

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 27 th 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 31 st 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:

- 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;
- 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;
- Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - 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;
 - 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;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s) in the draft audit report, if any.
- Reviewing the financial statements and investments made by unlisted subsidiary companies (including joint ventures);
- Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
 - qualifications and experience of the individual/ firm proposed to be considered for appointment as auditor;
 - whether such qualifications and experience are commensurate with the size and requirements of the company; and
 - 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 year 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.

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	27 th June, 2017		
2015-2016	Yashwantrao Chavan Pratisthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai- 400 021	28 th June, 2016	11.00 a.m.	NIL
2014-2015		3 rd 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

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.

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, 26 th 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	1 st April to 31 st March
Tentative Schedule for declaration of results during the financial year 2018-19	
First quarter ending 30 th June, 2018	On or around 24 th July, 2018
Second quarter and half year ending 30 th September, 2018	On or around 22 nd October, 2018
Third quarter and nine months ending 31 st December, 2018	On or around 22 nd January, 2019
Fourth quarter and year ending 31 st March, 2019	On or around 10 th May, 2019
3. Date of book closure	16 th June, 2018 to 26 th 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 24 th October, 2017	3 rd November, 2017
Final dividend for 2017-18 of ₹ 6.05 per equity share recommended by the Board of Directors at its meeting held on 10 th May, 2018	On or after 27 th 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:

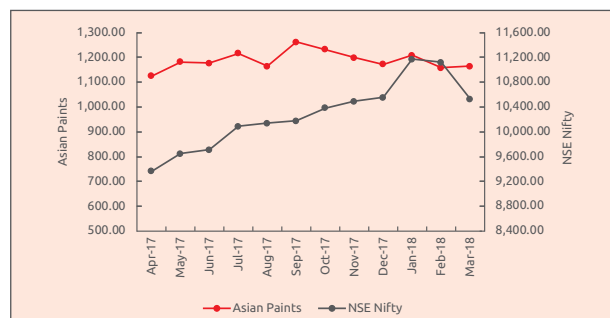
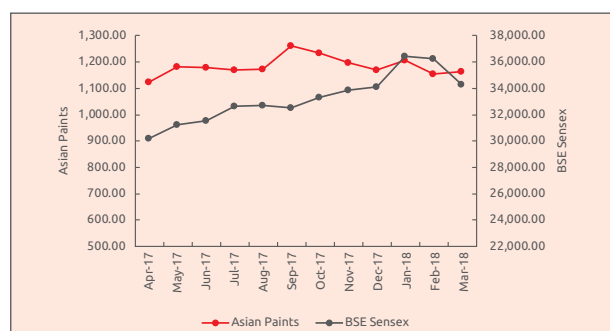
Month(s) 2017-18	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April - 2017	1,123.20	1,033.85	1,124.95	1,033.70
May - 2017	1,181.65	1,081.45	1,182.00	1,100.00
June - 2017	1,179.00	1,084.60	1,176.40	1,100.00
July - 2017	1,171.00	1,096.80	1,215.45	1,104.20
August - 2017	1,172.40	1,115.05	1,163.70	1,114.00
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.

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	29 th August, 2018
2.	Interim Dividend 2011-2012	24,51,511	25 th December, 2018
3.	Final Dividend 2011-2012	76,61,378	31 st August, 2019
4.	Interim Dividend 2012-2013	27,84,595.80	31 st December, 2019
5.	Final Dividend 2012-2013	91,29,828	29 th August, 2020
6.	Interim Dividend 2013-2014	34,93,708	26 th December, 2020
7.	Final Dividend 2013-2014	94,31,496	30 th August, 2021
8.	Interim Dividend 2014-2015	51,93,939	22 nd November, 2021
9.	Final Dividend 2014-2015	1,09,94,467	7 th August, 2022
10.	Interim Dividend 2015-2016	57,47,766	27 th December, 2022
11.	Final Dividend 2015-2016	2,16,69,533.40	2 nd September, 2023
12.	Interim Dividend 2016-2017	1,35,10,975.15	30 th December, 2023
13.	Final Dividend 2016-2017	2,89,33,042.05	2 nd September, 2024
14.	Interim Dividend 2017-18	1,19,85,454.45	28 th December, 2024

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.

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 shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 1 st 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 31 st 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.

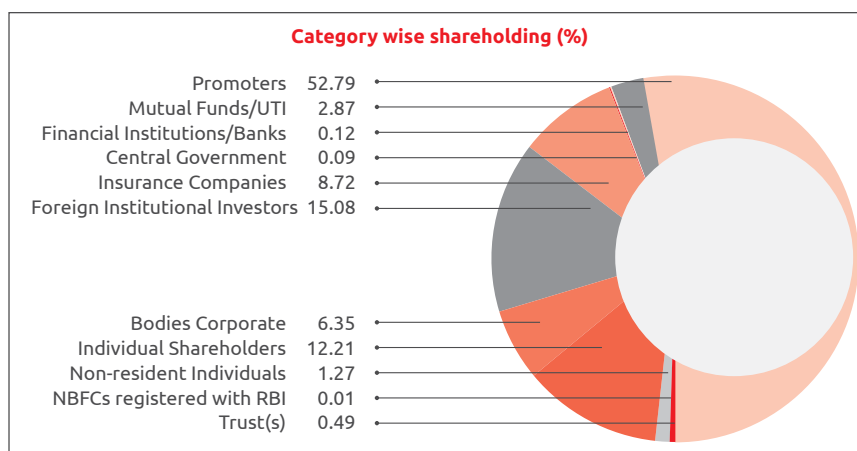
15. Distribution of Shareholding:

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