

Report on Corporate Governance

ASIAN PAINTS' PHILOSOPHY ON CORPORATE GOVERNANCE

The end of the year under review saw challenging times for the Company as well as for the world at large due to the impending COVID-19 pandemic. The situation continues to be exceptional and dynamic. The regulators including Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI) promptly announced many relaxations with respect to the compliance requirements for India Inc. to facilitate companies to conduct smooth operations and cope with the challenging times. The Company appreciates and acknowledges the relaxations and dispensations granted by the MCA and SEBI, *inter alia*, for conduct of Annual General Meeting through electronic mode and dispatch of Annual Report electronically to shareholders who have registered their email addresses. These relaxations are noteworthy and were the need of the hour.

Asian Paints has always adopted a robust governance framework which played a critical role in ensuring that we remain true to our culture and values. The highest standard of corporate governance is the cornerstone of our long termism and continued success. It reflects in our business functions and in the manner with which we support the journey of our stakeholders.

During the year, employees of the Company co-created and adopted a Charter for the organisation which sets out the purpose for the organisation and adopts the values for which the organisation stands for, today and will continue to stand for in future. Strategic outcomes which emanate from the Charter have been identified to bring about infinite celebrations for its consumers and enable the Company to enrich the experience of its stakeholders.

Our undeterred adherence to the ideals of trust, respect, integrity and openness is what holds us steady amid challenging business contexts and landscapes. Our value system made up of integrity, customer passion and creative zeal is the platform that enables ours as well as our stakeholders' successes. The sound governance systems and processes in place are empowering co-creation and partnerships while an unwavering focus on sustainability and safety is what makes us a truly responsible enterprise.

Asian Paints not only adheres to the prescribed Corporate Governance practices as per the Listing Regulations but is also committed to sound Corporate Governance principles and practices. It constantly strives to adopt emerging best practices being followed worldwide.

In recognition of its governance practices, the Company was conferred upon the 'Golden Peacock Award for Excellence in Corporate Governance - 2019', by the Institute of Directors and the 'Excellence in Corporate Governance' Awards 2018 – 19, by the Indian Legal Era Journal of Law.

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the report contains the details of Corporate Governance systems and processes at Asian Paints Limited.

GOVERNANCE STRUCTURE AND DEFINED ROLE AND RESPONSIBILITIES

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

BOARD

The Board of Directors have the ultimate responsibility of ensuring effective management, long term business strategy, general affairs, performance and monitoring the effectiveness of the Company's corporate governance practices. The Managing Director & CEO reports to the Board and is in charge of the management of the affairs of the Company, executing business strategy in consultation with the Board and achieving annual long term business targets. The Managing Director & CEO acts as a link between the Board and the management. During the year, the Board of Directors, on the recommendations of the Nomination & Remuneration Committee, appointed Mr. Amit Syngle as an Additional Director / Managing Director & CEO of the Company w.e.f. 1st April, 2020 for a period of three (3) years upto 31st March, 2023, subject to approval of the shareholders, in place of Mr. KBS Anand who retired from the services of the Company w.e.f. 31st March, 2020.

During the year, the Board of Directors, based on the recommendations of the Nomination & Remuneration Committee, approved the appointment of Mr. R J Jeyamurugan as the CFO & Company Secretary of the Company with effect from 27th November, 2019.

In line with the Company's aspiration on Home Décor and taking the Asian Paints brand to the next level, a new senior management structure was introduced and implemented.

The One Link group comprising of General Managers, Associate Vice Presidents and Vice Presidents, led by the Managing Director and CEO was created for developing and creating leaders in the organization. The futuristic and Innovation projects across functions and businesses are handled by the One Link group.

The forum combines a methodology of working through futuristic but relevant projects to involve, galvanize and develop the top management teams.

This new structure was designed and conceptualized to enable the Managing Director & CEO to function and discharge his role effectively.

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The new organisation structure was reviewed by the Nomination and Remuneration Committee and the Board of Directors of the Company.

Composition of the Board

The Company believes in a well-balanced Board which enriches Board discussions and enables effective decision making. The Board has an optimal mix of Executive and Non-Executive Directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses.

The composition and size of the Board is reviewed periodically to ensure an optimum mix of Directors with complementary skillsets and varied perspectives for constructive debates facilitating more effective decision making. The Company understands that sound succession planning for the members of the Board and Senior Management is essential for sustained growth of the Company. As a part of the succession planning exercise, Mr. Amit Syngle was identified as the successor to the Managing Director & CEO of the Company and was groomed and mentored for the role by Mr. KBS Anand for over a period of two years. Before being appointed as the Managing Director & CEO, Mr. Amit Syngle held the position of Chief Operating Officer of the Company.

As on the date of this Report, the Board comprised of 14 (fourteen) members, 7 (seven) of which are Independent Directors constituting half of the Board strength, 6 (six) are Non- Executive/ Promoter Directors and 1 (one) Additional Director/ Managing Director & CEO.

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

Board Procedures and flow of information

The Board / Committee meetings are pre-scheduled, and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting. The Company also provides video conferencing facility to its Directors to enable them to participate in the discussions held at the meetings when it may not be possible for them to be physically present for the meeting. In view of the nationwide lockdown, meetings of the Board and its Committees were held through video conferencing mode in accordance with the provisions of law.

The Board has adopted a 'safety-first' approach for all its discussions and deliberations. All meetings of the Board begin with an elaborate discussion on the Health and Safety initiatives of the Company which are then followed by review of the performance of the Company, review of financial results, industrial relations, Board succession planning, Strategic planning, governance and regulatory matters, declaration of dividend and such other matters as required under the Companies Act, 2013, Listing Regulations and other applicable legislations.

The details of attendance of Directors at Board Meetings either in person or through video conference during the financial year 2019-20 and at the Annual General Meeting (AGM) of the Company are as reproduced below:

Name of the Director(s) & Director Identification Number (DIN)	1	2	3	4	5	6	7	% of meeting attended during the year
	9 th May, 2019	24 th July, 2019	25 th September, 2019	22 nd October, 2019	22 nd January, 2020	25 th February, 2020	28 th March, 2020	
Ashwin Dani (00009126)	✓	✓	✓	✓	✓	✓		100
Manish Choksi (00026496)	✓	✓	✓	✓	✓	✓		100
Abhay Vakil (00009151)	✓	✓	✓	✓	✓	✓		100
KBS Anand (03518282)	✓	✓	✓	✓	✓	✓		100
Malav Dani (01184336)	✓	✓	✓	✓	✓	✓		100
Amrita Vakil (00170725)	✓	✓	✓	✓	✓	✓		100
Jigish Choksi (08093304)	✓	✓	✓	✓	✓			100
Deepak Satwalekar (00009627)	✓	✓	✓	✓	✓	✓		100
S. Sivaram (00009900)	✓	✓	x	✓	✓	x		71*

Name of the Director(s) & Director Identification Number (DIN)	1	2	3	4	5	6	7	% of meeting attended during the year
	9 th May, 2019	24 th July, 2019	25 th September, 2019	22 nd October, 2019	22 nd January, 2020	25 th February, 2020	28 th March, 2020	
M K Sharma (00327684)	✓	✓	✓	✓	✓	✓		100
Vibha Paul Rishi (05180796)	✓	✓	✓	✓	✓	✓		100
R Seshasayee (00047985)	✓	✓		✓	✓	✗		86*
Suresh Narayanan (07246738)	✓	✓	✓	✓	✓	✗		86*
Pallavi Shroff (00013580)	✓	✓	✗		✗			71*

✓ Present ✗ Absent Present through video-conference

*Rounded off to the nearest whole digit

Notes:

1. Shri KBS Anand retired as the Managing Director & CEO of the Company w.e.f. 31st March, 2020.
2. Shri Amit Syngle was appointed as the Managing Director & CEO (Additional Director) effective from 1st April, 2020, subject to approval of the Shareholders at the ensuing Annual General Meeting.
3. The last AGM held on 27th June, 2019, was attended by all members of the Board except, Mrs. Pallavi Shroff, Independent Director.

Flow of information to the Board

The Board has complete access to all Company-related information. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Chairman of the Board and the Company Secretary in consensus determine the Agenda for every meeting along with explanatory notes in consultation with the Managing Director & CEO. The Agenda for the meetings is circulated well in advance to the Directors to ensure that sufficient time is provided to Directors to prepare for the meeting.

