



Changing the look
Transforming the outlook

ANNUAL
REPORT
2012 -13

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Corporate information

BOARD OF DIRECTORS

ASHWIN CHOKSI
Chairman

ASHWIN DANI
Vice Chairman

ABHAY VAKIL

K.B.S. ANAND
Managing Director & CEO

MAHENDRA CHOKSI

AMAR VAKIL

Mrs. INA DANI

Ms. TARJANI VAKIL

DIPANKAR BASU

MAHENDRA SHAH

DEEPAK SATWALEKAR

R.A. SHAH

DR. S. SIVARAM

S. RAMADORAI

M.K. SHARMA
Additional Director
(w.e.f. 25th October, 2012)

COMPANY SECRETARY

JAYESH MERCHANT

AUDIT COMMITTEE

Ms. TARJANI VAKIL
Chairperson

DIPANKAR BASU

MAHENDRA SHAH

M.K. SHARMA
(w.e.f. 28th March, 2013)

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

MAHENDRA SHAH
Chairman

ABHAY VAKIL

K.B.S. ANAND
(w.e.f. 1st April, 2012)

MAHENDRA CHOKSI

Mrs. INA DANI

REMUNERATION COMMITTEE

DIPANKAR BASU
Chairman

Ms. TARJANI VAKIL

DEEPAK SATWALEKAR

R.A. SHAH
(w.e.f. 28th March, 2013)

SHAREHOLDERS' COMMITTEE

ABHAY VAKIL
Chairman

ASHWIN CHOKSI

ASHWIN DANI

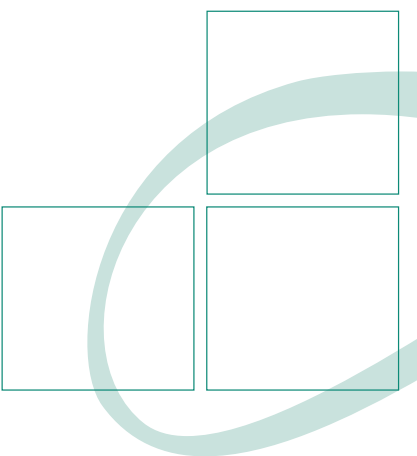
K.B.S. ANAND
(w.e.f. 25th October, 2012)

JAYESH MERCHANT

AUDITORS

SHAH & CO.
Chartered Accountants

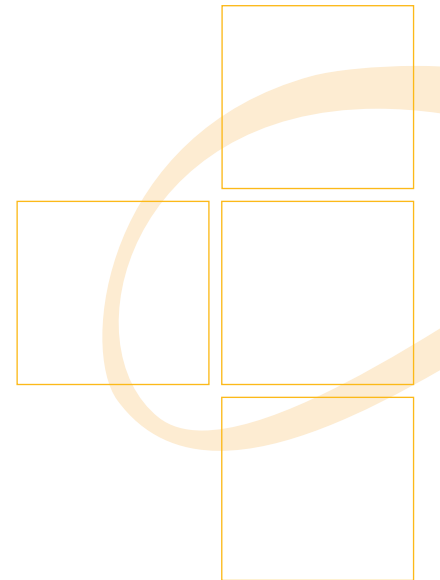
B S R & ASSOCIATES
Chartered Accountants



Changing the look Transforming the outlook

Change is the only constant at Asian Paints. We have consistently changed with the times and kept up with changes in the consumers' mindset. This change and transformation enables us to remain relevant when times and consumers change. This year, we mark the change in our look and the transformation in our outlook.





Changing the look

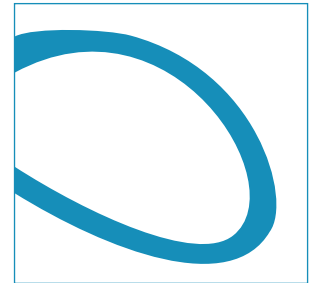
The change in our brand identity signifies, our intent to establish a deeper connect with our consumers as well as it ensures that the '*asianpaints*' brand is able to stir the consumers' imagination, ignite their creativity and expand their vision to a new vista of possibility. It speaks of a partnership in which we contribute to making dream homes a possibility.

The new identity conveys those elements with the continuously flowing ribbon which symbolises commitment to each consumer, promising to partner in transforming their homes, through roots of colour and décor. The locking of the "ap" speaks about partnership and the infinite possibilities thereof.

The new symbol is reflective of a burst or surge of inspiration that a consumer feels and the transformation that we would like to enable at their homes.

The new symbol retains strong enduring values of trust, reliability, honesty and excellence.

“In changing our intent and our identity, we are changing our look”

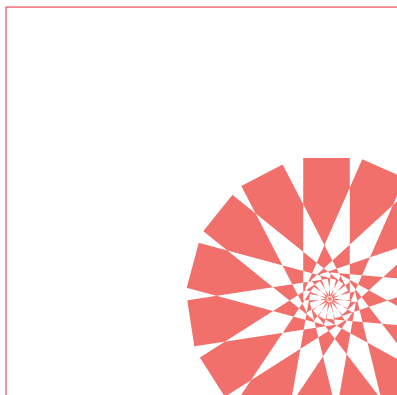
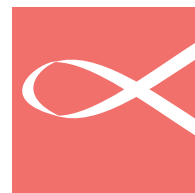
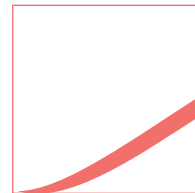
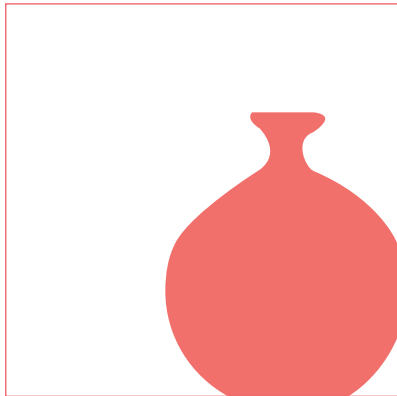


Transforming the outlook

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

Our new intent has initiated a transformation in the way our organisation interacts and provides services, solutions and products to our consumers. We aspire to partner the consumers in their journey for beautiful homes, of which paints and home décor is an integral part. We connect to our consumers through various touch points and inspire them by our home décor ideas. Selling paint is the culmination of this journey and a small but important aspect of it. With our new focus on the Home Improvement segment, we have in-principle, decided to acquire 51% stake in a kitchen solutions provider - Sleek Group. The Group is into the manufacturing of kitchen and kitchen components like wire baskets, cabinets, appliances, etc.

Our outlook is transforming to that of a home décor company.



“ In changing our intent and our identity, we are transforming our outlook ”

Board of Directors



Standing from left to right :

M.K. Sharma, Dr. S. Sivaram, Abhay Vakil, Mahendra Choksi, S. Ramadorai, Deepak Satwalekar, K.B.S. Anand, Dipankar Basu and Mahendra Shah

Seated from left to right :

Amar Vakil, Mrs. Ina Dani, Ashwin Choksi, Ms. Tarjani Vakil, Ashwin Dani and R.A. Shah



Chairman's Letter



Dear Shareholders,

It gives me great pleasure to write to you at the end of another eventful year for your Company.

The fiscal year ended March 2013 had its set of challenges as the macro economic environment and growth prospects of India deteriorated during the course of the year with the GDP growth slowing down to its lowest in a decade. The retail demand for decorative paints remained suppressed echoing the sluggishness in the economy. Even in these difficult times, your Company has expanded its presence in most parts of the country. Value growth remained healthy partly due to increased prices and improved product mix over the previous year. Lower inflation in most of the raw materials supported the profit margins. However, higher depreciation and overheads resulting from the commissioning of the Company's seventh decorative paint manufacturing facility at Khandala, Maharashtra had an impact on the profit margins during the fourth quarter of the year. The installed capacity of this new facility is 300,000 KL per annum and the production from this facility will be ramped up progressively going forward.

Even internationally, the economy was in a bit of a turmoil. The euro financial crisis continued to pose significant challenges and while the US economy signalled growth revival, it continues to be marred by fiscal imbalances. The growth engine in China stalled too, leading to a demand slowdown and correction in commodity prices. Amidst this challenging environment, the International business of your Company registered reasonable value growth across the regions that it operates in. While economic

slowdown continued to impact operations in Caribbean and some units in Asia, the demand conditions improved in the Middle East. The political uncertainty in the region, however, continued to be a cause of concern.

Performance of your Company's first 50:50 joint venture, PPG Asian Paints Private Limited, which caters to the automotive sector, was impacted by the slowdown in the automobile industry. The year under review saw commencement of operations of Asian Paints PPG Private Limited, your Company's second 50:50 joint venture with PPG Industries Inc., USA, subsequent to receipt of all approvals and clearances.

Going forward, political stability and policy actions would be critical considering the fact that the country is going to face general elections shortly and political logjams in anticipation of elections cannot be ruled out. However, the recent wave of reforms announced by the government including the initiative to move to cash transfers, reduction of fuel subsidies, etc., are steps in the right direction and these could have a positive impact on both the sentiments as well as the perception about the Indian economy. Moreover, the recent correction in the prices of the commodities and crude oil provide optimism as it could lead to better demand conditions which in turn can revive the growth prospects. Your Company firmly believes in the long-term growth potential of India and a testimonial to this commitment is the investment made by your Company in setting up the state-of-the-art manufacturing facility at Khandala.

While your Company continues to augment its capabilities, a rapidly changing world needs businesses to continuously adapt to the changes in the environment and more importantly the changing customer in order to remain successful. In order to address this change, your Company unveiled a new corporate brand identity. The changed brand identity signifies our intent to establish a deeper connect with our customers.

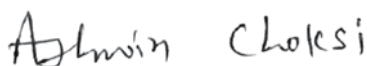
The strategic review process at your Company has led to the identification of Home Improvement and Décor as a focus area. This is an area that offers tremendous growth prospects and can benefit from the strength of the decorative paints business of your Company. In line with this focus, your Company has announced its intent to acquire 51% stake in Sleek Group, subject to due diligence, necessary approvals and documentation. The acquisition of the Sleek Group has a strategic fit and is a step in your Company's foray into Home Improvement space.

Ms. Tarjani Vakil, Director, is retiring at this ensuing Annual General Meeting and does not wish to seek re-appointment. Her association with the Company has been for more than fourteen years. She is the Chairperson of the Audit Committee and member of the Board and Remuneration Committee. I would like to specially place on record on behalf of the Board, appreciation for her outstanding contribution during her association with the Company. During the year, Mr. M.K. Sharma joined the Board of your Company and he was also appointed as a member of the Audit Committee.

As we look ahead, I thank you for placing faith in the Company. I sincerely thank all members of the Asian Paints team and our business associates for their trust, encouragement, support and passion that inspires us to strive harder.

Warm regards,

Yours sincerely,



Ashwin Choksi

Highlights

Standalone

NET REVENUE FROM OPERATIONS

Increased by 12.7% to ₹ 8,971.7 crores

EBITDA

Increased by 12.1% to ₹ 1,673.4 crores

CAPACITY EXPANSION

New manufacturing facility commissioned at Khandala, Maharashtra with an installed capacity of 300,000 KL per annum

DIVIDEND

The Board of Directors have recommended a final dividend of ₹ 36.5 per share (Total dividend for the year will be ₹ 46 per share)

Group

NET REVENUE FROM OPERATIONS

Increased by 13.9% to ₹ 10,970.7 crores

EBITDA

Increased by 14.2% to ₹ 1,846.5 crores

Ten year Review (Standalone)

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

RESULTS FOR THE FINANCIAL YEAR	2012-2013 ¹	2011-2012 ²	2010-2011 ³	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004
REVENUE ACCOUNT										
Gross Revenue	10,405.0	9,064.3	7,202.0	5,753.5	5,003.4	4,062.8	3,360.7	2,777.4	2,338.8	2,025.9
Net Revenue from Operations	8,971.7	7,964.2	6,336.1	5,134.1	4,278.7	3,426.5	2,827.0	2,324.3	1,958.8	1,698.8
Growth Rates (%)	12.7	25.7	23.4	20.0	24.9	21.2	21.6	18.7	15.3	10.5
Materials Cost	5,188.9	4,746.3	3,646.9	2,840.2	2,606.9	1,956.1	1,660.7	1,351.7	1,128.4	943.6
% to Net Revenue	57.8	59.6	57.6	55.3	60.9	57.1	58.7	58.2	57.6	55.5
Overheads	2,235.6	1,866.1	1,532.0	1,275.0	1,103.8	908.0	736.7	616.5	532.7	482.8
% to Net Revenue	24.9	23.4	24.2	24.8	25.8	26.5	26.1	26.5	27.2	28.4
Operating Profit (EBITDA)	1,673.4	1,493.2	1,232.2	1,153.7	619.4	615.2	464.3	386.8	325.1	291.4
Finance Costs	30.6	30.8	15.4	13.8	10.4	8.3	6.9	3.8	2.8	5.3
Depreciation	127.0	99.5	94.5	60.7	57.2	43.8	45.4	45.5	47.6	48.0
Profit Before Tax and Exceptional item	1,515.9	1,362.9	1,122.3	1,079.2	551.8	563.2	412.0	337.5	274.7	238.1
% to Net Revenue	16.9	17.1	17.7	21.0	12.9	16.4	14.6	14.5	14.0	14.0
Growth Rates (%)	11.2	21.4	4.0	95.6	(2.0)	36.7	22.1	22.9	15.4	6.6
Exceptional item	-	-	-	25.5	(5.9)	-	-	(33.6)	(4.2)	(6.8)
Profit Before Tax and after Exceptional item	1,515.9	1,362.9	1,122.3	1,104.7	545.9	563.2	412.0	303.9	270.5	231.3
% to Net Revenue	16.9	17.1	17.7	21.5	12.8	16.4	14.6	13.1	13.8	13.6
Profit After Tax	1,050.0	958.4	775.2	774.5	362.4	375.2	272.0	186.8	173.5	147.8
Return on average capital employed (ROCE) (%)	54.0	59.3	62.1	78.2	51.3	60.5	52.9	49.7	44.0	41.2
Return on average net worth (RONW) (%)	38.1	42.9	43.9	58.4	35.8	44.9	39.8	31.3	31.4	29.3
CAPITAL ACCOUNT										
Share Capital	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9
Reserves and Surplus	2,926.3	2,391.9	1,879.4	1,461.3	998.6	832.6	648.2	526.4	476.3	435.6
Deferred Tax Liability (Net)	143.3	80.8	75.5	47.9	47.9	31.5	22.1	28.5	30.5	48.7
Borrowings	54.1	168.2	65.7	68.6	74.5	94.7	125.7	91.1	88.2	70.5
Fixed Assets	2,154.4	1,611.9	1,096.9	1,088.2	711.8	539.2	346.5	324.7	319.5	344.4
Investments @	872.5	913.8	1,034.8	703.7	234.8	422.9	334.4	274.6	258.4	242.5
Debt-Equity Ratio	0.02:1	0.07:1	0.03:1	0.04:1	0.07:1	0.09:1	0.17:1	0.15:1	0.15:1	0.13:1
Market Capitalisation	47,139	31,056	24,238	19,593	7,539	11,510	7,336	6,178	3,751	2,914
PER SHARE DATA										
Earnings Per Share (₹)	109.5	99.9	80.8	*80.7	*37.8	39.1	28.4	*19.5	*18.1	*#15.4
Dividend (%)	460.0	400.0	320.0	270.0	175.0	170.0	130.0	125.0	95.0	**85.0
Book Value (₹)	315.1	259.4	205.9	162.3	114.1	96.8	77.6	64.9	59.7	**55.4
OTHER INFORMATION										
Number of Employees	5,236	4,937	4,640	4,382	4,260	3,924	3,868	3,681	3,550	3,356
Number of Shareholders	54,813	60,537	59,280	48,290	49,074	47,573	49,032	48,820	49,739	53,797

* EPS calculated on Net Profit after exceptional item.

EPS is calculated after adjusting for Bonus issue and the reduction of capital on account of merger of Pentasia Investments Limited in accordance with Accounting Standard (AS 20) - Earnings Per Share.

** On increased capital.

@ Includes Investments in Liquid Mutual Funds which is a part of Cash and Cash Equivalents.

^ Figures are grouped as per requirements of Revised Schedule VI to the Companies Act, 1956.

Ten year Review (Consolidated)

RESULTS FOR THE FINANCIAL YEAR	2012-2013@	2011-2012@	2010-2011@	2009-2010^	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004
REVENUE ACCOUNT										
Gross Revenue	12,488.1	10,778.0	8,610.8	7,314.5	6,229.8	5,075.9	4,259.9	3,510.0	2,951.5	2,572.9
Net Revenue from Operations	10,970.7	9,632.2	7,722.3	6,680.9	5,463.9	4,407.2	3,670.0	3,021.0	2,573.9	2,217.9
Growth Rates (%)	13.9	24.7	15.6	22.3	24.0	20.1	21.5	17.4	16.0	28.2
Materials Cost	6,438.5	5,795.3	4,474.6	3,758.0	3,370.6	2,577.6	2,199.4	1,792.1	1,502.6	1,246.3
% to Net Revenue	58.7	60.2	57.9	56.2	61.7	58.5	59.9	59.3	58.4	56.2
Overheads	2,800.4	2,328.2	1,919.6	1,695.6	1,425.5	1,170.6	989.9	838.3	736.6	674.2
% to Net Revenue	25.5	24.2	24.9	25.4	26.1	26.6	27.0	27.7	28.6	30.4
Operating Profit (EBITDA)	1,846.5	1,616.2	1,396.1	1,367.9	718.8	718.6	518.0	422.7	367.0	323.7
Finance Costs	36.7	41.0	23.2	28.5	26.3	21.2	18.9	11.4	10.8	15.2
Depreciation	154.6	121.1	113.1	83.6	74.4	59.2	61.1	60.6	61.4	62.8
Profit Before Tax and Exceptional items	1,655.2	1,454.1	1,259.7	1,255.9	618.1	638.3	437.9	350.6	294.8	245.7
% to Net Revenue	15.1	15.1	16.3	18.8	11.3	14.5	11.9	11.6	11.5	11.1
Growth Rates (%)	13.8	15.4	0.3	103.2	(3.2)	45.8	24.9	18.9	20.0	7.8
Exceptional items	-	-	-	1.2	(1.2)	(6.8)	(7.8)	(7.6)	(7.7)	(7.8)
Profit Before Tax and after Exceptional items	1,655.2	1,454.1	1,259.7	1,257.0	616.9	631.4	430.2	343.0	287.1	237.9
% to Net Revenue	15.1	15.1	16.3	18.8	11.3	14.3	11.7	11.4	11.2	10.7
Profit After Tax (after Minority Interest)	1,113.9	988.7	843.2	835.6	397.8	409.2	281.0	212.1	174.1	144.9
Return on average capital employed (ROCE) (%)	50.3	54.3	58.9	74.4	46.5	56.3	45.9	42.2	40.6	38.0
Return on average net worth (RONW) (%)	36.3	40.1	43.3	57.4	36.4	46.5	39.5	35.0	31.7	28.8
CAPITAL ACCOUNT										
Share Capital	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9
Reserves and Surplus	3,288.4	2,652.6	2,091.5	1,614.1	1,107.3	886.5	681.9	550.3	471.3	433.6
Deferred Tax Liability (Net)	154.4	92.8	85.2	56.2	53.3	39.1	26.8	34.1	35.3	53.3
Borrowings	251.0	341.1	233.4	229.2	308.6	275.2	306.2	261.3	239.5	169.3
Fixed Assets	2,456.0	1,876.1	1,316.0	1,280.1	905.1	691.7	493.2	451.9	437.0	474.0
Investments \$	778.8	750.7	922.0	624.1	78.4	276.7	192.7	164.1	113.8	101.8
Debt-Equity Ratio	0.07:1	0.12:1	0.11:1	0.13:1	0.26:1	0.28:1	0.39:1	0.4:1	0.42:1	0.32:1
PER SHARE DATA										
Earnings Per Share (EPS) (₹)	116.1	103.1	87.9	*87.1	*41.5	*42.7	*29.3	*22.1	*18.1	*#15.1
Book Value (₹)	352.8	286.5	228.0	178.3	125.4	102.4	81.1	67.4	59.1	**55.2

* EPS calculated on Net Profit after exceptional items.

EPS is calculated after adjusting for bonus issue and the reduction of capital on account of merger of Pentasia Investments Limited.

**On increased Capital.

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

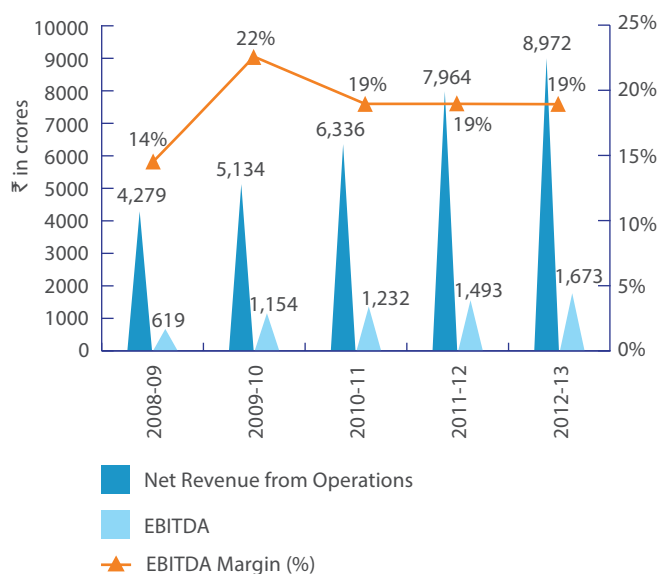
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\$ Includes investments in Liquid Mutual Funds which is part of Cash and Cash equivalents.

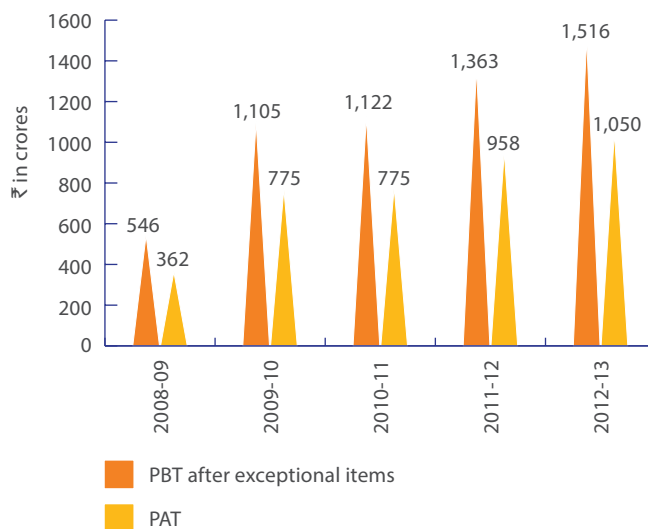
Performance Highlights

-Standalone

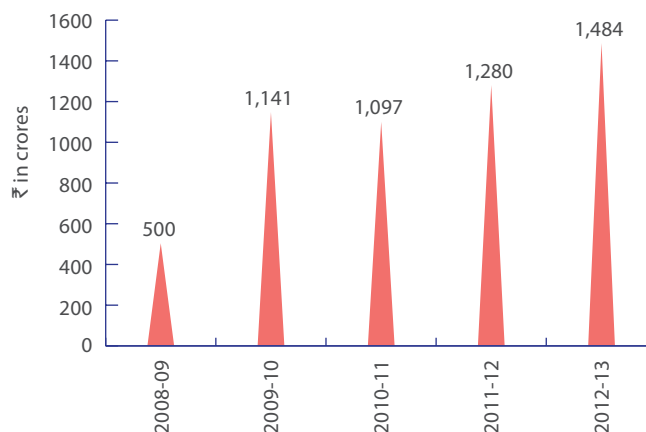
Net Revenue from Operations, EBITDA & EBITDA Margin (%)



Profit Before Tax & Profit After Tax



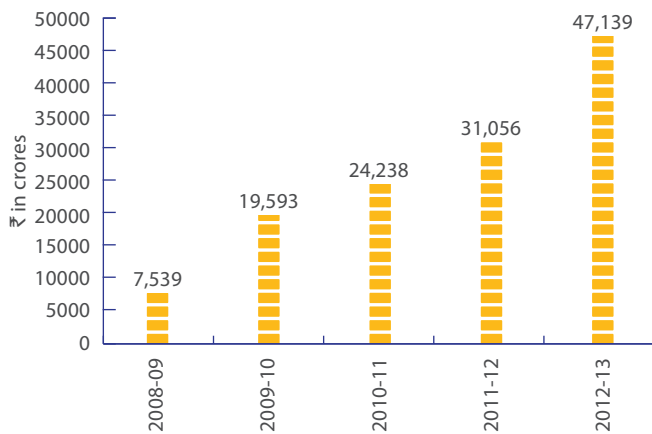
Net Cash Generated from Operations



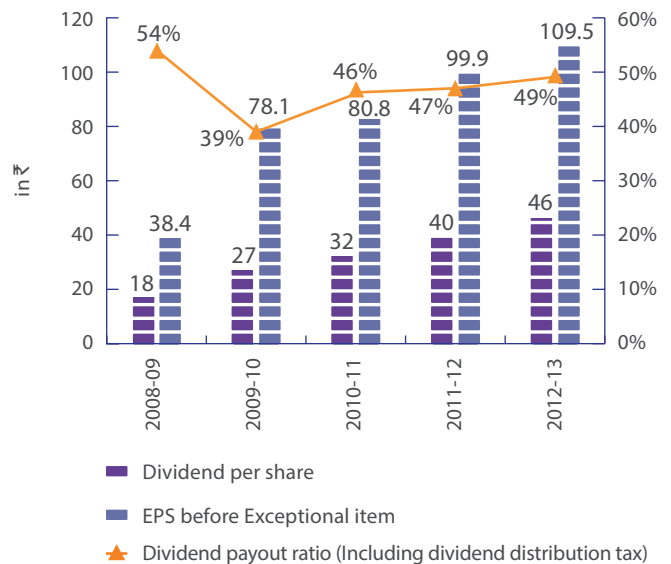
Performance Highlights -Standalone



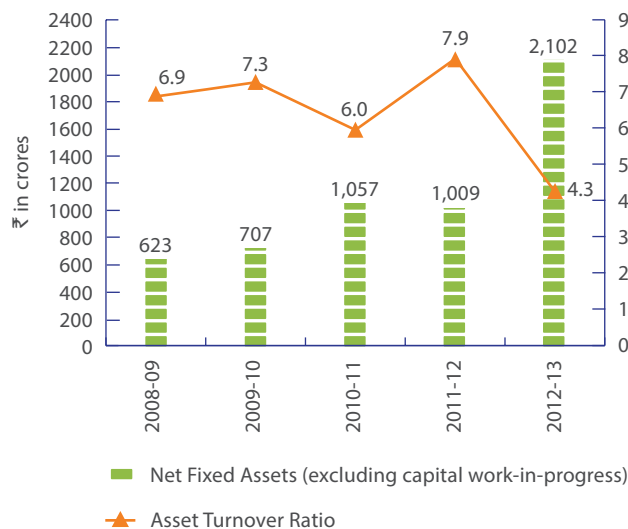
Market Capitalisation



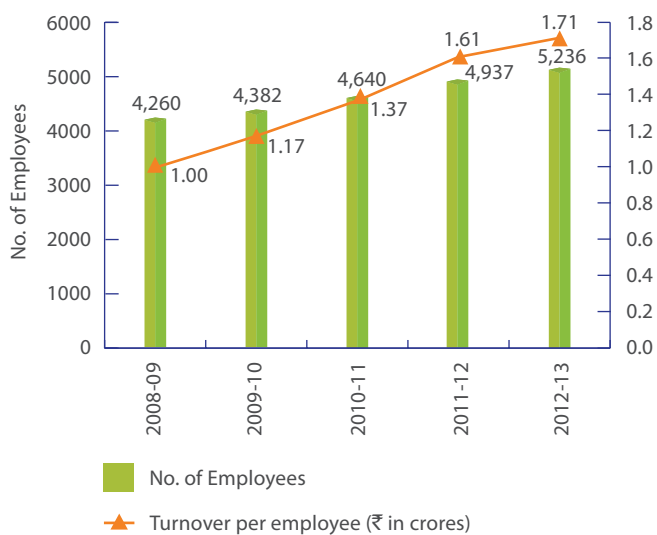
Dividend per share, Earnings per share and Dividend payout ratio



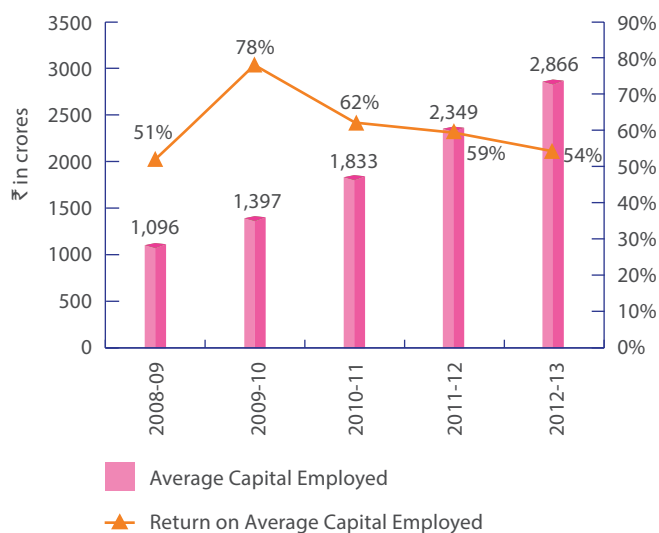
Net Fixed Assets and Asset Turnover Ratio



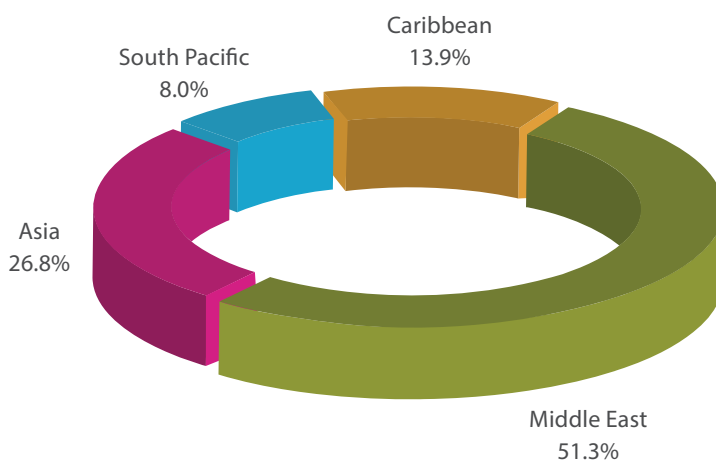
Employees at the year end and Turnover per Employee



Average Capital Employed and Return on Average Capital Employed



Percentage of Paint Sales contribution of each region to overall international operations for FY 2012-13



Management discussion and analysis

Post the financial crisis in 2008, most of the economies took the stimulus route to bring growth on track. On the back of these strong stimulus measures, the world economy staged a smart turnaround in 2009 and 2010. However, since 2011, the world economy is getting weighed down by the financial crisis in Europe and general slowdown in developed countries including United States. In India, while the external causes did trigger the slowdown, internal dynamics impacted the economy much more. Indian economy started feeling the heat from 2011 due to inflation increasingly going out of control. The stimulus led domestic consumption coupled with supply side constraints led to high inflation in the country. While, monetary policy was tightened to control the runaway inflation, the external headwinds as well as political bottlenecks and lack of infrastructure investments continued to put pressure on growth. The slowdown especially in 2012-13 has been across the board, with no sector of the economy remaining unaffected.

With growth coming down sharply, the most visible impact has been felt on the government finances. Fiscal deficit and Current Account deficit have gone beyond the budgetary targets. Several steps announced recently have been with a view to control government spending and bring the deficits under control.

Demand conditions have been subdued, more so in the later part of the year. Commodity prices however, have corrected as demand has started falling down. The impact of lower commodity prices has been partly negated by the weak Indian rupee. The rupee remained weak for most part of the year. On the positive side, Inflation has started coming down and in response to this, the RBI has also started on monetary easing gradually.



A view of the Colour Ideas Store

In spite of the challenges being faced, India still remains one of the fastest growing economies of the world. Short-term blips apart, the longer term trend seems to be intact.

The performance of your Company during the financial year 2012-13 is detailed below:

PRODUCTS AND MARKETS

Your Company operates in Decorative Coatings and Industrial Coatings segments across India and in the geographies of Asia, Middle East, Caribbean and South Pacific Islands through its subsidiaries and joint ventures.

The Paint market in India during 2012-13 witnessed slowdown owing to the reasons mentioned earlier. The Industrial paints market including both automotive and non-automotive market was under pressure due to the slowdown.

International markets were impacted due to continuing political unrest in the Middle East especially in Egypt and a slowdown in Caribbean islands. Asian operations also felt the pressure of slowdown during the year.

However, compared to the slowdown seen in other industries, the paint market performed better.

DECORATIVE INDIA BUSINESS

Decorative paints account for over 75% of the overall paint market in India and include wall finishes for interior and exterior use, enamels, wood finishes and ancillary products such as primers, putties, etc.

The overall slowdown in the economy impacted the retail demand for decorative paints. However, in spite of this, your Company increased its market presence in most parts of the country.

Value growth remained healthy due to higher realisations over the previous year. The product mix offered by your

Company continues to get richer with higher growth in emulsions. Your Company has successfully strengthened its presence in the premium segment over the last few years. The growth in interior emulsions was led by the Royale brand and its variants (Royale, Royale Shyne and Royale Lustre). Teflon co-branding continued to give the Royale brand a performance and perception edge in the market. Royale today, is becoming most preferred brand at premium end in most markets. The launch of new ultra-luxury Royale Aspira in some markets led to significant excitement in the premium end of the market.

The exterior emulsion category continued to grow well. At the top end, Apex Ultima grew extremely well due to the successful advertising campaign and several field marketing activations. Significant efforts were made to drive the usage of correct painting system on exteriors. As a result, there has been good growth in sale of Exterior Primer and Asian Wall Putty.



An inside view of the Colour Ideas Store

The 'SmartCare' range comprising of water proofing and crack bridging products were launched in several parts of the country during the year and received an excellent response from consumers.

Wood finish market has been an area of great focus. Your Company has worked to position itself as a 'trusted expert' in the area by offering a complete range of wood finishes. Polyurethane and Polyester products in collaboration with Renner of Italy were launched in key wood finish markets with reasonable success.

Your Company continued to broaden its network by installing more than 2900 Colour Worlds, taking the tally of Colour World dealers to over 24000 across the country. At the top of retailing hierarchy, your Company increased Colour Ideas Stores to almost 100 by installing a record 54 new Stores during the financial year. The Colour Consultancy service at these Colour Ideas Stores has made a huge impact with more than 28000 consumers approaching for the consultancy services during the year. The Stores are successful in promoting premium, smooth and texture paints to their customers.

Your Company continues to drive innovative marketing initiatives to help brand 'asianpaints' to be a responsible and caring brand. The 'Beautiful Homes Guide' advertising campaign received excellent response from customers.

Hassle-free painting solutions offered through the Asian Paints Home Solutions (APHS) service was used across 13 cities. The service experience was enhanced by introducing mechanisation in painting. Customer satisfaction scores and customer feedback continue to guide the APHS operations. Colour Next (annual



'SmartCare' water proofing products



A view of the new paint plant at Khandala, Maharashtra

colour trend forecast) has become a strong brand amongst Architects and Interior Decorators (AIDs).

Lower inflation in most of the key raw materials as compared to previous years, especially during the later part of the year was a key feature in the financial year 2012-13. Overall, there was no major concern on availability of raw materials. However, the increase in diesel prices and shortage of power did impact prices on some of the domestic raw materials and packing materials. The increase in diesel prices had an adverse impact on your Company and availability of grid power has been a concern in some of your Company's manufacturing facilities.

Your Company's seventh and largest decorative paint manufacturing facility in Khandala (Maharashtra) was commissioned as scheduled in February 2013. The installed capacity of this new state-of-the-art manufacturing facility is 300,000 KL per annum. The production from this facility will be ramped up progressively going forward. As informed last year, the manufacturing capacity at the plant at Rohtak, Haryana was increased from 150,000 KL per annum to 200,000 KL per annum in first quarter of the year under review.

INTERNATIONAL OPERATIONS

Global slowdown continued to impact the international markets where your Company operates. The political turmoil in Egypt and Bahrain continues to affect growth in these markets. Egypt was also impacted by sharp currency depreciation.

Initiatives like improving customer centricity, increasing the number of dealer tinting systems, introduction of new products, expanding the dealer network, increasing exports,

focussing on protective and industrial coating segments and improving service level to minimise loss of sale due to stock outs, were undertaken in the international markets of the group to strengthen the position in the market place. All these steps coupled with tight control on expenses, material cost and capital employed have helped the international operations of the group to deliver a strong performance despite difficult market conditions.

All subsidiaries continued to focus on reducing environmental impact of their operations through initiatives to minimise waste generation and energy usage. All overseas manufacturing subsidiaries with the exception of the subsidiary in Bangladesh, have ISO 9001 and ISO 14001 certification. The subsidiary in Bangladesh is expected to obtain both the certifications during the financial year 2013-14.

Revenues from paint sales of the overseas operations of the group have increased by 23% to ₹ 1,400.6 crores. Adjusted for foreign exchange rate impact, the revenue from paint sales of the overseas operations of the group during the current year is ₹ 1,286.4 crores resulting in a growth of 13% over the previous year.

Material price inflation during the year was moderate. The impact of inflation was mitigated by formulation re-engineering, sourcing gains, reducing material losses in manufacturing and product price increases wherever feasible.

Profit after tax for the overseas subsidiaries of the group during the year is ₹ 104.9 crores as compared to ₹ 72.3 crores during the previous year.



A view of the paint plant in Nepal

The dividends from overseas subsidiaries during the year amounted to ₹ 24.9 crores as compared to ₹ 24.3 crores during the previous year.

Royalty received during the year from overseas subsidiaries amounted to ₹ 20.6 crores as compared to ₹ 15.2 crores during the previous year.

The revenues from paint sales of Berger International Limited, a subsidiary listed on the Singapore Stock Exchange has increased by 6% to S\$ 113 million (equivalent to ₹ 496.7 crores). The subsidiary has earned a profit after tax of S\$ 4.75 million (₹ 20.85 crores) as compared to S\$ 1.84 million (₹ 7.1 crores) during the previous year.

The region-wise performance is detailed below:

Caribbean Region (Barbados, Jamaica, Trinidad and Tobago)

During the year under review, the revenue from paint sales has increased by 15% to ₹ 197.2 crores from ₹ 171.8 crores. Adjusted for exchange rate impact, the revenue from paint sales has increased by 6%. PBIT (profit before interest and tax) for the region is ₹ 11.2 crores as compared to ₹ 7.6 crores during the previous year. Continuing economic slowdown in all the Caribbean economies, impacted demand conditions.

Middle East Region (Egypt, Oman, Bahrain and UAE)

During the year under review, the revenue from paint sales has increased by 26% to ₹ 726.7 crores from ₹ 578.4 crores during the previous year. Adjusted for exchange rate impact, the revenue from paint sales has increased by 14%. PBIT for the region is ₹ 73.9 crores as compared to ₹ 61.5 crores during the previous year.

The Middle East region is the largest operating region for the group outside India. The region contributes 52% of the revenue from overseas operations. Demand conditions in all economies and particularly in U.A.E., continued to be challenging. Continuing political turmoil in Bahrain and Egypt further impacted the business environment in these countries. The subsidiary in Oman has acquired land at Sohar for setting up a new plant.

Asia Region (Bangladesh, Nepal, Sri Lanka and Singapore)

During the year under review, revenue from paint sales has increased by 21% to ₹ 380 crores from ₹ 314.7 crores during the previous year. Adjusted for exchange rate impact, the revenue from paint sales has increased by 17%. The PBIT for the region is ₹ 35.6 crores as compared to ₹ 24.6 crores during the previous year.

Expansion of the manufacturing capacity in Bangladesh to 24,000 KL per annum is proceeding on schedule and is expected to be completed during the financial year 2013-14. Expansion of manufacturing capacity in Nepal to 20,000 KL per annum has been completed.

South Pacific Region (Fiji, Solomon Islands, Samoa, Tonga and Vanuatu)

During the year under review, revenue from paint sales has increased by 25% to ₹ 113.4 crores from ₹ 90.6 crores. Adjusted for exchange rate impact, the revenue from paint sales has increased by 12%. The PBIT for the region is ₹ 15.4 crores as compared to ₹ 12.2 crores during the previous year.

HOME IMPROVEMENT AND DÉCOR

Your Company reviews its strategy and plans on a continuous basis. Home Improvement and Décor is one such area which offers tremendous growth opportunity and also can be synergistically combined with the Decorative business of your Company. Your Company therefore amended its object clause in the Memorandum of Association to include businesses relating to Home Improvement and Décor.

In January 2013, your Company's Board granted in-principle approval to enter into an arrangement with the promoters of the Sleek Group for acquiring a 51% stake in the Sleek Group, subject to due diligence, necessary approvals and documentation. This work is being carried out currently.

Sleek Group is a major player in the organised modern kitchen space and is engaged in the business of manufacturing, selling and distribution of modular kitchens as well as kitchen components including wire baskets, cabinets, appliances, accessories, etc, with a pan India presence. It has a retail network of more than 30 showrooms including shop-in-shops and a network of 250+ dealers.

