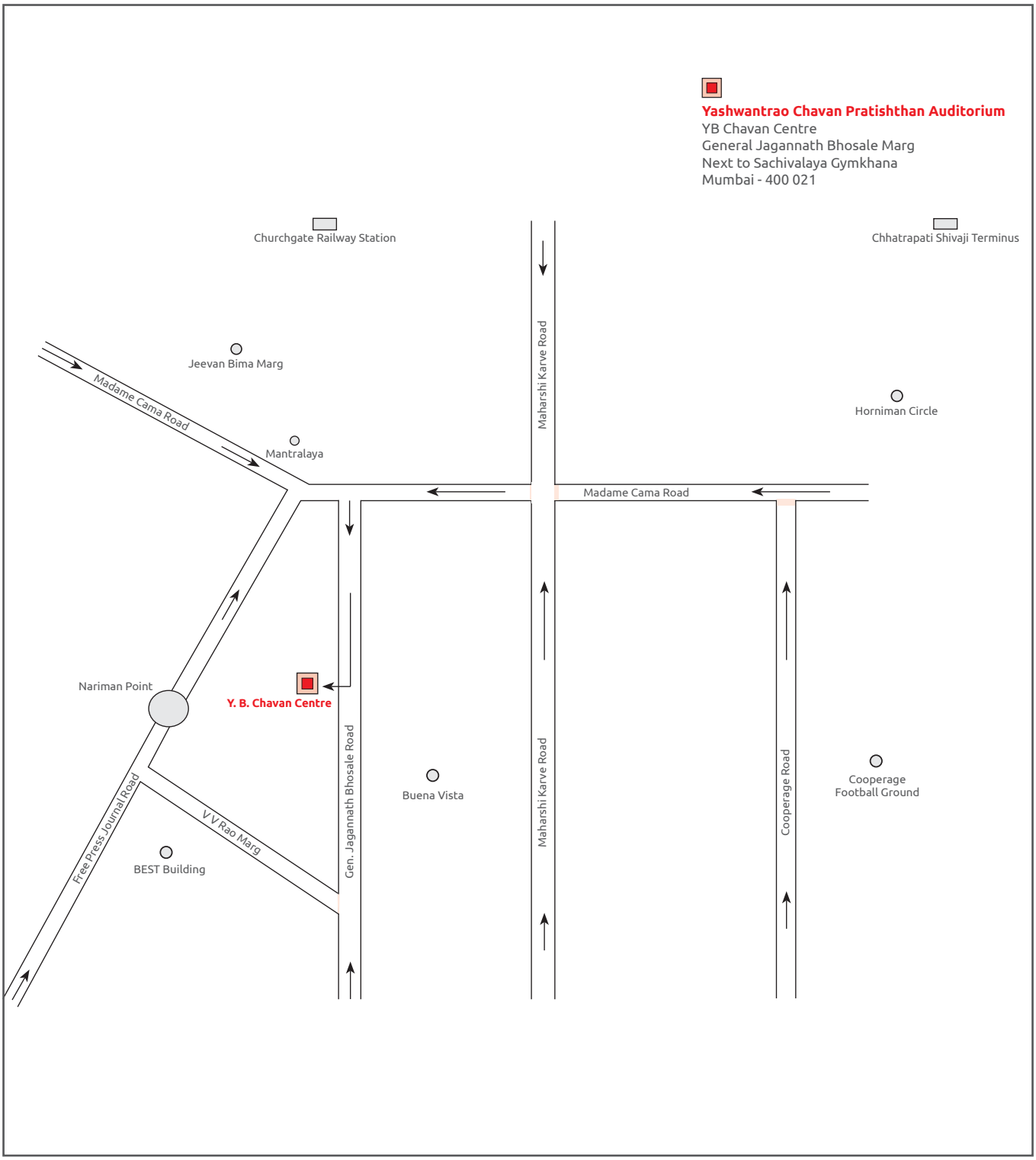
For **Asian Paints Limited**

Jayesh Merchant
CFO & Company Secretary,
President – Industrial JVs

10th May, 2018

Registered Office:
6A, Shantinagar, Santacruz (E), Mumbai - 400 055

Route Map to the AGM venue



Board's Report

Dear Members,

The Board of Directors are pleased to present the 72nd Annual Report of the Company for the financial year ended 31st March, 2018.

FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March, 2018 is summarized below:

(₹ in Crores)

	Standalone			Consolidated		
	Year ended 31.03.2018	Year ended 31.03.2017	Growth (%)	Year ended 31.03.2018	Year ended 31.03.2017	Growth (%)
Revenue from Operations*	14,153.71	12,722.76	11.2%	16,843.76	15,168.18	11.0%
Earning Before Interest, Taxes, Depreciation and Amortisation	**3,198.00**	**2,971.01**	**7.6%**	**3,418.23**	**3,248.85**	**5.2%**
Less : Finance Cost	21.06	18.86	-	35.07	29.99	-
Less : Depreciation and Amortisation Expense	311.11	295.43	-	360.47	334.79	-
Profit for the period before share of profit in associate	**2,865.83**	**2,656.72**	**7.9%**	**3,022.69**	**2,884.07**	**4.8%**
Share of profit of Associate	-	-	-	45.79	49.61	-
Profit Before Tax	**2,865.83**	**2,656.72**	**7.9%**	**3,068.48**	**2,933.68**	**4.6%**
Less : Tax Expense	971.03	855.00		1,040.96	943.29	
Profit for the period from continuing operations	**1,894.80**	**1,801.72**	**5.2%**	**2,027.52**	**1,990.39**	**1.9%**
Profit before tax from discontinued operations	-	-	-	70.59	30.55	-
Tax expense of discontinued operations	-	-	-	0.59	4.69	-
Profit for the period from discontinued operations	**-**	**-**	**-**	**70.00**	**25.86**	**-**
Profit for the period	**1,894.80**	**1,801.72**	**5.2%**	**2,097.52**	**2,016.25**	**4.0%**
Attributable to:						
Shareholders of the Company	1,894.80	1,801.72	5.2%	2,038.93	1,939.43	5.1%
Non Controlling Interest	-	-	-	58.59	76.82	-
Other Comprehensive Income (net of tax)	(3.97)	139.04	-	(34.80)	9.26	-
Total Comprehensive Income	**1,890.83**	**1,940.76**	**-2.6%**	**2,062.72**	**2,025.51**	**1.8%**
Attributable to:						
Shareholders of the company	1,890.83	1,940.76	-2.6%	2,009.48	1,999.99	0.5%
Non-Controlling Interest	-	-	-	53.24	25.52	-
Opening balance in Retained Earnings	**2,672.53**	**2,282.32**	**-**	**2,688.71**	**2,141.50**	**-**
AMOUNT AVAILABLE FOR APPROPRIATION	**4,575.33**	**4,089.42**	**-**	**4,736.24**	**4,106.21**	**-**
Dividend – Interim - FY 2017-18	254.19	-	-	254.19	-	-
Interim - FY 2016-17	-	254.19	-	-	254.19	-
Final- FY 2016-17	733.79	-	-	733.79	-	-
Final- FY 2015-16	-	508.37	-	-	508.37	-
Tax on Dividend	199.44	154.33	-	199.44	154.33	-
Transfer to General Reserve	-	500.00	-	-	500.00	-
Transfer to Other Reserve	-	-	-	1.04	0.61	-
Closing balance in Retained Earnings	**3,387.91**	**2,672.53**	**-**	**3,547.78**	**2,688.71**	**-**

* Figures for Revenue from Operations are comparable numbers .i.e Excise Duty has been removed as same does not form part of Revenue post GST implementation.

COMPANY'S PERFORMANCE REVIEW

During the financial year 2017-18, revenue from operations on standalone basis increased to ₹ 14,153.71 crores as against ₹ 12,722.76 crores in the previous year – a growth of 11.2%.

Cost of goods sold as a percentage to revenue from operations increased to 56.40 % as against 54.58 % in the previous year.

Employee cost as a percentage to revenue from operations decreased to 5.6% (₹ 791.08 crores) against 5.8% (₹ 742.83 crores) in the previous year.

Other expense as a percentage to revenue from operations decreased to 17.4% (₹ 2,459.43 crores) as against 18.6% (₹ 2,365.04 crores) in the previous year.

The Profit After Tax for the current year is ₹ 1,894.80 crores against ₹ 1,801.72 crores in the previous year – a growth of 5.2%.

On a consolidated basis, the group achieved revenue of ₹ 16,843.76 crores as against ₹ 15,168.18 crores – a growth of 11.0%. Net profit after non-controlling interest for the group for the current year is ₹ 2,038.93 crores as against ₹ 1,939.43 crores in the previous year – a growth of 5.1%.

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2017-18 and the date of this report. There has been no change in the nature of business of the Company.

DIVIDEND

During the year under review, 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 only) each in the month of October, 2017. In addition, the Directors have recommended payment of ₹ 6.05 (Rupees six and paise five only) per equity share of the face value of ₹ 1 (Rupee one only) each as final dividend for the financial year 2017 – 18, for the approval of the shareholders at the ensuing Annual General Meeting of the Company. If approved, the total dividend (interim and final dividend) for the financial year 2017 – 18 will be ₹ 8.70 (Rupees eight and paise seventy only) per equity share of the face value of ₹ 1 (Rupee one only) each as against the total dividend of ₹ 10.30 (Rupees ten and paise thirty only) per equity share of the face value of ₹ 1 each (Rupee one only) paid for the previous financial year 2016-17 which included one-time special dividend of ₹ 2 (Rupees two only) per equity share of the face value of ₹ 1 each (Rupee one only).

The Dividend Distribution Policy of the Company is set out as **Annexure [A]** and the same is uploaded on the Company's website (https://www.asianpaints.com/more/investors/policies-programs.html).

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 2017-18 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 & ASSOCIATE COMPANIES

Financial Performance:

A separate statement containing the salient features of financial statements of all subsidiaries of the Company in the prescribed Form AOC – 1 forms a part of consolidated financial statements in compliance with Section 129 (3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014. The said Form also highlights the financial performance of each of the subsidiaries and joint venture companies included in the consolidated financial statements of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

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, 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 (https://www.asianpaints.com/more/investors/policies-programs.html).

During the year under review:

a. In order to consolidate, the Company's investments in overseas subsidiary companies, Asian Paints (International) Limited, Mauritius, wholly owned subsidiary was amalgamated with the Company pursuant to an Order dated 29th November, 2017 passed by the Mumbai Bench of the Hon'ble National Company Law Tribunal pursuant to Sections 230 to 232 and 234, other applicable provisions of the Companies Act, 2013 and any other applicable Regulations. The appointed date for the Scheme of amalgamation was 1st January, 2017.

   The merger was effective 15th January, 2018 after obtaining necessary approvals including approval from the Registrar of Companies, Mauritius.

b. The Company acquired the balance 49% of the paid up share capital of Sleek International Private Limited (Sleek) from the Ahuja family for a consideration of ₹ 50 crores (Rupee fifty crores only). Sleek is now a wholly owned subsidiary of the Company.

c. The Company acquired 100% stake in Reno Chemicals Pharmaceuticals & Cosmetics Private Limited (Reno) for an amount of ₹ 159.52 crores (Rupees one hundred fifty nine crores and fifty two lakhs only) with an objective of using the land and building of Reno to meet the Company's growing infrastructure requirements.

d. The Company fully exited from its operations in the Caribbean region carried on through Lewis Berger (Overseas Holdings) Limited (LBOH), United Kingdom, indirect subsidiary of the Company, for a consideration of ₹ 189.16 crores (Rupees one hundred eighty nine crores and sixteen lakhs only) (approx). The divestment was with an objective to focus on its international presence in growing geographies across the continents of Asia and Africa.

EXPANSION OF MANUFACTURING CAPACITY AT ANKLESHWAR, GUJARAT

During the year under review, the Company resolved to expand the existing paint manufacturing capacity at its unit situated at Ankleshwar, Gujarat, from 1,30,000 KL to 3,00,000 KL per annum and to augment the manufacturing capacity of synthetic resins and emulsions from existing 32,000 MT to 85,000 MT (approx.) over a span of the next 3 – 4 years.

The said expansion and augmentation would involve phasing out the current Phthalic Anhydride and its allied products manufactured at this facility.

The Company is awaiting necessary approvals from statutory authorities and will thereafter work on this project in a phased manner.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Retirement by rotation and subsequent re-appointment:
In accordance with the provisions of 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) and the Articles of Association of the Company, Mr. Ashwin Choksi (Non-Executive Chairman) and Mr. Ashwin Dani (Non-Executive Vice-Chairman), are liable to retire by rotation at the ensuing AGM and being eligible have offered themselves for re-appointment.

In accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Listing Regulations and the Articles of Association of the Company, the Independent Directors and the Managing Director of the Company are not liable to retire by rotation.

Declaration of independence from Independent Directors:
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).

Number of meetings of the Board:
8 (eight) meetings of the Board of Directors were held during the financial year. The details of the meetings of the Board of Directors of the Company convened during the financial year 2017-18 are given in the Corporate Governance Report which forms part of this Annual Report.

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 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).

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 said Policy of the Company, *inter alia*, 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 salient features of the Policy is set out in the Corporate Governance Report which forms part of this Annual Report. The Policy is also available on the website of the Company https://www.asianpaints.com/more/investors/policies-programs.html.

Performance Evaluation:
The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for evaluating the performance of Directors, Committees of the Board and the Board as a whole.

The process for evaluation of the performance of the Director(s) / Board / Committees of the Board for the financial year 2017-18 was initiated by the Nomination and

Remuneration Committee, by triggering online Survey(s) to all Directors.

The Directors carried out the annual performance evaluation of the Board, Committees of Board and individual Directors along with assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

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, 2018, 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, 2018 and of the profit and loss of the Company for the financial year ended 31st March, 2018;

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.

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 Audit Committee comprises of Mr. M. K. Sharma, Mr. Mahendra Shah, Mr. Abhay Vakil and Mr. R Seshasayee. Mr. Jayesh Merchant acts as Secretary to the Audit Committee.

All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report. It speaks about the overall industry structure, global and domestic economic scenarios, developments in business operations/ performance of the Company's various businesses viz., 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 2017-18.

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 Annual 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 Annual Report.

AUDITORS AND AUDITORS' REPORT

Statutory Auditor:
M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), were appointed as Statutory Auditors of the Company at the 70th AGM till the conclusion of the 75th AGM.

M/s. Deloitte Haskins & Sells LLP have confirmed their eligibility and qualification required under 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).

The Auditors' Report for the financial year ended 31st March, 2018 on the financial statements of the Company is a part of this Annual Report. The Auditors' Report for the financial year ended 31st March, 2018 does not contain any qualification, reservation or adverse remark.

Cost Auditor:
The Board of Directors of the Company, on the recommendations made by the Audit Committee, has appointed 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 2018 - 19. The remuneration proposed to be paid to the Cost Auditor, subject to ratification by the shareholders of the Company at the ensuing 72nd AGM, would not exceed ₹ 6.75 lakhs (Rupees six lakhs seventy five 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 2018-19 along with a certificate confirming their independence and arm's length relationship.

Secretarial Auditor:
The Board of Directors of the Company 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 2018 - 19.

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, 2018 is set out in the **Annexure [C]** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on 31st March, 2018 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

All contracts/arrangements/transactions entered by the Company with Related Parties were in ordinary course of business and at arm's length basis.

During the year under review, the Company has not entered into any contracts/arrangements/transactions with related parties which qualify as material in accordance with the Policy of the Company on materiality of related party transactions.

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 by the Company.

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

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.

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, 2018, are set out in Note 38 to the Standalone Financial Statements of the Company.

RISK MANAGEMENT

The Company has a well-defined process in place to ensure appropriate identification and treatment of risks. Risk identification exercise is inter-woven with the annual planning cycle which ensures both regularity and comprehensiveness. The identification of risks is done at strategic, business, operational and process levels. While the mitigation plan and actions for risks belonging to strategic, business and key critical operational risks are driven by senior leadership, for rest of the risks, operating managers drive the conception and subsequent actioning of mitigation plans.

The key strategic, business and operational 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 in the Risk Management Committee (RMC) meetings. Inputs from the RMC are duly incorporated in the action plans. All significant risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership.

The Company, through its risk management process, aims to contain the risks within its risk appetite. 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 part of this Annual Report.

VIGIL MECHANISM

The Whistleblower Policy has been approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations.

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 instances of financial irregularities, breach of code of conduct, abuse of authority, disclosure of financial / price sensitive information, unethical / unfair actions concerning company vendors / suppliers, malafide manipulation of

company records, discrimination to the Code of Conduct in an anonymous manner.

The Policy also provides protection to the employees and business associates who report unethical practices and irregularities.

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's Policy on Prevention of Sexual Harassment at Workplace is 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. Internal Complaints Committees have also been set up to redress complaints received regarding sexual harassment.

The Company conducts sessions for employees across the organization to build awareness amongst employees about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act.

During the financial year 2017-18, 4 (four) complaints of sexual harassment were received by the Company and the same were investigated in accordance with the procedures 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)

During the financial year ended 31st March, 2018, the Company incurred CSR Expenditure of ₹ 46.51 crores (Rupees forty six crores and fifty one lakhs only). The CSR initiatives of the Company were under the thrust areas of health & hygiene, education, water management and enhancement of vocational training.

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2018, 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

Internal financial control systems of the Company have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable Accounting Standards.

The Company has a well-defined and documented delegation of authority manual with specified limits for approval of expenditure, both capital and revenue. The Company has a Shared Services Center (SSC) which centrally handles payments made by the Company. While compliance with the policies are well integrated with the underlying processes, SSC acts as a second line of defence to ensure adherence to certain laid down policies.

The Company uses an established Enterprise Risk Management (ERP) system to record day to day transactions for accounting and financial reporting. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books 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 variances 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. There are adequate polices, authorization matrices governing financial transactions and approvals.

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

For each major element in the financial statements, the inherent reporting risks have been identified by the Company. Controls have been put to mitigate these risks. These risks and the mitigation controls are revisited periodically. Corporate accounts function of the Company is actively involved in designing large process changes as well as validating changes to IT systems that have a bearing on the books of account.

The Company gets its Standalone financial statements audited every quarter by its Statutory Auditors. The policies to ensure uniform accounting treatment are prescribed to the subsidiary companies as well of the Company. The accounts of the subsidiary and joint venture companies are audited and certified by their respective Statutory Auditors for consolidation.

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 Meetings of the Board of Directors and General Meetings;

c. 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;

d. 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;

e. The Managing Director & CEO of the Company has not received any remuneration or commission from any of Companies subsidiary;

f. 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);

g. 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

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

APPRECIATION

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

The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board

Ashwin Choksi
Chairman

Place: Mumbai
Date: 10th May, 2018

Annexure (A) to Board's Report

DIVIDEND DISTRIBUTION POLICY

(Approved by the Board of Directors at their meeting held on 25th October, 2016)

INTRODUCTION

This Policy is called "Asian Paints Limited – Dividend Distribution Policy" (hereinafter referred to as "this Policy") and shall be effective from 25th October, 2016 ("Effective Date").

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Asian Paints Limited (hereinafter referred to as "the Company") is required to frame this Policy.

POLICY

This policy aims at ensuring compliance with the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

The Company would, *inter alia*, consider the following financial parameters and/or internal & external factors before declaring dividend(s) or recommending dividend(s) to the shareholders:

- Current year profits arrived at after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder; and/or
- Profits from any of the previous financial year(s) arrived at after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder;
- Fund requirements to finance the working capital needs of the business;
- Opportunities for investments of the funds of the Company to capture future growth in the industry, e.g. capital expenditure, network expansion, etc;
- Funding requirements for any organic and inorganic growth opportunities to be pursued by the Company;
- Optimal free cash to fund any exigencies, if any;
- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilisation of the retained earnings, if any, shall be disclosed to the shareholders in the Board's Report forming part of Annual Report of the Company.

The CFO jointly with the MD & CEO of the Company shall suggest any amount to be declared / recommended as Dividend to the Board of Directors of the Company, taking into account the aforementioned parameters.

Parameters adopted w.r.t. various classes of shares:

- The Company has only one class of shares referred to as equity shares of the face value of Re. 1 each, forming part of its Issued, Subscribed and Paid – up share capital.
- Dividend (including interim and/or final) would be declared and paid to equity shareholders at the rate fixed by the Board of Directors of the Company. Final dividend proposed by the Board of Directors, if any, would be subject to the approval of the shareholders at the ensuing Annual General Meeting.

AMENDMENTS TO THE POLICY

The Company is committed to continuously reviewing and updating our policies and procedures. Therefore, this policy is subject to modification. Any amendment(s) of any provision of this policy shall be carried out by persons authorized by the Board in this regard.

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 2017-18 is as follows:

Name of Director(s)	Total Remuneration (₹)	Ratio of Remuneration of director to the Median remuneration*
Ashwin Choksi	47,35,000	6.25
Ashwin Dani	43,95,000	5.80
Abhay Vakil	41,70,000	5.51
K.B.S. Anand	10,57,41,842	139.62
Mahendra Choksi	33,80,000	4.46
Malav Dani	35,20,000	4.65
Amrita Vakil	32,60,000	4.30
Mahendra Shah	36,40,000	4.81
Deepak Satwalekar	36,40,000	4.81
S. Sivaram	32,60,000	4.30
S. Ramadorai	33,50,000	4.42
M. K. Sharma	41,70,000	5.51
Vibha Paul Rishi	33,20,000	4.38
R. Seshasayee	34,50,000	4.56

Notes:

1. *Median remuneration for the financial year 2017-18 is ₹ 7,57,344 (Rupees seven lakhs fifty seven thousand three hundred forty four only).
2. The aforesaid details are calculated on the basis of remuneration for the financial year 2017-18.
3. The remuneration of Directors includes sitting fees paid to them for the financial year 2017-18.

B. Details of percentage increase in the remuneration of each director and CFO & Company Secretary in the financial year 2017-18 are as follows:

Name of Director(s)	Remuneration (in ₹)		Increase/(Decrease) (%)
	2017-18	2016-17	
Ashwin Choksi	47,35,000	45,12,919	5
Ashwin Dani	43,95,000	42,05,000	5
Abhay Vakil	41,70,000	39,35,000	6
K.B.S. Anand	10,57,41,842	9,72,05,442	9
Mahendra Choksi	33,80,000	31,90,000	6
Malav Dani	35,20,000	32,20,000	9
Amrita Vakil	32,60,000	30,20,000	8
Dipankar Basu (Resigned w.e.f. 1st January, 2017)	-	23,86,000	*
Mahendra Shah	36,40,000	35,80,000	2
Deepak Satwalekar	36,40,000	34,00,000	7
S. Sivaram	32,60,000	30,40,000	7
S. Ramadorai	33,50,000	30,10,000	11
M.K. Sharma	41,70,000	40,10,000	4
Vibha Paul Rishi	33,20,000	31,00,000	7
R. Seshasayee (Appointed w.e.f. 23rd January, 2017)	34,50,000	4,72,000	#

CFO & Company Secretary	Remuneration (in ₹)		Increase (%)
	2017-18	2016-17	
Jayesh Merchant	3,85,28,456	3,22,35,266	20

Notes:

1. * Percentage increase in remuneration is not reported as Mr. Dipankar Basu resigned wef 1st January 2017 and his remuneration for current year is zero.
2. # Percentage increase in remuneration is not reported as they were holding Directorship for the part of the financial year 2016-17.
3. The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
4. The remuneration to Directors includes sitting fees paid to them.

C. Percentage increase in the median remuneration of all employees in the financial year 2017-18:

(Amount in ₹)

	2017-18	2016-17	Increase (%)
Median remuneration of employees per annum	7,57,344	7,08,106	7

D. Number of permanent employees on the rolls of the Company as on 31st March, 2018:

Executive/Manager cadre	1,093
Staff	3,453
Operators/Workmen	1,692
Total	**6,238**

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 ₹)

	2017-18	2016-17	Increase (%)
Average salary of all employees (other than Key Managerial Personnel)	11,38,613	10,69,512	6
Key Managerial Personnel			
- Salary of MD & CEO	10,57,41,842	9,72,05,442	9
- Salary of CFO & CS	3,85,28,456	3,22,35,266	20

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. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company and has been uploaded on the website of the Company www.asianpaints.com. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Annexure (C) to Board's Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[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, 2018 ('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, 2018 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and 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: -

  (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 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 (SS-1 and SS-2) 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.

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, Asian Paints (International) Limited, Mauritius (wholly owned subsidiary of the Company) was amalgamated with the Company pursuant to the order of the National Company Law Tribunal, Mumbai Bench and the order of Registrar of Companies, Mauritius.

Place: Pune
Date: 10th May, 2018

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	98.37

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled] - 27

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 Industrial Coatings Limited 6A, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India	U24220MH2001PLC133523	Subsidiary	100	2 (87)
2.	Reno Chemicals Pharmaceuticals and Cosmetics Private Limited 6B, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India	U24110MH1972PTC015839	Subsidiary	100	2 (87)
3.	Maxbhumi Developers Limited Plot No. 5, Gaiwadi Industrial Estate, S.V. Road, Goregaon (West), Mumbai - 400062, Maharashtra, India	U45400MH2007PLC175925	Subsidiary	100	2 (87)
4.	Sleek International Private Limited 301/302, 3rd Floor, D & G Wing Lotus Corporate Park Off Western Express Highway Opp. S.R.P.F. ground, Goregaon – East, Mumbai 400 063, Maharashtra, India	U31300MH1993PTC070859	Subsidiary	100	2 (87)
5.	Asian Paints (Nepal) Private Limited Hetauda Industrial Estate, Hetauda-8, Makwanpur, Nepal	-	Subsidiary	51	2 (87)
6.	Causeway Paints Lanka (Private) Limited No :15, Noel Mendis Mawatha, Modarawila Industrial Estate Panadura, Sri Lanka	-	Subsidiary	100	2 (87)
7.	Asian Paints (Bangladesh) Limited House # 428A, 4th & 5th floor, Road # 30, New DOHS, Mohakhali, Dhaka- 1206, Bangladesh.	-	Subsidiary	89.78	2 (87)
8.	Asian Paints (Lanka) Limited 81, Koralawella Road, Moratuwa, Sri Lanka.	-	Subsidiary	99.18	2 (87)
9.	Asian Paints (Middle East) LLC P. O. Box 462, Al Khuwair, Postal Code 133, Muscat, Sultanate of Oman	-	Subsidiary	49	2 (87)
10.	Asian Paints (South Pacific) Pte Limited Fiji, 7-9-11, Ruve Place, Tavakubu, P.O. Box 694, Lautoka, Fiji Islands	-	Subsidiary	54.07	2 (87)
11.	Asian Paints (Solomon Island) Limited P O Box R 156, Ranadi Post Office, Honiara, Solomon Islands	-	Subsidiary	75	2 (87)
12.	Asian Paints (Tonga) Limited P. O. Box No: 1454, Nuku'alofa, Tonga	-	Subsidiary	100	2 (87)
13.	Asian Paints (Vanuatu) Limited P. O. Box 253, Port Vila, Vanuatu	-	Subsidiary	60	2 (87)
14.	Samoa Paints Limited P. O. Box 3037, Apia, Samoa	-	Subsidiary	80	2 (87)
15.	SCIB Chemical S.A.E 4th Indusrial Zone, Area (1/3/B)/B, 6th October City, Egypt	-	Subsidiary	60	2 (87)
16.	Asian Paints International Private Limited 22, Benoi Sector, Singapore 629854	-	Subsidiary	100	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
17.	Berger Paints Singapore Pte Limited 22, Benoi Sector, Singapore 629854	-	Subsidiary	100	2 (87)
18.	Berger Paints Bahrain W.L.L. P O Box 26688, Manama, Kingdom of Bahrain	-	Subsidiary	100	2 (87)
19.	Berger Paints Emirates LLC P O Box: 27524, Dubai, UAE	-	Subsidiary	100	2 (87)
20.	Kadisco Paint & Adhesive Industry S.C. P. O. Box 120919, Akaki Kality Industrial Zone, Addis Ababa, Ethiopia	-	Subsidiary	51	2 (87)
21.	PT Asian Paints Indonesia Marquee Office, 17th Floor, Pondok Indah Office Tower 3, Jl Sultan Iskandar Muda Kav. V-TA, Jakarta - 12310, Indonesia	-	Subsidiary	100	2 (87)
22.	PT Asian Paints Color Indonesia Marquee Office, 17th Floor, Pondok Indah Office Tower 3, Jl Sultan Iskandar Muda Kav. V-TA, Jakarta - 12310, Indonesia	-	Subsidiary	100	2 (87)
23.	Enterprise Paints Limited 6th Floor, Victory House, Prospect Hill, Douglas, Isle of man / M1 IEQ	-	Subsidiary	100	2 (87)
24.	Nirvana Investments Limited 6th Floor, Victory House, Prospect Hill, Douglas, Isle of man / M1 IEQ	-	Subsidiary	100	2 (87)
25.	Universal Paints Limited 6th Floor, Victory House, Prospect Hill, Douglas, Isle of man / M1 IEQ	-	Subsidiary	100	2 (87)
26.	PPG Asian Paints Private Limited 6A, Shantinagar, Santacruz (East), Mumbai - 400055, Maharashtra, India	U24110MH2011PTC220557	Associate	50	2(6)
27.	Asian Paints PPG Private Limited 6A, Shantinagar, Santacruz (East), Mumbai - 400055, Maharashtra, India	U24200MH1997PTC105961	Associate	50	2(6)

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 01.04.2017)				No. of shares held at the end of the year (As on 31.03.2018)				% 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	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	1,98,49,878	4,84,190	2,03,34,068	2.12	2,75,47,150	4,190	2,75,51,340	2.87	0.75
(b) Banks/FI	10,36,869	5,760	10,42,629	0.11	11,41,916	5,760	11,47,676	0.12	0.01
(c) Central Govt.	10,60,681	-	10,60,681	0.11	8,83,533	-	8,83,533	0.09	(0.02)
(d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	5,14,93,046	1,000	5,14,94,046	5.37	8,35,83,928	1,000	8,35,84,928	8.72	3.35
(g) FIIs	17,33,34,387	-	17,33,34,387	18.07	14,46,92,064	-	14,46,92,064	15.09	(2.98)
(h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i) Any Other (specify) Alternate Investment Funds	-	-	-	-	5,02,571	-	5,02,571	0.05	0.05
Sub-Total (B)(1)	**24,67,74,861**	**4,90,950**	**24,72,65,811**	**25.78**	**25,83,51,162**	**10,950**	**25,83,62,112**	**26.94**	**1.16**

Category of shareholders		No. of shares held at the beginning of the year (As on 01.04.2017)				No. of shares held at the end of the year (As on 31.03.2018)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2.	**Non-Institutions**									
(a)	Bodies Corporate									
(i)	Indian	6,59,91,671	54,570	6,60,46,241	6.89	5,98,43,081	5,31,810	6,03,74,891	6.30	(0.59)
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	10,28,15,243	1,15,04,176	11,43,19,419	11.92	9,77,24,412	1,03,21,247	10,80,45,659	11.26	(0.66)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	89,95,844	3,32,060	93,27,904	0.97	87,83,298	3,32,060	91,15,358	0.95	(0.02)
(c)	Any Other (specify)									
(i)	Non-resident Indian	1,08,85,343	17,19,830	1,26,05,173	1.32	1,07,18,602	14,35,520	1,21,54,122	1.27	(0.05)
(ii)	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
(iii)	Foreign Nationals	-	-	-	-	-	-	-	-	-
(iv)	NBFCs registered with RBI	1,31,914	-	1,31,914	0.01	45,547	-	45,547	-	(0.01)
(v)	Trust	31,16,846	-	31,16,846	0.32	47,15,619	-	47,15,619	0.49	0.17
(vi)	Foreign Bodies	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)		**19,19,36,861**	**1,36,10,636**	**20,55,47,497**	**21.43**	**18,18,30,559**	**1,26,20,637**	**19,44,51,196**	**20.27**	**(1.16)**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**43,87,11,722**	**1,41,01,586**	**45,28,13,308**	**47.21**	**44,01,81,721**	**1,26,31,587**	**45,28,13,308**	**47.21**	**-**
(C)	**Shares held by Custodians for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)		**94,50,96,204**	**1,41,01,586**	**95,91,97,790**	**100.00**	**94,65,66,203**	**1,26,31,587**	**95,91,97,790**	**100.00**	**-**

B. Shareholding of Promoters

Sr. No.	Shareholder's Name#	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% 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.	Ami Manish Choksi	4,72,200	0.05	0.00	4,72,200	0.05	0.00	0.00
3.	Anay Rupen Choksi	1,30,500	0.01	0.00	1,30,500	0.01	0.00	0.00
4.	Ashish Ashwin Choksi	8,80,840	0.09	0.00	8,80,840	0.09	0.00	0.00
5.	Ashish Ashwin Choksi Karta for Ashish Ashwin Choksi HUF	5,620	0.00	0.00	5,620	0.00	0.00	0.00
6.	Ashwin Chimanlal Choksi	4,19,060	0.04	0.00	4,19,060	0.04	0.00	0.00
7.	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
8.	Binita Ashish Choksi	1,31,700	0.01	0.00	1,31,700	0.01	0.00	0.00
9.	Druhi Ashish Choksi	1,00,000	0.01	0.00	1,00,000	0.01	0.00	0.00
10.	Jigish Shailesh Choksi	19,95,180	0.21	0.00	19,95,180	0.21	0.00	0.00
11.	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
12.	Mahendra Chimanlal Choksi	16,56,380	0.17	0.00	16,56,380	0.17	0.00	0.00
13.	Manish Mahendra Choksi	23,81,040	0.25	0.00	23,81,040	0.25	0.00	0.00
14.	Manish Mahendra Choksi Karta for Manish Mahendra Choksi HUF	7,500	0.00	0.00	7,500	0.00	0.00	0.00
15.	Nysha Rupen Choksi	1,02,750	0.01	0.00	1,02,750	0.01	0.00	0.00
16.	Prafullika Shailesh Choksi	21,42,560	0.22	0.00	21,42,560	0.22	0.00	0.00
17.	Rhea Manish Choksi	7,02,000	0.07	0.00	7,02,000	0.07	0.00	0.00
18.	Richa Manish Choksi	1,80,450	0.02	0.00	1,80,450	0.02	0.00	0.00
19.	Rita Mahendra Choksi	9,80,000	0.10	0.00	9,80,000	0.10	0.00	0.00
20.	Rupal Anant Bhat	19,23,770	0.20	0.00	19,23,770	0.20	0.00	0.00
21.	Rupen Ashwin Choksi	9,28,607	0.10	0.00	9,28,607	0.10	0.00	0.00
22.	Shailesh Chimanlal Choksi	25,91,210	0.27	0.00	25,91,210	0.27	0.00	0.00
23.	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
24.	Urvashi Ashwin Choksi	8,38,110	0.09	0.00	8,38,110	0.09	0.00	0.00
25.	Vishal Shailesh Choksi	29,51,220	0.31	0.00	29,51,220	0.31	0.00	0.00
26.	Ashwin Ramanlal Gandhi	43,25,790	0.45	0.08	43,25,790	0.45	0.07	0.00
27.	Ashwin Suryakant Dani	12,39,870	0.13	0.00	12,39,870	0.13	0.00	0.00
28.	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
29.	Chandanben Chhotalal Shah	20,000	0.00	0.00	20,000	0.00	0.00	0.00
30.	Hasit Ashwin Dani	39,56,800	0.41	0.00	39,56,800	0.41	0.00	0.00
31.	Hasit Ashwin Dani Karta for Hasit Ashwin Dani HUF	48,000	0.01	0.00	48,000	0.01	0.00	0.00
32.	Hiren Ashwin Gandhi	15,89,300	0.17	0.00	15,89,300	0.17	0.00	0.00
33.	Ina Ashwin Dani	5,15,920	0.05	0.00	5,15,920	0.05	0.00	0.00

Sr. No.	Shareholder's Name#	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% 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.	Ishwara Hasit Dani	4,10,710	0.04	0.00	4,10,710	0.04	0.00	0.00
35.	Jalaj Ashwin Dani	16,00,200	0.17	0.00	16,00,200	0.17	0.00	0.00
36.	Malav Ashwin Dani	33,05,510	0.34	0.00	33,05,510	0.34	0.00	0.00
37.	Meghna Satyen Gandhi	75,000	0.01	0.00	75,000	0.01	0.00	0.00
38.	Mudit Jalaj Dani	1,59,800	0.02	0.00	1,59,800	0.02	0.00	0.00
39.	Satyen Ashwin Gandhi	16,08,880	0.17	0.00	16,08,880	0.17	0.00	0.00
40.	Shubhlakshmi Hasit Dani	59,500	0.01	0.00	59,500	0.01	0.00	0.00
41.	Smiti Jalaj Dani	1,39,110	0.01	0.00	1,39,110	0.01	0.00	0.00
42.	Vaibhavi Hiren Gandhi	75,000	0.01	0.00	75,000	0.01	0.00	0.00
43.	Vita Jalaj Dani	4,35,260	0.05	0.00	4,35,260	0.05	0.00	0.00
44.	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
45.	Abhay Arvind Vakil	2,32,88,200	2.43	0.00	2,32,88,200	2.43	0.00	0.00
46.	Abhay Arvind Vakil Karta for Vakil HUF	31,03,290	0.32	0.00	31,03,290	0.32	0.00	0.00
47.	Amar Arvind Vakil	1,09,18,980	1.14	0.00	1,09,18,980	1.14	0.00	0.00
48.	Amar Arvind Vakil Karta for Amar Vakil HUF	21,12,190	0.22	0.00	21,12,190	0.22	0.00	0.00
49.	Amrita Amar Vakil	25,66,680	0.27	0.00	25,66,680	0.27	0.00	0.00
50.	Asha Subhash Gujarathi	14,23,400	0.15	0.00	14,23,400	0.15	0.00	0.00
51.	Bhairavi Abhay Vakil	22,47,000	0.23	0.00	22,47,000	0.23	0.00	0.00
52.	Dipika Amar Vakil	20,26,130	0.21	0.00	20,26,130	0.21	0.00	0.00
53.	Nehal Abhay Vakil	23,71,280	0.25	0.00	23,71,280	0.25	0.00	0.00
54.	Ragini Varun Vakil	5,000	0.00	0.00	5,000	0.00	0.00	0.00
55.	Varun Amar Vakil	22,30,590	0.23	0.00	22,30,590	0.23	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.	Castle Investment and Industries Private Limited	1,54,57,470	1.61	0.00	1,54,57,470	1.61	0.00	0.00
58.	Centaurus Trading and Investments Private Limited	74,08,940	0.77	0.00	74,08,940	0.77	0.00	0.00
59.	Doli Trading and Investments Private Limited	93,63,440	0.98	0.00	93,63,440	0.98	0.00	0.00
60.	Elf Trading and Chemicals Manufacturing Limited	21,08,160	0.22	0.00	21,08,160	0.22	0.00	0.00
61.	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
62.	Lyon Investment and Industries Private Limited	1,43,42,060	1.50	0.00	1,43,42,060	1.50	0.00	0.00
63.	Rupen Investment and Industries Private Limited	1,88,49,825	1.97	0.02	1,88,49,825	1.97	0.02	0.00
64.	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
65.	Sudhanava Investments and Trading Company Private Limited	1,90,01,760	1.98	0.52	1,90,01,760	1.98	0.46	0.00

Sr. No.	Shareholder's Name#	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% 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*	
66.	Tru Trading and Investments Private Limited	1,21,76,500	1.27	0.00	1,21,76,500	1.27	0.00	0.00
67.	Dani Finlease Limited	10,930	0.00	0.00	10,930	0.00	0.00	0.00
68.	Geetanjali Trading and Investments Private Limited	4,92,67,440	5.14	3.60	4,92,67,440	5.14	2.69	0.00
69.	Gujarat Organics Limited	2,28,10,730	2.38	0.00	2,28,10,730	2.38	0.00	0.00
70.	Hiren Holdings Private Limited	41,52,310	0.43	0.00	41,52,310	0.43	0.00	0.00
71.	Sattva Holding and Trading Private Limited$	5,28,84,120	5.51	1.52	5,28,84,120	5.51	1.37	0.00
72.	Rayirth Holding and Trading Company Private Limited	13,29,500	0.14	0.00	13,29,500	0.14	0.12	0.00
73.	Smiti Holding and Trading Company Private Limited	5,40,84,120	5.64	1.95	5,40,84,120	5.64	2.22	0.00
74.	Asteroids Trading and Investments Private Limited	1,08,18,530	1.13	0.00	1,08,18,530	1.13	0.00	0.00
75.	Elcid Investments Limited	2,83,13,860	2.95	0.00	2,83,13,860	2.95	0.00	0.00
76.	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
77.	Lambodar Investments and Trading Company Limited	60,15,130	0.63	0.00	60,15,130	0.63	0.00	0.00
78.	Murahar Investments and Trading Company Limited	57,43,670	0.60	0.00	57,43,670	0.60	0.00	0.00
79.	Nehal Trading and Investments Private Limited	1,11,02,530	1.16	0.00	1,11,02,530	1.16	0.00	0.00
80.	Suptaswar Investments and Trading Company Limited	65,58,310	0.68	0.00	65,58,310	0.68	0.00	0.00
81.	Unnati Trading and Investments Private Limited	1,04,72,600	1.09	0.00	1,04,72,600	1.09	0.00	0.00
82.	Vikatmev Containers Limited	1,11,600	0.01	0.00	1,11,600	0.01	0.00	0.00
83.	Dani Charitable Foundation	2,53,620	0.03	0.00	2,53,620	0.03	0.00	0.00
Total		**506384482**	**52.79**	**7.70**	**506384482**	**52.79**	**6.95**	**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, Avinash Holding and Trading Company Private Limited, Cronus Merchandise LLP, Mefree LLP, Canes Venatici Private Limited, Hydra Trading Private Limited, Hitech Specialities Solutions Limited, Rituh Holding and Trading Company Private Limited, Naradiya Trust, Cronus Trust, Ishwara Trust, Ashiyana Trust, Ashwin-Ina Charitable Trust, Pious Charitable Trust, Param Arth Charitable Trust, Advaita Charitable Trust, Hitech Corporation Limited, Hitech Insurance Broking Services Limited, Homevilla Yoga Private Limited, Sabka Mangal Ho Foundation, Riash Realty Private Limited forming part of Promoter(s) and Promoter(s) Group do not hold any shares in the Company as on 31st March, 2018.
2. * The % of shares pledged/encumbered represents % of shares pledged/encumbered as a % of the total shares of the Company.
3. $ The name of ISIS Holding and Trading Company Private Limited was changed to Sattva Holding and Trading Private Limited with effect from 9th January, 2018
4. The term "encumbrance" has the same meaning as assigned to it in Regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

C. Change in Promoters' Shareholding:

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
1.	Dani Charitable Foundation*				
	At the beginning of the year	2,53,620	0.03	2,53,620	0.03
	Decrease (16-3-2018)	(2,53,620)	(0.03)	0	0.00
	Increase (19-3-2018)	2,53,620	0.03	2,53,620	0.03
	At the end of the year	2,53,620	0.03	2,53,620	0.03
2.	Mudit Jalaj Dani#				
	At the beginning of the year	1,59,800	0.02	1,59,800	0.02
	Decrease (4-8-2018)	(1,59,800)	(0.02)	0	0.00
	Increase (4-8-2018)	1,59,800	0.02	1,59,800	0.02
	At the end of the year	1,59,800	0.02	1,59,800	0.02
3.	Ashwin - Ina Charitable Trust^ *				
	At the beginning of the year	0	0	0	0
	Increase (16-3-2018)	63,405	0.01	63,405	0.01
	Decrease (19-3-2018)	(63,405)	(0.01)	0	0
	At the end of the year	0	0	0	0
4.	Pious Charitable Trust^ *				
	At the beginning of the year	0	0	0	0
	Increase (16-3-2018)	63,405	0.01	63,405	0.01
	Decrease (19-3-2018)	(63,405)	(0.01)	0	0
	At the end of the year	0	0	0	0
5.	Param - Arth Charitable Trust^ *				
	At the beginning of the year	0	0	0	0
	Increase (16-3-2018)	63,405	0.01	63,405	0.01
	Decrease (19-3-2018)	(63,405)	(0.01)	0	0
	At the end of the year	0	0	0	0
6.	Advaita Charitable Trust^ *				
	At the beginning of the year	0	0	0	0
	Increase (16-3-2018)	63,405	0.01	63,405	0.01
	Decrease (19-3-2018)	(63,405)	(0.01)	0	0
	At the end of the year	0	0	0	0

Notes:

1. Date of increase/decrease has been considered as the date on which beneficiary position was provided by the Depositories to the Company.
2. * Based on disclosures received from the Director(s)/Promoter(s), certain off - market transaction(s) were carried out erroneously on 16th March, 2018 and were reversed on 19th March, 2018.
3. # Off - market transfer between demat accounts held by Mr. Mudit Jalaj Dani.
4. ^ As per the disclosures received, Ashwin – Ina Charitable Trust, Pious Charitable Trust, Param – Arth Charitable Trust and Advaita Charitable Trust have been included in the Promoter Group w.e.f. 17th March, 2018.