With a view to ensure high standards of confidentiality of Agenda and other Board papers and reduce paper consumption, the Company circulates to its Directors, notes for Board/Committee meetings through a web – based application which can be accessed by the Directors through their hand – held devices, browsers and iPads. This application meets high standards of security that are required for storage and transmission of Board / Committee Agenda papers.

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company.

With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information (UPS), is circulated to the Board and its

Committees at a shorter notice before the commencement of the respective meetings on a secure platform.

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. Thereafter, the minutes are entered in the minutes book within 30 (thirty) days of 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, its Committees and the General Meetings of the shareholders of the Company.

The meetings of the Board of Directors are generally held in Mumbai and, if necessary, in locations, where the Company operates. 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.

Meeting of Independent Directors

Schedule IV of the Companies Act, 2013, Listing Regulations and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of non – Independent Directors.

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During the financial year 2019-20, a separate meeting of the Independent Directors which was scheduled to be held on 27th March, 2020 could not be convened on account of the nationwide lockdown and accordingly the meeting was postponed and then held on 8th June, 2020.

The Independent Directors, *inter alia*, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to formal meetings, frequent interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

Non-Executive Directors with materially significant, pecuniary or business relationship with the Company

Except for the sitting fees and commission payable to the Non-Executive Directors annually in accordance with the applicable laws and with the approval of the shareholders, there is no pecuniary or business relationship between the Non-Executive Directors and the Company.

Mrs. Pallavi Shroff, Independent Director of the Company, is the joint – Managing Partner of M/s. Shardul Amarchand Mangaldas & Co., Solicitors & Advocates, which renders professional services to the Company. The quantum of fees paid to M/s. Shardul Amarchand Mangaldas & Co., is an insignificant portion of their total revenue, thus, M/s. Shardul Amarchand Mangaldas & Co.,

is not to be construed to have any material association with the Company.

Board membership

The Company believes that a diverse skill set is required to avoid groupthinking and to arrive at balanced decisions. The Nomination & Remuneration Committee is primarily responsible for formulating the criteria for determining qualifications, positive attributes and independence of a Director. It identifies the persons as potential candidates who are qualified to be appointed as Directors and recommend to the Board their appointment and removal. The Board has sufficient breadth of skills in areas of finance, legal, consulting, operations, IT, marketing, general management, supply chain, technology, etc.

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

Key Board qualifications, expertise and attributes

The Company's core business(es) include manufacturing, distribution and sale of paints & coatings, both architectural and industrial coatings, water-proofing, adhesives, wallpapers, etc., in India and abroad. The Company's Home Improvement Business includes modular kitchens and kitchen accessories, bath fittings, sanitary-ware and other home décor products and accessories. The Company has also launched its foray into the hand sanitisers and surface disinfectants category as an extension to its health & hygiene portfolio.

The following is the list of core skills/expertise/competencies identified by the Board of Directors, based on recommendations of the Nomination & Remuneration Committee, as required in the context of the Company's aforesaid business(es) for it to function effectively along with the names of Directors who have such skills/ expertise/ competence:

Sr. No.	Names of Director(s)	Skill/ Expertise/ competency				
		Sales & Marketing: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry	International Business experience: Experience in leading businesses in different geographies/ markets around the world	General management/ Governance: Strategic thinking, decision making and protect interest of all stakeholders	Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.	Technical, professional skills and knowledge including legal and regulatory aspects
1.	Ashwin Dani	✓	✓	✓	✓	✓
2.	Abhay Vakil	✓	✗	✓	✓	✗
3.	Manish Choksi	✓	✓	✓	✓	✓
4.	Amit Syngle	✓	✗	✓	✓	✓
5.	Malav Dani	✓	✓	✓	✓	✗
6.	Amrita Vakil	✓	✗	✓	✓	✗

Sr. No.	Names of Director(s)	Skill/ Expertise/ competency				
		Sales & Marketing: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry	International Business experience: Experience in leading businesses in different geographies/ markets around the world	General management/ Governance: Strategic thinking, decision making and protect interest of all stakeholders	Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.	Technical, professional skills and knowledge including legal and regulatory aspects
7.	Jigish Choksi	✓	✗	✓	✗	✗
8.	Deepak Satwalekar	✓	✗	✓	✓	✗
9.	S. Sivaram	✗	✗	✓	✗	✓
10.	M. K. Sharma	✓	✓	✓	✓	✓
11.	Vibha Paul Rishi	✓	✓	✓	✓	✗
12.	R Seshasayee	✗	✓	✓	✓	✗
13.	Suresh Narayanan	✓	✓	✓	✓	✗
14.	Pallavi Shroff	✓	✓	✓	✓	✓

Declarations

The Company has received declarations from the Independent Directors that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations. The Independent Directors have also confirmed that they have registered themselves for including their name in the databank of persons offering to become Independent Directors.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and the Companies Act, 2013 and are independent of the management of the Company.

The Company had also issued formal appointment letters to all the Independent Directors at the time of their appointment in the manner provided under the Companies Act, 2013 read with the Rules issued thereunder. A sample letter of appointment/ re-appointment containing the terms and conditions, issued to the Independent Directors, is posted on the Company's website at the following link:

<https://www.asianpaints.com/about-us.html>

Based on intimations/disclosures received from the Directors periodically, none of the Directors of the Company hold memberships/Chairmanships more than the prescribed limits.

Directorship and Membership of Committees and Shareholding of Directors

The details of Directorships, relationship *inter-se*, shareholding in the Company, number of Directorships and Committee Chairmanships/ Memberships held by the Directors of the Company in other public companies as on 31st March, 2020 are as under:

Name of Director(s)	Nature of Directorship	Relationship with each other	Directorship held in other Listed entities along with Category	Directorship in other companies*	Membership and Chairmanship of the Committees of the Board of other companies**		No. of shares held in the Company along with % to the paid up share capital of the Company***
					Chairman	Member	
Ashwin Dani	Non-Executive Chairman/ Promoter	Father of Malav Dani	Non-Executive – Non- Independent Director of Hitech Corporation Limited	3	1	2	11,24,870 (0.12%)
Manish Choksi	Non- Executive Vice Chairman/ Promoter	Cousin of Jigish Choksi	Independent Director of NRB Industrial Bearings Limited	5	1	3	23,81,040 (0.25%)
Abhay Vakil	Non-Executive Director/ Promoter	Uncle of Amrita Vakil	-	4	1	1	2,32,88,200 (2.43%)
KBS Anand^	Managing Director & CEO	§	Independent Director of Tata Chemicals Limited	2	0	0	270 (0%)
Malav Dani	Non-Executive Director/ Promoter	Son of Ashwin Dani	Managing Director of Hitech Corporation Limited	2	0	1	33,05,510 (0.34%)

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Name of Director(s)	Nature of Directorship	Relationship with each other	Directorship held in other Listed entities along with Category	Directorship in other companies*	Membership and Chairmanship of the Committees of the Board of other companies**		No. of shares held in the Company along with % to the paid up share capital of the Company***
					Chairman	Member	
Amrita Vakil	Non-Executive Director/ Promoter	Niece of Abhay Vakil	Non-Executive – Non – Independent Director of Elcid Investments Limited	3	0	0	25,66,680 (0.27%)
Jigish Choksi	Non-Executive Director/ Promoter	Cousin of Manish Choksi	-	1	0	0	19,95,180 (0.21%)
Deepak Satwalekar	Non-Executive Director/ Independent	\$	Independent Director of Piramal Enterprises Limited	3	1	1	Nil
S. Sivaram	Non-Executive Director/ Independent	\$	Independent Director of GMM Pfaunder Limited, Deepak Nitrite Limited, Apcotex Industries Limited and Supreme Petrochem Limited	6	2	2	Nil
M K Sharma	Non-Executive Director/ Independent	\$	Independent Director of Wipro Limited, United Spirits Limited, and Vedanta Limited Non-Executive-Non- Independent Director in Ambuja Cement Limited	6	3	5	Nil
Vibha Paul Rishi	Non-Executive Director/ Independent	\$	Independent Director of Escorts Limited, Tata Chemicals Limited, The Indian Hotels Company Limited and ICICI Prudential Life Insurance Company Limited	7	2	9	Nil
R. Seshasayee	Non-Executive Director/ Independent	\$	-	1	0	1	1496 (0%)
Suresh Narayanan	Non-Executive Director/ Independent	\$	Managing Director of Nestle India Limited	1	0	0	Nil
Pallavi Shroff	Non-Executive Director/ Independent	\$	Independent Director of Apollo Tyres Limited, Trident Limited, InterGlobe Aviation Limited and PVR Limited	5	0	3	Nil

^ Mr. KBS Anand retired as Managing Director & CEO w.e.f. 31st March, 2020. Mr. Amit Syngle was appointed as the Additional Director/ Managing Director & CEO w.e.f. 1st April, 2020.