This acquisition of the Sleek Group has a strategic fit and is a step in the Company's foray into Home Improvement. Your Company has chosen to enter the modern kitchen "space", as it believes that the modern kitchen space is currently undergoing an inflection, has very few organised pan India players and is growing rapidly.

INDUSTRIAL COATINGS

Non-Auto Industrial Coatings: Asian Paints PPG Private Limited

Asian Paints PPG Private Limited (AP-PPG), your Company's second 50:50 joint venture with PPG Industries Inc., USA (PPG) was incorporated in August 2011. A Composite Scheme of Restructuring was filed with the Hon'ble High Court of Judicature at Bombay in February 2012, whereby AP Coatings Limited and PPG Coatings India Private Limited merged with PPG Asian Paints Private Limited (first joint venture with PPG). The Scheme then provided for the demerger of the Liquid Protective, Powder, Floor and Road Marking Coatings' businesses from PPG Asian Paints Private Limited into AP-PPG. This Scheme was approved by the Hon'ble High Court of Judicature at Bombay on 6th July, 2012.

Pursuant to the above scheme, the Industrial Liquid Paints and Powder Coatings business carried on by AP Coatings Limited and Protective Coatings business carried on by PPG Coatings India Private Limited got transferred to AP-PPG.

The demand for industrial coatings continued to remain weak due to the industrial slowdown in the economy. AP-PPG's strategy to focus on the high-end Protective Coatings business resulted in improvement in the product mix and margins. The year under review saw a sharp rise in the prices of raw materials from the twin impact of rising input costs and increase in the value of the US Dollar vis-à-vis the Indian Rupee. Simultaneously, continuing efforts by customers to cut costs limited the scope for improved price realisation. This posed a serious challenge to the ability of coatings' suppliers to sustain margins and manage earnings growth.



Mr. Michael Horton, President - Asia Pacific, PPG Industries & Mr. K.B.S. Anand, MD & CEO, Asian Paints on signing of agreements for both the Joint Ventures

Automotive Coatings: PPG Asian Paints Private Limited

PPG Asian Paints Private Limited (PPG-AP), 50:50 joint venture of your Company and PPG Industries, Inc., formed in the year 1997, for manufacturing Automotive, OEM, Refinish and certain Industrial Coatings is the second largest automotive coatings supplier in the country.

Rising fuel prices and high interest rates impacted the growth of the automobile market. Growth in the two-wheeler market slowed down to 1.9% during the financial year 2012-13. The commercial vehicle and three wheelers segment registered negative growth over last year.

In the Auto OEM Business, price increases were secured during the later half of the year. This could not fully cover the cost increases in raw materials and therefore severely impacted the business on profitability.

The Industrial Business grew its market share over the year. The business was successful in passing on cost increases to its customers during the later part of the year.

In the Auto Refinish business, PPG-AP was able to pass on the cost increases to its customers. PPG-AP acquired Kruppa Paints (Pvt.) Limited in the month of November 2012. This acquisition will enable PPG-AP's business to localise products currently imported from PPG and will support the growing market requirements.

Expansion of the existing relationship with PPG – a leading global player in coatings – has helped both the Joint Venture Companies to leverage the partnership and achieve synergies in objectives. Integration of the capabilities of both your Company and PPG will create market-leading solutions for the customers in the Automotive Coatings as well as Non-Auto Industrial Coatings businesses.

Others

Your Company's two chemicals businesses, Phthalic Anhydride, manufactured at Ankleshwar, Gujarat and Pentaerythritol, manufactured at Cuddalore, Tamil Nadu, were set up as backward integration initiatives in the late eighties, primarily to cater to the in-house demand for these chemicals. During the financial year 2012-13, 66% of Phthalic Anhydride produced was transferred for internal consumption. Catalyst change was successfully completed in third quarter of the financial year 2012-13. During the year, raw material prices showed an increasing trend.



A view of the Company's Phthalic Plant at Ankleshwar, Gujarat

The profits from the Phthalic Anhydride business were in line with expectations. With respect to Pentaerythritol business, 42% of Pentaerythritol production during the financial year 2012-13 was transferred for internal consumption. Prices of key raw materials continued to increase. Production at the Plant and profit from the business were in line with expectations.

HUMAN RESOURCES (HR)

People are central to your Company. The HR function of your Company has been structured and aligned in line with the business needs and requirements.

The development of people in your Company has many facets. At a basic level, focus has been to ensure all employees at different managerial grades are aware of what is expected of them from a people management angle, through an initiative titled 'Learnscape'.

Also, Digitisation of HR processes have been initiated to provide efficient and effective HR process management.

A variety of learning methodologies have been deployed to ensure that development requirements are addressed

appropriately and effectively. These include online business simulation, classroom sessions, e-learning tools, on the job learning, coaching etc. These have been offered both as independent units of learning and blended solutions.

In your Company, employee engagement is also actively driven through an inclusive process of dialogue and articulation of collective dreams. This was facilitated in the Sales and Research & Technology (R&T) functions. There is also a strong emphasis on building employee ownership at the shop floor level through effort in the direction of ensuring 'inclusive growth and participation'. Building people development capabilities in line managers is also another initiative by which internal trainers, coaches and facilitators have been developed.

The international units of your Company also saw an increased focus on Learning and Development. Development and training for improving functional capabilities in the areas of Technology, Marketing, Finance and IT were completed with action plans for implementation.

ENVIRONMENT, HEALTH & SAFETY

Environment, Health and Safety (EHS) is one of the primary focus areas for your Company. Your Company's EHS policy is to consider compliance to statutory EHS requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards wherever appropriate.

Your Company's seven paint manufacturing facilities and the two chemical factories have the ISO 14001 environmental certification. All the seven paint manufacturing facilities (including the recently commissioned Khandala factory) and one chemical factory are 'Zero Discharge outside the factory' and also have rainwater harvesting capabilities. Minimisation of hazardous waste through reduction at source has been a key focus area in all the factories of your Company. This has resulted in reduction in specific generation of effluents and hazardous waste.

Your Company's newly commissioned paint plant at Khandala, Maharashtra, has been built considering contemporary environment and safety standards. Based on the British Safety Council safety standards, several safety features have been incorporated in the design of the factory. The design of the plant has included various features such as adherence to world class

safety standards, 'Zero Discharge' outside of the factory for all effluents, water conservation, rainwater harvesting and green belt at the periphery of the premises.

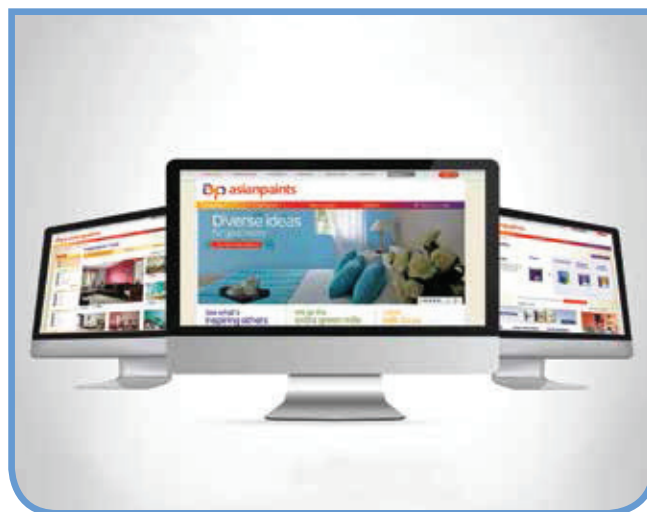
The paint manufacturing facilities at Ankleshwar, Gujarat and Sriperumbudur, Tamil Nadu have undergone Safety Gap Assessment exercises in line with the ISRS (International Safety Rating System) 8th edition guidelines of Det Norske Veritas (DNV).

Your Company also appreciates the need to monitor and reduce emission of Green House Gases (GHGs) which are responsible for global warming and climate change. Your Company has institutionalised a mechanism to monitor GHGs emissions across the Company as per Green House Gas (GHG) protocol [A Corporate Accounting and Reporting Standard by World Business Council for Sustainable Development].

INFORMATION TECHNOLOGY

Your Company continues to be in the forefront of leveraging relevant Information Technology trends to better facilitate the business and enhance the value proposition to customers.

This year a variety of initiatives were rolled out to better manage the 'Customer'. In today's digital economy, a customer can contact your Company and avail services through multiple channels – the call centre, website or by visiting your Company's Signature or Colour Ideas Stores. Your Company's revamped corporate website has been launched recently, enabling an additional channel for the customer.



A snapshot of Company's new website

Your Company continued to deploy the 'Mobile First' strategy for key customer facing processes. Company's sales officers are now equipped with Android tablets to manage the dealer network efficiently. Emerging customer facing roles in your Company's services business like Colour Consultants and Relationship & Sales Associates for your Company's Home Solutions business will be able to offer a better end-consumer experience with interactive mobile applications.

The decision-making capability has been raised within the organisation to next level by investing in cutting edge In-Memory Database technology from SAP called HANA. This has provided the managers with powerful and faster analysis capabilities.

During the year, your Company successfully managed the complex transition of key information systems for the Joint Venture Companies.

Your Company continues to modernise its plants with increasing automation in core production and material handling processes, the latest being the plant at Khandala.

Your Company continues to invest in improving the resiliency of its IT systems. It is rolling out an Information Security program based on leading international standards. The detailed design for a comprehensive disaster recovery plan for IT systems was completed during the year.

RESEARCH & DEVELOPMENT

Your Company is executing an integrated strategy for technology development and deployment. The technology function is supporting your Company's strategy around technology development, development of substantially new products, extension and modifications of existing products and productivity improvement and cost reduction. In the financial year 2012-13, technology efforts have been focussed on greening of your Company's products portfolio. Green Seal Standard GS-11 was used as a framework. Green Seal's GS-11 standard recommends VOC (Volatile Organic Compounds) levels in paints and restrict the use of some specific toxic materials. Phase I of the Green plan has been completed, with Royale, Royale Shyne and Apex Ultima now compliant to the GS-11 standard.

Royale Aspira, launched this year as a high end interior product, is designed with calculated VOC levels and extremely low odour. This product is in the same league as some of the

globally leading interior products with respect to performance and eco friendliness.

Your Company's Research & Technology (R&T) function continues to increase its presence in international forums through publications in peer review journals. This year, your Company's scientists have been recognised with "The Roon Award". The Roon Award is designed to recognise technical papers representing original scientific and innovative research directly related to the protective coatings industry and presented by an individual associated with the organic coatings industry. This award is considered as one of the highest technical achievements in the coatings industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company continued its commitment to carry out its operations within a well-defined control and governance framework. The framework covers sound policies, robust processes, automation wherever possible, periodic reviews at various levels and supported by an independent internal audit function.

This framework is adequately supported by a vigilant accounts and finance function which verifies compliance not just to laid out policies but also the need for the spend itself.

During the year, the Company took up initiatives to further strengthen the control of the environment. Some of the significant ones are listed below:

1. Online tool to improve awareness of people and facilitate compliance was implemented during the year and people at all locations were trained on the same.
2. A solution for vehicle tracking and managing transportation costs was launched at a few locations providing valuable insights into the drivers of costs, thus helping them have better control over costs and accuracy of accounting.
3. Large spends were audited by the internal audit department during the year to provide comfort on compliance to laid out procedures, adherence to the budget, compliance to tax laws and appropriate accounting of the same.
4. Investment in the Governance Risk and Compliance software were augmented to plan, execute and track all internal audits.
5. Self-certification on controls related to financial closure has been rolled out to key functions within the Company. This has strengthened the financial closure process in the Company.

Audit findings along with management response and action plan are periodically presented to the Audit Committee of the Board for their review.

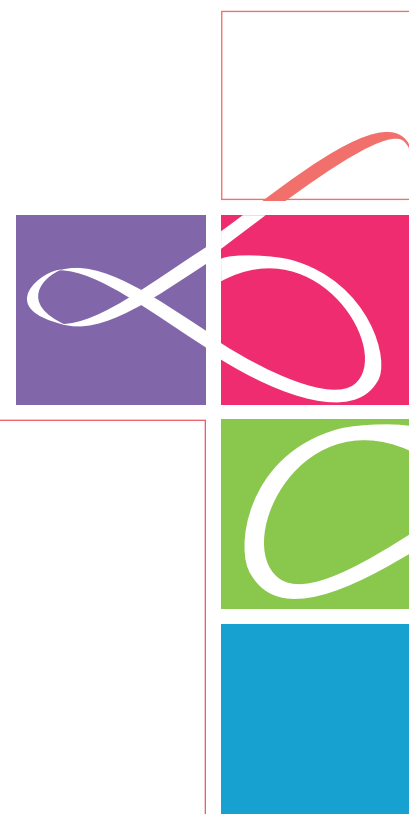
OUTLOOK

The macroeconomic environment and growth prospects of India and the world at large have only deteriorated during the course of 2012-13. There are concerns of the country getting back to the low growth era witnessed before the year 2004. Internationally, the euro financial crisis continues to pose significant challenges. China has started witnessing demand slowdown which has led to correction in commodity prices across the globe. There are indications of growth revival in US, however, these are very early signs and don't command much confidence from economists. However, recent corrections in commodities and crude oil provide optimism as it can lead to better demand conditions which in turn can revive the growth prospects. India, especially can expect a much better macroeconomic environment in

such a situation as lower crude prices will keep the deficit under control and lead to allocation of resources on more developmental activities. This in turn will provide a fresh impetus to the Indian economy and raise its growth prospects.

Your Company has significant presence outside India in Middle East, Asia, Caribbean and South Pacific. Global slowdown has impacted the demand conditions in many of these countries and they continue to face challenging macroeconomic conditions. Political uncertainty in Egypt continues to be a cause of concern. Depreciation of currency in Bangladesh and Egypt as well as other countries can also be an area of concern going forward.

But as always, your Company remains cautiously optimistic and hopes for an inclusive growth in this volatile and exciting environment.





CSR initiatives undertaken at various locations

Product Portfolio

exteriors



wood finishes



interiors



enamels



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 67th Annual Report of your Company and the Audited Accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

The financial performance of your Company, for the year ended 31st March, 2013 is summarised below:

(₹ in Crores)

	Asian Paints Limited			Asian Paints Limited Group Consolidated		
	2012-13	2011-12	Growth	2012-13	2011-12	Growth
Revenue from Operations (Net)	8,971.70	7,964.16	12.7%	10,970.74	9,632.24	13.9%
EBITDA	1,673.42	1,493.24	12.1%	1,846.46	1,616.18	14.2%
Less: Finance Costs	30.56	30.82		36.65	40.97	
Less: Depreciation	126.98	99.49		154.60	121.13	
Profit Before Tax	1,515.88	1,362.93	11.2%	1,655.21	1,454.08	13.8%
Less: Tax expense	465.88	404.54		495.69	433.50	
Profit After Tax	1,050.00	958.39	9.6%	1,159.52	1,020.58	13.6%
Less: Minority Interest	-	-		45.64	31.85	
Profit attributable to shareholders of the Company	1,050.00	958.39	9.6%	1,113.88	988.73	12.7%
Opening balance in Statement of Profit and Loss	700.00	600.00		700.00	600.00	
AMOUNT AVAILABLE FOR APPROPRIATION	1,750.00	1,558.39		1,813.88	1,588.73	
That the Directors recommend for appropriation as under:						
Dividend - Interim	91.13	91.13		91.13	91.13	
- Proposed Final	350.10	292.56		350.10	292.56	
Tax on Dividend	74.29	62.24		74.29	62.24	
Transfer to General Reserve	234.48	412.46		298.36	442.80	
Closing balance in Statement of Profit and Loss	1,000.00	700.00		1,000.00	700.00	

CONSOLIDATED ACCOUNTS

The Ministry of Corporate Affairs (MCA) by General Circular No. 2/2011 dated 8th February, 2011, has granted an exemption to the companies from complying with Section 212 of the Companies Act, 1956, provided such companies fulfil conditions mentioned in the said circular. The Consolidated Financial Statements of your Company for the financial year 2012-13, are prepared in compliance with applicable Accounting Standards and applicable Listing Agreement as prescribed by the Securities and

Exchange Board of India. The consolidated accounts have been prepared on the basis of audited financial statements received from subsidiaries and joint venture companies, as approved by their respective Boards.

The annual accounts and financial statements of the subsidiary companies of your Company and related detailed information shall be made available to members on request and are open for inspection at the Registered Office of your Company. Your

Company has complied with all the conditions as stated in the above circular and accordingly, has not attached the financial statements of its subsidiary Companies for the financial year 2012-13. A statement of summarised financials of all subsidiaries of your Company including capital, reserves, total assets, total liabilities, details of investment, turnover, etc., pursuant to the General Circular issued by Ministry of Corporate Affairs, forms part of this report.

DIVIDEND

During the financial year 2012-13, your Company declared an interim dividend of ₹ 9.50 (Rupees Nine and Paise Fifty only) per equity share in the month of October, 2012 and paid in the month of November, 2012. In addition, your Directors recommend payment of ₹ 36.50 (Rupees Thirty Six and Paise Fifty only) per equity share as the final dividend for the financial year 2012-13. If approved, the total dividend (interim and final dividend) for the financial year 2012-13 will be ₹ 46 (Rupees Forty Six only) per equity share; ₹ 40 (Rupees Forty only) per equity share was paid as dividend for the previous year.

TRANSFER TO RESERVES

Your Company proposes to transfer ₹ 234.48 crores to the general reserve. An amount of ₹ 1000 crores is proposed to be retained in the profit and loss account.

SUB-DIVISION OF SHARES

The Board of Directors considered and approved the sub-division of the Equity Shares of your Company whereby 1 (One) Equity Share having a nominal face value of ₹ 10 (Rupees Ten only) will be sub-divided into 10 (Ten) Equity Shares of nominal face value of ₹ 1 (Rupee One) each. Consequent amendment to the capital clauses of the Memorandum and Articles of Association of the Company were also approved by the Board, subject to approval of the shareholders at the ensuing Annual General Meeting. The record date for the same shall be determined subsequent to the approval of the shareholders at the ensuing general meeting and subject to all other statutory approvals, as may be applicable. The necessary resolutions form part of the Notice for the ensuing Annual General Meeting, as a part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report.

CORPORATE GOVERNANCE

Your Company is compliant with the requirements of Clause 49 of the Listing Agreement. Necessary disclosures have been made

in this regard in the Corporate Governance Report. A certificate from the Joint Statutory Auditors of your Company regarding compliance with the requirements of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report. The report on Corporate Governance is included and forms part of this report.

BUSINESS RESPONSIBILITY REPORT

As per Clause 55 of the Listing Agreement with the Stock Exchanges, the Business Responsibility Report forms part of this Annual Report. It is also available on the website of the Company.

SECRETARIAL AUDIT

Dr. K.R. Chandratre, Practicing Company Secretary conducted Secretarial Audit pursuant to provisions of Section 383A of the Companies Act, 1956, for the financial year 2012-13. Dr. K.R. Chandratre has submitted the Report confirming compliance with the applicable provisions of Companies Act, 1956 and other rules and regulations issued by SEBI/other regulatory authorities for corporate law.

JOINT VENTURE WITH PPG INDUSTRIES INC., USA

As informed in the last year's Annual Report, your Company had filed a Composite Scheme for Merger and Demerger under Sections 391-394 of the Companies Act, 1956 and other applicable provisions with the Hon'ble High Court of Judicature of Bombay, for merger of AP Coatings Ltd (100% subsidiary of your Company) and a wholly owned Indian subsidiary of PPG Industries Securities LLC., USA (PPG) i.e. PPG Coatings India Private Limited into PPG Asian Paints Private Limited (PPG-AP), 50:50 joint venture between your Company and PPG and thereafter, demerger of certain businesses into Asian Paints PPG Private Limited (AP-PPG), new 50:50 joint venture between your Company and PPG.

During the year, the Order sanctioning the aforesaid Scheme was passed by the Hon'ble High Court of Judicature at Bombay on 6th July, 2012. The said Order was filed by the respective companies with the Registrar of Companies, Maharashtra at Mumbai on 1st August, 2012, making the Order effective.

During the year under review, the Board also approved infusion of funds equivalent to ₹ 16,00,00,258 by investing in 6,08,366 equity shares of ₹ 10 each in AP-PPG and ₹ 16,00,00,060 by investing in 14,54,546 equity shares of ₹ 10 each in PPG-AP, along with PPG making the same amount of investment in both the Joint Venture Companies. The investment was made on 10th April, 2013.

FORAY INTO HOME IMPROVEMENT

During the year, the Company as part of its strategic initiative to explore Home Improvement, decided to enter into the

modern kitchen space. Necessary amendments were carried out to the Object Clause of the Memorandum of Association of the Company for entering into the businesses relating to Home Improvement & Décor.

Further, the Board of Directors at its meeting held on 19th March, 2013, granted in-principle approval for entering into an arrangement with the promoters of the Sleek Group for acquiring a 51% stake in the Sleek Group, subject to due diligence, necessary approvals and documentation. Necessary work in this regard is being carried out. Sleek Group is engaged in the business of manufacturing, selling and distribution of kitchens and kitchen components including wire baskets, cabinets, appliances, accessories, etc., with pan India presence. Your Company strongly believes that this acquisition will offer significant opportunities and synergy to your Company.

INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery and liabilities under legislative enactments are adequately insured.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The information on Conservation of Energy and Technology Absorption by the Company as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, are given as Annexure to this report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of expenditure and earnings in foreign currencies are given under Note 34 and 35 to the financial statements.

PERSONNEL

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, names and other particulars of employees are required to be attached to this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Annual Accounts of your Company sent to the shareholders do not contain the said annexure. Any member desirous of obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- In preparation of the annual accounts, the applicable accounting standards have been followed;
- The accounting policies have been selected and applied consistently and the judgements and estimates made, are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2013 and of the profit and loss of the Company for that period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The annual accounts have been prepared on a going concern basis.

DIRECTORS

The Board appointed Mr. K.B.S. Anand as an Additional Director in accordance with Section 260 of the Companies Act, 1956 with effect from 1st April, 2012 and as Managing Director & CEO with effect from 1st April, 2012 to 31st March, 2015.

During the year 2012-13, the Board appointed Mr. M.K. Sharma as an Additional Director with effect from 25th October, 2012. Mr. M.K. Sharma is being appointed as the Director of your Company at the ensuing Annual General Meeting. Your Directors recommend his appointment as a Director of your Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Mahendra Choksi, Ms. Tarjani Vakil, Mr. Mahendra Shah and Mr. S. Ramadorai retire by rotation at the ensuing Annual General Meeting. Ms. Tarjani Vakil does not wish to seek re-appointment at the ensuing Annual General Meeting and wishes to retire as Director of the Company. Her contribution to the Audit Committee as the Chairperson of the Committee as well as to the Board and the Remuneration Committee has been immensely valuable and has significantly contributed to the growth of your Company. The Board places on record its appreciation for her outstanding contribution to the Company as a Director during her association with the Company.

Mr. Mahendra Choksi, Mr. Mahendra Shah and Mr. S. Ramadorai, being eligible for re-appointment, seek re-appointment at the ensuing Annual General Meeting. Appropriate resolutions for their re-appointment are being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors and other information have been detailed in the Notice. Your Directors recommend their re-appointment as Directors of your Company.

AUDITORS

M/s. Shah & Co., Chartered Accountants and M/s. B S R & Associates, Chartered Accountants, Joint Auditors of your Company are due for retirement at the ensuing Annual General Meeting and are eligible for re-appointment. Your Directors recommend their re-appointment for the ensuing year. The Statutory Auditors of your Company have submitted a certificate to your Company that they have subjected themselves for the peer review process of the Institute of Chartered Accountants of India.

COST AUDITOR

Pursuant to the direction from the Ministry of Corporate Affairs for appointment of Cost Auditors, your Company had appointed Ms. Ketki Visariya, as the Cost Auditor of the Company for the financial year 2012-13 to conduct the audit of the cost records of the Company. Ms. Ketki Visariya has resigned as the Cost Auditor of your Company for the financial year 2012-13.

Accordingly, it is proposed to appoint the Cost Auditor for the financial years 2012-13 as well as 2013-14. Your Company's Audit Committee and Board of Directors have approved the appointment of M/s. RA & Co., Cost Accountants as the Cost Auditor to conduct the audit of the cost records of the Company

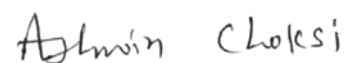
for the financial years 2012-13 and 2013-14, subject to approval of the Central Government.

The Cost Audit report for the financial year 2011-12 was filed within the due date. The due date for submission of the Cost Audit Report for the year 2012-13 is within 180 days from 31st March, 2013.

APPRECIATION

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, valuable contribution and dedication during the year. Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their consistent support.

For and on behalf of the Board



Ashwin Choksi
Chairman

Mumbai
9th May, 2013

Annexure to Directors' Report

CONSERVATION OF ENERGY

a) Energy conservation measures taken:

All manufacturing facilities continued their efforts to reduce specific energy consumption. Specific and total energy consumption indicators are tracked on monthly basis at the individual factory level and also at the consolidated manufacturing level. Your Company's plants regularly undergo Energy Audits to identify areas of improvement. In addition to the existing energy conservation measures, the engineering and production departments in each plant work closely towards improving the efficiency of generation as also in the reduction in energy consumption. The measures taken in all the Company's plants can be briefly enumerated as below:

1. Replacement of old equipment with new/ energy-efficient equipment:

Old cooling towers in the plants were replaced with new and better energy-efficient units. The cooling towers are interlinked so as to enable usage of a single unit for multiple purposes depending on the cooling load required. In certain locations, conventional cooling towers are being replaced with fan-less cooling towers to eliminate the high power-load due to operation of the fans in cooling towers.

2. Reduction in Specific Fuel Consumption for electricity generation:

Most of your Company's plants utilise electricity supplied by the State Government or its Electricity Board. However, some of the plants had to operate Diesel Generating Sets to generate electricity. A good amount of focus and effort has resulted in improved generation efficiency, thereby requiring lesser amount of fuel for equivalent amount of electricity.

3. Lighting:

Efforts have been put by your Company to reduce or optimise the lighting requirements at all the plants. Some of the initiatives are enumerated as under:

- Timer-controllers that put off the lights during day-time
- Energy-saver system for the outside-area and peripheral lighting

- LED-based view-lamps in the manufacturing equipment vessels
- Replacement of Conventional Light fittings with LED light fitting inside the manufacturing blocks and along staircases
- Installation of Light Dependant Resistors (LDR) controlled lighting at the shop-floor such that lighting operation is associated with the operation of corresponding equipment/machinery
- Replacement of the higher wattage Metal Halide (MH) lamps by equivalent High Pressure Mercury Vapour (HPMV) lamps

4. Control Instrumentation / Process Optimisation:

Your Company's engineering department has been consistently using process control instrumentation to optimise the use of energy during the production operations. A few notable activities include:

- Compressed air pressure optimisation
- Under-current sensor for battery chargers
- Sensor for welding sets to avoid no-load losses
- Permanent star-connection for under-loaded motors
- Grinding media conversion to reduce the processing cycle-time thus reducing the energy consumption

5. Optimisation of Electrical Equipment:

In addition to the existing controls on prime production equipment and existing prime utilities equipment, some electrical equipment modifications / additions being done are:

- Equipment for Power Factor Improvement
- VFDs have now also been provided on some of the other peripheral equipment such as Sand Mills and for High capacity water pumps
- Replacement of Reciprocating compressor to VFD based screw compressor

6. Penta Plant:

Reduction of main reaction time thereby increasing number of batches per day, optimising methanol concentration in formaldehyde section and incorporation of automation for reducing steam consumption.

b) Additional investments/ proposals being implemented for reduction of consumption of energy:

All plants will continue to put in efforts to reduce specific energy consumption. Some key proposals that are planned to be implemented for energy conservation include:

- VFD on the Packing Machines
- New type of cowl disc to eliminate stator / rotor setup in equipment
- Procurement of Screw shaft and Liner for TSD and Mixer pump
- Modification in turbine steam distribution in the Penta plant
- Upgradation of multiple effect evaporator systems to improve steam economy in the Penta plant

- Installation of energy efficient motors for cold oil and turbine condenser cooling water circulation in the Phthalic plant

c) Impact of measures for reduction of energy consumption

The efforts put in have resulted in savings in cost of production, reduction on carbon emissions and processing time. The metric "specific power consumption" tracked as a measure of the performance of Energy Management has reduced in the past year.

Pentaerythritol plant located at Cuddalore in Tamil Nadu was conferred the award of 'Excellent Energy Efficient Unit' by CII (Confederation of Indian Industry).

Form A

Disclosure of particulars with respect to Conservation of Energy:

Particulars	2012-13	2011-12
A. Power and fuel consumption		
1. Electricity		
a. Purchased		
Units ('000 KWH)	40,804	32,687
Total Amount (₹ in Crores)	29.51	18.11
Rate per unit (₹)	7.23	5.54
b. Own Generation		
Through Diesel Generator		
Units ('000 KWH)	14,808	16,685
Units per ltr of diesel oil	3.53	3.48
Cost/unit (₹)	13.48	10.86
Natural Gas		
Units ('000 KWH)	5,329	6,122
Units per nm ³	3.38	3.36
Cost/unit(₹)	8.90	6.76
2. Coal		
Quantity (in MTs)	20,046	19,585
Total Amount (₹ in Crores)	10.94	9.44
Average rate/MT (₹)	5,457	4,821
3. Diesel		
Quantity (in KL)	1,772	995
Total Amount (₹ in Crores)	7.77	4.00
Average rate/Ltr. (₹)	43.87	40.14
4. Furnace Oil		
Quantity (in KL)	625	1,191
Total Amount (₹ in Crores)	2.64	4.66
Average rate/Kg. (₹)	42.23	39.12
5. Natural Gas		
Quantity (in '000 cubic m.)	3,167	3,314
Total Amount (₹ in Crores)	10.05	7.42
Average rate/cubic m. (₹)	31.71	22.38
6. LPG		
Quantity (in MTs)	606	638
Total Amt (₹ in Crores)	2.91	2.70
Average rate/MT (₹)	48.00	42.33

B. Consumption per unit of production

	Electricity		Furnace Oil		Natural Gas		LPG		Coal		Diesel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Paints	104	105	9	16	15	16	9	8	-	-	3	2
Phthalic	117	34	-	-	69	53	-	-	-	-	1	-
Penta	76	91	-	-	-	-	-	-	4	4	-	-

Form B

Disclosure of particulars with respect to Technology Absorption:

Research and Development (R&D):

1. Specific area in which R&D is carried out by the Company:

The R&D Unit of your Company is carrying out the following activities to support the business goals of your Company:

- Development of new products and processes related to surface coatings and intermediates
- Value engineering through formulation re-engineering and identification of new and alternate raw materials
- Upgradation of existing products and processes
- Technology support of all overseas subsidiaries
- Optimisation of products and processes to minimise waste generation and reduce environmental and safety concerns
- Development of new application techniques for various substrates
- Import substitution and identification of new raw material for development
- Development of new analytical test methods, characterisation techniques
- Collaborative development with vendors, academia and institutes
- Research on new functional polymers, emulsions and nano technology

2. Benefits derived as a result of the above R&D:

- New Product - Royale Aspira was launched in the market
- Developed upgraded versions of products Royale and Royale Shyne and were launched in the market

- Developed special effects textile, Royale Iridescent and metallic effects
- Aquadur wood filler and Aquadur grain filler launched
- Smart care products for waterproofing were launched
- Developed Industrial Tinting System (ITS) using local colourants
- Developed epoxy tank lining for storage of ATF (jet fuels) conforming to international standard (MIL-PRF-4556F)
- Developed solvent free epoxy for buried pipelines meeting international standard (PDO - PCS 2B)
- Developed waterborne polyurethane Topcoat for industrial flooring
- VOC reduction of premium exterior and interior emulsions for overseas units of the Company
- Developed Alkyds / Modified Alkyds for enhanced coating performance
- Developed high performance silicone modified resin intermediates
- Developed ASPA metallic Tinting system for Auto Refinish Market
- Energy savings achieved in manufacture of machine colorants

3. Further plan of action:

Your Company considers the development of technical capabilities to sustain its competitive position in the market place of primary importance. Therefore, while effort has been in developing new products, continual investment has also been made in developing new technology platforms to support its product plans, improve its manufacturing and open new applications. In order to address the continual changing needs of customers, your Company is continuing to strengthen its technical capabilities in order to meet the evolving customers' needs.

4. Expenditure on R & D during the year is as follows:

Particulars	(₹ in Crores)	
	2012-13	2011-12
Capital	4.91	6.49
Recurring	45.64	37.24
Total	50.55	43.73
Net Revenue from Operations	8,972	7,964
R & D expenditure as % of Net Revenue from Operations	0.56%	0.55%

5. Technology absorption, adaptation and innovation:

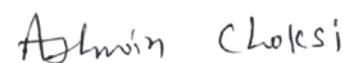
Efforts in brief made towards technology absorption, adaptation and innovation and benefits derived as a result of the same:

In the financial year 2012-13, technology efforts have been focussed on greening of products portfolio. Green Seal Standard GS-11 was used as a framework. Your Company is also enhancing further its technology development by leveraging innovation through external collaboration with Suppliers Research & Development and with Research Institutes. Number of large projects in Sourcing and Research & Development have been undertaken and is expected to benefit in the coming years.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company's exports primarily consist of Dipentaerythritol and Monopentaerythritol to American and European markets. The Dipentaerythritol is used mainly as an additive in the manufacture of lubricants and the Monopentaerythritol is mainly used in the manufacture of explosives. Your Company also exports items to its overseas units and licensees. Specific products or special products which are of low volume for domestic manufacture by the overseas units are also produced and exported to the units from India. Support is extended to overseas units through export of marketing materials and machinery parts. Export queries received in India from countries where your Company has operations is routed through respective overseas units.

For and on behalf of the Board



Ashwin Choksi
Chairman

Mumbai
9th May, 2013

Independent Auditors' Report

To the Members of Asian Paints Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Asian Paints Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial results based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2013;
- (ii) in the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far it appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the

Accounting Standards referred to in subsection (3C) of section 211 of the Act; and

- e. on the basis of written representations received from the Directors as at 31st March, 2013 and taken on

For B S R & Associates

Chartered Accountants
Firm Registration No: 116231W

Natraj Ramakrishna

Partner
Membership No: 032815

Bengaluru
9th May, 2013

record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Shah & Co.

Chartered Accountants
Firm Registration No: 109430W

Ashish Shah

Partner
Membership No: 103750

Mumbai
9th May, 2013

Annexure to the Independent Auditors' Report – 31st March, 2013

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed upon such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- (ii) (a) The inventory, except good-in-transit and stocks lying with the third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with the third parties at the year end, written confirmations have been obtained.
- (b) The procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register required to be maintained under Section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax/ Value added tax, Wealth tax, Service tax, Customs duty, Excise duty and material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax/ Value added tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues were in arrears as at 31st March, 2013 for a period of

more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of dues	Financial Year	Amount (₹ in Crores)	Forum where dispute is pending
Sales Tax	Assessment Dues	F.Y. 1994-95 to 1995-96, F.Y.1997-98, F.Y. 2001-02 to 2012-13	22.69	First Appellate level
		F.Y. 1999-00 to 2001-02, F.Y. 2003-04 to 2005-06, FY 2008-09	1.03	Second Appellate level
		F.Y. 1991-92, F.Y. 1993-94 , F.Y.1996-97 to 1998-99, F.Y. 2000-01 to 2010-11	10.87	Tribunal
		F.Y. 1997-98, F.Y. 2006-07 to 2007-08	0.20	High court
		F.Y. 1992-93, 1993-94, FY 2001-02 to F.Y. 2006-07	1.03	Supreme Court
	Total (A)		35.82	
Excise Central Excise Act 1944	Dispute relating to Excise duty	F.Y. 2004-05	0.64	Adjudicating Authority
		F.Y. 1986-87, F.Y. 1992-93 to 1997-98, F.Y. 2000-01 and 2007-08	0.53	First Appellate
		F.Y. 1992-94, F.Y. 2000-01 to 2003-04, F.Y. 2008-09 and F.Y. 2010-11	0.26	Tribunal
		F.Y. 1969-73, F.Y. 1998-99 to 1999-00	0.09	High Court
	Total (B)		1.52	
Income Tax	IT matters under dispute	A.Y. 2009-10	6.42	First Appellate
		A.Y. 2007-08	3.47	Tribunal
		A.Y. 2012-13	0.20	Assessing Officer
	Total (C)		10.09	
	Grand Total (A)+(B)+(C)		47.43	

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its bankers. The Company did not have any outstanding debentures or any outstanding loans from financial institutions during the year.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, and according to the information and explanations given to us, the Company is not a chit fund nidhi, mutual benefit fund or society.
- (xiv) In our opinion, and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) The Company has given certain guarantees on behalf of its dealers and subsidiaries as mentioned in note 25 of notes to accounts. In our opinion and based on the information and explanation received, the terms and conditions of these guarantees are not prejudicial to the interest of the Company.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to companies / firms / parties covered in the register maintained under Section 301 of the Act during the year.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Associates

Chartered Accountants
Firm Registration No: 116231W

Natraj Ramakrishna

Partner
Membership No: 032815

Bengaluru
9th May, 2013

For Shah & Co.

Chartered Accountants
Firm Registration No: 109430W

Ashish Shah

Partner
Membership No: 103750

Mumbai
9th May, 2013

Balance Sheet as at 31st March, 2013

(₹ in Crores)

	Notes	As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	95.92	95.92
Reserves and Surplus	3	2,926.34	2,391.86
		3,022.26	2,487.78
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	46.76	52.11
Deferred Tax Liability (Net)	5	143.33	80.75
Other Long Term Liabilities	6	0.50	3.62
Long Term Provisions	7	76.77	65.16
		267.36	201.64
CURRENT LIABILITIES			
Short Term Borrowings	8	-	110.51
Trade Payables	9	1,214.12	1,034.68
Other Current Liabilities	10	720.99	606.33
Short Term Provisions	7	423.55	355.07
		2,358.66	2,106.59
Total		5,648.28	4,796.01
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	11 A	2,074.91	987.79
Intangible Assets	11 B	26.98	21.25
Capital work-in-progress		52.55	602.84
		2,154.44	1,611.88
Non-current Investments	12	359.70	279.22
Long Term Loans and Advances	13	92.88	180.52
CURRENT ASSETS			
Current Investments	14	90.00	263.00
Inventories	15	1,480.79	1,264.42
Trade Receivables	16	633.88	500.24
Cash and Bank balances	17	566.86	500.97
Short Term Loans and Advances	13	164.08	100.50
Other Current Assets	18	105.65	95.26
		3,041.26	2,724.39
Total		5,648.28	4,796.01
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board

For B S R & Associates
Chartered Accountants
FRN 116231W

For Shah & Co.
Chartered Accountants
FRN 109430W

Ashwin Choksi
Chairman

K.B.S. Anand
Managing Director
& CEO

Tarjani Vakil
Chairperson of
Audit Committee

Natraj Ramakrishna
Partner
Membership No: 032815

Ashish Shah
Partner
Membership No: 103750

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Bengaluru
9th May, 2013

Mumbai
9th May, 2013

Mumbai
9th May, 2013

Statement of Profit and Loss for the year ended 31st March, 2013

(₹ in Crores)

	Notes	Year 2012-13	Year 2011-12
(I) INCOME			
Revenue from sale of goods and services (Net of discounts)	19A	9,990.04	8,708.30
Less: Excise duty		1,068.91	783.60
Revenue from sale of goods and services (Net of discounts and excise duty)		8,921.13	7,924.70
Other Operating Revenue	19B	50.57	39.46
Other Income	20	126.15	141.49
Total Revenue (I)		9,097.85	8,105.65
(II) EXPENSES			
Cost of Materials Consumed	21A	5,125.48	4,722.74
Purchases of Stock-in-Trade	21B	199.56	138.67
Changes in inventories of finished goods, work in progress and stock-in-trade	21C	(136.17)	(115.07)
Employee Benefits Expense	22	404.59	341.63
Other Expenses	23	1,830.97	1,524.44
Total (II)		7,424.43	6,612.41
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I) - (II)		1,673.42	1,493.24
Depreciation and Amortisation Expense	11	126.98	99.49
Finance Costs	24	30.56	30.82
PROFIT BEFORE TAX		1,515.88	1,362.93
Less : Tax Expenses			
Current Tax		406.03	402.76
Deferred Tax	5	62.59	4.16
(Excess) tax provision for earlier years		(2.74)	(2.38)
Total Tax Expenses		465.88	404.54
PROFIT AFTER TAX		1,050.00	958.39
Earnings per share (₹) Basic and diluted (Face value of ₹ 10 each)	46	109.47	99.92
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board

For B S R & Associates
 Chartered Accountants
 FRN 116231W

For Shah & Co.
 Chartered Accountants
 FRN 109430W

Ashwin Choksi
 Chairman

K.B.S. Anand
 Managing Director
 & CEO

Tarjani Vakil
 Chairperson of
 Audit Committee

Natraj Ramakrishna
 Partner
 Membership No: 032815

Ashish Shah
 Partner
 Membership No: 103750

Jayesh Merchant
 CFO & Company Secretary,
 President - Industrial JVs

 Bengaluru
 9th May, 2013

 Mumbai
 9th May, 2013

 Mumbai
 9th May, 2013

Cash Flow Statement for the year ended 31st March, 2013

(₹ in Crores)

	2012-13	2011-12
(A) Cash Flow From Operating Activities		
Profit before prior period item, tax and after exceptional item	1,515.88	1,362.93
Adjustments for :		
Depreciation/ Impairment	126.98	99.49
Interest income	(4.99)	(2.52)
Dividend income	(32.92)	(57.42)
Finance costs	30.56	30.82
Provision for doubtful debts and advances	0.98	(1.50)
Bad debts written off	0.71	2.96
Net unrealised foreign exchange (gain)/ loss	(7.23)	6.20
Loss/(Profit) on Sale of long term investments	(26.20)	(32.46)
Loss/(Profit) on Sale of short term investments	(1.02)	(0.83)
Loss/(Profit) on Sale of assets	(3.61)	0.10
Operating Profit before working capital changes	1,599.14	1,407.77
Adjustments for :		
Trade Receivables	(135.34)	(191.40)
Other Receivables	(53.38)	(92.39)
Inventories	(216.37)	(231.18)
Trade and other payables	290.39	387.21
Cash generated from Operations	1,484.44	1,280.01
Income Tax paid (net of refund)	(403.32)	(399.53)
Net Cash generated from Operating Activities	1,081.12	880.48
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(585.49)	(740.67)
Sale of Fixed Assets	4.83	0.47
Loans to subsidiaries	(1.41)	(0.05)
Repayment of loan - Subsidiaries	1.34	-
Purchase of long term Investments - others	(185.38)	(290.39)
Purchase of long term Investments - Subsidiaries	-	(15.00)
Purchase of long term Investments - Joint Venture	(0.09)	-
Sale of long term Investments	304.20	393.46
Net profit on sale of short term investments	1.02	0.83
Interest received	3.19	2.25
Dividend received	32.92	57.42
Net Cash used in Investing Activities	(424.87)	(591.68)

(₹ in Crores)

	2012-13	2011-12
(C) Cash Flow from Financing Activities		
Proceeds from long term borrowings	1.98	-
Proceeds from short term borrowings	8.27	109.68
Repayment of long term borrowings	(5.59)	(4.13)
Repayment of short term borrowings	(118.78)	(3.98)
Finance Costs Paid	(31.44)	(31.38)
Dividend and Dividend tax paid	(444.79)	(367.25)
Net Cash used in Financing Activities	(590.35)	(297.06)
(D) Net Increase/(Decrease) In Cash and Cash Equivalents	65.90	(8.26)
Cash and Cash Equivalents as at 1st April	500.97	509.01
Less: Effect of exchange (gain)/ loss on cash and cash equivalents	-	(0.22)
Cash and Cash Equivalents as at 31st March	566.87	500.97

Notes:

- (a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.