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.	LIC New Endowment Plus-Balanced Fund				
	At the beginning of the year	4,50,03,429	4.69	4,50,03,429	4.69
	Bought during the year	2,85,96,837	2.98	7,36,00,266	7.67
	Sold during the year	0	0.00	7,36,00,266	7.67
	At the end of the year	7,36,00,266	7.67	7,36,00,266	7.67

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
2.	Teesta Retail 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	0.00	0	0.00
	Sold during the year	0	0.00	0	0.00
	At the end of the year	4,69,87,850	4.90	4,69,87,850	4.90
3.	ICICI Prudential Value Fund - Series 3				
	At the beginning of the year	4,86,608	0.05	4,86,608	0.05
	Bought during the year	1,16,73,975	1.22	1,21,60,583	1.27
	Sold during the year	(16,60,146)	(0.17)	1,05,00,437	1.10
	At the end of the year	1,05,00,437	1.10	1,05,00,437	1.10
4.	Franklin Templeton Investment Funds				
	At the beginning of the year	37,67,400	0.39	37,67,400	0.39
	Bought during the year	17,90,569	0.19	55,57,969	0.58
	Sold during the year	0	0.00	0	0.00
	At the end of the year	55,57,969	0.58	55,57,969	0.58
5.	Government of Singapore				
	At the beginning of the year	58,40,010	0.61	58,40,010	0.61
	Bought during the year	4,05,580	0.04	62,45,590	0.65
	Sold during the year	(12,57,211)	(0.13)	49,88,379	0.52
	At the end of the year	49,88,379	0.52	49,88,379	0.52
6.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds				
	At the beginning of the year	48,49,081	0.51	48,49,081	0.51
	Bought during the year	53,37,508	0.56	1,01,86,589	1.06
	Sold during the year	(52,48,021)	(0.55)	49,38,568	0.52
	At the end of the year	49,38,568	0.52	49,38,568	0.52
7.	SBI - ETF Sensex				
	At the beginning of the year	29,82,551	0.31	29,82,551	0.31
	Bought during the year	22,69,305	0.24	52,51,856	0.55
	Sold during the year	(3,15,136)	(0.03)	49,36,720	0.52
	At the end of the year	49,36,720	0.52	49,36,720	0.52
8.	Aberdeen Global Indian Equity Limited				
	At the beginning of the year	74,47,000	0.78	74,47,000	0.78
	Bought during the year	0	0.00	74,47,000	0.00
	Sold during the year	(29,00,000)	(0.30)	45,47,000	0.48
	At the end of the year	45,47,000	0.48	45,47,000	0.48
9.	Nps Trust- A/C SBI Pension Fund Scheme - Central Govt				
	At the beginning of the year	25,88,309	0.27	25,88,309	0.27
	Bought during the year	13,30,914	0.14	39,19,223	0.41
	Sold during the year	(5,634)	0.00	39,13,589	0.41
	At the end of the year	39,13,589	0.41	39,13,589	0.41

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
10.	Vanguard Total International Stock Index Fund				
	At the beginning of the year	34,84,560	0.36	34,84,560	0.36
	Bought during the year	3,97,620	0.04	38,82,180	0.40
	Sold during the year	0	0.00	38,82,180	0.40
	At the end of the year	38,82,180	0.40	38,82,180	0.40
11.	JP Morgan Funds - Emerging Markets Equity Fund				
	At the beginning of the year	30,59,650	0.32	30,59,650	0.32
	Bought during the year	7,54,860	0.08	38,14,510	0.40
	Sold during the year	0	0.00	38,14,510	0.40
	At the end of the year	38,14,510	0.40	38,14,510	0.40
12.	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
13.	Ishares India Index Mauritius Company				
	At the beginning of the year	34,82,815	0.36	34,82,815	0.36
	Bought during the year	2,18,507	0.02	37,01,322	0.39
	Sold during the year	(3,63,717)	(0.04)	33,37,605	0.34
	At the end of the year	33,37,605	0.34	33,37,605	0.34
14.	Tiaa-Cref Funds - Tiaa Cref International Equity Fund				
	At the beginning of the year	47,32,974	0.49	47,32,974	0.49
	Bought during the year	8,33,674	0.09	55,66,648	0.58
	Sold during the year	(24,70,098)	(0.26)	30,96,550	0.32
	At the end of the year	30,96,550	0.32	30,96,550	0.32
15.	Copthall Mauritius Investment Limited				
	At the beginning of the year	47,84,064	0.50	47,84,064	0.50
	Bought during the year	6,18,753	0.06	54,02,817	0.56
	Sold during the year	(31,40,578)	(0.33)	22,62,239	0.23
	At the end of the year	22,62,239	0.23	22,62,239	0.23
16.	Abu Dhabi Investment Authority - Beacon				
	At the beginning of the year	43,47,816	0.45	43,47,816	0.45
	Bought during the year	24,82,467	0.26	68,30,283	0.71
	Sold during the year	(54,76,015)	(0.57)	13,54,268	0.14
	At the end of the year	13,54,268	0.14	13,54,268	0.14
17.	SBI Life Insurance Co. Ltd				
	At the beginning of the year	23,39,708	0.24	23,39,708	0.24
	Bought during the year	6,21,980	0.07	29,61,688	0.31
	Sold during the year	(19,44,324)	(0.20)	10,17,364	0.11
	At the end of the year	10,17,364	0.11	10,17,364	0.11

Note:

The shares of the Company are traded on daily basis and hence date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on PAN of the Shareholder.

E. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning of the year (01.04.2017)/end of the year (31.03.2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
Directors								
1.	Ashwin Choksi	7,85,700	0.08	01.04.2017	0	Nil movement during the year	7,85,700	0.08
		7,85,700	0.08	31.03.2018			7,85,700	0.08
2.	Ashwin Dani	20,84,870	0.22	01.04.2017	0	Nil movement during the year	20,84,870	0.22
		20,84,870	0.22	31.03.2018			20,84,870	0.22
3.	Abhay Vakil	2,84,68,310	2.97	01.04.2017	0	Nil movement during the year	2,84,68,310	2.97
		2,84,68,310	2.97	31.03.2018			2,84,68,310	2.97
4.	Mahendra Choksi	21,96,180	0.23	01.04.2017	0	Nil movement during the year	21,96,180	0.23
		21,96,180	0.23	31.03.2018			21,96,180	0.23
5.	Malav Dani	33,05,510	0.34	01.04.2017	0	Nil movement during the year	33,05,510	0.34
		33,05,510	0.34	31.03.2018			33,05,510	0.34
6.	Amrita Vakil	25,66,680	0.27	01.04.2017	0	Nil movement during the year	25,66,680	0.27
		25,66,680	0.27	31.03.2018			25,66,680	0.27
7.	K.B.S. Anand@	270	0	01.04.2017	0	Nil movement during the year	270	0
		270	0	31.03.2018			270	0
8.	Deepak Satwalekar	0	0	01.04.2017	0	Nil movement during the year	0	0
		0	0	31.03.2018			0	0
9.	S. Sivaram	0	0	01.04.2017	0	Nil movement during the year	0	0
		0	0	31.03.2018			0	0
10.	Mahendra Shah	0	0	01.04.2017	0	Nil movement during the year	0	0
		0	0	31.03.2018			0	0
11.	S. Ramadorai	0	0	01.04.2017	0	Nil movement during the year	0	0
		0	0	31.03.2018			0	0
12.	M. K. Sharma	0	0	01.04.2017	0	Nil movement during the year	0	0
		0	0	31.03.2018			0	0
13.	Vibha Paul Rishi	0	0	01.04.2017	0	Nil movement during the year	0	0
		0	0	31.03.2018			0	0
14.	R. Seshasayee	1,496	0	01.04.2017	0	Nil movement during the year	1,496	0
		1,496	0	31.03.2018			1,496	0
Key Managerial Personnel								
1.	K.B.S. Anand@	270	0	01.04.2017	0	Nil movement during the year	270	0
		270	0	31.03.2018			270	0
2.	Jayesh Merchant	0	0	01.04.2017	0	Nil movement during the year	0	0
		0	0	31.03.2018			0	0

Note:

@ Mr. K.B.S. Anand, Managing Director & CEO has been included in the list of Directors as well as KMP.

V. INDEBTEDNESS

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

(₹ in Crores)

	Secured Loans (Excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (As on 01.04.2017)				
(i) Principal Amount	17.20	26.84	-	44.04
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**17.20**	**26.84**	**-**	**44.04**
Change in Indebtedness during the financial year				
(i) Addition	-	-	-	-
(ii) Reduction (repayment)	1.98	26.84	-	28.82
Net Change	1.98	26.84	-	28.82
Indebtedness at the end of the financial year (As on 31.03.2018)				
(i) Principal Amount	15.22	-	-	15.22
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**15.22**	**-**	**-**	**15.22**

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 Key Managerial Personnel:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Managing Director	CFO & Company Secretary
		K.B.S. Anand	Jayesh Merchant
1.	Gross salary (excluding Commission)		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,07,50,550	3,30,88,936
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,66,87,572	28,94,800
	(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	0.16	-
	- others, specify…	-	-
5.	Others - Employer contribution to provident and other funds	33,03,720	25,44,720
	Total (A)	**10,57,41,842**	**3,85,28,456**
	Ceiling as per the Companies Act, 2013	1,43,57,05,000	NA

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 ₹)

Name of Director(s)	Fee for attending board/ committee meetings	Commission	Others#	Total
1. Independent Directors:				
Mahendra Shah	6,40,000	30,00,000	-	36,40,000
Deepak Satwalekar	4,40,000	32,00,000	-	36,40,000
S. Sivaram	4,60,000	28,00,000	-	32,60,000
S. Ramadorai	5,50,000	28,00,000	-	33,50,000
M.K. Sharma	7,70,000	34,00,000	-	41,70,000
Vibha Paul Rishi	5,20,000	28,00,000	-	33,20,000
R. Seshasayee	6,50,000	28,00,000	-	34,50,000
Total (1)	**40,30,000**	**2,08,00,000**	**-**	**2,48,30,000**
2. Other Non-Executive Directors:				
Ashwin Choksi	4,00,000	36,00,000	7,35,000	47,35,000
Ashwin Dani	4,60,000	32,00,000	7,35,000	43,95,000
Abhay Vakil	6,50,000	28,00,000	7,20,000	41,70,000
Mahendra Choksi	5,80,000	28,00,000	-	33,80,000
Malav Dani	5,20,000	30,00,000	-	35,20,000
Amrita Vakil	4,60,000	28,00,000	-	32,60,000
Total (2)	**30,70,000**	**1,82,00,000**	**21,90,000**	**2,34,60,000**
Total (1+2)	**71,00,000**	**3,90,00,000**	**21,90,000**	**4,82,90,000**
Ceiling as per the Companies Act, 2013				28,71,41,000

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.

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	

All related party transactions are in the ordinary course of business and on arm's length basis which are approved by Audit Committee of the Company.

For and on behalf of the Board

Ashwin Choksi
Chairman

Place: Mumbai
Date: 10th May, 2018

Annexure (F) to Board's Report

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

1. **A brief outline of Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web – link to CSR Policy and projects or programs:**

The CSR initiatives of the Company aim towards inclusive development of communities through a range of social interventions, enhancing skills and building social infrastructure to improve their livelihood. Our CSR approach focuses on development of communities around the vicinity of our plants and Registered Office.

Our CSR Policy focuses on four thrust areas of Education, Skills Development, Healthcare & Hygiene and Water Management.

Education

In the area of education, the Company continues to 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.

Healthcare and Hygiene

With the growing population, sanitation and healthcare have become central to India's development agenda. By directing resources towards access to healthcare and hygiene, we look to support interventions that include Primary Healthcare Support, Free Medical Camps for Rural Communities, Setting up of Rehabilitation Centres, Development of Hospital Labs, Provision of Mobile Medical Units and Ambulances, Ongoing program 'Safar' improves Health and Awareness among truck drivers, providing access to Safe Drinking Water, healthcare support through Localized Medical Camps, etc.

We provide healthcare support through periodic medical check-ups and diagnosis camps that are facilitated by specialists and trained doctors. Asian Paints employees actively volunteer and participate in organizing the medical camps by campaigning for the program, coordinating with project partners and helping with logistics.

Water Management

Livelihoods, food security and local socio-economic development are linked to the availability of adequate amounts of clean water. We believe it is our responsibility to judiciously use and help conserve this precious resource. Our approach includes providing support and infrastructure at each stage of water conservation, water preservation, water re-charge and waste water treatment.

Water is a critical input in our manufacturing process. We are conscious of our dependence on water and have strived to optimize our water consumption by implementing a range of water conservation projects, waste water treatment, reusing process water and water recharging initiatives at all of our manufacturing facilities.

Skills Development - Vocational Training

In keeping with national developmental goals on skills development, Asian Paints is committed to providing vocational training to improve skills in the underprivileged sections of the society. We aspire to provide vocational and skill based training to painters, applicators, carpenters and workers, to enhance their employability and improve their livelihoods. Asian Paints Colour Academy focuses on Skilling & vocational training to painters and empowers them to better livelihood.

The Asian Paints Colour Academy is equipped with modern facilities like fully equipped classroom with modern Audio Visual facilities, clean and fully equipped modern workshops for hands on trainings, inspiration area & contractor resource centre.

2. Composition of the CSR Committee:

The CSR Committee comprises of Mr. Malav Dani, Mr. Mahendra Choksi, Mr. S Ramadorai, Mrs. Vibha Paul Rishi and Mr. K. B. S. Anand.

Mr. Jayesh Merchant acts as Secretary to the CSR Committee.

Particulars	₹ in crores
3. Average Net Profit of the Company for last 3 financial years:	2,321.44
4. Prescribed CSR expenditure (2% of this amount as in Sr. No. 3 above):	46.43
5. Details of CSR spent for the financial year 2017-18:	
a. Total amount spent for the financial year:	46.51
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: 1. Direct Expenditure	2. Overheads*	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency**
• Developing infrastructure of schools — upgrading school buildings; providing classroom setups like benches, desks and boards, among others; helping set up libraries and science laboratories • Socialising the importance of education for children and community leaders • Providing educational resources for students — imparting training on computers and self defence; workshops to enhance soft skills • Granting scholarships for higher education etc.	Education	I. Tamil Nadu - Cuddalore, Tiruvallur District, Sriperumbudur, Kanchipuram District II. Maharashtra - Khandala, Satara District, Santacruz, Mumbai District, Turbhe, Thane District III. Gujarat - Ankleshwar, Bharuch District IV. Uttar Pradesh - Kasna, Gautam Buddha Nagar District V. Haryana - Rohtak District, VI. Telangana - Patancheru, Medak District VI. Karnataka - Mysore, Nanjangud District VII. Andhra Pradesh - Atchutapuram, Visakhapatnam District	12.82	12.80	0.00	12.80	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	Amount Spent on the Projects or Programs: 2. Overheads*	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency**
• Providing primary healthcare support and free medical camps for rural communities • Provisioning mobile medical units and ambulances • Implementing sanitation projects • Running awareness programmes for communities on health and hygiene • Facilitating the ongoing programme 'Safar' to improve health and awareness among truck drivers • Providing access to potable water	Health & Hygiene	I. Maharashtra - Santacruz, Mumbai District, Turbhe, Thane District II. Gujarat - Ankleshwar, Bharuch District III. Uttar Pradesh - Kasna, Gautam Buddha Nagar District IV. Haryana - Rohtak District V. Tamil Nadu - Cuddalore, Tiruvallur District, Sriperumbudur, Kanchipuram District VI. Telangana - Patancheru, Medak District VII. Karnataka - Mysore, Nanjangud District VIII. Andhra Pradesh - Atchutapuram, Visakhapatnam District	4.85	4.85	0.00	4.85	Direct and through implementing agency
Skilling and vocational training through Colour Academies	Vocational Training Program	I. Maharashtra - Mumbai, Nagpur, Aurangabad & Pune District II. Karnataka - Bengaluru District III. Telangana - Hyderabad District IV. Tamil Nadu - Chennai District V. West Bengal - Kolkata & Burdwan District VI. Gujarat - Ahmedabad District VII. Uttar Pradesh - Lucknow, Varanasi, Kanpur, Ghaziabad, Gorakhpur & Agra District VIII. Madhya Pradesh - Jabalpur & Bhopal District IX. Rajasthan - Jaipur District X. Punjab - Ludhiana District XI. Kerala - Kozhikode District XII. Odisha - Bhubaneshwar District XIII. Uttaranchal - Dehradun District XIV. Delhi, Chandigarh & Jammu & Kashmir	26.95	20.01	2.32	22.33	Direct

(₹ 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**
• Creating awareness on water conservation in schools and villages • Installing rooftop rainwater harvesting units and recharge systems in villages and schools • Promoting integrated watershed development in areas around our manufacturing locations	Water	I. Maharashtra - Khandala, Satara District II. Gujarat - Ankleshwar, Bharuch District III. Uttar Pradesh - Kasna, Gautam Buddha Nagar District IV. Haryana - Rohtak District V. Tamil Nadu - Cuddalore, Tiruvallur District, Sriperumbudur, Kanchipuram District VI. Telangana - Patancheru, Medak District VII. Karnataka - Mysore, Nanjangud district VIII. Andhra Pradesh - Atchutapuram, Vishakhapatnam District	6.53	6.53	0.00	6.53	Direct and through implementing agency
		TOTAL	**51.15**	**44.19**	**2.32**	**46.51**	

Notes :

1. * Restricted to 5% of Total CSR Funds. Total overheads spent in FY 17-18 is ₹ 6.53 crores
2. ** Details of the Implementing agencies: 1. AIDS (Ankleshwar Industrial Development Society) 2. NIIT Foundation 3. Kaka-Ba and Kala Budh Public Charitable Trust 4. Ankleshwar Rotary Welfare Trust 5. Aga Khan Rural Support Programme (India) 6. Enable Health Society 7. Bihaang Welfare Foundation 8. Deepalaya 9. Helpage India 10. FORCE - Forum for Organised Resource Conservation and Enhancement 11. Pratham Education Foundation 12. Vanarai 13. International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) 14. Magic Bus India Foundation 15. Hand In Hand India 16. Head Held High Foundation 17. Jss Mahavidyapeetha 18. Confederation of Indian Industry (CII) 19. Sri Lakshmi Hayagriva Trust 20. K.M.Santhanam Educational Trust 21. Child Survival India 22. Akash Ganga Trust 23. Dhan (Development of Humane Action) Foundation 24. Vyakti Vikas Kendra 25. All India Women's Conference 26. Patuck Polytechnic Trust 27. Shikshadaan Foundation 28. Swasth Foundation

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: 10th May, 2018

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 of the Company have continued their efforts to reduce the energy consumption. Specific energy consumption and absolute unit's consumption are tracked on a real time basis at individual factory/block level and consolidated at Supply Chain level. This is being done with the help of Energy Management System Software installed at all plants which was commissioned during the financial year 2017 – 18.

Some of the key measures taken in all the plants are as below:

- Worked on sequence of Hydroxyethyl Cellulose (HEC) addition and HEC slurry in formulations
- Liquid addition sequence optimized to reduce pigging cycle, which reduced air and power consumption
- Improvements done in the large Twin Shaft Dispensers (TSDs) for reducing power consumption
- Work done in improvement in shaft mechanics for reducing motor power
- Presence sensors and motion sensors used in cabins.
- Use of inverter duty air conditioners in cabins/offices
- Pressure based pumping system used for utilities
- Arresting air leakage and optimization of air pressure network
- Reduction in emulsion cycle time
- Old TSD motors replaced with energy efficient IE3 motors
- Processing of some solvent streams in basket mill instead of sand mill to reduce power consumption
- Reduction in cycle time of resins.

Other key initiatives for Energy conservation:

- Energy cells in plants have continued their efforts through improved ideas and participation in all manufacturing plants
- Energy weeks were arranged in all plants where plant achievements were shared and rewarded
- Manufacturing plan of the Company at Kasna has attained the distinction of being the '2nd company in the paint manufacturing sector to be rated with the prestigious "GreenCo Rating" in the country in the field of environmental performance of a factory.

B) UTILISING ALTERNATE SOURCES OF ENERGY

Solar energy:

Following rooftop solar projects were commissioned in financial year 2017-18

- 1 MWp- At Rohtak Plant
- 0.15 MWp- At Sriperumbudur Plant
- 0.30 MWp- At Patancheru Plant

With the commissioning of the above projects the total installed solar energy capacity in our plants will now be 10.26 MWp

During the year under review, the solar projects have generated about 98 lakh units which is about 15.2% of electricity consumption across all decorative paint plants.

Wind Energy:

Following Wind Turbine Generators (WTG) were commissioned during year ended 31st March, 2018:

- 6.3 MW- At Aurangabad, Maharashtra for Khandala plant (2.1 MW x 3)

With the commissioning of the above project, total installed wind energy capacity will now be 13.80 MW

During the financial year 2017-18, the wind projects have generated about 130 lakh units which is about

20.1% of electricity consumption across all decorative paint plants.

The new solar and windmill installations have helped the Company to end the year 2017-18 at RE of 35%

C) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

The Company has spent ₹ 7.75 crores as capital investment on energy conservation equipment during the financial year 2017-18.

TECHNOLOGY ABSORPTION

A) The efforts made by the Company towards technology absorption

The focus of APL Research & Technology (R&T) function continues to be in building technological self-reliance by promoting in house research, innovation and creativity to design, develop and upgrade its products 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 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 that fulfil expressed as well as unstated needs of consumers.
- Creating products in the premium range keeping in mind aspects of Green Assure and product sustainability.
- Upgradation of existing products with value added features to create product differentiation to retain 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.
- Support sustainability initiatives of the company by undertaking joint projects with plant to reduce cycle time, energy consumption, water consumption and waste generation.
- Building a sustainable idea and prototype pipeline for the company and develop new capability platforms for creating next generation products to catalyze future growth.
- Undertake collaborative projects with vendors, customers, academia and research institutes to develop new products, new capabilities and generate new scientific understanding.
- Encourage use of new scientific tools such as DFSS (Design for Six sigma) and DOE (Design of Experiments) to strengthen existing product development methodology.
- 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 RM 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 climate and usage practices.
- Technical service and support related to customers for product scale up and standardization on customer lines, manufacturing support and solving product complaints.
- Development of test methods for Plant QC that help speed up incoming raw material testing and approval.
- 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:

15 (fifteen) new products were developed and commercialized for architectural paints segment during the financial year 2017-18.

9 (nine) new products developed for industrial costings use during financial year 2017-18. Some highlights include:

- Development and commercialization of Apcomin 100 & Apcomin 140 at PEB's viz. M/s Kirby Building Systems Ltd and M/s Everest Industries.
- Development of Low Temperature cure Epoxy Floor coating system comprising of Primer, Screed and Topcoat developed.
- Dealer Tinting system launched with 4 (four) products (Two – 2k Epoxy Topcoat & Two – 2k Polyurethane Topcoat).
- Certification of two coating systems from COT, BV Netherlands and DNV GL, Mumbai.

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

For reduction of carbon footprint the Company has ongoing programs to reduce rutile consumption from formulations without compromising opacity. The estimated reduction in CO2 emission due to reduced rutile consumption is expected to touch around 18000 MT during the year 2017-18.

For the third consecutive year, The Federation of Indian Chamber of Commerce & Industry (FICCI) has recognized the product "Royale Atmos" by conferring FICCI 2017 sustainability award as the "Best Green Product in India in the Petrochemicals sector".

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

D) The expenditure incurred on Research and Development

(₹ in crores)

Particulars	2017-18	2016-17
Capital	41.77	30.95
Recurring	76.22	75.06
Total	**118.30**	**106.01**

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned in terms of actual inflows during the year 2017-18 was ₹ 147.21 crores (equivalent value of various currencies).

Foreign exchange outgo in terms of actual outflows during the year 2017-18 was ₹ 2,647.44 crores (equivalent value of various currencies).

Report on Corporate Governance

ASIAN PAINTS' PHILOSOPHY ON CODE OF GOVERNANCE

Asian Paints is committed to the highest standards of corporate governance, and setting industry-leading benchmarks. Our goal is to promote and protect the long-term interest of all stakeholders, and to that end, our philosophy of Corporate Governance is built on a foundation of ethical and transparent business operations and is designed to inspire trust among all stakeholders, strengthen the Board and management accountability.

A key element of Asian Paints' success is our strong set of core values, which inspires all our actions, from communication to leadership and strategic decision-making, and provides a benchmark for all our stakeholders. We adhere to the principles of integrity, execution excellence, customer orientation and leadership in an ethical manner and thereby attain the highest goals of corporate achievement.

The balance of pursuing market opportunities while maintaining accountability has proved a defining challenge for the company. And we have risen to the occasion by providing smarter, more efficient and broader solutions to attain the company's objectives, and all the while strongly maintaining our organisational culture and adhering to the strictest benchmarks of Governance.

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 (Listing Regulations) is given below:

GOVERNANCE STRUCTURE

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

Board:
At Asian Paints, the Board has an appropriate mix of Executive and Non – Executive Directors to maintain its independence. The Board periodically evaluates the need for change in its composition and size. The Board, *inter alia*, focuses on strategic planning, risk management, compliance, corporate governance to maintain high standards of ethical conduct and integrity and succession planning for the Directors.

Composition of the Board:
As on 31st March, 2018, the Board comprised of 14 (fourteen) members, 7 (seven) of which are Independent Directors constituting 50% of the Board strength, 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, except Mr. R. Seshasayee who was appointed on 22nd January, 2017 for a tenure of 5 (five) upto 22nd January, 2022.

The Company has on its Board, eminent Independent Directors who have brought in independent judgement to Board's deliberations including issues of strategy, risk management and overall governance. They have played a pivotal role in safeguarding the interests of all stakeholders.

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.

The terms and conditions for appointment of independent directors and a sample letter of appointment issued to them, are posted on the Company's website at following the link:

https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/board-of-directors/Appointment%20letter%20to%20Independent%20Directors.pdf.

Committees of the Board:
The Board has constituted various Committees with an optimum representation of its members and with specific terms of reference in accordance with the Companies Act, 2013 and the Listing Regulations. The Company currently has 6 (six) Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Shareholders Committee.

The Board of Directors of the Company at its Meeting held on 10th May, 2018 in view of amendments caused to the Companies Act, 2013 by way of Notification of certain provisions of Companies (Amendment) Act, 2017 by the Ministry of Corporate Affairs with effect from 7th May, 2018, have revised the terms of reference of Nomination and Remuneration Committee of the Board of Directors of the Company. The revised terms are incorporated in their respective portion forming part of this Report.

Management:
The management structure of the Company consists of the Executive Council (EC) and Operating Council (OC). The Managing Director & CEO is part of the EC.

The EC members report to the Managing Director & CEO and head different business functions of the organization such as Sales & Marketing, International Business, Industrial Business, Home Improvement 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.

BOARD OF DIRECTORS

Board Procedures and flow of information:
The dates of meetings of the Board and its Committees for the next financial year are decided in advance and published in the Annual Report as part of Shareholders Information. Additional meetings are convened whenever necessary. In case of any exigency, resolutions are passed by circulation. 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 for the meetings of the Board and its Committees are circulated in advance to the Directors to ensure sufficient time is provided to Director to prepare for the meetings. The Board meets at least once in a quarter to, *inter alia*, review quarterly standalone and consolidated financial statements, compliance report(s) of all laws applicable to the Company, major legal issues or regulatory development, 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, foreign currency exposure, details of joint ventures or collaborations, short-term borrowings, any other proposal from the management regarding mergers, acquisitions and strategic restructuring of investments, etc.

The Board has unrestricted access to all the company-related information which includes information as specified in Regulation 17 and Schedule II (A) of the Listing Regulations. The Managing Director & CEO and the Members of the EC/OC make presentations to the Board and attend meetings as invitees, on matters including but not limited to the Company's performance, strategic plans, quarterly and annual financial results, compliance reports, etc.

In the path of digitization and with a view to ensure its commitment to Go-Green initiative of the Government, the Company circulates to its Directors, notes for Board/Committee meetings through an electronic platform thereby ensuring high standards of security and confidentiality, of Board papers.

The Company Secretary attends all the meetings of the Board and its Committees and is, *inter alia*, responsible for recording the minutes of such meetings. The 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, if necessary, in locations, where the Company operates. During the financial year, 8 (eight) meetings of the Board of Directors of the Company were held on 11th May, 2017, 25th July, 2017, 3rd October, 2017, 4th October, 2017, 24th October, 2017, 13th December, 2017, 22nd January, 2018 and 28th March, 2018. Out of the 8 (eight) meetings of the Board, 2 (two) meetings were exclusively held to discuss and deliberate on long term strategy plans, risk management and company budgets and operating plans. 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 necessary quorum was present for all the meetings.

The details of attendance at Board Meetings held either in person or through video conference during the financial year 2017-18 and at the Annual General Meeting (AGM) of the Company are detailed below:

Name of the Director (s)/ Director Identification Number (DIN)	AGM held on 27th June, 2017	Board meeting number							
		1	2	3	4	5	6	7	8
Ashwin Choksi (DIN: 00009095)	Yes	○	○	○	○	○	○	○	○
Ashwin Dani (DIN: 00009126)	Yes	○	○	○	○	○	○	○	○
Abhay Vakil (DIN: 00009151)	Yes	○	○	○	○	○	○	○	○
K.B.S. Anand (DIN: 03518282)	Yes	○	○	○	○	○	○	○	○
Mahendra Choksi (DIN: 00009367)	Yes	○	○	○	○	○	○	○	○
Malav Dani (DIN: 01184336)	Yes	○	○	○	○	○	○	○	○
Amrita Vakil (DIN: 00170725)	Yes	○	○	○	○	○	○	○	○
Deepak Satwalekar (DIN: 00009627)	Yes	○	○	○	○	○	○	○	●
S. Sivaram (DIN: 00009900)	Yes	○	○	○	○	○	○	○	○
Mahendra Shah (DIN: 00009786)	Yes	○	○	○	○	●	○	○	○
S. Ramadorai (DIN: 00000002)	Yes	○	○	○	○	○	○	🖳	○
M. K. Sharma (DIN: 00327684)	Yes	○	○	○	○	○	○	○	○
Vibha Paul Rishi (DIN: 05180796)	Yes	○	🖳	○	○	○	🖳	○	○
R. Seshasayee (DIN: 00047985)	Yes	○	○	○	○	○	○	○	○

○ Present ● Absent 🖳 Present through video conferencing

Independent 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.

Independent Directors' Meeting:
Schedule IV of the Companies Act, 2013 and the Rules thereunder mandate that the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of non – Independent Directors. At such meetings, the Independent Directors, *inter alia*, review the performance of (i) Chairman, Non-Independent Directors and the Board as a whole, (ii) Chairman of the Company taking into account views of Executive/Non-Executive Directors and (iii) 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 met on 20th March, 2018 during this calendar year.

Directorship and Membership on Committees and Shareholding of Non executive Directors:
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*, shareholding in the Company, number of directorships and committee chairmanships/memberships held by them in other public companies are detailed below:

Name of the Director(s)	Nature of Directorship	Relationship with each other	As on 31st March, 2018				
			Directorships in other companies (*)	Membership and Chairmanship of the Committees of the Board of other Companies (**)		No. of shares held (****)	% to the paid up share capital
				Chairman	Member		
Ashwin Choksi	Non-Executive Chairman/Promoter	Brother of Mahendra Choksi	-	-	-	7,85,700	0.08
Ashwin Dani	Non-Executive Vice Chairman/Promoter	Father of Malav Dani	5	1	3	20,84,870	0.22
Abhay Vakil	Non-Executive Director/Promoter	Uncle of Amrita Vakil	4	1	-	2,84,68,310	2.97
K.B.S. Anand	Managing Director & CEO	***	-	-	-	270	0
Mahendra Choksi	Non-Executive Director/Promoter	Brother of Ashwin Choksi	-	-	-	21,96,180	0.23
Malav Dani	Non-Executive Director/Promoter	Son of Ashwin Dani	2	-	1	33,05,510	0.34
Amrita Vakil	Non-Executive Director/Promoter	Niece of Abhay Vakil	2	-	-	25,66,680	0.27
Deepak Satwalekar	Non-Executive Director/Independent	***	2	1	-	Nil	Nil
S. Sivaram	Non-Executive Director/Independent	***	5	-	1	Nil	Nil
Mahendra Shah	Non-Executive Director/Independent	***	-	-	-	Nil	Nil
S. Ramadorai	Non-Executive Director/Independent	***	8	-	1	Nil	Nil
M. K. Sharma	Non-Executive Director/Independent	***	5	1	2	Nil	Nil
Vibha Paul Rishi	Non-Executive Director/Independent	***	9	1	5	Nil	Nil
R. Seshasayee	Non-Executive Director/Independent	***	2	-	-	1,496	0

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.

**** 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.

Familiarization Programme:

The Company conducts Familiarization Programme for the Independent Directors to enable them to be familiarized with the Company, its management and its operations to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company. They are provided a platform to interact with multiple levels of management and are provided with all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole.

Further, when a new Director is inducted on the Board, an information pack is handed over to the new director which includes, Company profile, Company's Codes and Policies, Strategy and such other operational information.

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 first hand information and also interact with the stakeholders on the ground. The inductees are introduced to the plant heads and various important functional heads.

The details of such familiarization programmes for Independent Director(s) are put up on the website of the Company and can be accessed through the following link:

https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/policies-programs/Familiarisation%20Policy%202016%20-17.pdf.

CEO/CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2017-18 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 10th May, 2018.

COMMITTEES OF THE BOARD

AUDIT 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 2017-18 are detailed below:

Name of the Director(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
M. K. Sharma	Chairman	5	5
Abhay Vakil	Member	5	5
Mahendra Shah	Member	5	4
R. Seshasayee	Member	5	5

Mr. Jayesh Merchant acts as Secretary to the Committee.

The Committee invites the Managing Director & CEO, CFO & Company Secretary and President – Industrial JVs, Vice President – Finance, General Manager – Corporate Accounts, 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. The members of the Audit Committee are financially literate and have experience in financial management.

The Committee met 5 (five) times during the financial year 2017-18 on 10th May, 2017, 24th July, 2017, 23rd October, 2017, 22nd January, 2018 and 27th March, 2018.

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 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 2017-18 is detailed below:

Name of the Director(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
Deepak Satwalekar	Chairman	2	2
Ashwin Dani	Member	2	2
M. K. Sharma	Member	2	2

Mr. Jayesh Merchant acts as Secretary to the Committee.

The Committee met 2 (two) times during the financial year 2017-18 on 5th May, 2017 and 30th October, 2017.

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

1. Formulate a criterion 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. specify methodology for effective evaluation of performance of Board/committees/directors either by Board, NRC or an independent external agency and to review implementation of evaluation system;
6. 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;
7. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company;
8. recommend to the board all remuneration, in whatever form, payable to senior management; and
9. Undertake any other matters as the Board may decide from time to time.

Board membership:

The Nomination and Remuneration Committee formulates and reviews the criteria for appointment of a Director on the Board of Directors of the Company. The Committee formulates the criteria for determining qualifications, positive attributes, independence of a director and makes necessary recommendations to the Board.

The Committee also recommends to the Board on extension or continuation of the term of appointment of Independent Directors on the basis of the report of performance evaluation of Directors.

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 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 at https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/policies-programs/Nomination%20and%20Remuneration%20Policy%20of%20the%20Company_22.01.2018.pdf.

Review of appointment of Senior Management and their performance:

The Nomination and Remuneration Committee lays down the parameters for qualifications, skills, expertise and qualities required for senior management positions like the Key Managerial Personnel and members of the Executive Council, their terms of employment including compensation, variable pay and other benefits which are governed by the policies of the Company. 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 and feedback received from the Managing Director & CEO.

Details of remuneration paid to Directors during the year 2017-18:

During the financial year 2017- 18, 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 and Independent 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.

The Board of Directors of the Company have recommended all fees or compensation, paid to non-executive directors, including independent directors and required shareholders approval has been obtained in general meeting.

Details of the remuneration paid to the Directors of the Company for the financial year 2017-18 are as follows:

(Amount in ₹)

Name of the Director	Basic Salary	Perquisites	Sitting fees	Commission	Total
Ashwin Choksi*	-	7,35,000	4,00,000	36,00,000	47,35,000
Ashwin Dani*	-	7,35,000	4,60,000	32,00,000	43,95,000
Abhay Vakil*	-	7,20,000	6,50,000	28,00,000	41,70,000
K.B.S. Anand**	2,62,81,000	3,44,60,842	-	4,50,00,000	10,57,41,842
Mahendra Choksi	-	-	5,80,000	28,00,000	33,80,000
Malav Dani	-	-	5,20,000	30,00,000	35,20,000
Amrita Vakil	-	-	4,60,000	28,00,000	32,60,000
Deepak Satwalekar	-	-	4,40,000	32,00,000	36,40,000
S. Sivaram	-	-	4,60,000	28,00,000	32,60,000
Mahendra Shah	-	-	6,40,000	30,00,000	36,40,000
S. Ramadorai	-	-	5,50,000	28,00,000	33,50,000
M.K. Sharma	-	-	7,70,000	34,00,000	41,70,000
Vibha Paul Rishi	-	-	5,20,000	28,00,000	33,20,000
R. Seshasayee	-	-	6,50,000	28,00,000	34,50,000

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 the contract of Mr. K.B.S. Anand with the Company.

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

Performance Evaluation:

The Company follows a structured assessment process for evaluation of performance of the Board, Committees of the Board and individual performance of each Director including the Chairman based on the criteria approved by the Board.

Directors:

The criteria for evaluation of the performance has been devised on parameters like 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, understanding of the terms of reference, effectiveness of the discussions etc.

The performance of the Independent Directors was also evaluated taking into account the time devoted, strategic guidance to the Company, advice given for determining important policies, external expertise provided and independent judgment that contributes objectively in the Board's deliberation.

Nomination and Remuneration Committee also evaluates the performance of the Managing Director & CEO by setting his Key Performance Objectives at the beginning of each financial year. The Committee ensures that the Key Performance Objectives are aligned with the immediate and long term goals of the Company. This is then presented to the Board for its inputs.

Board:

The performance evaluation of the Board is carried out taking into account the various parameters like composition of Board, process of appointment to the Board, common understanding amongst Directors of their role and responsibilities, timelines and content of Board papers, strategic directions, advice and decision making, etc. The Board also notes the actions undertaken, pursuant to the outcome of previous evaluation exercises.

Committees of the Board:

The Committee's self – assessment is carried out based on the degree of fulfilment of key responsibilities as outlined by the Charter, adequacy of Committee composition, effectiveness of meetings and information provided to the Committees.

During the year under review, 2 (two) surveys were undertaken for evaluation of performance of Directors, Board as a whole and Committees of the Board.

The Independent Director(s) also evaluated the performance of Non – Executive Directors and the Chairman of the Board at the meeting of Independent Director(s) held on 20th March, 2018. The outcome of surveys and feedback from Directors was discussed at the respective meetings of Board, Committees of Board and meetings of Independent Directors.

The overall performance evaluation exercise was completed to the satisfaction of the Board. The Board of Directors deliberated on the outcome and necessary steps will be taken going forward.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition 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 2017-18 is detailed below:

Name of the Director(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
Mahendra Shah	Chairman	2	2
Mahendra Choksi	Member	2	2
Amrita Vakil	Member	2	2
K. B. S. Anand	Member	2	2

Mr. Jayesh Merchant acts as Secretary to the Committee.

The Board of Directors of the Company at their meeting held on 10th May, 2018 have appointed Mr. R. J. Jeyamurugan, Vice President – Finance as the Compliance Officer in accordance with Regulation 6 of Listing Regulations.

Mr. R. J. Jeyamurugan is a qualified Company Secretary & Chartered Accountant and reports to Mr. Jayesh Merchant.

The Committee met 2 (two) times during the financial year 2017-18 on 12th October, 2017 and 19th March, 2018.

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 redressed during the financial year 2017-18 are given below as on 31st March, 2018 and the status thereof:

Nature of complaints	Number of complaints received	Number of complaints redressed
Non-Receipt of Dividend	8	8
Non-Receipt of Annual Report	4	4
Dematerialisation of securities	3	3
Others	19	19
Total	**34**	**34**

Note:

1. No Complaints remained pending at the end of the year.
2. Nature of Complaints in the category "Others" include transfer of shares, non receipt of bonus shares, transmission of shares, change in signature, loss of shares and non receipt of shares after split, etc

The Company obtains half-yearly certificate from a Company Secretary in Practice under Regulation 40(9) of the Listing Regulations, 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(10) 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 registered with the Securities and Exchange Board of India is also filed with the Stock Exchanges on a half yearly basis.

In accordance with Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 and SEBI Circular No, D&CC/FITTC/Cir- 16/2002 dated 31st December, 2002, a qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital. The audit report confirms that the total issued and paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition 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 2017-18 is detailed below:

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

Mr. Jayesh Merchant acts as Secretary to the Committee.

The Committee met 4 (four) times during the financial year 2017-18 on 18th July, 2017, 12th October, 2017, 24th January, 2018 and 23rd March, 2018.

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 forms part of the CSR Section in the Annual Report.

SHAREHOLDERS COMMITTEE

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 2017-18 is detailed below:

Name of the Director(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
Ashwin Dani	Chairman	16	15
Ashwin Choksi	Member	16	15
Abhay Vakil	Member	16	15
K. B. S. Anand	Member	16	15
Jayesh Merchant	Member	16	16

Mr. Jayesh Merchant acts as Secretary to the Committee.

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

1. To issue share certificates pursuant to duplicate/ remat/renewal requests as and when received by the Company;
2. 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;
3. To review correspondence with the shareholders *vis-à-vis* legal cases and take appropriate decisions in that regard;
4. 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; and
5. Such other activities as the Board of Directors may determine from time to time.

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 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 2017-18 is detailed below:

Name of the Director(s)	Nature of Membership	Meeting(s) details	
		Held	Attended
M. K. Sharma	Chairman	1	1
S. Sivaram	Member	1	1
K. B. S. Anand	Member	1	1
Amit Syngle (Senior Executive)	Member	1	1
Amit Kumar Baveja@ (Senior Executive)	Member	1	1

Notes:

@ Mr. Amit Kumar Baveja, Chief Internal Auditor, was appointed as Member of the Risk Management Committee w.e.f. 11th May, 2017.