* 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, membership and chairmanship of 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 Board familiarization program consists of detailed induction for all new Independent Directors when they join the Board of Directors of the Company and ongoing immersion sessions on business strategic, operational and functional matters.

The exhaustive induction for Independent Directors enables them to be familiarized with the Company, its history, values and purpose. The Managing Director & CEO also makes presentations in order to facilitate clear understanding of the business of the Company and the environment in which the Company operates.

In Board meetings, immersion sessions on business strategy, operational and functional matters provide good

insights on the businesses carried on by the Company to the Independent Directors. These sessions also involve interactions with multiple levels of management. To make these sessions more productive, 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 are provided in advance. Further, they are periodically updated on material changes in regulatory framework and its impact on the Company.

The Company also arranges for visits to the Company's Plants to enable them to get firsthand understanding of the processes.

Further, an information pack is handed over to the new Director(s) on the Board, which includes, Company profile,

Company's Codes and Policies, Strategy documents and such other operational information which will enable them to discharge their duties in a better way.

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/more/investors/policies-programs.html>

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulations, which concern the Company and need a closer review. The Chairman of the respective Committee(s) brief the Board about the summary of the discussions held in

AUDIT COMMITTEE

The Audit Committee met 4 (four) times during the financial year 2019-20. 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 2019-20 are detailed below:

Name of Director(s)	Nature of membership	Meeting date(s)			
		1 8 th May, 2019	2 23 rd July, 2019	3 22 nd October, 2019	4 21 st January, 2020
M K Sharma	Chairman	✓	✓	✓	✓
R Seshasayee	Member	✓	✓	✓	✓
Abhay Vakil	Member	✓	✓	✓	✓
Suresh Narayanan	Member	✓	✓	✓	✓

✓ Present

Mr. R J Jeyamurugan acts as Secretary to 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 relevant experience in financial management.

In addition to the quarterly meetings for consideration of financial results, the Committee meets twice a year to exclusively review the related party transactions and the key internal audit observations. The meetings of the Audit Committee are also attended by the Managing Director & CEO, Statutory and Internal Auditors and CFO & Company Secretary.

The terms of reference of the Audit Committee are formulated in accordance with the regulatory requirements mandated by the Companies Act and Listing Regulations.

the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as and when appropriate.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The terms of reference of the Committees are in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder.

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 Audit Committee is, *inter alia*, entrusted with the following responsibilities by the Board of Directors of the Company:

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;

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- 5. Recommending the appointment, remuneration, terms of appointment and scope of Statutory Auditors of the Company and approval for payment towards any other service;
- 6. Reviewing and monitoring the auditor’s independence and performance and effectiveness of audit process;
- 7. Reviewing the adequacy of internal audit function and discussing with the internal auditors on the significant findings and further course adopted;
- 8. Reviewing, approving or subsequent modifying transactions of the Company with related parties; and
- 9. Review compliance with provisions of Securities Exchange Board of India (Prevention of Insider Trading) Regulation, 2015 (including any amendment or modification from time to time) at least once in a financial year and shall verify that the systems for internal controls for ensuring compliance to these Regulations, are adequate and are operating effectively.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors of the Company met 4 times during the financial year 2019-20 to discuss and deliberate on various matters. The composition of the Nomination and Remuneration Committee along with the details of the meetings held and attended by the members of the Committee during the financial year 2019- 20 is detailed below:

Name of Director(s)	Nature of membership	Meeting date(s)			
		1	2	3	4
		26 th April, 2019	10 th October, 2019	21 st January, 2020	24 th March, 2020
Deepak Satwalekar	Chairman	✓	✓	✓	📺
M. K. Sharma	Member	✓	✗	✓	✗
Manish Choksi	Member	✓	✓	✓	📺

✓ Present ✗ Absent 📺 Present through video-conference

Mr. R J Jeyamurugan acts as secretary to the Committee.

The Nomination and Remuneration Committee is, inter alia, entrusted with the following responsibility by the Board of Directors of the Company:

- 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 of the Board and review the terms of appointment of Independent Directors on the basis of the report of performance evaluation of the Independent Directors;
- 6. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company;
- 7. Recommend to the Board all remuneration, in whatever form, payable to senior management; and
- 8. Undertake any other matters as the Board may decide from time to time.

SUCCESSION PLANNING

The Company believes that sound succession plans for the Board members and senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee and the Board, as part of the succession planning exercise, periodically review the composition of the Board to ensure that the same is closely aligned with the strategy and long-term needs of the Company. The Nomination & Remuneration Committee plays a pivotal role in identifying successors to the members of the Senior Management.

As mentioned earlier in the Report, in addition to identifying Mr. Amit Syngle as the successor to Mr. KBS Anand as the Managing Director & CEO, the Nomination & Remuneration Committee played a pivotal role in identifying the successor to the CFO & Company Secretary of the Company.

Mr. Jayesh Merchant retired as the CFO & Company Secretary, President – Industrial JVs of the Company. Mr. R J Jeyamurugan, then Vice President – Finance & Compliance Officer, was identified as his successor.

NOMINATION AND REMUNERATION POLICY

The Nomination & Remuneration Policy of the Company, *inter alia*, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Companies Act, 2013 and Listing Regulations. As required under the Listing Regulations effective 1st April, 2019, the Nomination and Remuneration Committee will recommend to the Board the payment of remuneration to the senior management.

In accordance with the Policy, the responsibilities of Nomination and Remuneration Committee, *inter alia*, include:

- a. Formulation of criteria and its review on an ongoing basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director, based on the qualities, including independence for Independent Directors, and such expertise which may be beneficial for the Company and essential for it to operate in changing business environment. Identification of persons as potential candidates, who are qualified to be appointed as Directors and recommend their re – appointment, if any, to the Board after taking into consideration the performance of a Director.
- b. The Nomination & Remuneration Committee, *inter alia*, has been entrusted with the responsibility of evaluating the performance of every Director, Committees of the Board and the Board. The Committee also evaluates the performance of Managing Director against the Key Performance Indicators set at the beginning of the financial year.
- c. Remuneration of Directors, Senior Management and other employees:
 - i. Compensation to Managing Director or Executive Director: The Committee shall approve compensation package of the Managing Director or Executive Director(s). The Committee ensures that the compensation packages are in accordance with applicable law, in line with the Company’s objectives, shareholders’ interests, with industry standards and have an adequate balance between fixed and variable component, subject to approval of the Board.
 - ii. Compensation to Senior Management: The Nomination & Remuneration Committee shall review performance of the senior management of the Company (which includes Key Managerial

Personnel), as presented by the Managing Director & CEO. The Committee shall ensure that the remuneration to the Senior Management 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.

- iii. Remuneration to Non-Executive Directors: The Nomination & Remuneration Committee shall recommend to the Board for its approval, commission payable to the Non-Executive Directors, including Independent Directors, after reviewing payments made by similar sized, successful companies. The Nomination and Remuneration Committee considers and recommends commission payable to Directors after taking into account their contribution to the decision making at meetings of the Board/ Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of Corporate Governance and Board effectiveness.
- iv. Remuneration to other employees: Focus on productivity and pay for performance have been the cornerstone of the Company’s overall remuneration policy. The Company regularly benchmarks the compensation levels and employee benefits in the market and makes necessary changes to remain consistent with the industry standards. The Committee shall review the Company’s policy on performance management and rewards for employees from time to time. The remuneration structure of employees is designed on principles of fairness, transparency and internal and external parity and involves an optimum balance of fixed and variable components.

The Nomination and Remuneration Policy of the Company has been uploaded on the Company’s website and can be accessed at:

<https://www.asianpaints.com/more/investors/policies-programs.html>

Details of remuneration paid to Directors during the financial year 2019-20:

The shareholders of the Company at their Annual General Meeting held on 26th June, 2014, approved a sum of not exceeding 1% of the net profits of the Company, per annum calculated in accordance with Section 198 of Companies Act, 2013, to be paid to Non – Executive Directors in a manner as decided by the Board.