(₹ in Crores)

	As at 31.03.2013	As at 31.03.2012
(b) Cash and Cash Equivalents comprises of :		
Cash on hand	0.11	0.06
Balances with Bank:		
- Current Accounts	4.29	27.05
- Cash Credit Account	32.19	0.22
- Cheques on hand	32.70	47.32
- Deposit with bank with maturity less than 3 months	68.90	50.00
- Unpaid dividend account*	5.86	4.74
Investment in liquid mutual funds	422.82	371.58
	566.87	500.97

* The Company can utilise these balances only towards settlement of unclaimed dividend.

As per our report of even date

For B S R & Associates
Chartered Accountants
FRN 116231W

Natraj Ramakrishna
Partner
Membership No: 032815

Bengaluru
9th May, 2013

For Shah & Co.
Chartered Accountants
FRN 109430W

Ashish Shah
Partner
Membership No: 103750

Mumbai
9th May, 2013

For and on behalf of the Board

Ashwin Choksi
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CFO & Company Secretary,
President - Industrial JVs

Mumbai
9th May, 2013

K.B.S. Anand
Managing Director
& CEO

Tarjani Vakil
Chairperson of
Audit Committee

Notes to Financial Statements

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Basis of Accounting

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 (as amended) and with the relevant provisions of the Companies Act, 1956.

(b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

(c) Current/Non Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. it is expected to be realized or settled or is intended for sale or consumption in the company's normal operating cycle;
- ii. it is expected to be realized or settled within twelve months from the reporting date;
- iii. in the case of an asset,
 - it is held primarily for the purpose of being traded; or
 - it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date
- iv. in the case of a liability, the company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current / non-current classification of assets and liabilities, the company has ascertained its normal operating cycle as 12 months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

1.2. TANGIBLE AND INTANGIBLE ASSETS

(a) Tangible Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Know-how related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant asset heads. Profit or Loss on disposal of tangible assets is recognised in the Statement of Profit and Loss.

(b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognised in the Statement of Profit and Loss.

(c) Depreciation and Amortisation

Depreciation on all fixed assets is provided under Straight Line Method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation on following assets have been provided at rates which

Notes to Financial Statements

are higher than the corresponding rates prescribed in Schedule XIV.

Information Technology Assets	4 years
Scientific Research equipment	8 years
Furniture and Fixtures	8 years
Office equipment and Vehicles	5 years
Godowns, Office & Roads situated within factory premises	30 years

For Phthalic Anhydride and Pentaerythritol plants, depreciation is provided on all eligible plant and machinery at rates applicable for continuous process plants.

Depreciation on tinting systems except computers leased to dealers, is provided under Straight Line Method over the estimated useful life of nine years as per technical evaluation. Depreciation on computers given on lease is provided under straight line method and at rates specified under Schedule XIV to the Companies Act, 1956.

Assets costing less than ₹ 5,000 are fully charged to the Statement of Profit and Loss in the year of acquisition. Leasehold land and leasehold improvements are amortised over the primary period of lease.

Purchase cost, user license fees and consultancy fees for major software are amortised over a period of four years. Acquired Trade mark is amortised over a period of five years.

(d) Impairment

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that

would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

1.3. REVENUE RECOGNITION

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and are net of returns. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Revenue from service is recognised on rendering of services to customers.

Processing income is recognised on accrual basis as per contractual arrangements.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

1.4. LEASE ACCOUNTING

Assets taken on operating lease

Lease rentals on assets taken on operating lease are recognised as expense in the Statement of Profit and Loss on an accrual basis over the lease term.

Assets given on operating lease

The Company has provided tinting systems to dealers on an operating lease basis. Lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

1.5. INVENTORY

(a) Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock-in trade are carried at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-

Notes to Financial Statements

by-item basis. Damaged, unserviceable and inert stocks are suitably written down/provided for.

- (b) In determining cost of raw materials, packing materials, stock-in trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- (c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

1.6. INVESTMENTS

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognized in the Statement of Profit and Loss.

1.7. TRANSACTIONS IN FOREIGN CURRENCY

(a) Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

(b) Measurement of foreign currency items at the Balance Sheet date

Foreign currency monetary items of the Company are

restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

(c) Forward exchange contracts

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

1.8. TRADE RECEIVABLES

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful. Discounts due, yet to be quantified at the customer level are included under Other Current Liabilities.

1.9. EMPLOYEE BENEFITS

A. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

B. Post-employment benefits

(a) Defined contribution plans

Defined contribution plans are Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and Superannuation Scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

(b) Defined benefit plans

(i) Provident Fund Scheme

The Company makes specified monthly contributions towards Employee

Notes to Financial Statements

Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

(ii) Gratuity Scheme

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund), towards meeting the Gratuity obligation.

(iii) Pension Scheme

The Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

(iv) Post Retirement Medical Benefit Plan

The Company operates a defined post retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is recognized immediately to the extent that the benefits are already vested, else is amortised on a straight-line basis over the average period until the amended benefits become vested.

The defined benefit obligations recognized in the Balance sheet represent the present value of the defined benefit obligations as adjusted for unrecognized actuarial gains and losses and unrecognized past service costs and as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the unrecognized past service cost plus the present value of available refunds and reductions in future contributions to the plan.

The company presents the above liabilities as current and non-current in the balance sheet as per actuarial valuation by the independent actuary; however,

the entire liability towards gratuity is considered as current as the company will contribute this amount to the gratuity fund within the next 12 months.

(c) Other long term employee benefits

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

The company presents this liability as current and non-current in the balance sheet as per actuarial valuation by the independent actuary.

1.10. RESEARCH AND DEVELOPMENT

Research expense is recognized as an expense as and when it is incurred.

Expenditure incurred on fixed assets used for research and development is capitalized and depreciated in accordance with the depreciation policy of the Company and is disclosed separately.

1.11. PROVISION FOR TAXATION

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

1.12. PROVISIONS AND CONTINGENCIES

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate

Notes to Financial Statements

can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

1.13. EARNINGS PER SHARE

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

1.14. PROPOSED DIVIDEND

Dividend recommended by the Board of directors is provided for in the accounts, pending approval at the Annual General Meeting.

1.15. BORROWING COST

Borrowing cost includes Interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to

get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

1.16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash & cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments where the original maturity is three months or less.

1.17. GOVERNMENT GRANTS AND SUBSIDIES

The Company is entitled to subsidy from government authorities in respect of manufacturing units located in specified regions:

- Grants in the nature of subsidy which are non-refundable are credited to the Statement of Profit and Loss on accrual basis.
- Grants in the nature of subsidy which are refundable are shown as Liabilities in the Balance Sheet.

1.18. MEASUREMENT OF EBITDA

The Company has elected to present earnings before interest (finance costs), tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures EBITDA on the basis of profit/(loss) from continuing operations.

(₹ in Crores)

NOTE 2 : SHARE CAPITAL	As at 31.03.2013	As at 31.03.2012
Authorised		
9,95,00,000 (Previous year 9,95,00,000) Equity Shares of ₹ 10 each	99.50	99.50
50,000 (Previous year 50,000) 11% Redeemable Cumulative Preference shares of ₹ 100 each	0.50	0.50
	100.00	100.00
Issued, Subscribed and Paid up capital		
9,59,19,779 (Previous year 9,59,19,779) Equity Shares of ₹ 10 each fully paid	95.92	95.92
	95.92	95.92

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Equity Shares	31.03.2013		31.03.2012	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	9,59,19,779	95.92	9,59,19,779	95.92
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	9,59,19,779	95.92	9,59,19,779	95.92

Notes to Financial Statements

b) Details of Shareholders holding more than 5% equity shares in the company

Name of Shareholders	31.03.2013		31.03.2012	
	No. of Equity Shares	Percentage holding	No. of Equity Shares	Percentage holding
Equity Shares of ₹ 10 each				
1. Smiti Holding and Trading Company Private Limited	54,03,062	5.63	-	-
2. ISIS Holding and Trading Company Private Limited	52,83,062	5.51	-	-
3. Geetanjali Trading and Investments Private Limited	49,26,744	5.14	1,54,92,868	16.15
4. Life Insurance Corporation of India	47,48,836	4.95	53,13,232	5.54

As per the records of the company, including its register of members.

c) Terms/rights attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

The Board of Directors at its meeting held on 25th October, 2012 declared an interim dividend of ₹ 9.50 (Rupees Nine and Paise Fifty only) per equity share of ₹ 10 each. A final dividend of ₹ 36.50 (Rupees Thirty Six and Paise Fifty only) per share has been recommended by the Board of Directors at its meeting held on 9th May, 2013, subject to

the approval by the shareholders at the ensuing Annual General Meeting. If approved, the total dividend (interim and final dividend) for the financial year 2012-13 will be ₹ 46 per equity share; ₹ 40 per equity share was paid as dividend for the previous year. The total dividend appropriation for the year ended 31st March, 2013 amounted to ₹ 515.52 crores including corporate dividend tax of ₹ 74.29 crores (Previous year ₹ 445.93 crores including corporate dividend tax of ₹ 62.24 crores).

As per the Companies act 1956, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the event of liquidation of the company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(₹ in Crores)

NOTE 3 : RESERVES AND SURPLUS	As at 31.03.2013	As at 31.03.2012
(a) Capital Reserve [₹ 5,000 (Previous year ₹ 5,000)]	*	*
(b) Capital Redemption Reserve	0.50	0.50
(c) General Reserve		
As per last Balance Sheet	1,691.36	1,278.90
Add : Transfer from surplus in Statement of Profit and Loss	234.48	412.46
	1,925.84	1,691.36
(d) Surplus in Statement of Profit and Loss		
As per last Balance Sheet	700.00	600.00
Add : Net profit after tax transferred from Statement of Profit and Loss for the year	1,050.00	958.39
Amount available for appropriation	1,750.00	1,558.39
Less: Appropriations		
Dividend on Equity shares:		
- Interim dividend [Amount per share ₹ 9.50 (Previous year ₹ 9.50)]	91.13	91.13
- Proposed Final Dividend [Amount per share ₹ 36.50 (Previous year ₹ 30.50)]	350.10	292.56
Income Tax on Dividend (includes income tax on proposed dividend)	74.29	62.24

Notes to Financial Statements

(₹ in Crores)

NOTE 3 : RESERVES AND SURPLUS (Contd.)	As at 31.03.2013	As at 31.03.2012
Transfer to General Reserve	234.48	412.46
Closing balance	1,000.00	700.00
	2,926.34	2,391.86

(₹ in Crores)

NOTE 4 : LONG TERM BORROWINGS	Non-Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Deferred payment liabilities @				
Secured				
Financial Institution (Sales tax deferment scheme - State of Uttar Pradesh) #	7.30	12.37	5.07	4.64
Interest Free Loan - State of Haryana ##	1.98	-	-	-
Unsecured				
Sales tax deferment scheme - State of Andhra Pradesh ###	37.48	39.74	2.27	0.96
	46.76	52.11	7.34	5.60
Amount included under the head "other current liabilities" (Refer note 10)	-	-	(7.34)	(5.60)
	46.76	52.11	-	-

Notes:

Interest free Term loan from the Pradeshia Industrial Corporation of U.P. Limited (PICUP) under Sales Tax Deferment Scheme of Government of U.P. is secured by a first charge on the Company's immovable properties pertaining to the paint plant at Kasna and by way of hypothecation of all movable properties at the above location. This interest free loan has a deferment period of 10 years and is repayable in 9 yearly installements starting from May, 2007 as per repayment schedule. Out of the total sales tax deferment loan of ₹ 30.60 crores the company has already repaid ₹ 18.23 crores till 31st March, 2013 and balance amount of ₹ 12.37 crores is repayable in next 3 years upto May, 2015.

The company is also eligible to avail interest free loan in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April, 2010. For the period ended 31st March, 2011 the company has received the eligibility certificate from the Government of Haryana sanctioning an interest free loan of ₹ 3.40 crores on 2nd April, 2012, of which ₹ 1.98 crore has been received by the company in March, 2013. This loan is secured by way of a bank guarantee issued by the Company and is repayable after a period of 5 years from the date of receipt of interest free loan. For the year ended 31st March, 2012, the company has made the necessary application to the Haryana Government for the issue of eligibility certificate and for the year ended 31st March, 2013 the company is in the process of making the necessary application .

Sales tax deferment - State of Andhra Pradesh represents interest free loan availed under the Sales Tax Deferment Scheme of the Government of Andhra Pradesh. This interest free loan has a deferment period of 14 years and is repayable in 9 years starting from April, 2012 as per repayment schedule . Out of the total sales tax deferment loan of ₹ 40.70 crores the company has already repaid ₹ 0.96 crores till 31st March, 2013 and balance amount of ₹ 39.74 crores is repayable in next 7 years upto February, 2020.

@ Default in terms of repayment of principal and interest - NIL

Note 5: DEFERRED TAX LIABILITY (NET)

The Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS 22) – Accounting for Taxes on income.

Notes to Financial Statements

The major components of deferred tax (liabilities)/assets arising on account of timing differences as at 31st March, 2013 are as follows:

(₹ in Crores)

	As at 31.03.2013	As at 31.03.2012
Deferred tax liabilities		
Difference between Written Down Value/Capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	(162.17)	(97.24)
Expense claimed for tax purpose on payment basis (Amount paid under protest)	(10.81)	(8.89)
Total deferred tax liabilities	(172.98)	(106.13)
Deferred tax assets		
Provision for expense allowed for tax purpose on payment basis	26.38	21.77
Provision for doubtful debts and advances	1.45	1.67
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income tax over five years)	0.41	0.60
Capital losses carried forward under Income Tax Act, 1961	1.41	1.34
Total deferred tax assets	29.65	25.38
Net Deferred tax (liability)	(143.33)	(80.75)
Net Deferred tax liability of earlier years	-	1.09
Net Deferred tax (expense) for the year	(62.59)	(4.16)

(₹ in Crores)

NOTE 6 : OTHER LONG TERM LIABILITIES	Non-Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Retention monies relating to capital expenditure	0.30	3.02	52.72	20.76
Trade deposits - interest free	0.20	0.60	0.03	0.06
	0.50	3.62	52.75	20.82
Amount included under the head "Other current liabilities" (Refer note 10)	-	-	(52.75)	(20.82)
	0.50	3.62	-	-

(₹ in Crores)

NOTE 7 : PROVISIONS	Long-term		Short-term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Provision for Employee Benefits (Refer Note 45)				
Provision for Compensated absences	60.93	50.13	7.12	5.94
Provision for Gratuity	-	-	6.10	4.14
Provision for Pension	2.45	2.61	0.44	0.46
Provision for Post retirement medical and other benefits	1.23	1.17	0.11	0.10
Provision for Excise (Refer note 41)	1.25	1.25	-	-
Provision for Central Sales Tax / VAT (Refer note 41)	10.72	9.95	-	-
Proposed Dividend	-	-	350.10	292.56
Provision for Income tax on Proposed Dividend	-	-	59.50	47.46
Provision for Income Tax (Net)	0.19	0.05	0.18	4.41
	76.77	65.16	423.55	355.07

Notes to Financial Statements

(₹ in Crores)

NOTE 8 : SHORT TERM BORROWINGS	As at 31.03.2013	As at 31.03.2012
Other loans from banks #		
Unsecured		
Foreign Currency Loan (Buyers' credit) @	-	110.51
	-	110.51

Note:

@ Foreign currency loan carried interest @ LIBOR plus 0.50% p.a, repaid on their respective due dates in 2012-2013.

Default in terms of repayment of principal and interest - NIL

(₹ in Crores)

NOTE 9 : TRADE PAYABLES	As at 31.03.2013	As at 31.03.2012
Trade Payables (including Acceptances):	1,214.12	1,034.68
(Refer note 38 for details of dues to Micro, Small and Medium Enterprises)		
	1,214.12	1,034.68

(₹ in Crores)

NOTE 10 : OTHER CURRENT LIABILITIES	As at 31.03.2013	As at 31.03.2012
(a) Current maturities of Long term borrowings (Refer note 4)	7.34	5.60
(b) Current portion of Other long-term liabilities (Refer note 6)	52.75	20.82
(c) Investor Education and Protection Fund #		
(i) Unpaid/ Unclaimed dividend	5.86	4.74
(ii) Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years.	0.04	0.04
	5.90	4.78
(d) Other Payables		
Statutory Payables -		
Payable towards Central Sales Tax and VAT	96.78	89.40
Payable towards Excise and Service tax	18.64	14.15
Payable towards TDS under Income tax	10.30	8.74
Payable towards Provident Fund, Profession Tax and ESIC	3.09	2.70
Payable towards capital expenditure	36.28	68.67
Payable towards Services received	130.75	102.26
Payable towards Stores, spares and consumables	8.98	5.26
Payable to Employees	65.07	59.93
[including ₹ 1.65 crores due to Managing Director (Previous year ₹ 2 crores)]		
Payable to Bank towards unamortised premium on forward exchange contracts	0.20	1.30
Interest accrued but not due on borrowings (Buyers' Credit)	-	0.56
Provision for discounts, sales promotional and other expenses	284.91	222.16
[including ₹ 2.57 crores due to Non-Executive Directors (Previous year ₹ 1.88 crores)]		
	655.00	575.13
	720.99	606.33

There is no amount due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March, 2013. These amounts shall be paid to the Fund as and when they become due.

Notes to Financial Statements

(₹ in Crores)

	Gross Block		Depreciation/ Amortisation		Impairment		Net Block	
	As at 01.04.12	Additions during the year	As at 01.04.12	Additions during the year	As at 01.04.12	Additions during the year	As at 01.04.12	As at 31.03.13
A. Tangible Assets :								
I. Owned Assets:								
Freehold Land	92.18	0.04	-	-	-	-	-	92.22
Buildings	389.11	310.47	78.17	13.65	91.54	-	-	607.03
Plant and Equipment	878.61	860.72	449.43	87.59	529.60	7.20	1.68	1,194.55
Scientific Research :								
Buildings	37.59	0.51	4.64	1.27	5.91	-	-	32.19
Equipment	35.77	7.91	18.63	4.09	22.72	0.18	-	20.78
Furniture and Fixtures	30.65	5.89	18.25	3.38	19.37	0.89	0.16	13.94
Vehicles	2.37	0.20	1.43	0.24	1.02	-	-	0.90
Office Equipment	12.85	8.17	7.58	2.21	9.02	0.19	0.01	11.01
II. Assets Given on Lease:								
Assets given on Operating Lease : Tinting systems	8.13	-	6.12	0.05	3.21	1.89	0.82	0.06
III. Assets Taken on Lease:								
Leasehold Land	95.08	8.65	4.01	1.10	5.11	-	-	98.62
Leasehold improvements	8.65	1.40	4.59	1.85	6.44	-	-	3.61
Total Tangible Assets	1,590.99	1,203.96	592.85	115.43	693.94	10.35	2.67	2,074.91
B. Intangible Assets :								
Trademark	11.92	-	11.92	-	11.92	-	-	-
Computer Software	56.50	16.98	35.35	11.29	46.62	-	-	26.84
Scientific Research :								
Computer Software	0.10	0.08	-	0.04	0.04	-	-	0.14
Total Intangible Assets	68.52	17.06	47.27	11.33	58.58	-	-	26.98
Total (A + B)	1,659.51	1,221.02	640.12	126.76	752.52	10.35	2.67	2,101.89

Notes to Financial Statements

(₹ in Crores)

	Gross Block			Depreciation/Amortisation			Impairment			Net Block	
	As at 01.04.11	Additions during the year	Deductions/ Adjustments	As at 01.04.11	Additions During the year	Deductions/ Adjustments	As at 01.04.11	Additions During the year	Deductions/ Adjustments	As at 31.03.12	As at 31.03.12
A. Tangible Assets :											
I. Owned Assets:											
Freehold Land	92.17	0.01	-	-	-	-	-	-	-	-	92.18
Buildings	387.37	1.88	0.14	66.36	11.87	0.06	78.17	-	-	-	310.94
Plant and Equipment	852.81	28.19	2.39	384.44	66.79	1.80	449.43	0.65	0.15	7.20	421.98
Scientific Research:											
Buildings	37.38	0.21	-	3.39	1.25	-	4.64	-	-	-	32.95
Equipment	33.22	2.58	0.03	14.66	3.67	(0.30)	18.63	-	0.30	0.18	16.96
Furnitures & Fixtures	29.10	1.85	0.30	15.80	2.74	0.29	18.25	-	0.01	0.89	11.51
Vehicles	1.45	1.06	0.14	1.25	0.32	0.14	1.43	-	-	-	0.94
Office Equipment	11.10	2.01	0.26	6.09	1.73	0.24	7.58	-	0.01	0.19	5.08
II. Assets Given on Lease											
Assets given on Operating Lease : Tinting systems	8.49	-	0.36	6.34	0.05	0.27	6.12	-	0.08	1.89	0.12
III. Assets Taken on Lease											
Leasehold Land	95.08	-	-	2.92	1.09	-	4.01	-	-	-	91.07
Leasehold improvements	5.06	3.59	-	3.08	1.51	-	4.59	-	-	-	4.06
Total Tangible Assets	1,553.23	41.38	3.62	504.33	91.02	2.50	592.85	0.65	0.55	10.35	987.79
B. Intangible Assets :											
Trademark	11.92	-	-	11.92	-	-	11.92	-	-	-	-
Computer Software	46.07	10.43	-	27.53	7.82	-	35.35	-	-	-	21.15
Scientific Research:											
Computer Software	-	0.10	-	-	-	-	-	-	-	-	0.10
Total Intangible Assets	57.99	10.53	0.00	39.45	7.82	0.00	47.27	0.00	0.00	0.00	21.25
Total (A+B)	1,611.22	51.91	3.62	543.78	98.84	2.50	640.12	0.65	0.55	10.35	1,009.04

Notes to Financial Statements

(₹ in Crores)

NOTE 12 : NON-CURRENT INVESTMENTS	Nos.	Face value (₹)	As at 31.03.2013	As at 31.03.2012
I. Unquoted				
A. Trade Investments:				
Investment in Equity shares				
(a) Patancheru Enviro-tech Ltd.	12,900	10	0.01	0.01
(b) SIPCOT Common Utilities Ltd.	2,830	100	0.03	0.03
(c) Narmada Clean Tech Ltd.	4,92,108	10	0.49	0.49
			0.53	0.53
B. Other Investments:				
(a) Investment in Equity shares				
(i) Subsidiary Companies				
(a) Asian Paints Industrial Coatings Ltd.	3,04,50,000	10	30.45	30.45
(b) Asian Paints (International) Ltd., Mauritius.	2,39,45,444	US \$ 1	113.07	113.07
Less: Provision For Diminution			(14.04)	(14.04)
			99.03	99.03
(c) Asian Paints (Nepal) Pvt. Ltd., Nepal (5,42,385 Bonus shares allotted during the year)	16,27,155 (10,84,770)	NPR 10	0.12	0.12
(d) Maxbhumi Developers Ltd.	50,000	10	0.05	0.05
(e) Multifacet Infrastructure (India) Ltd.	50,000	10	0.05	0.05
(f) AP Coatings Ltd. [Refer Note 47]	-	10	-	65.05
	(6,50,50,000)			
(ii) Joint Ventures				
(a) PPG Asian Paints Private Ltd. - [Refer Note 47] (Formerly Asian Paints PPG Industries Ltd.) (During the year 1,23,59,500 shares allotted pursuant to the composite scheme of restructuring and 79,066 shares allotted for cash)	2,70,63,566 (1,46,25,000)	10	65.43	14.63
(b) Asian Paints PPG Private Ltd. - [Refer Note 47] (Formerly Asian Paints PPG Ltd.) (During the year 44,97,417 shares allotted pursuant to the composite scheme of restructuring and 13,178 shares allotted for cash)	46,35,595 (1,25,000)	10	14.47	0.13
			79.90	14.76
(iii) Other Entities				
SKH Metals Ltd.	62,500	10	0.50	0.50
			210.63	210.54
(b) Investment in Government Securities				
National Savings Certificates, Indira Vikas Patra and Defence Certificates deposited With Government Authorities [₹ 39,500 (Previous year ₹ 39,500)]			*	*
(c) Investment in Mutual Funds				
(i) IDFC Fixed Term Plan Series 9 Direct Plan-Growth	50,00,000	10	5.00	-
(ii) Kotak Fixed Maturity Plan Series 101 Direct - Growth	50,00,000	10	5.00	-
Total Non-Current Unquoted Investments (I)			220.63	210.54

Notes to Financial Statements

(₹ in Crores)

NOTE 12 : NON-CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	As at 31.03.2013	As at 31.03.2012
II. Quoted				
A. Other Investments:				
(i) Investment in Equity Shares				
Akzo Nobel India Ltd.	20,10,626	10	41.30	41.30
Housing Development Finance Corporation Ltd.	4,65,000	2	0.12	0.12
Apcotex Industries Ltd.	3,418	10	0.01	0.01
(ii) Investment in Mutual Funds				
ICICI Prudential Fixed Maturity Plan Series 66 - 407 Days Plan C Direct Plan	2,00,00,000	10	20.00	-
RELIANCE Fixed Horizon Fund - XXIII-Series 2- Direct Growth Plan - 8JAG	1,00,00,000	10	10.00	-
IDFC Fixed Term Plan direct plan - Series 10 - Growth	1,00,00,000	10	10.00	-
JP Morgan Fixed Maturity Plan Series 13 Growth	1,00,00,000	10	10.00	-
JP Morgan India Fixed Maturity Plan Series 15 Direct - Growth	50,00,000	10	5.00	-
DSP BLACKROCK Fixed Maturity Plan - Series 93 12 Months Direct Growth	50,00,000	10	5.00	-
DWS Fixed Maturity Plan - Series 28 - Direct Plan Growth	50,00,000	10	5.00	-
SUNDARAM Fixed Term Plan DI 375 Days Direct Growth	50,00,000	10	5.00	-
UTI Fixed Term Income Fund Series XI-II (400 Days) Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
JP Morgan Fixed Maturity Plan Series 6 Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
(iii) Investment in Debt Instruments				
7.93 % Rural Electrification Corporation Tax Free Bonds *	1,22,476	1,000	12.25	12.25
8.20 % Power Finance Corporation Tax Free Bond (10,00,000 bonds allotted during the year)	10,00,000	10	10.07	-
11.50% L&T Finance Ltd Perpetual 2021 (5,00,000 bonds allotted during the year)	5,00,000	10	5.32	-
Total Non-Current Quoted Investments (II)			139.07	68.68
Total Non-Current Investments (I) + (II)			359.70	279.22
Aggregate market value of Non-Current Quoted Investments:			315.18	210.08

* Quoted during the year

Figures in brackets indicate that of previous year.

(₹ in Crores)

NOTE 13 : LOANS AND ADVANCES	Long Term		Short Term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
A. Secured and Considered good:				
Capital Advances #	0.37	88.31	-	-
B. Unsecured and Considered good:				
(a) Capital Advances	4.87	5.33	-	-
(b) Sundry deposits	30.82	24.98	13.33	12.93

Notes to Financial Statements

(₹ in Crores)

	Long Term		Short Term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
NOTE 13 : LOANS AND ADVANCES (Contd.)				
(c) Loans and advances to related parties				
i) Amount due from subsidiaries				
- Interest free loan- Maxbhumi Developers Limited (Wholly owned subsidiary)	14.28	14.21	-	-
ii) Advance contribution to Provident Fund trust	-	-	4.00	1.35
iii) Advance contribution to Superannuation Fund trust	-	-	-	0.12
(d) Other loans and advances				
i) Advances/claims recoverable in cash or in kind	29.37	30.46	110.54	52.27
ii) Advance payment of Income Tax (Net)	13.17	17.23	-	-
iii) Balances with Government authorities				
- CENVAT credit receivable	-	-	28.80	27.48
- Service tax credit receivable	-	-	5.68	4.36
iv) Advance to employees	-	-	1.73	1.99
	92.88	180.52	164.08	100.50
C. Unsecured and Considered doubtful:				
Other loans and advances				
Advances/claims recoverable in cash or in kind	-	-	1.48	2.03
Less: Provision for doubtful advances/claims recoverable in cash or in kind	-	-	(1.48)	(2.03)
	-	-	-	-
	92.88	180.52	164.08	100.50

Secured against bank guarantee.

	Nos.	Face value (₹)	(₹ in Crores)	
			As at 31.03.2013	As at 31.03.2012
NOTE 14 : CURRENT INVESTMENTS				
Unquoted				
Investments in Mutual Funds:				
UTI Fixed Term Income Fund Series XIV-I(366 Days) Growth Plan	50,00,000	10	5.00	-
TATA Fixed Maturity Plan Series 42 Scheme A - Direct Plan Growth	50,00,000	10	5.00	-
KOTAK Fixed Maturity Plan Series 96 Direct - Growth	50,00,000	10	5.00	-
Total Unquoted Current Investments (I)			15.00	-
Quoted				
Investments in Mutual Funds:				
IDFC Fixed Maturity Plan Yearly Series 53 - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
CANARA ROBECO Fixed Maturity Plan Series 6 - 13 Months - Plan B - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00

Notes to Financial Statements

(₹ in Crores)

NOTE 14 : CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	As at 31.03.2013	As at 31.03.2012
HDFC Fixed Maturity Plan 370D March, 2011(5) - Growth - Series XVI (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
ICICI Fixed Maturity Plan Series 56 1 Year Plan E Cumulative (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
SUNDARAM Fixed Term Plan BN 366 Days Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
IDFC Fixed Maturity Plan Yearly Series 52 Growth (2,00,00,000 units matured during the year)	(2,00,00,000)	10	-	20.00
SUNDARAM Fixed Term Plan CA 366 Days Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
RELIGARE Fixed Maturity Plan Series X Plan E (371 Days)-Growth Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
IDFC Fixed Maturity Plan Yearly Series 54 Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
IDFC Fixed Maturity Plan Yearly Series 57 Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
DWS Fixed Term Fund - Series 94 - Growth Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
ICICI Prudential Fixed Maturity Plan Series 60 - 1 Year Plan F Cumulative (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
SUNDARAM Fixed Term Plan CC 366 Days Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
KOTAK Fixed Maturity Plan Series 68 - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
DSP BLACKROCK Fixed Maturity Plan - Series 23 - 12 Months - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
SBI Debt Fund Series-367 Days - 13 - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
BIRLA SUN LIFE Fixed Term Plan Series EE Growth (40,00,000 units matured during the year)	(40,00,000)	10	-	4.00
TATA Fixed Maturity Plan Series 38 Scheme 1 - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
TATA Fixed Maturity Plan Series 39 Scheme A - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
SUNDARAM Fixed Term Plan CJ 366 Days Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
ICICI Prudential Fixed Maturity Plan Series 61 - 1 Year Plan A Cumulative (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
DSP BLACK ROCK Fixed Maturity Plan Series 32 - 12 Months Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
UTI Fixed Term Income Fund-Series X - VII (368 Day) (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
SBI Debt Fund Series - 367 Days - 16 - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00

Notes to Financial Statements

(₹ in Crores)

NOTE 14 : CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	As at 31.03.2013	As at 31.03.2012
TATA Fixed Maturity Plan Series 39 scheme D - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
TATA Fixed Maturity Plan Sereis 39 Scheme E - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
BIRLA SUN LIFE Fixed Term Plan Series EI Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
BIRLA SUN LIFE Fixed Term Plan Series EM Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
ICICI Prudential Fixed Maturity Plan Series 62 - 1 Year Plan B Cumulative (40,00,000 units matured during the year)	(40,00,000)	10	-	4.00
RELIGARE Fixed Maturity Plan Series X11 - Plan C (368 Days) Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
DSP BLACKROCK Fixed Maturity Plan Series 34 - 12 Months Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
IDFC Fixed Maturity Yearly Series 48 Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
HDFC Fixed Maturity Plan 370D Feb12 - Growth (2) Series XXI Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
DWS Fixed Maturity Plan Series 5 Growth Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
KOTAK Fixed Maturity Plan Series 75 - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
UTI Fixed Income Fund- Series X-VIII (368 Days) Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
RELIANCE Fixed Horizon Fund-XXI - Series 6 Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
RELIANCE Fixed Horizon Fund-XXI - Series 8 Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
DSP BLACKROCK Fixed Maturity Plan Series 31 - 12 Months Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
HDFC Fixed Maturity Plan 370D Feb12 - Growth(3) Series XXI Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
IDFC Yearly Series Interval Fund Regular Plan-II Growth	50,00,000	10	5.00	-
ICICI Prudential Fixed Maturity Plan Series 66-368 Days Plan B Regular Plan	50,00,000	10	5.00	-
BIRLA SUN LIFE Interval Income Fund AP 2-Growth-Regular Plan	50,00,000	10	5.00	-
SUNDARAM Fixed Term Plan DE 367 Days Direct Growth	50,00,000	10	5.00	-
RELIANCE Yearly Interval Fund Series 3 Direct Plan Growth Plan - Y3AG	1,00,00,000	10	10.00	-
DSP BLACKROCK Fixed Maturity Plan - Series 84 - 12 Months - Regular Growth	1,00,00,000	10	10.00	-
DSP Blackrock Fixed Maturity Plan - Series 86 - 12 Months - Direct Growth	50,00,000	10	5.00	-

Notes to Financial Statements

(₹ in Crores)

NOTE 14 : CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	As at 31.03.2013	As at 31.03.2012
DWS Fixed Maturity Plan - Series 24 - Direct Plan - Growth	1,00,00,000	10	10.00	-
ICICI Prudential Fixed Maturity Plan Series 66 - 366 Days Plan F Direct Plan	50,00,000	10	5.00	-
BIRLA SUN LIFE Interval Income Fund - Annual Plan 3 Growth Direct	50,00,000	10	5.00	-
SBI Debt Fund Series - 366 Days 23 - Direct Plan Growth	1,00,00,000	10	10.00	-
Total Quoted Current Investments (II)			75.00	263.00
TOTAL CURRENT INVESTMENTS (I+II)			90.00	263.00
Aggregate market value of quoted current investments			75.85	270.76

Figures in brackets indicate that of previous year.

(₹ in Crores)

NOTE 15: INVENTORIES	As at 31.03.2013	As at 31.03.2012
(a) Raw materials	478.81	388.08
Raw materials-in-transit	12.32	69.75
	491.13	457.83
(b) Packing materials	29.67	28.75
(c) Finished goods	844.60	687.21
Finished goods-in-transit	1.02	0.77
	845.62	687.98
(d) Work-in-progress	60.12	51.30
(e) Stores, spares and consumables	33.77	27.53
(f) Stock-in-trade (acquired for trading)	20.48	11.03
	1,480.79	1,264.42

(₹ in Crores)

NOTE 16: TRADE RECEIVABLES	As at 31.03.2013	As at 31.03.2012
Unsecured		
(a) Overdue for more than six months		
Considered good	1.50	0.71
Considered doubtful	5.41	4.26
	6.91	4.97
(b) Others		
Considered good	632.38	499.53
Considered doubtful	0.32	0.49
	632.70	500.02
	639.61	504.99
Less : Provision for doubtful trade receivables	5.73	4.75
	633.88	500.24

Notes to Financial Statements

(₹ in Crores)

NOTE 17: CASH AND BANK BALANCES	As at 31.03.2013	As at 31.03.2012
A. Cash and Cash Equivalents		
(a) Cash on hand	0.11	0.06
(b) Balances with Banks :		
(i) Current Accounts #	4.29	27.05
(ii) Cash Credit Account ##	32.19	0.22
(iii) Cheques on hand	32.70	47.32
(iv) Deposit with bank with maturity less than 3 months	68.90	50.00
	138.08	124.59
(c) Investment in liquid mutual funds @	422.81	371.58
B. Other Bank balances		
Unpaid dividend*	5.86	4.74
	566.86	500.97

Overdraft in current account carries interest rate @ 10.75% to 14.50% p.a.

Secured by hypothecation of inventories and trade receivable and carries interest rate @ 11.50% to 12.50% p.a

* The Company can utilise these balances only towards settlement of unclaimed dividend.

			(₹ in Crores)	
@ Investment in liquid mutual funds	Nos.	Face value (₹)	As at 31.03.2013	As at 31.03.2012
Unquoted				
Investments in Mutual Funds:				
Birla Sun Life Short Term Fixed Maturity Plan Series 29 Growth (1,00,00,000 units sold during the year)	(1,00,00,000)	10	-	10.00
UTI Money Market Fund - Institutional Growth Plan (48,966 units sold during the year)	(48,966)	1,000	-	5.88
Birla Cash Plus - Institutional Premium Plan Dividend (8,28,521 units sold during the year)	(8,28,521)	100	-	14.23
JM High Liquidity Fund - Super Institutional Plan (60,34,764 units sold during the year)	(60,34,764)	10	-	10.14
Birla Sun Life Floating Rate Fund Long Term Growth	43,22,288	100	60.22	-
UTI-Floating Rate Fund-STP- Regular Plan - Direct Plan Growth	2,66,670	1,000	50.32	-
			110.54	40.25
Quoted				
HDFC Cash Management Fund - Treasury Advantage Plan Wholesale Daily Dividend (2,93,21,525 units sold during the year)	(2,93,21,525)	10	-	69.00

Notes to Financial Statements

(₹ in Crores)

NOTE 17: CASH AND BANK BALANCES (Contd.)