Mr. Jayesh Merchant acts as Secretary to the Committee.

The Risk Management Committee met once during the financial year 2017-18 on 14th December, 2017.

The Risk Management Committee formed by the Board of Directors, is bound by the charter drawn up by the Board of Directors of the Company which lays down the rights, duties and responsibilities of the Risk Management Committee. The Risk Management Committee is responsible

for oversight on overall risk management processes of the Company and to ensure that key strategic and business risks are identified and addressed by the management.

The terms of reference of the Risk Management Committee are:

1. framing a risk management policy;
2. identify Company's risk appetite set for various elements of risk;
3. review the risk management practices and structures and recommend changes to ensure their adequacy;
4. approve and review the risk treatment plans put in place by management;
5. ensure adequacy of risk management practices in the Company; and
6. Such other activities as the Board of Directors may determine from time to time.

The Risk Management Policy articulates 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.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

As required by Schedule V of the Listing Regulations, 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, if any, are as under:

Year(s)	Location(s)	Date and time	Time	No. of special resolution(s) set out at the AGM
2016-2017	Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020	27th June, 2017	11.00 a.m.	NIL
2015-2016	Yashwantrao Chavan Pratisthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai- 400 021	28th June, 2016		
2014-2015		3rd July, 2015		

No Postal Ballot was conducted during the financial year 2017-18.

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 the Listing Regulations.

2. **Related Party**
   All transaction entered into by the Company with related parties, during the financial year 2017-18, 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 Company has in place a documented framework for identifying, entering into and monitoring the related party transactions. The deviations, if any, to the said process have been brought to the attention of Audit Committee suitably. The Audit Committee, during the financial year 2017-18, 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 Audit Committee reviews at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval granted.

   The policy on Related Party Transactions has been placed and can be accessed on the Company's website https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/policies-programs/Policy%20on%20Related%20Party%20Transactions_22.01.2018.pdf

   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 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, 2018:

Name of the employee(s)	Nature of relationship with Director(s)	Remuneration (₹)
Jalaj Dani*	Relative of Ashwin Dani and Malav Dani	59,89,275
Manish Choksi	Relative of Mahendra Choksi	3,47,57,980
Varun Vakil	Relative of Amrita Vakil	41,80,140

* 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 Whistle Blower 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 Company Secretary 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 was denied access to the Audit Committee of the Company with regard to the above.

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, during the last 3 (three) years.

6. **Details of compliance with mandatory requirements and adoption of the non-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 financial results of the Company including summary of the significant events for the period ended 30th September, 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.

7. **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 Management of the unlisted subsidiary periodically brings to the notice of the board of directors of the Company, a statement of all significant transactions and arrangements entered into by unlisted subsidiary, if any.

The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website

https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/policies-programs/Policy%20on%20Materiality%20of%20Subsidiaries_22.01.2018.pdf

8. **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.

9. **Website**

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

The section on 'Investors' on the website serves to inform the members by giving complete financial details, annual reports, presentations made by the Company to investors, press releases, shareholding patterns and such other material relevant to shareholders.

10. **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 2017-18. The declaration to this effect signed by Mr. K.B.S. Anand, Managing Director & CEO of the Company forms part of this Report.

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

The Company has adopted a Code of Conduct to regulate, monitor and report trading by Insiders under 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 Company has automated declarations and disclosures to be received from the designated persons (other than Promoter(s) & Promoter(s) Group) and the Board reviews the Insider Trading Code on need basis.

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 Marathi language newspaper, viz., all India editions of 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 and transfer of shares thereto, email registration, are regularly communicated and despatched.

General Shareholder Information

1.	**Annual General Meeting**	
	Date	Tuesday, 26th June, 2018
	Time	11.00 a.m.
	Venue	Yashwantrao Chavan Pratishthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021
2.	**Financial Calendar**	
	Financial year	1st April to 31st March
	Tentative Schedule for declaration of results during the financial year 2018-19	
	First quarter ending 30th June, 2018	On or around 24th July, 2018
	Second quarter and half year ending 30th September, 2018	On or around 22nd October, 2018
	Third quarter and nine months ending 31st December, 2018	On or around 22nd January, 2019
	Fourth quarter and year ending 31st March, 2019	On or around 10th May, 2019
3.	**Date of book closure**	16th June, 2018 to 26th June, 2018 (both days inclusive)
4.	**Registered Office**	Asian Paints Limited 6A, Shantinagar, Santacruz (E), Mumbai – 400 055 Tel: (022) 6218 1000
5.	**Payment of Dividend**	
	Interim dividend for FY 2017-18 of ₹ 2.65 per equity share declared on 24th October, 2017	3rd November, 2017
	Final dividend for 2017-18 of ₹ 6.05 per equity share recommended by the Board of Directors at its meeting held on 10th May, 2018	On or after 27th June, 2018 (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)
2012-2013	460	4.6	441.2
2013-2014	530	5.3	508.4
2014-2015	610	6.1	585.1
2015-2016	750	7.5	719.4
2016-2017	1030	10.3	988
2017-2018 (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, 2018.

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, 2018 are as follows:**

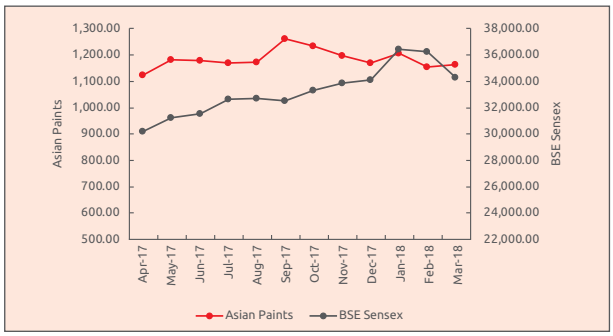
Month(s) 2017-18	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April - 2017	1,123.20	1,033.85	1,124.95	1,033.70
May - 2017	1,181.65	1,081.45	1,182.00	1,100.00
June - 2017	1,179.00	1,084.60	1,176.40	1,100.00
July - 2017	1,171.00	1,096.80	1,215.45	1,104.20
August - 2017	1,172.40	1,115.05	1,163.70	1,114.00
September - 2017	1,261.25	1,088.60	1,262.00	1,123.00
October - 2017	1,233.00	1,119.95	1,232.05	1,135.50
November - 2017	1,197.90	1,123.15	1,198.45	1,132.50
December - 2017	1,170.00	1,100.05	1,172.50	1,099.00
January - 2018*	1,206.30	1,124.00	1,208.20	1,123.45
February - 2018	1,155.10	1,090.55	1,157.35	1,090.10
March - 2018	1,163.65	1,082.00	1,163.75	1,092.15

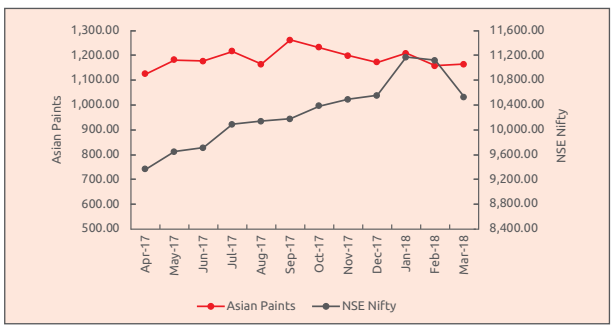
Source: BSE and NSE Website

* For the purpose of computing capital gains tax as per the newly introduced Section 12A of the Income Tax Act, 1961, the fair market value of the shares of the Company as on 31st January, 2018 was ₹ 1,139.80 per equity share of the face value of ₹ 1 each.

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, 2018 (based on month end closing):





10. **Share Transfer System:**

M/s. TSR Darashaw Limited is the Company's Registrar and Share Transfer Agent (RTA) for carrying out share related activities like transfer of shares, transmission of shares, transposition of shares, name deletion, change of address, amongst others.

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. However, 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.

All the documents received from shareholders are scrutinized by the Company's RTA. The shares lodged for transfer, etc. are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

In all cases of transfer of shares in physical mode an intimation letter is being sent to transferor(s) informing them of the lodgement of shares for transfer and in case of any objection to said transfer to revert within fifteen days with copy to transferee(s).

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.

11. **Transfer to the Investor Education and Protection Fund**

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years from the date of transfer to Unclaimed Dividend Account on the Company. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining transfer of the shares.

During the year under review, the Company had sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company

has transferred to IEPF following unpaid or unclaimed dividends and corresponding shares thereto during the financial years 2017-18 as under:

Particulars	Amount of dividend (in ₹)	No. of Shares
Final Dividend for the Financial Year 2009 -10	43,62,232	1,24,670
Interim Dividend for the Financial Year 2010 -11	21,05,437	40,210

Shareholders/claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on http://www.iepf.gov.in) from time to time. The Shareholders/claimant can file only one consolidated claim in a financial year as per the Rules.

During the financial year 2018 – 19, the Company would be transferring unclaimed final dividend amount for the financial year ended 31st March, 2011 on or before 29th August, 2018 and unclaimed interim dividend amount for the financial year ended 31st March, 2012 on or before 25th December, 2018 to IEPF.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the website, at link https://www.asianpaints.com/more/investors/unclaimed-dividend.html

The shareholders are requested to verify their records and claim their unclaimed dividends for the past years, if not claimed.

12. **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.

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.

Details of Unclaimed Dividend:

The details of the outstanding unclaimed dividend as on 31st March, 2018 are as under:

Sr. No.	Particulars of Dividend	Amount (in ₹)	Due date for transfer to IEPF
1.	Final Dividend 2010-2011	56,21,526	29th August, 2018
2.	Interim Dividend 2011-2012	24,51,511	25th December, 2018
3.	Final Dividend 2011-2012	76,61,378	31st August, 2019
4.	Interim Dividend 2012-2013	27,84,595.80	31st December, 2019
5.	Final Dividend 2012-2013	91,29,828	29th August, 2020
6.	Interim Dividend 2013-2014	34,93,708	26th December, 2020
7.	Final Dividend 2013-2014	94,31,496	30th August, 2021
8.	Interim Dividend 2014-2015	51,93,939	22nd November, 2021
9.	Final Dividend 2014-2015	1,09,94,467	7th August, 2022
10.	Interim Dividend 2015-2016	57,47,766	27th December, 2022
11.	Final Dividend 2015-2016	2,16,69,533.40	2nd September, 2023
12.	Interim Dividend 2016-2017	1,35,10,975.15	30th December, 2023
13.	Final Dividend 2016-2017	2,89,33,042.05	2nd September, 2024
14.	Interim Dividend 2017-18	1,19,85,454.45	28th December, 2024

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

Shares which were issued by the Company pursuant to public Issue or any other issues, which remained unclaimed were transferred to a demat suspense account pursuant to Regulation 39 and corresponding Schedule VI of the Listing regulations. The Company has already sent three reminders to the shareholders for Claiming those shares at their latest available address(es) with the Company or Depository, as the case may be.

The shareholders after verifying from RTA that their shares have been transferred to Unclaimed Suspense Account can make their claim with the Company or RTA. Thereafter, Company on proper verification of the shareholders identity and address would transfer the shares in their favour.

All the corporate benefit against those shares like bonus shares, split, dividend etc, would also be transferred to Unclaimed Suspense Account of the Company. The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

Particulars		No. of Shareholders	No. of Equity Shares
Opening Balance	Aggregate number of shareholdes and the outstanding shares in the Unclaimed Suspense Account lying as on 1st April, 2017	1,812	11,52,410
Less	Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	34	72,350
Less	Number of shareholders whose shares got transferred from suspense account to IEPF during the year	1,230	2,60,220
Closing Balance	Aggregate number of shareholders and outstanding shares lying in the suspense account as on 31st March, 2018	548	8,19,840

14. **Dematerialization of shares:**

Break up of shares in physical and demat form as on 31st March, 2018:

Particulars	No. of Shares	% of Shares
Physical segment	1,26,31,587	1.32
Demat segment	**94,65,66,203**	**98.68**
NSDL	92,54,28,388	96.48
CDSL	2,11,37,815	2.20
Total	**95,91,97,790**	**100.00**

The Securities and Exchange board of India (SEBI) at its Board Meeting held on 28th March, 2018 revised the provisions relating to transfer of listed securities and decided that requests for effecting transfer of listed securities shall not be processed unless the securities are held in the dematerialized form with a depository participant. The said measure of SEBI is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors. Date of this amendment will be notified later.

Shareholders who continue to hold shares in physical form are advised to dematerialize their shares at the earliest. For any clarification, assistance or information, relating to dematerialization of shares the Company's RTA may be contacted.

15. **Distribution of Shareholding:**

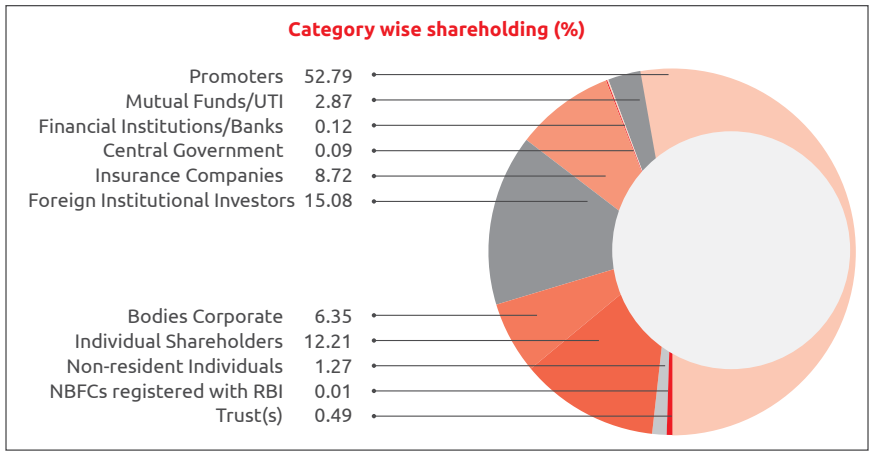
Distribution of shareholding of shares of the Company as on 31st March, 2018 is as follows:

No of Equity Shares		Shareholders		Shareholding	
		No.	% to total	No.	% to total
1	50	1,09,868	57.35	20,61,052	0.21
51	100	24,192	12.63	20,75,127	0.22
101	200	18,250	9.53	27,48,097	0.29
201	300	6,801	3.55	17,47,065	0.18
301	400	3,090	1.61	11,16,030	0.12
401	500	3,510	1.83	16,73,849	0.17
501	1,000	6,729	3.51	52,25,512	0.54
1,001	5,000	12,656	6.61	3,32,68,981	3.47
5,001	10,000	3,694	1.93	2,88,49,938	3.01
10,001	And above	2,771	1.45	88,04,32,139	91.79
Total		**1,91,561**	**100.00**	**95,91,97,790**	**100.00**

Shareholding Pattern as on 31st March, 2018:

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	2,75,51,340	2.87
		(b) Financial Institutions/Banks	11,47,676	0.12
		(c) Central Government	8,83,533	0.09
		(d) Insurance Companies	8,35,84,928	8.72
		(e) Foreign Institutional Investors	14,46,92,064	15.08
	Sub-Total (B)(1)		**25,78,59,541**	**26.88**
	(2)	Non-Institutions		
		(a) Bodies Corporate	6,08,77,462	6.35
		(b) Individuals		
		(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	10,80,45,659	11.26
		(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	91,15,358	0.95
		(c) Non-Resident individuals	1,21,54,122	1.27
		(d) NBFCs registered with Reserve Bank of India (RBI)	45,547	0.01
		(e) Trust(s)	47,15,619	0.49
	Sub total (B)(2)		**19,49,53,767**	**20.33**
	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:



16. **Outstanding Instruments and their impact on equity:**

The Company does not have any outstanding GDRs/ ADRs/ Warrants/Convertible Instruments as on 31st March, 2018.

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

18. **Address for Correspondence:**

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

M/s. TSR Darashaw Limited (TSRDL)
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
Toll Free No.: 1800 2100 124
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:

a. Branches of TSRDL

- 503 Barton Centre, 5th Floor 84, Mahatma Gandhi Road, Bangalore – 560 001.
- Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata – 700 071.
- Plot No 2/42, Sant Vihar, Ansari Road Daryaganj, New Delhi – 110 002.
- Bungalow No. 1, 'E' Road, Northern Town Bistupur, Jamshedpur – 831 001.

b. Agents of TSRDL

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

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

Asian Paints Limited
CIN: L2422MH1945PLC004598
6A, Shantinagar, Santacruz (E), Mumbai – 400 055,
Maharashtra Tel. No.: (022) 6218 1000
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.

19. **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 – 400051, Maharashtra
Tel : +91-22-26449000 / 40459000
Fax : +91-22-26449019-22 / 40459019-22
Tel : +91-22-26449950 / 40459950
Toll Free Investor Helpline: 1800 22 7575
E-mail : sebi@sebi.gov.in
Website: www.sebi.gov.in

Stock Exchanges:
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051
Tel No: (022) 26598100 - 8114
Fax No: (022) 26598120
Website: www.nseindia.com

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Phones : 91-22-22721233/4, 91-22-66545695 (Hunting)
Fax : 91-22-22721919
Email: corp.comm@bseindia.com
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
Email: info@nsdl.co.in
Website: www.nsdl.co.in

Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg,
Lower Parel, Mumbai – 400 013
Toll free: 1800-22-5533
Email: complaints@cdslIndia.com
Website: www.cdslindia.com

20. **Others:**

A. Non-resident shareholders:

Non-resident shareholders are requested to immediately notify:

(i) Indian address for sending all communications, if not provided so far;

(ii) Change in their residential status on return to India for permanent settlement; and

(iii) Particulars of their Non Resident External (NRE) Rupee 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; and

(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:

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

(ii) Transferees and Transferors PAN Cards for transfer of shares;

(iii) Legal Heirs'/Nominees' PAN Cards for transmission of shares;

(iv) Surviving joint holder's PAN for deletion of name of the deceased shareholder;

(v) Shareholder's PAN Card for dematerialization of shares;

(vi) Shareholder's and surety's PAN for issuance of duplicate share certificate; and

(vii) Shareholder's and Nominee's PAN Card for registration of nomination of shares.

F. SEBI Complaints Redress System (SCORES):

The investors' complaints are also being processed through the centralized web base complaint redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints.

SEBI vide its Circular dated 26th March, 2018 have streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said Circular can be accessed on the website of SEBI at https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redress-mechanism-new-policy-measures_38481.html

Annexure to Report on Corporate Governance for the financial year ended 31st March, 2018

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, 2018.

Place: Mumbai
Date: 10th May, 2018

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, 2018 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; and
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.

KBS Anand
Managing Director & CEO

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Place: Mumbai
Date: 10th May, 2018

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

To the Members of
Asian Paints Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. AAD/AVJ/2017-18/1 dated 28th June, 2017.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Asian Paints Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2018, 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).

Managements' Responsibility

3. 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.

Auditor's Responsibility

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

5. 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.

6. 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.

7. 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.

Opinion

8. 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, 2018.

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

Shyamak R Tata
Partner
Membership No: 038320

Place: Mumbai
Date: 10th May, 2018

Business Responsibility Report (BRR)

INTRODUCTION

Inclusive development is an integral part of social reform process and a foundation pillar for a better tomorrow. Asian Paints has always contributed towards achieving the larger objective of inclusive development and believed it to be an integral part of good corporate governance.

During the year the Company continued to take progressive steps towards sustainable water management, waste management and energy management and thus reaffirmed its commitment towards people, planet and profit.

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, 2017 to 31st March, 2018
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) Pentaerythritol (3) 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	1
Research & Technology Centre and Test Sites	3
Sales Locations	131
Admin Offices	48
Distribution Centres	10
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** : ₹ 16,408.25 crores
3. **Total profit after taxes** : ₹ 1,894.80 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 2017-18 is ₹ 46.51 crores which is 2.45% of PAT.

5. **Some of the areas for which expenditure in 4 above has been incurred:**
   - Education
   - Water Conservation
   - Health Care, Hygiene and Sanitation
   - Skill Development

SECTION C: OTHER DETAILS

- The Company as on 31st March, 2018 has 6 (Six) direct subsidiaries and 19 (Nineteen) 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:

- 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	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders? Refer Note 1	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national/ international standards? Refer Note 2	Y	Y	Y	Y	Y	Y	NA	Y	N
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director? Refer Note 3	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)

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	Does the Company has a specified committee of the Board of Directors/ Official to oversee the implementation of the policy? Refer Note 4	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
7.	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company has 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
9.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? Refer Note 5:	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. 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.
3. 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.
4. 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.
5. While the Company has not carried out independent audit of the policies, the Internal Audit Function periodically looks at the implementation of the policies.

Principle	Applicable Policies	Link for policices
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct	https://www.asianpaints.com/more/investors/policies-programs.html
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Environment, Health and Safety Policy.	https://www.asianpaints.com/footer-links/ehs-policy.html
Principle 3: Businesses should promote the well-being of all employees	Code of Conduct & Internal HR Policies for Employees.	https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/policies-programs/code-of-conduct-for-employees.pdf
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	CSR Policy & Customer Policy.	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
Principle 5: Businesses should respect and promote human rights	Code of Conduct.	https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/investors/code-of-conduct/asian-paints-code-of-conduct.pdf
Principle 6: Businesses should respect, protect, and make efforts to restore the environment	Environment, Health and Safety Policy.	https://www.asianpaints.com/footer-links/ehs-policy.html
Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner	NA	NA
Principle 8: Businesses should support inclusive growth and equitable development	CSR Policy.	https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	Customer Policy.	https://www.asianpaints.com/footer-links/customer-policy.html https://www.asianpaints.com/footer-links/customer-policy.html

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's governance structure, procedures and practices are sound enough to ensure that ethics and not just compliance should be the underlying principle in all its business dealings. The Company has an exhaustive Code of Conduct which is based upon the principles of Fairness, Ethics and Corporate Governance. The Company expects all the employees to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct which includes handling of actual or apparent conflicts of interest between personal and professional relationships, free from fraud and deception. The Code is applicable to employees of the Company and its subsidiaries and is to be affirmed on an annual basis. The Code as well as the Company's Policy on Prevention of Fraud applies to any irregularity, involving employees as well as vendors, contractors, customers and/or any other entities having a business relationship with the Company. Fraud includes acts such as deception, bribery, forgery, extortion and corruption.

It is the Company's policy to provide full, fair, accurate, timely and understandable disclosure in reports and documents that are to be filed with or submitted to the stock exchanges where the Company's shares are listed and the statutory authorities. The company ensures free access to information about their decisions that impact the relevant stakeholders. At the same time, the Company is cognizant of its responsibility towards protecting and maintaining the confidentiality and disclosure of price sensitive information in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information not only conforms to the regulatory requirements but also instils a sense of responsibility among the designated persons for protecting and maintaining confidentiality. The Company has leveraged technology to ensure that the process to adhere to the Code by the designated persons for making disclosures, seeking pre-clearances etc., is robust and user friendly. 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.

There is an Ethics Committee duly constituted under the Whistle Blower Policy and comprises of the Managing Director & CEO, Company Secretary and the Head of Human Resources function as its members. The Committee deals with complaints from any employee or business associate. Also, an Ethics Hotline has been set up to enable employees to report any instances of fraud, abuse, misconduct or malpractices at workplace. This hotline is available for the Company as well as to all its subsidiaries including international subsidiaries in local languages.

The Company has in place mechanisms for receiving and dealing with complaints from stakeholders and is responsive to any complaints received from stakeholders. During the year, your Company received 34 investor complaints from shareholders which have been resolved.

Principle 2

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

For a product to be truly sustainable, it must be so by design. The resolve to provide truly green products is demonstrated by our use of sustainability leadership standards such as Green Seal™ and GS-11 standard. In alignment to this commitment, we are concentrating on removing/minimising restricted raw materials from our products. The aim is not just to make the world more beautiful, but also safer, through a systematic approach to paints and painting services.

Our Research and Technology division is where over 200 highly qualified scientists come together and share their insights on technological developments, to help us push the envelope year after year. Our state-of-the-art laboratories are spread across multiple locations around the world. Here is where most of our paint development and testing for architectural and industrial application takes place. We also have a microbiology lab, a modern instrumentation lab and a resin and functional polymer development lab.

Thus the Company, with the help of its people and technology, aspires to offer products that meet the global standards and are a mark of innovation. 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. It has been Company's constant endeavor to ensure that its products do not adversely affect health and safety of its customers. Therefore, 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. Further, various research and development programs have been carried out to eliminate CMR's such as alkyl phenol ethoxylate from emulsions, carbendazim from biopacks, cellosolve from decorative resins for the economy range of products.

While all our products meet or exceed the environmental expectations mandated by the law of the land, we keep adding greener products to our portfolio to serve a two-pronged objective -

- To achieve excellence in green manufacturing.
- To constantly develop safe products for our consumers.

- Our products for Apex Ultima Protek system namely Apex Ultima Protek Basecoat and Apex Ultima Protek Topcoat has been certified by Green Seal US for GS11 Compliance.
- The Company launched Royale Health Shield, an anti-bacterial product to provide better interior air quality and protection against bacteria. This product has been endorsed by Indian Medical Association.
- Also, the Company got FICCI award for its product Royale Atmos in 2017 in the category of best green and sustainable product for third consecutive year.

Research and Technology Centre at Turbhe achieved IGBC Green Factory Building Gold rated certification.

The Company has expanded R&T building to provide more space to scientists to segregate solvent based and water based product development. Research and Technology Centre at Turbhe achieved IGBC Green Factory Building Gold rated certification. For achieving the same some of the features which have been incorporated in the building includes –

- 100% reuse of treated water
- Solar PV system installed and generating close to 12% of monthly electricity units
- More than 90% spaces have been day lit
- Landscaping have been provided with close to 27% with ground contact

During building expansion more than 84% material sourced from within 500 Km radius, provision of electric charging points for car have been done

- 109 KLD capacity rainwater harvesting storage tank
- Central Pollution Control Board certified diesel generator sets.

Amidst the ever-changing landscape, one thing that has remained constant is our steadfast commitment to being truly green. We started this journey, about seven years ago, with 'Lead & Heavy Metal Free Guarantee'. This was much before the government's legislation in 2016 banning decorative paints containing metallic lead concentration more than 90 ppm.

We have developed an accurate and reliable test method for determining lead concentration and use it for screening all our raw materials and paint formulations. This test method is accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) ISO/ISE 17025:2005.

In continuation of making products more sustainable, company has reduced biocide loading in many products without compromising on performance. Company also did significant work for reducing carbon foot print from mainline products. Company also worked on various processes to reduce power consumption during processing of high volume products like Tractor Emulsion, Ace, Exterior Primer, DCPWT and distempers. Company also worked to establish the use of water from sewerage treatment plant and common effluent treatment plant into our mainline products.

Company continued to develop products to provide waterproofing solutions to its consumers for building protection.

- Smartcare Quartz Crystalline Coating & Admix to provide waterproofing to basement segment was launched
- various membrane water proofing solution to provide long life to buildings were launched
- our economy range of products have been upgraded to provide better water resistance.

Company's application laboratory which has been established to understand the advancement in the substrates, application techniques, consumer expectations and usage in different geographies, worked on establishing the usability of airless spray guns for application of Interior and exterior products to shorten the application time. Application laboratory also worked on studying various Usage and Attitude across India to make products more robust and long lasting.

The Company ensures that the use of toxic and hazardous raw materials are controlled, reduced and eliminated during design and manufacture of products. There are safeguards in place to prevent entry of new toxic material at the raw material approval stage itself. Also, steps are being taken to remove toxic and hazardous materials from the active raw material list. In cases where alternates are not available easily for replacement, a detailed plan for mitigating exposure risk during manufacturing, application and disposal has been implemented at plants.

All the premium products launched last year were low VOC. We continued work on reducing carbon foot print through further reduction of Titanium Dioxide . Company also worked on new emulsion backbone to reduce carbon footprint further.

The Company has been constantly working towards reduction of carbon footprints by use of raw materials which are low on carbon footprint index.

While paints and paint manufacturing advanced by leaps and bounds, the painting process continued to remain the same across decades. Disruption to daily life, the smell of fresh paint, weeks of cleaning after the painters left, all of this was a given for consumers. Asian Paints Ezycolour Home Solutions transformed it all by providing unmatched colour solutions and easy, stress-free painting services delivered within committed timelines.

We also offer green painting services that use only water-based, quick application, fast drying, low-smell, green products. Applicators trained at the Asian Paints Colour Academy deliver a smooth and delightful painting experience to our home solution customers.

With a view to ensure safe use of our products, Product Information Sheets for all the major products have been made 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:

In order to reduce consumption of resources through minimization of wastage during transportation of products, the Company has taken various initiatives including.

Reduction of wastage during transportation

- The Company has improved the design of 20 kg distemper pails with introduction of bottom ribs to absorb shocks during transportation and variable wall thickness to have better stacking strength. This has helped in reduced damages, leakages and helped transporter to better manage transportation.
- The Company has come up with a new design of gasket less design for 20 Ltrs. DTS nested pails. Gasket was removed which has helped in reducing plastic consumption and increase the productivity at vendors end. This design is more robust to prevent leakage without gasket.
- Company has come up with a new design of AMC containers which helped to address leakage complaints from market. The design passes leakage test even when container is kept upside down filled with water for 30 minutes and passed drop test.

Further, to ensure waste minimization during manufacturing process the powder bags are de-dusted to reduce wastage. At the manufacturing locations, with significantly high production volumes, a few powdered raw materials are supplied in pneumatic tankers.

Reducing paper consumption and replacing virgin paper by recycled paper has been another focus areas at Asian Paints.

Principle 3

Businesses should promote the wellbeing of all employees

The safety and well-being of our employees is paramount and non-negotiable. We follow industry accredited best practices on health & safety across our operations, and conduct all our processes in a responsible manner to safeguard our employees.

Details of employees and contracted work force in India are listed below:

Sr. No.	Category of employees		Number of employees
1	**Permanent employees**		6238
	a.	Women employees	365
	b.	Differently abled employees	12
	c.	Other employees	5861
2	**Temporary employees**		12314
	a.	Contract employees	12110
	b.	Temporary / casual employees	204

There are recognized trade unions at the Company's manufacturing locations and certain sales units are affiliated to various trade union bodies. Around 31% of permanent employees are unionized.

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.

Establishing policies, plans and procedures aimed at reducing accident rates are important, but a strong safety culture emerges only when employees share the organisation's vision. At Asian Paints, we are building a culture where employees exhibit and practice safe behaviour.

Some of the initiatives taken in the area of Health and Safety are listed below:

- Kavasam an initiative is implemented at Sriperumbudur plant to excel in Safety Systems implementation.
- Behaviour Based Safety (BBS) is being implemented at Patancheru plant for the past two years. The plant moved from reactive stage to calculative stage in these two years based on the assessment conducted in February 2016. BBS is already being implemented at Ankleshwar plant and the Company intends to extend this initiative to all the plants.
- Engineering standard to prevent dust explosion is released and is being taken up for implementation.
- The Company has taken an initiative for implementing health agenda in the manufacturing facilities in decorative business. The initiative involves upgradation of Occupational Health Centres (OHCs) and implementing wellness programs. The Company has partnered with agencies viz M/s Healthspring for implementing this initiative
- Suraksha Sarvopari is the safety program implemented in the transshipment locations. The program focuses on safety audits , training & communication , safety systems , incident management, safety campaigns and electrical safety. The units are graded on a monthly basis and an annual award is presented to the winning team
- Safety Stalwart is the safety program implemented in Sales Godowns . The program focuses on safety audits, safety campaigns, electrical safety, mock drills, safety week celebrations and safety improvements. The units are graded on a monthly basis and an annual award is presented.
- In order to reduce the risk due to man-machine interactions all the plants have implemented administrative controls and engineering controls.
- To ensure safety during the transportation of hazardous chemicals in tankers the Company has partnered with Nicer Globe to monitor location, speed and transporter contacts.

Khandala Plant received Sword of Honour from The British Safety Council.

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.

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 empanelled external expert.

The focus on Prevention of Sexual Harassment was maintained through workshops conducted across the company in which 202 employees were covered. This is in addition to the POSH workshops which are conducted for all new-joinee inductions.

Cases of sexual harassment reported were settled as per the due process of law prescribed to prevent and redress cases of sexual harassment.

- Number of sexual harassment cases in 2017-18: 4
- Number of sexual harassment cases closed in 2017-18: 4

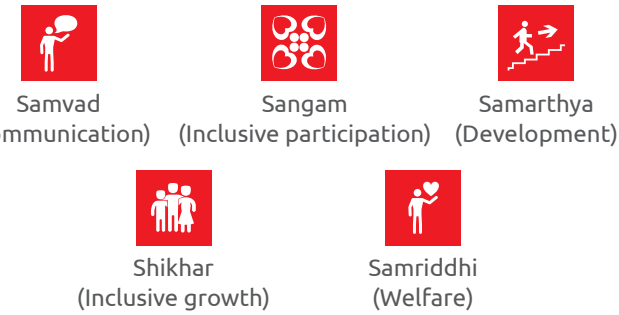
As a principal employer, it is Company's responsibility to ensure contract workers are fairly treated and their interests are safeguarded. Contract labour is deployed at Company's manufacturing facilities and Sales & Distribution units. Each facility maintains suitable checks and balances to ensure that wage payments, statutory contributions, provision of safety equipment and other such obligations are met by the contractor as per the prescribed laws. The Company's terms of contract clearly stipulate statutory requirements for contractors and they undergo stringent selection criteria and screening.

The Company provides welfare facilities like subsidised food, rest rooms, medical check-up and medical facilities to all employees including contract employees working at plants. The Company provides mediclaim facility under the Group Mediclaim Policy to its on-roll employees including employees at the manufacturing locations (based on settlement agreements signed by the Company).

At Asian Paints, union settlements have always been linked with productivity improvements. Use of technology / automation in manufacturing processes has resulted in reduction in manual work and enabled job enrichment for operators at plants. Robust employee relations agenda at plants with focus on growth and inclusive participation for all cadres in the plant, has seen operators take up supervisory roles and grow in their careers. These changes have translated into a new outcome-based approach to labour settlements replacing the traditional activity based model. The robust grievance redressal system across the organisation means that 'justice is not only done, but also seen to be done'.

Employee Relations Agenda

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 at all our manufacturing units.



While the Company has initiated several activities and programmes under Sambandh, following are some of the key highlights:

Samvaad

- Multiple forums at manufacturing plants for regular communication.
- Under the initiative of 'VOE' (Voice of Employee) the manual process for grievance redressal mechanism at decorative plants was migrated to an online platform available on Mobile App/ Desktops/ Kiosks for enabling better employee pulse traction, timely status communication and closure of grievances.

Sangam

- Initiatives such as a common Manufacturing Credo and visioning exercise at plant in Sriperumbudur and Rohtak involving all plant employees right till the operator level has helped the plants in aligning the plant team towards a common goal.
- TRACC, the Company's manufacturing excellence model involving employees to work in teams is adopted by decorative plants to collectively improve productivity and achieve manufacturing excellence.
- The manufacturing plants promote committee based structure involving members across cadres (including operators) for driving employee welfare and resolving grievances.
- HR Automation, an initiative to improve employee experience at Operator level to manage their leave, OT/Compensatory Off and grievance handling processes implemented across decorative plants.

Samarthya

- In plants 'Humble Inquiry' concept is used to build a culture of having deeper conversations. As part of Employee Relations (ER) capability building, workshops have been conducted for managers to build awareness and understanding of the concept.
- ER Induction workshop and an online induction module is implemented for all new joiners into manufacturing to create better sensitization for ER in plant context
- Union management capability programs for union office bearers and managers and collective bargaining workshops for managers are conducted for plants where settlement are about to expire

Shikhar

- Cross functional moves and inter plant movements are facilitated.

Samriddhi

- All plants continue to maintain and upgrade the infrastructure for employee welfare at plants viz, renovation of canteen facility, setting up of learning centre with proper IT infrastructure , library, meeting & change rooms, etc.
- Regular welfare events such as sports events and factory day are celebrated each year at all plants with participation from all cadres.
- As part of family connect initiative in Sriperumbudur plant operator spouses were trained in vocational courses with an objective of skill building and creating earning capability.

Diversity and Inclusion

- Diversity and Inclusion became a key focus area for Asian Paints in 2014 as the Company sought to create an enabling work environment where there is appreciation, acknowledgement and acceptance of differences. While gender was the core theme of Diversity for the first two years, the year 2017-18 saw the needle move towards Inclusion to include

other forms of Diversity like Skill, Thought and Differently-abled.

- The year began with Diversity Day celebrating the new focus areas of Diversity (Gender, Skill, Thought and Differently-Abled) across the organization. The conversation around diversity was subsequently sustained through the '&' campaign which celebrated organisational stories around how diversity and inclusion positively impacted business.
- A limited number of women are present in Company's workforce including contract workforce. There is no discrimination between men and women with regard to working conditions and payment of wages.
- There are various policies instituted including Extended Maternity Break, Child Care Leave, Adoption/Surrogate Leave, Sabbatical Leave, In-house Creche etc., to support women in their critical life stages of womanhood and maintaining a healthy work-life balance.
- Mentoring, Coaching, Job Rotation/Exposure and Leadership Development are gender neutral interventions made by us.

Development Approach

The company provides opportunities to all its employees to attend trainings and has provided access to a variety of online learning resources. This is to ensure that they transition well into their new roles or levels, continue building their leadership and functional skills. There are also policies for continuing education which are available to ensure they build their skills for higher responsibilities and overall employability. Some initiatives which has worked well are as follows:

- Emerging Leaders program is driven at the first time manager level, Enabling Leaders program and Strategic Leaders program is organized for new mid-level managers and functional managers. Line leaders actively participate in such programs to share their experiences and best practices for employees to grow.
- There are programs which help employees from a non-management background to get inputs. Asian Paints has a tie-up with one of the premier B-schools in India for a customized Business Management Program.
- There are numerous courses that employees participate in depending on their individual development plans.
- There are customized tools like a 360° feedback system available for all managerial cadres to get anonymous feedback for their own development plans. This is again available on demand by employees.

Percentage of employees who were given safety and skill upgradation training in the last year are:

I	Permanent employees	90.03%
II	Permanent women employees	100%
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 always encouraged multi stakeholder participation. We have always partnered with our stakeholders and believed in sharing the fruits of socio-economic progress. This business philosophy stems from our belief that we are part of the community and we owe them for what we are.

At the Company, identification of stakeholders is an ongoing process be it from the business partners, civil society or the opinion makers. The Company has always ensured value creation, safety, skill upgradation, enhanced living standards and better experience for its partners including employees, contract workers and suppliers, through its good governance and employee friendly policies and practices.

Your Company engages with its stakeholders on an ongoing basis for a constructive consultation process. Engagement mechanisms whereby each stakeholder group provides timely feedback and response through formal and informal channels are in place. Various initiatives including generation of employment for the local communities around its manufacturing units by enhancing education of people towards the importance of water conservation and preservation, provision of welfare facilities like subsidized food, rest rooms, medical check-ups and medical facilities, etc., have been undertaken by the Company.

Safety training programs which are conducted for employees and workmen are also extended to contractual employees.

The Company believes that for India to encash its demographic dividend, there is an urgent need to impart vocational training to the youth and make them employable, productive and relevant in today's economy. Only then will we be able to create an inclusive society. With these thoughts, in 2008, we started our first Asian Paints Colour Academy (APCA) in Chennai to transform unskilled labour into skilled professionals. The training helps painters and contractors become more productive and empowers them to earn more.

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 2017-18, Colour Academies have conducted more than 104,000 trainings where more than 65,000 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 Tihar Jail, Belguam Prison. Rajamahendravaram Central Jail, Trichy Central Prison, Puzhal Central Prison and individuals sponsored by TN Slum Clearance Board.

Asian Paints Colour Academy has set up two Colour Academies at ITI Bangalore and ITI Jaipur, where it trains students and other individuals in paint trade. Asian Paints has also collaborated with other ITIs and NGOs to provide vocational training to youth who can be employed in this field.

For more information on our social initiatives please refer the "Corporate Social Responsibility" section of this Annual Report.

Principle 5

Business should respect and promote human rights

Human rights as enshrined in the Universal Declaration of the Human Rights of the United Nations in essence has been an integral part our Code of Conduct for Employees, Human Resource Policies and the settlements reached with the Trade Unions at our plants. Some of the points like prohibition of child labour and forced labour and workers' right to information are of special importance for the employment of contract workforce at our manufacturing units. According to International conventions, the term 'human rights' covers a host of aspects including freedom of association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others. Your Company is compliant to national regulations pertaining to human rights. Several workshops explaining the principles enshrined in the Code of Conduct of your Company were organized for its employees. The Code of Conduct of your Company also applies to the employees of the subsidiary companies.

The grievances redressal systems provided to employee to raise their concerns. under the initiative 'VOE' (Voice of employees) is being continuously upgraded. The system provides ease to the operators for raising their grievances online and also track progress in terms of closure of such grievances. Further, through its employee relations initiative in manufacturing plants named "Sambandh" the Company drives engagement with the operators through inclusive participation and regular communication which enables the company to receive or provide timely feedback. Such initiatives provide a sound platform for regular interaction and thus help maintain cordial relation with the operators.

During the financial year 2017-18, there were no complaints for human rights violation received from the stakeholders.

Principle 6

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

The Company has published a Environment, Health and Safety Policy that is signed by the MD & CEO and available on the Company's website (can be accessed at https://www.asianpaints.com/footer-links/ehs-policy.html

The Company is working on Project NEW (Natural resource conservation, Energy and emissions reduction, Waste reduction) at its decorative paint manufacturing facilities. The Company has adopted 6 (six) key themes and set performance target with a target timeframe of FY2019-20 against a FY2013-14 baseline.

Water is a critical resource for the factory operations; hence a lot of efforts are 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 in urban localities and Integrated watershed development in rural communities

The factories have taken several conservation measures to reduce water footprint by efficient water usage in non-product applications such as utilities, cleaning activities, gardening and domestic purposes.

The factories have adopted a twin-focused approach for effective effluent management - reducing the trade effluent generated at source and finding ways of reusing the treated effluent. This strategy has been instrumental in achieving zero liquid discharge outside factory premises across all paint manufacturing units.

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 focus of Company's energy conservation initiatives is towards process optimisation and automation.

The Company has continued invested in renewable energy installations to reduce dependency on fossil fuels. The Company's renewable energy strategy of 'RE36 by 2020' is driving the investments towards consuming 36% of the

total electricity consumption at factories from renewable sources of Wind and Solar installations.

The Company' continues to use biogas in place of diesel at one of the manufacturing factories. The biogenic emissions from biogas has helped lower the Green House Gas (GHG) emissions. Energy efficiency efforts and Renewable Energy installations have also helped the Company in reducing the overall GHG emissions.

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's manufacturing facilities are ISO 14001 certified for its Environment Management System. As part of the Environment Management System, every factory monitors the Business Risks and Operational Risks (through Aspect Impact study of various activities). Accordingly Risk Management Plans are developed. Deviations from laid down policies and procedures are tracked and reviewed by effective procedures of Corrective Action and Preventive Action (CAPA).

In order to monitor the health of the Environment Management System, review meetings are held twice in a year. The meetings are chaired by the top management hierarchy & environment personnel within the Supply Chain function. The members deliberate on the topics of Natural Resource Conservation, Energy & Emissions Reduction, Waste Management including its Generation and Disposal.

Systems and Processes are existing since the past few years to communicate the confirmation on environmental statutory compliance by each factory to the Management hierarchy. All statutory applicable legislations are proactively identified on an ongoing basis and efforts are always to be ahead on the compliance curve.

There are no show cause notice or legal notices received from Central Pollution Control Board or State Pollution Control Board which are not resolved as on end of the financial year.