Report on Corporate Governance (Contd.)

All the Non-Executive Directors of the Company are paid ₹ 50,000 (Rupees fifty thousand only) as sittings fees for attending meetings of the Board/Audit Committee and ₹ 30,000 (Rupees thirty thousand only) for attending meetings of other Committees except Shareholders Committee for which no sitting fees is paid. Independent Directors are paid ₹ 30,000 (Rupees thirty thousand only) for the separate meeting of Independent Directors.

Given the current COVID-19 situation, resultant impact on the business operations and considering the nominal increase in remuneration payable to all employees of the Company, the Board of Directors being concerned and empathetic about the situation, at their meeting held on 23rd June, 2020, decided to take a cut of 10% in the commission payable to the Non-Executive Directors for the FY 2019-20 vis-a-vis the base commission considered for the FY 2018-19.

Details of the remuneration of the Directors of the Company for the financial year 2019-20 are as follows:

Name of the Director(s)	Basic Salary	Perquisites	Sitting Fees	Commission	Amount in ₹
					Total
Ashwin Dani	-	7,35,000 [#]	3,50,000	32,40,000	43,25,000
Manish Choksi	-	-	4,70,000	28,80,000	33,50,000
Abhay Vakil	-	7,20,000 [#]	5,50,000	25,20,000	37,90,000
KBS Anand*	3,32,29,356	10,65,90,874 [^]	-	6,79,00,000	20,77,20,230
Malav Dani	-	-	3,80,000	27,00,000	30,80,000
Amrita Vakil	-	-	4,10,000	25,20,000	29,30,000
Jigish Choksi	-	-	3,80,000	25,20,000	29,00,000
Deepak Satwalekar	-	-	4,70,000	28,80,000	33,50,000
S. Sivaram	-	-	3,10,000	27,00,000	30,10,000
M K Sharma	-	-	6,10,000	30,60,000	36,70,000
Vibha Paul Rishi	-	-	3,80,000	25,20,000	29,00,000
R Seshasayee	-	-	5,30,000	27,00,000	32,30,000
Suresh Narayanan	-	-	5,00,000	25,20,000	30,20,000
Pallavi Shroff	-	-	2,80,000	25,20,000	28,00,000

Notes:

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

* Mr. KBS Anand retired as the Managing Director & CEO of the Company w.e.f. 31st March, 2020.

[#] 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.

[^] Represents retiral benefits like gratuity and leave encashment as per the agreement entered in his capacity as an Executive Director which ended on 31st March, 2020.

PERFORMANCE EVALUATION

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees.

The Company has a structured assessment process for evaluation of performance of the Board, Committees of the Board and individual performance of each Director including the Chairman.

The Independent Directors at their separate meeting reviewed the performance of: Non-Independent Directors and the Board as a whole, Chairperson of the Company after taking into account the views of Executive Directors and Non-Executive Directors, 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.

During the year under review, surveys were undertaken for evaluation of performance of Directors, Board as a whole and Committees of the Board. Based on the inputs received from the Directors, an action plan is being drawn up in consultation with the Chairman of the NRC and a separate meeting of the Board would be held to discuss and draw up a plan of action.

Board and Individual Directors

The parameters for performance evaluation of Board includes composition of Board, process for appointment to the Board, succession planning, handling critical and dissenting suggestions, attention to Company's long term strategy, evaluation of the governance levels of the Company, quality of discussions at the meeting, etc.

The parameters of the performance evaluation process for Directors, *inter alia*, includes, effective participation in meetings of the Board, understanding of the roles and responsibilities, domain knowledge, attendance of Director(s), etc. Independent Directors were evaluated by the entire Board with respect to fulfillment of independence criteria as specified in the Listing Regulations and Companies Act, 2013 and their Independence from the Management. Additional criteria for evaluation of Chairman of the Board includes ability to co-ordinate Board discussions, steering the meeting effectively, seeking views and dealing with dissent, etc.

The outcome of surveys and feedback from Directors was discussed at the respective meetings of Board and Committees of Board.

Managing Director & CEO

The Nomination & Remuneration Committee evaluates the performance of the Managing Director & CEO by setting his Key Performance Objectives at the beginning of each financial year. The Committee ensures that his Key Performance Objectives are aligned with the immediate and long-term goals of the Company. The performance of Managing Director vis-à-vis the Performance Objectives/ Parameters set at the beginning of the financial year are also reviewed by the Committee during the year.

Committees of the Board

The performance evaluation of committee’s included aspects like degree of fulfillment of key responsibilities as outlined by the charter, adequacy of committee composition, effectiveness of discussions at the Committee meetings, quality of deliberations at the meetings and information provided to the Committee’s.

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

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 2019-20 is detailed below:

Name of Director(s)	Nature of membership	Meeting date 21st October, 2019
R Seshasayee	Chairman	✓
K.B.S Anand	Member	✓
Amrita Vakil	Member	✓
Jigish Choksi	Member	✓
Amit Syngle*	Member	NA

✓ Present

Mr. R J Jeyamurugan acts as secretary to the Committee.

* Consequent to the retirement of Mr. KBS Anand as the Managing Director and CEO of the Company effective from 31st March, 2020, Mr. Amit Syngle has been inducted as a member of the Committee effective from 1st April, 2020.

Mr. R. J. Jeyamurugan, CFO & Company Secretary, is the Compliance Officer in accordance with Regulation 6 of Listing Regulations. Mr. Jeyamurugan is a qualified Company Secretary & Chartered Accountant.

The terms of reference of the Stakeholders Relationship Committee, as approved by the Board and amended from time to time, includes the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

Details relating to the number of complaints received and redressed during the financial year 2019-20 as on 31st March, 2020 are as under:

Nature of Complaints	Number of complaints received	Number of complaints redressed	Number of pending complaints
Non-Receipt of Dividend	8	8	0
Non-Receipt of Annual Report	1	1	0
Dematerialization of securities	1	1	0
Others	20	19	1
Total	30	29	1

Note:

Nature of complaints in the category “Others” includes updation of change in signature and address, transfer of shares, non-receipt of split shares, transmission of shares and issue of duplicate shares.

M/s. TSR Darashaw Consultants Private Limited (TSR), is the Registrar & Transfer Agent of the Company. The management on an on-going basis engages with TSR in order to address the requests received from the shareholders, resolving their grievances, etc.

Report on Corporate Governance (Contd.)

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 2019-20 is detailed below:

Name of Director(s)	Nature of membership	Meeting date
		2nd August, 2019
Malav Dani	Chairman	✓
K.B.S Anand	Member	✓
Vibha Paul Rishi	Member	✓
Amrita Vakil	Member	✓
Amit Syngle*	Member	NA

✓ Present

Mr. R J Jeyamurugan acts as secretary to the Committee.

* Consequent to retirement of Mr. KBS Anand as Managing Director and CEO of the Company effective from 31st March, 2020, Mr. Amit Syngle has been inducted as a member of the Committee effective from 1st April, 2020.

The meetings of the CSR Committee are also attended by members of the CSR Council of the Company as invitees.

The terms of reference of CSR Committee as approved by the Board and amended from time to time, includes the following:

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. The CSR Policy of the Company has been uploaded on the Company's website and can be accessed at: <https://www.asianpaints.com/more/about-us.html>

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 2019-20 is detailed below:

Name of Director(s)	Nature of membership	Meeting details	
		Held	Attended
Abhay Vakil	Chairman	12	11
Ashwin Dani	Member	12	12
Manish Choksi	Member	12	11
K. B. S. Anand	Member	12	12
Jayesh Merchant*	Member	12	8
R J Jeyamurugan*	Member	12	2
Amit Syngle#	Member	NA	NA

Mr. R J Jeyamurugan also acts as a Secretary to the Committee.

* Mr. Jayesh Merchant ceased to be a member of the Committee on 26th November, 2019 consequent to his retirement as the CFO and Company Secretary of the Company. Mr. R J Jeyamurugan was inducted as a member in the Committee effective from 27th November, 2019.

Consequent to retirement of Mr. KBS Anand as Managing Director and CEO of the Company effective from 31st March, 2020, Mr. Amit Syngle has been inducted as a member of the Committee effective from 1st April, 2020.