@ Investment in liquid mutual funds	Nos.	Face value (₹)	As at 31.03.2013	As at 31.03.2012
Templeton India Ultra Short Bond Super Institutional Growth (7,84,45,041 units sold during the year)	(7,84,45,041)	10	-	108.98
TATA Fixed Income Portfolio Fund C2 Institutional Growth (47,82,126 units sold during the year)	(47,82,126)	10	-	5.00
HDFC Liquid Fund - Premium Plan - Growth (1,07,13,211 units sold during the year)	(1,07,13,211)	10	-	23.01
IDFC Ultra Short Term Fund Growth (5,19,77,882 units sold during the year)	(5,19,77,882)	10	-	77.03
Reliance Liquidity Fund Growth Option (2,99,12,320 units sold during the year)	(2,99,12,320)	10	-	48.31
UTI Fixed Term Income Fund Series XI-II (400 Days) Growth	50,00,000	10	5.00	-
JP Morgan Fixed Maturity Plan Series 6 Growth	1,00,00,000	10	10.00	-
Templeton India Ultra Short Bond SIP - Growth	72,44,794	10	11.07	-
DSP Blackrock Money Manager Fund Regular Growth	56,730	1,000	9.01	-
ICICI Prudential Flexible Income - Regular Plan - Growth	29,74,540	100	65.12	-
IDFC Ultra Short Term Fund - Growth - (Regular Plan)	61,89,937	10	10.08	-
IDFC Ultra Short Term Fund - Growth - (Direct Plan)	3,44,64,261	10	56.13	-
SBI Ultra Short Term Debt Fund - Regular Plan - Growth	3,19,073	1,000	48.03	-
Axis Treasury Advantage Fund Direct Plan Growth	3,42,952	1,000	44.70	-
Birla Sun Life Saving Fund - Growth - Regular plan	13,43,689	100	30.04	-
Kotak Flexi Debt Plan A - Growth	1,59,36,512	10	23.09	-
			312.27	331.33
			422.81	371.58

Figures in brackets indicate that of previous year

(₹ in Crores)

NOTE 18: OTHER CURRENT ASSETS

	As at 31.03.2013	As at 31.03.2012
Interest accrued on investments and deposits	2.25	0.44
Quantity discount receivable	69.21	65.57
Royalty receivable	14.30	10.37
Due from Subsidiaries	3.40	10.25
Due from Joint Ventures	14.22	4.08
Duty Drawback receivable	0.89	0.88
Insurance claim receivable	0.14	1.72
Unamortised premium on forward exchange contracts	0.20	1.30
Other receivables	0.73	0.65
Subsidy receivable from State Government	0.31	-
	105.65	95.26

Notes to Financial Statements

(₹ in Crores)

NOTE 19 : REVENUE FROM OPERATIONS	Year 2012-13	Year 2011-12
(A) Revenue from sale of goods and services:		
Sale of goods:		
Home Market (Net of Returns)	10,366.67	9,031.81
Exports	38.33	32.48
Turnover	10,405.00	9,064.29
Less: Discounts	433.96	371.16
Sale of goods (Net of Discounts)	9,971.04	8,693.13
Sale of services:		
Revenue from Home Solutions operations	19.00	15.17
Total	9,990.04	8,708.30
(B) Other Operating Revenues:		
Processing and service income	43.41	34.64
Scrap sales	6.79	4.74
Subsidy from State Government	0.31	-
Lease Rent	0.06	0.08
Total	50.57	39.46

(₹ in Crores)

NOTE 20: OTHER INCOME	Year 2012-13	Year 2011-12
(a) Interest		
(i) From Current investments	1.49	1.03
(ii) From others (Refer Note 37)	3.50	1.49
	4.99	2.52
(b) Insurance claims received	0.08	0.40
(c) Dividend received		
(i) From Non Current investments		
- From Subsidiary Companies(Refer Note 39)	1.22	16.85
- Other investments	4.53	4.04
(ii) From Current investments	27.17	36.53
	32.92	57.42
(d) Royalty from Subsidiaries and Joint Ventures	27.19	20.47
(e) Profit on sale of long term investments (Net) #	26.20	32.46
(f) Profit on sale of short term investments (Net)	1.02	0.83
(g) Profit on sale of fixed assets (Net)	3.61	-
(h) Other non-operating income	30.14	27.39
	126.15	141.49

 # As at 31st March, 2012, these Long term investments were classified under Current investments as their balance maturity period was less than 12 months.

Notes to Financial Statements

(₹ in Crores)

NOTE 21 :	Year 2012-13	Year 2011-12
(A) COST OF MATERIALS CONSUMED		
Raw Materials Consumed		
Opening Stock	457.83	416.18
Add : Purchases	4,388.02	4,065.19
	4,845.85	4,481.37
Less: Closing Stock	491.13	457.83
	4,354.72	4,023.54
Packing Materials Consumed		
Opening Stock	28.75	27.03
Add : Purchases	771.68	700.92
	800.43	727.95
Less : Closing Stock	29.67	28.75
	770.76	699.20
TOTAL COST OF MATERIALS CONSUMED	5,125.48	4,722.74
(B) PURCHASES OF STOCK-IN-TRADE- (Refer Note 28)	199.56	138.67
(C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Stock at the beginning of the year		
Finished Goods (including goods in transit)	687.98	539.50
Work-in-Progress	51.30	57.86
Stock-in-trade (acquired for trading)	11.03	9.17
Total	750.31	606.53
Stock at the end of the year		
Finished Goods (including goods in transit)	845.62	687.98
Work-in-Progress	60.12	51.30
Stock-in-trade (acquired for trading)	20.48	11.03
Total	926.22	750.31
Changes in inventories	(175.91)	(143.78)
Increase/(Decrease) in Excise duty on finished goods	39.74	28.71
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(136.17)	(115.07)

(₹ in Crores)

NOTE 22 : EMPLOYEE BENEFITS EXPENSE	Year 2012-13	Year 2011-12
Salaries and wages	349.42	293.23
Contribution to Provident and other Funds (Refer Note 45)	25.32	24.61
Staff welfare expenses	29.85	23.79
	404.59	341.63

Notes to Financial Statements

(₹ in Crores)

NOTE 23: OTHER EXPENSES	Year 2012-13	Year 2011-12
Consumption of Stores, spares and consumables	35.96	23.48
Power and fuel	97.96	74.29
Processing charges	54.28	49.18
Repairs and Maintenance:		
Buildings	10.77	6.33
Machinery	11.09	9.18
Other assets	23.51	19.35
	45.37	34.86
Rent	97.88	72.13
Rates and taxes	24.02	19.70
Water Charges	3.69	2.67
Insurance	6.04	5.34
Printing, stationery and communication expenses	34.68	31.70
Travelling expenses	52.84	41.25
Donations	2.08	0.87
Commission to Non Executive Directors	2.57	1.88
Directors' sitting fees	0.22	0.25
Payment to Auditors (Refer Note 26)	1.47	1.19
Bank Charges	0.26	0.49
Net loss on foreign currency transactions & translations (Other than considered as finance cost)	4.42	26.34
Premium on forward exchange contract amortized	3.01	0.72
Information Technology expenses	21.19	18.69
Legal and professional expenses	13.31	10.90
Training and recruitment	9.21	8.42
Freight and handling charges	389.64	328.24
Advertisement and sales promotional expenses	430.29	338.59
Cash discount	424.59	369.03
Bad debts written off	0.71	2.96
Provision for doubtful debts and advances	0.98	(1.50)
Loss on sale of Assets(Net)	-	0.10
Miscellaneous expenses	74.30	62.67
	1830.97	1524.44

Notes to Financial Statements

(₹ in Crores)

NOTE 24: FINANCE COSTS	2012-2013	2011-2012
Interest on Bank Borrowings	1.17	0.80
Interest on Bill Discounting	22.36	24.22
Interest on Foreign Currency Loans	0.77	1.21
Net Loss on Foreign Currency Transactions and Translations (Buyers' Credit)	4.00	3.43
Other Interest *	2.26	1.16
Total	30.56	30.82

*Note : Other Interest includes NIL (Previous year ₹ 0.49 crores) on account of interest on the short payment of Advance Tax and ₹ 0.85 crores (Previous year ₹ 0.22 crores) on account of completion/ disposal of various income tax assessments/appeals during the year.

(₹ in Crores)

NOTE 25: CONTINGENT LIABILITIES AND COMMITMENTS :

a) Contingent Liabilities :	As at 31.03.13	As at 31.03.12
1 Guarantee given on behalf of Company's dealers in respect of loans granted to them by a bank for acquiring dealer tinting systems.	0.38	2.49
2 Letters of comfort/support to banks on behalf of some of its subsidiaries. The Company has also issued a letter to the board of a subsidiary informing its commitment to continue extending letters of comfort for banking facilities (as included in the above) for a period upto 15 th May, 2014.	224.48	207.70
3 Claims against the Company not acknowledged as debts		
i. Tax matters in dispute under appeal	78.19	63.15
ii. Others	9.97	7.38
b) Commitments :	As at 31.03.13	As at 31.03.12
1 Estimated amount of contracts remaining to be executed on capital account and not provided for	63.99	341.69
2 Letters of Credit and Bank guarantees issued by bankers and outstanding as on 31 st March, 2013. [Pertaining to capital goods in current year - ₹ 5.63 crores (Previous year - ₹ 93.40 crores)]	87.27	162.96
3 The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.		

The forward exchange contract outstanding as at 31st March, 2013 are as under:

As at 31.03.13				As at 31.03.12			
Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)	Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
USD	67	10.63	58.17	USD	31	21.07	109.54

Notes to Financial Statements

(₹ in Crores)

NOTE 26 : PAYMENT TO AUDITORS: (EXCLUDING SERVICE TAX)	2012-2013	2011-2012
Statutory audit fee	1.02	0.84
Taxation Matters	0.09	0.09
Certification fees and other services	0.31	0.23
For reimbursement of expenses	0.05	0.03
Total	1.47	1.19

(₹ in Crores)

NOTE 27: RAW MATERIALS CONSUMED	2012-2013	2011-2012
Pigments, Extenders, Minerals etc.	1,673.91	1,522.65
Additives	795.20	646.65
Solvents	474.64	472.57
Resins	155.72	179.84
Oils	268.68	315.29
Ortho Xylene	190.32	192.59
Monomers	590.78	521.73
Others	205.47	172.22
Total	4,354.72	4,023.54

NOTE 28 : Purchase of stock-in-trade includes paints, putty, colourworld machines and other miscellaneous sales promotional items.

(₹ in Crores)

NOTE 29 : STOCK AND TURNOVER

Products	Sales Value	Closing Inventory	Opening Inventory
a. Manufactured Goods			
Paints, Enamels and Varnishes	10,001.96	831.07	676.90
	(8,702.30)	(676.90)	(528.92)
Others	123.68	14.55	11.08
	(129.31)	(11.08)	(10.58)
b. Traded Goods	279.36	20.48	11.03
	(232.68)	(11.03)	(9.17)
Total	10,405.00	866.10	699.01
	(9,064.29)	(699.01)	(548.67)

(₹ in Crores)

NOTE 30 : STOCK OF WORK-IN-PROGRESS

	As at 31.03.13	As at 31.03.12
Paints, Enamels and Varnishes	56.49	49.39
Others	3.63	1.91
Total	60.12	51.30

(₹ in Crores)

NOTE 31: CIF VALUE OF IMPORTS

	2012-2013	2011-2012
a. Raw Materials	1,247.89	957.94
b. Stores, Spares and Consumables	4.58	1.77
c. Capital goods	217.50	143.45

Notes to Financial Statements

NOTE 32 : Value of Imported and Indigenous Raw Materials and Spares Consumed and percentage of each to Total Consumption

	2012-2013		2011-2012	
	(₹ In Crores)	% to Total	(₹ In Crores)	% to Total
a. Raw materials:				
Imported (including value of consumption of imported raw materials purchased through indigenous sources)	1,918.68	44.06	1,588.88	39.49
Indigenous	2,436.04	55.94	2,434.66	60.51
	4,354.72	100.00	4,023.54	100.00
b. Stores and spares:				
Imported	3.12	8.69	0.65	3.00
Indigenous	32.84	91.31	22.83	97.00
	35.96	100.00	23.48	100.00

NOTE 33 : NET DIVIDEND REMITTED IN FOREIGN CURRENCY

	2012-2013			2011-2012		
	Number of Non-resident Shareholders	Number of Equity Shares held	Dividend remitted (₹ In Crores)	Number of Non-resident Shareholders	Number of Equity Shares held	Dividend remitted (₹ In Crores)
Final Dividend 2010-2011	-	-	-	16	29,914	0.07
Interim Dividend 2011-2012	-	-	-	16	29,914	0.03
Final Dividend 2011-2012	15	27,150	0.08	-	-	-
Interim Dividend 2012-2013	15	27,150	0.03	-	-	-

(₹ in Crores)

NOTE 34 : EXPENDITURE IN FOREIGN CURRENCY

	2012-2013	2011-2012
a. Annual maintenance for software	1.61	1.84
b. Professional fee	6.83	2.53
c. Shade cards and other sales promotional items	5.29	13.42
d. Travelling and Training Expenses	2.16	1.53
e. Royalty	9.50	7.76
f. Interest	2.96	1.59
g. Purchase of Traded Goods	4.41	0.27
h. Others	4.73	1.66
Total	37.49	30.60

(₹ in Crores)

NOTE 35 : EARNINGS IN FOREIGN CURRENCY

	2012-2013	2011-2012
a. Export of own products at FOB value	26.19	21.16
b. Export of traded goods at FOB value	0.79	0.37
c. Royalty (Includes TDS of ₹ 3.36 crores) (TDS of Previous year - ₹ 2.48 crores)	19.61	14.54
d. Other receipts including recoveries from Subsidiaries	8.36	6.18
Total	54.95	42.25

Notes to Financial Statements

(₹ in Crores)

NOTE 36 : THE COMPANY HAS INCURRED FOLLOWING EXPENDITURE ON RESEARCH AND DEVELOPMENT

a) Revenue Expenditure	2012-2013	2011-2012
Employee Cost	26.82	22.22
Depreciation on Equipment and Building	5.66	5.18
Travelling Expenditure	1.46	1.19
Testing and Laboratory Expenditure	1.53	1.11
Power and Fuel	2.35	1.89
Stores and Spares	0.62	0.45
Repairs and Maintenance	0.84	0.71
Materials Consumed	0.41	0.42
Others	6.03	4.08
Foreign Exchange (gain) / loss	(0.08)	(0.01)
Total	45.64	37.24

b) Capital Expenditure	2012-2013	2011-2012
- For Turbhe Research and Development facility	4.73	5.73
- For Cochin Research & Development activity (Land & civil work)	0.18	0.76
Total	4.91	6.49

NOTE 37 : Interest includes income from investment in debt instruments and interest received of ₹ 0.77 crores (Previous year – ₹ 1.11 crores) on account of completion/disposal of various assessments/appeals during the year.

NOTE 38 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2012-13, to the extent the Company has received intimation from the “Suppliers” regarding their status under the Act.

	31 st March 2013	31 st March 2012
(i) Principal amount remaining unpaid (but within due date as per the MSMED Act)	4.15	3.64
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 39 : Dividend received from subsidiary companies includes nil (Previous year – ₹ 15.83 Crores) received from Asian Paints (International) Ltd. Mauritius (wholly owned subsidiary of the Company)

Notes to Financial Statements

NOTE 40 : The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The foreign currency exposure not hedged as at 31st March, 2013 are as under:

Currency	Payable (In millions FC)		Receivable (In millions FC)		Payable (₹ In Crores)		Receivable (₹ In Crores)	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
USD	34.57	29.82	8.26	6.42	187.65	151.72	44.84	32.68
EUR	3.42	2.31	0.03	0.01	23.77	15.72	0.24	0.05
SGD	0.18	0.05	0.41	0.31	0.79	0.19	1.79	1.26
GBP	1.50	0.04	-	-	12.29	0.31	-	-
SEK	12.01	8.93	-	-	10.00	6.98	-	-
Others	-	-	-	-	0.25	1.34	-	-
					234.75	176.26	46.87	33.99

NOTE 41 : Pursuant to the Accounting Standard (AS 29) – Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2013 is as follows:

(₹ in Crores)

	Provision for Excise *		Provision for Sales tax *	
	2012-2013	2011-2012	2012-2013	2011-2012
Opening Balance	1.25	1.15	9.95	8.61
Additions	-	0.10	0.77	1.34
Utilizations	-	-	-	-
Reversals	-	-	-	-
Closing Balance	1.25	1.25	10.72	9.95

*Excise and sales tax provisions made towards matters disputed at various appellate levels.

NOTE 42 : DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT ENTERED INTO WITH THE STOCK EXCHANGES:

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

(₹ in Crores)

Name of the party	Relationship	Amount outstanding as at 31 st March, 2013	Maximum balance outstanding during the year
Maxbhumi Developers Limited	Wholly Owned Subsidiary	14.28 (14.21)	15.61 (14.21)

*Figures in brackets refers to previous year.

NOTE 43 :

I. Pursuant to Accounting Standard (AS-19) – Leases, the following information is given:

- The Company has provided tinting systems to its dealers on an operating lease basis. The lease period varies between four to ten years. Lease rentals are payable monthly by the dealers. A refundable security deposit is collected at the time of signing the agreement.
- Future minimum lease rentals receivable as at 31st March, 2013 as per the lease agreements:

(₹ in Crores)

	As at 31.03.2013	As at 31.03.2012
i) Not later than one year	0.09	0.08
ii) Later than one year and not later than five years	0.03	0.12
iii) Later than five years	-	-
Total	0.12	0.20

Notes to Financial Statements

The information pertaining to future minimum lease rentals receivable is based on the lease agreements entered into between the Company and the dealers and variations made thereto. Lease rentals are reviewed periodically taking into account prevailing market conditions.

- c) Total amount of contingent rents recognised as income – NIL. (Previous Year – NIL)
- d) The initial direct cost relating to acquisition of tinting system is capitalised.
- e) The information on gross amount of leased assets, depreciation and impairment is given in Note 11 of Notes to Accounts.
- II. a) The Company has taken certain assets such as Cars, Computers and Systems hardware on an operating lease basis. The lease rentals are payable by the company on a monthly or quarterly basis.
- b) Future minimum lease rentals payable as at 31st March, 2013 as per the lease agreements:

	(₹ in Crores)	
	2012-2013	2011-2012
i) Not later than one year	6.23	4.96
ii) Later than one year and not later than five years	8.97	6.53
iii) Later than five years	-	-
Total	15.20	11.49

- c) Lease payments recognised in the Statement of Profit or Loss for the period are ₹ 6.99 crores (Previous year ₹ 5.13 crores).

NOTE 44 : INTEREST IN JOINT VENTURES

Pursuant to Accounting Standard (AS-27) – Financial Reporting of interests in Joint Ventures, the disclosures relating to the two Joint Ventures viz., PPG Asian Paints Private Limited and Asian Paints PPG Private Limited (both hereinafter referred to as JVs) are as follows:

- a) The proportion of interest of the Company in the JVs is by way of equal equity participation with PPG Industries Securities LLC., U.S.A.
- b) The aggregate amount of interests in the JV as at 31st March, 2013 is as follows:

Name of the Company	% of Shareholding	Amount of interest based on accounts for the year ended 31 st March, 2013					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
PPG Asian Paints Private Ltd.	50%	306.63	124.41	403.26	394.46	14.20	0.96
		(239.71)	(121.29)	(344.21)	(330.81)	(11.22)	(3.73)
Asian Paints PPG Private Ltd.	50%	81.72	46.65	141.03	144.01	2.35	-
		(0.11)	(0.02)	(-)	(0.04)	(-)	(-)

*Figures in brackets indicate that of previous year .

NOTE 45 : EMPLOYEE BENEFITS:

1) Short term employee benefits :

The liability towards short-term employee benefits for the year ended 31st March, 2013 has been recognized in the statement of Profit and Loss.

2) Post-employment benefits :

The following disclosures are made in accordance with AS 15 (Revised) pertaining to Defined Benefit Plans:

Notes to Financial Statements

NOTE 45 : EMPLOYEE BENEFITS (Contd.)

a) Gratuity, Pension and Post Retirement Medical Benefit Plans :

(₹ in Crores)

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post Retirement Medical Benefit (Unfunded Plan)	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Amount recognised in Balance Sheet						
Present value of funded obligations	96.42	84.15	-	-	-	-
Fair value of plan assets	(90.32)	(80.01)	-	-	-	-
Present value of unfunded obligations	-	-	2.89	3.07	1.25	1.17
Net Liability / (Asset)	6.10	4.14	2.89	3.07	1.25	1.17
Amounts in Balance Sheet						
Liability	6.10	4.14	2.89	3.07	1.25	1.17
Assets	-	-	-	-	-	-
Net Liability / (Asset)	6.10	4.14	2.89	3.07	1.25	1.17
Expense Recognised in the Statement of Profit & Loss						
Opening defined benefit obligation less benefits paid	-	-	-	-	-	-
Current service cost	8.06	7.43	0.07	0.07	0.04	0.04
Interest on defined benefit obligation	7.68	6.71	0.25	0.25	0.10	0.10
Expected return on plan assets	(6.91)	(6.07)	-	-	-	-
Net actuarial losses / (gains) recognized in year	(0.48)	(2.44)	(0.03)	(0.02)	(-)	(0.19)
Past service cost	-	3.52	-	-	-	-
Total, included in "Employee Benefit Expense"	8.35	9.15	0.29	0.30	0.14	(0.05)
Actual return on plan assets	9.98	6.39	-	-	-	-
Reconciliation of benefit obligations and plan assets for the Period						
Change in defined benefit obligation						
Opening defined benefit obligation	84.15	77.32	3.07	3.19	1.17	1.27
Current service cost	8.06	7.43	0.07	0.07	0.04	0.04
Interest cost	7.68	6.71	0.25	0.25	0.10	0.10
Actuarial losses / (gains)	2.59	(2.13)	(0.03)	(0.02)	(-)	(0.19)
Past Service Cost	-	3.52	-	-	-	-
Acquisition/Business Combination/ Divestiture	(2.25)	-	-	-	-	-
Benefits paid	(3.81)	(8.70)	(0.47)	(0.42)	(0.06)	(0.05)
Closing defined benefit obligation	96.42	84.15	2.89	3.07	1.25	1.17
Change in fair value of assets						
Opening fair value of plan assets	80.01	69.22	-	-	-	-
Expected return on plan assets	6.91	6.07	-	-	-	-
Actuarial gains / (losses)	3.07	0.32	-	-	-	-
Contributions by employer	6.39	13.10	0.47	0.42	0.06	0.05
Benefits paid	(3.81)	(8.70)	(0.47)	(0.42)	(0.06)	(0.05)
Acquisition/Business Combination/ Divestiture	(2.25)	-	-	-	-	-
Closing fair value of plan assets	90.32	80.01	-	-	-	-

Notes to Financial Statements

NOTE 45 : EMPLOYEE BENEFITS (Contd.)

Assets information – Broad Category of Plan Assets as a Percentage of total assets of Gratuity Plan

Category of assets	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post Retirement Medical Benefit (Unfunded Plan)	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Government of India securities	52%	53%	-	-	-	-
Corporate bonds	45%	44%	-	-	-	-
Equity shares of Listed Companies	0%	0%	-	-	-	-
Others	3%	3%	-	-	-	-
Grand Total	100%	100%	-	-	-	-
Summary of the actuarial assumptions						
Discount Rate	8.20%	8.50%	8.20%	8.50%	8.20%	8.50%
Expected Rate of Return on Plan Assets	8.50%	8.50%	-	-	-	-

- i) **Discount rate** : The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
- ii) **Expected Rate of Return on Plan Assets** : This is based on the expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.
- iii) **Salary Escalation Rate** : The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

	31 st March, 2013	31 st March, 2012
Salary Escalation Rate for Gratuity (Funded Plan)	Management – 13.00% for first year, 12.00% for next 2 years, 10.00% for next 3 years, 8.00% thereafter Non-management – 13.00% for first year, 12.00% for next 5 years, 8.00% thereafter	Management - 15.00% for first year, 12.00% for next 2 years, 10.00% for next 3 years, 8.00% thereafter Non-management – 13.00% for first year, 12.00% for next 5 years, 8.00% thereafter

Experience Adjustments for the current and previous four periods

(₹ in Crores)

Gratuity (Funded)	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Defined Benefit Obligation	96.42	84.15	77.32	68.50	60.64
Plan Assets	90.32	80.01	69.22	57.59	52.96
Surplus / (Deficit)	(6.10)	(4.14)	(8.10)	(10.91)	(7.68)
Experience adjustment on plan liabilities	0.95	0.22	0.02	(4.73)	2.67
Experience adjustment on plan assets	3.07	0.32	(0.14)	0.59	2.49
Pension (Unfunded)	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Defined Benefit Obligation	2.89	3.07	3.19	3.16	3.37
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(2.89)	(3.07)	(3.19)	(3.16)	(3.37)
Experience adjustment on plan liabilities	(0.07)	0.01	0.14	(0.05)	0.80
Experience adjustment on plan assets	-	-	-	-	-

Notes to Financial Statements

(₹ in Crores)

NOTE 45 : EMPLOYEE BENEFITS (Contd.)

Post Retirement Medical Benefit (Unfunded)	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Defined Benefit Obligation	1.25	1.17	1.27	1.10	1.12
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(1.25)	(1.17)	(1.27)	(1.10)	(1.12)
Experience adjustment on plan liabilities	(0.04)	(0.18)	0.09	(0.07)	0.05
Experience adjustment on plan assets	-	-	-	-	-

Notes :

- The gratuity fund assets and liabilities are managed by Asian Paints (India) Ltd. Employees' Gratuity Fund.
- The company estimates that the balance amount to be contributed to the gratuity fund during the financial year 2013-2014 will be ₹ 6.10 crores and hence is shown as current.

b) Provident Fund:

The Provident Fund assets and liabilities are managed by 'Asian Paints Office Provident Fund' and 'Asian Paints Factory Employees Provident Fund' in line with The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The guidance on implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer established provident fund, which require interest shortfalls to be recompensated, are to be considered as defined benefit plans. The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below there is no shortfall as at 31st March, 2013 and 31st March, 2012.

The company contributed ₹ 7.57 crores and ₹ 6.79 crores towards Asian Paints Office Provident Fund during the year ended 31st March, 2013 and 31st March, 2012 respectively. The company contributed ₹ 4.81 crores and ₹ 4.62 crores towards Asian Paints Factory Employees Provident Fund during the year ended 31st March, 2013 and 31st March, 2012 respectively. During the financial year 2012-2013, the Company also contributed ₹ 4.00 crores as advance contribution to 'Asian Paints Office Provident fund' to meet its temporary liquidity requirements, to be adjustable against future contribution.

The details of the Asian Paints Office Provident Fund and plan asset position as at 31st March, 2013 and as at 31st March, 2012 are given below :

(₹ in Crores)

Particulars	31 st March, 2013	31 st March, 2012
Present value of benefit obligation at period end	122.05	107.01
Plan assets at period end, at fair value, restricted to	122.05	107.01
Asset recognized in Balance Sheet	-	-

The details of the Asian Paints Factory Employees Provident Fund and plan asset position as at 31st March, 2013 and as at 31st March, 2012 are given below :

(₹ in Crores)

Particulars	31 st March, 2013	31 st March, 2012
Present value of benefit obligation at period end	105.68	94.26
Plan assets at period end, at fair value, restricted to	105.68	94.26
Asset recognized in Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM) :

Notes to Financial Statements

NOTE 45 : EMPLOYEE BENEFITS (Contd.)

Particulars	31 st March, 2013	31 st March, 2012
Discounting Rate	8.20%	8.50%
Expected Guaranteed interest rate	8.50%*	8.25%

*As against the expected guaranteed interest rate for the FY 2012-13, the rate of interest declared by Asian Paints Office Provident Fund and Asian Paints Factory Employees' Provident Fund is 8.80% p.a for the FY 2012-13 and the same is used for valuation purpose.

3) Long term employee benefits:

The liability towards compensated absences (annual leave and sick leave) for the year ended 31st March, 2013 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 11.42 crores. (Previous year – ₹ 2.21 crores)

Annual Leave and Sick Leave assumptions

a. Financial Assumptions

	31 st March, 2013	31 st March, 2012
Discount Rate	8.20%	8.50%
Basic salary increases allowing for Price inflation	Management - 13.00% for first year, 12.00% for next 2 years, 10.00% for next 3 years, 8.00% thereafter Non-management - 13.00% for first year, 12.00% for next 5 years, 8.00% thereafter	Management - 15.00% for first year, 12.00% for next 2 years, 10.00% for next 3 years, 8.00% thereafter Non-management - 13.00% for first year, 12.00% for next 5 years, 8.00% thereafter

b. Demographic Assumptions

	31 st March, 2013	31 st March, 2012
Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Employee Turnover	21-44yrs - 5.00%, 45-57yrs-2.00%	21-44yrs - 5.00%, 45-57yrs-2.00%
Leave Availment Ratio	5%	5%

NOTE 46 : EARNINGS PER SHARE

	2012-2013	2011-2012
a) Basic and diluted earnings per share before exceptional item in rupees (face value – ₹ 10 per share)	109.47	99.92
b) Basic and diluted earnings per share after exceptional item in rupees (face value – ₹ 10 per share)	109.47	99.92
c) Profit after tax and prior period items but before exceptional item as per Statement of Profit and Loss (₹ In crores)	1050.00	958.39
d) Profit after tax and prior period items and exceptional item as per Statement of Profit and Loss (₹ In crores)	1050.00	958.39
e) Weighted average number of equity shares outstanding	9,59,19,779	9,59,19,779

Notes to Financial Statements

NOTE 47 : Note on the Composite Scheme of Restructuring to Give Effect to formation of the Second Joint Venture with PPG Industries Inc., USA

A Composite Scheme of Restructuring ("the Scheme") filed with the Hon'ble High Court of Judicature at Bombay, in February, 2012 was approved on 6th July, 2012 and the "Appointed Date" under the Scheme had been fixed as 1st April, 2012. As per the Scheme, AP Coatings Limited (wholly owned subsidiary of the Company) and PPG Coatings India Private Limited (a subsidiary of PPG Industries Securities LLC. (PPG) in India) have merged with PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited) (first Joint Venture between Asian Paints Limited and PPG). Further, the Scheme provides for the demerger of the Liquid Industrial Paints, Powder Coatings and Protective Coatings businesses from PPG Asian Paints Private Limited into Asian Paints PPG Private Limited (formerly known as Asian Paints PPG Limited) (second Joint Venture Company between Asian Paints Limited and PPG, incorporated in August, 2011). Consequently, AP Coatings Limited ceased to exist.

In accordance with the Scheme, the Company has been allotted 1,23,59,500 equity shares of PPG Asian Paints Private Limited of face value ₹ 10 each and 44,97,417 equity shares of Asian Paints PPG Private Limited of face value ₹ 10 each. The total investment cost of erstwhile AP Coatings Limited and PPG Asian Paints Private Limited has been apportioned between PPG Asian Paints Private Limited and Asian Paints PPG Private Limited on the basis of net worth of businesses on demerger mentioned above.

NOTE 48 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD - 18 ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31st MARCH, 2013.

- a. Joint Venture:** (In which the company has 50% equity interest)
- i. PPG Asian Paints Private Limited (Formerly known as Asian PPG Industries Limited)
Subsidiaries of PPG Asian Paints Private Limited:
 - a) Faaber Paints Pvt. Limited
 - b) PPG Asian Paints Lanka Pvt. Limited
 - ii. Asian Paints PPG Private Limited (Formerly known as Asian Paints PPG Limited)

b. Subsidiaries:

Direct Subsidiaries :

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012
Asian Paints (Nepal) Private Limited	Nepal	51.00%	51.00%
Asian Paints (International) Limited	Mauritius	100.00%	100.00%
Asian Paints Industrial Coatings Limited	India	100.00%	100.00%
Multifacet Infrastructure (India) Limited	India	100.00%	100.00%
Maxbhumi Developers Limited	India	100.00%	100.00%
AP Coatings Limited *	India	NIL	100.00%

*Refer note 47

Indirect Subsidiaries :

i) Subsidiaries of the wholly owned subsidiary, Asian Paints (International) Limited, Mauritius

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012
Asian Paints (South Pacific) Limited	Fiji Islands	53.15%	53.15%
Asian Paints (Tonga) Limited	Kingdom of Tonga	100.00%	100.00%
Asian Paints (S.I.) Limited	Solomon Islands	75.00%	75.00%
Asian Paints (Vanuatu) Limited	Republic of Vanuatu	60.00%	60.00%
Asian Paints (Lanka) Limited	Sri Lanka	99.18%	99.18%
Asian Paints (Bangladesh) Limited	Bangladesh	89.78%	89.78%
Asian Paints (Middle East) LLC	Sultanate of Oman	49.00%	49.00%
SCIB Chemicals S.A.E.	Egypt	60.00%	60.00%
Samoa Paints Limited	Samoa	80.00%	80.00%
Berger International Limited	Singapore	50.10%	50.10%

Notes to Financial Statements

ii) Subsidiary of Asian Paints (South Pacific) Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012
Taubmans Paints (Fiji) Limited	Fiji Island	-	100.00%

Taubmans Paints (Fiji) Limited has been struck off from the list of companies by Registrar of the Companies in November 2012.

iii) Subsidiaries of Berger International Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012
Berger Paints Singapore Pte Limited	Singapore	100.00%	100.00%
Berger Building Services (Singapore) Pte. Limited*	Singapore	-	100.00%
Enterprise Paints Limited	Isle of Man, U.K.	100.00%	100.00%
Universal Paints Limited	Isle of Man, U.K.	100.00%	100.00%
Lewis Berger (Overseas Holdings) Limited	U.K.	100.00%	100.00%

*Struck off from the list of companies by the Registrar of Companies, Singapore in October, 2012.

iv) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012
Nirvana Investments Limited	Isle of Man, U.K.	100.00%	100.00%

v) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012
Berger Paints Emirates Limited	U.A.E.	100.00%	100.00%

vi) Subsidiaries of Lewis Berger (Overseas Holdings) Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012
Berger Paints Jamaica Limited	Jamaica	51.00%	51.00%
Berger Paints Trinidad Limited	Trinidad	70.00%	70.00%
Berger Paints Barbados Limited	Barbados	100.00%	100.00%

vii) Subsidiary of Universal Paints Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012
Berger Paints Bahrain W.L.L.	Bahrain	100.00%	100.00%

(c) Key Managerial personnel:

Name of the Director	Designation
K.B.S. Anand*	Managing Director & CEO (w.e.f. 1 st April, 2012)
P.M. Murty *	Managing Director & CEO (upto 31 st March, 2012)

* The contractual terms of agreement for appointment of Mr. P.M. Murty as Managing Director & CEO came to an end on 31st March, 2012. Mr. K.B.S. Anand has been appointed as the Additional Director and Managing Director & CEO of the Company with effect from 1st April, 2012.

Notes to Financial Statements

(d) Promoters and their relatives having control:

Directors:

Mr. Ashwin Choksi	Non-Executive Chairman
Mr. Ashwin Dani	Non-Executive Vice Chairman
Mr. Abhay Vakil	Non-Executive Director
Mr. Mahendra Choksi	Non-Executive Director
Mr. Amar Vakil	Non-Executive Director
Mrs. Ina Dani	Non-Executive Director

Relatives of promoters, who are under the employment of the company:

Mr. Jalaj Dani*
 Mr. Manish Choksi**
 Mr. Jigish Choksi
 Mr. Varun Vakil
 Mr. Vivek Vakil (w.e.f. 1st November, 2012)

* Mr. Jalaj Dani, a relative of Company's Non-Executive Vice Chairman is also Executive Chairman of Berger International Limited and Director on some of the Subsidiary Companies.

** Mr. Manish Choksi, a relative of Company's Non-Executive Director is also on the Board of a Subsidiary company and Joint Venture Companies.

(e) Companies controlled by Directors/Relatives of Directors :

AR Intertext Design Pvt. Ltd.	Hiren Holdings Pvt. Ltd.	Rangudyan Insurance Broking Services Ltd.
Asteroids Trading and Investments Pvt. Ltd.	Hitech Plast Ltd.	Resins and Plastics Ltd.
Castle Investment and Industries Pvt. Ltd.	Haish Holding & Trading Co. Pvt. Ltd.	Ricinash Oil Mill Ltd.
Centaurus Trading and Investments Pvt. Ltd.	ISIS Skills Development Pvt. Ltd.	Rupen Investment and Industries Pvt. Ltd.
Clear Mipak Packaging and Solutions Ltd.	ISIS Holding & Trading Co. Pvt. Ltd.	S.C.Dani Research Foundation Pvt. Ltd.
Coatings Specialities (India) Ltd.	Jalaj Trading and Investments Pvt. Ltd.	Sadavani Investments and Trading Co. Pvt. Ltd.
Dani Finlease Ltd .	Jaldhar Investments and Trading Co. Pvt. Ltd.	Sapan Investments Pvt. Ltd.
Doli Trading and Investments Pvt Ltd.	Kalica Paper Industries Pvt. Ltd.	Satyadharma Investments & Trading Co. Pvt. Ltd.
Elcid Investments Ltd.	Lambodar Investments & Trading Co. Ltd.	Sudhanva Investments and Trading Co. Pvt. Ltd.
ELF Trading and Chemicals Mfg. Ltd.	Lyon Investment and Industries Pvt. Ltd.	Suprasad Investments & Trading Co. Pvt. Ltd.
Express Engineering & Construction Pvt Ltd.	Murarah Investments and Trading Co. Ltd.	Suptaswar Investments and Trading Co. Ltd.
Express Hotels Pvt. Ltd .	Navbharat Packaging Industries Ltd.	Suryakant Paint Accessories Pvt. Ltd.
Express Global Logistics Pvt. Ltd.	Nehal Trading and Investments Pvt. Ltd.	Tru Trading and Investments Pvt. Ltd.
Express Resorts & Hotels Ltd.	Omega Properties Pvt. Ltd.	Unnati Trading and Investments Pvt. Ltd.
Express Equipment Rental & Logistics Pvt. Ltd.	Pragati Chemicals Ltd.	Vijal Holding & Trading Co. Pvt. Ltd.
Geetanjali Trading & Investments Pvt. Ltd.	Smiti Holding and Trading Co. Pvt. Ltd.	Vikatmev Containers Ltd.
Gujarat Organics Ltd.	Rayirth Holding and Trading Co. Pvt. Ltd.	

(f) Employee Benefit Funds where control exists:

Asian Paints Office Provident Fund
 Asian Paints Factory Employees' Provident Fund
 Asian Paints Management Cadres' Superannuation Scheme
 Asian Paints (India) Limited Employees' Gratuity Fund

(g) Other entities over which there is a significant control:

Asian Paints Charitable Trust

Notes to Financial Statements

(h) Details of related party transactions during the year ended 31st March, 2013:

(₹ in Crores)

Particulars	Joint Venture		Subsidiaries		Key Managerial Personnel ⁽¹⁾		Promoters & their relatives having control ⁽¹⁾		Companies Controlled by Directors/Relatives		Employee benefit plans where control exists		Others	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Sale of goods and other miscellaneous items	44.04	17.67	21.17	96.88	-	-	-	-	5.47	4.61	-	-	-	-
Processing of goods (Income)	28.55	12.93	-	9.51	-	-	-	-	-	-	-	-	-	-
Royalty Received	7.34	2.94	20.80	18.20	-	-	-	-	-	-	-	-	-	-
Other recoveries	14.18	10.14	1.93	14.06	-	-	-	-	-	-	-	-	-	-
Sitting Fees Received (from subsidiaries for nominee directors)	-	-	0.64	0.67	-	-	-	-	-	-	-	-	-	-
Other services - receipts	-	-	2.63	2.14	-	-	-	-	-	-	-	-	-	-
Reimbursement of Expenses - received	4.21	1.99	1.68	35.14	-	-	-	-	-	-	-	-	-	-
Dividend received	-	-	1.22	16.85	-	-	-	-	-	-	-	-	-	-
Purchase of goods	2.13	0.93	-	1.00	-	-	-	-	245.41	213.51	-	-	-	-
Remuneration	-	-	-	-	4.20	4.59	3.91 ⁽²⁾	3.44 ⁽²⁾	-	-	-	-	-	-
Retiral benefits	-	-	-	-	-	-	0.22	0.22	-	-	-	-	-	-
Commission to Non-executive Directors	-	-	-	-	-	-	1.14	0.88	-	-	-	-	-	-
Sitting Fees Paid to Non-executive Directors	-	-	-	-	-	-	0.08	0.09	-	-	-	-	-	-
Reimbursement of Expenses - paid	1.95	0.03	0.55	33.30	-	-	-	-	-	-	-	-	-	-
Payment of Employee Leave Liabilities	1.80	0.96	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-	1.00	-
Contributions during the year	-	-	-	-	-	-	-	-	-	-	23.90	27.55	-	-
Equity contribution (Refer Note. 47)	65.13	0.13	-	65.00	-	-	-	-	-	-	-	-	-	-
Sale of Trade Payables	-	-	-	41.02	-	-	-	-	-	-	-	-	-	-
Sale of Trade Receivables	-	-	-	52.50	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	1.41	0.05	-	-	-	-	-	-	-	-	-	-
Repayment of loan given	-	-	1.34	-	-	-	-	-	-	-	-	-	-	-
Sale of assets	0.36	0.12	-	-	-	-	-	-	-	0.08	-	-	-	-
Outstanding as at 31st March														
Loans	-	-	14.28	14.21	-	-	-	-	-	-	-	-	-	-
Amount receivables	28.68	8.01	21.77	72.29	-	-	-	-	0.58	0.93	-	-	-	-
Amount payable	1.34	0.01	0.00	33.43	1.65	2.00	1.14	0.88	3.66	4.10	8.76	6.47	-	-

1. Key management personnel and relatives of promoters who are under the employment of the company are entitled to post employment benefits and other long term employee benefits recognised as per AS-15 (Revised) Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.
2. Remuneration paid to relatives of promoters who are under the employment of the Company pursuant to the necessary approvals from the shareholders and the Central Govt., under Section 314 of the Companies Act, 1956.

The Company has issued letters of comfort/support to banks on behalf of some of its subsidiaries from time to time and the financial support/comfort based on such letters is limited to ₹ 224.48 crores as on 31st March, 2013 (₹ 207.70 crores as on 31st March, 2012). The Company has also issued a letter to the Board of a subsidiary informing its commitment to continue extending letters of comfort for banking facilities as included in the above for a period upto 15th May, 2014.