Principle 7

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

Your Company has always ensured timely and adequate disclosure for maintaining transparency. Your Company articulates the larger interest of industry and the community at industrial forums. As on 31st March, 2018 your Company is a member of following trade associations:

a) Confederation of Indian Industry (CII)

b) Federation of Indian Chambers of Commerce and Industry (FICCI)

c) Bombay Chamber of Commerce & Industry

e) The Indian Paint Association (IPA)

Your Company through The Indian Paint Association (IPA) has represented and worked towards the benefit and inclusive development policies for the Paint Industry as a whole.

Your Company's scientists participate actively in meetings with statutory agencies like BIS (Bureau of Indian standards), Chemical Division Council and help 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

As a responsible organization focused on inclusive growth, your Company has steadfastly followed a proactive approach towards CSR. Your Company has been engaged in focused initiatives aimed at uplift of the communities residing in the vicinity of its facilities.

Education, health and hygiene and water management are the thrust areas of your Company's CSR focus. In line with your Company's CSR philosophy, your Company undertook several initiatives during the year towards building a sustainable CSR model.

An amount of ₹ 46.51 crores was spent towards various CSR projects during the financial year 2017-18 benefitting many people.

The details of the CSR initiatives undertaken by your Company are set out in the Corporate Social Responsibility section of this Annual Report.

Principle 9

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

It is Company's policy that it will offer the finest products in its line of businesses and provide the best possible services to its customers. Also, the Company will partner with them and provide any assistance required in using its products & services in the areas of Décor and Protection.

The Company commits that it shall operate in an ethical and transparent manner treating customers the way it itself would like to be treated.

Your Company has a Customer Centricity department which carries out consumer survey/consumer satisfaction trends regularly to understand levels of customer satisfaction with products and services provided by your Company.

Following link can be used for a sneak peak into what our customers have to say about our painting service https://www.asianpaints.com/more/testimonials.html

A plethora of channels and forums have been put in place to support the specific needs of our customers ranging from consultancy to feedback on our products and services.

For receiving and resolving customer complaints there are systems in place to record and manage complaints. As on 31st March, 2018 there is one customer complaint pending for closure.

41 consumers related legal cases were pending as at the end of the financial year.

The products of your Company display all information which is mandated by law including the directions for use. Product information is available in the Product Information Sheet that is available with the dealers of the Company and on the website of the Company.

While there are no cases filed by any stakeholder against the Company regarding unfair trade practices or anti-competitive behaviour during the last five years, there are complaints filed against the Company regarding misleading advertisements to which Company has provided appropriate response. The matter is pending with the authority.

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, 2018, 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 and the Order issued under section 143(11) of the Act.

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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, 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 by the Company.

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

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
10th May, 2018

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, 2018 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the criteria for internal financial controls over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
10th May, 2018

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. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

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, Goods and Service 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, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2018 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, 2018 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. 2015-16	135.75	135.75
		Tribunal	A.Y. 2014-15	7.39	-
		Tribunal	A.Y. 2013-14	4.30	-
		Tribunal	A.Y. 2012-13	4.37	-
		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
		Tribunal	A.Y. 2010-11	0.13	0.13
		Commissioner of Income Tax (Appeals)	A.Y. 2011-12	0.40	0.40
		Tribunal	A.Y. 2011-12	0.31	0.31
			Total (A)	**153.67**	**136.79**
Sales tax	Assessment Dues	Assessing Authority	F.Y. 2000-01 to F.Y. 2016-17	11.24	10.68
		First Appellate level	F.Y. 1994-95 to F.Y. 1999-00, F.Y. 2000-01 to F.Y. 2016-17	42.85	32.62
		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, F.Y. 2011-12 to F.Y. 2013-14	11.43	7.56
		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	2.16	0.82
		Supreme Court	F.Y. 1992-93, F.Y. 1993-94, F.Y. 2003-04 to F.Y. 2008-09	1.68	0.22
			Total (B)	**69.67**	**52.21**
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. 2004-08, F.Y. 2011-13, F.Y. 2013-14, F.Y. 2014-15, F.Y. 2015-16	1.61	1.52
		Tribunal	F.Y. 2005-06 to F.Y 2011-12, F.Y 2013-14, F.Y. 2014-15, F.Y. 2015-16	8.85	6.92
			Total (C)	**10.76**	**8.72**
			Total (A+B+C)	**234.10**	**197.72**

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

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
10th May, 2018

Balance Sheet

as at 31st March, 2018

(₹ in Crores)

	Notes	As at 31.03.2018	As at 31.03.2017
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	2	2,477.44	2,512.01
Capital work-in-progress		1,391.84	219.76
Goodwill	3A	35.36	35.36
Other Intangible Assets	3B	55.73	57.31
Financial Assets			
Investments	4	1,547.33	1,598.20
Loans	5	79.08	70.27
Other Financial Assets	6	144.75	198.05
Current Tax Assets (Net)	7	49.50	36.48
Other Non-current assets	8	305.81	200.39
		6,086.84	**4,927.83**
CURRENT ASSETS			
Inventories	9	2,178.43	2,194.09
Financial Assets			
Investments	4	1,030.01	1,315.40
Trade Receivables	10	1,138.20	994.63
Cash and Cash Equivalents	11A	106.70	62.01
Other Balances with Banks	11B	14.14	143.93
Loans	5	12.17	13.55
Other Financial Assets	6	627.23	474.07
Assets classified as Held for Sale	12	0.92	0.57
Other Current Assets	8	393.29	231.95
		5,501.09	**5,430.20**
TOTAL ASSETS		**11,587.93**	**10,358.03**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	95.92	95.92
Other Equity	14	7,702.24	6,998.83
		7,798.16	**7,094.75**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	15	9.87	10.38
Other Financial Liabilities	16	0.65	2.31
Provisions	17	107.35	109.84
Deferred Tax Liabilities (Net)	18C	270.33	261.17
Other Non-current Liabilities	19	2.61	3.65
		390.81	**387.35**
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	15	-	26.84
Trade Payables			
Due to Micro and Small Enterprises	20	34.82	26.59
Due to Others	20	1,816.68	1,644.67
Other Financial Liabilities	16	1,208.56	879.99
Other Current liabilities	19	244.99	206.32
Provisions	17	42.85	36.20
Current Tax Liabilities (Net)	21	51.06	55.32
		3,398.96	**2,875.93**
TOTAL EQUITY AND LIABILITIES		**11,587.93**	**10,358.03**
Significant accounting policies and key accounting estimates and judgements	1		
See accompanying notes to the financial statements	2-46		

As per our report of even date attached

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
10th May, 2018

Ashwin Choksi
Chairman
DIN:00009095

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

Mumbai
10th May, 2018

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, 2018

(₹ in Crores)

	Notes	Year 2017-18	Year 2016-17
REVENUE FROM OPERATIONS			
Revenue from sale of products (including Excise Duty)	22A	14,316.13	14,154.54
Revenue from sale of services	22B	13.04	7.59
Other Operating Revenues	22C	230.38	198.30
Other Income	23	277.50	300.17
TOTAL INCOME (I)		**14,837.05**	**14,660.60**
EXPENSES			
Cost of Materials Consumed	24A	7,100.16	6,737.45
Purchases of Stock-in-Trade	24B	742.57	646.53
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	24C	154.12	(515.58)
Excise duty		391.69	1,713.32
Employee Benefits Expense	25	791.08	742.83
Other Expenses	26	2,459.43	2,365.04
TOTAL (II)		**11,639.05**	**11,689.59**
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		**3,198.00**	**2,971.01**
Finance Costs	27	21.06	18.86
Depreciation and Amortisation Expense	28	311.11	295.43
PROFIT BEFORE TAX		**2,865.83**	**2,656.72**
Tax Expense	18		
(1) Current Tax		968.87	817.27
(2) (Excess) tax provision for earlier years		(0.41)	(3.60)
(3) Deferred Tax		2.57	41.33
Total tax expense		**971.03**	**855.00**
PROFIT AFTER TAX		**1,894.80**	**1,801.72**
OTHER COMPREHENSIVE INCOME (OCI)			
A Items that will not be reclassified to Profit or Loss			
(a) (i) Remeasurement benefit of defined benefit plans		12.29	8.22
(ii) Income tax (expense) on remeasurement benefit of defined benefit plans		(4.29)	(2.84)
(b) Net fair value (loss)/gain on investments in equity instruments through OCI		(9.36)	130.76
B Items that will be reclassified to Profit or Loss			
(i) Net fair value (loss)/gain on investments in debt instruments through OCI		(0.31)	2.73
(ii) Income tax (expense)/benefit on net fair value gain on investments in debt instruments through OCI		(2.30)	0.17
TOTAL OTHER COMPREHENSIVE INCOME (A+B)		**(3.97)**	**139.04**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,890.83**	**1,940.76**
Earnings per equity share (Face value of ₹ 1 each)	42		
(1) Basic (in ₹)		**19.75**	18.78
(2) Diluted (in ₹)		**19.75**	18.78
Significant accounting policies and key accounting estimates and judgements	1		
See accompanying notes to the financial statements	2-46		

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
10th May, 2018

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

Ashwin Choksi
Chairman
DIN:00009095

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

Mumbai
10th May, 2018

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, 2018

A) EQUITY SHARE CAPITAL

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
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

B) OTHER EQUITY

(₹ in Crores)

	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, 2016	*	0.50	3,666.74	2,181.55	0.87	(19.85)	5,829.81
Changes on account of amalgamation (Refer Note 31)	44.38	-	-	100.77	-	-	145.15
Restated balance as at 1st April, 2016 (A)	44.38	0.50	3,666.74	2,282.32	0.87	(19.85)	5,974.96
Additions during the year:							
Profit for the year	-	-	-	1,801.72	-	-	1,801.72
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 (B)	-	-	-	1,807.10	2.90	130.76	1,940.76
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 (C)	-	-	500.00	(1,416.89)	-	-	(916.89)
Balance as at 31st March, 2017 (D) = (A+B+C)	44.38	0.50	4,166.74	2,672.53	3.77	110.91	6,998.83

Statement of Changes in Equity (Contd.)

for the year ended 31st March, 2018

(₹ in Crores)

	Reserves and Surplus				Debt instruments through OCI	Equity instruments through OCI	Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings			
Additions during the year:							
Profit for the year	-	-	-	1,894.80	-	-	1,894.80
Items of OCI for the year, net of tax							
Remeasurement benefit of defined benefit plans	-	-	-	8.00	-	-	8.00
Net fair value (loss) on investment in equity instruments through OCI	-	-	-	-	-	(9.36)	(9.36)
Net fair value (loss) on investment in debt instruments through OCI	-	-	-	-	(2.61)	-	(2.61)
Total Comprehensive Income for the year 2017-18 (E)	**-**	**-**	**-**	**1,902.80**	**(2.61)**	**(9.36)**	**1,890.83**
Reductions during the year:							
Dividends (Refer Note 30)	-	-	-	(987.98)	-	-	(987.98)
Income tax on dividend (Refer Note 30)	-	-	-	(199.44)	-	-	(199.44)
Total (F)	**-**	**-**	**-**	**(1,187.42)**	**-**	**-**	**(1,187.42)**
Balance as at 31st March, 2018 (D+E+F)	**44.38**	**0.50**	**4,166.74**	**3,387.91**	**1.16**	**101.55**	**7,702.24**

* ₹ 5000/-

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
10th May, 2018

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

Ashwin Choksi
Chairman
DIN:00009095

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

Mumbai
10th May, 2018

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, 2018

(₹ in Crores)

		Year 2017-18		Year 2016-17	
(A)	**Cash Flow From Operating Activities**				
	Profit before tax	2,865.83		2,656.72	
	Adjustments for:				
	Depreciation and amortisation expense	311.11		295.43	
	Interest income	(25.54)		(21.54)	
	Dividend income	(42.66)		(76.91)	
	Finance costs	21.06		18.86	
	Allowance for doubtful debts and advances	4.84		2.51	
	Bad debts written off	3.85		2.11	
	Income on prepayment of loan	-		(3.54)	
	Deferred income arising from government grant	(1.05)		(0.62)	
	Net unrealised foreign exchange (gain)/loss	(9.26)		1.84	
	Loss/(Gain) on sale of property, plant and equipment (net)	2.91		(0.79)	
	Net gain arising on financial assets measured at fair value through profit or loss (FVTPL)	(49.60)		(64.85)	
	Operating Profit before working capital changes	**3,081.49**		**2,809.22**	
	Adjustments for :				
	(Increase) in trade receivables	(149.65)		(240.57)	
	(Increase) in financial assets	(46.93)		(180.96)	
	Decrease/(Increase) in inventories	15.66		(583.97)	
	(Increase) in other assets	(160.18)		(19.33)	
	Increase in trade and other payables	365.00		463.62	
	Increase in provisions	16.44		15.46	
	Cash generated from Operating activities	**3,121.83**		**2,263.47**	
	Income Tax paid (net of refund)	(985.74)		(843.43)	
	Net Cash generated from Operating activities		**2,136.09**		**1,420.04**
(B)	**Cash Flow from Investing Activities**				
	Purchase of Property, plant and equipment	(1,358.32)		(611.48)	
	Sale of Property, plant and equipment	9.37		1.81	
	Repayment of loan by subsidiary (net)	-		0.20	
	Purchase of non-current investments - Subsidiaries	(211.55)		-	
	Purchase of non-current investments - others	(54.00)		(70.00)	
	Sale of non current investments	195.68		220.93	
	Purchase of term deposits	(581.00)		(290.00)	
	Proceeds from maturity of term deposits	666.00		70.00	
	(Purchase)/sale of current investments (net)	(99.39)		2.91	
	Interest received	19.59		13.92	
	Dividend received from subsidiaries	6.10		5.08	
	Dividend received from others	36.56		71.83	
	Net Cash (used in) Investing activities		**(1,370.96)**		**(584.80)**
(C)	**Cash Flow from Financing Activities**				
	Proceeds from non-current borrowings	-		7.89	
	Repayment of non-current borrowings	(1.98)		(40.88)	
	Acceptances (net)	(32.08)		13.16	
	Finance costs paid	(20.16)		(22.58)	
	Dividend and Dividend tax paid	(1,184.83)		(913.58)	
	Net Cash (used in) Financing activities		**(1,239.05)**		**(955.99)**

Cash Flow Statement (Contd.)

for the year ended 31st March, 2018

(₹ in Crores)

		Year 2017-18	Year 2016-17
(D)	**Net (Decrease)/Increase in cash and cash equivalents [A+B+C]**	(473.92)	(120.75)
	Add: Cash and cash equivalents as at 1st April	1,156.99	1,276.49
	Add: Pursuant to Amalgamation (Refer Note 31)	-	1.25
	Cash and cash equivalents as at 31st March	**683.07**	**1,156.99**

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 31.03.2018	As at 31.03.2017
(b)	Cash and Cash Equivalents comprises of		
	Cash on hand	0.02	0.03
	Balances with Banks:		
	- Current Accounts	12.76	22.89
	- Cash Credit Account	1.98	8.30
	- Deposit with bank with maturity less than 3 months	25.12	-
	Cheques, draft on hand	66.82	30.79
	Cash and cash equivalents (Refer Note 11A)	**106.70**	**62.01**
	Add: Investment in liquid mutual funds [Refer Note 4II (ii)]	576.37	1,121.82
	Bank Overdraft (Refer Note 15)	-	(26.84)
	Cash and cash equivalents in Cash Flow Statement	**683.07**	**1,156.99**

(c) Amendment to Ind AS 7

The amendments to Ind AS 7 Cash flow statements 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. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

(₹ in Crores)

	As at 31.03.2017	Cash Flows	Non-cash changes		As at 31.03.2018
			Fair value changes	Current/ Non-current classification	
Borrowings- Non current	10.38	-	0.91	(1.42)	9.87
Other Financial Liabilities	1.98	(1.98)	-	1.42	1.42
Borrowings - Current	26.84	(26.84)	-	-	-

(d) During the year 2016-17, loan amounting to ₹ 16.65 crores given by Asian Paints (International) limited, Mauritius to Asian Paints International Private Limited ('APIPL') was converted into equity investment in APIPL. This being a non-cash transaction has been excluded from Statement of Cash Flows (Refer Note 4).

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
10th May, 2018

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

Ashwin Choksi
Chairman
DIN:00009095

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

Mumbai
10th May, 2018

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

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Notes to the Financial Statements

for the year ended 31st March, 2018

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 decor, 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 (as amended).

During the year, the National Company Law Tribunal had approved the scheme of amalgamation ('The Scheme') between the Company and Asian Paints (International) Limited ('APIL'), Mauritius, a wholly owned subsidiary of the Company. The Scheme became effective from 15th January, 2018 on completion of all regulatory formalities. In accordance with of Ind AS 103- Business combination, the financial statements of the Company for the previous financial year 2016-17 have been restated with effect from 1st April, 2016, being the earliest period presented (Refer 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

Notes to the Financial Statements

for the year ended 31st March, 2018

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 Company after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The 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, 2018

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.

The Company had elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared 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 and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April, 2015.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation on each part of an item 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.

Notes to the Financial Statements

for the year ended 31st March, 2018

- 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.

The Company had elected to consider the carrying value of all its intangible assets appearing in the financial statements prepared 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 and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April, 2015.

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.

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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.

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, on assets other than goodwill are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been 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, value added tax and goods and service 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.

Notes to the Financial Statements

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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.

Notes to the Financial Statements

for the year ended 31st March, 2018

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at 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 the 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

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for the year ended 31st March, 2018

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 the 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

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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.

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.

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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

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Level 3 — inputs that are unobservable for the asset or liability.

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

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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

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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.

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.

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for the year ended 31st March, 2018

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.

Notes to the Financial Statements

for the year ended 31st March, 2018

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.

y) Recent accounting pronouncements

Standards issued but not yet effective

In March, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, *Revenue from Contract with Customers*, Appendix B to Ind AS 21, *Foreign currency transactions and advance consideration* and amendments to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the Company from 1st April, 2018. The Company will be adopting the amendments from their effective date.

a) Ind AS 115, *Revenue from Contract with Customers*:

Ind AS 115 supersedes Ind AS 11, *Construction Contracts* and Ind AS 18, *Revenue*. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

Based on the preliminary assessment performed by the Company, the impact of application of the Standard is not expected to be material.

b) Appendix B to Ind AS 21, *Foreign currency transactions and advance consideration*:

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company, is expected to be not material.

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).

Notes to the Financial Statements

for the year ended 31st March, 2018

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 financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

	Gross carrying value				Depreciation/Amortisation				Net carrying value
	As at 01.04.17	Additions during the year	Deductions / Adjustments #	As at 31.03.18	As at 01.04.17	Additions during the year	Deductions / Adjustments #	As at 31.03.18	As at 31.03.18
Land :									
Freehold	162.03	2.21	-	164.24	-	-	-	-	164.24
Leasehold	147.25	0.27	-	147.52	2.87	1.69	-	4.56	142.96
Buildings	714.97	8.34	0.91	722.40	50.11	28.44	0.10	78.45	643.95
Plant and Equipment	1,734.21	148.65	14.63	1,868.23	347.27	210.27	3.81	553.73	1,314.50
Scientific Research :									
Buildings	30.40	40.88	-	71.28	2.60	1.50	-	4.10	67.18
Equipment	33.00	29.29	-	62.29	10.71	5.04	-	15.75	46.54
Furniture and Fixtures	40.44	9.98	0.49	49.93	10.43	6.72	0.23	16.92	33.01
Vehicles	1.05	0.38	0.18	1.25	0.43	0.27	0.16	0.54	0.71
Office Equipment	36.96	7.32	0.48	43.80	13.20	8.68	0.39	21.49	22.31
Leasehold improvements	9.89	-	0.49	9.40	1.73	1.99	0.22	3.50	5.90
Information Technology Hardware	81.22	13.61	0.10	94.73	40.06	18.63	0.10	58.59	36.14
Total	**2,991.42**	**260.93**	**17.28**	**3,235.07**	**479.41**	**283.23**	**5.01**	**757.63**	**2,477.44**

(₹ 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**

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 32 (b).
Deductions / Adjustments include assets classified as held for sale (Refer Note 12)

NOTE 3 : INTANGIBLE ASSETS (Acquired separately)

(₹ in Crores)

	Gross carrying value				Amortisation				Net carrying value
	As at 01.04.17	Additions during the year	Deductions / Adjustments	As at 31.03.18	As at 01.04.17	Additions during the year	Deductions / Adjustments	As at 31.03.18	As at 31.03.18
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	0.38	0.19	-	0.57	0.37
Computer Software	103.27	26.27	0.04	129.50	46.58	27.66	0.04	74.20	55.30
Brand	2.50	-	-	2.50	2.50	-	-	2.50	-
Scientific Research :									
Computer Software	0.13	0.04	0.01	0.16	0.07	0.03	-	0.10	0.06
Total (B)	**106.84**	**26.31**	**0.05**	**133.10**	**49.53**	**27.88**	**0.04**	**77.37**	**55.73**
Total (A+B)	**142.20**	**26.31**	**0.05**	**168.46**	**49.53**	**27.88**	**0.04**	**77.37**	**91.09**

(₹ 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**

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 32 (b).

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 31.03.2018	As at 31.03.2017
Goodwill relating to Bath Fittings Business	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 six-year period (Previous year - seven year), 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 six-year period (Previous year - seven year) were extrapolated using estimate rates stated below.

As at 31st March, 2018 and 31st March, 2017, goodwill in respect of Bath Fittings Business was not impaired.

Key Assumptions used for value in use calculations are as follows:

	As at 31.03.2018	As at 31.03.2017
Compounded average net sales growth rate for six-year period (Previous year - seven year)	24%	27%
Growth rate used for extrapolation of cash flow projections beyond the six-year period (Previous year - seven year)	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

NOTE 4 : INVESTMENTS

(₹ in Crores)

	Nos.	Face value (₹)	Non-Current		Current	
			As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
I. Non-Current Investments						
A. Investments in Equity Instruments						
(a) Quoted equity shares measured at FVTOCI						
Akzo Nobel India Limited	20,10,626	10	359.81	384.45	-	-
Housing Development Finance Corporation Limited	4,65,000	2	84.89	69.85	-	-
Apcotex Industries Limited	13,672	5	0.67	0.44	-	-
Total Quoted equity shares			**445.37**	**454.74**	**-**	**-**
(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	-	-
(b) Asian Paints International Private Limited (Refer Note 31)** (Formerly Known as Berger International Private Limited)	322,833,370		406.60	406.60	-	-
(c) Asian Paints (Nepal) Private Limited, Nepal.	32,54,310	NPR 10	0.12	0.12	-	-
(d) Maxbhumi Developers Limited	4,19,000	10	15.55	15.55	-	-
(e) Sleek International Private Limited# (59,868 shares acquired during the year for cash)	122,180 (62,312)	10	169.61	119.48	-	-
Less: Impairment loss			(65.30)	(65.30)	-	-
			104.31	**54.18**	**-**	**-**
(f) Asian Paints PPG Private Limited	52,43,961	10	30.47	30.47	-	-
(g) Reno Chemicals Pharmaceuticals And Cosmetics Private Limited## (4,950 shares acquired during the year for cash)	4,950 (-)	100	161.42	-	-	-
			748.92	**537.37**	**-**	**-**
(ii) Associate (measured at cost, Refer Note 1.3 l)						
PPG Asian Paints Private Limited	2,85,18,112	10	81.43	81.43	-	-
			81.43	**81.43**	**-**	**-**
(iii) Other equity shares measured at FVTPL			1.07	1.07	-	-
Total Unquoted equity shares			**831.42**	**619.87**		**-**
Total Investments in Equity Instruments		A	**1,276.79**	**1,074.61**		**-**

Notes to the Financial Statements

NOTE 4 : INVESTMENTS (Contd.)

(₹ in Crores)

	Nos.	Face value (₹)	Non-Current		Current	
			As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
I. Non-Current Investments (Contd.)						
B. Investments in Unquoted Government securities measured at amortised cost		B	*	*	-	-
*[₹ 39,500/- (As at 31st March, 2017 - ₹ 39,500)]						
C. Investments in Quoted Debentures or Bonds measured at FVTOCI		C	80.47	80.28	-	-
D. Investments in Quoted Mutual Funds measured at FVTPL			190.07	443.31	346.87	193.58
Amount included under the head "Current Investments"			-	-	(346.87)	(193.58)
Total Investments in Mutual Funds - Quoted		D	190.07	443.31	-	-
Total Non-Current Investments (A+B+C+D)			1,547.33	1,598.20	-	-
Aggregate amount of quoted investments - At cost			291.88	509.38	-	-
Aggregate amount of quoted investments - At market value			715.91	978.33	-	-
Aggregate amount of unquoted investments - At cost			831.42	619.87	-	-
Aggregate amount of impairment in value of investments			65.30	65.30	-	-
II. Current Investments						
Investments in Quoted Mutual Funds measured at FVTPL						
i. Current Portion of Long Term Investments (Refer Note 4(I)(D))			-	-	346.87	193.58
ii. Investments in Liquid Mutual Funds			-	-	576.37	1,121.82
iii. Investments with original maturity more than three months but less than twelve months			-	-	106.77	-
Total Current Investments			-	-	1,030.01	1,315.40
Aggregate amount of quoted investments - At cost			-	-	945.14	1,273.08
Aggregate amount of quoted investments - At market value			-	-	1,030.01	1,315.40

Figures in brackets indicate that of 31st March, 2017 as applicable.

On 11th December, 2017, the Company purchased balance stake of 49% from the non-controlling shareholders of Sleek International Private Limited ('Sleek'), subsidiary of the Company, for a consideration of ₹ 50.13 crores. Sleek has since then become a wholly owned subsidiary of the Company.

On 12th December, 2017, the Company had acquired 100% stake in Reno Chemicals Pharmaceuticals and Cosmetics Private Limited ('Reno'), for a consideration of ₹ 161.42 crores. Reno owns land in Mumbai which the Company intends to use for meeting its growing infrastructure requirements.

** In the year 2016-17, Loan amounting to ₹ 16.65 crores given by Asian Paints (International) limited, Mauritius to Asian Paints International Private Limited ('APIPL') was converted into equity investment in APIPL. Accordingly, as at 31st March, 2017, the Company's total investment in APIPL amounted to ₹ 406.6 crores. (Refer Note 31)

NOTE 5 : LOANS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Unsecured and Considered good				
Sundry deposits	79.08	70.27	12.17	13.55
TOTAL	**79.08**	**70.27**	**12.17**	**13.55**

Notes to the Financial Statements

NOTE 6 : OTHER FINANCIAL ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Royalty receivable	-	-	41.40	43.13
Due from subsidiary companies	-	-	16.16	11.68
Less: Allowance for doubtful debts and advances	-	-	(2.05)	-
	-	**-**	**14.11**	**11.68**
Due from associate company	-	-	4.97	3.32
Subsidy receivable from state government	87.79	44.04	239.42	241.11
Term deposits held as margin money against bank guarantee and other commitments	0.06	0.05	-	-
Bank deposits with more than 12 months of original maturity	56.90	153.96	166.05	15.64
Interest accrued on investments in debentures or bonds measured at FVTOCI	-	-	3.38	3.45
Quantity discount receivable	-	-	157.90	155.74
TOTAL	**144.75**	**198.05**	**627.23**	**474.07**

NOTE 7 : CURRENT TAX ASSETS (NET)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Advance payment of income tax (net)	49.50	36.48	-	-
TOTAL	**49.50**	**36.48**	**-**	**-**

NOTE 8 : OTHER ASSETS

(₹ in Crores)

		Non-Current		Current	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(a)	**Capital advances**	279.56	173.00	-	-
(b)	**Advances other than capital advances**				
i)	Advances/claims recoverable in cash or in kind	26.25	27.39	177.42	101.88
ii)	Balances with government authorities				
-	Customs Duty receivable	-	-	59.45	86.08
-	Service tax credit receivable	-	-	-	20.21
-	GST credit receivable	-	-	124.28	-
iii)	Advances to employees	-	-	5.03	6.35
iv)	Duty credit entitlement	-	-	16.54	6.96
v)	Other Receivables	-	-	5.89	2.25
vi)	Employee benefit assets (Refer Note 40)	-	-	4.68	8.22
TOTAL		**305.81**	**200.39**	**393.29**	**231.95**

Notes to the Financial Statements

NOTE 9 : INVENTORIES (At lower of cost and net realisable value)

(₹ in Crores)

		As at 31.03.2018	As at 31.03.2017
(a)	Raw materials	570.26	516.78
	Raw materials-in-transit	157.90	81.16
		728.16	**597.94**
(b)	Packing materials	39.59	36.32
(c)	Work-in-progress	95.60	74.80
(d)	Finished goods	1,016.17	1,231.50
	Finished goods-in-transit	2.91	1.80
		1,019.08	**1,233.30**
(e)	Stock-in-trade (acquired for trading)	190.83	182.41
	Stock-in-trade (acquired for trading) in-transit	33.85	2.97
		224.68	**185.38**
(f)	Stores, spares and consumables	71.32	66.10
	Stores, spares and consumables-in-transit	-	0.25
		71.32	**66.35**
TOTAL		**2,178.43**	**2,194.09**

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 ₹ 14.22 crores (Previous year ₹ 26.90 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.

NOTE 10 : TRADE RECEIVABLES

(₹ in Crores)

		Current	
		As at 31.03.2018	As at 31.03.2017
Trade receivables			
(a)	Unsecured, considered good	1,138.20	994.63
(b)	Unsecured, considered doubtful	15.42	12.63
		1,153.62	**1,007.26**
Less: Allowance for unsecured doubtful debts		(15.42)	(12.63)
TOTAL		**1,138.20**	**994.63**

Notes to the Financial Statements

NOTE 11 : CASH AND BANK BALANCES

(₹ in Crores)

		Non-Current		Current	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(A)	**Cash and Cash Equivalents**				
(a)	Balances with Banks				
(i)	Current Accounts	-	-	12.76	22.89
(ii)	Cash Credit Account##	-	-	1.98	8.30
(iii)	Deposits with original maturity of less than 3 months	-	-	25.12	-
(b)	Cheques, drafts on hand	-	-	66.82	30.79
(c)	Cash on hand	-	-	0.02	0.03
TOTAL		**-**	**-**	**106.70**	**62.01**
(B)	**Other Balances with Banks**				
(i)	Term deposits with original maturity for more than 3 months but less than 12 months	-	-	-	132.38
(ii)	Unpaid dividend and sales proceeds of Fractional Bonus Shares account*	-	-	14.14	11.55
(iii)	Term deposits held as margin money against bank guarantee and other commitments	0.06	0.05	-	-
		0.06	**0.05**	**14.14**	**143.93**
Amount included under the head "Other Financial Assets"		(0.06)	(0.05)		
TOTAL		**-**	**-**	**14.14**	**143.93**

Secured by hypothecation of inventories and trade receivables and carries interest rate @ 8.30% p.a (as at 31st March, 2017 the rate was 9.15%.)

* The Company can utilise these balances only towards settlement of unclaimed dividend and fractional bonus shares.

NOTE 12 : ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
Plant and Equipment *	0.92	0.57
TOTAL	**0.92**	**0.57**

* The Company intends to dispose off plant and equipment pertaining to Bhandup and Phthalic plant, as it no longer intends to utilise in the next 12 months. It was previously used in its manufacturing facility. The Company is in search of a buyer for sale of plant and equipment pertaining to Bhandup plant and 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. For the sale of plant and equipment pertaining to Phthalic plant, the Company has entered into a sale agreement and significant part has been disposed off during the year FY 17-18. The remaining sale transactions are expected to be completed by FY18-19.

Notes to the Financial Statements

NOTE 13 : EQUITY SHARE CAPITAL

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
Authorised		
99,50,00,000 Equity Shares of ₹ 1 each	99.50	99.50
50,000 11% Redeemable Cumulative Preference shares of ₹ 100 each	0.50	0.50
	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**

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Fully paid Equity Shares	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	95,91,97,790	95.92	95,91,97,790	95.92
Add: Issued during the year	-	-	-	-
At the end of the year	**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 31.03.2018		As at 31.03.2017	
		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
2.	Sattva Holding and Trading Private Limited*	5,28,84,120	5.51	5,28,84,120	5.51
3.	Geetanjali Trading and Investments Private Limited	4,92,67,440	5.14	4,92,67,440	5.14
4.	Life Insurance Corporation of India	7,36,00,266	7.67	4,50,04,429	4.69

@ As per the records of the Company, including its register of members.

* Formerly known as ISIS Holding and Trading Company Private Limited

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 24th October, 2017 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 10th May, 2018 have recommended a payment of final dividend of ₹ 6.05 (Rupees six and paise five only) per equity share of the face value of ₹ 1 each for the financial year ended 31st March, 2018. If approved, the total dividend (interim and final dividend) for the financial year 2017-18 will be ₹ 8.70 (Rupees eight and paise seventy only) per equity share of the face value of ₹ 1 each (₹ 10.30 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year).

Notes to the Financial Statements

NOTE 14 : OTHER EQUITY

(₹ in Crores)

	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, 2016	*	0.50	3,666.74	2,181.55	0.87	(19.85)	5,829.81
Changes on account of amalgamation (Refer Note 31)	44.38	-	-	100.77	-	-	145.15
Restated balance as at 1st April, 2016 (A)	44.38	0.50	3,666.74	2,282.32	0.87	(19.85)	5,974.96
Additions during the year:							
Profit for the year	-	-	-	1,801.72	-	-	1,801.72
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 (B)	-	-	-	1,807.10	2.90	130.76	1,940.76
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 (C)	-	-	500.00	(1,416.89)	-	-	(916.89)
Balance as at 31st March, 2017 (D) = (A+B+C)	44.38	0.50	4,166.74	2,672.53	3.77	110.91	6,998.83
Additions during the year:							
Profit for the year	-	-	-	1,894.80	-	-	1,894.80
Items of OCI for the year, net of tax							
Remeasurement benefit of defined benefit plans	-	-	-	8.00	-	-	8.00
Net fair value (loss) on investment in equity instruments through OCI	-	-	-	-	-	(9.36)	(9.36)
Net fair value (loss) on investment in debt instruments through OCI	-	-	-	-	(2.61)	-	(2.61)
Total Comprehensive Income for the year 2017-18 (E)	-	-	-	1,902.80	(2.61)	(9.36)	1,890.83

Notes to the Financial Statements

NOTE 14 : OTHER EQUITY (contd.)

(₹ in Crores)

	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)	-	-	-	(987.98)	-	-	(987.98)
Income tax on dividend (Refer Note 30)	-	-	-	(199.44)	-	-	(199.44)
Total (F)	**-**	**-**	**-**	**(1,187.42)**	**-**	**-**	**(1,187.42)**
Balance as at 31st March, 2018 (D+E+F)	**44.38**	**0.50**	**4,166.74**	**3,387.91**	**1.16**	**101.55**	**7,702.24**

* ₹ 5000/-

Description of nature and purpose of each reserve

Capital Reserve :

a. Capital reserve of ₹ 5000/- was created on merger of 'Pentasia Chemicals Ltd.' with the Company, pursuant to scheme of Rehabilitation-cum-Merger sanctioned by Board of Industrial and Financial Reconstruction in the financial year 1995-96.

b. Capital Reserve of ₹ 44.38 crores was created on merger of Asian Paints (International) Limited, Mauritius, wholly owned subsidiary of the Company, with the Company as per the order passed by the National Company Law Tribunal (Refer Note 31).

Capital Redemption Reserve - This reserve was created for redemption of preference shares in the financial year 1989-90. The preference shares were redeemed in the financial year 1990-91.

General Reserve - General reserve is created from time to time by way of transfer 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 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

NOTE 15 : BORROWINGS*

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Secured				
Deferred payment liabilities :				
Loan from State of Haryana##	9.87	10.38	1.42	1.98
Unsecured				
Loans repayable on demand				
From banks (Bank overdraft)@	-	-	-	26.84
	9.87	**10.38**	**1.42**	**28.82**
Amount Included under the head "Other Financial liabilities" (Refer Note 16)	-	-	(1.42)	(1.98)
TOTAL	**9.87**	**10.38**	**-**	**26.84**

Notes:

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 received post transition to Ind AS (w.e.f 01.04.2015) are recognised at fair value using prevailing market interest rate for equivalent loan. 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).

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.

@ Overdraft in current account carries interest rate @ 8.15% p.a. (as at 31st March, 2017 it was 8.90% p.a.)

* Default in terms of repayment of principal and interest - NIL.

NOTE 16 : OTHER FINANCIAL LIABILITIES

(₹ in Crores)

		Non-Current		Current	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(a)	**Current maturities of Long-term debt** (Refer Note 15)	-	-	1.42	1.98
(b)	**Investor Education and Protection Fund#**				
(i)	Unpaid/Unclaimed dividend	-	-	14.11	11.51
(ii)	Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years	-	-	0.04	0.04
		-	**-**	**14.15**	**11.55**
(c)	**Others**				
	Retention monies relating to capital expenditure	0.65	2.31	75.26	29.59
	Payable towards capital expenditure	-	-	204.63	40.74
	Payable towards services received	-	-	270.04	205.63
	Payable towards stores, spares and consumables	-	-	8.24	37.93
	Payable to employees [including ₹ 4.5 crores due to Managing Director (as at 31st March, 2017 ₹ 4.5 crores)]	-	-	128.04	130.17
	Payable towards other expenses [including ₹ 3.90 crores due to Non-Executive Directors (as at 31st March, 2017 ₹ 3.65 crores)]	-	-	506.78	419.96
	Forward exchange contract (Net)	-	-	-	2.44
		0.65	**2.31**	**1,192.99**	**866.46**
TOTAL		**0.65**	**2.31**	**1,208.56**	**879.99**

Investor Education and Protection Fund ('IEPF')- As at 31st March, 2018, 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.

Notes to the Financial Statements

NOTE 17: PROVISIONS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(a) Provision for Employee Benefits (Refer Note 40)				
Provision for Compensated absences	101.97	103.91	14.40	13.48
Provision for Pension	1.43	1.55	0.34	0.35
Provision for Post retirement medical and other benefits	3.95	4.38	2.62	0.14
	107.35	**109.84**	**17.36**	**13.97**
(b) Others (Refer Note 34)				
Provision for Excise	-	-	0.71	0.58
Provision for Central Sales Tax / VAT	-	-	24.78	21.65
	-	**-**	**25.49**	**22.23**
TOTAL	**107.35**	**109.84**	**42.85**	**36.20**

NOTE 18 : INCOME TAXES

(₹ in Crores)

	Year 2017-18	Year 2016-17
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	968.87	817.27
Adjustments in respect of previous year	(0.41)	(3.60)
Deferred tax:		
In respect of current year	2.57	41.33
Income tax expense recognised in the Statement of Profit and Loss	**971.03**	**855.00**
(ii) Income tax expense recognised in OCI		
Deferred tax :		
Deferred tax (expense)/benefit on net fair value gain on investments in debt instruments through OCI	(2.30)	0.17
Deferred tax (expense) on remeasurement benefit of defined benefit plans	(4.29)	(2.84)
Income tax (expense) recognised in OCI	**(6.59)**	**(2.67)**
B. Reconciliation of tax expense and the accounting profit for the year is as under :		
Profit before tax	**2,865.83**	**2,656.72**
Income tax expense calculated at 34.608%	991.81	919.44
Tax effect on non-deductible expenses	20.42	22.62
Incentive tax credits	(16.05)	(34.70)
Effect of Income which is taxed at special rates	(11.63)	(19.70)
Effect of Income that is exempted from tax	(14.46)	(26.66)
Others	1.35	(2.40)
Total	**971.44**	**858.60**
Adjustments in respect of current income tax of previous year	(0.41)	(3.60)
Tax expense as per Statement of Profit and Loss	**971.03**	**855.00**

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, 2018

(₹ in Crores)

	Balance Sheet 01.04.2017	Profit and loss 2017-18	OCI 2017-18	Balance Sheet 31.03.2018
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961.	(295.0)	(3.29)	-	(298.29)
Provision for expense allowed for tax purpose on payment basis (Net)	43.04	7.05	-	50.09
Allowance for doubtful debts and advances	0.38	-	-	0.38
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act, 1961 over 5 years)	5.06	(1.70)	-	3.36
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	1.85	-	(2.30)	(0.45)
Remeasurement benefit of the defined benefit plans through OCI	(3.75)	-	(4.29)	(8.04)
Difference in carrying value and tax base of investments measured at FVTPL	(12.75)	(4.63)	-	(17.38)
Deferred tax (expense)/benefit		**(2.57)**	**(6.59)**	
Net Deferred tax liabilities	**(261.17)**			**(270.33)**

As at 31st March, 2017

(₹ in Crores)

	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)
Provision for expense allowed for tax purpose on payment basis (Net)	36.67	6.37	-	43.04
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)**

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 31.03.2018	Expiry Date	As at 31.03.2017	Expiry Date
2014-2015	-		2.89	31st March, 2024
TOTAL	**-**		**2.89**	

Notes to the Financial Statements

NOTE 19 : OTHER LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(a) Revenue received in advance				
Advance received from customers	-	-	6.24	10.29
(b) Others				
Statutory payables -				
Payable towards Central Sales Tax and VAT	-	-	-	137.29
Payable towards Excise and Service Tax	-	-	-	34.50
Payable towards TDS under Income Tax	-	-	23.57	17.97
Payable towards Provident Fund, Profession Tax and ESIC	-	-	6.19	5.20
Payable towards GST	-	-	207.93	-
Deferred income arising from government grant (Refer Note 15)	2.61	3.65	1.06	1.07
	2.61	3.65	238.75	196.03
TOTAL	**2.61**	**3.65**	**244.99**	**206.32**

NOTE 20 : TRADE PAYABLES

(₹ in Crores)

	Current	
	As at 31.03.2018	As at 31.03.2017
Trade Payables (including Acceptances)*		
Due to Micro and Small Enterprises (Refer Note 36)	34.82	26.59
Due to others	1,816.68	1,644.67
TOTAL	**1,851.50**	**1,671.26**

* Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days amounting to ₹ 165.42 crores (Previous year ₹ 197.50 crores).

NOTE 21 : CURRENT TAX LIABILITIES (NET)

(₹ in Crores)

	Current	
	As at 31.03.2018	As at 31.03.2017
Provision for Income Tax (net)	51.06	55.32
TOTAL	**51.06**	**55.32**

Notes to the Financial Statements

NOTE 22 : REVENUE FROM OPERATIONS

(₹ in Crores)

		Year 2017-18	Year 2016-17
(A)	**Revenue from sale of products (including excise duty)**		
	Home market (net of returns)	16,333.90	15,933.80
	Exports	74.35	63.70
	Turnover	**16,408.25**	**15,997.50**
	Less: Discounts	2,092.12	1,842.96
TOTAL		**14,316.13**	**14,154.54**
(B)	**Revenue from sale of services**		
	Revenue from home solutions operations	9.73	4.70
	Colour consultancy income	3.31	2.89
TOTAL		**13.04**	**7.59**
(C)	**Other operating revenues**		
	Processing and service income	59.21	53.07
	Scrap sales	8.81	8.61
	Subsidy from state government (Refer Note 41)	162.36	136.62
TOTAL		**230.38**	**198.30**
TOTAL (A+B+C)		**14,559.55**	**14,360.43**

Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the year ended 31st March, 2018 is not strictly relatable to previous year. The following additional information is being provided to facilitate such understanding:

(₹ in Crores)

	Year Ended	
	31.03.2018	31.03.2017
Revenue from operations (A)	14,559.55	14,360.43
Excise duty on sale (B)	405.84	1,637.67
Revenue from operations excluding excise duty on sale (A-B)	14,153.71	12,722.76

Notes to the Financial Statements

NOTE 23 : OTHER INCOME

(₹ in Crores)

		Year 2017-18	Year 2016-17
(a)	**Interest Income**		
	Investments in debt instruments measured at fair value through OCI	5.80	5.57
	Other Financial assets carried at amortised cost	19.74	16.09
		25.54	**21.66**
(b)	**Dividend Income**		
	Dividends from quoted equity investments measured at fair value through OCI*	5.29	14.87
	Dividends from subsidiary companies (Refer Note 43)	6.10	5.08
	Dividends from mutual fund investments measured at FVTPL	31.27	56.96
		42.66	**76.91**
(c)	**Other non-operating income**		
	(i) Insurance claims received	0.46	0.29
	(ii) Royalty received		
	- From subsidiaries and associate	47.59	40.12
	- From Others	0.08	0.17
		47.67	**40.29**
	(iii) Net gain arising on financial assets measured at FVTPL#	54.33	67.65
	(iv) Others	66.83	76.60
		169.29	**184.83**
(d)	**Other gains and losses**		
	Net foreign exchange gain	40.01	15.98
	Net gain on sale of property, plant and equipment	-	0.79
		40.01	**16.77**
TOTAL		**277.50**	**300.17**

* Relates to investments held at the end of reporting period

\# Includes gain on sale of financial assets measured at FVTPL for ₹ 10.48 crores (Previous year ₹ 15.45 crores).