The terms of reference of the Shareholders Committee, as approved by the Board and amended from time to time, includes the following:

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 of the Company have delegated the authority to approve the transfer, transmission, dematerialization of shares etc., to any two members, jointly, of the Shareholders Committee including the Company Secretary.

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 2019-20 is detailed below:

Name of Director(s)	Nature of membership	Meeting date(s)	
		1	2
		28 th August, 2019	14 th February, 2020
Dr. S. Sivaram	Chairman	✓	✓
K B S Anand*	Member	✓	✓
Pallavi Shroff	Member	✗	📺
Amit Syngle*	Member	✓	✗
Amit Kumar Baveja	Member	✓	NA
P. Sriram	Member	NA	✓

✓ Present ✗ Absent 📺 Present through video conferencing

Mr. R J Jeyamurugan acts as secretary to the Committee.

* Consequent to retirement of Mr. KBS Anand as the Managing Director & CEO of the Company effective from 31st March, 2020, he ceased to be a member of the Committee. Mr. Amit Syngle would continue as a Member of the Risk Management Committee in the capacity of Managing Director & CEO.

Mr. P Sriram was appointed as a member of the Committee on 22nd January, 2020 in place of Mr. Amit Kumar Baveja.

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, as approved by the Board and amended from time to time, includes the following:

1. framing a risk management policy;
2. identify Company's risk appetite set for various elements of risk;

GENERAL BODY MEETINGS

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

Financial year(s)	Date	Time	Location	No. of Special resolutions set out at the AGM
2018-19	27 th June, 2019	11.00 a.m.	Patkar Hall, Nathibai Thackersay Road, New Marine Lines, Mumbai - 400020	Nil
2017-18	26 th June, 2018	11.00 a.m.	Yashwantrao Chavan Pratisthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai- 400 021	
2016-17	27 th June, 2017	11.00 a.m.	Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020	

No Special Resolution was passed through Postal Ballot during financial year 2019-20. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

3. review the risk management practices and structures and recommend changes to ensure their adequacy including but not limited to cyber security and related risks;
4. approve and review the risk treatment plans put in place by management; and
5. ensure adequacy of risk management practices in the Company.

The Risk Management Policy formulated by the Risk Management Committee, 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 framework with respect to Risk Management and the Internal Financial Controls comprehensively address the key strategic/business risks, information technology, financial, cyber security risks and operational risks respectively.

CEO/CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2019-20 signed by Mr. Amit Syngle, Managing Director & CEO and Mr. R J Jeyamurugan, CFO & Company Secretary, was placed before the Board of Directors of the Company at their meeting held on 23rd June, 2020 and is annexed to this Report as Annexure 'B'.

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 as Annexure 'C'.

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.

Report on Corporate Governance (Contd.)

2. Related Party Transactions

All transaction entered into by the Company with related parties, during the financial year 2019 – 20, 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 relevant provisions of Listing Regulations.

The Company has formulated a framework for Related Party Transactions which is followed for identifying, entering into and monitoring related party transactions. The deviations, if any, to the said process have been brought to the attention of Audit Committee suitably.

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 Audit Committee, during the financial year 2019-20, has approved Related Party Transactions along with granting omnibus approval in line with the Policy on dealing with and materiality of Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The policy on dealing with and materiality of Related Party Transactions has been placed on the Company’s website and can be accessed at the following link:

<https://www.asianpaints.com/more/investors/policies-programs.html>

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

The details of remuneration paid to the employees of the Company, who are relatives of directors, as on 31st March, 2020 is as under:

Name of the employee	Nature of relationship with Director(s)	Remuneration (₹)
Varun Vakil	Relative of Amrita Vakil	54,03,921.96

In terms, of Section 177 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations, 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 is at arm’s length and in ordinary course of business of the Company.

3. Vigil Mechanism and Whistle Blower Policy:

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, 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.

The scope of the vigil mechanism enables employees, Directors and other stakeholders to report on any cases of leakage of unpublished price sensitive information and consequent non-compliance with SEBI (Prohibition of Insider Trading Regulations) Regulations, 2015 (‘Prohibition of Insider Trading Regulations’). In accordance with the Policy, an Ethics Committee has been constituted comprising of the Managing Director & CEO, the CFO & 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.

Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy.

No personnel were denied access to the Audit Committee of the Company with regards to the above.

4. In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s), Promoter(s) and Employees

including Senior Management Personnel 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 SEBI on matters relating to Capital Markets. There were no penalties imposed or strictures passed against the Company by SEBI, stock exchange(s) on which the shares of the Company are listed or any statutory authority 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

- (i) The Non-Executive Chairman of the Company has been provided with a Chairman's Office at the Registered Office of the Company.
- (ii) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
- (iii) 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. The soft copy of quarterly results is also sent to the shareholders who have registered their email addresses with the Company. The Company discusses with the Institutional Investors and Equity Analysts on the Company's performance on a periodic basis and presentations, if any, made during such meetings and calls are also available on the website of the Company.
- (iv) 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.
- (v) The Chief Internal Auditor reports to the Audit Committee of the Company. 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 subsidiary Company in terms of Regulation 16 of the Listing Regulations. The synopsis of the minutes of the Board meetings of the subsidiary companies are placed at the Board meeting of the Company on quarterly basis. 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 at the following link:

<https://www.asianpaints.com/more/investors/policies-programs.html>

8. Website

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website (<https://www.asianpaints.com>). There is a separate section on 'Investors' on the website of the Company containing details relating to the financial results declared by the Company, annual reports, presentations made by the Company to investors, press releases, shareholding patterns and such other material information which is relevant to shareholders.

9. Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations

The Company has not raised funds through preferential allotment or Qualified Institutional Placement.

10. Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued

Report on Corporate Governance (Contd.)

thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

The Company has engaged the services of Dr. K R Chandratre (CP No. 5144), Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification.

The Company is publishing the said Secretarial Compliance Report, on voluntary basis and the same has been annexed as Annexure (C-2) to the Board's Report forming part of this Annual Report.

11. Certificate from Practicing Company Secretary

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Makarand Joshi, (CP No. 3662) and Ms. Kumudini Bhalerao, (CP No. 6690), Partners of M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 23rd June, 2020 and is set out as Annexure 'A' to this Report.

12. Total fees paid to Statutory Auditors of the Company

Total fees of ₹ 3,63,77,262 (Rupees three crores sixty three lakhs seventy seven thousand two hundred and sixty two) for financial year 2019-20, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

13. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is

aimed at providing every woman at the workplace a safe, secure and dignified work environment.

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2019-20 are as under:

- a. Number of complaints filed during the financial year: 2
- b. Number of complaints disposed of during the financial year: 2
- c. Number of complaints pending as on end of the financial year: Nil

14. Code of Conduct

The Company has adopted a Code of Conduct for all employees and for members of the Board and Senior Management Personnel. The Company through its Code of Conduct provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders, and to avoid practices like bribery, corruption and anti – competitive practices. Employees are mandated to undergo video based training modules and case studies embodying real – life examples upon joining the organization as a part of their induction and annually as a part of periodic refresher trainings for all employees.

All members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board and Senior Management for the financial year 2019-20. The declaration to this effect signed by Mr. Amit Syngle, Managing Director & CEO of the Company is annexed to this report as Annexure 'B'.

The Code of Conduct for employees and the Board and Senior Management has clear policy and guidelines for avoiding and disclosing actual or potential conflict of interest with the Company, if any.

15. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Prevention of Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider

Trading Regulations). In accordance with the SEBI Insider Trading Regulations, the Company has established systems and procedures to prohibit insider trading activity.

The Prevention of Insider Trading Code was suitably amended to incorporate the amendments carried out by SEBI to SEBI Insider Trading Regulations.

The declarations and disclosures to be received from the designated persons (except Directors, Promoter(s) and Promoter(s) group) are automated. The Company has a portal under which disclosure/ declarations/ undertakings are given by designated persons as required under Insider Trading Code. The digital database as required under SEBI Insider Trading Regulations is also maintained on the said portal.

The Compliance Officer and the management conducted several trainings and workshops with the Designated Person(s) to create awareness on various aspects of the Prevention of Insider Trading Code and the SEBI Insider Trading Regulations and to ensure that the internal controls are adequate and effective to ensure compliance. A digital campaign was also conducted during the year which aimed at sensitizing the Designated Persons on the various aspects of the Prevention of Insider Trading Code through relatable, conversational and pictorial graphics & videos.