Notes to Financial Statements

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year: (₹ in Crores)

	2012-13	2011-12
Sale of goods		
PPG Asian Paints Private Limited*	17.80	17.67
AP Coatings Limited*	-	79.44
Asian Paints PPG Private Limited*	26.23	-
Asian Paints (Nepal) Pvt Ltd	9.80	8.10
Others	16.85	13.95
	70.68	119.16
Purchase of Goods		
Hitech Plast Ltd.	199.95	176.43
Others	47.59	39.01
	247.54	215.44
Royalty Received		
SCIB Chemicals S.A.E., Egypt	11.23	8.64
PPG Asian Paints Private Limited*	2.85	2.94
AP Coatings Limited*	-	2.97
Asian Paints PPG Private Limited*	4.49	-
Others	9.57	6.59
	28.14	21.14
Contributions during the year		
Asian Paints Office Provident Fund	11.57	8.14
Asian Paints Factory Employees Provident Fund	4.81	4.62
Asian Paints Management Cadres Superannuation Scheme	1.13	1.69
Asian Paints (India) Limited Employees' Gratuity Fund	6.39	13.10
	23.90	27.55
Processing of Goods (Income)		
PPG Asian Paints Private Limited*	17.13	12.93
AP Coatings Limited*	-	9.51
Asian Paints PPG Private Limited*	11.42	-
	28.55	22.44
Other Recoveries		
PPG Asian Paints Private Limited*	5.35	10.14
AP Coatings Limited*	-	12.22
Asian Paints PPG Private Limited*	8.83	-
Others	1.93	1.84
	16.11	24.20
Reimbursement of Expenses - Received		
AP Coatings Limited*	-	33.25
Asian Paints PPG Private Limited*	2.58	-
PPG Asian Paints Private Limited*	1.63	1.99
Others	1.68	1.88
	5.89	37.12
Reimbursement of Expenses - Paid		
AP Coatings Limited*	-	32.80
Asian Paints PPG Private Limited*	1.53	-
PPG Asian Paints Private Limited*	0.42	0.03
Others	0.55	0.50
	2.50	33.33
Sale of Trade Payables		
AP Coatings Limited*	-	41.02
	-	41.02
Sale of Trade Receivables		
AP Coatings Limited*	-	52.50
	-	52.50

*Refer Note 47

Notes to Financial Statements

NOTE 49 : SEGMENT INFORMATION FOR THE YEAR ENDED 31st MARCH, 2013

(₹ in Crores)

	2012-13			2011-12		
	Paints	Others*	Total	Paints	Others*	Total
REVENUE						
Net Sales						
External Sales (Net)	8,860.40	111.30	8,971.70	7,846.06	118.10	7,964.16
Inter-Segment Sales	-	150.61	150.61	-	138.26	138.26
Other Income	41.99	1.05	43.04	39.95	1.50	41.45
Total Revenue	8,902.39	262.96	9,165.35	7,886.01	257.86	8,143.87
Result						
Segment result	1,551.07	18.71	1,569.78	1,384.79	23.84	1,408.63
Unallocated expenses			(106.44)			(114.92)
Operating Profit			1,463.34			1,293.71
Finance costs			(30.56)			(30.82)
Interest Income			4.58			2.26
Dividends			32.92			57.42
Exchange difference			-			-
Profit/(Loss) on sale of short term investments			1.02			0.83
Profit/(Loss) on sale of long term investments			26.20			32.46
Profit on sale of assets			3.24			-
Miscellaneous income			2.99			3.96
Sundry balance written back			12.15			3.11
Exceptional items			-			-
Tax expenses			(465.88)			(404.54)
Net Profit before prior period items			1,050.00			958.39
OTHER INFORMATION						
Segment assets	4,365.41	109.56	4,474.97	3,716.21	84.43	3,800.64
Unallocated assets			1,173.31			1,179.39
Total Assets			5,648.28			4,980.03
Segment liabilities	1,922.75	40.57	1,963.32	1,811.37	32.90	1,844.27
Unallocated liabilities			662.70			647.98
Total Liabilities			2,626.02			2,492.25
Capital expenditure	632.43	7.16	639.59	595.38	1.69	597.07
Unallocated capital expenditure			31.15			18.01
Total			670.74			615.08
Depreciation/ Impairment	107.29	2.48	109.77	95.44	2.79	98.23
Unallocated Depreciation/ Impairment			17.21			1.26
Total			126.98			99.49

*Others include Company's business units manufacturing Phthalic Anhydride and Pentaerythritol.

Inter Segment Transfer Pricing Policy - Phthalic Anhydride and Pentaerythritol supplied to Paints is based on market prices.

NOTE 50 : Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signatures to Notes to Financial Statements

As per our report of even date

For and on behalf of the Board

For B S R & Associates
Chartered Accountants
FRN 116231W

For Shah & Co.
Chartered Accountants
FRN 109430W

Ashwin Choksi
Chairman

K.B.S. Anand
Managing Director
& CEO

Tarjani Vakil
Chairperson of
Audit Committee

Natraj Ramakrishna
Partner
Membership No: 032815

Ashish Shah
Partner
Membership No: 103750

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Bengaluru
9th May, 2013

Mumbai
9th May, 2013

Mumbai
9th May, 2013

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To the Board of Directors of Asian Paints Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Asian Paints Limited ('the Company') and its subsidiaries/ joint ventures (collectively referred to as "Asian Paints Group"), which comprise of the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and Consolidated Cash Flows Statement for the year ended (refer Note 27 to consolidated financial statements) and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Company in accordance with the accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21) on Consolidated Financial Statements and (AS 27) on Financial reporting of interests in Joint Ventures as prescribed by the Companies (Accounting Standards) Rules, 2006.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and joint ventures as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Asian Paints Group as at 31st March, 2013;
- (ii) in the case of Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

OTHER MATTER

We have not audited the financial statements of subsidiaries/ joint venture mentioned in Annexure to this report whose total assets and total revenues are mentioned in the Annexure to this report. These financial statements have been audited by other auditors whose reports have been furnished to us for the purpose of consolidation and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries/joint venture, is based solely on reports of the other auditors.

The financial statements of the subsidiaries, Asian Paints Industrial Coatings Limited, Multifacet Infrastructure (India) Limited and Maxbhumi Developers Limited for the year ended 31st March, 2013 have been audited by one of the joint auditors, Shah & Co., Chartered Accountants and financial statements of the Joint Venture, Asian Paints PPG Private Limited (formerly known as Asian Paints PPG Limited) for the year ended 31st March, 2013 have been audited by one of the joint auditors, B S R & Associates, Chartered Accountants.

Annexure to the Independent Auditors' Report - 31st March, 2013

(Referred to in our report of even date)

The following subsidiaries have been considered for the consolidation of Asian Paints Limited:

(₹ in Crores)

Name of the Company	Accounting Period	Subsidiary	Total Assets*	Total Revenues*	Name of Auditor
Asian Paints (Nepal) Pvt. Limited	14 th Mar 12 – 13 th Mar 13	Direct	89.29	115.42	T.R Upadhyha & Co.
Asian Paints Industrial Coatings Limited	Apr 12- Mar 13	Direct	44.83	10.75	Shah & Co.
Multifacet Infrastructure (India) Limited	Apr 12- Mar 13	Direct	0.04	-	Shah & Co.
AP Coatings Limited**	-	-	-	-	-
Maxbhumi Developers Limited	Apr 12- Mar 13	Direct	14.10	-	Shah & Co.
Asian Paints (International) Limited: Consolidated comprising of:-	Apr 12- Mar 13	Direct	204.16#	23.72#	Deloitte & Touche
• Asian Paints (South Pacific) Limited	Apr 12- Mar 13	Indirect	54.13	81.81	Ernst & Young
• Asian Paints (Tonga) Limited	Apr 12- Mar 13	Indirect	7.10	6.70	Ernst & Young
• Asian Paints (S.I.) Limited	Apr 12- Mar 13	Indirect	15.26	15.97	Ernst & Young
• Asian Paints (Vanuatu) Limited	Apr 12- Mar 13	Indirect	5.66	6.92	Ernst & Young
• Asian Paints (Lanka) Limited	Apr 12- Mar 13	Indirect	50.90	74.56	KPMG, Sri Lanka
• Asian Paints (Bangladesh) Limited	Apr 12- Mar 13	Indirect	83.04	155.73	Rahman Rahman Huq, KPMG
• Asian Paints (Middle East) LLC	Apr 12- Mar 13	Indirect	49.30	78.60	BDO JAWAB HABIB
• SCIB Chemicals S.A.E.	Apr 12- Mar 13	Indirect	258.30	427.61	Deloitte, Saleh, Barsoum and Abdel- Aziz
• Berger International Limited, Singapore	Apr 12- Mar 13	Indirect	299.37	531.00	Deloitte & Touche LLP
• Samoa Paints Limited	Apr 12- Mar 13	Indirect	3.84	5.23	Lesama Penn

Represents figures of Asian Paints (International) Limited, Standalone.

* Total assets and revenues are computed at closing conversion rate and average conversion rate respectively.

** Refer Note 28 to the financial statements.

I) SUBSIDIARY OF ASIAN PAINTS (SOUTH PACIFIC) LIMITED:

	Accounting period
Taubmans Paints (Fiji) Limited**	NA

**Struck off from the list of companies by the Registrar of the Companies in November, 2012.

II) SUBSIDIARIES OF BERGER INTERNATIONAL LIMITED, SINGAPORE

	Accounting period
Berger Paints Singapore Pte Ltd.	Apr 12- Mar 13
Berger Building Services (Singapore) Pte. Ltd.***	NA
Enterprise Paints Limited.	Apr 12- Mar 13
Universal Paints Limited.	Apr 12- Mar 13
Lewis Berger (Overseas Holdings) Ltd.	Apr 12- Mar 13

*** Struck off from the list of the companies by the Registrar of Companies in October, 2012.

III) SUBSIDIARY OF ENTERPRISE PAINTS LIMITED:

Nirvana Investments Ltd.	Apr 12- Mar 13
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IV) SUBSIDIARY OF NIRVANA INVESTMENTS LIMITED:

Berger Paints Emirates Ltd.	Apr 12- Mar 13
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V) SUBSIDIARIES OF LEWIS BERGER (OVERSEAS HOLDINGS) LIMITED:

Berger Paints Jamaica Ltd.	Apr 12- Mar 13
Berger Paints Trinidad Ltd.	Apr 12- Mar 13
Berger Paints Barbados Ltd.	Apr 12- Mar 13

VI) SUBSIDIARY OF UNIVERSAL PAINTS LIMITED:

Berger Paints Bahrain W.L.L.	Apr 12- Mar 13
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VII) JOINT VENTURES (IN WHICH THE COMPANY HAS 50% EQUITY INTEREST)

PPG Asian Paints Private Limited (formerly Asian PPG Industries Limited), a joint venture between the parent company and PPG Industries Securities LLC., U.S.A., wherein the Parent Company has 50% equity participation.

Asian Paints PPG Private Ltd (formerly Asian Paints PPG Limited) (incorporated on 5th August, 2011) a second joint venture between the Parent Company and PPG Industries Securities LLC., U.S.A., wherein the Parent Company has 50% equity participation:

(₹ in Crores)

Name of the Company	Accounting Period	Joint Venture	Proportionate share of Total Assets	Proportionate share of Total Revenues	Name of Auditor
PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited)	Apr 12 - Mar 13	Direct	306.63	403.26	Deloitte Haskins & Sells
Asian Paints PPG Private Limited (formerly known as Asian Paints PPG Limited)	Apr 12 - Mar 13	Direct	81.72	141.03	B S R & Associates

VIII) SUBSIDIARY OF PPG ASIAN PAINTS PRIVATE LIMITED

	Accounting period
Faaber Paints Private Limited	Apr 12- Mar 13
PPG Asian Paints Lanka Private Ltd	Apr 12- Mar 13

For B S R & Associates

Chartered Accountants
Firm Registration No: 116231W

Natrajh Ramakrishna

Partner
Membership No: 032815

Bengaluru
9th May, 2013

For Shah & Co.

Chartered Accountants
Firm Registration No: 109430W

Ashish Shah

Partner
Membership No: 103750

Mumbai
9th May, 2013

Consolidated Balance Sheet as at 31st March, 2013

(₹ in Crores)

	Notes	As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	95.92	95.92
Reserves and Surplus	3	3,288.37	2,652.58
		3,384.29	2,748.50
Minority Interest		160.77	136.69
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	47.80	55.32
Deferred Tax Liability (Net)	5	156.73	94.56
Other Long Term Liabilities	6	9.39	13.47
Long Term Provisions	7	98.57	78.35
		312.49	241.70
CURRENT LIABILITIES			
Short Term Borrowings	8	189.86	280.00
Trade Payables	9	1,441.57	1,262.45
Other Current Liabilities	10	859.16	678.03
Short Term Provisions	7	440.82	366.55
		2,931.41	2,587.03
Total		6,788.96	5,713.92
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	11 A	2,365.68	1,233.98
Intangible Assets	11 B	31.06	25.05
Capital work-in-progress		59.21	617.08
		2,455.95	1,876.11
Goodwill on Consolidation		44.23	41.52
Non-current Investments	12	150.12	69.72
Deferred Tax Assets (Net)	5	2.35	1.73
Long Term Loans and Advances	13	106.49	196.46
Other Non-Current Assets	14	23.32	21.71
CURRENT ASSETS			
Current Investments	15	130.56	285.02
Inventories	16	1,830.29	1,598.89
Trade Receivables	17	980.88	781.25
Cash and Bank Balances	18	751.98	624.31
Short Term Loans and Advances	13	214.60	132.98
Other Current Assets	19	98.19	84.22
		4,006.50	3,506.67
Total		6,788.96	5,713.92
Significant Accounting Policies	1		

Notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

For B S R & Associates
Chartered Accountants
FRN 116231W

For Shah & Co.
Chartered Accountants
FRN 109430W

Ashwin Choksi
Chairman

K.B.S. Anand
Managing Director
& CEO

Tarjani Vakil
Chairperson of
Audit Committee

Natraj Ramakrishna
Partner
Membership No: 032815

Ashish Shah
Partner
Membership No: 103750

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Bengaluru
9th May, 2013

Mumbai
9th May, 2013

Mumbai
9th May, 2013

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2013

(₹ in Crores)

	Notes	Year 2012-13	Year 2011-12
(I) INCOME			
Revenue from sale of goods and services (Net of discounts)	20A	12,033.94	10,438.10
Less: Excise duty		1,127.93	839.77
Revenue from sale of goods and services (Net of discounts and excise duty)		10,906.01	9,598.33
Other Operating Revenue	20B	64.73	33.91
Other Income	21	114.52	107.41
TOTAL REVENUE (I)		11,085.26	9,739.65
(II) EXPENSES			
Cost of Materials Consumed	22A	6,254.94	5,720.53
Purchases of Stock-in-Trade	22B	333.07	247.68
Changes in inventories of finished goods, work in progress and stock-in-trade	22C	(149.56)	(172.95)
Employee Benefits Expense	23	623.56	525.97
Other Expenses	24	2,176.79	1,802.24
Total (II)		9,238.80	8,123.47
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I) - (II)			
Depreciation and Amortisation Expense	11	154.60	121.13
Finance Costs	25	36.65	40.97
PROFIT BEFORE TAX		1,655.21	1,454.08
Less : Tax Expenses			
Current Tax		439.37	429.34
Deferred Tax	5	59.32	6.12
(Excess) tax provision for earlier years		(3.00)	(1.96)
Total Tax Expenses		495.69	433.50
PROFIT AFTER TAX		1,159.52	1,020.58
Minority Interest		45.64	31.85
Net Profit Attributable to shareholders		1,113.88	988.73
Earnings per share (₹) Basic and diluted (Face value of ₹ 10 each)	32	116.13	103.08
Significant Accounting Policies	1		

Notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

For B S R & Associates
Chartered Accountants
FRN 116231W

For Shah & Co.
Chartered Accountants
FRN 109430W

Ashwin Choksi
Chairman

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& CEO

Tarjani Vakil
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Natraj Ramakrishna
Partner
Membership No: 032815

Ashish Shah
Partner
Membership No: 103750

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Bengaluru
9th May, 2013

Mumbai
9th May, 2013

Mumbai
9th May, 2013

Consolidated Cash Flow Statement

for the year ended 31st March, 2013

(₹ in Crores)

	2012-13	2011-12
(A) Cash Flow From Operating Activities		
Profit Before Tax	1,655.21	1,454.08
Adjustments for :		
Depreciation/ Impairment	154.60	121.13
Loss/(Profit) on sale of long term investments	(26.21)	(32.48)
Loss/(Profit) on sale of short term investments	(1.05)	(0.84)
Loss/(Profit) on Sale of assets	(4.21)	(0.23)
Finance costs	36.65	40.97
Provision for doubtful debts and advances	3.66	(0.89)
Bad debts written off	7.18	4.74
Interest income	(13.73)	(6.45)
Dividend income	(32.89)	(41.57)
Effect of exchange rates on translation of operating cash flows	4.71	0.83
Operating Profit before working capital changes	1,783.92	1,539.29
Adjustments for :		
Inventories *	(246.88)	(293.46)
Trade and Other Receivables *	(299.32)	(304.83)
Trade and Other Payables *	387.53	188.21
Cash generated from Operations	1,625.25	1,129.21
Income Tax paid (net of refund)	(438.46)	(429.58)
Net Cash generated from Operating Activities	1,186.79	699.63
(B) Cash Flow from Investing Activities		
Purchase of fixed assets *	(643.78)	(546.35)
Sale of fixed assets	7.06	6.29
Purchase of investments	(231.90)	(290.39)
Sale of long term investments	329.23	397.09
Profit on sale of short term Investments	1.05	0.84
(Investments)/Maturity of bank deposits [having original maturity more than three months]	10.21	(0.29)
Interest received	10.90	6.25
Dividend received	32.89	41.58
Cash Paid for increase in the stake in subsidiary	-	(0.63)
Net Cash used in investing Activities	(484.34)	(385.61)
(C) Cash Flow from Financing Activities		
Proceeds from long term borrowings	5.69	-
Repayment of long term borrowings	(6.10)	(11.95)
Proceeds from short term borrowings	27.35	108.86
Repayment of short term borrowings	(128.50)	-
Finance costs paid	(37.09)	(40.42)
Dividend and Dividend tax paid (including dividend paid to Minority)	(462.05)	(383.07)
Net Cash used in Financing Activities	(600.70)	(326.58)

* Net of Non Cash Items pursuant to Composite Scheme of Restructuring [Refer Note 28]

(₹ in Crores)

	2012-13	2011-12
(D) Net Increase/(Decrease) In Cash and Cash Equivalents	101.75	(12.56)
Cash and Cash Equivalents as at 31st March (Refer Note (b) below)	613.65	615.86
Effect of exchange gain/ (loss) on cash and cash equivalents	5.28	10.35
Net Change in Cash and Cash Equivalents pursuant to Composite Scheme of Restructuring (Refer Note 28)	30.85	-
Cash and Cash Equivalents as at 31st March	751.53	613.65

Notes:

- (a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.

(₹ in Crores)

	As at 31.03.2013	As at 31.03.2012
(b) Cash and Cash Equivalents comprises of:		
Cash on hand	0.52	1.98
Balances with Banks:		
- Current Accounts	98.24	99.45
- Cash Credit Accounts	25.70	6.70
- Cheques on hand	33.79	47.33
- Deposits with Bank with maturity less than 3 months	89.26	57.48
- Unpaid dividend account@	5.86	4.74
Investment in Liquid mutual funds and Government Securities	498.16	395.97
	751.53	613.65

@ The Group can utilise these balances only towards settlement of unclaimed dividend.

As per our report of even date

For B S R & Associates
Chartered Accountants
FRN 116231W

Natraj Ramakrishna
Partner
Membership No: 032815

Bengaluru
9th May, 2013

For Shah & Co.
Chartered Accountants
FRN 109430W

Ashish Shah
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Mumbai
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CFO & Company Secretary,
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Mumbai
9th May, 2013

K.B.S. Anand
Managing Director
& CEO

Tarjani Vakil
Chairperson of
Audit Committee

Notes to Consolidated Financial Statements

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Basis of Accounting

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 (as amended) and with the relevant provisions of the Companies Act, 1956.

(b) Use of Estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

(c) Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. it is expected to be realized or settled or is intended for sale or consumption in the Group's normal operating cycle;
- ii. it is expected to be realized or settled within twelve months from the reporting date;
- iii. in the case of an asset,
 - it is held primarily for the purpose of being traded; or
 - it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date
- iv. in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current / non-current classification of assets and liabilities, all the Group companies have ascertained their normal operating cycle as 12 months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

1.2 TANGIBLE AND INTANGIBLE ASSETS

(a) Tangible Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and accumulated impairment. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Know-how related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant asset heads. Profit or loss on disposal of tangible assets is recognised in the Statement of Profit and Loss.

(b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment, if any. Profit or loss on disposal of intangible assets is recognised in the Statement of Profit and Loss.

(c) Depreciation and Amortization:

Depreciation on fixed assets is provided under Straight Line Method or at rates permissible under applicable local laws or at such rates so as to fully charge off the value of assets to the Statement of Profit and Loss over their estimated useful life.

Assets held under finance leases are depreciated over lower of their expected useful lives on the same basis as owned assets and the tenure of the relevant lease.

Leasehold land and leasehold improvements are amortised over the primary period of lease.

Notes to Consolidated Financial Statements

Intangible assets are capitalised and amortised over their estimated useful life or at rates permissible under applicable local laws.

(d) Impairment:

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment of the carrying amount of the Group's fixed assets. If any such indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount upto an extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss.

After recognition of an impairment loss or reversal of an impairment loss, as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), over its remaining useful life.

1.3 GOODWILL

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the business combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to

the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised in goodwill is not reversed in a subsequent period.

1.4 REVENUE RECOGNITION

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax / VAT and net of returns. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of 'changes in inventories of finished goods, work in progress and stock in trade'.

Revenue from services is recognised on rendering of services. Such revenue is recognised by reference to the stage of completion of the transaction at the Balance Sheet date determined by services performed to date as a percentage of total services.

Processing income is recognised on accrual basis as per contractual arrangements.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

1.5 LEASE ACCOUNTING

Assets taken on lease:

In respect of operating leases, lease rentals are recognised as an expense in the Statement of Profit and Loss on accrual basis over the lease term.

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The excess of lease payments over the recorded lease obligations are treated as 'finance charges' which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

Assets given on lease:

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Notes to Consolidated Financial Statements

In respect of assets given on operating lease, lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

1.6 INVENTORY

- (a) Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock-in trade are carried at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are suitably written down /provided for.
- (b) In determining cost of raw materials, packing materials, stock-in trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- (c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other cost incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

1.7 INVESTMENTS

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary, in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

1.8 TRANSACTIONS AND TRANSLATIONS IN FOREIGN CURRENCY

Initial recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and loss of the year.

Measurement of foreign currency items at the Balance Sheet date

Foreign currency monetary items are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

Forward exchange contracts

The premium or discount arising at the inception of forward exchange contract is amortized and recognised as an expense/income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or expense for the period.

Translation of financial statements of foreign entities

In translating the financial statements of foreign entities for incorporation in the Consolidated Financial Statements, the assets and liabilities are translated at the exchange rate prevailing at the Balance Sheet date of respective subsidiaries and the income and expense items are translated at the average rate of exchange for the year. The resulting exchange differences are classified as 'Foreign Currency Translation Reserve'.

1.9 TRADE RECEIVABLES

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful. Discounts due, yet to be quantified at the customer level are included under Other Current Liabilities.

1.10 EMPLOYEE BENEFITS

(A) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Group recognises the undiscounted

Notes to Consolidated Financial Statements

amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

(B) Post-employment benefits:

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any of the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

The Parent company and its Indian subsidiaries/ Joint Ventures operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the parent company operates a Superannuation scheme for eligible employees. Indian Subsidiaries and one of the Joint Ventures also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

(b) Defined benefit plans

- (i) Provident Fund Scheme (funded)
The Parent company and one of its Joint Venture operate a provident fund scheme by paying contribution into separate entities (funds). The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. These entities have an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.
- (ii) Gratuity Scheme (Funded)
The parent company, its Indian subsidiaries/ Joint Ventures and some of its foreign subsidiaries operate a gratuity scheme for employees. The contribution is paid to a separate entity (a fund) or to a financial institution, towards meeting the Gratuity obligations.

- (iii) Pension and Leaving Indemnity Scheme (Unfunded)

The parent company and some of its foreign subsidiaries operate a pension and leaving indemnity plan for certain specified employees and is payable upon the employee satisfying certain conditions.

- (iv) Post Retirement Medical benefit plan (Unfunded)

The parent company and some of its foreign subsidiaries operate a post retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is recognised immediately to the extent that the benefits are already vested, else is amortised on a straight-line basis over the average period until the amended benefits become vested. In case of certain foreign subsidiaries, liabilities have been provided on an estimated basis.

The defined benefit obligations recognised in the Balance Sheet represent the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs and as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognised representing the unrecognised past service cost plus the present value of available refunds and reductions in future contributions to the plan.

The Group presents the above liabilities as current and non-current in the Balance Sheet as per actuarial valuations by the independent actuary.

(c) Other long term employee benefits (unfunded)

Entitlements to annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual

Notes to Consolidated Financial Statements

leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leaves. The Parent Company and its Indian subsidiaries and Joint Ventures determine the liability for such accumulated leave using the Projected Accrued Benefit Method with actuarial valuations being carried out at each Balance Sheet date.

The Group presents this liability as current and non-current in the balance sheet as per actuarial valuations by the independent actuary.

1.11 RESEARCH AND DEVELOPMENT

Research expense is recognized as an expense as and when it is incurred.

Expenditure incurred on fixed assets used for research and development is capitalized and depreciated in accordance with the depreciation policy of the Group and is disclosed separately.

1.12 PROVISION FOR TAXATION

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with applicable taxation laws) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under applicable taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and each subsidiary/joint venture company, as per their applicable laws and then aggregated.

1.13 PROVISIONS AND CONTINGENCIES

The Group creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a

possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

1.14 EARNINGS PER SHARE

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

1.15 PROPOSED DIVIDEND

Dividend recommended by the Board of directors is provided for in the accounts, pending approval at the Annual General Meeting.

1.16 BORROWING COST

Borrowing cost includes Interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period they occur.

1.17 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments where the original maturity is three months or less.

1.18 GOVERNMENT GRANTS AND SUBSIDIES

The Parent company is entitled to subsidy from Government Authorities in respect of manufacturing units located in specified regions.

- Grants in the nature of subsidy which are non-refundable are credited to the Statement of Profit and Loss on accrual basis.
- Grants in the nature of subsidy which are refundable are shown as Liabilities in the Balance Sheet.

1.19 MEASUREMENT OF EBITDA

The Group has elected to present earnings before interest (finance costs), tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Group measures EBITDA on the basis of profit/(loss) from continuing operations.

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 2 : SHARE CAPITAL	As at 31.03.2013	As at 31.03.2012
Authorised		
9,95,00,000 (Previous year 9,95,00,000) Equity Shares of ₹ 10 each	99.50	99.50
50,000 (Previous year 50,000) 11% Redeemable Cumulative Preference shares of ₹ 100 each	0.50	0.50
	100.00	100.00
Issued, Subscribed and Paid up capital		
9, 59, 19, 779 (Previous year 9, 59, 19, 779) Equity Shares of ₹ 10 each fully paid.	95.92	95.92
	95.92	95.92

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Equity Shares	31.03.2013		31.03.2012	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	9,59,19,779	95.92	9,59,19,779	95.92
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	9,59,19,779	95.92	9,59,19,779	95.92

b) Details of Shareholders holding more than 5% equity shares in the parent company

Name of Shareholders	31.03.2013		31.03.2012	
	No of Equity Shares	Percentage holding	No of Equity Shares	Percentage holding
Equity Shares of ₹ 10 each				
1. Smiti Holding and Trading Company Private Limited	54,03,062	5.63	-	-
2. ISIS Holding and Trading Company Private Limited	52,83,062	5.51	-	-
3. Geetanjali Trading and Investments Private Limited	49,26,744	5.14	1,54,92,868	16.15
4. Life Insurance Corporation of India	47,48,836	4.95	53,13,232	5.54

As per the records of the company, including its register of members.

c) Terms/rights attached to equity shares

The Parent Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

As per the Companies Act 1956, in the case of Parent Company, the holders of equity shares of the company will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the event of liquidation of the company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 3 : RESERVES AND SURPLUS		As at 31.03.2013	As at 31.03.2012
(a) Capital Reserve on consolidation			
As per last Balance Sheet		3.25	3.25
Add : Additions during the year (Refer note 28)		35.91	-
		39.16	3.25
(b) Capital Reserve [₹ 5,000 (Previous year ₹ 5,000)]		*	*
(c) Capital Redemption Reserve		5.37	5.37
(d) General Reserve			
As per last Balance Sheet		1,949.81	1,507.06
Add : Transfer from surplus in Statement of Profit and Loss		298.36	442.80
Add : Adjustment on stake change in subsidiary		-	(0.05)
Less : Tax on bonus shares issued by subsidiary		(0.02)	-
		2,248.15	1,949.81
(e) Foreign Currency Translation Reserve			
As per last Balance Sheet		(5.85)	(24.18)
Add : Currency translation gain during the year		1.54	18.33
		(4.31)	(5.85)
(f) Surplus in Statement of Profit and Loss			
As per last Balance Sheet		700.00	600.00
Add : Net profit after tax transferred from Statement of Profit and Loss for the year		1,113.88	988.73
Amount available for appropriation		1,813.88	1,588.73
Less: Appropriations			
Dividend on Equity shares:			
- Interim dividend [Amount per share ₹ 9.50 (Previous year ₹ 9.50)]		91.13	91.13
- Proposed Final Dividend [Amount per share ₹ 36.50 (Previous year ₹ 30.50)]		350.10	292.56
Income Tax on Dividend (includes income tax on proposed dividend)		74.29	62.24
Transfer to General Reserve		298.36	442.80
Closing balance		1,000.00	700.00
		3,288.37	2,652.58

(₹ in Crores)

NOTE 4 : LONG TERM BORROWINGS	Non-Current		Current	
	As at	As at	As at	As at
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
(a) Deferred payment liabilities @				
Secured				
Financial Institution (Sales tax deferment scheme - State of Uttar Pradesh) #	7.30	12.37	5.07	4.64
Interest Free Loan - State of Haryana ##	1.98	-	-	-
Finance Lease liability ###	0.57	0.40	0.24	0.19
Unsecured				
Sales tax deferment scheme - State of Andhra Pradesh \$	37.48	39.74	2.27	0.96
(b) Loan from Banks				
Secured				
Term Loan ^	0.47	2.81	5.72	-
	47.80	55.32	13.30	5.79
Amount included under the head "other current liabilities" (Refer Note 10)	-	-	(13.30)	(5.79)
	47.80	55.32	-	-

Notes to Consolidated Financial Statements

Notes:

- # Interest free Term loan from the Pradeshiya Industrial Corporation of U.P. Limited (PICUP) under Sales Tax Deferment Scheme of Government of U.P. is secured by a first charge on the Parent Company's immovable properties pertaining to the paint plant at Kasna and by way of hypothecation of all movable properties at the above location. This interest free loan has a deferment period of 10 years and is repayable in 9 yearly installements starting from May, 2007 as per repayment schedule. Out of the total sales tax deferment loan of ₹ 30.60 crores the company has already repaid ₹ 18.23 crores till 31st March, 2013 and balance amount of ₹ 12.37 crores is repayable in next 3 years upto May, 2015.
- ## The Parent Company is also eligible to avail interest free loan in respect of 50% of VAT paid within Haryana on the sale of goods produced by Rohtak plant for a period of 7 financial years beginning from April, 2010. For the period ended 31st March, 2011 the company has received the eligibility certificate from the Haryana Government sanctioning an interest free loan of ₹ 3.40 crores on 2nd April, 2012, of which ₹ 1.98 crores has been received by the company in March, 2013. This loan is secured by way of a bank guarantee issued by the Company and is repayable after a period of 5 years from the date of receipt of interest free loan. For the period ended 31st March, 2012, the Company made necessary application to the Haryana Government for the issue of eligibility certificate and for the year ended 31st March, 2013, the Company is in the process of making necessary application.
- ### Secured by assets taken on finance lease by the respective subsidiaries. Non current portion is repayable within 2-5 years. (Interest rate 4% - 17% p.a.)
- § Sales tax deferment - State of Andhra Pradesh represents interest free loan availed under the Sales Tax Deferment Scheme of the Government of Andhra Pradesh. This interest free loan has a deferment period of 14 years and is repayables in 9 yearly installments starting from April, 2012 as per repayment schedule. Out of the total sales tax deferment loan of ₹ 40.70 crores, the Parent Company has already repaid ₹ 0.96 crores till 31st March, 2013 and the balance amount of ₹ 39.74 crores is repayable in next 7 years upto February, 2020.
- ^ Secured against mortgage of property and plant and carries fixed interest of 10.5% p.a.
- @ Default in terms of repayment of principal and interest - NIL

NOTE 5: DEFERRED TAX

The Group has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS 22) – Accounting for Taxes on income.

The major components of deferred tax (liabilities)/assets arising on account of timing differences as at 31st March, 2013 are as follows:
(₹ in Crores)

	Deferred Tax Liability - Net		Deferred Tax Assets - Net	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Deferred tax liabilities				
Difference between Written Down Value/Capital work in progress of fixed assets as per the books of accounts and Income Tax.	(176.07)	(109.68)	(1.52)	(0.99)
Unremitted income	(1.78)	(1.68)	-	-
Retirement Benefit Plans	(4.10)	(2.49)	-	-
Expense allowed for tax purpose on payment basis (Amount paid under protest)	(11.28)	(9.34)	-	-
Others	(0.35)	(0.59)	-	-
Total deferred tax liabilities	(193.58)	(123.78)	(1.52)	(0.99)
Deferred tax assets				
Provision for expense allowed for tax purpose on payment basis	27.75	22.16	0.52	0.20
Provision for doubtful debts and advances	2.04	2.22	0.33	0.34
Expenditure debited to Statement of Profit and Loss but allowed in Income Tax over a longer period	5.30	3.32	3.02	2.18
Capital losses carried forward under Income Tax	1.76	1.52	-	-
Total deferred tax assets	36.85	29.22	3.87	2.72
Net deferred tax (liability)/assets	(156.73)	(94.56)	2.35	1.73
Net deferred tax (liability) for the year			(61.55)	(7.65)
Currency translation gain			2.31	2.62
Net Deferred tax assets/(liability) of earlier years			(0.08)	(1.09)
Net Deferred tax (expense) for the year			(59.32)	(6.12)

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 6: OTHER LONG TERM LIABILITIES

	Non-Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Other Payables				
- Retention monies relating to capital expenditure	0.30	3.02	52.72	21.21
- Trade Deposits	7.44	8.75	4.85	3.80
- Employees Payables	0.11	-	-	0.07
- Others	1.54	1.70	-	-
	9.39	13.47	57.57	25.08
Amount included under the head " Other current liabilities" (Refer Note 10)	-	-	(57.57)	(25.08)
	9.39	13.47	-	-

(₹ in Crores)

NOTE 7: PROVISIONS

	Long term		Short term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Provision for Employee Benefits (Refer Note 31)				
Provision for Compensated absences	66.02	53.45	11.03	9.34
Provision for Gratuity and Pension (funded)	0.23	-	6.76	4.41
Provision for Pension, Leaving Indemnity and Medical Plan (unfunded)	16.44	12.74	0.54	0.56
Others	2.06	0.96	0.02	0.66
Provision for Excise (Refer Note 34)	1.25	1.25	-	-
Provision for Central sales tax / VAT (Refer Note 34)	10.72	9.95	-	-
Provision for Warranties (Refer Note 34)	-	-	2.14	1.93
Proposed Dividend	-	-	350.10	292.56
Provision for Income tax on Proposed Dividend	-	-	59.50	47.46
Provision for Income Tax (Net)	1.85	-	10.73	9.63
	98.57	78.35	440.82	366.55

(₹ in Crores)

NOTE 8 : SHORT TERM BORROWINGS

	As at 31.03.2013	As at 31.03.2012
(a) Loan repayable on demand from banks ^		
Secured		
Banks / Financial Institutions #	48.21	26.76
Unsecured		
Banks / Financial Institutions	133.42	142.73
(b) Other loans from banks		
Unsecured		
Foreign Currency Loan (Buyers' credit) @	8.23	110.51
	189.86	280.00

Secured by hypothecation/charge of current and fixed assets and carries interest rate @ 11.50% to 13.25% p.a.

@ Foreign currency loan carries interest @ LIBOR plus 0.50% p.a, repayable on their respective due dates within next 12 months.

^ Default in terms of repayment of principal and interest - NIL

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 9: TRADE PAYABLES	As at 31.03.2013	As at 31.03.2012
Trade Payables (including acceptances)	1,441.57	1,262.45
	1,441.57	1,262.45

(₹ in Crores)

NOTE 10: OTHER CURRENT LIABILITIES	As at 31.03.2013	As at 31.03.2012
(a) Current maturities of long term borrowings (Refer Note 4)	13.30	5.79
(b) Current portion of other long term liabilities (Refer Note 6)	57.57	25.08
(c) Investor Education and Protection Fund #		
(i) Unpaid/ Unclaimed dividend	5.86	4.74
(ii) Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years	0.04	0.04
	5.90	4.78
(d) Other Payables		
Statutory Payables -		
Payable towards Central Sales Tax and VAT	101.77	90.53
Payable towards Excise & Service tax	19.08	14.97
Payable towards TDS under Income tax	11.37	8.85
Payable towards Provident Fund, Profession Tax and ESIC	3.28	2.70
Payable towards other taxes	8.33	11.70
Payable towards Capital expenditure	39.38	70.43
Payable towards Services received	144.81	102.26
Payable towards Stores, spares and consumables	9.12	5.26
Payable to Employees	81.27	74.10
[including ₹ 1.65 crores due to Managing Director (Previous year ₹ 2.00 crores)]		
Interest accrued but not due on borrowings	0.17	0.61
Provision for discounts, sales promotion and other expenses	363.81	260.97
[including ₹ 2.57 crores due to Non-Executive Directors (Previous year ₹ 1.88 crores)]		
	782.39	642.38
	859.16	678.03

There is no amount due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March, 2013. These amounts shall be paid to the Fund as and when they become due.