Notes to the Financial Statements

NOTE 24 (A) COST OF MATERIALS CONSUMED

(₹ in Crores)

	Year 2017-18	Year 2016-17
Raw Materials Consumed		
Opening Stock	597.94	534.34
Add : Purchases	6,041.21	5,629.73
	6,639.15	**6,164.07**
Less: Closing Stock	728.16	597.94
	5,910.99	**5,566.13**
Packing Materials Consumed		
Opening Stock	36.32	40.13
Add : Purchases	1,192.44	1,167.51
	1,228.76	**1,207.64**
Less : Closing Stock	39.59	36.32
	1,189.17	**1,171.32**
TOTAL COST OF MATERIALS CONSUMED	**7,100.16**	**6,737.45**

NOTE 24 (B) PURCHASES OF STOCK-IN-TRADE

	742.57	**646.53**

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)	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**
Stock at the end of the year		
Finished Goods (including goods in transit)	1,019.08	1,233.30
Work-in-Progress	95.60	74.80
Stock-in-trade- acquired for trading (including goods in transit)	224.68	185.38
TOTAL	**1,339.36**	**1,493.48**
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS	**154.12**	**(515.58)**

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

	Year 2017-18	Year 2016-17
Salaries and wages	679.24	642.44
Contribution to provident and other funds (Refer Note 40)	48.07	39.92
Staff welfare expenses	63.77	60.47
TOTAL	**791.08**	**742.83**

Notes to the Financial Statements

NOTE 26 : OTHER EXPENSES

(₹ in Crores)

	Year 2017-18	Year 2016-17
Consumption of stores, spares and consumables	42.93	42.66
Power and fuel	81.57	87.98
Processing charges	102.79	100.39
Repairs and maintenance:		
Buildings	21.60	12.17
Machinery	22.33	21.01
Other assets	52.72	53.07
	96.65	**86.25**
Rent (Refer Note 39)	219.56	195.56
Rates and taxes	22.31	42.46
Water charges	3.93	4.62
Insurance	6.86	6.89
Printing, stationery and communication expenses	44.89	47.82
Travelling expenses	81.08	100.95
Donations	0.56	2.49
Corporate social responsibility expenses (Refer Note 45)	46.51	47.84
Commission to Non Executive Directors	3.90	3.65
Directors' sitting fees	0.71	0.65
Payment to auditors (Refer Note 35)	1.49	2.25
Electricity expenses	10.05	9.58
Bank charges	2.76	3.44
Information technology expenses	54.52	44.74
Legal and professional expenses	34.94	37.87
Training and recruitment	36.73	45.61
Freight and handling charges	892.51	829.41
Advertisement expenses	558.24	516.50
Bad debts written off	3.85	2.11
Allowance for doubtful debts and advances (net)	4.84	2.51
Security expenses	30.35	27.53
Loss on sale of Assets (Net)	2.91	-
Miscellaneous expenses	71.99	73.28
TOTAL	**2,459.43**	**2,365.04**

NOTE 27 : FINANCE COSTS

(₹ in Crores)

	Year 2017-18	Year 2016-17
Interest on financial liabilities carried at amortised cost		
(a) Interest on bank borrowings	0.06	0.08
(b) Interest on bill discounting	17.51	16.81
(c) Interest on loan from State of Haryana	0.91	0.50
(d) Other Interest expense	1.08	0.51
Total interest expense for financial liabilities carried at amortised cost	**19.56**	**17.90**
Interest on income tax	1.50	0.96
TOTAL	**21.06**	**18.86**

Notes to the Financial Statements

NOTE 28 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crores)

	Year 2017-18	Year 2016-17
Depreciation of Property, Plant and Equipment (Refer Note 2)	283.23	269.50
Amortisation of Intangible assets (Refer Note 3B)	27.88	25.93
TOTAL	**311.11**	**295.43**

NOTE 29(A) : CATERGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Crores)

Financial assets/ financial liabilities	Refer Note	Non-Current		Current	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Financial assets measured at fair value through profit or loss (FVTPL)					
Investments in quoted mutual funds	4(I)D & 4(II)	190.07	443.31	1,030.01	1,315.40
Investments in unquoted equity shares	4(I)(A)(b)(iii)	1.07	1.07	-	-
		191.14	**444.38**	**1,030.01**	**1,315.40**
Financial assets measured at fair value through other comprehensive income (FVTOCI)					
Investments in quoted equity shares#	4(I)(A)(a)	445.37	454.74	-	-
Investments in quoted debentures or bonds	4(I)C	80.47	80.28	-	-
		525.84	**535.02**	**-**	**-**
Financial assets measured at amortised cost					
Investments in unquoted government securities	4(I)(B)	*	*	-	-
Sundry deposits	5	79.08	70.27	12.17	13.55
Royalty receivable	6	-	-	41.40	43.13
Due from subsidiary companies	6	-	-	14.11	11.68
Due from associate company	6	-	-	4.97	3.32
Subsidy receivable from state government	6	87.79	44.04	239.42	241.11
Term deposits held as margin money against bank guarantee and other commitments	6	0.06	0.05	-	-
Bank deposits with more than 12 months original maturity	6	56.90	153.96	166.05	15.64
Interest accrued on investments in debentures or bonds measured at FVTOCI	6	-	-	3.38	3.45
Quantity discount receivable	6	-	-	157.90	155.74
Trade receivables	10	-	-	1,138.20	994.63
Cash and Cash Equivalents	11A	-	-	106.70	62.01
Other Bank Balances	11B	-	-	14.14	143.93
		223.83	**268.32**	**1,898.44**	**1,688.19**
Financial liabilities measured at fair value through profit or loss					
Forward exchange contract (net)	16	-	-	-	2.44
		-	**-**	**-**	**2.44**

Notes to the Financial Statements

NOTE 29(A) : CATERGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS (Contd.)

(₹ in Crores)

Financial assets/ financial liabilities	Refer Note	Non-Current		Current	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Financial liabilities measured at amortised cost					
Loan from State of Haryana	15	9.87	10.38	1.42	1.98
Loans repayable on demand - Bank overdraft	15	-	-	-	26.84
Unpaid/Unclaimed dividend	16	-	-	14.11	11.51
Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years	16	-	-	0.04	0.04
Retention monies relating to capital expenditure	16	0.65	2.31	75.26	29.59
Payable towards capital expenditure	16	-	-	204.63	40.74
Payable towards services received	16	-	-	270.04	205.63
Payable towards stores, spares and consumables	16	-	-	8.24	37.93
Payable to employees	16	-	-	128.04	130.17
Payable towards other expenses	16	-	-	506.78	419.96
Trade payables (including Acceptances)	20	-	-	1,851.50	1,671.26
TOTAL		**10.52**	**12.69**	**3,060.06**	**2,575.65**

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, 2018

(₹ in Crores)

Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2018	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))	445.37	445.37	-	-
Investments in quoted debentures or bonds (Refer Note 4(I)C)	80.47	80.47	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer Note 4(I)D & 4(II))	1,220.08	1,220.08	-	-
Investments in unquoted equity shares (Refer Note 4(I)(A)(b)(iii))	1.07	-	-	1.07

Notes to the Financial Statements

NOTE 29(B) : FAIR VALUE MEASUREMENTS (Contd.)

As at 31st March, 2017 (₹ in Crores)

Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2017	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 (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	-	-

(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 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 analyses have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

Notes to the Financial Statements

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (Contd.)

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

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 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
USD	435.42	402.68	135.89	120.75
EUR	78.65	30.21	106.88	18.53
GBP	6.64	3.13	3.20	0.54
SEK	0.05	1.20	-	-
SGD	0.74	0.11	0.86	0.34
JPY	-	0.02	3.52	-
Others	0.38	0.46	0.42	0.75
	521.88	**437.81**	**250.77**	**140.91**

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).

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 2017-18	Year 2016-17	As at 31.03.2018	As at 31.03.2017
+5%	(9.90)	(9.52)	(9.90)	(9.52)
-5%	9.90	9.52	9.90	9.52

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, 2018, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 445.37 crores (Previous year ₹ 454.74 crores). The details of such investments in equity instruments are given in Note 4 (I) (A)(a).

Notes to the Financial Statements

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (Contd.)

The Company is also exposed to price risk arising from investments in bonds recognised at FVTOCI. As at 31st March, 2018, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 80.47 crores (Previous year ₹ 80.28 crores). 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, 2018, Other Comprehensive Income for the year ended 31st March, 2018 would increase by ₹ 41.27 crores and decrease by ₹ 44.54 crores respectively (2016-17 ₹ 45.47 crores) with a corresponding increase/decrease in Total Equity of the Company as at 31st March, 2018. 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.

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	31.03.2018	31.03.2017
Balance at the beginning of the year	12.63	10.12
Loss allowance measured at lifetime expected credit losses	2.79	2.51
Balance at the end of the year	15.42	12.63

Notes to the Financial Statements

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (Contd.)

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 analyses derivative and non-derivative financial liabilities of the 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, 2018					
Borrowings (Refer Note 15)	-	13.80	-	13.80	9.87
Trade Payables (Refer Note 20)	1,851.50	-	-	1,851.50	1,851.50
Other financial liabilities (Refer Note 16)	1,208.56	0.65	-	1,209.21	1,209.21
At 31st March, 2017					
Borrowings (Refer Note 15)	26.84	15.22	-	42.06	37.22
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)	877.55	2.31	-	879.86	879.86

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, 2018, 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.

NOTE 30 : DIVIDEND

(₹ in Crores)

	Year 2017-18	Year 2016-17
Dividend on equity shares paid during the year		
Final dividend for the FY 2016-17 [₹ 7.65 (Previous year ₹ 5.30) per equity share of ₹ 1 each]	733.79	508.37
Dividend distribution tax on final dividend	147.89	102.68
Interim dividend for the FY 2017-18 [₹ 2.65 (Previous year ₹ 2.65) per equity share of ₹1 each]	254.19	254.19
Dividend distribution tax on interim dividend	51.55	51.65
TOTAL	**1,187.42**	**916.89**

Notes to the Financial Statements

NOTE 30 : DIVIDEND (Contd.)

Proposed Dividend:

The Board of Directors at its meeting held on 10th May, 2018 have recommended a payment of final dividend of ₹ 6.05 (Rupees six and paise five only) per equity share of face value of ₹ 1 each for the financial year ended 31st March, 2018. The same amounts to ₹ 699.60 crores including dividend distribution tax of ₹ 119.29 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 : MERGER OF ASIAN PAINTS (INTERNATIONAL) LIMITED, MAURITIUS WITH THE COMPANY

During the year, the National Company Law Tribunal had approved the scheme of amalgamation ('The Scheme') between the Company and Asian Paints (International) Limited ('APIL'), Mauritius, a wholly owned subsidiary of the Company. The Scheme became effective from 15th January, 2018 on completion of all regulatory formalities. In accordance with Ind AS 103-*Business combination*, the financial statements of the Company for the previous financial year 2016-17 have been restated with effect from 1st April, 2016 (being the earliest period presented).

APIL was an investment holding company which 'interalia' held investments in Asian Paints International Private Limited ('APIPL') (formerly known as Berger International Private Limited), a subsidiary of the Company. As per the Scheme, all assets, liabilities and reserves of APIL appearing as at 1st April, 2016 are recognized in the books of the Company at their respective carrying values, as detailed below. On account of this merger, APIPL is now direct subsidiary of the Company (Refer Note 4).

(₹ in crores)

	As at 1st April, 2016
Cash and Cash Equivalents	1.25
Investments - Non-current (in Asian Paints International Private Limited)	389.95
Other financial assets - Non-current	16.56
Other assets - Current	0.26
Other financial assets - Current	11.43
Borrowings - Current	(15.75)
Other financial liabilities - Current	(2.31)
Total Net Assets Acquired (A)	**401.39**
Retained earnings acquired (B)	100.77
Investment in APIL appearing in the financial statements of the Company (C)	256.24
Capital Reserve (A-B-C)	**44.38**

The impact of the merger on the Statement of Profit and Loss of the Company for the current year and previous year is not material.

Notes to the Financial Statements

NOTE 32 : CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent Liabilities

(₹ in Crores)

		As at 31.03.2018	As at 31.03.2017
1.	Letters of comfort issued to banks on behalf of one of its indirect subsidiary	6.76	6.90
2.	Claims against the Company not acknowledged as debts		
	i. Tax matters in dispute under appeal	179.04	237.15
	ii. Others	26.46	16.96

b) Commitments

(₹ in Crores)

		As at 31.03.2018	As at 31.03.2017
1.	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	i. Towards Property, Plant and Equipment	740.20	1,145.04
	ii. Towards Intangible Assets	18.96	2.65
		759.16	**1,147.69**
2.	Letters of Credit and Bank guarantees issued by bankers and outstanding as on 31st March, 2018. [Pertaining to capital goods - ₹ 78.62 crores as at 31st March, 2018 (₹ 0.98 crores as at 31st March, 2017]	137.08	54.94
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

a) Revenue Expenditure

(₹ in Crores)

	2017-18	2016-17
Employee Cost	47.11	44.73
Depreciation on Equipment and Building	6.84	6.45
Travelling Expenditure	1.62	3.04
Testing and Laboratory Expenditure	1.28	1.52
Power and Fuel	3.10	3.11
Stores and Spares	0.77	0.78
Repairs and Maintenance	1.66	1.93
Materials Consumed	0.51	0.46
Others	13.33	13.04
TOTAL	**76.22**	**75.06**

An amount of ₹ 1.66 crores (Previous Year ₹ 0.92 crores) has been recovered from the Company's associate towards Research and Development activity carried out on their behalf.

Notes to the Financial Statements

NOTE 33 : EXPENDITURE ON RESEARCH AND DEVELOPMENT (Contd.)

b) Capital Expenditure

(₹ in Crores)

	2017-18	2016-17
- For Turbhe Research and Development facility	41.70	30.95
- For Cochin Research and Development facility (Land & civil work)	0.07	-
TOTAL	**41.77**	**30.95**

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, 2018 is as follows:

(₹ in Crores)

	Provision for Excise *		Provision for Sales tax **	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Opening Balance	0.58	0.96	21.65	22.65
Additions	0.13	0.48	5.42	1.39
Utilizations	-	(0.02)	-	-
Reversals	-	(0.84)	(2.29)	(2.39)
Closing Balance	**0.71**	**0.58**	**24.78**	**21.65**

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.

NOTE 35 : PAYMENT TO AUDITORS - (Excluding Service Tax and GST)

(₹ in Crores)

	2017-18	2016-17*
Statutory audit fee	0.94	1.50
Taxation Matters	0.17	0.13
Certification fees and other services	0.23	0.52
For reimbursement of expenses	0.15	0.10
TOTAL	**1.49**	**2.25**

* Includes remuneration paid to erstwhile auditors.

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 2017-18, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in Crores)

		As at 31.03.2018	As at 31.03.2017
(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	34.82	26.59
	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.

Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
Forward contract to buy USD - As at 31.03.2018	-	-	-
Forward contract to buy USD - As at 31.03.2017	39.00	21.13	139.88

b) Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2018 are as under:

Currency	Payable (In millions FC)		Receivable (In millions FC)	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
USD	66.80	40.52	20.85	18.56
EUR	9.77	4.41	13.28	2.67
SGD	0.15	0.02	0.17	0.07
GBP	0.72	0.39	0.35	0.07
SEK	0.07	1.65	-	-
JPY	-	0.34	57.48	-
Others	0.06	0.07	0.06	0.13

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 (Contd.)

Currency	Payable (₹ in Crores)		Receivable (₹ in Crores)	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
USD	435.42	262.80	135.89	120.38
EUR	78.65	30.54	106.88	18.53
SGD	0.74	0.10	0.86	0.34
GBP	6.64	3.13	3.20	0.54
SEK	0.05	1.20	-	-
JPY	-	0.02	3.52	-
Others	0.38	0.46	0.42	0.75
TOTAL	**521.88**	**298.25**	**250.77**	**140.54**

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 31.03.2018	Amount outstanding as at 31.03.2017	Maximum balance outstanding during the year 31.03.2018	Maximum balance outstanding during the year 31.03.2017
Maxbhumi Developers Limited	Wholly Owned Subsidiary Company	-	-	-	0.30

The above loan was given to the subsidiary for its business activities (Refer Note 43).

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) There are no guarantees issued or loans given 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.

Notes to the Financial Statements

NOTE 39 : PURSUANT TO Ind AS-17 - 'LEASES', THE FOLLOWING INFORMATION IS DISCLOSED (Contd.)

b) Future minimum lease rentals payable under non-cancellable lease agreements are as under :

(₹ in Crores)

		As at 31.03.2018	As at 31.03.2017
i)	Not later than one year	20.28	15.67
ii)	Later than one year and not later than five years	25.53	19.46
iii)	Later than five years	14.38	-
TOTAL		**60.19**	**35.13**

c. Lease payments recognised in the Statement of Profit and Loss for the year is ₹ 219.56 crores (Previous year ₹ 195.56 crores)

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.

Notes to the Financial Statements

NOTE 40 : EMPLOYEE BENEFITS (Contd.)

1) Post-employment benefits : (Contd.)

c) Defined benefit post-retirement medical benefit plan (Unfunded) (Contd.)

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 (except pension) were carried out as at 31st March, 2018 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.

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 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(i)	**Opening defined benefit obligation**	**154.74**	**145.24**	**1.90**	**2.28**	**1.42**	**1.29**
(ii)	Current service cost	11.94	9.99	-	-	0.06	0.06
(iii)	Interest cost	11.27	11.32	0.24	0.05	0.10	0.13
(iv)	Past Service Cost	4.18	-	-	-	-	-
(v)	**Sub-total included in Statement of Profit and Loss (ii+iii+iv)**	**27.39**	**21.31**	**0.24**	**0.05**	**0.16**	**0.19**
(vi)	Actuarial loss/(gain) from changes in financial assumptions	(7.45)	6.50	(0.05)	0.04	(0.11)	0.09
(vii)	Actuarial loss/(gain) from changes in demographic assumptions	(3.27)	-	-	-	0.01	-
(viii)	Experience adjustment	(2.99)	(9.44)	0.05	(0.04)	0.10	(0.09)
(ix)	**Sub-total included in other comprehensive income (vi+vii+viii)**	**(13.71)**	**(2.94)**	**-**	**-**	**-**	**-**
(x)	Benefits paid	(10.34)	(8.87)	(0.38)	(0.43)	(0.06)	(0.06)
(xi)	**Closing defined benefit obligation (i+v+ix+x)**	**158.08**	**154.74**	**1.76**	**1.90**	**1.52**	**1.42**
(xii)	**Opening fair value of plan assets**	**162.96**	**145.03**	**-**	**-**	**-**	**-**
(xiii)	Expected return on plan assets	11.56	11.31	-	-	-	-
(xiv)	**Sub-total included in Statement of Profit and Loss (xiii)**	**11.56**	**11.31**	**-**	**-**	**-**	**-**
(xv)	Actuarial (loss)/gains	(1.42)	5.28	-	-	-	-
(xvi)	**Sub-total included in other comprehensive income (xv)**	**(1.42)**	**5.28**	**-**	**-**	**-**	**-**
(xvii)	Contributions by employer	-	10.21	-	-	-	-
(xviii)	Benefits paid	(10.34)	(8.87)	-	-	-	-
(xix)	**Closing fair value of plan assets (xii+xiv+xvi+xvii+xviii)**	**162.76**	**162.96**	**-**	**-**	**-**	**-**
(xx)	**Net (Asset)/ Liability (xix-xi)**	**(4.68)**	**(8.22)**	**1.76**	**1.90**	**1.52**	**1.42**
	Expense recognised in:						
(xxi)	**Statement of profit and loss (v-xiv)**	**15.83**	**10.00**	**0.24**	**0.05**	**0.16**	**0.19**
(xxii)	**Statement of other comprehensive income (ix-xv)**	**(12.29)**	**(8.22)**	**-**	**-**	**-**	**-**

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 31.03.2018	Gratuity (Funded Plan) As at 31.03.2017
Government of India securities (Central and State)	89.21	88.05
High quality corporate bonds (including Public Sector Bonds)	64.51	64.81
Equity shares, Equity mutual funds and ETF	4.76	2.51
Cash (including liquid mutual funds)	0.02	1.11
Others	4.27	6.49

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 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Discount Rate	7.81%	7.31%	7.81%	7.31%	7.81%	7.31%
Salary Escalation Rate	All Grades- 9% for first 2 years 8% thereafter	All Grades- 11% for first year 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 analyses 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 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Defined Benefit Obligation - Discount Rate + 100 basis points	(11.44)	(13.99)	(0.09)	(0.09)	(0.21)	(0.20)
Defined Benefit Obligation - Discount Rate - 100 basis points	12.14	14.12	0.09	0.09	0.22	0.20
Defined Benefit Obligation – Salary Escalation Rate + 100 basis points	11.13	12.44	-	-	-	-
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(10.89)	(12.17)	-	-	-	-

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.

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 10.57 years. (Previous year 11.17 years)

The Company expects to make a contribution of ₹ 6.88 crores (Previous year ₹ 3.72 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, 2018.

The Company contributed ₹ 12.82 crores (Previous Year ₹ 11.76 crores) towards Asian Paints Office Provident Fund during the year ended 31st March, 2018. The Company contributed ₹ 6.89 crores (Previous Year ₹ 6.11 crores) towards Asian Paints Factory Employees Provident Fund during the year ended 31st March, 2018.

The details of the Asian Paints Office Provident Fund and plan assets position as at 31st March, 2018 is given below:

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
Present value of benefit obligation at year end	260.14	230.98
Plan assets at year end, at fair value, restricted to	260.14	230.98
Asset recognized in balance sheet	-	-

The details of the Asian Paints Factory Employees Provident Fund and plan assets position as at 31st March, 2018 are given below:

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
Present value of benefit obligation at year end	201.67	184.38
Plan assets at year end, at fair value, restricted to	201.67	184.38
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):

	As at 31.03.2018	As at 31.03.2017
Discounting Rate	7.81%	7.31%
Expected Guaranteed interest rate	8.55%*	8.65%

* Rate mandated by EPFO for the FY 2017-18 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, 2018 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in decrease in liability by ₹ 1.02 crores. (Previous Year- increased by ₹ 14.61 crores)

(a) Financial Assumptions

	As at 31.03.2018	As at 31.03.2017
Discount Rate	7.81%	7.31%
Basic salary increases allowing for Price inflation	All Grades- 9% for first 2 years 8% thereafter	All Grades 11.00% for first year 10.00% for next 3 years 8.00% thereafter

(b) Demographic Assumptions

	As at 31.03.2018	As at 31.03.2017
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee Turnover	Upto 34yrs - 10.30%, 35-44 yrs - 4.90%, Above 44yrs - 1.80%	Upto 44yrs - 5.00%, Above 44yrs - 2.00%
Leave Availment Ratio	5%	5%

NOTE 41 : The Company's manufacturing facility at Khandala, Maharashtra has been granted "Mega Project Status" by Government of Maharashtra (GoM) 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. Based on Memorandum of Understanding and clarifications from GoM, the Company has continued to recognise the incentive computed based on SGST paid to GoM. Further, in terms of the Ind AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance", eligible incentive as mentioned above amounting to ₹ 162.36 crores (Previous year ₹ 136.53 crores) for year ended 31st March, 2018 is credited to the Statement of Profit and Loss and included under the head "Other operating income" on accrual basis.

NOTE 42 : EARNINGS PER SHARE

		2017-18	2016-17
a)	Basic and diluted earnings per share in rupees (face value – ₹1 per share)* (In ₹)	19.75	18.78
b)	Profit after tax as per Statement of Profit and Loss (₹ in Crores)	1,894.80	1,801.72
c)	Weighted average number of equity shares outstanding during the year	95,91,97,790	95,91,97,790

* Earning per share is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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, 2018.

a) 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)

b) Subsidiaries : (where control exists)

Direct Subsidiaries:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017
Asian Paints (Nepal) Private Limited	Nepal	51.00	51.00
Asian Paints Industrial Coatings Limited	India	100.00	100.00
Asian Paints International Private Limited * (Refer Note 31)	Singapore	100.00	100.00
Reno Chemicals Pharmaceuticals & Cosmetics Private Limited (Refer Note 4)	India	100.00	-
Maxbhumi Developers Limited	India	100.00	100.00
Sleek International Private Limited (Refer Note 4)	India	100.00	51.00
Asian Paints PPG Private Limited	India	50.00	50.00

* Asian Paints International Private Limited was formerly known as Berger International Private Limited.

Indirect Subsidiaries:

i) **Subsidiaries of Asian Paints International Private Limited, Singapore**

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017
Berger Paints Singapore Pte Limited	Singapore	100.00	100.00
Enterprise Paints Limited	Isle of Man, U.K.	100.00	100.00
Universal Paints Limited	Isle of Man, U.K.	100.00	100.00
Lewis Berger (Overseas Holdings) Limited##	U.K.	-	100.00
Kadisco Paint and Adhesive Industry Share Company	Ethiopia	51.00	51.00
PT Asian Paints Indonesia	Indonesia	100.00	100.00
PT Asian Paints Color Indonesia	Indonesia	100.00	100.00
Asian Paints (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	99.18
Causeway Paints Lanka (Pvt.) Ltd.#	Sri Lanka	100.00	-

\# On 3rd April, 2017, Asian Paints International Private Limited, Singapore ('APIPL'), wholly owned subsidiary of the Company acquired 100% controlling stake in Causeway Paints Lanka (Pvt.) Ltd. ('CPLPL').

On 16th June, 2017, Asian Paints International Private Limited, Singapore ('APIPL'), wholly owned subsidiary of the Company entered into a Share Purchase Agreement with ANSA Coatings International Limited, St. Lucia for divestment of its entire stake in Lewis Berger (Overseas Holdings) Limited, UK ('LBOH'). LBOH was the holding company for three subsidiaries in the Caribbean region viz., Berger Paints Barbados Limited, Berger Paints Jamaica Limited and Berger Paints Trinidad Limited.

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, 2018. (Contd.)

ii) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017
Nirvana Investments Limited	Isle of Man, U.K.	100.00	100.00

iii) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017
Berger Paints Emirates LLC	U.A.E.	100.00	100.00

iv) Subsidiary of Universal Paints Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017
Berger Paints Bahrain W.L.L.	Bahrain	100.00	100.00

v) Subsidiaries of Lewis Berger (Overseas Holdings) Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017
Berger Paints Jamaica Limited*	Jamaica	-	51.00
Berger Paints Trinidad Limited*	Trinidad	-	70.00
Berger Paints Barbados Limited*	Barbados	-	100.00

* On 16th June 2017, Asian Paints International Private Limited, Singapore ('APIPL'), wholly owned subsidiary of the Company entered into a Share Purchase Agreement with ANSA Coatings International Limited, St. Lucia for divestment of its entire stake in Lewis Berger (Overseas Holdings) Limited, UK ('LBOH'). LBOH was the holding company for three subsidiaries in the Caribbean region viz., Berger Paints Barbados Limited, Berger Paints Jamaica Limited and Berger Paints Trinidad Limited.

c) Key Managerial Personnel:

Name	Designation
Shri. K. B. S. Anand	Managing Director & CEO
Shri. Jayesh Merchant	CFO & Company Secretary, President – Industrial JVs

Non-Executive Directors	
Shri. Ashwin Choksi	Dr. S. Sivaram
Shri. Ashwin Dani	Shri. Mahendra Shah
Shri. Abhay Vakil	Shri. S. Ramadorai
Shri. Mahendra Choksi	Shri. M.K. Sharma
Shri. Malav Dani	Mrs. Vibha Paul Rishi
Ms. Amrita Vakil	Shri. R. Seshasayee (w.e.f. 23rd January, 2017)
Shri. Deepak Satwalekar	Shri. Dipankar Basu (Upto 1st January, 2017)

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, 2018. (Contd.)

d) Relatives of Key Managerial Personnel who are under the employment of the Company:

Shri. Jalaj Dani*

Shri. Manish Choksi

Shri. Varun Vakil

* 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

e) Entities where Directors/Relatives of Directors having control/significant influence:

Asteroids Trading And Investments Pvt. Ltd.	Hitech Corporation Ltd.#	Pragati Chemicals Ltd.
Addverb Technologies Pvt. Ltd.*	Hitech Specialities Solutions Ltd.	Rayirth Holding And Trading Company Pvt. Ltd.
ARI Designs LLP	Sattva Holding and Trading Pvt. Ltd.	Resins And Plastics Ltd.
Castle Investment & Industries Pvt. Ltd.	Jalaj Trading And Investment Company Pvt. Ltd.	Ricinash Oil Mill Ltd.
Centaurus Trading And Investments Pvt. Ltd.	Jaldhar Investments And Trading Company Pvt. Ltd.	Rupen Investment And Industries Pvt. Ltd.
Dani Charitable Foundation	Parekh Plast India Ltd.	Satyadharma Investments And Trading Company Pvt. Ltd.
Dani Finlease Ltd.	Lambodar Investments And Trading Company Ltd.	Smiti Holding And Trading Company Pvt. Ltd.
Doli Trading And Investments Pvt. Ltd.	Lyon Investment And Industries Pvt. Ltd.	Sudhanva Investments And Trading Company Pvt. Ltd.
Elcid Investments Ltd.	Murahar Investments And Trading Company Ltd.	Suptaswar Investments And Trading Company Ltd.
ELF Trading And Chemicals Mfg. Ltd.	Navbharat Packaging Industries Ltd.	Tru Trading And Investments Pvt. Ltd.
Geetanjali Trading And Investments Pvt. Ltd.	Nehal Trading And Investments Pvt. Ltd.	Unnati Trading And Investments Pvt. Ltd.
Gujarat Organics Ltd.	Paladin Paints And Chemicals Pvt. Ltd.	Vikatmev Containers Ltd.
Hiren Holdings Pvt. Ltd.		

* w.e.f. 12th February, 2018
\# Formerly known as Hitech Plast Ltd.

f) Other entities where significant influence exist:

i) Post employment-benefit plan entity:

Asian Paints (India) Limited Employees' Gratuity Fund

ii) Other:

Asian Paints Office Provident Fund (Employee benefit plan)

Asian Paints Factory Employees' Provident Fund (Employee benefit plan)

Asian Paints Management Cadres' Superannuation Scheme (Employee benefit plan)

NOTE 43 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY Ind AS- 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2018. (Contd.)

g) Details of related party transactions during the year ended 31st March, 2018:

(₹ in Crores)

	Associates		Subsidiaries		Key Managerial Personnel		Relatives of Key Managerial Personnel		Entities Controlled/ Significantly influenced by Directors/Relatives		Other Entities where significant influence exist	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Revenue from sale of products	15.27	9.29	44.63	34.88	-	-	-	-	0.14	1.11	-	-
Processing of goods (Income)	23.43	17.42	17.36	15.83	-	-	-	-	-	-	-	-
Royalty Income	3.94	3.99	45.08	38.06	-	-	-	-	-	-	-	-
Other non operating income	10.99	8.50	16.12	11.83	-	-	-	-	-	-	-	-
Sitting Fees Received (from subsidiaries for nominee directors)	-	-	0.55	0.72	-	-	-	-	-	-	-	-
Other services – Paid	-	-	0.33	0.01	-	-	-	-	0.04	0.11	-	-
Reimbursement of Expenses - received	0.24	0.17	16.66	14.31	-	-	-	-	-	-	-	-
Dividend received	-	-	6.10	5.08	-	-	-	-	-	-	-	-
Purchase of goods	0.02	0.02	0.95	0.84	-	-	-	-	426.58	368.36	-	-
Purchase of assets	-	-	-	-	-	-	-	-	0.44	-	-	-
Remuneration	-	-	-	-	14.43	12.94	4.49	6.44	-	-	-	-
Retiral benefits	-	-	-	-	0.21	0.22	2.32	-	-	-	-	-
Commission to Non-executive Directors	-	-	-	-	3.90	3.65	-	-	-	-	-	-
Sitting Fees Paid to Non-executive Directors	-	-	-	-	0.71	0.64	-	-	-	-	-	-
Reimbursement of Expenses - paid	1.73	-	1.45	1.31	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	40.59	31.33	64.68	48.14	416.30	323.11	-	-
Contributions during the year (includes Employees' share and contribution)	-	-	-	-	-	-	-	-	-	-	57.58	62.92
Investment made	-	-	-	16.65	-	-	-	-	-	-	-	-
Advance given	-	-	-	-	-	-	-	-	0.88	-	-	-
Loan given	-	-	-	0.10	-	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	-	-	-	0.15	-	-
Outstanding as at 31st March												
Advances	-	-	-	-	-	-	-	-	0.73	-	-	-
Trade and other receivables	8.06	5.53	66.90	63.88	-	-	-	-	#	0.09	-	-
Trade and other payables	0.02	0.08	1.94	1.04	8.40	8.15	-	-	24.58	37.81	5.09	4.15

Trade and other receivables for Entities Controlled/Significantly influenced by Directors/Relatives- current year- ₹ 20,827/-

The Company has issued letters of comfort to banks on behalf of one of its operating subsidiaries from time to time and the financial support based on such letters is limited to ₹ 6.76 crores (Previous year ₹ 6.90 crores) as on 31st March, 2018.

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, 2018. (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. Trade and other receivables are unsecured, interest free and will be settled in cash. During the year ended 31st March, 2018, the Company has recorded an amount of ₹ 1.17 crores from Asian Paints (Bangladesh) Ltd. (Previous year ₹ 0.12 crores) and ₹ 0.51 crores from Asian Paints (Nepal) Pvt. Ltd. (previous year ₹ 0.13 crores) as provision for doubtful debts on account of receivables. As at 31st March, 2018, the provision for doubtful receivables is ₹ 1.69 crores for Asian Paints (Bangladesh) Ltd. (Previous year ₹ 0.52 crores) and ₹ 0.64 crores for Asian Paints (Nepal) Pvt. Ltd. (previous year ₹ 0.13 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 previous year. The loan was unsecured and was repayable in two years on demand. The loan carried an interest @ 9.55% p.a.

Compensation of key managerial personnel of the Company:

(₹ in Crores)

	2017-18	2016-17
Short-term employee benefits	19.04	17.23
Post-employment benefits	0.21	0.22
Termination benefits	-	-
Share-based payments	-	-
Total compensation paid to key managerial personnel	**19.25**	**17.45**

Disclosure in respect of significant transactions of the same type with related parties during the year:

(₹ in Crores)

	2017-18	2016-17
Revenue from sale of products		
PPG Asian Paints Private Limited	15.27	9.29
Asian Paints PPG Private Limited	5.81	6.32
Asian Paints (Nepal) Private Limited	19.97	15.74
Asian Paints (Bangladesh) Limited	10.08	6.08
Others	8.91	7.85
	60.04	**45.28**
Processing of Goods (Income)		
PPG Asian Paints Private Limited	23.43	17.42
Asian Paints PPG Private Limited	17.36	15.83
	40.79	**33.25**
Royalty Income		
SCIB Chemicals S.A.E., Egypt	9.39	7.29
Asian Paints PPG Private Limited	7.22	7.17
Asian Paints (Bangladesh) Limited	8.45	7.46
Asian Paints International Private Limited	4.57	4.36
Asian Paints (Nepal) Private Limited	5.26	2.06
Others	14.13	13.71
	49.02	**42.05**

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, 2018. (Contd.)

Disclosure in respect of significant transactions of the same type with related parties during the year: (Contd.)

(₹ in Crores)

	2017-18	2016-17
Other non operating income		
PPG Asian Paints Private Limited	10.84	7.64
Asian Paints PPG Private Limited	6.56	5.24
Sleek International Private Limited	4.52	0.91
Others	5.20	6.54
	27.12	**20.33**
Sitting Fees Received (from subsidiaries for nominee directors)		
Asian Paints International Private Limited	0.55	0.72
	0.55	**0.72**
Other Services Paid		
Asian Paints International Private Limited	0.33	-
Asian Paints PPG Private Limited	-	0.01
ARI Designs LLP	0.04	0.11
	0.37	**0.12**
Reimbursement of Expenses – Received		
Asian Paints PPG Private Limited	5.16	2.99
Sleek International Private Limited	4.15	5.04
Asian paints International Private Limited	2.12	0.64
Others	5.47	5.81
	16.90	**14.48**
Dividend Received		
Asian Paints (Nepal) Private Limited	6.10	5.08
	6.10	**5.08**
Purchase of Goods		
Hitech Corporation Limited	266.69	234.00
Parekhplast India Limited	109.90	92.75
Others	50.96	42.47
	427.55	**369.22**
Purchase of Assets		
Addverb Technologies Pvt. Ltd.	0.44	-
	0.44	**-**
Remuneration		
Shri. K.B.S. Anand	10.57	9.72
Shri. Manish Choksi	3.48	3.06
Shri. Jalaj Dani	0.60	3.03
Shri. Jayesh Merchant	3.85	3.22
Others	0.42	0.35
	18.92	**19.38**
Retiral Benefits		
Shri. Jalaj Dani	2.32	-
Shri. Ashwin Choksi	0.07	0.08
Shri. Ashwin Dani	0.07	0.07
Shri. Abhay Vakil	0.07	0.07
	2.53	**0.22**

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, 2018. (Contd.)

Disclosure in respect of significant transactions of the same type with related parties during the year: (Contd.)

(₹ in Crores)

	2017-18	2016-17
Commission to Non Executive Directors		
Shri. Mahendra Choksi	0.28	0.26
Shri. Ashwin Choksi	0.36	0.34
Shri. Ashwin Dani	0.32	0.30
Shri. Abhay Vakil	0.28	0.26
Shri. Malav Dani	0.30	0.28
Ms. Amrita Amar Vakil	0.28	0.26
Others	2.08	1.95
	3.90	**3.65**
Sitting Fees Paid to Non Executive Directors		
Shri. M. K. Sharma	0.08	0.08
Shri. Mahendra Shah	0.06	0.08
Shri. Mahendra Choksi	0.06	0.06
Shri. Abhay Vakil	0.07	0.06
Others	0.44	0.36
	0.71	**0.64**
Reimbursement of Expenses – Paid		
PPG Asian Paints Private Limited	1.73	-
Asian Paints International Private Limited	0.79	0.03
Berger Paints Emirates LLC	0.22	0.21
Asian Paints (Lanka) Limited	-	0.30
PT Asian Paints Indonesia	0.03	0.15
Others	0.41	0.62
	3.18	**1.31**
Dividend Paid		
Smiti Holding And Trading Company Private Limited	55.71	43.00
Sattva Holding and Trading Private Limited	54.47	42.04
Others	411.39	317.54
	521.57	**402.58**
Contributions during the year (includes Employees' share and contribution)		
Asian Paints Office Provident Fund	33.28	30.56
Asian Paints Factory Employees Provident Fund	21.83	19.63
Asian Paints Management Cadres Superannuation Scheme	2.47	2.52
Asian Paints (India) Limited Employees' Gratuity Fund	-	10.21
	57.58	**62.92**
Investment made		
Asian Paints International Private Limited	-	16.65
	-	**16.65**
Advance Given		
Addverb Technologies Pvt. Ltd.	0.88	-
	0.88	**-**
Loan Given		
Maxbhumi Developers Limited	-	0.10
	-	**0.10**
Sale of Asset		
Resins & Plastics Limited	-	0.15
	-	**0.15**

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 2017-18			Year 2016-17		
		Paints	Home Improvement	Total	Paints	Home Improvement	Total
A.	**SEGMENT REVENUE**	**14,397.90**	**161.65**	**14,559.55**	**14,210.14**	**150.29**	**14,360.43**
B.	**SEGMENT RESULT**	**3,038.84**	**(19.03)**	**3,019.81**	**2,799.26**	**(18.53)**	**2,780.73**
C.	**SPECIFIED AMOUNTS INCLUDED IN SEGMENT RESULTS**						
	Depreciation and amortisation	262.62	0.82	263.44	251.89	1.03	252.92
	Interest Income	0.71	-	0.71	0.66	-	0.66
	Net foreign exchange loss	0.31	-	0.31	8.03	-	8.03
	Finance costs	19.33	0.01	19.34	17.28	0.04	17.32
	Dividend Income	6.10	-	6.10	5.08	-	5.08
D.	**RECONCILIATION OF SEGMENT RESULT WITH PROFIT AFTER TAX**						
	SEGMENT RESULT	**3,038.84**	**(19.03)**	**3,019.81**	**2,799.26**	**(18.53)**	**2,780.73**
	Add/(Less):						
	Interest Income			24.83			20.99
	Depreciation and amortisation			(47.67)			(42.51)
	Net foreign exchange gain			40.32			24.01
	Dividend received			36.56			71.83
	Net gain arising on financial assets measured at FVTPL			54.33			67.65
	Finance costs			(1.72)			(1.54)
	Income taxes			(971.03)			(855.00)
	Other Un-allocable Expenses net of Un-allocable Income			(260.63)			(264.44)
PROFIT AFTER TAX AS PER STATEMEMT OF PROFIT AND LOSS				**1,894.80**			**1,801.72**

Notes to the Financial Statements

NOTE 44 : SEGMENT REPORTING (Contd.)

(₹ in Crores)

		31.03.2018			31.03.2017		
		Paints	Home Improvement	Total	Paints	Home Improvement	Total
E.	**OTHER INFORMATION**						
	Segment assets	8,158.24	151.66	8,309.90	6,659.67	112.98	6,772.65
	Un-allocable assets			3,278.03			3,585.38
	Total assets			**11,587.93**			**10,358.03**
	Segment liabilities	3,313.86	50.48	3,364.34	2,752.56	55.02	2,807.58
	Un-allocable liabilities			425.43			455.70
	Total liabilities			**3,789.77**			**3,263.28**
	Capital expenditure	1,388.82	2.41	1,391.23	342.57	1.47	344.04
	Un-allocable capital expenditure			68.09			55.07
	Total Capital Expenditure			**1,459.32**			**399.11**

(₹ in Crores)

		2017-18	2016-17
F.	**REVENUE FROM EXTERNAL CUSTOMERS**		
	India	14,485.20	14,296.73
	Outside India	74.35	63.70
	TOTAL REVENUE	14,559.55	14,360.43

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.