These initiatives have created substantial awareness amongst the Designated Persons.

The Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations to the Board w.r.t. action taken against such defaulters. The said non-compliances are promptly intimated to SEBI in the prescribed format.

The Board have also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the SEBI Insider Trading Regulations.

The Prevention of Insider Trading Code and Code of Fair Disclosure and Conduct have been uploaded on website of the Company and can be accessed through the following link:

<https://www.asianpaints.com/more/investors/policies-programs.html>

16. None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation

along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

MEANS OF COMMUNICATION

The Company promptly discloses information on material corporate developments and other events as required under Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purposes, it provides multiple channels of communications through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

a. Publication of financial results

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

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, 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 (<https://www.asianpaints.com>). Quarterly Compliance Reports and other relevant information of interest to the Investors are also placed under the Investors Section on the Company's website.

c. Analysts presentations

The presentations on performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges.

The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director & CEO, CFO & Company Secretary and other members of the management.

Report on Corporate Governance (Contd.)

d. Stock Exchange

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. The Managing Director & CEO and the CFO & Company Secretary are empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges. The Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

e. 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. Further, in compliance with the provisions of Listing Regulations, the disclosures made to the stock exchanges, to the extent possible, are in a format that allows users to find relevant information easily through a searching tool.

f. Reminders to Investors

Reminders are, *inter alia*, sent to shareholders for registering their email ids, claiming returned undelivered share certificates and unclaimed dividend and transfer of shares thereto.



General Shareholder Information

1. CORPORATE IDENTIFICATION NUMBER	L24220MH1945PLC004598
2. REGISTERED OFFICE	Asian Paints Limited 6A, Shantinagar Santacruz (E) Mumbai – 400 055
3. ANNUAL GENERAL MEETING (AGM)	
Date	Wednesday, 5 th August, 2020
Time	2.00 p.m. IST
Venue	The Company is conducting meeting through Video Conference / Other Audio Visual Means pursuant to the MCA Circular dated 5 th May, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
4. DATES OF BOOK CLOSURE	Saturday, 25 th July, 2020 to Wednesday 5 th August, 2020 (both days inclusive)
5. FINANCIAL CALENDAR	
Financial Year	1 st April to 31 st March
Tentative schedule for declaration of financial results during the financial year 2020-21	
Quarter ending 30 th June, 2020	24 th July, 2020
Quarter ending 30 th September, 2020	22 nd October, 2020
Quarter ending 31 st December, 2020	21 st January, 2021
Quarter and financial year ending 31 st March, 2021	11 th May, 2021
6. LISTING DETAILS	
Name of Stock Exchange(s) & Stock Code(s)	Address
BSE Limited (BSE) – 500820	BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
National Stock Exchange of India Limited (NSE) – ASIANPAINT	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
ISIN for Depositories	INE021A01026
The Company has paid listing fees to BSE and NSE for the financial year ended 31 st March, 2020.	

General Shareholder Information (Contd.)

7. THE DETAILS OF THE 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)
2014-15	610	6.1	585.1
2015-16	750	7.5	719.4
2016-17	1030	10.3	988
2017-18	870	8.7	834.5
2018-19	1050	10.50	1007.16
2019-20 (interim)	1050	10.50	1007.16

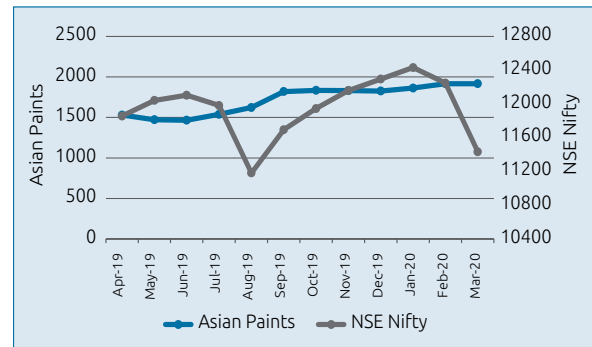
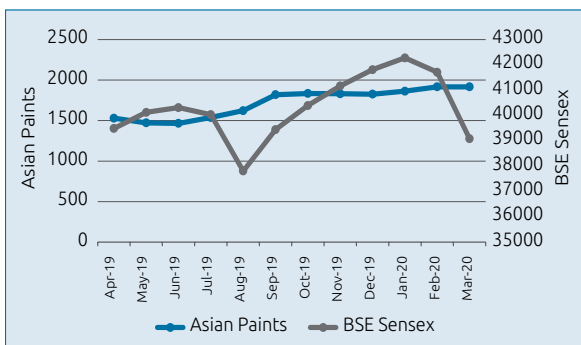
8. MARKET PRICE DATA – THE MONTHLY HIGH AND LOW PRICES OF THE COMPANY’S SHARES AT BSE AND NSE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020 ARE AS FOLLOWS

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2019	1,529.95	1,405.00	1,529.85	1,405.35
May, 2019	1,471.90	1,294.50	1,472.90	1,295.85
June, 2019	1,464.90	1,350.00	1,464.95	1,350.10
July, 2019	1,538.35	1,291.45	1,538.25	1,291.25
August, 2019	1,621.95	1,494.30	1,622.50	1,493.65
September, 2019	1,819.55	1,501.25	1,820.00	1,502.10
October, 2019	1,833.65	1,717.55	1,834.80	1,717.10
November, 2019	1,830.50	1,666.00	1,830.90	1,666.15
December, 2019	1,825.90	1,698.10	1,826.00	1,698.35
January, 2020	1,861.95	1,694.00	1,862.25	1,694.00
February, 2020	1,915.65	1,747.80	1,916.70	1,747.00
March, 2020	1,915.90	1,431.85	1,915.90	1,431.20

Source: BSE & NSE website.

9. STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES

The Chart below shows the comparison of the Company’s monthly share price movement on the BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31st March, 2020 (based on the month end closing):



10. IN CASE THE SECURITIES OF THE COMPANY ARE SUSPENDED FROM TRADING, THE REASONS THEREOF

Not applicable

11. IMPACT OF LOCKDOWN ON SHARE RELATED OPERATIONS

The Ministry of Home Affairs issued various guidelines, vide its Order dated 24th March, 2020, laying down measures to be taken by ministries and the other departments of Government of India for containment of COVID – 19 pandemic. The Order, *inter alia*, provided that commercial and private establishments shall be closed, but the entities providing capital and debt market services as notified by SEBI shall be exempted from such closure.

SEBI in line with the said Order of the Ministry of Home Affairs with respect to lockdown restrictions, issued a Notification dated 24th March, 2020, allowing entities providing capital and debt market services, including Registrar and Share Transfer Agents (RTA) to operate during the period of lockdown with restrictions.

The office of the Company’s RTA, TSR Darashaw Consultants Private Limited, is situated in Mumbai. The lockdown restrictions imposed by the Government of India to counter the spread of COVID – 19 pandemic and other restrictive measures taken by the State Government on use of public transport, on operations of the postal services as well as their office area being demarcated as a red zone, from time to time, allowed for only critical business operations and largely impacted its regular operations.

SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59 dated 13th April, 2020, extended the timelines for processing of various investor requests pertaining to physical securities and compliance & disclosures to be made under SEBI Regulations and various SEBI circulars. The relaxation was being given to intermediaries / market participants, including Registrar and share Transfer Agent for equivalent period of lock down declared by the Government of India, over and above the prescribed time limits.

Accordingly, all the request(s) received from the shareholders and pending with the Company or its Registrar and Share Transfer Agent would be addressed in accordance with the timelines/relaxations as provided by the Statutory Authorities.

12. SHARE TRANSFER SYSTEM

Pursuant to an Order passed by the National Company Law Tribunal, Mumbai, and approval of Securities and Exchange Board of India, the Registry business of TSR Darashaw Limited had been demerged into a new entity TSR Darashaw Consultants Private Limited w.e.f. 28th May, 2019.

TSR Darashaw Consultants Private Limited is the Company’s RTA. Share transfers, dematerialisation of shares, dividend payment and all other investor related matters are attended to and processed by our RTA.

The Securities and Exchange Board of India has mandated transfer of securities only in dematerialized form with effect from 1st April, 2019, barring certain instances.

The shares lodged for transfer, transmission, etc. are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects. The Board of Directors of the Company have delegated the authority to approve the transfer, transmission, dematerialization of shares etc., to any two members, jointly, of the Shareholders Committee of the Company including the Company Secretary. A summary of approved transfers, transmissions, dematerialization of shares, etc. is placed before the Board of Directors from time to time as per the Listing Regulations.