Notes to Consolidated Financial Statements

NOTE 11 : FIXED ASSETS

	Gross Block				Depreciation/Amortisation				Impairment			NetBlock	
	As at 01.04.12	Translation Difference	Pursuant to Composite Scheme of Restructuring [#]	Additions/ Transfer during the year	Deductions / Transfer during the year	As at 01.04.12	Translation Difference	Pursuant to Composite Scheme of Restructuring [#]	Additions/ Transfer during the year	Deductions	As at 01.04.12	Translation Difference	As at 31.03.13
A. Tangible Assets :													
I. Owned Assets:													
Freehold Land	123.61	(0.06)	-	4.49	-	-	-	-	-	-	-	-	128.04
Buildings	490.04	(0.65)	-	336.10	1.02	92.02	0.11	16.64	0.29	-	-	-	715.99
Plant and Equipment	1,070.07	3.45	4.15	890.97	12.50	544.92	3.22	103.35	9.16	0.21	1.73	6.47	1,306.96
Scientific Research:													
Buildings	37.68	-	-	0.51	-	4.64	-	-	-	-	-	-	32.28
Equipment	36.91	-	-	8.06	0.01	19.21	-	4.20	-	-	0.01	0.21	21.34
Furnitures & Fixtures	50.27	0.92	0.04	8.56	2.70	31.52	0.72	0.01	4.85	2.44	-	0.16	21.68
Vehicles	9.67	0.05	0.04	0.94	0.81	7.28	0.03	0.04	0.85	0.71	-	-	2.40
Office Equipment	42.36	1.28	0.34	10.96	1.57	29.49	1.07	0.14	5.48	1.29	0.01	0.20	18.28
II. Assets Given on Lease:													
Assets given on Operating Lease : Timing systems	13.80	0.45	-	0.82	3.79	8.01	0.16	-	1.07	2.96	-	0.82	3.93
III. Assets Taken on Lease:													
Leasehold Land	101.42	0.33	-	8.65	-	5.34	0.07	1.16	-	-	-	-	103.83
Leasehold Buildings	36.91	2.66	-	0.03	-	29.78	2.16	1.08	-	-	-	-	6.58
Leasehold improvements	8.65	-	-	1.40	-	4.59	-	1.85	-	-	-	-	3.61
Vehicles- Assets acquired on finance lease	1.16	0.12	-	0.39	0.15	0.58	0.06	-	0.27	0.15	-	-	0.76
Total Tangible Assets	2,022.55	8.55	4.57	1,271.88	22.55	777.38	7.60	0.57	142.07	17.00	0.22	2.73	2,365.68
B. Intangible Assets :													
Trademark	11.93	-	-	-	-	11.93	-	-	-	-	-	-	-
Goodwill	-	-	-	0.54	-	-	-	0.02	-	-	-	-	0.52
Computer Software	58.20	0.04	-	17.68	(0.81)	36.56	0.01	-	11.51	(0.72)	-	-	27.93
Others	11.52	0.07	-	-	0.83	7.93	0.03	0.74	0.71	-	-	0.30	2.47
Scientific Research:													
Computer Software	0.10	-	-	0.08	-	-	-	-	0.04	-	-	-	0.14
Total Intangible Assets	81.75	0.11	-	18.30	0.02	56.42	0.04	-	12.31	(0.01)	-	0.30	31.06
Total (A+B)	2,104.30	8.66	4.57	1,290.18	22.57	833.80	7.64	0.57	154.38	16.99	0.22	2.73	2,396.74

Refer Note 28

Notes to Consolidated Financial Statements

(₹ in Crores)

	Gross Block			Depreciation/Amortisation			Impairment			Net Block			
	As at 01.04.11	Translation Difference	Additions /Transfer during the year	Deductions /Transfer during the year	As at 01.04.11	Translation Difference	Additions /Transfer during the year	Deductions during the year	As at 01.04.11	Translation Difference	Additions /Transfer during the year	Deductions during the year	As at 31.03.12
	As at 31.03.12				As at 31.03.12				As at 31.03.12				As at 31.03.12
A. Tangible Assets :													
I. Owned Assets:													
Freehold Land	122.08	1.52	0.01	-	123.61	-	-	-	-	-	-	-	123.61
Buildings	475.49	6.81	8.00	0.26	490.04	77.09	0.83	14.18	0.08	92.02	-	-	398.02
Plant and Equipment	1,010.53	11.73	56.42	8.61	1,070.07	465.39	7.16	79.35	6.98	544.92	0.66	0.17	517.18
Scientific Research:													
Buildings	37.38	-	0.30	-	37.68	3.39	-	1.25	-	4.64	-	-	33.04
Equipment	33.30	-	3.64	0.03	36.91	14.66	-	3.80	(0.75)	19.21	-	0.26	17.48
Furnitures & Fixtures	44.93	1.70	4.25	0.61	50.27	27.04	1.27	3.94	0.73	31.52	-	-	17.84
Vehicles	7.54	0.63	1.83	0.33	9.67	6.07	0.51	1.00	0.30	7.28	-	-	2.39
Office Equipment	32.68	2.17	9.19	1.68	42.36	21.49	1.78	3.87	(2.35)	29.49	0.04	0.05	12.67
II. Assets Given on Lease:													
Assets given on Operating Lease : Tinting systems	13.54	(0.26)	0.88	0.36	13.80	7.92	(0.09)	0.45	0.27	8.01	-	0.08	3.90
III. Assets Taken on Lease:													
Leasehold Land	98.26	0.58	2.58	-	101.42	3.29	0.13	1.15	(0.77)	5.34	-	-	96.08
Leasehold Buildings	35.31	4.05	(2.45)	-	36.91	26.37	3.22	0.96	0.77	29.78	-	-	7.13
Leasehold Improvements	5.06	-	3.59	-	8.65	3.08	-	1.51	-	4.59	-	-	4.06
Vehicles-Assets acquired on finance lease	0.99	0.07	0.24	0.14	1.16	0.47	0.03	0.22	0.14	0.58	-	-	0.58
Total Tangible Assets	1,917.09	29.00	88.48	12.02	2,022.55	656.26	14.84	111.68	5.40	777.38	0.04	0.70	1,233.98
B. Intangible Assets :													
Trademark	11.93	-	-	-	11.93	11.93	-	-	-	11.93	-	-	-
Computer Software	47.44	0.07	10.69	-	58.20	28.51	0.06	7.99	-	36.56	-	-	21.64
Others	11.29	0.15	0.08	-	11.52	7.11	0.06	0.76	-	7.93	0.25	0.03	3.31
Scientific Research: Computer Software	-	-	0.10	-	0.10	-	-	-	-	-	-	-	0.10
Total Intangible Assets	70.66	0.22	10.87	-	81.75	47.55	0.12	8.75	-	56.42	0.25	0.03	25.05
Total (A+B)	1,987.75	29.22	99.35	12.02	2,104.30	703.81	14.96	120.43	5.40	833.80	0.70	0.70	1,259.03

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 12 : NON-CURRENT INVESTMENTS			As at 31.03.2013	As at 31.03.2012
	Nos.	Face value (₹)		
I. Unquoted				
A. Trade Investments:				
Investment in Equity shares				
(a) Patancheru Enviro-tech Ltd.	12,900	10	0.01	0.01
(b) SIPCOT Common Utilities Ltd.	2,830	100	0.03	0.03
(c) Narmada Clean Tech Ltd.	4,92,108	10	0.49	0.49
			0.53	0.53
B. Other Investments:				
(a) Investment in Equity shares				
(i) Other entities				
SKH Metals Ltd.	62,500	10	0.50	0.50
			0.50	0.50
(b) Investment in Government Securities				
National Savings Certificates, Indira Vikas Patra and Defence Certificates				
Deposited With Government Authorities				
[₹ 39,500 (previous year ₹ 39,500)]				
			*	*
(c) Investment in Mutual Funds				
(i) IDFC Fixed Term Plan Series 9 Direct Plan - Growth	50,00,000	10	5.00	-
(ii) Kotak Fixed maturity Plan Series 101 Direct Plan- Growth	50,00,000	10	5.00	-
Total Non Current Unquoted Investments (I)			11.03	1.03
II. Quoted				
Other Investments				
(i) Investment in Equity shares				
Akzo Nobel India Ltd	20,10,626	10	41.30	41.30
Housing Development Finance Corporation Ltd.	4,65,000	2	0.12	0.12
Apcotex Industries Ltd.	3,418	10	0.01	0.01
Pan United Corp	7,000		0.02	0.01
(ii) Investment in Mutual Funds				
ICICI Prudential Fixed Maturity Plan Series 66-407 Days Plan C Direct Plan	2,00,00,000	10	20.00	-
Reliance Fixed Horizon Fund - XXIII-Series 2- Direct Growth Plan -8JAG	1,00,00,000	10	10.00	-
IDFC Fixed Term Plan Direct Plan - Series 10 - Growth	1,00,00,000	10	10.00	-
JPMORGON Fixed Maturity Plan Series 13 Growth	1,00,00,000	10	10.00	-
JPMORGAN India Fixed Maturity Plan Series 15 Direct - Growth	50,00,000	10	5.00	-
DSP BLACKROCK Fixed Maturity Plan - Series 93 12 Months Direct Growth	50,00,000	10	5.00	-
DWS Fixed Maturity Plan - Series 28 - Direct Plan - Growth	50,00,000	10	5.00	-
SUNDARAM Fixed Term Plan DI 375 Days Direct - Growth	50,00,000	10	5.00	-
UTI Fixed Term Income Fund Series XI-II (400 Days) - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
JP Morgan Fixed Maturity Plan Series 6 Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00

Figures in brackets indicate that of previous year

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 12 : NON-CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	As at 31.03.2013	As at 31.03.2012
(iii) Investment in Debt Instruments				
7.93 % Rural Electrification Corporation Tax Free Bonds #	1,22,476	1,000	12.25	12.25
8.20 % Power Finance Corporation Tax Free Bond (10,00,000 bonds allotted during the year)	10,00,000	10	10.07	-
11.50% L&T Finance Ltd Perpetual 2021 (5,00,000 bonds allotted during the year)	5,00,000	10	5.32	-
Total Non Current Quoted Investments (II)			139.09	68.69
Total Non Current Investments (I) + (II)			150.12	69.72
Aggregate market value of Non Current Quoted Investments :			315.21	210.09
# Quoted during the year.				
Figures in brackets indicate that of previous year.				

(₹ in Crores)

NOTE 13 : LOANS AND ADVANCES	Long Term		Short Term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
A. Secured and Considered good:				
Capital Advances #	0.37	88.31	-	-
B. Unsecured and Considered good:				
(a) Capital Advances	7.07	9.72	-	-
(b) Sundry deposits	36.27	28.59	18.03	17.03
(c) Loans and advances to related parties				
i) Advance contribution to Provident Fund trust	-	-	4.00	1.35
ii) Advance contribution to Superannuation Fund trust	-	-	-	0.12
(d) Other loans and advances				
i) Advances/claims recoverable in cash or in kind	40.97	48.95	136.24	66.29
ii) Advance payment of Income Tax (Net)	21.80	17.61	0.83	-
iii) Balances with Government authorities	-	2.99	51.11	44.09
iv) Advance to employees	0.01	0.29	4.39	4.10
	106.49	196.46	214.60	132.98
C. Unsecured and Considered doubtful:				
Other loans and advances:				
Advances/claims recoverable in cash or in kind	-	-	1.48	2.03
Less: Provision for doubtful advances/claims recoverable in cash or in kind	-	-	(1.48)	(2.03)
	-	-	-	-
	106.49	196.46	214.60	132.98

Secured against bank guarantee.

(₹ in Crores)

NOTE 14: OTHER NON CURRENT ASSETS	As at 31.03.2013	As at 31.03.2012
Long Term Trade Receivables (Refer Note 17)	3.87	4.16
Deposits with banks with maturity more than twelve months (Refer Note 18)	0.71	-
Others		
Finance Lease Receivables (Refer Note 33 (IV))	0.07	0.11
Employee Benefit Asset (Refer Note 31)	18.65	17.22
Other Receivables	0.02	0.22
	23.32	21.71

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 15 : CURRENT INVESTMENTS	Nos.	Face value (₹)	As at 31.03.2013	As at 31.03.2012
Unquoted				
Investments in Mutual Funds:				
UTI Fixed Term Income Fund Series XIV-I (366 Days) Growth	50,00,000	10	5.00	-
TATA Fixed Maturity Plan Series 42 Scheme A - Direct Plan Growth	50,00,000	10	5.00	-
KOTAK Fixed Maturity Plan Series 96 Direct - Growth	50,00,000	10	5.00	-
Government Securities - Treasury Bills			40.56	22.02
Total Unquoted Current Investments (I)			55.56	22.02
Quoted				
Investments in Mutual Funds:				
IDFC Fixed Maturity Plan Yearly Series 53 - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
CANARA ROBECO Fixed Maturity Plan Series 6 - 13 Months - Plan B - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
HDFC Fixed Maturity Plan 370D March, 2011(5) - Growth - Series XVI (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
ICICI Fixed Maturity Plan Series 56 1 Year Plan E Cumulative (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
SUNDARAM Fixed Term Plan BN 366 Days Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
IDFC Fixed Maturity Plan Yearly Series 52 Growth (2,00,00,000 units matured during the year)	(2,00,00,000)	10	-	20.00
SUNDARAM Fixed Term Plan CA 366 Days Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
RELIGARE Fixed Maturity Plan Series X Plan E (371 Days)- Growth Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
IDFC Fixed Maturity Plan Yearly Series 54 Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
IDFC Fixed Maturity Plan Yearly Series 57 Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
DWS Fixed Term Fund - Series 94 - Growth Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
ICICI Prudential Fixed Maturity Plan Series 60 - 1 Year Plan F Cumulative (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
SUNDARAM Fixed Term Plan CC 366 Days Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
KOTAK Fixed Maturity Plan Series 68 - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 15 : CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	As at 31.03.2013	As at 31.03.2012
DSP BLACKROCK Fixed Maturity Plan - Series 23 - 12 Months - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
SBI Debt Fund Series-367 Days - 13 - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
BIRLA SUN LIFE Fixed Term Plan Series EE Growth (40,00,000 units matured during the year)	(40,00,000)	10	-	4.00
TATA Fixed Maturity Plan Series 38 Scheme 1 - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
TATA Fixed Maturity Plan Series 39 Scheme A - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
SUNDARAM Fixed Term Plan CJ 366 Days Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
ICICI Prudential Fixed Maturity Plan Series 61 - 1 Year Plan A Cumulative (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
DSP BLACK ROCK Fixed Maturity Plan Series 32 - 12 Months Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
UTI Fixed Term Income Fund-Series X - VII (368 Day) (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
SBI Debt Fund Series - 367 Days - 16 - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
TATA Fixed Maturity Plan Series 39 Scheme D - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
TATA Fixed Maturity Plan Sereis 39 Scheme E - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
BIRLA SUN LIFE Fixed Term Plan Series EI Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
BIRLA SUN LIFE Fixed Term Plan Series EM Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
ICICI Prudential Fixed Maturity Plan Series 62 - 1 Year Plan B Cumulative (40,00,000 units matured during the year)	(40,00,000)	10	-	4.00
RELIGARE Fixed Maturity Plan Series X11 - Plan C (368 Days) Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
DSP BLACKROCK Fixed Maturity Plan Series 34 - 12 Months Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
IDFC Fixed Maturity Yearly Series 48 Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
HDFC Fixed Maturity Plan 370D Feb 12 - Growth (2) Series XXI Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 15 : CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	As at 31.03.2013	As at 31.03.2012
DWS Fixed Maturity Plan Series 5 Growth Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
KOTAK Fixed Maturity Plan Series 75 - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
UTI Fixed Income Fund- Series X-VIII (368 Days) Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
RELIANCE Fixed Horizon Fund-XXI - Series 6 Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
RELIANCE Fixed Horizon Fund-XXI - Series 8 Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
DSP BLACKROCK Fixed Maturity Plan Series 31 - 12 Months Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
HDFC Fixed Maturity Plan 370D Feb12 - Growth(3) Series XXI Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
IDFC Yearly Series Interval Fund Regular Plan-II Growth	50,00,000	10	5.00	-
ICICI Prudential Fixed Maturity Plan Series 66-368 Days Plan B Regular Plan	50,00,000	10	5.00	-
BIRLA SUN LIFE Interval Income Fund AP 2-Growth-Regular Plan	50,00,000	10	5.00	-
SUNDARAM Fixed Term Plan DE 367 Days Direct Growth	50,00,000	10	5.00	-
RELIANCE Yearly Interval Fund Series 3 Direct Plan Growth Plan - Y3AG	1,00,00,000	10	10.00	-
DSP BLACKROCK Fixed Maturity Plan - Series 84 - 12 Months - Regular Growth	1,00,00,000	10	10.00	-
DSP Blackrock Fixed Maturity Plan - Series 86 - 12 Months - Direct Growth	50,00,000	10	5.00	-
DWS Fixed Maturity Plan - Series 24 - Direct Plan - Growth	1,00,00,000	10	10.00	-
ICICI Prudential Fixed Maturity Plan Series 66 - 366 Days Plan F Direct Plan	50,00,000	10	5.00	-
BIRLA SUN LIFE Interval Income Fund - Annual Plan 3 Growth Direct	50,00,000	10	5.00	-
SBI Debt Fund Series - 366 Days 23 - Direct Plan Growth	1,00,00,000	10	10.00	-
Total Quoted Current Investments (II)			75.00	263.00
TOTAL CURRENT INVESTMENTS (I+II)			130.56	285.02
Aggregate market value of quoted current investments			75.85	270.76

Figures in brackets indicate that of previous year.

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 16: INVENTORIES	As at 31.03.2013	As at 31.03.2012
(a) Raw materials	627.47	538.51
Raw materials-in-transit	25.93	82.06
	653.40	620.57
(b) Packing materials	42.80	39.92
(c) Finished goods	972.79	807.39
Finished goods-in-transit	1.04	0.77
	973.83	808.16
(d) Work-in-progress	68.51	62.12
(e) Stores, spares and consumables	34.80	28.32
(f) Stock-in-trade (acquired for trading)	56.95	39.80
	1,830.29	1,598.89

(₹ in Crores)

NOTE 17: TRADE RECEIVABLES	Non - Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Unsecured				
(a) Overdue for more than six months				
Considered good	-	-	11.36	8.14
Considered doubtful	-	-	41.17	32.25
			52.53	40.39
(b) Others				
Considered good	3.87	4.16	969.52	773.11
Considered doubtful	-	-	2.08	1.69
	3.87	4.16	971.60	774.80
	3.87	4.16	1,024.13	815.19
Less: Provision for doubtful trade receivables	-	-	43.25	33.94
	3.87	4.16	980.88	781.25
Amount included under the head "Other Non Current Assets" (Refer Note 14)	(3.87)	(4.16)	-	-
	-	-	980.88	781.25

(₹ in Crores)

NOTE 18: CASH AND BANK BALANCES:	Non - Current		Current	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
A. Cash and Cash Equivalents				
(a) Cash on hand			0.52	1.98
(b) Balances with Banks:				
(i) Current Accounts #			98.24	99.45
(ii) Cash Credit Accounts ##			25.70	6.70
(iii) Cheques on hand			33.79	47.33
(iv) Deposits with Banks with maturity less than 3 months			89.26	57.48
			246.99	210.96
(c) Investment in Liquid mutual funds and Government Securities @			498.16	395.97
# Overdraft in current account carries interest rate @ 10.75% to 14.50% p.a.				
## Secured by hypothecation of inventories and trade receivable and carries interest rate @ 7.00% to 13.50% p.a.				
B. Other Bank Balances				
(a) Unpaid Dividends \$	-	-	5.86	4.74
(b) Deposits with Banks with maturity more than 3 months but less than 12 months	-	-	0.45	10.66
(c) Deposits with Banks with maturity more than 12 months	0.71	-	-	-
	0.71	-	6.31	15.40
Amount included under the head "Other Non Current Assets" (Refer Note 14)	(0.71)	-	-	-
	-	-	751.98	624.31

\$ The Group can utilise these balances only towards settlement of unclaimed dividend.

Notes to Consolidated Financial Statements

(₹ in Crores)

@ Investment in liquid mutual funds	Nos.	Face value (₹)	As at 31.03.2013	As at 31.03.2012
Unquoted				
Investments in Mutual Funds:				
BIRLA SUN LIFE Short Term Fixed Maturity Plan Series 29 Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
UTI Money Market Fund - Institutional Growth Plan (48,966 units sold during the year)	(48,966)	1,000	-	5.88
BIRLA Cash Plus - Institutional Premium Plan Dividend (8,28,521 units sold during the year)	(8,28,521)	100	-	14.23
JM High Liquidity Fund - Super Institutional Plan (60,34,764 units sold during the year)	(60,34,764)	10	-	10.14
Birla Sun Life Floating Rate Fund Long Term Growth	43,22,288	100	60.22	-
UTI-Floating Rate Fund-STP- Regular Plan - Direct Plan Growth	2,66,670	1,000	50.32	-
Government Securities - Treasury Bills			22.80	-
Bank of Nova Scotia - Premium Money Market Fund			1.68	-
			135.02	40.25
Quoted				
HDFC Cash Management Fund -Treasury Advantage Plan Wholesale Daily Dividend (2,93,21,525 units sold during the year)	(2,93,21,525)	10	-	69.00
TEMPLETON India Ultra Short Bond Super Institutional Growth (Quoted during the year) (7,84,45,041 units sold during the year)	(7,84,45,041)	10	-	108.98
TATA Fixed Income Portfolio Fund C2 Institutional Growth (47,82,126 units sold during the year)	(47,82,126)	10	-	5.00
HDFC Liquid Fund - Premium Plan - Growth (1,07,13,211 units sold during the year)	(1,07,13,211)	10	-	23.01
IDFC Ultra Short Term Fund Growth (5,19,77,883 units sold during the year)	(5,19,77,883)	10	-	77.03
RELIANCE Liquidity Fund Growth Option (2,99,12,320 units sold during the year)	(2,99,12,320)	10	-	48.31
UTI Fixed Term Income Fund Series XI-II (400 Days) Growth	50,00,000	10	5.00	-
JP Morgan FMP Series 6 Growth	1,00,00,000	10	10.00	-
Templeton India Ultra Short Bond SIP-Growth	72,44,794	10	11.07	-
Dsp Blackrock Money Manager Fund Regular Growth	56,730	1,000	9.01	-
ICICI Prudential Flexible Income - Regular Plan- growth	29,74,540	100	65.12	-
IDFC Ultra Short Term Fund-Growth-(Regular Plan)	61,89,937	10	10.08	-
IDFC Ultra Short Term Fund-Growth-(Direct Plan)	3,44,64,261	10	56.13	-
SBI Ultra Short Term Debt Fund - Regular Plan - Growth	3,19,073	1,000	48.03	-
Axis Treasury Advantage Fund Direct Plan Growth	3,42,952	1,000	44.70	-
Birla Sun Life Saving Fund - Growth-Regular Plan	13,43,689	100	30.04	-
Kotak Flexi Debt Plan A - Growth	1,59,36,512	10	23.09	-
Global Templeton Bonds			14.52	7.78
Pictet SICAV GLB Emerging Fund			10.76	-
PIMCO Fund			7.29	-
UTI Treasury Advantage Fund-Institutional Plan(Daily Dividend Option)-Re-Investment (6,102 units sold during the year)	(6,102)	1,000	-	0.61
UTI Treasury Advantage Fund-Institutional Plan(Daily Dividend Option)-Re-Investment (157 units sold during the year)	(157)	1,000	-	0.02
UTI Money Market Fund-Institutional Growth Plan (1,33,132 units sold during the year)	(1,33,132)	1,200	-	15.98
UTI - Floating Rate Fund - STP - Regular Plan - Direct Plan - Growth	1,01,667	1,800	18.30	-
			363.14	355.72
			498.16	395.97

Figures in brackets indicate that of previous year.

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 19: OTHER CURRENT ASSETS	As at 31.03.2013	As at 31.03.2012
Interest accrued on investments and deposits	3.28	0.45
Quantity discount receivable	70.07	67.24
Royalty receivable	0.10	0.14
Duty Drawback receivable	0.89	0.88
Insurance claim receivable	0.15	1.72
Other receivables	23.39	13.79
Subsidy receivable from State Government	0.31	-
	98.19	84.22

(₹ in Crores)

NOTE 20: REVENUE FROM OPERATIONS	Year 2012-13	Year 2011-12
(A) Revenue from sale of goods and services:		
Sale of goods:		
Home Market (Net of Returns)	12,318.63	10,621.93
Exports	169.44	156.07
Turnover	12,488.07	10,778.00
Less: Discounts	501.74	400.13
Sale of goods (Net of Discounts)	11,986.33	10,377.87
Sale of services:		
Revenue from Home Solutions operations	19.00	15.17
Revenue from painting and related services	28.61	45.06
Total	12,033.94	10,438.10
(B) Other Operating Revenues:		
Processing and service income	52.67	25.72
Scrap sales	10.65	7.19
Subsidy from State Government	0.31	-
Lease Rent	1.10	1.00
Total	64.73	33.91

(₹ in Crores)

NOTE 21: OTHER INCOME	Year 2012-13	Year 2011-12
(a) Interest		
(i) From Current investments	10.23	4.96
(ii) From others	3.50	1.49
	13.73	6.45
(b) Insurance claims received	0.22	0.50
(c) Dividend received		
(i) From Non Current investments	4.53	4.04
(ii) From Current investments	28.36	37.53
	32.89	41.57
(d) Royalty	7.27	3.03
(e) Profit on sale of long Term Investments (Net) #	26.21	32.48
(f) Profit on sale of short Term Investments (Net)	1.05	0.84
(g) Profit on sale of fixed assets (Net)	4.21	0.23
(h) Other non-operating income	28.94	22.31
	114.52	107.41

 # As at 31st March, 2012, these Long term investments are classified under Current investments as their balance maturity period is less than 12 months.

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 22:	Year 2012-13	Year 2011-12
(A) COST OF MATERIALS CONSUMED		
Raw Materials Consumed		
Opening Stock	620.57	542.91
Add : Purchases	5,371.17	4,947.59
Add : Increase/(Decrease) pursuant to Composite Scheme of Restructuring (Refer note 28)	(9.73)	-
	5,982.01	5,490.50
Less: Closing Stock	653.40	620.57
	5,328.61	4,869.93
Packing Materials Consumed		
Opening Stock	39.92	36.18
Add : Purchases	929.47	854.34
Add : Increase/(Decrease) pursuant to Composite Scheme of Restructuring (Refer note 28)	(0.26)	-
	969.13	890.52
Less : Closing Stock	42.80	39.92
	926.33	850.60
Total Cost Of Materials Consumed	6,254.94	5,720.53
(B) PURCHASES OF STOCK-IN-TRADE	333.07	247.68
(C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Stock at the beginning of the year		
Finished Goods (including goods in transit)	808.16	613.06
Work-in-Progress	62.12	62.36
Stock-in-trade (acquired for trading)	39.80	28.41
Increase/(Decrease) pursuant to Composite Scheme of Restructuring (Refer note 28)	(5.48)	-
Total	904.60	703.83
Stock at the end of the year		
Finished Goods (including goods in transit)	973.83	808.16
Work-in-Progress	68.51	62.12
Stock-in-trade (acquired for trading)	56.95	39.80
Total	1,099.29	910.08
Changes in inventories	(194.69)	(206.25)
Increase in Excise duty on finished goods	45.13	33.30
Changes In Inventories of Finished Goods, Work-in-Progress and Stock-In-Trade	(149.56)	(172.95)

(₹ in Crores)

NOTE 23 : EMPLOYEE BENEFITS EXPENSE	Year 2012-13	Year 2011-2012
Salaries and wages	536.52	450.07
Contribution to Provident and other Funds (Refer Note 31)	37.86	33.96
Staff welfare expenses	49.18	41.94
	623.56	525.97

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 24: OTHER EXPENSES	Year 2012-13	Year 2011-12
Consumption of Stores, spares and consumables	39.31	27.06
Power and fuel	110.28	84.74
Processing charges	76.69	60.40
Repairs and Maintenance:		
Buildings	13.10	7.77
Machinery	19.59	15.85
Other assets	29.58	24.08
	62.27	47.70
Rent	116.26	87.96
Rates and taxes	28.65	22.82
Water Charges	4.43	2.67
Insurance	11.63	8.34
Printing, stationery and communication expenses	42.91	37.93
Travelling expenses	70.34	55.72
Donations	2.34	1.14
Commission to Non Executive Directors	2.57	1.88
Directors' sitting fees	1.46	1.82
Payment to Auditors	4.12	3.70
Bank Charges	2.30	2.41
Net loss on foreign currency transactions and translations (Other than considered as finance costs)	5.88	29.60
Premium on forward exchange contract amortized	3.01	0.72
Information Technology expenses	23.14	20.91
Legal and professional expenses	19.61	18.59
Training and recruitment	11.77	10.65
Freight and handling charges	445.19	378.02
Advertisement and sales promotional expenses	522.68	410.11
Cash discount	458.32	400.99
Bad debts written off	7.18	4.74
Provision for doubtful debts and advances	3.66	(0.89)
Miscellaneous expenses	100.79	82.51
	2,176.79	1,802.24

(₹ in Crores)

NOTE 25: Finance Costs	Year 2012-13	Year 2011-12
Interest on Bank Borrowings	10.52	9.11
Interest on Bill Discounting	22.41	24.22
Interest on Foreign Currency Loans	0.77	1.21
Net loss on Foreign Currency Transactions and Translation on Borrowings (considered as finance costs)	0.61	5.23
Other Interest	2.34	1.20
	36.65	40.97

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 26: CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liabilities	As at 31.03.2013	As at 31.03.2012
1. Guarantee given:		
(i) to bank on behalf of parent Company's dealers in respect of loans granted to them by a bank for acquiring dealer tinting systems.	0.38	2.49
(ii) to others	12.07	10.58
2. Claims against the Group not acknowledged as debts		
i. Tax matters in dispute under appeal	101.58	93.72
ii. Others.	9.97	9.37
3. Berger International Limited and its subsidiary, Berger Paints Trinidad Limited, are engaged in litigation initiated by its former Regional Managing Director. The company upon discontinuing his services has paid him compensation as per his contract of employment and the same has been charged to income statement. Berger Paints Trinidad Limited filed a counter claim for the recovery of the amounts due from former Regional Managing Director. This matter is subject to Trinidad and Tobago's High Court Action No.3085 of 2004. Based on the information presently available, the likely outcome of this trial cannot be determined with any reasonable certainty. Therefore, no further provision has been made in these financial statements for this matter. However, in the event that this case is ruled against the Group, the likely impact is not expected to be material, based on management's best estimate.		
(b) Commitments :	As at 31.03.2013	As at 31.03.2012
1. Estimated amount of contracts remaining to be executed on capital account and not provided for	68.96	356.45
2. Letters of Credit and Bank guarantees issued by bankers and outstanding as on 31 st March, 2013.	103.44	173.37
3. The Parent Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.		

The forward exchange contracts outstanding as at 31st March, 2013 are as under:-

As at 31.03.2013				As at 31.03.2012			
Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)	Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
USD	67	10.63	58.17	USD	31	21.07	109.54

Notes to Consolidated Financial Statements

NOTE 27: DETAILS OF SUBSIDIARIES AND JOINT VENTURES

(A) Subsidiaries:

The subsidiary companies considered in the consolidated financial statements are:

(a) Direct Subsidiaries:

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012	Accounting period
Asian Paints (Nepal) Private Limited	Nepal	51.00%	51.00%	14 th Mar 2012 – 13 th Mar 2013
Asian Paints (International) Limited	Mauritius	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013
Asian Paints Industrial Coatings Limited	India	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013
Multifacet Infrastructure (India) Limited	India	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013
Maxbhumi Developers Limited	India	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013
AP Coatings Limited *	India	N.A.	100.00%	N.A.

* Refer Note 28.

(b) Indirect Subsidiaries:

i) Subsidiaries of the wholly owned subsidiary, Asian Paints (International) Limited, Mauritius:

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012	Accounting period
Asian Paints (South Pacific) Limited	Fiji Islands	53.15%	53.15%	1 st Apr 2012 – 31 st Mar 2013
Asian Paints (Tonga) Limited	Kingdom of Tonga	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013
Asian Paints (S.I.) Limited	Solomon Islands	75.00%	75.00%	1 st Apr 2012 – 31 st Mar 2013
Asian Paints (Vanuatu) Limited	Republic of Vanuatu	60.00%	60.00%	1 st Apr 2012 – 31 st Mar 2013
Asian Paints (Lanka) Limited	Sri Lanka	99.18%	99.18%	1 st Apr 2012 – 31 st Mar 2013
Asian Paints (Bangladesh) Limited	Bangladesh	89.78%	89.78%	1 st Apr 2012 – 31 st Mar 2013
Asian Paints (Middle East) LLC	Sultanate of Oman	49.00%	49.00%	1 st Apr 2012 – 31 st Mar 2013
SCIB Chemicals S.A.E.	Egypt	60.00%	60.00%	1 st Apr 2012 – 31 st Mar 2013
Samoa Paints Limited	Samoa	80.00%	80.00%	1 st Apr 2012 – 31 st Mar 2013
Berger International Limited	Singapore	50.10%	50.10%	1 st Apr 2012 – 31 st Mar 2013

ii) Subsidiary of Asian Paints (South Pacific) Limited:

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012	Accounting period
Taubmans Paints (Fiji) Limited*	Fiji Island	N.A.	100.00%	N.A.

* Struck off from the list of companies by the Registrar of the Companies in November, 2012.

Notes to Consolidated Financial Statements

iii) Subsidiaries of Berger International Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012	Accounting period
Berger Paints Singapore Pte Limited	Singapore	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013
Berger Building Services (Singapore) Pte. Limited*	Singapore	N.A.	100.00%	N.A.
Enterprise Paints Limited	Isle of Man, U.K.	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013
Universal Paints Limited	Isle of Man, U.K.	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013
Lewis Berger (Overseas Holdings) Limited	U.K.	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013

* Struck off from the list of companies by Registrar of Companies in October, 2012

iv) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012	Accounting period
Nirvana Investments Limited	Isle of Man, U.K.	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013

v) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012	Accounting period
Berger Paints Emirates Limited	U.A.E.	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013

vi) Subsidiaries of Lewis Berger (Overseas Holdings) Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012	Accounting period
Berger Paints Jamaica Limited	Jamaica	51.00%	51.00%	1 st Apr 2012 – 31 st Mar 2013
Berger Paints Trinidad Limited	Trinidad	70.00%	70.00%	1 st Apr 2012 – 31 st Mar 2013
Berger Paints Barbados Limited	Barbados	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013

vii) Subsidiary of Universal Paints Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012	Accounting period
Berger Paints Bahrain W.L.L.	Bahrain	100.00%	100.00%	1 st Apr 2012 – 31 st Mar 2013

Notes to Consolidated Financial Statements

(B) Joint Ventures: (In which the Parent Company has 50% equity interest)

There are two Joint Ventures between the Parent Company and PPG Industries Securities LLC., U.S.A., wherein the Parent Company has 50% equity participation.

- PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited)
- Asian Paints PPG Private Limited (formerly known as Asian Paints PPG Limited)

(a) Subsidiaries of PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited):

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2013	% of Holding as on 31 st March, 2012	Accounting period
Faaber Paints Private Limited	India	100%	100%	1 st Apr 2012 – 31 st Mar 2013
PPG Asian Paints Lanka Private Limited	Sri Lanka	100%	100%	1 st Apr 2012 – 31 st Mar 2013

NOTE 28 :

Composite Scheme of Restructuring to Give Effect to Formation of the Second Joint Venture With PPG Industries Inc., USA

A Composite Scheme of Restructuring (“the Scheme”) filed with the Hon’ble High Court of Judicature at Bombay, in February, 2012 was approved on 6th July, 2012 and the “Appointed Date” under the Scheme had been fixed as 1st April, 2012. As per the Scheme, AP Coatings Limited (wholly owned subsidiary of the Parent Company) and PPG Coatings India Private Limited (a subsidiary of PPG Industries Securities LLC. (PPG) in India) have merged with PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited) (first Joint Venture between Asian Paints Limited and PPG). Further, the Scheme provides for the demerger of the Liquid Industrial Paints, Powder Coatings and Protective Coatings businesses from PPG Asian Paints Private Limited into Asian Paints PPG Private Limited (formerly known as Asian Paints PPG Limited) (second Joint Venture Company between Asian Paints Limited and PPG, incorporated in August, 2011). Consequently, AP Coatings Limited, a wholly owned subsidiary as on 31st March, 2012, ceased to exist.

As at 31st March, 2013, Reserves and Surplus in the Consolidated Balance Sheet includes ₹ 35.91 Crores of ‘Capital Reserve on Consolidation’ being the additional net assets received pursuant to the Scheme.

In view of the implementation of the Scheme w.e.f. 1st April, 2012, the results for the year ended 31st March, 2013 are not comparable with the corresponding previous year.

NOTE 29: PRINCIPLES OF CONSOLIDATION

- The financial statements of Asian Paints Limited together with audited financial statements of its subsidiaries and Joint Ventures as described in Note no. 27 have been considered for the purpose of consolidation.
- The financial statements of the Parent Company and its subsidiaries and Joint Ventures as described in Note no. 27 have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The results of subsidiaries acquired or disposed off during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate. All significant intra group balances and transactions have been eliminated on consolidation. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post – acquisition increase in the relevant reserves of the subsidiaries/Joint Ventures.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company’s financial statements.
- Minority interest in the net income and net assets of the consolidated financial statements are computed and shown separately. Losses applicable to minority in excess of the minority’s interest in the subsidiary’s equity are allocated against the interests of the group.
- The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date.

Notes to Consolidated Financial Statements

- (vi) The excess of cost to the company of its investments in subsidiaries over its share of the equity of the subsidiaries at the date on which the investment in the subsidiaries are made, is recognized as "Goodwill" being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary companies as on the date of the investment is in excess of cost of investment of the Company, it is recognized as "Capital Reserve" and shown under the head "Reserves and Surplus"; in the consolidated financial statements. Impact of currency translation on such "Goodwill" and "Capital Reserve" is adjusted in the respective carrying amounts.

NOTE 30: INTEREST IN JOINT VENTURES

Pursuant to Accounting Standard (AS 27) - Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statements of PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited) and Asian Paints PPG Private Limited (formerly known as Asian Paints PPG Limited) (hereinafter referred to as JVs), the Joint Ventures between the Parent Company and PPG Industries Securities LLC., U.S.A. have been consolidated using proportionate consolidation method.

- The Parent company's share of each of the assets, liabilities, income and expenses of JVs has been included in the consolidated financial statements.
- The aggregate amounts of assets, liabilities, income and expenses related to the Parent Company's Interest in the JVs as at 31st March, 2013 is as follows -

(₹ in Crores)

Name of the Company	% of Shareholding	Amount of interest based on the Financial Statements of Joint Ventures for the year ended 31 st March, 2013					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
PPG Asian Paints Private Limited	50%	306.63	124.41	403.26	394.46	14.20	0.96
		(239.71)	(121.29)	(344.21)	(330.81)	(11.22)	(3.73)
Asian Paints PPG Private Limited.	50%	81.72	46.65	141.03	144.01	2.35	-
		(0.11)	(0.02)	(-)	(0.04)	(-)	(-)

Figures in brackets indicate that of previous year.

NOTE 31: EMPLOYEE BENEFITS

(1) Short term employee benefits:

The liability towards short term employee benefits for the year ended 31st March, 2013 has been recognised in the Statement of Profit and Loss.

(2) Post-employment benefits:

The following disclosures are made in accordance with AS 15 (Revised) pertaining to Defined Benefit Plans:

(a) Gratuity, Pension, Leaving Indemnity and Medical benefit plans

(₹ in Crores)

	Gratuity and Pension (Funded)		Pension, Leaving Indemnity and Medical Plan (Unfunded)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Amount Recognised in Balance Sheet				
Present Value of Funded Obligations	187.84	163.67	-	-
Fair Value of Plan Assets	(193.96)	(175.28)	-	-
Present Value of Unfunded Obligations	-	-	16.73	15.12
Amount not recognised as Asset, because of the limitation as per AS-15 (Revised) & unrecognised actuarial gains/losses	(5.54)	(3.81)	0.25	0.70
Net Liability / (Asset)	(11.66)	(15.42)	16.98	15.82
Amounts in Balance Sheet				
Liability	6.99	4.41	16.98	15.82
Assets	(18.65)	(19.83)	-	-
Net Liability / (Asset)	(11.66)	(15.42)	16.98	15.82
Expense Recognised in the Statement of Profit and Loss				
Current Service Cost	10.90	9.75	0.84	0.84
Interest on Defined Benefit Obligation	13.96	11.65	1.25	1.38
Expected Return on Plan Assets	(13.72)	(12.17)	-	-
Net Actuarial Losses / (Gains) Recognized in Year	0.96	(2.20)	0.40	(0.31)
Past Service Cost	-	4.02	-	-
Adjustment for current year unutilised asset	(0.18)	0.32	-	-
Total Included in "Employee Benefit Expense"	11.92	11.37	2.49	1.91
Actual Return on Plan Assets	17.61	12.22	-	-

Notes to Consolidated Financial Statements

(₹ in Crores)

	Gratuity and Pension (Funded)		Pension, Leaving Indemnity and Medical Plan (Unfunded)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Movement in the asset recognised in the balance sheet				
Opening Net (Asset) / Liability	(15.42)	(10.65)	15.82	14.34
Currency translation difference	(0.52)	(2.09)	(0.19)	1.11
Liability assumed on transfer of employees	0.16	-	-	-
Total charge as above	11.92	11.37	2.49	1.91
Contribution paid	(7.80)	(14.05)	(1.14)	(1.54)
Closing Net (Asset) / Liability	(11.66)	(15.42)	16.98	15.82
Reconciliation of Benefit Obligations & Plan Assets For the Period				
Change in Defined Benefit Obligation				
Opening Defined Benefit Obligation	163.67	134.96	15.12	15.88
Current Service Cost	10.90	9.75	0.84	0.84
Interest Cost	13.96	11.65	1.25	1.38
Actuarial Losses / (Gain)	5.86	(1.20)	0.82	(2.62)
Past Service Cost	-	4.02	-	-
Annuities Purchased	1.65	6.67	-	-
Exchange Difference on Foreign Plans	0.59	6.96	(0.16)	1.18
Member Contributions	1.03	0.88	-	-
Acquisition/Business Combination/Divestiture	(0.66)	1.81	-	-
Benefits Paid	(9.16)	(11.83)	(1.14)	(1.54)
Closing Defined Benefit Obligation	187.84	163.67	16.73	15.12
Change in Fair Value of Assets				
Opening Fair Value of Plan Assets	175.28	143.15	-	-
Expected Return on Plan Assets	13.72	12.17	-	-
Actuarial Gain / (Losses)	3.62	(0.31)	-	-
Contributions by Employer	7.80	14.05	1.14	0.47
Annuities Purchased	1.65	6.67	-	-
Exchange Difference on Foreign Plans	0.84	8.69	-	-
Member Contributions	1.03	0.88	-	-
Benefits Paid	(9.16)	(11.83)	(1.14)	(0.47)
Acquisition/Business Combination/Divestiture	(0.82)	1.81	-	-
Closing Fair Value of Plan Assets	193.96	175.28	-	-
Summary of the Actuarial Assumptions				
Discount Rate	5.0% to 10.0%	5.5% to 10%	4.20% to 8.20%	5.0% to 8.5%
Expected Rate of Return on Assets	5.0% to 8.50%	5.5% to 8.5%	-	-

Experience Adjustments for the current and previous four periods

	Gratuity and Pension (Funded)				
	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Defined Benefit Obligation	187.84	163.67	134.96	120.46	115.05
Plan Assets	193.96	175.28	143.15	126.29	125.30
Surplus	6.12	11.61	8.19	5.83	10.25
Experience adjustment on plan Liabilities	(0.18)	(0.06)	0.03	(2.17)	4.74
Experience adjustment on plan assets	1.90	(2.60)	0.57	(0.62)	(4.47)
Pension and Medical Plan (Unfunded)					
Defined Benefit Obligation	16.73	15.12	15.88	15.18	13.16
Plan Assets	-	-	-	-	-
(Deficit)	(16.73)	(15.12)	(15.88)	(15.18)	(13.16)
Experience adjustment on plan Liabilities	0.65	(2.46)	(0.57)	(2.38)	0.88
Experience adjustment on plan assets	-	-	-	-	-

Notes to Consolidated Financial Statements

Note:-

- i) The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- ii) The Group estimates that the amount to be contributed to the gratuity and pension fund for the financial year 2013-14 will be ₹ 7.5 crores.

(b) Provident Fund

The provident fund assets and liabilities of the Parent Company and one of its Joint Venture (PPG Asian Paints Private Limited) is managed by its respective provident fund trusts.

The guidance on Implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer established provident fund, which require interest shortfalls to be recompensed, are to be considered as defined benefit plans. The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below there is no shortfall as at 31st March, 2013 and 31st March, 2012.