NOTE 45 : CORPORATE SOCIAL RESPONSIBILITY EXPENSES

A. Gross amount required to be spent by the Company during the year 2017-18 - ₹ 46.43 crores (2016-17 - ₹ 39.88 crores)

B. Amount spent during the year on:

(₹ in Crores)

		2017-18			2016-17		
		In cash*	Yet to be paid in cash	Total	In cash*	Yet to be paid in cash	Total
i	Construction/Acquisition of any assets	-	-	-	-	-	-
ii	Purposes other than (i) above	44.16	2.35	46.51	46.51	1.33	47.84
		44.16	**2.35**	**46.51**	**46.51**	**1.33**	**47.84**
C.	**Related party transactions in relation to Corporate Social Responsibility:**			NIL			NIL
D.	**Provision movement during the year:**						
	Opening provision			1.05			2.59
	Addition during the year			0.62			1.05
	Utilised during the year			(1.05)			(2.59)
	Closing provision			**0.62**			**1.05**

*Represents actual outflow during the year.

NOTE 46 : The financial statements are approved for issue by the Audit Committee at its meeting held on 9th May 2018 and by the Board of Directors on 10th May, 2018.

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"), which includes Group's share of profit in its associates, comprising the Consolidated Balance Sheet as at 31st March, 2018, 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 consolidated statement of changes in equity of the Group including its Associate in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its Associate 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 Associate 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 consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, 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

We did not audit the financial statements/consolidated financial information of 25 subsidiaries, whose financial statements/consolidated financial information reflect total assets of ₹ 2,048.76 crore as at 31st March, 2018, total revenues of ₹ 2,181.81 crore and net cash outflows amounting to ₹ 316.07 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 ₹ 45.79 crore for the year ended 31st March, 2018, as considered in the consolidated Ind AS financial statements, in respect of 3 associates, 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.

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 matter 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, 2018 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, 2018 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 internal financial controls over financial reporting of those companies, for the reasons stated therein.

(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 material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India.

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

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
10th May, 2018

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 as of and for the year ended 31st March, 2018, 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 respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 internal financial controls over financial reporting of the Company, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company, its subsidiary companies, its associate companies, which are companies incorporated in India.

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 and based on the consideration of other auditors referred to in the Other Matters paragraph below, 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, 2018, based on the criteria for internal control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 5 subsidiary companies and 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
10th May, 2018

Consolidated Balance Sheet

as at 31st March, 2018

(₹ in Crores)

	Notes	As at 31.03.2018	As at 31.03.2017
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	2	3,118.47	2,956.65
Capital work-in-progress		1,405.11	257.54
Goodwill	3(A)	327.26	193.48
Other Intangible Assets	3(B)	286.51	153.61
Financial Assets			
Investments			
Investment in Associate	4	365.88	319.83
Other Investments	4	718.15	980.82
Loans	5	81.47	72.62
Trade Receivables	6	6.43	-
Other Financial Assets	7	151.28	199.42
Deferred Tax Assets (net)	20	19.60	16.16
Current Tax Assets (net)	9	68.30	84.01
Other Non-Current assets	10	320.54	221.53
		6,869.00	**5,455.67**
CURRENT ASSETS			
Inventories	11	2,658.31	2,626.94
Financial Assets			
Investments	4	1,056.67	1,351.34
Trade Receivables	6	1,730.63	1,446.60
Cash and Cash Equivalents	8(A)	312.12	582.08
Other Balances with Banks	8(B)	92.53	219.13
Loans	5	12.81	17.88
Other Financial Assets	7	580.78	421.66
Assets classified as Held for Sale	12	15.00	14.99
Other Current Assets	10	455.23	285.06
		6,914.08	**6,965.68**
TOTAL ASSETS		**13,783.08**	**12,421.35**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	95.92	95.92
Other Equity	14	8,314.31	7,507.97
Equity attributable to owners of the Company		**8,410.23**	**7,603.89**
Non-Controlling Interests	14	327.65	375.45
		8,737.88	**7,979.34**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	15	28.33	41.07
Other Financial Liabilities	16	4.99	7.20
Provisions	17	140.12	146.03
Deferred Tax Laibilities (net)	20	417.12	359.19
Other Non-Current Liabilities	18	3.57	3.65
		594.13	**557.14**
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	15	492.42	504.43
Trade Payables			
Due to Micro and Small Enterprises	19	39.88	30.38
Due to Others	19	2,120.08	1,892.45
Other Financial Liabilities	16	1,363.73	1,039.79
Other Current Liabilities	18	282.89	227.14
Provisions	17	56.60	49.13
Current Tax Liabilities (net)	21	95.47	141.55
		4,451.07	**3,884.87**
TOTAL EQUITY AND LIABILITIES		**13,783.08**	**12,421.35**
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to the consolidated financial statements	2-43		

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
10th May, 2018

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

Ashwin Choksi
Chairman
DIN:00009095

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

Mumbai
10th May, 2018

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, 2018

(₹ in Crores)

	Notes	Year 2017-18	Year 2016-17
REVENUE FROM OPERATIONS			
Revenue from sale of products (including Excise Duty)	22A	16,963.35	16,619.91
Revenue from sale of services	22B	74.91	47.17
Other Operating Revenues	22C	223.97	189.47
Other Income	23	220.62	262.43
TOTAL INCOME (I)		**17,482.85**	**17,118.98**
EXPENSES			
Cost of Materials Consumed	24A	8,585.41	8,016.14
Purchases of Stock-in-Trade	24B	963.62	841.36
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	24C	142.13	(528.60)
Excise Duty		437.68	1,794.56
Employee Benefits Expense	25	1,115.48	1,033.62
Other Expenses	26	2,820.30	2,713.05
TOTAL EXPENSES (II)		**14,064.62**	**13,870.13**
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		**3,418.23**	**3,248.85**
Finance Costs	27	35.07	29.99
Depreciation and Amortisation Expense	28	360.47	334.79
PROFIT FOR THE PERIOD BEFORE SHARE OF PROFIT IN ASSOCIATE		**3,022.69**	**2,884.07**
SHARE OF PROFIT OF ASSOCIATE	34	**45.79**	**49.61**
PROFIT BEFORE TAX		**3,068.48**	**2,933.68**
Tax Expense	20		
(1) Current Tax		1,041.30	889.61
(2) Minimum Alternate Tax (MAT) credit utilised		0.76	0.53
(3) (Excess)/ Short tax provision for earlier years		(0.63)	3.50
(4) Deferred Tax		(0.47)	49.65
Total tax expense		**1,040.96**	**943.29**
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**2,027.52**	**1,990.39**
Profit before tax from discontinued operations		70.59	30.55
Tax expense of discontinued operations		0.59	4.69
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	31 (d)	**70.00**	**25.86**
PROFIT FOR THE PERIOD		**2,097.52**	**2,016.25**
OTHER COMPREHENSIVE INCOME (OCI)			
(A) Items that will not be reclassified to Profit or Loss			
(a) (i) Remeasurement of defined benefit plans		13.17	15.39
(ii) Income tax relating to remeasurement of defined benefit plans		(4.58)	(4.36)
(b) Net fair value (loss)/ gain on investment in equity instruments through OCI		(9.36)	130.76
(c) Share of OCI in associate		0.26	(0.57)
(B) Items that will be reclassified to Profit or Loss			
(a) (i) Net fair value (loss)/ gain on investment in debt instruments through OCI		(0.31)	2.73
(ii) Income tax (expense) / benefit on net fair value (loss)/ gain on investment in debt instruments through OCI		(2.30)	0.17
(b) Exchange difference arising on translation of foreign operations		(31.68)	(134.86)
TOTAL OTHER COMPREHENSIVE INCOME		**(34.80)**	**9.26**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,062.72**	**2,025.51**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
- Owners of the Company		2,038.93	1,939.43
- Non-controlling interest		58.59	76.82
		2,097.52	**2,016.25**
OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
- Owners of the Company		(29.45)	60.56
- Non-controlling interest		(5.35)	(51.30)
		(34.80)	**9.26**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
- Owners of the Company		2,009.48	1,999.99
- Non-controlling interest		53.24	25.52
		2,062.72	**2,025.51**
Earnings per equity share (Face value of ₹ 1 each)	40		
(1) Basic and Diluted Earnings Per Share from continuing operations (EPS) (₹)		20.53	20.02
(2) Basic and Diluted Earnings Per Share from discontinued operations (EPS) (₹)		0.73	0.20
(3) Basic and Diluted Earnings Per Share from continuing and discontinued operations (EPS) (₹)		21.26	20.22
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to the consolidated financial statements	2-43		

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
10th May, 2018

Ashwin Choksi
Chairman
DIN:00009095

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

Mumbai
10th May, 2018

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

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, 2018

A) EQUITY SHARE CAPITAL

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
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

B) OTHER EQUITY

(₹ in Crores)

	Attributable to owners of the Company												
	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	Total attributable to owners of the Company	Non-controlling interests	Total
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
Change on account of Amalgamation (Refer Note no 31 (c))	-	44.38	-	-	-	15.95	-	(60.33)	-	-	-	-	-
Restated Balance as at 1st April, 2016 (A)	39.16	44.38	5.37	11.29	4,219.78	2,157.45	0.87	(28.82)	(19.85)	(0.73)	6,428.90	383.69	6,812.59
Additions during the year :													
Profit for the year	-	-	-	-	-	1,939.43	-	-	-	-	1,939.43	76.82	2,016.25
Items of OCI for the year, net of tax													
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	(81.86)	-	-	(81.86)	(53.00)	(134.86)
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 OCI in associate	-	-	-	-	-	-	-	-	-	(0.57)	(0.57)	-	(0.57)
Total comprehensive income for the year (B)	-	-	-	-	-	1,948.76	2.90	(81.86)	130.76	(0.57)	1,999.99	25.52	2,025.51
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	44.38	5.37	11.90	4,715.75	2,688.71	3.77	(110.68)	110.91	(1.30)	7,507.97	375.45	7,883.42

* ₹ 5,000/-

B) OTHER EQUITY (Contd.)

(₹ in Crores)

	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	Other Reserves	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in associate			
Balance as at 1st April, 2017 (A)	39.16	44.38	5.37	11.90	4,715.75	2,688.71	-	3.77	(110.68)	110.91	(1.30)	7,507.97	375.45	7,883.42
Additions during the year :														
Profit for the year	-	-	-	-	-	2,038.93	-	-	-	-	-	2,038.93	58.59	2,097.52
Items of OCI for the year, net of tax														
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	(26.34)	-	-	(26.34)	(5.34)	(31.68)
Remeasurement of defined benefit plans	-	-	-	-	-	8.60	-	-	-	-	-	8.60	(0.01)	8.59
Net fair value (loss) on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	(9.36)	-	(9.36)	-	(9.36)
Net fair value (loss) on investment in debt instruments through OCI	-	-	-	-	-	-	-	(2.61)	-	-	-	(2.61)	-	(2.61)
Share of OCI in associate	-	-	-	-	-	-	-	-	-	-	0.26	0.26	-	0.26
Total comprehensive income for the year (B)	-	-	-	-	-	2,047.53	-	(2.61)	(26.34)	(9.36)	0.26	2,009.48	53.24	2,062.72
Reductions during the year :														
Dividends (Refer Note 30)	-	-	-	-	-	(987.98)	-	-	-	-	-	(987.98)	(32.93)	(1,020.91)
Income tax on Dividend (Refer Note 30)	-	-	-	-	-	(199.44)	-	-	-	-	-	(199.44)	-	(199.44)
Effect of stake acquired from non controlling interest (Refer Note 31 (a))	-	-	-	-	-	-	(15.72)	-	-	-	-	(15.72)	(34.41)	(50.13)
Disposal of Subsidiaries (Refer Note 31 (d))	-	-	-	-	-	-	-	-	-	-	-	-	(33.70)	(33.70)
Transfer to Statutory Reserves and General Reserve	-	-	-	1.04	-	(1.04)	-	-	-	-	-	-	-	-
Total (C)	-	-	-	1.04	-	(1,188.46)	(15.72)	-	-	-	-	(1,203.14)	(101.04)	(1,304.18)
Balance as at 31st March, 2018 (A+B+C)	39.16	44.38	5.37	12.94	4,715.75	3,547.78	(15.72)	1.16	(137.02)	101.55	(1.04)	8,314.31	327.65	8,641.96

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
10th May, 2018

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

Ashwin Choksi
Chairman
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DIN:00327684

Mumbai
10th May, 2018

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

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Consolidated Cash Flow Statement

for the year ended 31st March, 2018

(₹ in Crores)

		Year 2017-18	Year 2016-17
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax from:		
	Continuing operations	3,068.48	2,933.68
	Discontinued operations	70.59	30.55
	Adjustments for :		
	Depreciation and amortisation expense	360.47	338.84
	Gain on sale of property, plant and equipment (net)	(0.47)	(1.42)
	Finance costs	35.07	30.58
	Allowances for doubtful debts and advances (net)	10.63	14.81
	Bad debts written off	4.95	0.32
	Interest income	(39.49)	(33.14)
	Dividend income	(37.76)	(73.90)
	Share of profit from associate (Refer Note 34)	(45.79)	(49.61)
	Gain on sale of disposal of subsidiaries (Refer Note 31(d))	(67.47)	-
	Net gain arising on financial assets measured at FVTPL	(49.60)	(65.00)
	Income on prepayment of loan	-	(3.54)
	Deferred income arising from government grant	(1.05)	(0.62)
	Net unrealised foreign exchange (gain)/loss	(9.26)	1.84
	Effect of exchange rates on translation of operating cashflows	(25.47)	(67.85)
	Operating Profit before working capital changes	**3,273.83**	**3,055.54**
	Adjustments for :		
	(Increase) in Inventories	(39.49)	(628.70)
	(Increase) in Trade and Other Receivables	(482.66)	(474.70)
	Increase in Trade and Other Payables	442.50	500.59
	Cash generated from Operating activities	**3,194.18**	**2,452.73**
	Income Tax paid (net of refund)	(1,080.74)	(925.40)
	Net Cash generated from Operating activities	**2,113.44**	**1,527.33**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment	(1,425.98)	(684.13)
	Sale of Property, plant and equipment	17.20	16.92
	Purchase of non-current investments	(319.52)	(152.75)
	Sale of non-current investments	262.75	209.54
	Proceeds from sale of current Investments (net)	99.39	147.14
	Net investment in bank/term deposits (having original maturity more than three months)	74.42	(298.73)
	Proceeds from disposal of subsidiaries (net) (Refer Note 31(d))	140.67	-
	Payment for acquisition of subsidiaries (net) (Refer Note 31(b) & (e))	(524.99)	-
	Interest received	39.02	32.01
	Dividend received	37.76	73.90
	Net Cash (used in) Investing activities	**(1,599.28)**	**(656.10)**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from non-current borrowings	10.18	31.10
	Repayment of non-current borrowings	(26.92)	(57.65)
	(Repayment of) / Proceeds from current borrowings (net)	(27.24)	239.97
	Acceptances (net)	(32.08)	13.16
	Transactions with Non Controlling Interest (Refer Note 31(a))	(50.13)	-
	Finance costs paid	(35.20)	(35.68)
	Dividend and Dividend tax paid (including dividend paid to non-controlling shareholders)	(1,217.75)	(947.33)
	Net Cash (used in) Financing activities	**(1,379.14)**	**(756.43)**
(D)	**NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]**	(864.98)	114.80
	Cash and cash equivalents as at 1st April, 2017	**1,667.52**	**1,577.73**
	Net effect of exchange gain / (loss) on cash and cash equivalents	43.14	(25.01)
	Cash and cash equivalents as at 31st March, 2018	**845.68**	**1,667.52**

Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March, 2018

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 31.03.2018	As at 31.03.2017
(b)	**Cash and Cash Equivalent comprises of :**		
	Cash on hand	0.64	0.74
	Balances with Banks:		
	- Current Accounts	176.63	490.57
	- Cash Credit Accounts	3.06	9.37
	- Deposits with Bank with maturity less than 3 months	57.26	42.72
	Cheques, drafts on hand	74.53	38.68
	Cash and cash equivalents (Refer Note 8(A))	**312.12**	**582.08**
	Investment in Government Securities [Refer Note 4 II B]	-	1.38
	Investment in Liquid mutual funds [Refer Note 4 II A (ii)]	603.02	1,156.38
	Less: Loan repayable on demand - Cash Credit /Overdraft Accounts [Refer Note 15]	69.46	72.32
	Cash and cash equivalents in Cash Flow Statement	**845.68**	**1,667.52**

Amendment to Ind AS 7

The amendments to Ind AS 7 Cash flow statements 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. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

(₹ in Crores)

	As at 31.03.2017	Cash Flows	Non-cash changes			As at 31.03.2018
			Fair value changes	Current/ Non-current classification	Foreign currency translation differences	
Borrowings- Non current	41.07	(14.49)	0.91	(12.68)	13.52	28.33
Borrowings- Current	504.43	(28.29)	-	-	16.28	492.42
Other Financial Liabilities (current portion of non-current borrowings)	14.84	(14.84)	-	12.68	-	12.68

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
F.R.N: 117366W/W-100018

Shyamak R Tata
Partner
Membership No: 038320

Mumbai
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Mumbai
10th May, 2018

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

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

GROUP'S BACKGROUND

The consolidated financial statements comprise financial statements of Asian Paints Limited (the Parent) and its subsidiaries (collectively, the Group) and includes share of profit of the associates for the year ended 31st March, 2018.

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 (as amended).

During the year, the National Company Law Tribunal had approved the scheme of amalgamation ('The Scheme') between the Parent Company and Asian Paints (International) Limited ('APIL'), Mauritius, a wholly owned subsidiary. The Scheme became effective from 15th January, 2018 on completion of all regulatory formalities. In accordance with Ind AS 103- Business combinations, the financial statements of the Parent Company for the previous financial year 2016-17 have been restated with effect from 1st April, 2016, being the earliest period presented (Refer Note 31 (c)).

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 Group'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 representing present obligation and they are measured at their acquisition date fair values

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

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 as a gain in other comprehensive income and accumulate the gain 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.

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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.

The Group had elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared 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 and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April, 2015.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation on each 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.

The estimated useful life of items of property, plant and equipment is mentioned below:

	Years
Factory Buildings	30 to 60
Buildings (other than factory buildings)	30 to 61
Plant and Equipment	4 to 21
Scientific research equipment	8
Furniture and Fixtures	5 to 10
Office Equipment and Vehicles	4 to 8
Tinting system	9

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortized over the period of lease.

The Group, based on technical assessment made by technical expert and management estimate, depreciates property, plant and equipment (other than building and factory building) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013. The management believes

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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, 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.

The Group had elected to consider the carrying value of all its intangible assets appearing in the financial statements prepared 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 and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April, 2015.

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 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
Others include acquired dealers' network	20

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.

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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 associate company 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, on assets other than goodwill, are reversed in the consolidated statement of profit and loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been 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, value added tax and goods and service 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

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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.

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

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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.

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On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to the 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 the 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.

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)

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In case of trade receivables and lease receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and 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 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 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).

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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.

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.

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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.

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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 that it is probable 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 that it is no longer probable that the respective group company will pay normal income tax during the specified period.

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

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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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

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.

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

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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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

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 and loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

y) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries. Control is achieved when the company has:

- Power over the investee,

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for the year ended 31st March, 2018

- 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 owners 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.

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A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

z) Recent accounting pronouncements

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, Revenue from Contract with Customers, Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the Company from 1st April, 2018. The Company will be adopting the amendments from their effective date.

a. Ind AS 115, Revenue from Contract with Customers:

Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

Based on the preliminary assessment performed by the Group, the impact of application of the Standard is not expected to be material.

b. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Group, is expected to be not material.

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 uncertainity 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

b. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, 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 benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

e. Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Consolidated Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 32, 'Employee benefits'.

f. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

	Gross carrying value							Depreciation/Amortisation							Net carrying value
	As at 01.04.17	Translation Difference	Additions / Adjustments	Acquisition of Subsidiary ^	Deductions / Adjustments #	Disposals of Subsidiaries *	As at 31.03.2018	As at 01.04.17	Translation Difference	Additions / Adjustments	Acquisition of Subsidiary ^	Deductions / Adjustments #	Disposals of Subsidiaries *	As at 31.03.2018	As at 31.03.18
Land :															
Freehold	175.51	0.07	181.98	-	-	6.34	351.22	-	-	-	-	-	-	-	351.22
Leasehold	232.07	(4.91)	0.79	6.70	-	-	234.65	4.51	(0.21)	2.94	0.51	-	-	7.75	226.90
Buildings :														-	
Freehold	877.88	0.92	27.96	-	0.91	11.75	894.10	59.75	0.46	31.83	-	0.10	0.80	91.14	802.96
Leasehold	41.86	(0.51)	2.04	9.45	-	0.77	52.07	5.00	0.29	3.82	1.32	-	-	10.43	41.64
Leasehold improvements	11.28	-	0.06	-	0.86	-	10.48	2.20	-	2.20	-	0.38	-	4.02	6.46
Plant and Equipment	1,979.50	0.65	199.09	6.20	15.99	12.24	2,157.21	425.87	1.63	248.30	1.78	4.46	1.67	671.45	1,485.76
Scientific Research:															
Buildings	30.49	-	40.88	-	-	-	71.37	2.60	-	1.50	-	-	-	4.10	67.27
Equipment	33.29	-	29.30	-	0.01	-	62.58	10.86	-	5.08	-	0.01	-	15.93	46.65
Furnitures & Fixtures	59.20	0.23	13.14	2.42	1.65	0.85	72.49	17.26	0.31	11.15	1.12	0.94	0.40	28.50	43.99
Vehicles	11.01	(1.42)	4.34	15.15	3.30	0.34	25.44	5.29	(0.69)	5.84	6.96	2.11	0.11	15.18	10.26
Office Equipment	54.79	0.51	12.39	0.96	0.85	1.31	66.49	21.35	0.59	12.42	0.60	0.49	0.05	34.42	32.07
Assets Given on Operating Lease:															
Tinting systems	3.72	(0.18)	0.67	-	-	-	4.21	1.08	(0.13)	0.60	-	-	-	1.55	2.66
Assets Taken on Finance Lease:															
Vehicles	2.87	0.06	-	-	1.06	0.14	1.73	1.05	0.07	0.01	-	0.03	-	1.10	0.63
TOTAL	**3,513.47**	**(4.58)**	**512.64**	**40.88**	**24.63**	**33.74**	**4,004.04**	**556.82**	**2.32**	**325.69**	**12.29**	**8.52**	**3.03**	**885.57**	**3,118.47**

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in note no 37 (b)
^ Refer Note no 31(e) for details on acquisition of subsidiary
# Deductions / Adjustments include Assets classified as held for sale (Refer Note 12)
* Refer Note no 31(d) for details on disposal

(₹ in Crores)

	Gross carrying value					Depreciation/Amortisation					Net carrying value
	As at 01.04.16	Translation Difference	Additions / Adjustments	Deductions / Adjustments #	As at 31.03.17	As at 01.04.16	Translation Difference	Additions / Adjustments*	Deductions / Adjustments #	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**

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).
* Includes depreciation of 'Discontinued operations' (Refer Note 31(d)).

NOTE 3 : INTANGIBLE ASSETS

(₹ in Crores)

	Gross carrying value						Amortisation						Impairment				Net carrying value
	As at 01.04.17	Translation Difference	Additions / Adjustments	Acquisition of subsidiary^	Deductions / Adjustments	As at 31.03.2018	As at 01.04.17	Translation Difference	Additions / Adjustments	Acquisition of subsidiaries^	Deductions / Adjustments	As at 31.03.2018	As at 01.04.17	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2018	As at 31.03.2018
3A. GOODWILL																	
Goodwill on Consolidation (refer 2 below)	198.65	(13.44)	147.22	-	-	332.43	-	-	-	-	-	-	52.45	-	-	52.45	279.98
Goodwill (acquired separately)	47.28	-	-	-	-	47.28	-	-	-	-	-	-	-	-	-	-	47.28
Total (3A)	**245.93**	**(13.44)**	**147.22**	**-**	**-**	**379.71**	**-**	**-**	**-**	**-**	**-**	**-**	**52.45**	**-**	**-**	**52.45**	**327.26**
3B. OTHER INTANGIBLES ASSETS (acquired separately)																	
Brand (refer 1 below)	81.54	(10.50)	-	68.67	-	139.71	2.50	-	-	-	-	2.50	-	-	-	-	137.21
Trademark	0.94	-	-	-	-	0.94	0.38	-	0.19	-	-	0.57	-	-	-	-	0.37
Computer Software	109.64	(0.01)	28.17	-	0.12	137.68	48.86	0.01	29.70	-	0.11	78.46	-	-	-	-	59.22
Others	14.56	(4.97)	-	86.60	0.60	95.59	1.39	(0.31)	4.86	-	-	5.94	-	-	-	-	89.65
Scientific Research:																	
Computer Software	0.13	-	0.04	-	0.01	0.16	0.07	-	0.03	-	-	0.10	-	-	-	-	0.06
Total (3B)	**206.81**	**(15.48)**	**28.21**	**155.27**	**0.73**	**374.08**	**53.20**	**(0.30)**	**34.78**	**-**	**0.11**	**87.57**	**-**	**-**	**-**	**-**	**286.51**
TOTAL (3A+3B)	**452.74**	**(28.92)**	**175.43**	**155.27**	**0.73**	**753.79**	**53.20**	**(0.30)**	**34.78**	**-**	**0.11**	**87.57**	**52.45**	**-**	**-**	**52.45**	**613.77**

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 same is not amortised.

The amount of contractual commitments for the acquisition of intangible assets is disclosed in note no 37 (b).

^ Refer Note no 31(e) for details on acquisition of subsidiary

(₹ in Crores)

	Gross carrying value					Amortisation					Impairment				Net carrying value
	As at 01.04.16	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2017	As at 01.04.16	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2017	As at 01.04.16	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2017	As at 31.03.2017
3A. GOODWILL															
Goodwill on Consolidation (refer 2 below)	204.16	(5.51)	-	-	198.65	-	-	-	-	-	52.45	-	-	52.45	146.20
Goodwill (acquired separately)	47.28	-	-	-	47.28	-	-	-	-	-	-	-	-	-	47.28
Total (3A)	**251.44**	**(5.51)**	**-**	**-**	**245.93**	**-**	**-**	**-**	**-**	**-**	**52.45**	**-**	**-**	**52.45**	**193.48**
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**	**(11.65)**	**26.14**	**0.02**	**452.74**	**25.58**	**(0.74)**	**28.36**	**-**	**53.20**	**52.45**	**-**	**-**	**52.45**	**347.09**

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 same is not amortised.

The amount of contractual commitments for the acquisition of intangible assets is disclosed in note no 37 (b).

Notes to the Consolidated Financial Statements

NOTE 3A : GOODWILL

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 31.03.2018	As at 31.03.2017
Goodwill on Consolidation		
Berger Paints Emirates LLC	2.51	2.34
Kadisco Paint and Adhesive Industry S.C.	45.52	54.58
Asian Paints (Vanuatu) Limited	0.83	0.83
Asian Paints (South Pacific) Pte Limited	1.70	1.69
SCIB Chemicals, S.A.E.	10.91	10.86
Asian Paints (Lanka) Limited	0.07	0.07
Causeway Paints Lanka (Private) Limited (Refer Note 31(e))	142.61	-
Asian Paints International Private Limited (formerly known as Berger International Private Limited) (Refer Note 31(c))	75.83	75.83
Goodwill acquired separately		
Asian Paints Limited (Bath Fittings Business) *	35.36	35.36
Sleek International Private Limited *	11.92	11.92
Total	**327.26**	**193.48**

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 5% to 29%. Growth rate used for extrapolation of cash flows beyond the period covered by the forecast is 2% to 4%.

The rates used to discount the forecasted cash flows is 8% to 20%.

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 CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering a six to seven years period, as the Group believes this is to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows. Cash flows beyond the such period were extrapolated using estimate rates stated above.

No impairment on goodwill was recognized during the current year or previous year.

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

NOTE 4 : INVESTMENTS

(₹ in Crores)

	Nos.	Face value (₹)	Non-Current		Current	
			As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
I. Non-Current Investments						
A. Investments in Equity Instruments						
(a) Quoted equity shares measured at FVTOCI						
Akzo Nobel India Limited	20,10,626	10	359.81	384.45	-	-
Housing Development Finance Corporation Limited	4,65,000	2	84.89	69.85	-	-
Apcotex Industries Limited	13,672	5	0.67	0.44	-	-
Total quoted equity shares			**445.37**	**454.74**	**-**	**-**
(b) Unquoted equity shares						
(i) Associate (accounted as per equity method, Refer Note 1.3.x)						
PPG Asian Paints Private Limited (Refer Note 34)	2,85,18,112	10	365.88	319.83	-	-
			365.88	**319.83**	**-**	**-**
(ii) Other equity shares measured at FVTPL			1.07	1.07	-	-
Total Unquoted equity shares			**366.95**	**320.90**	**-**	**-**
Total Investments in Equity Instruments		A	**812.32**	**775.64**	-	-
B. Investments in Unquoted Government securities measured at amortised cost		B	*	*	-	-
* [₹ 39,500/- (As at 31st March, 2017 - ₹ 39,500)]						
C. Investments in Debentures or Bonds						
a) Investments in Quoted Debentures or Bonds measured at FVTOCI			80.47	80.28	-	-
b) Investments in Unquoted Debentures or Bonds measured at amortised cost			1.17	1.42	-	-
Total Investments in Debentures or Bonds		C	**81.64**	**81.70**	**-**	**-**
D. Investments in Quoted Mutual Funds measured at FVTPL			190.07	443.31	346.87	193.58
Amount included under the head "Current Investments"			-	-	(346.87)	(193.58)
Total Investments in Mutual Funds - Quoted		D	190.07	443.31	-	-
Total Non-Current Investments (A+B+C+D)			**1,084.03**	1,300.65	**-**	**-**
Total Non-Current Investments in Associate			**365.88**	319.83	**-**	**-**
Total Non-Current Investments in Other entities			**718.15**	980.82	**-**	**-**
Aggregate amount of quoted investments - At cost			**291.88**	509.38	-	-
Aggregate amount of quoted investments - At market value			**715.91**	978.33	-	-
Aggregate amount of unquoted investments - At carrying value			**368.12**	322.32	-	-

Notes to the Consolidated Financial Statements

NOTE 4 : INVESTMENTS (Contd.)

(₹ in Crores)

	Nos.	Face value (₹)	Non-Current		Current	
			As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
II. Current Investments						
A. Investments in Quoted Mutual Funds measured at FVTPL						
i. Current Portion of Long Term Investments (Refer Note 4(I)(D))			-	-	346.87	193.58
ii. Investments in Liquid Mutual Funds			-	-	603.02	1,156.38
iii. Investments with original maturity more than three months but less than twelve months			-	-	106.78	-
Total Investments in Mutual Funds - Quoted (i+ii+iii)	A		**-**	**-**	**1,056.67**	**1,349.96**
B. Investments in Unquoted Government securities measured at amortised cost	B		**-**	**-**	**-**	**1.38**
Total Current Investments (A+B)			**-**	**-**	**1,056.67**	**1,351.34**
Aggregate amount of quoted investments - At cost			-	-	**971.79**	1,037.63
Aggregate amount of quoted investments - At market value			-	-	**1,056.67**	1,349.96

NOTE 5 : LOANS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Unsecured and Considered good				
(a) Sundry Deposits	81.44	72.54	12.70	17.73
(b) Finance Lease Receivables [Refer Note 41 (IV)]	0.03	0.08	0.11	0.15
TOTAL	**81.47**	**72.62**	**12.81**	**17.88**

NOTE 6 : TRADE RECEIVABLES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Trade receivables				
(a) Secured, considered good	-	-	10.88	10.55
(b) Unsecured, considered good	6.43	-	1,719.75	1,436.05
(c) Unsecured, considered doubtful	-	7.30	89.13	79.34
	6.43	**7.30**	**1,819.76**	**1,525.94**
Less: Allowance for unsecured doubtful debts	-	(7.30)	(89.13)	(79.34)
TOTAL	**6.43**	**-**	**1,730.63**	**1,446.60**

Notes to the Consolidated Financial Statements

NOTE 7 : OTHER FINANCIAL ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Royalty receivable	-	-	0.32	0.09
Due from associate company (Refer Note 33)	-	-	4.97	3.90
Subsidy Receivable from State Government	87.79	44.04	239.42	241.11
Other bank balances (Refer Note 8 (B))	2.84	1.32	-	-
Interest accrued on investments in debentures or bonds measured at FVTOCI	-	-	3.38	3.45
Quantity discount receivable	-	-	162.09	157.47
Bank deposits with more than 12 months of original maturity	56.90	154.06	166.05	15.64
Other receivable	3.75	-	4.55	-
TOTAL	**151.28**	**199.42**	**580.78**	**421.66**

NOTE 8 : CASH AND BANK BALANCES

(₹ in Crores)

			Non-Current		Current	
			As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(A)	**Cash and Cash Equivalents**					
	(a)	Balances with Banks:				
		(i) Current Accounts	-	-	176.63	490.57
		(ii) Cash Credit Account##	-	-	3.06	9.37
		(iii) Deposits with original maturity of less than 3 months	-	-	57.26	42.72
	(b)	Cheques, drafts on hand	-	-	74.53	38.68
	(c)	Cash on hand	-	-	0.64	0.74
TOTAL			**-**	**-**	**312.12**	**582.08**
(B)	**Other Bank Balances**					
	(i)	Term deposits with original maturity for more than 3 months but less than 12 months	-	-	78.39	207.58
	(ii)	Banks deposits with more than 12 months original maturity	0.31	-	-	-
	(iii)	Unpaid dividend and sales proceeds of Fractional Bonus Shares account*	-	-	14.14	11.55
	(iv)	Term deposits held as margin money against bank guarantee and other commitments	2.53	1.32	-	-
			2.84	**1.32**	**92.53**	**219.13**
Amount included under the head "Other Financial Assets"			(2.84)	(1.32)	-	-
TOTAL			**-**	**-**	**92.53**	**219.13**

Secured by hypothecation of inventories and trade receivables and carries interest rate @ 8.15% to 8.30% p.a (as at 31st March, 2017 the rate was 9.15 p.a %.).

* The Group can utilise these balances only towards settlement of unclaimed dividend and fractional bonus shares.

Notes to the Consolidated Financial Statements

NOTE 9 : CURRENT TAX ASSETS (NET)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Advance payment of Income Tax (net)	68.30	84.01	-	-
TOTAL	**68.30**	**84.01**	**-**	**-**

NOTE 10 : OTHER ASSETS

(₹ in Crores)

		Non-Current		Current	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(a)	**Capital advances**	281.58	174.34	-	-
(b)	**Advances other than capital advances**				
i)	Advances/claims recoverable in cash or in kind	33.25	28.02	208.42	128.18
ii)	Balances with government authorities				
-	CENVAT credit receivable	-	-	-	3.45
-	Service tax credit receivable	-	-	-	20.24
-	Customs Duty receivable	0.03	-	59.64	86.08
-	GST credit receivable	-	-	133.80	-
-	Sales tax refund receivable	4.29	-	0.24	-
-	Others	-	5.82	12.91	12.28
iii)	Advances to employees	0.45	-	8.34	10.43
iv)	Employee benefits assets (Refer Note 32)	-	12.34	4.68	8.22
v)	Duty Credit Entitlement	-	-	16.54	6.96
vi)	Other Receivables	0.94	1.01	10.66	9.22
(c)	**Doubtful advances other than capital advances**				
	Advances/claims recoverable in cash or in kind	-	0.03	-	0.08
	Less: Provision for doubtful advances/claims recoverable in cash or in kind	-	(0.03)	-	(0.08)
TOTAL		**320.54**	**221.53**	**455.23**	**285.06**

Notes to the Consolidated Financial Statements

NOTE 11 : INVENTORIES (At lower of cost and net realisable value)

(₹ in Crores)

		As at 31.03.2018	As at 31.03.2017
(a)	Raw materials	796.63	705.96
	Raw materials-in-transit	185.57	108.90
		982.20	**814.86**
(b)	Packing materials	57.07	55.23
(c)	Work-in-progress	105.18	85.92
(d)	Finished goods	1,161.55	1,379.10
	Finished goods-in-transit	3.00	2.21
		1,164.55	**1,381.31**
(e)	Stock-in-trade (acquired for trading)	236.04	213.68
	Stock-in-trade (acquired for trading) in-transit	39.07	8.62
		275.11	**222.30**
(f)	Stores, spares and consumables	74.20	67.07
	Stores, spares and consumables-in-transit	-	0.25
TOTAL		**2,658.31**	**2,626.94**

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 ₹ 17.89 crores (previous year ₹ 27.30 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.

NOTE 12 : ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Crores)

	As at 31.03.2018 Carrying Value	As at 31.03.2017 Carrying Value
Plant and Equipment (i) & (iii)	0.93	0.75
Freehold Land (ii)	13.97	13.76
Building (ii) & (iii)	0.10	0.48
TOTAL	**15.00**	**14.99**

(i) The Parent Company intends to dispose off plant and equipment pertaining to Bhandup and Phthalic plant, as it no longer intends to utilise in the next 12 months. It was previously used in its manufacturing facility. The Parent Company is in search of a buyer for sale of plant and equipment pertaining to Bhandup plant and no impairment loss was recognised on reclassification of the plant & equipment as held for sale and the Parent Company expects the fair value less cost to sell to be higher than carrying amount. For the sale of plant and equipment pertaining to Phthalic plant, the Parent Company has entered into a sale agreement and significant part has been disposed off during the year FY 17-18. The remaining sale transactions are expected to be completed by FY 18-19.

(ii) One of the subsidiary of the Group intends to sell freehold land along with fencing situated in Sanaswadi, as it no longer plans to utilise the same in the next 12 months. A search is underway for suitable buyer(s) for the said assets. No impairment loss was recognised in respect of these assets since the subsidiary expects that fair value less cost to sell would be higher than carrying amount.

(iii) Until last year, one of the subsidiary company of the Group had classified its assets located in Baddi as asset held for sale amounting to ₹ 1.05 crores. During the year, the plan of sale has been changed. Accordingly, assets held for sale have been reclassified as Property, plant and equipment as at 31st March, 2018. The change of plan has no material impact on the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

NOTE 13 : EQUITY SHARE CAPITAL

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
Authorised		
99,50,00,000 Equity Shares of ₹ 1 each	99.50	99.50
50,000 11% Redeemable Cumulative Preference shares of ₹ 100 each	0.50	0.50
	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**

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Fully paid Equity Shares	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	95,91,97,790	95.92	95,91,97,790	95.92
Add: Issued during the year	-	-	-	-
At the end of the year	**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 Shareholders	As at 31.03.2018		As at 31.03.2017	
	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
2. Sattva Holding and Trading Private Limited*	5,28,84,120	5.51	5,28,84,120	5.51
3. Geetanjali Trading and Investments Private Limited	4,92,67,440	5.14	4,92,67,440	5.14
4. Life Insurance Corporation of India	7,36,00,266	7.67	4,50,04,429	4.69

@ As per the records of the Parent Company, including its register of members

* Formerly known as ISIS Holding and Trading Company Private Limited

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 24th October, 2017 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 10th May, 2018 have recommended a payment of final dividend of ₹ 6.05 (Rupees six and paise five only) per equity share of the face value of ₹ 1 each for the financial year ended 31st March, 2018. If approved, the total dividend (interim and final dividend) for the financial year 2017-18 will be ₹ 8.70 (Rupees eight and paise seventy only) per equity share of the face value of ₹ 1 each (₹ 10.30 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year).

NOTE 14 : OTHER EQUITY

(₹ in Crores)

	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	Other Reserves	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in associate			
Balance as at 1st April, 2017 (A)	39.16	44.38	5.37	11.90	4,715.75	2,688.71	-	3.77	(110.68)	110.91	(1.30)	7,507.97	375.45	7,883.42
Additions during the year :														
Profit for the year	-	-	-	-	-	2,038.93	-	-	-	-	-	2,038.93	58.59	2,097.52
Items of OCI for the year, net of tax														
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	(26.34)	-	-	(26.34)	(5.34)	(31.68)
Remeasurement of defined benefit plans	-	-	-	-	-	8.60	-	-	-	-	-	8.60	(0.01)	8.59
Net fair value (loss) on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	(9.36)	-	(9.36)	-	(9.36)
Net fair value (loss) on investment in debt instruments through OCI	-	-	-	-	-	-	-	(2.61)	-	-	-	(2.61)	-	(2.61)
Share of the OCI in associate	-	-	-	-	-	-	-	-	-	-	0.26	0.26	-	0.26
Total Comprehensive Income for the year (B)	-	-	-	-	-	2047.53	-	(2.61)	(26.34)	(9.36)	0.26	2,009.48	53.24	2,062.72
Reductions during the year :														
Dividends (Refer Note 30)	-	-	-	-	-	(987.98)	-	-	-	-	-	(987.98)	(32.93)	(1,020.91)
Income tax on Dividend (Refer Note 30)	-	-	-	-	-	(199.44)	-	-	-	-	-	(199.44)	-	(199.44)
Effect of stake acquired from non controlling interest (Refer Note 31(a))	-	-	-	-	-	-	(15.72)	-	-	-	-	(15.72)	(34.41)	(50.13)
Disposal of Subsidiaries (Refer Note 31(d))	-	-	-	-	-	-	-	-	-	-	-	-	(33.70)	(33.70)
Transfer to Statutory Reserves and General Reserve	-	-	-	1.04	-	(1.04)	-	-	-	-	-	-	-	-
Total (C)	-	-	-	1.04	-	(1,188.46)	(15.72)	-	-	-	-	(1,203.14)	(101.04)	(1,304.18)
Balance as at 31st March, 2018 (A+B+C)	39.16	44.38	5.37	12.94	4,715.75	3,547.78	(15.72)	1.16	(137.02)	101.55	(1.04)	8,314.31	327.65	8,641.96

Notes to the Consolidated Financial Statements

NOTE 14 : OTHER EQUITY (Contd.)

1. Description of nature and purpose of each reserve

Capital Reserve -

a. Capital reserve of ₹ 5000/- was created on merger of 'Pentasia Chemicals Ltd.' with the Company, pursuant to scheme of Rehabilitation-cum-Merger sanctioned by Board of Industrial and Financial Reconstruction in the financial year 1995-96.

b. Capital reserve of ₹ 44.38 crores was created on amalgamation of Asian Paints (International) Limited, Mauritius, wholly owned subsidiary of the Parent Company, with the Parent Company as per the order passed by the National Company Law Tribunal (Refer note 31(c)).

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.

Other reserve: Other reserve represents non-controlling interest reserve created on acquisition of additional stake of 49% from non-controlling shareholder of Sleek International Private Limited (Refer Note 31(a)).

2. The Group doesn't have any material subsidiary warranting a disclosure in respect of individual subsidiaries.

NOTE 14 : OTHER EQUITY (Contd.)