Transactions involving issue of share certificates, namely, issuance of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates etc. are approved by the Shareholders’ Committee.

13. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 124 and 125 of the Companies Act, 2013 (Act) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (IEPF Rules), dividend, if not claimed for a period of seven (7) years from the date of transfer to Unclaimed Dividend Account on the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF).

Further, according to the IEPF Rules, all the shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more from the respective date of transfer to Unpaid Dividend Account 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 any transfer of the shares.

During the year under review, the Company had sent individual notices and has issued advertisements in the newspapers, requesting the shareholders to claim their dividends in order to avoid transfer of shares / dividend to the IEPF. Details of the unclaimed dividend and shareholders whose shares are liable to be transferred to the IEPF Authority are available on the website of the Company at:

<https://www.asianpaints.com/more/investors/unclaimed-dividend.html>

The details of the unclaimed dividend and shares transferred to IEPF during the financial year 2019 – 20 are as follows:

Particulars	Amount of unclaimed dividend transferred (in ₹)	No of shares transferred
Final Dividend 2011-12	74,88,881	63,080
Interim Dividend 2012-13	25,78,112	21,150
Total	1,00,66,993	84,230

During the financial year 2020–21, the Company would be transferring unclaimed final dividend amount for the financial year ended 31st March, 2013 on or before 29th August, 2020, and unclaimed interim dividend amount for the financial year ended 31st March, 2014 on or before 26th December, 2020, to IEPF.

The members who have a claim on the dividends and shares transferred to the IEPF Authority may claim the same by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

Appointment of Nodal and Deputy Nodal Officer(s)

In terms of IEPF Rules, the Company which is required to credit amounts or shares to the fund or has deposited the amount or transferred the shares

General Shareholder Information (Contd.)

to the Fund shall nominate a Nodal Officer, who shall either be a Director or Chief financial Officer or Company Secretary of the Company, for the purposes of verification of claims and coordination with IEPF Authority.

Companies are also authorized to appoint one or more Officer as Deputy Nodal Officer to assist the Nodal Officer for the purposes of verification of claim and for co-ordination with IEPF Authority.

In accordance with IEPF Rules, the Board of Directors have appointed Mr. R J Jeyamurugan, CFO and Company Secretary of the Company, as the Nodal Officer and Mrs. Radhika Shah, Chief Manager – Secretarial & Legal is the Deputy Nodal Officer.

Details of the Nodal Officer for the purpose of co-ordination with the IEPF Authority are available at the website of the Company at

<https://www.asianpaints.com/more/investors.html>.

14. DIVIDEND

Dividend details	Payment date
1 st Interim Dividend for FY 2019-20 of ₹ 3.35 per equity share declared on 22 nd October, 2019	2 nd November, 2019
2 nd Interim Dividend for FY 2019-20 of ₹ 7.15 per equity share declared on 25 th February, 2020	6 th March, 2020

Dividend details	Payment date
Final Dividend for FY 2019-20 of ₹ 1.5 per equity share recommended by the Board of Directors at its meeting held on 23 rd June, 2020	6 th August, 2020 (Subject to approval of the shareholders)

The Company provides the facility for remittance of dividend to members through DC (Direct credit) / NACH (National Automated Clearing House) / NEFT (National Electronic Funds Transfer).

Members who have not opted for remittance of dividend through electronic mode and wish to avail the same are required to provide their bank details, including IFSC (Indian Financial System Code) and MICR (Magnetic Ink Character Recognition), to their respective Depository Participants (DPs) for shares held in electronic form or to the Company's RTA for shares held in physical form, as the case may be, in order to ensure safe and speedy credit of their dividend into their Bank account.

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Further details in this regard have been made available in the Notice for the Company's 74th Annual General Meeting forming part of this Annual Report.

Details of Unclaimed Dividend

The details of the outstanding unclaimed dividend and corresponding due dates for transfer to IEPF as on 31st March, 2020 are as under:

Sr. No.	Particulars of Dividend	Amount (in ₹)	Due dates for transfer to IEPF
1.	Final Dividend 2012-2013	1,01,35,381.00	29 th August, 2020
2.	Interim Dividend 2013-2014	37,28,719.00	26 th December, 2020
3.	Final Dividend 2013-2014	95,14,349.00	30 th August, 2021
4.	Interim Dividend 2014-2015	53,98,476.00	22 nd November, 2021
5.	Final Dividend 2014-2015	1,21,76,129.00	7 th September, 2022
6.	Interim Dividend 2015-2016	59,30,912.00	27 th December, 2022
7.	Final Dividend 2015-2016	2,27,35,246.80	2 nd September, 2023
8.	Interim Dividend 2016-2017	1,27,94,423.10	30 th December, 2023
9.	Final Dividend 2016-2017	3,41,45,293.05	2 nd September, 2024
10.	Interim Dividend 2017-18	1,19,19,382.00	28 th December, 2024
11.	Final Dividend 2017-18	2,44,44,468.40	1 st September, 2025
12.	Interim Dividend 2018-19	1,07,77,779.73	26 th December, 2025
13.	Final Dividend 2018-19	2,99,81,841.75	31 st August, 2026
14.	1 st Interim Dividend 2019-20	1,19,36,975.65	26 th December, 2026
15.	2 nd Interim Dividend 2019-20	1,90,85,916.85	30 th April, 2027

15. DISCLOSURE IN RESPECT OF EQUITY SHARES TRANSFERRED TO THE 'ASIAN PAINTS LIMITED – UNCLAIMED SUSPENSE ACCOUNT' IS AS UNDER

In accordance with the requirements of Regulations 34, 39 read with Schedule V(F) of Listing Regulations details of equity shares in Asian Paints Limited - Unclaimed Suspense Account are as follows:

	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, 2019	460	700,180
Less	Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	22	44,880
Less	Number of shareholders whose shares got transferred from suspense account to IEPF during the year	49	32,880
Closing Balance	Aggregate number of shareholders and outstanding shares lying in the suspense account as on 31 st March, 2020	389	622,420

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

The shareholders holding shares in physical form are requested to dematerialize their shares for safeguarding their holdings and managing the same hassle free. Shareholders are accordingly requested to get in touch with any of the Depository Participant(s) registered with SEBI to open a Demat account. The shareholders may also visit website of depositories viz. National Securities Depository Limited or Central Depository Services (India) Limited for further understanding of the demat procedure.

16. DEMATERIALIZATION OF SHARES

Break up of shares in physical and demat form as on 31st March, 2020 is as follows:

Particulars	No. of Shares	% of Total No. of Shares
Physical Segment	7,725,758	0.81
Demat Segment	951,472,032	99.19
NSDL	928,221,771	96.77
CDSL	23,250,261	2.42
Total	959,197,790	100

The Company in terms of SEBI Press Release dated 27th March, 2019, is accepting only those request(s) for physical transfer of shares, which were lodged and returned prior to the deadline of 1st April, 2019 due to deficiency in document(s).

17. DISTRIBUTION OF SHAREHOLDING

Distribution of shareholding of shares of the Company as on 31st March, 2020 is as follows:

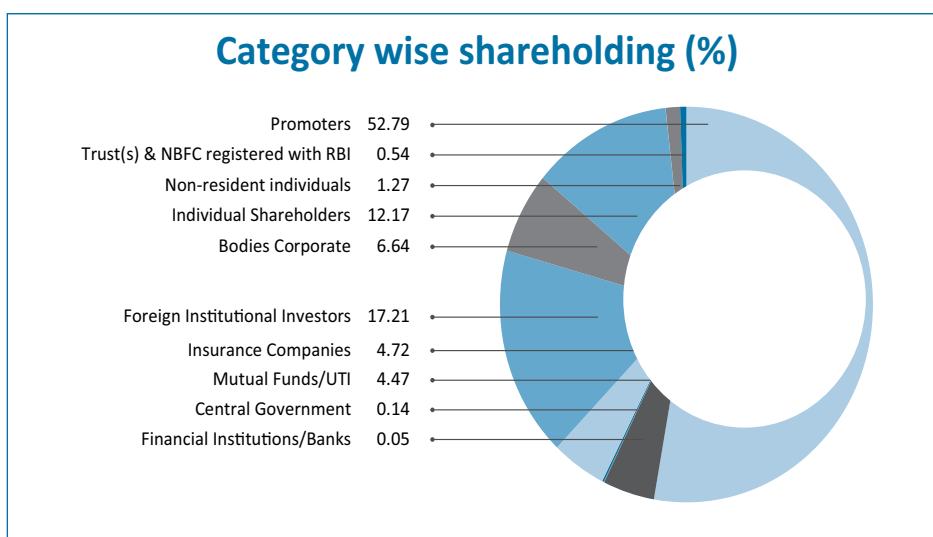
No. of equity shares	Shareholders		Shareholding	
	No.	% to total	No.	% to total
Upto 50	205,902	65.23	3,064,597	0.32
51	40,214	12.74	3,275,132	0.34
101	25,860	8.19	3,815,392	0.40
201	8,928	2.83	2,261,048	0.24
301	4,338	1.37	1,547,631	0.16
401	3,713	1.18	1,755,917	0.18
501	7,439	2.36	5,678,776	0.59
1001	12,680	4.02	32,771,108	3.42
5001	3,530	1.12	27,256,102	2.84
10001	3,022	0.96	877,772,087	91.51
Total	315,626	100.00	959,197,790	100.00

General Shareholder Information (Contd.)