The details of benefit obligation and plan assets of the provident funds as at 31st March, 2013 is as given below:

(₹ in Crores)

Particulars	31.03.2013	31.03.2012
Present value of benefit obligation at period	248.54	218.56
Plan assets at period end, at fair value, restricted to	248.54	218.56
Asset recognised in Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee are as under:

Particulars	31.03.2013	31.03.2012
Discount Rate	8.00% to 8.20%	8.50% to 8.60%
Expected Guaranteed interest rate	8.50%	8.25%

NOTE 32: EARNINGS PER SHARE	31.03.2013	31.03.2012
Basic and diluted earnings per share before exceptional item in rupees (face value - ₹ 10 per share)	116.13	103.08
Basic and diluted earnings per share attributable to shareholders in rupees (face value - ₹ 10 per share)	116.13	103.08
Profit attributable to shareholders before exceptional item as per Statement of Profit & Loss (₹ in crores)	1,113.88	988.73
Profit attributable to shareholders as per Statement of Profit & Loss (₹ in crores)	1,113.88	988.73
Weighted average number of equity shares outstanding	9,59,19,779	9,59,19,779

NOTE 33: PURSUANT TO THE ACCOUNTING STANDARD (AS-19) – LEASES, THE FOLLOWING INFORMATION IS GIVEN

I. Assets given on operating leases

- (a) The Parent Company has provided tinting systems to its dealers on an operating lease basis. The lease period varies between four to ten years. The lease rentals are payable monthly by the dealers. A refundable security deposit is collected at the time of signing the agreement.

Notes to Consolidated Financial Statements

- (b) Certain subsidiaries provide tinting systems to their dealers on an operating lease basis. The lease normally ranges for a 5 year period. A security deposit is collected at the time of signing the agreement.
- (c) Future minimum lease rentals receivable as at 31st March, 2013 as per the lease agreements:

(₹ in Crores)

	As at 31.03.2013	As at 31.03.2012
Not later than one year	0.45	0.42
Later than one year and not later than five years	0.23	0.39
Later than five years	-	-
Total	0.68	0.81

The information pertaining to future minimum lease rentals receivable is based on the lease agreements entered into between the respective companies and the dealers and variations made thereto. The lease rentals are reviewed periodically taking into account prevailing market conditions.

- (d) Total amount of contingent rents recognised as income – ₹ NIL. (Previous year NIL)
- (e) The initial direct cost relating to acquisition of tinting system is capitalised
- (f) The information on gross amount of leased assets, depreciation and impairment is given in Note '11' to the Balance Sheet.

II. Assets taken on operating leases

- (a) The Parent Company has taken cars, computers and other systems hardware on an operating lease basis. The lease rentals are payable by the parent company on a monthly and quarterly basis.
- (b) In addition, the Joint Ventures has entered into an arrangement to obtain computer equipments, mixing racks, cars etc, on non-cancellable operating lease for tenure ranging from twenty four months to forty eight months. As per the lease agreement the Joint Ventures does not have an option to purchase the assets.
- (c) In addition, certain overseas subsidiaries have also taken certain assets on operating lease.
- (d) Future minimum lease rentals payable as at 31st March, 2013 as per the lease agreements:

(₹ in Crores)

	As at 31.03.2013	As at 31.03.2012
Not later than one year	11.19	9.12
Later than one year and not later than five years	13.85	12.00
Later than five years	0.85	0.79
Total	25.89	21.91

- (e) Lease payments recognised in the statement of profit and loss for the period is ₹ 11.28 crores (Previous year ₹ 12.64 crores).
- (f) Total amount of contingent rents recognised as expense – ₹ NIL; (Previous year NIL)

III. Assets taken on finance lease

- (a) Certain subsidiaries have taken property, plant and equipment on finance lease which effectively transferred to the respective subsidiaries substantially all of the risks and benefits incidental to the ownership.
- (b) Future minimum lease rentals payable as at 31st March, 2013 as per the lease agreements:

Notes to Consolidated Financial Statements

(₹ in Crores)

	As at 31.03.2013			As at 31.03.2012		
	Minimum lease payments	Finance charge allocated to future periods	Present value	Minimum lease payments	Finance charge allocated to future periods	Present value
i) Not later than one year	0.33	0.09	0.24	0.23	0.04	0.19
ii) Later than one year and not later than five years	0.67	0.10	0.57	0.46	0.06	0.40
iii) Later than five years	-	-	-	-	-	-
	1.00	0.19	0.81	0.69	0.10	0.59

c) The information on gross amount of leased assets, depreciation and impairment is given in Note 11 to the Balance Sheet.

IV. Assets given on finance lease

- a) Certain subsidiaries have leased certain of its plant and equipment on finance lease which effectively transferred substantially all of the risks and benefits incidental to the ownership.
- b) Future minimum lease rentals receivable as at 31st March, 2013 as per the lease agreements:

(₹ in Crores)

	As at 31.03.2013			As at 31.03.2012		
	Minimum lease payments	Finance charge allocated to future periods	Present value	Minimum lease payments	Finance charge allocated to future periods	Present value
i) Not later than one year	0.61	0.24	0.37	0.59	0.24	0.35
ii) Later than one year and not later than five years	0.08	0.01	0.07	0.13	0.02	0.11
iii) Later than five years	-	-	-	-	-	-
	0.69	0.25	0.44	0.72	0.26	0.46

NOTE 34: Pursuant to the Accounting Standard (AS 29) – Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2013 is as follows:

(₹ in Crores)

	Provision for Excise (1)		Provision for Sales Tax (1)		Provision for Warranties (2)	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Opening Balance	1.25	1.15	9.95	8.61	1.93	1.91
Additions/(writeback)	-	0.10	0.77	1.34	0.16	(0.05)
Utilisations	-	-	-	-	(0.11)	(0.16)
Reversals	-	-	-	-	-	-
Currency translation	-	-	-	-	0.16	0.23
Closing Balance	1.25	1.25	10.72	9.95	2.14	1.93

- (1) Excise and Sales Tax provision is made towards matters disputed at various appellate levels.
- (2) Provision for warranties represents management's best estimate of the liability for warranties granted on paints by some of the subsidiaries based on past experience of claims.

Notes to Consolidated Financial Statements

Note 35: Information on related party transactions as required by Accounting Standard (AS) - 18 for the year ended 31st March, 2013.

(₹ in Crores)

Particulars	Key Management Personnel [^]		Companies Controlled by Directors/ Relatives		Employee benefit plans where control exists		Promoters & their relatives having control [^]		Promoters of subsidiary companies/ Joint Ventures		Others	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Sale of goods			5.47	4.61					10.15	4.64		
Purchase of goods			245.41	213.51					11.74	9.29		
Other recoveries									0.36	0.03		
Remuneration	4.20	4.59					3.91	3.44				
Commission to Non-executive Directors							1.14	0.88				
Sitting Fees Paid to Non-executive Directors							0.08	0.09				
Other services									0.09	0.35		
Retiral Benefits							0.22	0.22				
Donation											1.00	-
Purchase of Assets									0.04	1.06		
Issue of equity shares									4.51	0.13		
Sale of assets			-	0.08								
Contributions during the year					23.90	27.55						
Outstanding as at 31st March:												
Amount receivable			0.58	0.93					2.42	1.84		
Amount payable	1.65	2.00	3.66	4.10	8.76	6.47	1.14	0.88	0.07	1.27		

[^] Key management personnel and relatives of promoters who are under the employment of the Group are entitled to post employment benefits and other long term employee benefits recognised as per AS-15 (Revised) Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

DISCLOSURE IN RESPECT OF TRANSACTIONS WHICH ARE MORE THAN 10% OF THE TOTAL TRANSACTIONS OF THE SAME TYPE WITH RELATED PARTIES DURING THE YEAR:

(₹ in Crores)

	2012-13	2011-12
Sale of goods		
Resins & Plastics Ltd.	5.04	4.61
Santo Hardware Ltd.	1.62	0.58
Port Villa Hardware Ltd.	3.72	1.58
Orasscom Construction Industries	4.36	2.25
Others	0.88	0.23
	15.62	9.25
Purchase of goods		
Hi-Tech Plast Ltd.	199.95	176.43
Others	57.20	46.37
	257.15	222.80
Contributions during the year		
Asian Paints Office Provident Fund	11.57	8.14
Asian Paints Factory Employees' Provident Fund	4.81	4.62
Asian Paints Management Cadres Superannuation Scheme	1.13	1.69
Asian Paints (I) Ltd. Employees' Gratuity Fund	6.39	13.10
	23.90	27.55
Issue of equity shares		
PPG Industries Securities LLC.	4.51	0.13

Notes to Consolidated Financial Statements

I. KEY MANAGERIAL PERSONNEL:

K.B.S. Anand*	Managing Director & CEO (w.e.f. 1 st April, 2012)
P.M. Murty *	Managing Director & CEO (upto 31 st March, 2012)

* The contractual terms of agreement for appointment of Mr. P.M. Murty as Managing Director & CEO came to an end on 31st March, 2012. Mr. K.B.S. Anand has been appointed as the Additional Director and Managing Director & CEO of the Company with effect from 1st April, 2012.

II. PROMOTERS' AND THEIR RELATIVES HAVING CONTROL:

Directors:	Designation
Mr. Ashwin Choksi	Non-Executive Chairman
Mr. Ashwin Dani	Non-Executive Vice Chairman
Mr. Abhay Vakil	Non-Executive Director
Mr. Mahendra Choksi	Non-Executive Director
Mr. Amar Vakil	Non-Executive Director
Mrs. Ina Dani	Non-Executive Director

Relatives of promoters who are under the employment of the Group:

Mr. Jalaj Dani *
 Mr. Manish Choksi**
 Mr. Jigish Choksi
 Mr. Varun Vakil
 Mr. Vivek Vakil (w.e.f. 1st November, 2012)

* Mr Jalaj Dani, a relative of Parent Company's Non-Executive Vice Chairman is also Executive Chairman of Berger International Limited and Director on some of the subsidiary companies.

** Mr Manish Choksi, a relative of Parent Company's Non-Executive Director is also on the Board of a subsidiary company and joint venture companies.

III. COMPANIES OVER WHICH THE DIRECTORS HAVE SIGNIFICANT INFLUENCE OR CONTROL :

AR Intertect Design Pvt. Ltd.	Hiren Holdings Pvt. Ltd.	Rangudyan Insurance Broking Services Ltd.
Asteroids Trading and Investments Pvt. Ltd.	Hitech Plast Ltd.	Resins and Plastics Ltd.
Castle Investment and Industries Pvt. Ltd.	Haish Holding & Trading Co. Pvt. Ltd.	Ricinash Oil Mill Ltd.
Centaurus Trading and Investments Pvt. Ltd.	ISIS Skills Development Pvt. Ltd.	Rupen Investment and Industries Pvt. Ltd.
Clear Mipak Packaging and Solutions Ltd.	ISIS Holding & Trading Co. Pvt. Ltd.	S.C.Dani Research Foundation Pvt. Ltd.
Coatings Specialities (India) Ltd.	Jalaj Trading and Investments Pvt. Ltd.	Sadavani Investments and Trading Co. Pvt. Ltd.
Dani Finlease Ltd.	Jaldhar Investments and Trading Co. Pvt. Ltd.	Sapan Investments Pvt. Ltd.
Doli Trading and Investments Pvt. Ltd.	Kalica Paper Industries Pvt. Ltd.	Satyadharma Investments & Trading Co. Pvt. Ltd.
Elcid Investments Ltd.	Lambodar Investments & Trading Co. Ltd	Sudhanva Investments and Trading Co. Pvt. Ltd.
ELF Trading and Chemicals Mfg. Ltd.	Lyon Investment and Industries Pvt. Ltd.	Suprasad Investments & Trading Co. Pvt. Ltd.
Express Engineering & Construction Pvt. Ltd.	Murahar Investments and Trading Co. Ltd	Suptaswar Investments and Trading Co. Ltd.
Express Hotels Pvt. Ltd.	Navbharat Packaging Industries Ltd.	Suryakant Paint Accessories Pvt. Ltd.
Express Global Logistics Pvt. Ltd.	Nehal Trading and Investments Pvt. Ltd.	Tru Trading and Investments Pvt. Ltd.
Express Resorts & Hotels Ltd.	Omega Properties Pvt. Ltd.	Unnati Trading and Investments Pvt. Ltd.
Express Equipment Rental & Logistics Pvt. Ltd.	Pragati Chemicals Ltd.	Vijal Holding & Trading Co. Pvt. Ltd.
Geetanjali Trading & Investments Pvt. Ltd.	Smiti Holding and Trading Co. Pvt. Ltd.	Vikatmev Containers Ltd.
Gujarat Organics Ltd.	Rayirth Holding and Trading Co. Pvt. Ltd.	

Notes to Consolidated Financial Statements

IV. ASSOCIATES, PROMOTERS AND AFFILIATES OF SUBSIDIARY COMPANIES / JOINT VENTURES:

LKP Hardware, Solomon Islands	PPG Industries Securities LLC.
Sultan Bin Sulayem, UAE	PPG Industries Inc.
Santo Hardware	PPG India Private Limited
Asset Management Unit	Aegis Estates Limited
Port Vila Hardware	Al Hassan Investment & Trading LLC.
Aladdin Investments Limited	Orasscom Construction Industries

V. EMPLOYEE BENEFIT FUNDS WHERE CONTROL EXISTS:

Asian Paints Office Provident Fund	Asian Paints Factory Employees' Provident Fund
Asian Paints Management Cadres' Superannuation Scheme	Asian Paints (India) Limited Employees' Gratuity Fund

VI. OTHER ENTITIES OVER WHICH THERE IS A SIGNIFICANT CONTROL:

Asian Paints Charitable Trust

NOTE 36 : SEGMENT INFORMATION FOR THE YEAR ENDED 31st MARCH, 2013

(i) Primary segment information - Business segment:

	2012-13			2011-12		
	Paints	Others*	Total	Paints	Others*	Total
(₹ in Crores)						
REVENUE						
External Sales (Net)	10,859.44	111.30	10,970.74	9,514.14	118.10	9,632.24
Inter-Segment Sales	-	150.61	150.61	-	138.26	138.26
Other Income	20.24	1.05	21.29	17.28	1.50	18.78
Total Revenue	10,879.68	262.96	11,142.64	9,531.42	257.86	9,789.28
RESULT						
Segment result	1,687.38	18.71	1,706.09	1,500.76	23.84	1,524.60
Unallocated expenses			(107.46)			(118.20)
Operating Profit			1,598.63			1,406.40
Finance costs			(36.65)			(40.97)
Interest Income			13.73			6.45
Dividends			32.89			41.58
Profit on sale of short term investments			1.05			0.84
Profit on sale of long term investments			26.21			32.48
Profit on sale of fixed assets			4.21			0.23
Miscellaneous Income			15.14			7.07
Income taxes			(495.69)			(433.50)
Profit after tax			1,159.52			1,020.58

Notes to Consolidated Financial Statements

(₹ in Crores)

	2012-13			2011-12		
	Paints	Others*	Total	Paints	Others*	Total
OTHER INFORMATION						
Segment assets	5,514.90	109.56	5,624.46	4,524.41	84.43	4,608.84
Unallocated assets			1,164.50			1,105.08
Total assets			6,788.96			5,713.92
Segment liabilities	2,318.17	40.57	2,358.74	1,949.60	32.90	1,982.50
Unallocated liabilities			1,045.93			982.92
Total liabilities			3,404.67			2,965.42
Capital expenditure	694.00	7.16	701.16	653.70	1.69	655.39
Unallocated capital expenditure			31.15			18.01
Total			732.31			673.40
Depreciation/Impairment	134.91	2.48	137.39	117.08	2.79	119.87
Unallocated depreciation/ Impairment			17.21			1.26
Total			154.60			121.13

* Others include Parent Company's business units manufacturing Phthalic Anhydride and Pentaerythritol.

Inter Segment Transfer Pricing Policy - Phthalic Anhydride and Pentaerythritol supplied to Paints is based on market prices.

(ii) Secondary segment information - Geographical Segment:

(₹ in Crores)

	2012-13			2011-12		
	Domestic Operations	International Operations	Total	Domestic Operations	International Operations	Total
Segment revenue	9,669.46	1,473.18	11,142.64	8,593.67	1,195.61	9,789.28
Carrying cost of segment assets	5,836.55	952.41	6,788.96	4,973.30	740.62	5,713.92
Additions to fixed and intangible assets*	1,241.76	52.99	1,294.75	69.84	29.51	99.35

* Additions include transfer pursuant to Composite Scheme of Restructuring (Refer Note 28).

NOTE 37:

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes to Financial Statements

As per our report of even date

For and on behalf of the Board

For B S R & Associates
Chartered Accountants
FRN 116231W

For Shah & Co.
Chartered Accountants
FRN 109430W

Ashwin Choksi
Chairman

K.B.S. Anand
Managing Director
& CEO

Tarjani Vakil
Chairperson of
Audit Committee

Natraj Ramakrishna
Partner
Membership No: 032815

Ashish Shah
Partner
Membership No: 103750

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Bengaluru
9th May, 2013

Mumbai
9th May, 2013

Mumbai
9th May, 2013

SUMMARY OF FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956

All figures except exchange rates in ₹ crores

Subsidiary Name	Currency	Exchange Rate		Accounting Period		Capital	Reserves		Total Liabilities		Total Assets		Investment (other than in subsidiaries)		Turnover		PBT		Tax provision		PAT		Dividends Proposed/Paid		
		Current Period	Previous Period	Current Period	Previous Period		Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period
Asian Paints (Bangladesh) Ltd	Taka	0.71	0.63	Apr 12 to Mar 13	Apr 11 to Mar 12	27.97	24.95	(10.72)	(13.08)	65.79	35.26	83.04	47.11	-	159.72	115.03	7.00	(1.75)	(3.05)	0.17	3.95	(1.59)	-	-	
Asian Paints (International) Ltd	US \$	54.28	50.88	Apr 12 to Mar 13	Apr 11 to Mar 12	134.44	126.02	55.50	33.69	14.22	8.71	204.16	168.41	34.85	7.79	-	22.90	24.13	(1.15)	(1.00)	21.75	23.13	-	17.48	
Asian Paints (Middle East) LLC	OMR	141.40	132.53	Apr 12 to Mar 13	Apr 11 to Mar 12	8.80	8.24	20.49	14.97	20.01	16.86	49.30	40.07	-	77.61	63.76	7.08	3.89	(0.80)	(0.42)	6.28	3.47	1.76	1.24	
Asian Paints (Nepal) Pvt Ltd@	NepalRs	0.64	0.63	14th Mar 12 to 13th Mar 13	15th Mar 11 to 13th Mar 12	2.03	1.34	42.37	29.38	44.90	28.02	89.29	58.74	-	113.24	91.87	19.92	14.92	(3.94)	(3.10)	15.99	11.83	2.43	2.02	
Asian Paints (S.I.) Ltd	SIS	7.44	7.53	Apr 12 to Mar 13	Apr 11 to Mar 12	0.47	0.47	8.75	8.77	6.03	3.11	15.26	12.36	1.51	1.53	14.64	13.21	5.02	4.10	(0.09)	0.04	4.93	4.14	4.83	4.22
Asian Paints (South Pacific) Ltd	Fiji \$	30.70	28.75	Apr 12 to Mar 13	Apr 11 to Mar 12	1.46	1.37	35.19	30.51	17.47	14.56	54.13	46.43	2.14	2.01	80.50	67.15	8.70	6.90	(1.71)	(1.42)	6.99	5.49	4.37	6.83
Asian Paints (Tonga) Ltd	\$ Top	31.04	30.22	Apr 12 to Mar 13	Apr 11 to Mar 12	0.37	0.36	5.08	4.81	1.65	1.30	7.10	6.48	0.76	0.73	6.34	5.10	0.66	0.25	(0.15)	(0.18)	0.51	0.07	0.37	0.54
Asian Paints (Vanuatu) Ltd	Vanu	0.60	0.57	Apr 12 to Mar 13	Apr 11 to Mar 12	1.85	1.76	2.45	2.07	1.36	1.44	5.66	5.27	0.01	0.01	6.78	5.78	1.17	0.82	-	-	1.17	0.82	0.90	2.56
Asian Paints Industrial Coatings Ltd	₹	1.00	1.00	Apr 12 to Mar 13	Apr 11 to Mar 12	30.45	30.45	10.86	10.86	3.53	3.89	44.83	45.20	18.30	16.61	9.22	43.75	(0.17)	1.90	0.17	(0.39)	-	1.51	-	-
Asian Paints Lanka Ltd	S.L.Rs	0.43	0.40	Apr 12 to Mar 13	Apr 11 to Mar 12	33.67	31.27	(3.19)	(2.60)	20.42	16.22	50.90	44.88	-	75.66	64.39	1.00	3.56	(1.39)	(1.82)	(0.39)	1.74	-	-	
Berger International Ltd	SGS	43.77	40.48	Apr 12 to Mar 13	Apr 11 to Mar 12	160.86	146.76	(203.99)	(193.93)	188.48	179.26	145.34	134.09	-	-	-	5.97	4.32	(0.26)	(0.69)	5.71	3.63	-	-	
Berger Paints Bahrain W.L.L.	BHD	146.03	135.61	Apr 12 to Mar 13	Apr 11 to Mar 12	6.10	5.67	31.06	24.48	15.30	10.80	52.46	40.96	-	79.07	64.54	9.07	6.21	-	-	9.07	6.21	4.38	5.42	
Berger Paints Barbados Ltd	BB \$	27.85	26.00	Apr 12 to Mar 13	Apr 11 to Mar 12	5.24	4.89	19.18	15.13	7.89	7.80	32.32	27.82	-	47.11	40.72	3.59	1.14	(0.33)	(0.05)	3.26	1.09	0.28	1.04	
Berger Paints Emirates Ltd	AED	14.78	13.85	Apr 12 to Mar 13	Apr 11 to Mar 12	1.48	1.39	18.90	17.49	66.96	51.96	87.34	70.84	-	162.15	142.83	0.24	(3.31)	-	-	0.24	(3.31)	-	5.54	
Berger Paints Jamaica Ltd	JM \$	0.56	0.60	Apr 12 to Mar 13	Apr 11 to Mar 12	7.98	8.45	19.06	19.69	23.30	20.50	50.34	48.64	-	90.52	91.79	2.65	2.94	(0.73)	(0.96)	1.92	1.99	1.57	1.53	
Berger Paints Singapore Pte Ltd	SGS	43.77	40.48	Apr 12 to Mar 13	Apr 11 to Mar 12	63.65	58.87	(36.97)	(35.02)	21.35	18.72	48.03	42.57	0.02	0.02	89.81	74.38	1.08	(1.09)	(0.18)	0.06	0.89	(1.03)	-	
Berger Paints Trinidad Ltd	TT \$	8.62	8.10	Apr 12 to Mar 13	Apr 11 to Mar 12	5.09	4.78	20.27	18.58	12.50	10.62	37.86	33.98	-	55.29	48.13	1.10	1.83	(0.42)	(0.33)	0.68	1.49	0.22	0.21	
Enterprise Paints Ltd	GBP	82.55	81.36	Apr 12 to Mar 13	Apr 11 to Mar 12	1.20	1.18	(14.00)	(13.79)	17.81	17.55	5.01	4.94	-	-	-	3.89	-	-	-	-	3.89	-	-	
Lewis Berger (Overseas Holdings) Ltd	GBP	82.55	81.36	Apr 12 to Mar 13	Apr 11 to Mar 12	15.44	15.21	16.34	16.06	0.17	0.16	31.95	31.44	-	5.33	5.03	1.36	2.12	(0.68)	(0.65)	0.69	1.47	0.64	2.37	
Maxilumi Developers Limited	₹	1.00	1.00	Apr 12 to Mar 13	Apr 11 to Mar 12	0.05	0.05	(0.24)	(0.20)	14.29	14.22	14.10	14.07	-	-	-	(0.04)	(0.03)	-	-	(0.04)	-	-	-	
Nirvana Investments Ltd	GBP	82.55	81.36	Apr 12 to Mar 13	Apr 11 to Mar 12	-	-	1.56	1.54	-	-	1.56	1.54	-	-	-	1.63	-	-	-	-	1.63	-	-	
Samoa Paints Ltd	WST \$	23.92	22.69	Apr 12 to Mar 13	Apr 11 to Mar 12	0.22	0.20	3.24	3.20	0.38	0.78	3.84	4.19	-	5.12	4.91	0.41	0.92	(0.12)	(0.34)	0.30	0.58	0.43	0.82	
SCB Chemicals S.A.E.	EGP	8.04	8.45	Apr 12 to Mar 13	Apr 11 to Mar 12	14.48	15.21	137.12	126.24	106.70	72.08	258.30	213.54	64.01	22.13	378.44	355.02	58.75	59.90	(14.44)	(14.68)	44.31	45.22	27.35	27.04
Universal Paints Ltd	GBP	82.55	81.36	Apr 12 to Mar 13	Apr 11 to Mar 12	3.54	3.49	54.94	50.16	-	58.48	53.65	-	-	4.05	5.21	-	-	-	-	4.05	5.21	0.01	0.01	
Multifacet Infrastructure (India) Ltd	₹	1.00	1.00	Apr 12 to Mar 13	Apr 11 to Mar 12	0.05	0.05	(0.04)	(0.04)	0.03	0.03	0.04	0.04	-	-	-	-	-	-	-	-	-	-	-	
AP Coatings Ltd*	₹	1.00	1.00	N/A	Apr 11 to Mar 12	-	65.05	-	(8.20)	-	84.55	-	141.40	-	-	222.74	-	(8.19)	-	-	-	(8.19)	-	-	
Berger Building Services (Singapore) Pte Ltd**	SGS	43.77	40.48	N/A	Apr 11 to Mar 12	-	4.05	-	(4.05)	-	-	-	-	-	-	-	0.08	-	-	-	-	0.08	-	0.08	
Taubmans Paints Fiji Ltd***	Fiji \$	-	-	N/A	Apr 11 to Mar 12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Note - Indian rupees equivalent of the figures given in foreign currency translated at the exchange rate as at 31.03.2013 for current period and 31.03.2012 for previous period.

* Refer Note 28: Composite Scheme of Restructuring of Notes to Consolidated Financial Statements.

** Struck off from the list of companies by the Registrar of Companies in October, 2012.

*** Struck off from the list of companies by the Registrar of the Companies in November, 2012.

@ Share capital increased on account of Bonus Shares issued during the year.

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Fairness, accountability, disclosures and transparency are the four strong pillars supporting the foundation of your Company's philosophy of Corporate Governance. Responsible governance is imbibed in your Company's work culture which has enabled it to achieve sustainable growth on its journey to continued success, thereby meeting stakeholders' expectations. The governance processes and systems of your Company have strengthened over a period of time resulting in constant improvisation of sustainable and profitable growth.

Your Company is committed to sound principles of Corporate Governance with respect to all its procedures, policies and practices. Comprehensive disclosures, structured accountability in exercise of powers, adhering to best practices and commitment to compliance with regulations and statutes in letter as well as spirit have enabled your Company to enhance shareholder value. In fact, this has become an integral part of the way the business is done. The governance practices followed by your Company are continuously reviewed and the same are benchmarked with the best governed companies.

Your Company has complied with all the regulations stipulated by the Securities Exchange Board of India (SEBI) in the Listing Agreement. This chapter, along with chapters on Management Discussion and Analysis and General Shareholder Information, constitutes Asian Paints' compliance with Clause 49 of the Listing Agreement.

BOARD OF DIRECTORS:

Composition:

As on date, the Board of Directors comprises of fifteen (15) Directors of which six (6) are Non-Executive Directors, eight (8) are Non-Executive/Independent Directors and one is Managing Director & CEO of the Company. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

The details of the Directors being re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Clause 49(IV)(G) of the Listing Agreement, are mentioned in the Notice to the Annual General Meeting, forming part of the Report.

Number of Board Meetings:

During the financial year ended 31st March, 2013, six (6) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed four (4) months. The dates on which the Board Meetings were held were as follows:

Date(s) on which meeting(s) were held

8 th May, 2012	21 st January, 2013
20 th July, 2012	19 th March, 2013
25 th October, 2012	28 th March, 2013

The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to deliberate on various issues relating to the business of the Company. The tentative annual calendar of Board Meetings for the ensuing year is decided well in advance by the Board and is published as part of the Annual Report.

All the Directors have informed the Company periodically about their Directorship and Membership on the Board Committees of other companies. As per disclosure received from Director(s), none of the Directors holds Membership in more than ten (10) Committees and Chairmanship in more than five (5) Committees.

The details of the composition, nature of Directorship, the number of meetings attended and the directorships in other companies of the Directors of the Company are detailed below. This table also signifies the relationship of the Directors with each other as required to be disclosed in terms of Clause 49 of the Listing Agreement:

Name of the Director	Nature of Directorship	Relationship with each other	Attendance		Directorship in other Companies (*)	Membership and Chairmanship of the Committees of the Board of other Companies (**)	
			At the Board Meetings	At the last AGM		Committee Member	Committee Chairman
Ashwin Choksi	Non-Executive Chairman/ Promoter	Brother of Mahendra Choksi	6	Yes	-	-	-
Ashwin Dani	Non-Executive Vice Chairman / Promoter	Husband of Ina Dani	5	Yes	6	4	2
Abhay Vakil	Non-Executive Director/ Promoter	Brother of Amar Vakil	6	Yes	3	1	1
K.B.S. Anand	Managing Director & CEO	Not related to any of the Directors	6	Yes	-	-	-
Mahendra Choksi	Non-Executive/ Promoter	Brother of Ashwin Choksi	5	Yes	1	-	-
Amar Vakil	Non-Executive/ Promoter	Brother of Abhay Vakil	6	No	2	-	-
Ina Dani	Non-Executive/ Promoter	Wife of Ashwin Dani	6	Yes	3	-	-
Tarjani Vakil	Non-Executive/ Independent	***	6	Yes	5	4	2
Dipankar Basu	Non-Executive/ Independent	***	5	Yes	6	3	1
Deepak Satwalekar	Non-Executive/ Independent	***	6	Yes	5	4	2
R.A. Shah	Non-Executive/ Independent	***	6	No	13	9	4
S. Sivaram	Non-Executive/ Independent	***	5	Yes	2	1	-
Mahendra Shah	Non-Executive/ Independent	***	6	Yes	3	-	-
S. Ramadorai	Non-Executive / Independent	***	6	Yes	13	8	1
M.K. Sharma#	Non-Executive/ Independent	***	3	NA	8	5	-

Notes:

- # Mr. M.K. Sharma has been appointed as an Additional Director on the Board of Directors of the Company with effect from 25th October, 2012.
- * Excludes directorship and committee membership in Asian Paints Limited. Also excludes directorship in Private Limited Companies, Foreign Companies and Alternate Directorships.
- ** For the purpose of considering the limit of the Committee Memberships and Chairmanships of a Director, the Audit Committee and the Shareholders / Investors Grievance Committee of Public Limited Companies have been considered.
- *** There is no relationship between any of the Independent Directors.

BOARD PROCEDURES:

The Board Meetings are governed by a structured Agenda. The Agenda along with comprehensive notes and background material are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members may bring up any matter for consideration of the Board, in consultation with the Chairman. The information as specified in Annexure IA to the Clause 49 of the Listing Agreement is regularly made available to the Board.

Presentations are made by the Managing Director & CEO and the Senior Management on the Company's performance, operations, plans and other matters on a periodic basis. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes, which are circulated to the Board for perusal. The important decisions taken at the Board / Committee meetings are communicated to the concerned departments / divisions.

The Board has complete access to any information within the Company which includes following information as specified in Annexure IA to the Clause 49 of the Listing Agreement:

- Annual budgets, operating plans, cash flows, capital budgets and any updates,
- Quarterly, half yearly and annual results of the Company and its operating divisions or business segments along with the consolidated results of the group,
- Minutes of meetings of the Audit committee and other committee(s) of the Board,
- Information on recruitment of senior officers just below the Board level,
- Materially important show cause, demand, prosecution and penalty notices,
- Fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems,
- Any materially relevant defaults in financial obligations to and by the Company or substantial non-payment for goods sold by the Company,
- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property,
- Significant labour problems and their proposed solutions,
- Significant initiatives and developments on the human resource and industrial relations fronts,
- Sale of a material nature of investments, subsidiaries and assets, which are not in the normal course of business,
- Investment of funds of the Company,
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement,
- Status on legal cases,
- Proposals for investments, divestments, loans, guarantees, mergers and acquisitions,
- Approval of related party transactions,
- Compliance reports of laws applicable to the Company,
- Minutes of the meetings of the Board of Directors of subsidiary companies including international subsidiaries,
- Risk management reports and presentations made by the senior management,
- Disclosures made by the senior management personnel as to all material financial and commercial transactions, where they have personal interest and
- All other information which is relevant for decision-making by the Board.

COMMITTEES OF THE BOARD:

Currently, there are four (4) Committees of the Board, namely: Audit Committee, Remuneration Committee, Shareholders/ Investors Grievance Committee and Shareholder's Committee. The Board decides the terms of reference for these Committees. The minutes of the meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided hereunder.

AUDIT COMMITTEE:

Composition and terms of reference

As on date, the Audit Committee comprises of four (4) Independent Directors. The members of the Audit Committee are Ms. Tarjani Vakil (Chairperson), Mr. Mahendra Shah, Mr. Dipankar Basu and Mr. M.K. Sharma, all of whom possess accounting and financial management expertise / exposure.

The Committee was re-constituted by the Board of Directors at its meeting held on 28th March, 2013, by inducting Mr. M.K. Sharma as member of the Committee.

The Audit Committee invites the Managing Director & CEO, CFO & Company Secretary and President – Industrial JVs, General Manager – Accounts and Taxation, Statutory Auditor(s) and Chief Internal Auditor to attend the meetings of the Audit Committee. The CFO & Company Secretary, President – Industrial JVs acts as Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed at the next meeting of the Board.

The scope of activities and terms of reference of the Audit Committee is as set out in Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.

The details as to the date(s) on which the meetings were held and attendance of the Committee members during the financial year ended 31st March, 2013 are as follows:

Date(s) on which the meeting(s) were held

7 th May, 2012	21 st January, 2013
19 th July, 2012	27 th February, 2013
23 rd October, 2012	19 th March, 2013

Name	Meeting details	
	Held	Attended
Tarjani Vakil (Chairperson)	6	6
Mahendra Shah	6	5
Dipankar Basu	6	5
M.K. Sharma*	6	NA

* Appointed with effect from 28th March, 2013.

The role of the Audit Committee inter alia includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service.
- Recommending to the Board of Directors, the appointment of Cost Auditor for the Company.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 217(2AA) of the Companies Act, 1956;
 - Changes in the Accounting policies and practices and the reasons for the same, major accounting entries and significant adjustments made in the financial statements arising out of audit findings;

- c. Compliance with listing and other legal requirements relating to financial statements;
 - d. Disclosure of any related party transactions; and
 - e. Qualifications in the draft audit report, if any.
5. Reviewing with management quarterly, half-yearly, nine-months and annual financial statements, standalone as well as consolidated before submission to the Board for approval.
 6. Reviewing with the management performance of statutory and internal auditors.
 7. Discussion with the internal auditors on any significant findings and follow-up thereon.
 8. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
 9. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 10. Reviewing reports furnished by the internal auditors and statutory auditors and ensuring suitable follow-up thereon.
 11. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders and creditors, if any.
 12. Reviewing the appointment of the Chief Internal Auditor of the Company.
 13. Reviewing the Company's financial and risk management policies.
 14. Reviewing with the management and the Statutory Auditors anticipated changes in the Accounting Standards.
 15. Reviewing the Management Discussion and Analysis of the financial condition and results of operations.
 16. Reviewing the statements of significant related party transactions, the financial statements and investments made by the unlisted subsidiary companies.
 17. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy; and
 18. Any other matter referred to by the Board of Directors.

The Company has an internal audit team, headed by the Chief Internal Auditor, who reports to the Managing Director & CEO and the Audit Committee. From time to time, the Company's adequacy of internal controls covering financial, operational, compliance, IT applications, etc., are reviewed by the Internal Audit Department and presentations are made to the Audit Committee on the findings of such reviews. The Audit Committee, inter alia, reviews the adequacy of internal audit function and the internal audit reports including those related to internal control weaknesses.

REMUNERATION COMMITTEE:

Composition and terms of reference:

As on date, the Remuneration Committee comprises of four (4) Independent Directors, viz., Mr. Dipankar Basu (Chairman), Ms. Tarjani Vakil, Mr. Deepak Satwalekar and Mr. R.A. Shah. The Committee's terms of reference includes reviewing and recommending to the Board the salary, commission, other benefits, service agreements and employment conditions of the Whole-time and the Managing Director and to approve the selection, appointment and remuneration of relatives of Directors for holding an office or place of profit pursuant to Section 314 of the Companies Act, 1956.

The Committee was re-constituted by the Board of Directors at its meeting held on 28th March, 2013, by inducting Mr. R.A. Shah as a member of the Committee.

The details of the dates on which the meetings were held and the attendance of the Committee members during the financial year ended 31st March, 2013 are as follows:

Date(s) on which the meeting(s) were held	
27 th April, 2012	11 th December, 2012
7 th July, 2012	28 th December, 2012
25 th October, 2012	

Name	Meeting details	
	Held	Attended
Dipankar Basu (Chairman)	5	4
Tarjani Vakil	5	5
Deepak Satwalekar	5	5
R.A. Shah*	5	NA

* Appointed with effect from 28th March, 2013.

Mr. Jayesh Merchant, CFO & Company Secretary, President – Industrial JVs acts as the Secretary to the Committee.

REMUNERATION POLICY:

The Remuneration policy of the Company for employees is based on the performance of the individual and performance of the Company. At the beginning of every year, the employees are required to identify their performance objectives which are reviewed for determining the reward at the end of the year. The policy aims at attracting and retaining high calibre talent and ensures equity, fairness and consistency in rewarding the employees.

Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentive. The components of total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and the performance of their functions / business units for the relevant year and is measured against specific major performance areas which are closely aligned to the Company's objectives.

Details of remuneration paid to the Directors of the Company is as follows:

MANAGING DIRECTOR:

The Remuneration Committee comprising of Independent Directors recommends to the Board the remuneration payable to the Managing Director within the overall limits approved by the shareholders.

The Remuneration Committee decides the remuneration payable to the Managing Director & CEO, Mr. K.B.S. Anand considering the performance of the Company, his achievements against objectives as set out by the Remuneration Committee and approved by the Board and industry standards. His remuneration structure comprises of salary, perquisites, commission, etc. Annual increments are decided by the Remuneration Committee and recommend to the Board, within the limits mentioned in the contract and as approved by the shareholders. No severance is payable to him on termination of employment.

NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors are paid remuneration by way of commission and sitting fees. During the year, the Board of Directors at its meeting held on 8th May, 2012, increased the sitting fees payable to Non-Executive Directors for attending the Board and Committee meetings (except Shareholder's Committee Meeting) from ₹ 15,000 (Rupees Fifteen Thousand only) to ₹ 20,000 (Rupees Twenty Thousand only) per meeting. The commission is paid as per limits approved by the shareholders, subject to a limit not exceeding 1% p.a. of the profits of the Company (computed in accordance with Section 309(5) of the Companies Act, 1956). The commission payable to Non-Executive Directors is distributed broadly on the basis of their attendance and contributions at the Board and the Committee meetings and Chairmanship of Committees of the Board.

Your Company benefits immensely from the expertise and invaluable experience of the Non-Executive / Independent Directors in achieving corporate excellence.

Details about Remuneration paid to the Directors in 2012-13 are as follows:

(Figures in ₹)

Name of the Director	Salary	Perquisites*	Sitting Fees	Commission	Total
Ashwin Choksi	-	7,35,000	1,15,000	24,00,000	32,50,000
Ashwin Dani	-	7,35,000	95,000	18,00,000	26,30,000
Abhay Vakil	-	7,35,000	1,55,000	18,00,000	26,90,000
K.B.S. Anand	1,20,00,000	1,85,30,130	-	1,65,00,000	4,70,30,130
Mahendra Choksi	-	-	1,15,000	18,00,000	19,15,000
Amar Vakil	-	-	1,15,000	18,00,000	19,15,000
Ina Dani	-	-	1,55,000	18,00,000	19,55,000
Tarjani Vakil	-	-	3,25,000	22,00,000	25,25,000
Dipankar Basu	-	-	2,65,000	20,00,000	22,65,000
Deepak Satwalekar	-	-	2,10,000	18,00,000	20,10,000
R.A. Shah	-	-	1,15,000	18,00,000	19,15,000
S. Sivaram	-	-	95,000	18,00,000	18,95,000
Mahendra Shah	-	-	2,50,000	20,00,000	22,50,000
S. Ramadorai	-	-	1,15,000	18,00,000	19,15,000
M.K. Sharma	-	-	60,000	9,00,000	9,60,000

Notes:

* Perquisites for Mr. K.B.S. Anand include Company's contribution to provident fund, super annuation fund, medical and leave travel allowance, special allowance etc., as well as monetary value of perquisites as per Income Tax rules in accordance with Mr. K.B.S. Anand's contract with the Company. Further, perquisites include a sum of ₹ 49,80,393 paid to Mr. K.B.S. Anand as performance incentive for the year 2011-12 in his capacity as President – Decorative Business Unit paid in May, 2012. Perquisites in case of Mr. Ashwin Choksi, Mr. Ashwin Dani and Mr. Abhay Vakil, Non-Executive Directors include 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.