(₹ in Crores)

	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
Change on account of Amalgamation (Refer Note 31(c))	-	44.38	-	-	-	15.95	-	(60.33)	-	-	-	-	-
Restated Balance as at 1st April, 2016 (A)	**39.16**	**44.38**	**5.37**	**11.29**	**4,219.78**	**2,157.45**	**0.87**	**(28.82)**	**(19.85)**	**(0.73)**	**6,428.90**	**383.69**	**6,812.59**
Additions during the year :													
Profit for the year	-	-	-	-	-	1,939.43	-	-	-	-	1,939.43	76.82	2,016.25
Items of OCI for the year, net of tax													
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	(81.86)	-	-	(81.86)	(53.00)	(134.86)
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)	**-**	**-**	**-**	**-**	**-**	**1,948.76**	**2.90**	**(81.86)**	**130.76**	**(0.57)**	**1,999.99**	**25.52**	**2,025.51**
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**	**44.38**	**5.37**	**11.90**	**4,715.75**	**2,688.71**	**3.77**	**(110.68)**	**110.91**	**(1.30)**	**7,507.97**	**375.45**	**7,883.42**

* ₹ 5,000 /-

Notes to the Consolidated Financial Statements

NOTE 15 : BORROWINGS ^

(₹ in Crores)

		Non-Current		Current	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Secured					
(i)	Term Loans				
	From banks +	17.59	28.49	11.03	11.99
(ii)	Deferred payment liabilities				
	Loan from State of Haryana##	9.87	10.38	1.42	1.98
	Finance Lease liability### (Refer Note 41 (III))	0.43	1.56	0.03	0.65
(iii)	Loan repayable on demand from				
	Banks or financial institutions**	-	-	16.48	6.91
	Cash Credit / Overdraft Accounts**	-	-	22.48	6.06
Unsecured					
(i)	Deferred payment liabilities				
	Sales tax deferment scheme - State of Maharashtra*	0.44	0.64	0.20	0.22
(ii)	Loan repayable on demand - from banks/financial institutions***	-	-	406.48	424.31
(iii)	Loan repayable on demand - Cash Credit / Overdraft Accounts****	-	-	46.98	66.26
(iv)	Foreign Currency Loan (Buyers' credit)	-	-	-	0.89
		28.33	**41.07**	**505.10**	**519.27**
Amount included under the head "Other Financial liabilities" (Refer Note 16)		-	-	(12.68)	(14.84)
TOTAL		**28.33**	**41.07**	**492.42**	**504.43**

Notes:

\+ Secured against mortgage on Building and Plant & Equipment of one of the subsidiary company. Non-current portion is repayable in quarterly installments by December 2020. [Interest rate : 4% p.a. (2016-17-4%)]

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. Loan received post transition to Ind AS (w.e.f 01.04.2015) are recognised at fair value using prevailing market interest rate for equivalent loan. 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).
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. ₹ 0.11 crores of non current portion is repayable between 1-5 years and remaining ₹ 0.32 crores after 5 years. [Effective interest rate: 2017-18: 9.5% p.a (2016-17: 4.25% - 15.00% p.a.)]

** Secured against the Fixed deposits, receivables, inventories, property, plant & equipment of certain subsidiary companies carry interest rate @ 4% - 9% p.a. (2016-17 : 5.8% - 6.2% p.a.)

* 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 and is repayable over 5 yearly installments as per repayment schedule starting from 2011. The accumulated sales tax deferral loan till 31st March, 2018 is ₹ 0.64 crores (as at 31st March, 2017: ₹ 0.86 crores).

*** Loan from banks / financial instruments bear interest at rates ranging from 1.1% to 1.6% p.a. and are repayable in within 12 months.

**** Unsecured cash credit/overdraft facility with banks carries interest rates of 7.6% to 8.9% p.a.(Previous year @ 8.9% to 11.7% p.a)

^ Default in terms of repayment of principal and interest - NIL

Notes to the Consolidated Financial Statements

NOTE 16 : OTHER FINANCIAL LIABILITIES

(₹ in Crores)

		Non-Current		Current	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(a)	**Current maturities of Long-term debt (Refer Note 15)**	-	-	12.65	14.19
(b)	**Current maturities of finance lease obligations (Refer Note 15)**	-	-	0.03	0.65
(c)	**Investor Education and Protection Fund#**				
	(i) Unpaid/Unclaimed dividend	-	-	14.11	11.51
	(ii) Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years	-	-	0.04	0.04
		-	**-**	**14.15**	**11.55**
(d)	**Others**				
	Retention monies relating to capital expenditure	0.65	2.31	75.40	29.62
	Trade deposits (from certain customers)	2.19	4.69	1.56	3.19
	Payable towards capital expenditure	-	-	205.52	41.37
	Payable towards services received	-	-	275.87	215.58
	Payable towards stores spares and consumables	-	-	8.54	38.07
	Payable to employees [including ₹ 4.50 crores due to Managing Director (as at 31st March, 2017 ₹ 4.50 crores)]	-	-	142.84	159.26
	Payable towards other expenses [including ₹ 3.90 crores due to Non-Executive Directors (as at 31st March, 2017 ₹ 3.65 crores)]	1.95	-	625.66	522.49
	Interest accrued but not due on borrowings	-	-	0.22	0.35
	Forward exchange contract (net)	-	-	-	2.44
	Others	0.20	0.20	1.29	1.03
		4.99	**7.20**	**1,336.90**	**1,013.40**
TOTAL		**4.99**	**7.20**	**1,363.73**	**1,039.79**

Investor Education and Protection Fund ('IEPF')- As at 31st March, 2018, there is no amount due and outstanding to be transferred to the IEPF by the Parent Company. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

NOTE 17: PROVISIONS

(₹ in Crores)

		Non-Current		Current	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(a)	**Provision for Employee Benefits (Refer Note 32)**				
	Provision for compensated absences	108.18	111.05	19.62	17.43
	Provision for Gratuity and Pension (funded)	2.90	2.32	1.45	0.83
	Provision for Pension, Leaving Indemnity, Medical Plan and Others (unfunded)	23.15	29.30	0.34	1.16
	Provision for Post retirement medical and other benefits	3.95	-	2.62	-
	Others	0.17	1.36	-	0.02
		138.35	**144.03**	**24.03**	**19.44**
(b)	**Others (Refer Note 42)**				
	Provision for Excise	-	-	0.71	0.58
	Provision for Sales Tax and Other Statutory Liabilities	1.77	1.68	29.53	26.91
	Provision for Warranties	-	0.32	2.33	2.20
		1.77	**2.00**	**32.57**	**29.69**
TOTAL		**140.12**	**146.03**	**56.60**	**49.13**

Notes to the Consolidated Financial Statements

NOTE 18 : OTHER LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(a) Revenue received in advance				
Advance received from customers	-	-	16.27	17.40
(b) Other Payables				
Statutory Payables -				
Payable towards Central Sales Tax and VAT	-	-	-	139.62
Payable towards Excise & Service tax	-	-	-	35.28
Payable towards TDS under Income tax	-	-	25.11	19.24
Payable towards Provident Fund, Profession Tax and ESIC	-	-	6.62	5.58
Payable towards GST	-	-	210.78	-
Payable towards other taxes	-	-	18.06	8.81
Deferred income arising from government grant (Refer Note 15)	2.61	3.65	1.06	1.07
Others	0.96	-	4.99	0.14
	3.57	3.65	**266.62**	209.74
TOTAL	**3.57**	**3.65**	**282.89**	**227.14**

NOTE 19 : TRADE PAYABLES

(₹ in Crores)

	Current	
	As at 31.03.2018	As at 31.03.2017
Trade Payables (including Acceptances)*		
Due to Micro and Small Enterprises	39.88	30.38
Due to Others	2,120.08	1,892.45
TOTAL	**2,159.96**	**1,922.83**

* Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Parent Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days amounting to ₹ 165.42 crores (Previous year ₹ 197.50 crores).

Notes to the Consolidated Financial Statements

NOTE 20 : INCOME TAXES

(₹ in Crores)

		Year 2017-18	Year 2016-17
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	1,041.30	889.61
	Adjustments in respect of previous year	(0.63)	3.50
	Deferred tax:		
	In respect of current year	(0.59)	49.65
	Adjustments in respect of deferred tax of previous year	0.12	-
	Minimum Alternative Tax (MAT) Credit utilised	0.76	0.53
	Income tax expense reported in the Consolidated Statement of Profit and Loss	**1,040.96**	**943.29**
	(ii) Income tax recognised in OCI		
	Deferred tax:		
	Deferred tax expense / (benefit) on fair value gain on investments in debt instruments through OCI	2.30	(0.17)
	Deferred tax expense on remeasurements of defined benefit plans	4.58	4.36
	Income tax expense recognised in OCI	**6.88**	**4.19**
B.	**Reconciliation of tax expense and the accounting profit for the year is as under :**		
	Profit for the period before Share of Profit in Associate	**3,022.69**	**2,884.07**
	Income tax expense calculated at corporate tax rate	1,046.09	998.12
	Prior years' tax loss carry forward utilised	-	(2.78)
	Tax effect on non-deductible expenses	27.52	25.36
	Incentive tax credits	(16.05)	(34.94)
	Effect of Income which is taxed as special rates	(11.33)	(19.71)
	Effect of Income that is exempted from tax	(14.21)	(21.76)
	Effect of different tax rates in the components	(21.23)	(31.85)
	Deferred Tax on undistributed profits	11.53	11.87
	Others	19.27	15.48
	TOTAL	**1,041.59**	**939.79**
	Adjustments in respect of current income tax of previous year	(0.63)	3.50
	Income tax expense reported in the Consolidated Statement of Profit and Loss	**1,040.96**	**943.29**

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 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, 2018

	Balance Sheet		Pursuant to disposal & acquisition [Refer Note 31 (d) & 31 (e)]	Profit and Loss	OCI	Balance Sheet	
	Deferred Tax Liabilities - Net	Deferred Tax Assets - Net				Deferred Tax Liabilities - Net	Deferred Tax Assets - Net
	01.04.2017	01.04.2017	2017-18	2017-18	2017-18	31.03.2018	31.03.2018
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	(335.24)	(0.13)	(50.13)	(2.85)	-	(378.88)	(2.12)
Provision for expense allowed for tax purpose on payment basis (net)	43.04	0.25	-	9.22	-	50.09	2.41
Retirement Benefit Plans	(5.62)	3.88	1.61	0.64	(4.58)	(8.04)	3.77
Allowance for doubtful debts and advances	0.38	-	-	-	-	0.38	-
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act, 1961 over 5 years)	5.06	-	-	(1.70)	-	3.36	-
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	1.85	-	-	-	(2.30)	(0.45)	-
Net fair value loss on investments through FVTPL	(12.75)	-	-	(4.63)	-	(17.38)	-
Capital losses carried forward under Income Tax	-	(0.86)	(2.10)	0.78	-	-	(2.07)
Undistributed profits of subsidiaries	(53.42)	-	(6.11)	(4.51)	-	(64.47)	-
Others	(2.49)	13.02	4.11	2.88	-	(1.73)	17.61
Deferred tax (expense) / income			**(52.62)**	**(0.17)**	**(6.88)**		
Net Deferred tax assets / (liabilities) of earlier years				(0.12)			
Currency translation gain					5.30		
Net Deferred tax assets / (liabilities)	**(359.19)**	**16.16**				**(417.12)**	**19.60**

Notes to the Consolidated Financial Statements

NOTE 20 : INCOME TAXES (Contd.)

As at 31st March, 2017

	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)
Provision for expense allowed for tax purpose on payment basis (net)	36.01	1.63	6.61	-	43.04	0.25
Retirement Benefit Plans	1.45	-	1.39	(4.36)	(5.62)	3.88
Allowance for doubtful debts and advances	0.38	0.05	-	-	0.38	-
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act, 1961 over 5 years)	7.29	0.67	(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	-
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)	13.02
Deferred tax (expense) / income			**(49.86)**	**(4.19)**		
Currency translation gain				6.02		
Net Deferred tax assets/(liabilities)	**(296.83)**	**1.83**	**-**	**-**	**(359.19)**	**16.16**

* Includes defferred tax of 'Discontinued operations' (Refer Note 31(d))

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.

As at 31st March, 2018

(₹ in Crores)

Financial Year	Category	31.03.2018	Expiry Date
2010-2011	Depreciation	0.81	NA
2011-2012	Depreciation	1.27	NA
2012-2013	Depreciation	1.93	NA
2012-2013	Business Loss / Capital loss	0.10	31st March, 2021
2012-2013	Depreciation	1.12	NA
2013-2014	Business loss	0.83	31st March, 2022
2013-2014	Business Loss / Capital loss	1.35	31st March, 2022
2013-2014	Depreciation	0.97	NA
2013-2014	Depreciation	15.64	NA
2014-2015	Depreciation	12.61	NA
2014-2015	Business loss	0.08	31st March, 2020
2014-2015	Business Loss / Capital loss	0.26	31st March, 2023
2014-2015	Depreciation	0.87	NA
2014-2015	Business loss	11.45	31st March, 2023
2015-2016	Business Loss / Capital loss	0.10	31st March, 2024
2015-2016	Depreciation	0.78	NA
2015-2016	Business loss	7.53	31st March, 2021
2015-2016	Business loss	10.46	31st March, 2024
2015-2016	Depreciation	15.82	NA
2016-2017	Depreciation	10.75	NA
2016-2017	Business Loss / Capital loss	0.59	31st March, 2025
2016-2017	Depreciation	0.85	NA
2016-2017	Business loss	24.21	31st March, 2025
2016-2017	Business loss	18.84	31st March, 2022
2017-2018	Business loss	5.29	31st March, 2026
2017-2018	Depreciation	8.69	NA
2017-2018	Business loss	38.61	31st March, 2023

Notes to the Consolidated Financial Statements

As at 31st March, 2017

(₹ in Crores)

Financial Year	Category	31.03.2017	Expiry Date
2010-2011	Depreciation	0.81	NA
2011-2012	Capital Loss	1.07	31st March, 2020
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	NA
2013-2014	Capital Loss	2.03	31st March, 2022
2013-2014	Business loss	0.83	31st March, 2022
2013-2014	Depreciation	15.64	NA
2013-2014	Business loss	1.35	31st March, 2022
2013-2014	Depreciation	0.97	NA
2014-2015	Capital Loss	8.64	31st March, 2023
2014-2015	Business loss	11.45	31st March, 2023
2014-2015	Depreciation	12.61	NA
2014-2015	Business loss	0.26	31st March, 2023
2014-2015	Depreciation	0.87	NA
2015-2016	Business loss	21.76	31st March, 2024
2015-2016	Depreciation	15.82	NA
2015-2016	Business loss	0.10	31st March, 2024
2015-2016	Depreciation	0.78	NA
2016-2017	Business Loss	15.79	31st March, 2025
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 ₹ 229.80 crores (2016-17 : ₹ 184.63 crores). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries.

NOTE 21 : CURRENT TAX LIABILITIES (NET)

(₹ in Crores)

	Current	
	As at 31.03.2018	As at 31.03.2017
Provision for Income Tax (net)	95.47	141.55
TOTAL	**95.47**	**141.55**

Notes to the Consolidated Financial Statements

NOTE 22 : REVENUE FROM OPERATIONS

(₹ in Crores)

		Year 2017-18	Year 2016-17
(A)	**Revenue from sale of products (including excise duty)**		
	Home market (Net of returns)	19,452.46	18,701.83
	Exports	188.64	145.12
	Turnover	**19,641.10**	**18,846.95**
	Less: Discounts	2,677.75	2,227.04
TOTAL		**16,963.35**	**16,619.91**
(B)	**Revenue from sale of services**		
	Revenue from home solutions operations	9.73	4.70
	Revenue from painting and related services	57.05	35.10
	Colour Consultancy Income	3.31	2.89
	Other Services	4.82	4.48
TOTAL		**74.91**	**47.17**
(C)	**Other operating revenues**		
	Processing and service income	44.15	39.28
	Scrap sales	13.77	12.58
	Subsidy from State Government (Refer Note 39)	162.36	136.62
	Lease Rent	0.93	0.85
	Others	2.76	0.14
TOTAL		**223.97**	**189.47**
TOTAL (A+B+C)		**17,262.23**	**16,856.55**

Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the year ended 31st March, 2018 is not strictly relatable to previous year. The following additional information is being provided to facilitate such understanding:

(₹ in Crores)

	Year 2017-18	Year 2016-17
Revenue from operations (A)	17,262.23	16,856.55
Excise duty on sale (B)	418.47	1,688.37
Revenue from operations excluding excise duty on sale (A-B)	16,843.76	15,168.18

Notes to the Consolidated Financial Statements

NOTE 23 : OTHER INCOME

(₹ in Crores)

		Year 2017-18	Year 2016-17
(a)	**Interest Income**		
	Investments in debt instruments measured at fair value through OCI	19.56	5.57
	Other financial assets carried at amortised cost	19.93	27.57
		39.49	**33.14**
(b)	**Dividend Income**		
	Dividends from quoted equity investments measured at fair value through OCI*	5.29	14.87
	Dividends from mutual fund investments measured at FVTPL	32.47	59.03
		37.76	**73.90**
(c)	**Other non-operating income**		
	(i) Insurance claim received	0.51	3.12
	(ii) Royalty received		
	- From associate (Refer Note 33)	3.44	3.31
	- From Others	0.32	0.42
		3.76	**3.73**
	(iii) Net gain arising on financial assets measured at FVTPL#	54.33	67.78
	(iv) Others	54.53	68.11
		113.13	**142.74**
(d)	**Other gains and losses**		
	Net foreign exchange gains (Other than considered as finance cost)	29.77	11.30
	Net gain on sale of property, plant and equipment	0.47	1.35
		30.24	**12.65**
TOTAL		**220.62**	**262.43**

* This relates to investments held at the end of reporting period

\# Includes gain on sale of financial assets measured at FVTPL for ₹ 10.48 crores (Previous year ₹ 15.58 crores).

Notes to the Consolidated Financial Statements

NOTE 24 (A) COST OF MATERIALS CONSUMED

(₹ in Crores)

	Year 2017-18	Year 2016-17
Raw Materials Consumed		
Opening Stock	814.86	726.15
Add : Pursuant to acquisition (refer note no 31(e))	19.39	-
Add : Purchases	7,327.24	6,774.30
	8,161.49	**7,500.45**
Less: Closing Stock	982.20	814.86
	7,179.29	**6,685.59**
Less : Pursuant to disposal (refer note no 31 (d))	14.74	74.35
	7,164.55	**6,611.24**
Packing Materials Consumed		
Opening Stock	55.23	55.36
Add : Pursuant to acquisition (refer note no 31(e))	2.54	-
Add : Purchases	1,423.50	1,424.24
	1,481.27	**1,479.60**
Less : Closing Stock	57.07	55.23
	1,424.20	**1,424.37**
Less : Pursuant to disposal (refer note no 31 (d))	3.34	19.47
	1,420.86	1,404.90
TOTAL COST OF MATERIALS CONSUMED	**8,585.41**	**8,016.14**
NOTE 24 (B) PURCHASES OF STOCK-IN-TRADE	**963.62**	**841.36**
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)	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
Less : Pursuant to disposal (refer note no 31 (d))	18.90	16.43
	1,670.63	**1,142.03**
Add : Pursuant to acquisition (refer note no 31(e))	16.34	-
Total	**1,686.97**	**1,142.03**
Stock at the end of the year		
Finished Goods (including goods in transit)	1,164.55	1,381.31
Work-in-Progress	105.18	85.92
Stock-in-trade-acquired for trading (including goods in transit)	275.11	222.30
Less : Pursuant to disposal (refer note no 31 (d))	-	18.90
Total	**1,544.84**	**1,670.63**
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	142.13	(528.60)

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

	Year 2017-18	Year 2016-17
Salaries and wages	969.32	901.80
Contribution to provident and other funds (Refer Note 32)	62.94	56.80
Staff welfare expenses	83.22	75.02
TOTAL	**1,115.48**	**1,033.62**

Notes to the Consolidated Financial Statements

NOTE 26 : OTHER EXPENSES

(₹ in Crores)

	Year 2017-18	Year 2016-17
Consumption of stores, spares and consumables	48.24	47.57
Power and fuel	94.36	100.65
Processing charges	110.05	105.14
Repairs and maintenance:		
Buildings	23.69	16.21
Machinery	28.76	28.94
Other assets	60.08	59.99
	112.53	**105.14**
Rent [Refer note 41 (II)]	239.32	217.23
Rates and taxes	24.58	48.93
Water Charges	4.75	5.37
Insurance	12.06	12.17
Printing, stationery and communication expenses	53.04	55.98
Travelling expenses	104.59	122.73
Donations	0.69	2.53
Corporate social responsibility expenses	46.67	47.84
Commission to Non Executive Directors	3.90	3.65
Directors' sitting fees	2.51	2.62
Payment to auditors	4.43	5.09
Bank Charges	6.40	7.34
Information Technology expenses	58.00	48.80
Legal and professional expenses	46.78	47.46
Training and recruitment	37.86	46.91
Freight and handling charges	980.09	912.37
Advertisement expenses	662.70	619.33
Bad debts written off	4.95	0.32
Allowances for doubtful debts and advances (net)	10.63	13.44
Miscellaneous expenses	151.17	134.44
TOTAL	**2,820.30**	**2,713.05**

NOTE 27 : FINANCE COSTS

(₹ in Crores)

	Year 2017-18	Year 2016-17
Interest on financial liabilities carried at amortised cost		
(a) Interest on bank borrowings	12.72	8.99
(b) Interest on bill discounting	17.52	16.83
(c) Net foreign exchange loss on borrowings (considered as finance cost)	0.78	2.21
(d) Other interest expense	2.45	1.00
Total interest expense for financial liabilities carried at amortised cost	**33.47**	**29.03**
Interest on income tax	1.60	0.96
TOTAL	**35.07**	**29.99**

Notes to the Consolidated Financial Statements

NOTE 28 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crores)

	Year 2017-18	Year 2016-17
Depreciation of Property, Plant and Equipment (Refer Note 2)	325.69	306.43
Amortisation of Intangible assets (Refer Note 3 (B))	34.78	28.36
TOTAL	**360.47**	**334.79**

NOTE 29(A) : CATERGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Crores)

	Refer Note	Non-Current		Current	
		As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Financial assets measured at fair value through profit or loss (FVTPL)					
Investments in quoted mutual funds	4(I)D & 4(II)A	190.07	443.31	1,056.67	1,349.96
Investments in unquoted equity shares	4(I)(A)(b)(ii)	1.07	1.07	-	-
		191.14	**444.38**	**1,056.67**	**1,349.96**
Financial assets measured at fair value through other comprehensive income (FVTOCI)					
Investments in quoted equity shares#	4(I)(A)(a)	445.37	454.74	-	-
Investments in quoted debentures or bonds	4(I)(C)(a)	80.47	80.28	-	-
		525.84	**535.02**	**-**	**-**
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	1.17	1.42	-	1.38
Sundry deposits	5	81.44	72.54	12.70	17.73
Finance lease receivables	5	0.03	0.08	0.11	0.15
Trade receivables	6	6.43	-	1,730.63	1,446.60
Royalty receivable	7	-	-	0.32	0.09
Subsidy receivable from state government	7	87.79	44.04	239.42	241.11
Interest accrued on investments in debentures or bonds measured at FVTOCI	7	-	-	3.38	3.45
Quantity discount receivable	7	-	-	162.09	157.47
Bank deposits with more than 12 months of original maturity	7	56.90	154.06	166.05	15.64
Dues from associate company	7	-	-	4.97	3.90
Other receivables	7	3.75	-	4.55	-
Cash and Cash Equivalents	8 A	-	-	312.12	582.08
Other Bank Balances	7 & 8 B	2.84	1.32	92.53	219.13
		240.35	**273.46**	**2,728.87**	**2,688.73**

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 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Financial liabilities measured at fair value through profit or loss (FVTPL)					
Forward exchange contract (net)	16	-	-	-	2.44
		-	-	-	**2.44**
Financial liabilities measured at amortised cost					
Loan from State of Haryana	15	9.87	10.38	1.42	1.98
Sales tax deferment scheme - State of Maharashtra	15	0.44	0.64	0.20	0.22
Term Loan from Bank	15	17.59	28.49	11.03	11.99
Finance lease liability	15	0.43	1.56	0.03	0.65
Loan repayable on demand - from banks / financial institutions	15	-	-	422.96	431.22
Loan repayable on demand - Cash Credit / Overdraft Accounts	15	-	-	69.46	72.32
Foreign Currency Loan (Buyers' credit)	15	-	-	-	0.89
Retention monies relating to capital expenditure	16	0.65	2.31	75.40	29.62
Payable towards capital expenditure	16	-	-	205.52	41.37
Payable towards services received	16	-	-	275.87	215.58
Payable towards stores spares and consumables	16	-	-	8.54	38.07
Payable to employees	16	-	-	142.84	159.26
Unpaid/unclaimed dividend	16	-	-	14.11	11.51
Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years	16	-	-	0.04	0.04
Trade deposits from certain customers	16	2.19	4.69	1.56	3.19
Interest accrued but not due on borrowings	16	-	-	0.22	0.35
Payable towards other expenses	16	1.95	-	625.66	522.49
Trade payables (including Acceptances)	19	-	-	2,159.96	1,922.83
Others	16	0.20	0.20	1.29	1.03
		33.32	**48.27**	**4,016.11**	**3,464.61**

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 and financial liabilities :

As at 31st March, 2018

(₹ in Crores)

Financial assets	Fair value	Fair value hierarchy		
	As at 31.03.2018	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))	445.37	445.37	-	-
Investments in quoted debentures or bonds (Refer Note 4(I)(C)(a))	80.47	80.47	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer Note 4(I)D & 4(II) (A))	1,246.74	1,246.74	-	-
Investments in unquoted equity shares (Refer Note 4(I)(A)(b)(ii))	1.07	-	-	1.07

As at 31st March, 2017

(₹ in Crores)

Financial assets/ Financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2017	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)(a))	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 (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	-	-

(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 Consolidated Financial Statements

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 analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cashflows 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, 2018 would decrease/increase by ₹ 2.73 crores (Previous Year ₹ 2.28 crores).

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 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
USD	626.95	793.39	264.63	237.38
EUR	79.08	30.82	107.15	19.15
GBP	6.72	3.13	3.20	0.54
SEK	0.05	1.20	-	-
SGD	0.74	0.11	0.86	0.34
JPY	-	0.02	3.52	-
AED	25.00	10.05	53.11	30.95
Others	0.41	0.46	8.67	5.48

Notes to the Consolidated Financial Statements

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (Contd.)

b) Foreign Currency Risk (contd.)

The above table represents total exposure of the Parent Company 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 31.03.2018	-	-	-
Forward contract to buy USD - As at 31.03.2017	39.00	21.13	139.88

(₹ in Crores)

Change in USD Rate	Effect on profit after tax		Effect on total equity	
	Year 2017-18	Year 2016-17	As at 31.03.2018	As at 31.03.2017
5%	(13.04)	(9.85)	(13.04)	(9.85)
(5%)	13.04	9.85	13.04	9.85

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, 2018, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 445.37 crores (Previous year ₹ 454.74 crores). The details of such investments in equity instruments are given in Note 4 (I)(A)(a).

The Parent Company is also exposed to price risk arising from investments in bonds recognised at FVTOCI. As at 31st March, 2018, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 80.47 crores (Previous year ₹ 80.28 crores). 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)(a).

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, 2018, Other Comprehensive Income for the year ended 31st March, 2018 would increase/decrease by ₹ 41.27 crores and ₹ 44.54 crores (2016-17 ₹ 45.47 crores) respectively with a corresponding increase/decrease in Total Equity of the Parent Company as at 31st March, 2018. 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.

Notes to the Consolidated Financial Statements

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (Contd.)

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 180 days to 365 days because historical experience is such that receivables that are due beyond 180 days to 365 days are generally not recoverable.

(₹ in Crores)

Movement in expected credit loss allowance on trade receivables	2017-18	2016-17
Balance at the beginning of the year	86.64	71.83
Loss allowance measured at lifetime expected credit losses	2.49	14.81
Balance at the end of the year	**89.13**	**86.64**

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.

Notes to the Consolidated Financial Statements

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (Contd.)

The table below analysis derivative and non-derivative financial liabilities of the 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, 2018					
Borrowings (Refer Note 15)	492.42	32.26	-	524.68	520.75
Trade Payables (Refer Note 19)	2,159.96	-	-	2,159.96	2,159.96
Other financial liabilities (Refer Note 16)	1,363.73	4.99	-	1,368.72	1,368.72
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

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.

NOTE 30 : DIVIDEND

(₹ in Crores)

	Year 2017-18	Year 2016-17
Dividend on equity shares paid during the year		
Final dividend for the FY 2016-17 [₹ 7.65 (Previous year ₹ 5.30) per equity share of ₹ 1 each]	733.79	508.37
Dividend distribution tax on final dividend	147.89	102.68
Interim dividend for the FY 2017-18 [₹ 2.65 (Previous year ₹ 2.65) per equity share of ₹1 each]	254.19	254.19
Dividend distribution tax on interim dividend	51.55	51.65
TOTAL	**1,187.42**	**916.89**

Proposed Dividend:

The Board of Directors at its meeting held on 10th May, 2018 have recommended a payment of final dividend of ₹ 6.05 (Rupees six and paise five only) per equity share of face value of ₹ 1 each for the financial year ended 31st March, 2018. The same amounts to ₹ 699.60 crores including dividend distribution tax of ₹ 119.29 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 Consolidated Financial Statements

NOTE 31: ACQUISITIONS, INVESTMENTS AND DIVESTMENTS DURING THE YEAR

a) Acquisition of additional stake in Sleek International Private Limited

On 11th December, 2017, the Parent Company purchased balance stake of 49% from the non-controlling shareholders of Sleek International Private Limited ('Sleek'), subsidiary of the Company, for a consideration (including transaction cost) of ₹ 50.13 crores. The carrying value of net asset attributable to non-controlling shareholders is ₹ 34.41 crores on the acquisition date. The difference between consideration paid and net asset has been recognised as non-controlling interest reserve. Sleek has since then become a wholly owned subsidiary of the Parent Company.

b) Acquisition of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited

On 12th December, 2017, the Company had acquired 100% stake in Reno Chemicals Pharmaceuticals and Cosmetics Private Limited ('Reno'). Reno owns land in Mumbai which the Company intends to use for meeting its growing infrastructure requirements. The total consideration transferred in cash (including direct cost incurred for acquisition of shares) is ₹ 161.42 crores.

c) Merger of Asian Paints (International) Limited, Mauritius

During the year, the National Company Law Tribunal had approved the scheme of amalgamation ('The Scheme') between the Parent Company and Asian Paints (International) Limited ('APIL'), Mauritius, a wholly owned subsidiary of the Parent Company. The Scheme became effective from 15th January, 2018 on completion of all regulatory formalities. In accordance with Ind AS 103- Business combination, the financial statements of the Group for the previous financial year 2016-17 have been restated with effect from 1st April, 2016 (being the earliest period presented).

APIL was an investment holding company which 'interalia' held investments in Asian Paints International Private Limited ('APIPL') (formerly known as Berger International Private Limited), a subsidiary of the Parent Company.

The Group has recognized ₹ 44.38 crores as capital reserve and increased retained earnings by ₹ 15.95 crores as at 1st April, 2016 with a corresponding decrease in Foreign Currency Translation Reserve. The impact on the Consolidated Statement of Profit or Loss of the Scheme is immaterial in the current year and previous year.

d) Discontinued operations

On 16th June, 2017, Asian Paints International Private Limited, Singapore ('APIPL') (formerly known as Berger International Private Limited), subsidiary of the Company entered into a Share Purchase Agreement with ANSA Coatings International Limited, St. Lucia for divestment of its entire stake in Lewis Berger (Overseas Holdings) Limited, UK ('LBOH'). LBOH was the holding company for three subsidiaries in the Caribbean region viz., Berger Paints Barbados Limited, Berger Paints Jamaica Limited and Berger Paints Trinidad Limited.

The said transaction was concluded on 24th July, 2017 and profit or loss of discontinued operation and the resultant gain on disposal has been included in consolidated financial statements as profit from discontinued operations for year ended 31st March, 2018. The profit or loss for the comparative periods have been also disclosed as profit from discontinued operations.

Analysis of profit for the year from discontinued operations:

The results of the discontinued operations included in the profit for the year are as set below. The comparative profit and cash flow from discontinued operations have been presented as if these operations were discontinued in the prior year as well.

(₹ in Crores)

	Year 2017-18	Year 2016-17
Revenue	43.43	228.38
Expenses	40.31	197.83
Profit before tax from discontinued operations	**3.12**	30.55
Tax expense of discontinued operations	0.59	4.69
Profit after tax from discontinued operations (A)	**2.53**	25.86
Gain on disposal of LBOH (net of tax) (B)	67.47	-
Profit after tax from discontinued operations (A+B)	**70.00**	25.86
Profit after tax from discontinued operations attributable to Owners of the Company	**69.69**	18.74
Amount reclassified from other comprehensive income and included in gain on disposal		
Exchange difference loss arising on translation of foreign operations	**23.85**	-

Notes to the Consolidated Financial Statements

NOTE 31: ACQUISITIONS, INVESTMENTS AND DIVESTMENTS DURING THE YEAR (Contd.)

(₹ in Crores)

Analysis of cash flow from discontinued operations	Year 2017-18	Year 2016-17
Net cash (outflow) from operating activities	(2.13)	(31.31)
Net cash (outflow) from investing activities	(1.07)	(3.06)
Net cash (outflow) from financing activities	(1.48)	(3.69)

Computation of gain of disposal of LBOH	Year 2017-18
Cash consideration received	182.22
Less: Carrying value of net asset sold (net of non-controlling interest)	90.90
Less: Exchange difference arising on translation of foreign operations	23.85
Gain on disposal	**67.47**

Carrying amount of LBOH's assets and liabilities disposed:	24th July, 2017
Property, plant and equipment	30.71
Non-current assets	5.38
Current assets	
Inventories	46.39
Trade receivables	36.57
Cash and bank balances	41.54
Other assets	2.85
Total assets	**163.44**
Deferred tax liabilities	1.23
Current Liabilities	
Trade payables and other liabilities	30.00
Bank loans and overdrafts	9.49
Total Liabilities	**40.72**
Net assets derecognized	**122.72**

Net cash inflow from LBOH	24th July, 2017
Cash consideration received	182.22
Less: Cash and cash equivalents disposed of	41.54
Net cash inflow from LBOH	**140.68**

Notes to the Consolidated Financial Statements

NOTE 31: ACQUISITIONS, INVESTMENTS AND DIVESTMENTS DURING THE YEAR (Contd.)

e) Acquisition of Causeway Paints Lanka (Private) Limited

On 3rd April, 2017, Asian Paints International Private Limited ('APIPL'), Singapore, a wholly owned subsidiary of the Company has acquired 100% stake in Causeway Paints Lanka (Private) Limited ('CPLPL'). CPLPL is engaged in manufacturing, selling and distribution of paint and related products in Sri Lanka. The acquisition was made to increase the Group's base in Sri Lanka.

Assets acquired and liabilities assumed on acquisition date	(₹ in Crores)
Property, plant and equipment	28.59
Intangible assets	155.27
Current Assets	
Inventories	38.27
Trade receivables	91.44
Cash and bank balances	27.31
Other receivables and prepayments	0.79
Total Assets	**341.67**
Deferred tax liabilities	53.85
Non-current liabilities	2.98
Current liabilities	
Trade payables and other liabilities	36.17
Other payables	1.20
Current Tax liabilities	3.81
Total Liabilities	**98.01**
Net assets acquired	**243.66**

Trade rececivables with a fair value of ₹ 91.44 crores had gross contractual amounts of ₹ 97.20 crores. The best estimate of acquisition date of the contractual cash flows not expected to be collected is ₹ 5.76 crores.

Goodwill arising on acquisition of CPLPL	3rd April, 2017
Cash consideration transferred	390.88
Less: Fair value of identified net assets acquired	243.66
Goodwill arising on acquisition of CPLPL	**147.22**

Net cash outflow on acquisition	3rd April, 2017
Cash consideration transferred	390.88
Less: Cash and cash equivalent acquired	27.31
Net cash and cash equivalent acquired	**363.57**

Impact of acquisition on the results of the Group:

The acquisition related costs amounting to ₹ 1.39 crores have been excluded from the considerarion transferred and recognized as an expense in the current period, within other expenses in the Consolidated Statement of Profit and Loss.

Revenue from operations of ₹ 278.40 crores and Profit after tax of ₹ 37.29 crores of CPLPL has been included in the current year's Consolidated Statement of Profit and Loss.

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.

Aforesaid post-employment benefit plans typically expose the Group to actuarial risks such as: investment rate risk, interest rate risk, longevity risk and salary risk.

Notes to the Consolidated Financial Statements

NOTE 32 : EMPLOYEE BENEFITS (Contd.)

1) Post-employment benefits : (Contd.)

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, 2018 are as follows: -

1. Singhal Associates
2. TransValue Consultants
3. Padma Radya Aktuaria
4. Actuarial & Management Consultants (Pvt.) Limited
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 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(i)	**Opening defined benefit obligation**	**276.93**	**268.37**	**27.39**	**27.25**
(ii)	Obligation on acquisitions of a subsidiary	-	-	2.98	-
(iii)	Obligation on disposals of a subsidiary	(112.34)	-	(7.17)	-
(iv)	Current service cost	13.09	13.73	2.78	3.09
(v)	Interest cost	11.90	20.16	1.78	1.83
(vi)	Past Service Cost	4.47	-	-	-
(vii)	**Sub-total included in statement of profit and loss (iv+v+vi)**	**29.46**	**33.89**	**4.56**	**4.92**
(viii)	Experience adjustment (Gain) / Loss	(2.94)	4.42	0.14	(1.27)
(ix)	Financial (Gain) / Loss	(7.62)	(9.67)	(0.97)	(0.20)
(x)	Demographic (Gain) / Loss	(3.29)	-	0.01	-
(xi)	**Sub-total included in other comprehensive income (viii+ix+x)**	**(13.85)**	**(5.25)**	**(0.82)**	**(1.47)**
(xii)	Benefits paid	(11.34)	(15.77)	(1.50)	(2.11)
(xiii)	Annuities Purchased	-	0.98	-	-
(xiv)	Exchange Difference on Foreign Plans	0.06	(6.71)	(0.42)	(1.20)
(xv)	Member Contributions	-	1.42	-	-
(xvi)	**Closing defined benefit obligation (i+ii+iii+vii+xi+xii+xiii+xiv+xv)**	**168.92**	**276.93**	**25.02**	**27.39**
(xvii)	Opening fair value of plan assets	294.34	272.78	-	-
(xviii)	Obligation on acquisitions of a subsidiary	-	-	-	-
(xix)	Obligation on disposals of a subsidiary	(124.80)	-	-	-
(xx)	Administration Expenses Paid	(0.03)	-	-	-
(xxi)	Expected return on plan assets	12.10	20.79	-	-
(xxii)	**Sub-total included in statement of profit and loss (xx+xxi)**	**12.07**	**20.79**	**-**	**-**

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 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
(xxiii)	Actuarial gains	(1.50)	8.67	-	-
(xxiv)	**Sub-total included in other comprehensive income (xxiii)**	**(1.50)**	**8.67**	**-**	**-**
(xxv)	Contributions by employer	0.37	13.22	-	0.49
(xxvi)	Annuities Purchased	-	0.98	-	-
(xxvii)	Exchange Difference on Foreign Plans	0.11	(7.81)	-	-
(xxviii)	Member Contributions	-	1.42	-	-
(xxvix)	Benefits paid	(11.34)	(15.76)	-	(0.49)
(xxx)	Closing unrecognised asset due to asset ceiling	-	0.05	-	
(xxxi)	**Closing fair value of plan assets (xvii+xviii+xix+xxii+xxiv+xxv+xxvi+xxvii+xxviii+xix+xxx)**	**169.25**	**294.34**	**-**	**-**
	Expense recognised in:				
(xxxii)	**Statement of profit and loss (vii-xxii)**	**17.39**	**13.10**	**4.56**	**4.92**
(xxxiii)	**Statement of other comprehensive income (xi-xxiv)**	(12.35)	(13.92)	(0.82)	(1.47)

The major categories of plan assets of the fair value of the total plan assets are as follows:

(₹ in Crores)

	As at 31-Mar-18	As at 31-Mar-17
Government of India Securities (Central and State)	89.21	88.05
High quality corporate bonds (including Public Sector Bonds)	64.51	64.81
Equity instruments	4.76	41.27
Insurer Managed Funds & T-bills	4.79	6.48
Cash (including Bank Balance, Special Deposit Scheme)	0.02	1.11
Fixed Income Funds of Foreign Subsidiaries	-	30.71
Mortgage and Real Estate Fund of Foreign Subsidiaries	-	17.22
Foreign Exchange Fund of Foreign Subsidiaries	-	7.48
Annuities of Foreign Subsidiaries	-	19.34
Others	5.95	21.12

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 31.03.2018	As at 3.03.2017	As at 31.03.2018	As at 3.03.2017
Discount Rate	7.7 % to 8.5 %	4.5% to 11.5%	4.5 % to 10.5 %	4.5% to 11.5%
Salary Escalation Rate	8% to 12 %	4.5% to 11%	4.5 % to 11 %	4.5% to 11%

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 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 31.03.2018	As at 3.03.2017	As at 31.03.2018	As at 3.03.2017
Defined Benefit Obligation - Discount Rate + 100 basis points	(12.24)	(26.29)	(1.76)	(2.59)
Defined Benefit Obligation - Discount Rate - 100 basis points	12.97	30.24	1.94	3.02
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	11.68	18.31	1.58	1.45
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(11.40)	(17.20)	(1.42)	(1.29)

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.

The average duration of the defined benefit plan obligation at the end of the reporting period ranges from 10.57 years to 12.39 years. (Previous year : 11.17 years to 20.6 years)

The Group expects to make a contribution of ₹ 13.12 crores (Previous year ₹ 11.59 crores) to the defined benefit plans during the next financial years.

e) Provident Fund

The provident fund assets and liabilities of the Parent Company is managed by its provident fund trusts. The plan guarantees 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, 2018.

Notes to the Consolidated Financial Statements

NOTE 32 : EMPLOYEE BENEFITS (Contd.)

1) Post-employment benefits : (Contd.)

The details of benefit obligation and plan assets of the provident funds as at 31st March, 2018 is as given below:

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
Present value of benefit obligation at period end	461.80	415.36
Plan assets at period end, at fair value, restricted to asset recognized in balance sheet	461.80	415.36

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
Discounting Rate	7.81%	7.31%
Expected Guaranteed interest rate	8.55%*	8.65%

* Rate mandated by EPFO for the FY 2017-18 and the same is used for valuation purpose.

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, 2018 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 7.65 crores (Previous Year ₹ 14.78 crores).

Financial Assumptions

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
Discount Rate	4.5 % to 10.5 %	4.5% to 11.5%
Basic salary increases allowing for Price inflation	All Grades- 9% for first 2 years 8% thereafter	All Grades 11.00% for first year 10.00% for next 3 years 8.00% thereafter

Demographic Assumptions

	As at 31.03.2018	As at 31.03.2017
Employee Turnover	1.8% to 30%	2% to 15%
Leave Availment Ratio	2% to 5%	5%

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, 2018

a) Key Managerial Personnel:

Name	Designation
Shri K. B. S. Anand	Managing Director & CEO
Shri Jayesh Merchant	CFO & Company Secretary, President – Industrial JVs

Non-Executive Directors	
Shri. Ashwin Choksi	Dr. S. Sivaram
Shri. Ashwin Dani	Shri. Mahendra Shah
Shri. Abhay Vakil	Shri. S. Ramadorai
Shri. Mahendra Choksi	Shri. M.K. Sharma
Shri. Malav Dani	Mrs. Vibha Paul Rishi
Ms. Amrita Vakil	Shri. R Seshasayee (w.e.f. 23rd January, 2017)
Shri. Deepak Satwalekar	Shri. Dipankar Basu (Upto 1st January, 2017)

b) Relatives of Key Managerial Personnel of Parent Company who are under the employment of the Parent Company:

Shri. Jalaj Dani*

Shri. Manish Choksi

Shri. Varun Vakil

* Shri. Jalaj Dani, resigned from the services of the Parent Company w.e.f. 3rd April, 2017

c) Entities where Directors/Relatives of Directors have control/significant influence:

c.1. Entities where Directors/Relatives of Directors of Parent Company have control/significant influence:

Asteroids Trading And Investments Pvt. Ltd.	Hitech Corporation Ltd.#	Rayirth Holding And Trading Company Pvt. Ltd.
Addverb Technologies Pvt. Ltd. *	Hitech Specialities Solutions Ltd.	Resins And Plastics Ltd.
ARI Designs LLP	Sattva Holding and Trading Pvt. Ltd.	Ricinash Oil Mill Ltd.
Castle Investment & Industries Pvt. Ltd.	Jalaj Trading And Investment Company Pvt. Ltd.	Rupen Investment And Industries Pvt. Ltd.
Centaurus Trading And Investments Pvt. Ltd.	Jaldhar Investments And Trading Company Pvt. Ltd.	Satyadharma Investments And Trading Company Pvt. Ltd.
Dani Charitable Foundation	Lambodar Investments And Trading Company Ltd.	Smiti Holding And Trading Company Pvt. Ltd.
Dani Finlease Ltd.	Lyon Investment And Industries Pvt. Ltd.	Sudhanva Investments And Trading Company Pvt.Ltd.
Doli Trading And Investments Pvt. Ltd.	Murahar Investments And Trading Company Ltd.	Suptaswar Investments And Trading Company Ltd.
Elcid Investments Ltd.	Navbharat Packaging Industries Ltd.	Tru Trading And Investments Pvt. Ltd.
ELF Trading And Chemicals Mfg. Ltd.	Nehal Trading And Investments Pvt. Ltd.	Unnati Trading And Investments Pvt. Ltd.
Geetanjali Trading And Investments Pvt. Ltd.	Paladin Paints And Chemicals Pvt. Ltd.	Vikatmev Containers Ltd.
Gujarat Organics Ltd.	Parekh Plast India Ltd.	
Hiren Holdings Private Ltd.	Pragati Chemicals Ltd.	