Shareholding Pattern as on 31st March, 2020

Category of Shareholder(s)	No. of Shares	% of Total No. of Shares
(A) Shareholding of Promoter(s) and Promoter(s) Group		
(a) Individuals/Hindu Undivided Family	100,967,572	10.53
(b) Bodies Corporate	404,631,382	42.18
(c) Trust	785,700	0.08
Total Shareholding of Promoter(s) and Promoter(s) Group (A)	506,384,654	52.79
(B) Public shareholding		
(1) Institutions		
(a) Mutual Funds/UTI	42,885,325	4.47
(b) Financial Institutions/Banks	518,288	0.05
(c) Central Government	1,386,963	0.14
(d) Insurance Companies	45,272,595	4.72
(e) Foreign Institutional Investors	165,046,022	17.21
Sub-Total (B)(1)	255,109,193	26.59
(2) Non-Institutions		
(a) Bodies Corporate	63,702,852	6.64
(b) Individuals		
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	107,979,167	11.26
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,679,901	0.91
(c) Non-Resident individuals	12,132,947	1.27
(d) NBFCs registered with Reserve Bank of India (RBI)	11,271	0.00
(e) Trust(s)	5,197,805	0.54
Sub total (B)(2)	197,703,943	20.62
Total Public Shareholding (B)=(B)(1)+(B)(2)	452,813,136	47.21
Total (A)+(B)	959,197,790	100

Category wise shareholding as on 31st March, 2020



18. OUTSTANDING INSTRUMENTS AND THEIR IMPACT ON EQUITY

The Company does not have any outstanding GDRs/ ADRs/ Warrants/Convertible Instruments as on 31st March, 2020.

19. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

- a) Risk management policy of the listed entity with respect to commodities including through hedging:

The Company has in place a Risk Management Policy and a mechanism to assess risk, periodically review it and ensure that steps are taken to mitigate the risks. The Risk Management Committee (RMC) periodically meets to discuss the key strategic and business risks and the risk treatment plans being taken by the Company. The minutes of the meetings of the RMC are periodically shared with the Audit Committee of the Board.

The Company imports certain raw materials, which are derivatives of various commodities, from various sources, for manufacturing paints and related products of the Company. Most of the significant raw materials are not commodities per se, though some of them could be derivatives of commodities.

The Company does not undertake any commodity hedging activities.

The Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies.

- b) Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: NA
- c) Commodity risks faced by the listed entity during the year and how they have been managed: NA

20. CREDIT RATINGS AND ANY REVISIONS THERETO FOR DEBT INSTRUMENTS OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2020.

The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1+ and AAA respectively. There was no revision in the said ratings during the year under review.

21. PLANT LOCATIONS

Paint Plants:

1. Plot Nos. 2602/2702, GIDC Industrial Area, Ankleshwar - 393 002, Gujarat.
2. SIPCOT Industrial Park, Plot No. E6-F13, Sriperumbudur - 602 105, Kancheepuram District, Tamil Nadu.
3. Plot A1, MIDC, Khandala Industrial Area, Taluka Khandala, Satara - 412 802, Maharashtra.
4. Plot Nos. 50-55, Industrial Development Area, Phase II, Patancheru - 502 319 Dist. Medak, Telangana.
5. A-1, UPSIDC Industrial Area, Kasna - II, Kasna Village, Greater Noida, Dist. Gautambudh Nagar - 203 207, Uttar Pradesh.
6. Plot No. 1, IMT, Sector 30 B, PO Kherisadh Village, Rohtak - 124 027, Haryana.
7. Taloja Plant: Plot No. 3/2, MIDC, Taloja, Raigad - 410 208, Maharashtra.
8. Plot No. 3, 4 and UDL, Industrial Cluster, Pudi, Rambilli 531 061, Visakhapatnam District, Andhra Pradesh.
9. Thandya Phase - 2, Industrial Area, Immavu, Nanjangud Taluk, Mysuru - 571 302, Karnataka.

Other Plant:

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

22. 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 Consultants Private Limited (TSR)
 6, Haji Moosa Patrawala Industrial Estate,
 Near Famous Studios, 20, Dr. E. Moses Road,
 Mahalaxmi, Mumbai - 400 011,
 Tel No.: (022) 6656 8484 Extn.: 411/412/413
 Fax No.: (022) 6656 8494
 Toll Free No.: 1800 2100 124
 e-mail: csq-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:

General Shareholder Information (Contd.)

1. Branches of TSR

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.

2. Agents of TSR

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: L24220MH1945PLC004598
6A, Shantinagar, Santacruz (E),
Mumbai – 400 055, 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.

23. ADDRESS 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. No.: (011) 2338 4660, 2338 4659
Website: www.mca.gov.in

Securities and Exchange Board of India

Plot No.C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051,
Tel. No.: (022) 26449000 / 40459000 /
(022) 26449950 / 40459950
Fax No.: (022) 26449019-22 / 40459019-22
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
Tel. No.: (022) 22721233/4, (022) 66545695 (Hunting)
Fax No.: (022) 22721919
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. No.: (022) 2499 4200
Fax No.: (022) 2497 6351
Email: info@nsdl.co.in
Website: www.nsdl.co.in

Central Depository Services (India) Limited

Marathon Futurex, A-Wing, 25th floor, N M Joshi Marg, Lower Parel, Mumbai – 400 013
Toll free No.: 1800-22-5533
Email: complaints@cdslindia.com
Website: www.cdslindia.com

24. 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 Rupee Account, whether repatriable or not, 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 holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.

d. Shareholders are requested to Deal only through SEBI registered intermediaries and give clear and unambiguous instructions to your broker / sub-broker / DP.

e. 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 annexed to this report or download the same from the Company's website.

f. Email Id registration

To support the green initiative, shareholders are requested to register their email address with their DPs or with the Company's RTA, as the case may be. Communications in relation to Company like Notice and Outcome of Board Meetings, Dividend credit intimations, Notice of AGM and Annual Report are regularly sent electronically to such shareholders who have registered their email addresses.

The Company periodically sends reminder to all those shareholders who haven't registered their email address or wish to change the same. The shareholders willing to register their email address can write to their respective Depository Participant or Company's Registrar and Share Transfer Agent, as the case may be.

g. SEBI Complaints Redress System (SCORES):

SEBI vide its circular dated 26th March, 2018 issued new policy measures w.r.t. SEBI Complaints Redress System (SCORES). As per the new process, SEBI has requested the Members to approach the Company directly at the first instance for their grievance.

In its efforts to improve the ease of doing business, SEBI launched a Mobile Application for the convenience of investors to lodge their grievances in SEBI Complaints Redress System (SCORES).

The App has all the features of SCORES which is presently available electronically where investors have to lodge their complaints by using internet medium. After mandatory registration on the App, for each grievance lodged, investors will get an acknowledgement via SMS and e-mail on their registered mobile numbers and e-mail ID respectively. Investors can, not only file their grievances but also track the status of their complaint redressal. Investors can also key in reminders for their pending grievances. Tools like FAQs on SCORES for better understanding of the complaint handling process can also be accessed. Connectivity to the SEBI Toll Free Helpline number has been provided from the App for any clarifications/help that investors may require.