* w.e.f. 12th February, 2018

\# Formerly known as Hitech Plast Ltd.

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, 2018 (Contd.)

c. 2. Entities where Key Managerial Personnel of group companies exercise significant influence/control:

Al Hasan Engineering Co. SAOG	Jatayu Investments Limited	Port Villa Hardware Limited
Al Hassan Investment & Trading LLC	Just legal Corporate Advisors Private Limited	Quasar Consolidated Services Private Limited
Aladdin Investments Limited	Kitchen Creations Private Limited	Santo Hardware Limited
ASAMCO Trading & Industry Plc	LKP Hardware, Solomon Islands	Star Solutions
Asset Management Unit, Vanuatu	M/S Ess Ess Industries	Super Coaters HUF
AU Bon Marche	M/S MRJ Industries	
B-More Consulting LLP	Thakur T. Ahuja HUF*	
Borderless Access Panels Private Limited	Monesh T. Ahuja HUF*	
Cronus Merchandise LLP	Orasscom Construction Industries	
Cross-Tab Marketing Services Private Limited	Palmleaf Furnitech Private Limited	

* Upto 11th December, 2017.

d) Other entities where significant influence exist :

i) Post employment-benefit plan entity:

Asian Paints (India) Limited Employees' Gratuity Fund

ii) Others :

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)

e) 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, 2018 (Contd.)

f) Details of related party transactions during the year ended 31st March, 2018:

(₹ in Crores)

	Associates		Key Managerial Personnel		Relatives of Key Managerial Personel of Parent Company		Entities where Directors/Relatives of Directors have control/significant influence		Other entities where significant influence exist	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Revenue from sale of products	15.84	9.50	-	-	-	3.03	12.30	6.87	-	-
Processing of goods (Income)	23.62	17.54	-	-	-	-	-	-	-	-
Royalty Income	3.94	3.99	-	-	-	-	-	-	-	-
Other non operating income	10.99	8.50	-	-	-	-	-	-	-	-
Other services – Paid	-	-	-	-	-	-	0.04	0.11	-	-
Reimbursement of Expenses - received	0.24	0.19	-	-	-	-	-	-	-	-
Purchase of goods	0.17	0.12	-	-	-	-	434.77	368.36	-	-
Remuneration	-	-	14.43	12.94	4.49	6.44	-	-	-	-
Retiral benefits	-	-	0.21	0.22	2.32	-	-	-	-	-
Commission to Non-executive Directors	-	-	3.90	3.65	-	-	-	-	-	-
Sitting Fees Paid to Non-executive Directors	-	-	0.71	0.64	-	-	-	-	-	-
Reimbursement of Expenses - paid	1.81	0.17	-	-	-	-	-	-	-	-
Dividend Paid	-	-	40.59	31.33	64.68	48.14	416.30	323.11	-	-
Contributions during the year (includes Employees' share and contribution)	-	-	-	-	-	-	-	-	57.58	62.92
Advance given	-	-	-	-	-	-	0.88	-	-	-
Sale of assets	-	-	-	-	-	-	-	0.15	-	-
Purchase of Assets	-	-	-	-	0.44	-	-	-	-	-
Outstanding as at 31st March										
Advances	-	-	-	-	-	-	0.73	-	-	-
Trade and other receivables	8.30	5.64	-	-	-	2.45	1.79	0.46	-	-
Trade and other payables	0.20	0.17	8.40	8.15	-	-	24.58	37.81	5.09	4.15

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, 2018 (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 parent company:

(₹ in Crores)

	2017-18	2016-17
Short-term employee benefits	19.04	17.23
Post-employment benefits	0.21	0.22
Termination benefits	-	-
Share-based payments	-	-
Total compensation paid to key management personnel	**19.25**	**17.45**

Disclosure in respect of significant transactions of the same type with related parties during the year:

(₹ in Crores)

	2017-18	2016-17
Revenue from sale of products		
PPG Asian Paints Private Limited	15.27	9.29
ASAMCO Trading & Industry Plc	6.87	5.77
Others	6.00	4.34
	28.14	**19.40**
Processing of Goods (Income)		
PPG Asian Paints Private Limited	23.62	17.42
Others	-	0.12
	23.62	**17.54**
Royalty Income		
PPG Asian Paints Private Limited	3.94	3.99
	3.94	**3.99**
Other non operating income		
PPG Asian Paints Private Limited	10.84	7.64
Others	0.15	0.86
	10.99	**8.50**
Other Services Paid		
ARI Designs LLP	0.04	0.11
	0.04	**0.11**
Reimbursement of Expenses – Received		
PPG Asian Paints Private Limited	0.24	0.19
	0.24	**0.19**
Purchase of Goods		
Hitech Plast Limited	266.69	234.00
Parekhplast India Limited	109.90	92.75
Others	58.35	41.73
	434.94	**368.48**

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, 2018 (Contd.)

Disclosure in respect of significant transactions of the same type with related parties during the year: (contd.)

(₹ in Crores)

	2017-18	2016-17
Remuneration		
Shri. K.B.S. Anand	10.57	9.72
Shri. Manish Choksi	3.48	3.06
Shri. Jalaj Dani	0.60	3.03
Shri. Jayesh Merchant	3.85	3.22
Others	0.42	0.35
	18.92	**19.38**
Retiral Benefits		
Shri. Jalaj Dani	2.32	-
Shri. Ashwin Choksi	0.07	0.08
Shri. Ashwin Dani	0.07	0.07
Shri. Abhay Vakil	0.07	0.07
	2.53	**0.22**
Commission to Non Executive Directors		
Shri. Mahendra Choksi	0.28	0.26
Shri. Ashwin Choksi	0.36	0.34
Shri. Ashwin Dani	0.32	0.30
Shri. Abhay Vakil	0.28	0.26
Shri. Malav Dani	0.30	0.28
Ms. Amrita Amar Vakil	0.28	0.26
Others	2.08	1.95
	3.90	**3.65**
Sitting Fees Paid to Non Executive Directors		
Shri M K Sharma	0.08	0.08
Shri Mahendra Shah	0.06	0.08
Shri. Mahendra Choksi	0.06	0.06
Shri. Abhay Vakil	0.07	0.06
Others	0.44	0.36
	0.71	**0.64**
Reimbursement of Expenses - Paid		
PPG Asian Paints Private Limited	1.73	0.17
Others	0.08	-
	1.81	**0.17**
Dividend Paid		
Smiti Holding And Trading Company Private Limited	55.71	43.00
Sattva Holding and Trading Private Limited	54.47	42.04
Others	411.39	317.54
	521.57	**402.58**
Contributions during the year (includes Employees' share and contribution)		
Asian Paints Office Provident Fund	33.28	30.56
Asian Paints Factory Employees Provident Fund	21.83	19.63
Asian Paints Management Cadres Superannuation Scheme	2.47	2.52
Asian Paints (India) Limited Employees' Gratuity Fund	-	10.21
	57.58	**62.92**
Advance given		
Addverb Technologies Pvt. Ltd.	0.88	-
	0.88	**-**
Sale of Assets		
Resins & Plastics Limited	-	0.15
	-	**0.15**
Purchase of Assets		
Addverb Technologies Pvt. Ltd.	0.44	-
	0.44	**-**

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 31.03.2018	As at 31.03.2017
Current Assets	731.10	655.37
Non-current Assets	291.78	219.35
Current Liabilities	(269.01)	(218.07)
Non-current Liabilities	(22.10)	(16.99)
Equity	**731.77**	639.66
Proportion of the group's ownership interest	**50%**	50%
Carrying amount of the group's interest	**365.88**	319.83

	Year 2017-18	Year 2016-17
Revenue	1,298.10	1,273.23
Cost of raw material and components consumed	(819.89)	(830.57)
Depreciation & amortization	(15.80)	(15.58)
Finance cost	(0.04)	(0.13)
Employee benefit	(93.25)	(86.28)
Other expenses	(219.40)	(202.16)
Profit before tax	**149.72**	138.51
Income tax expense	(58.13)	(39.29)
Profit for the year	91.59	99.22
Group's share of profit for the year	**45.79**	49.61
Group's share of other comprehensive income for the year	**0.26**	(0.57)
Group's total comprehensive income for the year	**46.05**	49.04

The associate had the following contingent liabilities and capital commitments:

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
Contingent liabilities:		
Sales tax demands disputed in appeals	30.24	18.85
Income Tax demand disputed in appeals	55.81	43.46
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	73.26	20.06

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)

		2017-18			2016-17		
		Paints	Home improvement	Total	Paints	Home improvement	Total
A.	**SEGMENT REVENUE**	16,927.18	335.05	17,262.23	16,548.65	307.90	16,856.55
B.	**SEGMENT RESULT**	3,260.51	(31.95)	3,228.56	3,101.54	(38.77)	3,062.77
C.	**SPECIFIED AMOUNTS INCLUDED IN SEGMENT RESULTS**						
	Depreciation and amortisation	306.24	6.56	312.80	285.64	6.64	292.28
	Interest Income	14.56	0.10	14.66	12.01	0.14	12.15
	Net foreign exchange loss	10.92	(0.37)	10.55	12.87	(0.16)	12.71
	Finance costs	30.53	2.82	33.35	26.64	1.81	28.45
	Dividend Income	1.20	-	1.20	2.07	-	2.07
	Share of profit of associate	45.79	-	45.79	49.61	-	49.61
D.	**RECONCILIATION OF SEGMENT RESULT WITH PROFIT AFTER TAX**						
	SEGMENT RESULT	3,260.51	(31.95)	3,228.56	3,101.54	(38.77)	3,062.77
	Add/(Less):						
	Interest Income			24.83			20.99
	Depreciation and amortisation			(47.67)			(42.51)
	Net foreign exchange gain			40.32			24.01
	Dividend received			36.56			71.83
	Net gain arising on financial assets measured at FVTPL			54.33			67.65
	Finance costs			(1.72)			(1.54)
	Income taxes			(1,040.96)			(943.29)
	Other Un-allocable Expenses net of Un-allocable Income			(266.73)			(269.52)
	PROFIT FROM CONTINUING OPERATION AFTER TAX AS PER STATEMEMT OF PROFIT AND LOSS			2,027.52			1,990.39

Notes to the Consolidated Financial Statements

NOTE 35: SEGMENT REPORTING (Contd.)

(₹ in Crores)

	31.03.2018			31.03.2017		
	Paints	Home improvement	Total	Paints	Home improvement	Total
OTHER INFORMATION						
Segment assets	10,871.21	302.77	11,173.98	9,202.50	252.27	9,454.77
Un-allocable assets			2,609.10			2,966.58
Total assets			**13,783.08**			**12,421.35**
Segment liabilities	4,485.80	133.97	4,619.77	3,872.55	113.76	3,986.31
Un-allocable liabilities			425.43			455.70
Total liabilities			**5,045.20**			**4,442.01**
Capital expenditure	1,762.77	4.78	1,767.55	402.78	5.32	408.10
Un-allocable capital expenditure			68.09			55.07
TOTAL			**1,835.64**			**463.17**

(₹ in Crores)

Revenue from External Customers	2017-18	2016-17
Domestic Operations	15,080.42	14,880.73
International Operations	2,181.81	1,975.82
TOTAL	**17,262.23**	**16,856.55**

(₹ in Crores)

Segment Non Current Assets*	31.03.2018	31.03.2017
Domestic Operations	4,572.11	3,160.78
International Operations	954.08	693.70
TOTAL	**5,526.19**	**3,854.48**

* 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	
	2017-18		2017-18		2017-18		2017-18	
	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	89.3	7,797.71	90.6	1,900.95	11.4	(3.97)	91.8	1,896.98
Indian Subsidiaries								
Direct Subsidiaries								
Asian Paints Industrial Coatings Limited	0.1	7.99	-	(0.42)	(0.1)	0.02	-	(0.40)
Maxbhumi Developers Limited	-	(2.17)	-	(0.45)	-	-	-	(0.45)
Sleek International Private Limited	(0.4)	(36.69)	(0.4)	(7.86)	-	(0.01)	(0.4)	(7.87)
Asian Paints PPG Private Limited	0.4	31.96	0.2	4.27	(0.2)	0.08	0.2	4.35
Reno Chemicals Pharmaceuticals and Cosmetics Private Limited	-	(0.15)	-	(0.15)	-	-	-	(0.15)
Foreign Subsidiaries								
Direct Subsidiaries								
Asian Paints (Nepal) Private Limited	0.9	76.50	1.2	24.47	0.4	(0.13)	1.2	24.34
Asian Paints International Private Limited (fomerly known as Berger International Private Limited)	2.8	245.40	(0.9)	(18.47)	-	-	(0.9)	(18.47)
Indirect Subsidiaries								
Samoa Paints Limited	-	0.30	-	0.61	-	-	-	0.61
Asian Paints (South Pacific) Pte Limited	0.3	29.35	0.5	11.22	-	-	0.5	11.22
Asian Paints (Tonga) Limited	-	1.93	-	0.30	-	-	-	0.30
Asian Paints (S I) Limited	-	4.31	0.2	3.41	-	-	0.2	3.41
Asian Paints (Vanuatu) Limited	-	0.09	0.1	1.07	-	-	0.1	1.07
Asian Paints (Middle East) LLC	0.4	31.84	0.2	5.11	0.4	(0.13)	0.2	4.98
Asian Paints (Bangladesh) Limited	0.3	26.96	0.1	1.56	(0.9)	0.31	0.1	1.87
SCIB Chemicals S.A.E.	0.4	34.65	0.5	10.35	-	-	0.5	10.35
Asian Paints (Lanka) Limited	-	(3.28)	-	0.31	0.1	(0.05)	-	0.26
Berger Paints Singapore Pte Limited	(0.4)	(35.34)	(0.2)	(3.69)	-	-	(0.2)	(3.69)
Berger Paints Bahrain W.L.L.	0.4	36.89	0.9	18.08	(0.1)	0.03	0.9	18.11
Berger Paints Emirates LLC	0.8	73.93	0.5	11.14	(1.2)	0.41	0.6	11.55
Nirvana Investments Limited	-	2.16	-	1.02	-	-	-	1.02
Enterprise Paints Limited	(0.2)	(20.23)	0.1	1.68	-	-	0.1	1.68
Universal Paints Limited	-	4.15	1.1	24.00	-	-	1.2	24.00
Lewis Berger (Overseas Holdings) Limited	-	-	-	1.03	-	-	-	1.03
Berger Paints Jamaica Limited	-	-	0.1	1.18	-	-	0.1	1.18

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	
	2017-18		2017-18		2017-18		2017-18	
	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
Berger Paints Trinidad Limited	-	-	-	(0.88)	-	-	-	(0.88)
Berger Paints Barbados Limited	-	-	0.1	1.21	-	-	0.1	1.21
Kadisco Paint and Adhesive Industry Share Company	(0.2)	(18.35)	0.7	13.82	-	0.01	0.7	13.83
PT Asian Paints Indonesia	(0.7)	(58.11)	(1.7)	(35.91)	0.1	(0.02)	(1.7)	(35.93)
PT Asian Paints Color Indonesia	(0.1)	(12.70)	(0.2)	(3.28)	-	-	(0.2)	(3.28)
Causeway Paints Lanka (Private) Limited	(0.4)	(36.06)	1.8	37.29	(0.2)	0.07	1.8	37.36
Minority Interests in all subsidiaries	3.7	327.65	2.8	58.59	15.3	(5.34)	2.6	53.25
Associate								
Indian								
PPG Asian Paints Private Limited (Consolidated)	2.6	227.19	1.7	35.96	(0.7)	0.26	1.8	36.22
Foreign Currency Translation Reserve (FCTR)	-	-	-	-	75.7	(26.34)	(1.3)	(26.34)
TOTAL	100.0	8,737.88	100.0	2,097.52	100.0	(34.80)	100.0	2,062.72

Note : The above figures are after eliminating intra group transcations and intra group balances as at 31st March, 2018.

(₹ 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	88.8	7,085.69	89.1	1,796.77	1,501.7	139.04	95.6	1,935.81
Indian Subsidiaries								
Direct Subsidiaries								
Asian Paints Industrial Coatings Limited	0.1	8.38	(0.1)	(2.20)	(1.0)	(0.09)	(0.1)	(2.29)
Maxbhumi Developers Limited	-	(1.72)	-	(0.23)	-	-	-	(0.23)
Sleek International Private Limited	(0.2)	(13.10)	(0.5)	(10.32)	1.9	0.18	(0.5)	(10.14)
Asian Paints PPG Private Limited	0.3	27.60	0.5	9.37	1.7	0.16	0.5	9.53
Foreign Subsidiaries								
Direct Subsidiaries								
Asian Paints (Nepal) Private Limited	0.7	56.87	1.0	19.90	0.3	0.03	1.0	19.93
Asian Paints International Private Limited (formerly known as Berger International Private Limited)	0.2	15.42	0.1	1.73	1.2	0.11	0.1	1.84

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	
	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
Indirect Subsidiaries								
Samoa Paints Limited	-	0.80	-	0.97	-	-	-	0.97
Asian Paints (South Pacific) Pte Limited	0.4	30.92	0.6	11.58	-	-	0.6	11.58
Asian Paints (Tonga) Limited	-	1.54	-	0.31	-	-	-	0.31
Asian Paints (S I) Limited	0.1	4.80	0.2	3.36	-	-	0.2	3.36
Asian Paints (Vanuatu) Limited	-	0.56	-	0.91	-	-	-	0.91
Asian Paints (Middle East) LLC	0.4	28.23	0.3	6.47	(0.5)	(0.05)	0.3	6.42
Asian Paints (Bangladesh) Limited	0.4	31.80	0.3	6.58	-	-	0.3	6.58
SCIB Chemicals S.A.E.	0.4	34.70	1.1	22.09	-	-	1.1	22.09
Asian Paints (Lanka) Limited	-	(0.81)	(0.6)	(12.36)	-	-	(0.6)	(12.36)
Berger Paints Singapore Pte Limited	(0.4)	(32.97)	(0.1)	(1.82)	-	-	(0.1)	(1.82)
Berger Paints Bahrain W.L.L.	0.5	43.01	0.9	18.82	(1.0)	(0.09)	0.9	18.73
Berger Paints Emirates LLC	0.8	64.11	1.0	19.25	3.2	0.30	1.0	19.55
Nirvana Investments Limited	-	1.97	-	-	-	-	-	-
Enterprise Paints Limited	(0.2)	(18.23)	-	-	-	-	-	-
Universal Paints Limited	-	3.26	-	-	-	-	-	-
Lewis Berger (Overseas Holdings) Limited	0.1	5.17	-	(0.13)	-	-	-	(0.13)
Berger Paints Jamaica Limited	0.1	7.81	0.4	8.14	10.3	0.95	0.4	9.09
Berger Paints Trinidad Limited	0.1	4.80	(0.1)	(2.48)	28.6	2.65	-	0.17
Berger Paints Barbados Limited	0.5	38.48	0.3	6.87	-	-	0.3	6.87
Kadisco Paint and Adhesive Industry Share Company	0.1	9.30	0.8	16.49	(2.2)	(0.20)	0.8	16.29
PT Asian Paints Indonesia	(0.2)	(16.36)	(0.6)	(11.79)	-	-	(0.6)	(11.79)
PT Asian Paints Color Indonesia	(0.1)	(9.23)	(0.4)	(8.36)	-	-	(0.4)	(8.36)
Minority Interests in all subsidiaries	4.7	375.45	3.8	76.82	(554.0)	(51.30)	1.3	25.52
Associate								
Indian								
PPG Asian Paints Private Limited (Consolidated)	2.4	191.09	2.0	39.51	(6.2)	(0.57)	1.9	38.94
Foreign Currency Translation Reserve (FCTR)	-	-	-	-	(884.0)	(81.86)	(4.0)	(81.86)
TOTAL	100.0	7,979.34	100.0	2,016.25	100.0	9.26	100.0	2,025.51

Note : The above figures are after eliminating intra group transcations and intra group balances as at 31st March, 2017.

Notes to the Consolidated Financial Statements

NOTE 37 : CONTINGENT LIABILITIES AND COMMITMENTS

a. Contingent Liabilities:

(₹ in Crores)

		As at 31.03.2018	As at 31.03.2017
1.	Performance Bonds and Immigration Bonds given by Subsidiaries	10.54	9.24
2.	Claims against the Group not acknowledged as debts		
	i. Tax matters in dispute under appeal	209.36	255.85
	ii. Others	27.63	17.39

b. Commitments:

(₹ in Crores)

		As at 31.03.2018	As at 31.03.2017
1.	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	i. Towards Property, Plant and Equipment	774.08	1,151.69
	ii. Towards Intangible Assets	18.96	2.65
2.	Letters of Credit and Bank guarantees issued by bankers and outstanding as on 31st March.	221.08	101.83
3.	For Lease commitments, Refer Note 41 II (b)		
4.	For derivative contract related commitments, Refer Note 29 C		

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 at 31.03.2018	% of Holding as at 31.03.2017	Accounting period
Asian Paints (Nepal) Private Limited	Nepal	51.00	51.00	14th Mar 2017 - 13th Mar 2018
Asian Paints International Private Limited * (Refer Note 31 (c))	Singapore	100.00	100.00	1st Apr 2017 – 31st Mar 2018
Asian Paints Industrial Coatings Limited	India	100.00	100.00	1st Apr 2017 – 31st Mar 2018
Reno Chemicals Pharmaceuticals & Cosmetics Private Limited (Refer Note 31 (b))	India	100.00	-	1st Apr 2017 – 31st Mar 2018
Maxbhumi Developers Limited	India	100.00	100.00	1st Apr 2017 – 31st Mar 2018
Sleek International Private Limited (Refer Note 31 (a))	India	100.00	51.00	1st Apr 2017 – 31st Mar 2018
Asian Paints PPG Private Limited	India	50.00	50.00	1st Apr 2017– 31st Mar 2018

* Asian Paints International Private Limited was formerly known as Berger International Private Limited.

Notes to the Consolidated Financial Statements

NOTE 38 : DETAILS OF SUBSIDIARIES AND ASSOCIATE (Contd.)

A. Subsidiaries: (Contd.)

ii. Indirect Subsidiaries:

a) Subsidiaries of Asian Paints International Private Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017	Accounting period
Berger Paints Singapore Pte Limited	Singapore	100.00	100.00	1st Apr 2017-31st Mar 2018
Enterprise Paints Limited	Isle of Man, U.K.	100.00	100.00	1st Apr 2017-31st Mar 2018
Universal Paints Limited	Isle of Man, U.K.	100.00	100.00	1st Apr 2017-31st Mar 2018
Lewis Berger (Overseas Holdings) Limited (Refer Note 31 (d))	U.K.	_	100.00	1st Apr 2017-31st Mar 2018
Kadisco Paint and Adhesive Industry Share Company	Ethiopia	51.00	51.00	1st Apr 2017-31st Mar 2018
PT Asian Paints Indonesia	Indonesia	100.00	100.00	1st Apr 2017-31st Mar 2018
PT Asian Paints Color Indonesia	Indonesia	100.00	100.00	1st Apr 2017-31st Mar 2018
Asian Paints (Tonga) Limited	Kingdom of Tonga	100.00	100.00	1st Apr 2017-31st Mar 2018
Asian Paints (South Pacific) Pte Limited	Fiji Islands	54.07	54.07	1st Apr 2017-31st Mar 2018
Asian Paints (S.I.) Limited	Solomon Islands	75.00	75.00	1st Apr 2017-31st Mar 2018
Asian Paints (Bangladesh) Limited	Bangladesh	89.78	89.78	1st Apr 2017-31st Mar 2018
Asian Paints (Middle East) LLC	Sultanate of Oman	49.00	49.00	1st Apr 2017-31st Mar 2018
SCIB Chemicals S.A.E.	Egypt	60.00	60.00	1st Apr 2017-31st Mar 2018
Samoa Paints Limited	Samoa	80.00	80.00	1st Apr 2017-31st Mar 2018
Asian Paints(Vanuatu) Limited	Republic of Vanuatu	60.00	60.00	1st Apr 2017-31st Mar 2018
Asian Paints (Lanka) Limited	Sri Lanka	99.18	99.18	1st Apr 2017-31st Mar 2018
Causeway Paints Lanka (Pvt.) Ltd.(Refer Note 31 (e))	Sri Lanka	100.00	_	1st Apr 2017-31st Mar 2018

Notes to the Consolidated Financial Statements

NOTE 38 : DETAILS OF SUBSIDIARIES AND ASSOCIATE (Contd.)

A. Subsidiaries: (Contd.)

ii. Indirect Subsidiaries: (Contd.)

b) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017	Accounting period
Nirvana Investments Limited	Isle of Man, U.K.	100.00	100.00	1st Apr 2017 – 31st Mar 2018

c) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017	Accounting period
Berger Paints Emirates (LLC)	U.A.E.	100.00	100.00	1st Apr 2017 – 31st Mar 2018

d) Subsidiaries of Lewis Berger (Overseas Holdings) Limited (Refer Note 31 (d)):

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017	Accounting period
Berger Paints Jamaica Limited	Jamaica	-	51.00	1st Apr 2017 – 31st Mar 2018
Berger Paints Trinidad Limited	Trinidad	-	70.00	1st Apr 2017 – 31st Mar 2018
Berger Paints Barbados Limited	Barbados	-	100.00	1st Apr 2017 – 31st Mar 2018

e) Subsidiary of Universal Paints Limited:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017	Accounting period
Berger Paints Bahrain W.L.L.	Bahrain	100.00	100.00	1st Apr 2017 – 31st Mar 2018

B. Associates:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2018	% of Holding as at 31.03.2017	Accounting period
PPG Asian Paints Private Limited	India	50.00	50.00	1st Apr 2017 – 31st Mar 2018
Subsidiaries of PPG Asian Paints Private Limited:				
Revocoat India Private Limited	India	100.00	100.00	1st Apr 2017 – 31st Mar 2018
PPG Asian Paints Lanka Private Limited	Sri Lanka	100.00	100.00	1st Apr 2017 – 31st Mar 2018
Faaber Paints Private Limited@	India	-	100.00	1st Apr 2017 – 31st Mar 2018

@ Faaber Paints Private Limited was a subsidiary of the associate up to 31st May, 2016.

Notes to the Consolidated Financial Statements

NOTE 39 : The Parent Company's manufacturing facility at Khandala, Maharashtra has been granted "Mega Project Status" by Government of Maharashtra (GoM) 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. Based on Memorandum of Understanding and clarifications from GoM, the Company has continued to recognise the incentive computed based on SGST paid to GoM. Further, in terms of the Ind AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance", eligible incentive as mentioned above amounting to ₹162.36 crores (Previous year ₹ 136.53 crores) for year ended 31st March, 2018 is credited to the Statement of Profit and Loss and included under the head "Other operating income" on accrual basis.

NOTE 40 : EARNINGS PER SHARE

	Year 2017-18	Year 2016-17
Basic and diluted earnings per share from continuing operations in rupees (face value – ₹ 1 per share)	20.53	20.02
Profit after tax from continuing operation attributable to Owners of the Company as per Statement of Profit and Loss (₹ in crores)	1,969.24	1,920.69
Weighted average number of equity shares outstanding	95,91,97,790	95,91,97,790
Basic and diluted earnings per share from discontinuing operations in rupees (face value – ₹ 1 per share)	0.73	0.20
Profit after tax from discontinuing operation attributable to Owners of the Company as per Statement of Profit and Loss (₹ in crores)	69.69	18.74
Weighted average number of equity shares outstanding	95,91,97,790	95,91,97,790
Basic and diluted earnings per share from continuing and discontinuing operations in rupees (face value – ₹ 1 per share)	21.26	20.22
Profit after tax from continuing and discontinuing operation attributable to Owners of the Company as per Statement of Profit and Loss (₹ in crores)	2,038.93	1,939.43
Weighted average number of equity shares outstanding	95,91,97,790	95,91,97,790

Earning per share is calculated by dividing the profit for the year attributable to owners of the Parent Company by the weighted average number of equity shares outstanding during the year.

NOTE 41 : 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, 2018 as per the lease agreements:

(₹ in Crores)

	As at 31.03.2018	As at 31.03.2017
Not Later than 1 year	0.02	0.05
Later than 1 year and not later than 5 years	0.09	0.06
Later than five years	0.11	-
TOTAL	**0.22**	**0.11**

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.

Notes to the Consolidated Financial Statements

NOTE 41 : PURSUANT TO Ind AS-17 - LEASES, THE FOLLOWING INFORMATION IS DISCLOSED: (Contd.)

II. Assets taken on operating leases

(a) The Group has taken certain assets such as Vehicles, Computers, Information Technology hardware and Office space on operating lease. The lease rentals are payable by the Group 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)

	As at 31.03.2018	As at 31.03.2017
Not Later than 1 year	31.47	23.41
Later than 1 year and not later than 5 years	44.17	28.24
Later than five years	40.85	17.99
TOTAL	**116.49**	**69.64**

(c) Lease payments recognized in the Consolidated Statement of Profit and Loss for the year is ₹ 239.32 Crores (Previous year ₹ 217.23 Crores).

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, 2018 as per the lease agreements are as under:

(₹ in Crores)

	As at 31.03.2018			As at 31.03.2017		
	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	0.07	0.04	0.03	0.86	0.21	0.65
Later than 1 year and not later than 5 years	0.26	0.15	0.11	1.52	0.37	1.15
Later than five years	0.50	0.18	0.32	0.66	0.25	0.41
TOTAL	**0.83**	**0.37**	**0.46**	**3.04**	**0.83**	**2.21**

(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, 2018 is as under:

(₹ in Crores)

	As at 31.03.2018			As at 31.03.2017		
	Gross investments in lease	Unearned finance income	Present Value receivables	Gross investments in lease	Unearned finance income	Present Value receivables
Not Later than 1 year	0.14	0.03	0.11	0.49	0.34	0.15
Later than 1 year and not later than 5 years	0.04	0.01	0.03	0.11	0.03	0.08
Later than five years	-	-	-	-	-	-
TOTAL	**0.18**	**0.04**	**0.14**	**0.60**	**0.37**	**0.23**

Notes to the Consolidated Financial Statements

NOTE 42 : 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, 2018 is as follows:

(₹ in Crores)

	Provision for Excise[1]		Provision for Sales Tax[2]		Other Provisions[3]		Provision for Warranties[4]	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Opening Balance	0.58	0.96	28.11	27.37	0.48	0.35	2.52	2.35
Additions/	0.13	0.48	7.47	4.46	-	0.13	-	0.32
(Utilizations)	-	(0.02)	(0.33)	(0.51)	(0.34)	-	(0.33)	(0.02)
(Reversals)	-	(0.84)	(4.09)	(3.21)	-	-	-	-
Currency translation	-	-	-	-	-	-	0.14	(0.13)
Closing Balance	**0.71**	**0.58**	**31.16**	**28.11**	**0.14**	**0.48**	**2.33**	**2.52**

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 Parent Company 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 43 :

The Consolidated financial statements are approved for issue by the Audit Committee at their meeting conducted on 9th May, 2018 and by the Board of Directors on 10th May, 2018.

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": SUBISIDIARIES

All figures except exchange rates in ₹ crores

Name of the Subsidiary	Reporting Currency	Exchange Rate		Reporting period		Share Capital		Reserves & Surplus		Total Liabilities		Total Assets		Investments ~		Turnover		PBT		Tax provision		PAT		Dividends for the year		% of Share holding
		Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	
Asian Paints (Bangladesh) Ltd.	Taka	0.78	0.81	Apr 17 to Mar 18	Apr 16 to Mar 17	30.96	32.04	12.66	15.82	121.58	101.85	165.21	149.71	-	-	365.32	329.96	9.47	24.34	(7.75)	(17.78)	1.71	6.56	4.64	4.81	89.78
Asian Paints (Middle East) LLC	OMR	169.25	168.46	Apr 17 to Mar 18	Apr 16 to Mar 17	18.99	18.90	58.53	50.43	87.63	77.19	165.15	146.51	2.54	2.53	177.86	136.78	12.43	14.15	(1.90)	(1.64)	10.53	12.51	2.66	2.27	49
Asian Paints (Nepal) Pvt. Ltd.	Nepal Rs	0.63	0.61	14 Mar 17 to 13 Mar 18	14 Mar 16 to 13 Mar 17	4.01	3.90	149.00	109.88	68.93	88.17	221.94	201.95	-	-	273.08	215.03	60.96	48.35	(12.60)	(9.71)	48.36	38.64	12.04	9.86	51
Asian Paints (S.I.) Ltd.	SI $	8.37	8.35	Apr 17 to Mar 18	Apr 16 to Mar 17	0.53	0.53	9.16	9.56	8.97	3.37	18.66	13.46	-	-	14.19	14.66	4.50	4.31	0.10	(0.13)	4.60	4.18	5.02	4.26	75
Asian Paints (South Pacific) Pte Ltd.	Fiji $	31.94	31.17	Apr 17 to Mar 18	Apr 16 to Mar 17	4.59	1.48	72.00	68.33	26.81	24.34	103.39	94.15	-	-	110.87	105.74	25.44	25.35	(4.45)	(5.16)	20.99	20.19	15.93	9.62	54.07
Asian Paints (Tonga) Ltd.	$ Top	29.53	28.09	Apr 17 to Mar 18	Apr 16 to Mar 17	0.35	0.34	4.87	4.34	4.76	2.89	9.98	7.57	-	-	7.41	7.71	0.39	0.48	(0.08)	(0.11)	0.31	0.37	-	2.42	100
Asian Paints (Vanuatu) Ltd.	Vatu	0.61	0.59	Apr 17 to Mar 18	Apr 16 to Mar 17	1.90	1.84	3.19	3.59	2.56	0.90	7.64	6.33	-	-	7.65	7.31	1.81	1.52	-	-	1.81	1.52	2.32	0.96	60
Asian Paints Industrial Coatings Ltd.	₹	1.00	1.00	Apr 17 to Mar 18	Apr 16 to Mar 17	30.45	30.45	7.99	8.38	3.60	3.00	42.03	41.83	26.65	26.65	11.27	10.23	(0.26)	(2.21)	(0.16)	0.01	(0.42)	(2.20)	-	-	100
Asian Paints (Lanka) Ltd.	LKR	0.42	0.43	Apr 17 to Mar 18	Apr 16 to Mar 17	32.88	33.55	(3.99)	(4.28)	31.31	30.76	60.20	60.03	-	-	90.63	94.39	0.60	0.46	(0.29)	1.18	0.31	1.64	-	-	99.18
Asian Paints International Private Ltd.^	SG$	49.66	46.41	Apr 17 to Mar 18	Apr 16 to Mar 17	454.32	424.55	123.33	(85.69)	431.22	448.01	1,008.86	786.87	-	-	-	-	224.21	65.57	(9.18)	(7.46)	215.03	58.11	-	-	100
Berger Paints Bahrain W.L.L.	BHD	172.81	172.01	Apr 17 to Mar 18	Apr 16 to Mar 17	7.22	7.19	35.67	41.43	20.89	19.20	63.78	67.83	-	-	113.19	103.77	18.24	18.16	-	-	18.24	18.16	24.19	22.36	100
Berger Paints Barbados Ltd. (Refer note 31(d))	Barbados $	32.11	32.43	Apr 17 to Mar 18	Apr 16 to Mar 17	-	6.10	-	35.76	-	9.03	-	50.88	-	-	11.19	56.42	1.41	7.64	(0.21)	(0.94)	1.20	6.70	-	-	100
Berger Paints Emirates LLC	AED	17.74	17.66	Apr 17 to Mar 18	Apr 16 to Mar 17	1.77	1.77	70.86	61.13	92.56	90.91	165.20	153.81	-	-	256.77	262.11	11.23	18.57	-	-	11.23	18.57	1.77	-	100
Berger Paints Jamaica Ltd. (Refer note 31(d))	Jamaican $	0.50	0.50	Apr 17 to Mar 18	Apr 16 to Mar 17	-	7.11	-	41.86	-	25.66	-	74.63	-	-	22.93	118.44	1.57	18.33	(0.39)	(2.51)	1.18	15.82	-	2.15	51
Berger Paints Singapore Pte Ltd.	SG$	49.66	46.41	Apr 17 to Mar 18	Apr 16 to Mar 17	72.22	67.49	(50.19)	(43.31)	44.51	41.16	66.53	65.34	-	-	103.97	77.76	(4.29)	(2.22)	0.44	0.50	(3.84)	(1.73)	-	-	100
Berger Paints Trinidad Ltd. (Refer note 31(d))	Trinidad $	9.56	9.61	Apr 17 to Mar 18	Apr 16 to Mar 17	-	5.68	-	19.98	-	25.15	-	50.81	-	-	9.57	44.30	(1.03)	(3.33)	0.12	(0.22)	(0.90)	(3.55)	-	0.25	70
Kadisco Paint and Adhesive Industry Share Company	Ethiopian Birr	2.36	2.84	Apr 17 to Mar 18	Apr 16 to Mar 17	42.55	39.70	28.46	39.16	28.59	26.20	99.59	105.05	1.17	1.42	122.56	170.02	32.56	48.19	(9.34)	(14.32)	23.22	33.87	17.97	21.12	51
Enterprise Paints Ltd.	GBP	91.29	80.99	Apr 17 to Mar 18	Apr 16 to Mar 17	1.33	1.18	(15.48)	(13.73)	14.15	12.56	-	-	-	-	-	-	#	#	-	-	#	#	1.79	-	100
Lewis Berger (Overseas Holdings) Ltd.(Refer note 31(d))	GBP	84.37	80.99	Apr 17 to Mar 18	Apr 16 to Mar 17	-	15.15	-	15.32	-	1.02	-	31.49	-	-	-	6.01	0.02	4.62	(0.11)	(0.77)	(0.09)	3.86	-	-	100
Maxbhumi Developers Limited	₹	1.00	1.00	Apr 17 to Mar 18	Apr 16 to Mar 17	0.42	0.42	12.95	13.41	1.06	1.06	14.44	14.89	-	-	-	-	(0.45)	(0.23)	-	-	(0.45)	(0.23)	-	-	100
Nirvana Investments Ltd.	GBP	91.29	80.99	Apr 17 to Mar 18	Apr 16 to Mar 17	#	#	1.73	1.53	-	-	1.73	1.53	-	-	-	-	1.09	-	-	-	1.09	-	1.09	-	100
Samoa Paints Ltd.	WST $	25.39	25.22	Apr 17 to Mar 18	Apr 16 to Mar 17	0.23	0.23	4.25	4.60	1.74	0.62	6.22	5.44	-	-	5.42	6.15	1.05	1.58	(0.28)	(0.44)	0.76	1.14	1.14	0.91	80
SCIB Chemicals S.A.E.	EGP	3.69	3.57	Apr 17 to Mar 18	Apr 16 to Mar 17	6.64	6.42	88.98	86.12	61.26	73.48	156.88	166.02	-	1.41	342.71	268.36	24.90	32.18	(5.40)	(7.83)	19.50	24.34	19.55	14.63	60
Universal Paints Ltd.	GBP	91.29	80.99	Apr 17 to Mar 18	Apr 16 to Mar 17	3.92	3.48	12.87	11.42	-	-	16.79	14.90	-	-	-	-	25.60	21.85	-	-	25.60	21.85	25.60	21.85	100
PT Asian Paints Indonesia	IDR	0.005	0.005	Apr 17 to Mar 18	Apr 16 to Mar 17	68.08	70.01	(51.35)	(17.05)	107.30	45.71	124.03	98.67	-	-	12.65	-	(34.77)	(10.51)	-	-	(34.77)	(10.51)	-	-	100
PT Asian Paints Color Indonesia	IDR	0.005	0.005	Apr 17 to Mar 18	Apr 16 to Mar 17	12.54	4.30	(12.31)	(9.33)	0.85	15.17	1.09	10.14	-	-	12.51	6.65	(3.24)	(8.04)	-	-	(3.24)	(8.04)	-	-	100
Sleek International Private Limited (Refer note 31(a))	₹	1.00	1.00	Apr 17 to Mar 18	Apr 16 to Mar 17	0.12	0.12	67.50	80.43	83.49	58.74	151.11	139.29	-	-	173.40	157.62	(12.92)	(20.23)	-	-	(12.92)	(20.23)	-	-	100
Causeway Paints Lanka (Pvt.) Ltd. (Refer note 31(e))	LKR	0.42	-	Apr 17 to Mar 18	-	57.00	-	71.87	-	50.44	-	179.42	-	-	-	276.70	-	52.20	-	(15.15)	-	37.06	-	-	-	100
Reno Chemicals Pharmaceuticals and Cosmetics Pvt. Ltd. (Refer note 31(b))	₹	1.00	-	Apr 17 to Mar 18	-	0.05	-	0.36	-	0.30	-	0.72	-	-	-	-	-	(0.18)	-	-	-	(0.18)	-	-	-	100

1. **Names of subsidiaries which have been liquidated or sold during the year.**
   Berger Paints Barbados Ltd., Berger Paints Jamaica Ltd., Berger Paints Trinidad Ltd., Lewis Berger (Overseas Holdings) Ltd.

^ Asian Paints International Private Limited (formerly know as Berger International Private Limited)
~ 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 31.03.2018 for current period and 31.03.2017 for previous period. Companies disposed off during the year (Refer note 31(d) of Consolidated Financial Statements) are translated at exchange rates as at 31.07.2017.

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, 2018	31st March, 2018
2	Shares of Joint Ventures held by the company as at year end (number of shares)	52,43,961	2,85,18,112
	Amount of Investment in Joint Venture	₹ 30.47 Crores	₹ 81.43 Crores
	Extent of Holding %	50%	50%
3	Description of how there is significant influence	Not Applicable	Not Applicable
4	Reason why the joint venture is not consolidated	Consolidated	Consolidated
5	Networth attributable to Shareholders as per latest audited Balance Sheet	₹ 62.42 Crores	₹ 365.88 Crores
6	Profit for the year		
	i. Considered in Consolidation	₹ 8.54 Crores	₹ 45.79 Crores
	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
10th May, 2018

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



St+art India Foundation and Asian Paints, along with the gracious support of Western Railway and the Consulate General of Brazil came together to transform 'Churchgate station', one of Mumbai's busiest, into a work of art



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Santacruz (East), Mumbai - 400 055.
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