The Company has not granted any Stock Options to any of its Directors.

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

Notes to the Financial Statements furnishes the transactions with related parties, as stipulated under Accounting Standard 18 (AS-18). Apart from the aforesaid related party transactions, there are no transactions of material nature with the Directors or their relatives, etc., which may have a potential conflict with the interest of the Company. Disclosures to this effect have also been received from the Directors and the Senior Managerial Personnel of the Company.

There is no pecuniary or business relationship between the Non-Executive Directors and the Company, except for the commission payable to them annually. Mr. R.A. Shah, Independent Director of the Company, is a senior partner of M/s. Crawford Bayley & Co., Solicitors & Advocates, of the Company, which renders professional services to the Company. The quantum of fees paid to M/s. Crawford Bayley & Co., is an insignificant portion of their total revenue, thus, M/s. Crawford Bayley & Co., is not to be construed to have any material association with the Company.

Employees holding an office or place of profit in the Company pursuant to Section 314 of the Companies Act, 1956, who are relatives of the Directors:

Mr. Jalaj Dani, President – HR, International & Chemicals, son of Mr. Ashwin Dani, Vice Chairman and Mrs. Ina Dani, Director had earned gross remuneration of ₹ 1,68,89,891 (Rupees One Crore Sixty Eight Lacs Eighty Nine Thousand Eight Hundred Ninety One only) during the financial year 2012-13.

Mr. Manish Choksi, President – Home Improvement, IT & Supply Chain, son of Mr. Mahendra Choksi, Director and nephew of Mr. Ashwin Choksi, Chairman, had drawn a gross remuneration of ₹ 1,89,69,965 (Rupees One Crore Eighty Nine Lacs Sixty Nine Thousand Nine Hundred and Sixty Five only) during the financial year 2012-13.

Mr. Varun Vakil, Manager – Customer Centricity, son of Mr. Amar Vakil, Director and nephew of Mr. Abhay Vakil, Director had drawn a gross remuneration of ₹ 17,83,643 (Rupees Seventeen Lacs Eighty Three Thousand Six Hundred and Forty Three only), during the financial year 2012-13.

The appointment and the terms and conditions including remuneration of Mr. Jalaj Dani, Mr. Manish Choksi and Mr. Varun Vakil have been approved by the shareholders and the Central Government / Ministry of Corporate Affairs.

Mr. Jigish Choksi, son of Mr. Shailesh Choksi (brother of Mr. Ashwin Choksi, Chairman and Mr. Mahendra Choksi, Director) holds the position of Executive – Marketing and had drawn a gross remuneration of ₹ 10,70,250 (Rupees Ten Lacs Seventy Thousand Two Hundred and Fifty only), during the financial year 2012-13. The appointment of Mr. Jigish Choksi and the terms and conditions including remuneration was approved by the shareholders at the Annual General Meeting held on 16th July, 2010.

Mr. Vivek Vakil, son of Mr. Abhay Vakil, Director and nephew of Mr. Amar Vakil, Director was appointed as an Executive Trainee – Finance by the Remuneration Committee and Board of Directors at its meeting held on 25th October, 2012, subject to the approval of the shareholders.

The Ministry of Corporate Affairs by a notification dated 2nd May, 2011, issued Director's Relatives (Office or Place of Profit) Rules, 2011. The revised rules increased the remuneration payable to the employees holding office or place of profit in the Company in accordance with Section 314 of the Companies Act, 1956 and rules thereunder, to ₹ 2,50,000 per month from ₹ 50,000 per month.

In case of Mr. Vivek Vakil, no approval from the Central Government is required as the total remuneration payable to him is within the limits mentioned under Section 314 of the Companies Act, 1956. However, approval of the shareholders is sought at the ensuing Annual General Meeting to be held on 24th June, 2013.

The shareholding of the Non-Executive/Independent Directors of the Company as on 31st March, 2013 is as follows:

Name of the Director	Nature of Directorship	No. of shares held*	Percentage to the paid-up capital
Ashwin Choksi	Non-Executive/Promoter	78,570	0.08
Ashwin Dani	Non-Executive/Promoter	2,08,487	0.22
Abhay Vakil	Non-Executive/Promoter	28,45,031	2.97
Mahendra Choksi	Non-Executive/Promoter	2,19,618	0.23
Amar Vakil	Non-Executive/Promoter	13,03,117	1.36
Ina Dani	Non-Executive/Promoter	51,592	0.05
Tarjani Vakil	Non-Executive/Independent	Nil	Nil
Dipankar Basu	Non-Executive/Independent	Nil	Nil
Deepak Satwalekar	Non-Executive/Independent	Nil	Nil
R.A. Shah	Non-Executive/Independent	1,809	0.00
S. Sivaram	Non-Executive/Independent	Nil	Nil
Mahendra Shah	Non-Executive/Independent	Nil	Nil
S. Ramadorai	Non-Executive/Independent	Nil	Nil
M.K. Sharma	Non-Executive/Independent	Nil	Nil
Total		47,08,224	4.91

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

Mr. K.B.S. Anand, Managing Director & CEO holds 27 equity shares of the Company as on 31st March, 2013.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Board of Directors of the Company has constituted the Shareholders/Investors Grievance Committee which is chaired by a Non-Executive Director/Independent Director to specifically look into the redressal of shareholders queries and complaints.

During the financial year 2012-13, the Committee met twice on 23rd October, 2012 and 28th March, 2013.

The details as to the composition of the Shareholders/Investors Grievance Committee, date(s) on which the meetings were held and the attendance of the members of the Committee during the financial year ended 31st March, 2013 are as follows:

Name	Meeting details	
	Held during the year	Attended
Mahendra Shah (Chairman)	2	2
Abhay Vakil	2	2
K.B.S. Anand*	2	2
Mahendra Choksi	2	1
Ina Dani	2	2

*Appointed with effect from 1st April, 2012

The terms of reference of the Committee include the following:

1. To specifically look into queries and complaints received from the shareholders of the Company,
2. To oversee the performance of the Registrar and Transfer Agent of the Company and
3. To recommend measures for overall improvement in the quality of services to the investors.

Mr. Jayesh Merchant, CFO & Company Secretary, President – Industrial JVs is the Compliance Officer for complying with the requirements of the Securities Law and the Listing Agreement.

Details pertaining to the number of complaints received and responded and the status thereof during the financial year ended 31st March, 2013 are given as follows:

Nature of Complaints	Received during the year
Non-receipt of Share Certificate(s) lodged for transfer	2
Non-receipt of Dividend warrants	2
Non-receipt of Share Certificate(s) lodged for with a request for splitting the share certificates/ for non-receipt of Bonus share certificates	3
Letters received from Stock Exchange(s)	10
Others/Miscellaneous	2
Total	19

All the aforesaid complaints were responded to by the Company/Registrar & Transfer Agent, Sharepro Services (India) Private Limited, appropriately and there were no pending complaints at the end of the financial year 2012-13.

All the requests, queries and complaints received during the financial year ended 31st March, 2013, were duly addressed and no queries are pending for resolution on that date except where they are constrained by dispute or legal impediments or due to incomplete or non submission of documents by the shareholders. Certain Court cases are pending in the Courts/Consumer Forums, relating to disputes over the titles to the shares of the Company in which either the Company has been made a party or necessary intimation thereof has been received by the Company.

SHAREHOLDER'S COMMITTEE:

During the financial year 2012-13, the nomenclature of Share Transfer Committee was changed to Shareholder's Committee. Also, Mr. K.B.S. Anand was inducted as a member of the Committee with effect from 25th October, 2012.

The Committee now comprises of Mr. Abhay Vakil (Chairman), Mr. Ashwin Choksi, Mr. Ashwin Dani, Mr. K.B.S. Anand, Managing Director & CEO and Mr. Jayesh Merchant, CFO & Company Secretary, President – Industrial JVs.

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

- To issue duplicate share certificates as and when the requests are received by the Company;
- To approve the register of members as on the record date(s) and/or book closure date(s) for receiving dividends and other corporate benefits; and
- To review correspondence with the shareholders vis-à-vis legal cases and take appropriate decisions in that regard.

The Committee has met 27 times during the financial year 2012-13.

Further, the Board of Directors has delegated certain senior officials of the Company to authorise and approve the requests relating to transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., as mentioned in Clause 49(IV)(G)(iv) of the Listing Agreement.

SUBSIDIARY COMPANIES:

Your Company does not have a material non-listed Indian subsidiary company, whose turnover or net worth exceeds 20% of the consolidated turnover or networth respectively, of the Company and its subsidiaries in the immediately preceding accounting year, in terms of Clause 49 (III) of the Listing Agreement.

The Audit Committee reviews the financial statements including investments by the unlisted subsidiary companies of the Company. Also, copies of the minutes of the subsidiary companies of the Company are placed before the Board of the Company on a periodical basis.

CEO / CFO CERTIFICATION:

As required by Clause 49(V) of the Listing Agreement, the CEO / CFO Certificate for the financial year 2012-13 signed by Mr. K.B.S. Anand, Managing Director & CEO and Mr. Jayesh Merchant, CFO & Company Secretary, President – Industrial JVs was placed before the Board of Directors at their meeting held on 9th May, 2013.

GENERAL BODY MEETINGS:

The venue and time of the last three Annual General Meetings of the Company are as follows:

Year	Location	Meeting Date	Time	No. of special resolutions set out at the AGM
2011-2012	Yashwantrao Chavan Pratisthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021	25 th June, 2012	3.00 p.m.	Nil
2010-2011	Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai – 400 020	24 th June, 2011	3.00 p.m.	Nil
2009-2010	Yashwantrao Chavan Pratisthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021	16 th July, 2010	3.00 p.m.	2

All special resolutions set out in the notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority.

Postal Ballot:

During the year, the Company sought approval of the Members, through Postal Ballot as per Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolutions by Postal Ballot) Rules, 2011 for the following two Special Resolutions:

1. Alteration of the Main Object Clause of the Memorandum of Association of the Company pursuant to Sections 16, 17, 18 and other applicable provisions of the Companies Act, 1956.
2. Commencement of all or any of the new line of the businesses pursuant to the provisions of Section 149 (2A) and other applicable provisions of the Companies Act, 1956.

Mr. Ashish Shah, Partner, Shah & Co., Chartered Accountants, was appointed as the Scrutinizer for conducting the Postal Ballot process. Based on the Scrutinizer's Report dated December 12, 2012, the Result of Postal Ballot was declared on December 17, 2012 at the Registered Office of the Company, as follows:

Particulars	No. of Postal Ballot Forms / Electronic Votes	No. of Equity Shares	Percentage (%)
Resolution No. 1:			
Total Postal Ballot Forms received	2396	6,01,50,449	-
Less: Postal Ballots/E-votes – Invalid	99	78,295	-
Postal Ballots/E-votes – Valid	2297	6,00,72,154	-
Votes cast in favour of the resolution	2267	6,00,61,721	99.98
Votes cast against the resolution	30	10,433	0.02
Resolution No. 2:			
Total Postal Ballot Forms received	2341	6,01,27,846	-
Less: Postal Ballots/E-votes – Invalid	99	78,295	-
Postal Ballots/E-votes – Valid	2242	6,00,49,551	-
Votes cast in favour of the resolution	2206	6,00,39,780	99.98
Votes cast against the resolution	36	9,771	0.02

The aforesaid special resolutions were approved by the Members of the Company with requisite majority.

Procedure for the Postal Ballot Process:

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory statement, relevant documents, Postal Ballot Form and self-addressed postage pre-paid envelopes are sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. Members are also given an option to vote in electronic form using e-voting facilities provided by National Securities Depository Limited. The calendar of events containing the activity chart was filed with the Registrar of Companies within 7 days of the passing of the Resolution by the Board of Directors of the Company. After the last date for receipt of the ballots, the Scrutinizer after due verification, submitted his report to the Chairman of the Board of Directors of the Company. Thereafter, the Chairman declares the result of the Postal Ballot. The same is published in the Newspapers and displayed on the website and the Notice Board at the registered office of the Company.

DISCLOSURES:

1. Disclosures on materially significant related party transactions:

Your Company has not entered into any transaction of material nature except transactions with related parties which are furnished under Notes to the Financial Statements as stipulated under Accounting Standard 18 (AS-18), with the Promoters, their subsidiaries or relatives, Directors or the Management, etc. All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.

2. Details of non-compliance(s) by the Company:

The Company has complied with all the requirements of the Stock Exchange(s) and the Securities Exchange Board of India on matters related to Capital Markets or any other matter, as may be applicable from time to time. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.

3. Disclosure of Accounting Treatment:

The Company follows Accounting Standards prescribed by the Companies Accounting Standard Rules, 2006 (as amended) and relevant provisions of the Companies Act, 1956. In preparation of financial statements, the Company has not adopted a treatment different from what is prescribed in the Accounting Standards.

4. Details of compliance with mandatory and non-mandatory requirements of Clause 49 of the Listing Agreement:

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. Following is the status of the compliance with the non-mandatory requirements:

a) Non-Executive Chairman's Office:

The Chairman of the Company is a Non-Executive Director and hence, in compliance with this requirement.

b) Remuneration Committee:

The Board of Directors has constituted a Remuneration Committee comprising of Independent Directors. The Remuneration Committee determines and recommends to the Board the remuneration payable to the Directors in whole-time employment including the Managing Director of the Company and recommends the selection, appointment and remuneration of relatives of Directors for holding an office of profit pursuant to Section 314 of the Companies Act, 1956.

c) Shareholders' Rights:

Half-yearly results of the Company are sent to all shareholders of the Company. The Company makes presentations to Institutional Investors and Equity Analysts on the Company's performance on a half yearly basis.

d) Audit Qualifications:

During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

e) Training of Board Members:

The Managing Director & CEO, Business Heads and other senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc. and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading.

f) Mechanism for evaluating Non-Executive Board Members:

Your Company does not have a formal mechanism for evaluating the performance of the Non-Executive Members of the Board. However, the commission paid to them is based on their overall performance and their commitment towards attending the meetings of the Board and devoting time and attention to the affairs of the Company.

g) Whistle Blower Policy:

Your Company has adopted a Whistle Blower Policy with an objective to provide Employees and Business Associates a framework and to establish a formal mechanism or process whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication. In accordance with the Policy, an Ethics Committee has been constituted comprising of the Managing Director & CEO, the Compliance Officer, i.e., the CFO & Company Secretary and President - Industrial JVs and the Vice-President – Human Resources. The employees can make Protected Disclosures to the Ethics Committee regarding any malpractices or event or activity that may have occurred in the organisation and which may be considered as unethical or fraudulent. The employees may, where the matters are of grave nature, make Protected Disclosures directly to the Chairperson of the Audit Committee of the Board of Directors of the Company.

5. Risk Management:

Your Company has constituted a Risk Council comprising of Business Unit heads and other functional heads of the Company including the CFO & Company Secretary and President – Industrial JVs and the Chief Internal Auditor of the Company. The Risk Council meets on a periodical basis to review the risk management framework and discuss on risk mitigation plans. The Risk Council has laid down procedure for risk assessment and minimisation which are presented to the Audit Committee and the Board of Directors on a periodical basis.

6. Code of Conduct:

Your Company has adopted a Code of Conduct for all the employees including the Board Members and Senior Management Personnel of the Company in accordance with the requirement under Clause 49(l)(D) of the Listing Agreement. The Code of Conduct has been posted on the website of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2013. The declaration to this effect signed by Mr. K.B.S. Anand, Managing Director & CEO of the Company forms part of the report.

7. Code of Conduct for Prevention of Insider Trading:

Asian Paints' Code of Conduct for Prevention of Insider Trading covers all the Directors, senior management personnel, persons forming part of promoter(s)/ promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company. The Directors, their relatives, senior management personnel, persons forming part of promoter(s)/ promoter group(s), designated employees etc. are restricted in purchasing, selling and dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company as well as during certain periods known as "Quiet Period". All the Directors, senior management personnel, persons forming part of promoter(s)/ promoter group(s) and other designated employees of the Company are restricted from entering into opposite transaction, i.e., buy or sell any number of shares during the next six months following the prior transaction and also are restricted from taking any position in derivative transactions in the shares of the Company at any time. Mr. Jayesh Merchant, CFO & Company Secretary and President – Industrial JVs is the Compliance Officer.

8. Management Discussion and Analysis:

This annual report has a detailed section on Management Discussion and Analysis.

MEANS OF COMMUNICATION:

- a) Quarterly/ Half-yearly/ Nine-months and Annual Audited Financial Results of the Company are published in the all India editions of Business Standard and Mumbai editions of Free Press Journal and Navshakti.
- b) The results of the Company are also posted up on the Company's corporate website: www.asianpaints.com. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website.
- c) All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto for each financial year.
- d) Your Company provides necessary information to the Stock Exchanges in terms of the Listing Agreement and other rules and regulations issued by the Securities Exchange Board of India.

GREEN INITIATIVE IN CORPORATE GOVERNANCE:

Pursuant to Circular No. 17/2011 dated 21st April, 2011, Ministry of Corporate Affairs has undertaken a Green Initiative in Corporate Governance whereby the shareholders desirous of receiving notices, documents and other communication from the Company through electronic mode, can register their e-mail addresses with the Company.

Your Company encourages the shareholders to register their e-mail addresses with the Company or its Registrar & Transfer Agent, Sharepro Services (India) Private Limited by sending a letter signed by the shareholders on addresses given below and intimate changes in the e-mail address from time to time.

ASIAN PAINTS LIMITED

6A, Shantinagar, Santacruz (E), Mumbai - 400 055.

E-mail: investor.relations@asianpaints.com

Tel. No.: 022-39818000

Fax No.: 022-39818888

SHAREPRO SERVICES (INDIA) PVT. LTD.

Unit: Asian Paints Limited

13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange
Lane, Off Andheri-Kurla Road,

Sakinaka, Andheri (E), Mumbai - 400 072.

Tel. No.: 022-67720300/ 67720400/ 28511872

Fax No.: 022-28591568

E-mail: sharepro@shareproservices.com

OR

SHAREPRO SERVICES (INDIA) PVT. LTD.

Unit: Asian Paints Limited

912, Raheja Centre, Free Press Journal Road,
Nariman Point, Mumbai - 400 021.

Tel. No.: 022-22881568/ 22881569/ 22825163/ 22884527

Fax No.: 022-22825484

E-mail: sharepro@shareproservices.com

General Shareholder Information

67th Annual General Meeting of the Company:

Date	Monday, 24 th June, 2013
Venue	Yashwantrao Chavan Pratisthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021.
Time	10.00 a.m.

Financial Calendar:

Financial year: 1st April to 31st March

For the year ended 31st March, 2013, quarterly financial results were announced on:

20 th July, 2012	First Quarter
25 th October, 2012	Second Quarter and Half Yearly
21 st January, 2013	Third Quarter and Nine Months
9 th May, 2013	Fourth Quarter and Annual

For the year ending 31st March, 2014, quarterly financial results will be announced as per the tentative schedule detailed below:

On or around 22 nd July, 2013	First Quarter
On or around 21 st October, 2013	Second Quarter and Half Yearly
On or around 20 th January, 2014	Third Quarter and Nine Months
On or around 9 th May, 2014	Fourth Quarter and Annual

Book Closure:

The dates of book closure are from 8th June, 2013 to 24th June, 2013, inclusive of both days.

Dividend:

An interim dividend of ₹ 9.50 (Rupees Nine and Paise Fifty only) per equity share of ₹ 10 (Rupees Ten only) each was declared on 25th October, 2012 and paid on 2nd November, 2012. A final dividend of ₹ 36.50 (Rupees Thirty Six and Paise Fifty only) per share was recommended by the Board of Directors at its meeting held on 9th May, 2013 and subject to the approval of the shareholders at the ensuing Annual General Meeting, will be paid/ dispatched on or after 25th June, 2013 as follows:

- in respect of the shares in physical form, to those members whose names will appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged on or before 7th June, 2013.
- in respect of shares held in electronic form, to those members whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closing hours of 7th June, 2013.

The details of dividend declared and paid by the Company for the last five years are as below:

Year	Percentage (%)	In ₹ per share	Dividend Amount (₹ in crores)
2007-2008	170	17	163.1
2008-2009	175	17.5	167.9
2009-2010	270	27	258.9
2010-2011	320	32	306.9
2011-2012	400	40	383.7
2012-2013 (interim)	95	9.5	91.1

Listing:

The Company's shares are listed on:

- BSE Limited (BSE)
Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400 001
- The National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

The Company has paid the listing fees for the financial year 2013-14 to the stock exchange(s) on which Company's shares are listed. The Company has also paid custodial fees for the year 2013-14 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) allocated to the Company by NSDL and CDSL is INE021A01018.

The stock exchange codes assigned to the Company's shares at these stock exchanges are as follows:

Stock Exchange	Code
BSE	500820
NSE	ASIANPAINT

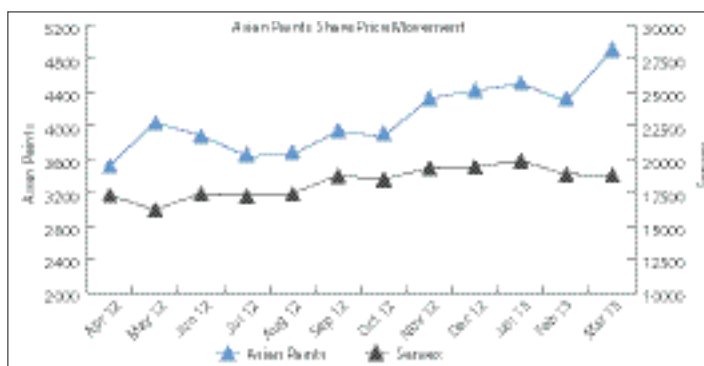
Stock Price Data:

The monthly high and low prices and volumes of your Company's shares at BSE and NSE for the year ended 31st March, 2013 are given as follows:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
2012						
April	3,550.00	3,225.00	1,71,651	3,559.90	3,204.00	16,38,409
May	4,170.00	3,479.70	2,46,965	4,191.00	3,471.00	22,03,360
June	4,020.00	3,661.10	1,73,154	4,000.00	3,660.50	15,67,539
July	3,965.00	3,447.90	3,19,526	3,965.95	3,450.00	22,86,818
August	3,815.00	3,591.05	1,16,984	3,817.00	3,595.00	14,85,725
September	4,015.00	3,616.10	2,45,342	4,020.00	3,625.20	11,76,964
October	3,959.90	3,775.10	1,07,222	3,960.00	3,432.40	12,16,077
November	4,375.00	3,835.05	1,70,940	4,375.95	3,832.00	15,97,087
December	4,494.00	4,225.00	1,08,163	4,497.50	4,225.00	12,57,098
2013						
January	4,565.55	4,263.00	2,09,873	4,569.40	4,263.50	15,96,262
February	4,670.00	4,252.10	1,88,150	4,677.00	4,225.00	13,47,538
March	5,047.00	4,278.10	2,67,941	5,050.00	4,270.10	25,80,764

Note: High and low are in ₹ per traded share. Volume is the total monthly volume of trade in Asian Paints shares on BSE and NSE.

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the year 2012-13 (based on month end closing).



The performance of your Company's share price during the financial year 2012-13 is as follows:

Name of the Stock Exchange	BSE	NSE
Price as on 2 nd April, 2012 (₹)	3,265.55	3,263.40
Price as on 28 th March, 2013 (₹)	4,914.40	4,917.25
Change in value (₹)	1,648.85	1,653.85
% Change	50.49	50.68

Share transfer system:

The share transfer activities in respect of the shares in physical mode are carried out by the Company's Registrar and Share Transfer Agent (RTA). The Shares lodged for transfer are processed and returned within the stipulated time. The applications and requests received by your Company for transfer of shares held in physical form are processed and the share certificates for the same are sent to the transferee within the stipulated period under the Companies Act, 1956 and the Listing Agreement.

The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., as mentioned in Clause 49(IV)(G)(iv) of the Listing Agreement to the designated officials of the Company. The transactions in respect of issue of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates are approved by the Shareholder's Committee.

A summary of all the transfers, transmissions, deletion requests, etc., are placed before the Board of Directors from time to time for their review.

Distribution of Shareholdings:

The distribution of shareholding of the Company as on 31st March, 2013 was as follows:

Category of shareholder	Total number of shares	Percentage of total no. of shares
(A) Shareholding of Promoter and Promoter Group		
(a) Individuals/Hindu Undivided Family	10230381	10.67
(b) Bodies Corporate	40401278	42.12
(c) Trust	-	-
Total Shareholding of Promoter and Promoter Group (A)	50631659	52.79
(B) Public shareholding		
(1) Institutions		
(a) Mutual Funds / UTI	859082	0.89
(b) Financial Institutions/Banks	7370	0.01
(c) Insurance Companies	6675691	6.96
(d) Foreign Institutional Investors	18646004	19.44
Sub-Total(B) (1)	26188147	27.30
(2) Non-Institutions		
(a) Bodies Corporate	5561503	5.79
(b) Individuals		
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	11306359	11.79
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	793829	0.83
(c) Individual (Non-Resident individuals)	1438282	1.50
Sub-Total(B) (2)	19099973	19.91
Total Public Shareholding (B)=(B)(1)+(B)(2)	45288120	47.21
Total (A)+(B)	95919779	100.00

Distribution of shareholding of the Company by number of shares held as on 31st March, 2013 is as follows:

		Shareholders		Shareholding	
		Number	% To Total	Number	% To Total
UPTO	500	47813	87.23	4337374	4.52
	501	4271	7.79	3374715	3.52
	1001	1305	2.38	1922965	2.00
	2001	406	0.74	1026631	1.07
	3001	207	0.38	730295	0.76
	4001	160	0.29	723057	0.76
	5001	223	0.41	1610818	1.68
	10001	428	0.78	82193924	85.69
	AND ABOVE				
TOTAL		54813	100	95919779	100.00

Details about Company's dematerialised shares as on 31st March, 2013:

Number of shares	% of total shares	Number of shareholders	% of total shareholders
93501459	97.48	44078	80.42

Shareholders, who continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic/ dematerialised form. For any clarification, assistance or information, please contact the Registrar and Share Transfer Agent of the Company. The shareholders have the option to hold Company's shares in demat form through NSDL or CDSL.

Break-up of shares in physical and demat form as on 31st March, 2013 is as follows:

	No. of Shares	% of Shares
Physical segment	2418320	2.52
Demat segment:		
NSDL	92110337	96.03
CDSL	1391122	1.45
TOTAL	95919779	100.00

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

The Company does not have any outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments as on 31st March, 2013.

Other Information:

Corporate Identification Number (CIN No.): L24220MH1945PLC004598

Reconciliation of Share Capital Audit:

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

National Electronic Clearing System (NECS) for dividend:

The remittance of dividend through Electronic Clearing System has been moved to National Electronic Clearing System (NECS) platform through core banking system effective 1st October, 2009. Accordingly, dividend will be credited to the shareholders' bank

account through NECS where complete core banking details are available with the Company. In the event any branch of a bank has not migrated to core banking system, or where core banking account is not furnished by the shareholder to the Depository/ Company as the case may be, the Company will print details available in its records on the dividend warrants to be issued to the shareholders.

Investors who are holding shares in physical form and would like to avail NECS facility may send in their NECS Mandate Form, duly filled in to the Company's Registrar and Transfer Agent, Sharepro Services (India) Private Limited. The NECS Mandate instruction should be under the signature of the shareholder(s) as per the specimen signature lodged with the Company.

Members holding shares in physical form are requested to dematerialise their shares i.e. hold shares in electronic form. This will enable the members to avoid the risks associated with physical certificates such as forged transfers, fake certificates and loss of certificates.

Shareholders holding shares in electronic/dematerialised form:

Investors holding shares in demat or electronic form may check the details on record with the concerned Depository Participant (DP). Pursuant to the Depository Regulations, the Company is obliged to pay dividend on dematerialised shares as per the details furnished by the concerned DP. The Company or the Registrar and Transfer Agent cannot make any change in such records received from the Depository.

Unclaimed Dividend/Shares:

In terms of Sections 205A and 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are cautioned that once the unclaimed dividend is transferred to IEPF, a shareholder cannot claim the amount of dividend either from the Company or from the IEPF.

In accordance with Clause 5A II of the Listing Agreement, the Company has sent two reminders to the shareholders whose share certificates are lying unclaimed with the Company and is in the process of sending third reminder to the concerned shareholders. In case yours shares are lying unclaimed with the Company, you are requested to claim the same.

Due dates for transfer of dividend unclaimed to IEPF are as follows:

Financial Year	Type	Dividend Paid (₹ in crores)	Unclaimed Dividend as on 31.03.2013		Due date for transfer to IEPF
			₹	%	
2005-2006	Final	76.7	1904650.00	0.25	25.07.2013
2006-2007	1 st Interim	52.8	1443810.50	0.27	29.11.2013
	2 nd Interim	62.3	1672534.50	0.27	12.04.2014
	Final	95.9	378297.00	0.39	25.07.2014
2007-2008	Interim	62.3	1882432.50	0.30	18.11.2014
	Final	100.7	3175945.50	0.32	23.07.2015
2008-2009	Interim	62.3	2448036.50	0.39	23.11.2015
	Final	105.5	4181155.00	0.40	25.07.2016
2009-2010	Interim	81.5	3552012.00	0.44	21.11.2016
	Final	177.5	5704360.00	0.32	15.08.2017
2010-2011	Interim	81.5	2766542.00	0.34	26.11.2017
	Final	225.4	7685382.00	0.34	23.07.2018
2011-2012	Interim	91.1	3311430.00	0.36	20.11.2018
	Final	292.6	11418191.00	0.39	24.07.2019
2012-2013	Interim	91.1	4212277.00	0.46	24.11.2019

General Dos and Don'ts:

- Shareholders/Beneficial holders should quote their Folio No. / DP Id and Client Id, as the case may be, in all the correspondences with the Company.
- Shareholders/Beneficial holders should mention their Contact Nos./ Fax Nos. and e-mail ID. Such e-mail ID shall be registered in the records of the Company.
- Shareholders are requested to furnish self-attested copy of their PAN card, at the time of submitting the physical share certificate(s) for transfer, transmission, deletion, issue of duplicate share certificates or any other request, to the Company.

Securities and Exchange Board of India (SEBI), by its Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009 and SEBI/MRD/DoP/SE/RTA/Cir-08/2010, dated 7th January, 2010 has made it mandatory for the transferee(s) to furnish the copy of the PAN Card to the Company for registration of physical transfer of shares and for transmission of shares, deletion and transposition of names in physical form.

- Shareholders are requested to maintain a record of their specimen signature before lodgement of shares with the Company to obviate possibility of difference in signature at a later date.
- In case of loss/misplacement of share certificates, shareholders should immediately lodge a FIR/ Complaint with the Police and inform the Company or its Registrar and Transfer Agent along with the original / certified copy of the FIR/ Acknowledgement copy of the complaint.
- Investors holding shares in dematerialised form should send all the communications related to change in address or change in bank details to their Depository Participant.

Registrar and Transfer Agent:

Sharepro Services (India) Private Limited is the Registrar and Transfer Agent of the Company.

Shareholders, beneficial owners and depository participants (DPs) are requested to send/ deliver the documents/ correspondence relating to the Company's share transfer activity etc. to Sharepro Services (India) Private Limited, Registrar and Transfer Agent of the Company at the following addresses:

Sharepro Services (India) Private Limited

Unit: Asian Paints Limited

13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off. Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072.

Tel. No.: 022-67720300/ 67720400 • Fax No.: 022-2859 1568

E-mail: sharepro@shareproservices.com

Sharepro Services (India) Private Limited

Unit: Asian Paints Limited

912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021.

Tel. No.: 022-2288 1568, 2288 1569, 2282 5163, 2288 4527 • Fax No.: 022-2282 5484

E-mail: sharepro@shareproservices.com

For the benefit of shareholders, documents will continue to be accepted at the following registered office of the Company:

Asian Paints Limited

6A, Shantinagar, Santacruz (E), Mumbai - 400 055.

Tel. No.: 022-39818000 • Fax No.: 022-39818888

E-mail: investor.relations@asianpaints.com

Members are requested to quote their e-mail address, telephone number and full address for prompt reply to their communication.

Website: www.asianpaints.com

E-mail ID for Investor's Grievances:

The e-mail address for investor grievance is investor.relations@asianpaints.com

The above exclusive e-mail id is disclosed by the Company on its websites and all the various material correspondence, publications and communication to the shareholders at large.

Plant locations

Paint Plants:

Lal Bahadur Shastri Marg, Bhandup, Mumbai - 400 078, Maharashtra.

Plot Nos. 2602/ 2702, GIDC Industrial Area, Ankleshwar - 393 002, Gujarat.

Plot Nos. 50-55, Industrial Development Area, Phase II, Patancheru - 502 319, Dist. Medak, Andhra Pradesh.

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

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

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

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

Taloja Plant (Industrial Paints):

Plot No. 3/ 2, MIDC, Taloja, Raigad - 410 208, Maharashtra.

Phthalic Plant:

Plot No. 2702, GIDC Industrial Area, Ankleshwar - 393 002, Gujarat.

Penta Plant:

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

Annexure to Report on Corporate Governance for the year ended 31st March, 2013

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2013.

K.B.S. Anand
Managing Director & CEO

Mumbai
9th May, 2013

Certificate by the Joint Statutory Auditors as to the compliance of the conditions of Corporate Governance

The certificate by the Joint Statutory Auditors of the Company as to the compliance of the conditions of Corporate Governance pursuant to Clause 49(VII)(1) of the Listing Agreement is given below:

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF ASIAN PAINTS LIMITED

We have examined the compliance of conditions of Corporate Governance by Asian Paints Limited ('the Company') for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For B S R & Associates
Chartered Accountants
Firm Registration No: 116231W

For Shah & Co.
Chartered Accountants
Firm Registration No: 109430W

Natraj Ramakrishna
Partner
Membership No: 032815

Ashish Shah
Partner
Membership No: 103750

Bengaluru
9th May, 2013

Mumbai
9th May, 2013

Business Responsibility Report

Section A: General Information about the Company

1. **Corporate Identity Number (CIN)** : L24220MH1945PLC004598
2. **Name of the Company** : Asian Paints Limited
3. **Registered Address** : 6A, Shantinagar, Santacruz (East), Mumbai - 400 055
4. **Website** : www.asianpaints.com
5. **E-mail id** : investor.relations@asianpaints.com
6. **Financial Year reported** : April 1, 2012 to March 31, 2013
7. **Your Company is engaged in (industrial activity code-wise):**

Industrial Group	Description
202	Manufacture of paints, varnishes, enamels or lacquers
202	Manufacture of surfacing preparations; organic composite solvents and thinners and other related products
201	Manufacture of organic and inorganic compounds n.e.c.

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

8. **The key products that your Company manufactures (as per Balance Sheet) are** (1) Paints/ Synthetic Enamel, Other Colours, (2) Phthalic Anhydride, (3) Pentaerythritol
9. **Total number of locations where business activity is undertaken by the Company:**
 - i. Number of International Locations: 22 international subsidiaries having business operations in 16 countries.

- ii. Number of National Locations:

Manufacturing facilities	8
Chemical Plants	2
Sales locations	108
Trans-shipment locations	6
Other offices including the registered office	25

10. Markets served by the Company – Local/State/National/International:

Local	State	National	International
✓	✓	✓	✓

Section B: Financial Details of the Company

1. **Paid-up Capital (INR)** : 95.92 crores
2. **Total Turnover (INR)** : 8,971.70 crores (Standalone)
3. **Total Profit After Tax (INR)** : 1,050.00 crores (Standalone)
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (PAT) (%)**
 Your Company's total spending of CSR for the financial year 2012-13 is ₹ 0.98 crore, which is 0.09% of PAT.
5. **Some of the areas for which the expenditure in 4 above has been incurred are:**
 - a. Education and literacy,
 - b. Environment,
 - c. Health care, hygiene and sanitation,
 - d. Infrastructure development and other facilities for schools and
 - e. Rainwater Harvesting through Total Water Management Centre.

Section C: Other details

- Your Company as on 31st March, 2013 has 5 Direct Subsidiary Companies and 20 Indirect Subsidiaries.
- Your Company encourages its subsidiary companies to adopt its policies and practices. Certain policies and

practices which form part of the Business Responsibility (BR) initiative of your Company are applicable to the subsidiary companies also.

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

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

b. Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Mr. Jayesh Merchant
3.	Designation	CFO & Company Secretary, President – Industrial JVs
4.	Telephone number	022-39818000
5.	E-mail id	investor.relations@asianpaints.com

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

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
		1	2	3	4	5	6	7	8	9
1.	Do you have a policy/policies for....	Y This forms part of the Code of Conduct of your Company which is applicable to all employees	Y This forms part of your Company's Environment, Health and Safety (EHS) Policy	Y Certain policies form part of the Code of Conduct for employees. There are various policies for the benefit of the employees which are issued by the Human Resource function of your Company from time to time	N	Y This forms part of the Code of Conduct of your Company which is applicable to all employees	Y This forms part of your Company's EHS policy	N	N	Y Your Company has a Consumer Policy
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	-	Y	Y	-	-	Y
3.	Does the policy conform to any national / international standards?	N	Y (Detailed in the report)	N	-	Y (Detailed in the report)	Y (Detailed in the report)	-	-	N

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
		1	2	3	4	5	6	7	8	9
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y (It is signed by the Vice President - Human Resources)	Y (It is signed by the Managing Director)	Y (It is signed by the Vice President - Human Resources)	-	Y (It is signed by the Vice President - Human Resources)	Y (It is signed by the Managing Director)	-	-	Y (It is signed by the Managing Director)
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	-	Y	Y	-	-	Y
6.	Indicate the link for the policy to be viewed online?	www.asianpaints.com/pdfs/company-info/investors/code_of_conduct.pdf	www.asianpaints.com	These policies are internal policies and are not displayed on the website	-	www.asianpaints.com/pdfs/company-info/investors/code_of_conduct.pdf	www.asianpaints.com	-	-	www.asianpaints.com
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	-	Y	Y	-	-	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	-	Y	Y	-	-	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	-	Y	Y	-	-	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	-	Y	Y	-	-	Y

2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why:

Sr. No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	✓	-	-	✓	✓	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

- The Board of Directors of your Company assess various initiatives forming part of the BR performance of your Company on a periodic basis.
- Your Company does not publish a BR or a Sustainability Report; however, details pertaining to Corporate Social Responsibility have been presented in the Management Discussion and Analysis Report in the Annual Report every year. This year, it forms part of this report.

has been constituted for the purpose of receiving and investigating all complaints from any employee/business associates. As mentioned in the report on Corporate Governance, during the year, your Company received 19 investor complaints which have been resolved.

Section E: Principle-wise performance

Principle 1 (Ethics, Transparency and Accountability)

- Ethical business conduct is critical to your Company's business. The Code of Conduct of your Company is applicable to all employees including the employees of its subsidiaries. They are required to uphold the guidelines and principles outlined in the Code of Conduct which include carrying on the business and act with the highest standards of personal and professional integrity, honesty and ethical conduct. The Code also provides for obligations of the employees with respect to non disclosure of confidential information, accounting and payment practices, accurate financial disclosures, etc. The Code as well as your Company's Policy on Prevention of Fraud applies to any irregularity, involving employees as well as vendors, contractors, customers and/or any other entities having a business relationship with your Company. Fraud includes acts such as deception, bribery, forgery, extortion, corruption. Annual affirmation to the Code of Conduct is taken by your Company from all its employees.
- As per the Whistle Blower policy of your Company, an Ethics Committee comprising of the Managing Director & CEO, Compliance Officer and Vice President - Human Resource

Principle 2 (Goods and Services that are safe and contribute to sustainability throughout their lifecycle)

- Your Company is committed to being Green and it has been making rapid strides to offer Best-in-Class, truly Green products. Your Company had started this journey by removing 'No Added Lead & Heavy Metal' in its Decorative paints about 4 years ago. Your Company is committed to reducing the VOC (Volatile Organic Compound) levels in the paint and meeting GS-11 standards in Emulsion Paints for Interior and Exterior application. Royale, Royale Shyne and Apex Ultima are some of the products that conform to the Green standards.

A detailed note on the same can be accessed through your Company's website:

http://www.asianpaints.com/green_assure/index.aspx

- There is focus on resource conservation in manufacturing of paints, chemicals and allied products. The comparative figures over the last year, for paint manufacturing plants, evidencing our commitment towards resource conservation are detailed below:

Category	2011-12	2012-13
Water consumption (KL per KL of paint)	1.20	1.18

- Your Company's products do not have any significant impact on energy during usage by the consumer.
- Your Company has strategically created storage locations for finished goods across the country. Your Company drives its distribution plan using an ERP (Enterprise Resource

Planning) system to optimise freight cost. Your Company sources majority of its transport requirements from local vendors at all locations. It also promotes suppliers wherever feasible, to set up their manufacturing facilities near to your Company's manufacturing locations.

- Supply Chain function of your Company while setting up new factories / facilities for manufacturing of paints, engages local persons for provision of certain services including construction of the facilities and operations thereafter. At certain locations, community development is also done by way of providing basic educational facilities & skill-sets for maintenance of livelihood to local population.
- Your Company undertakes all possible measures for Waste Minimisation in its factories. These measures are reviewed by the General Works Manager of the respective factory/ manufacturing facility at a monthly interval and also by the Vice President of the Supply Chain function on six-monthly basis. Waste generated during the production operations, is disposed / recycled in compliance with the applicable environmental laws. Maximum efforts are made to reduce the quantum of waste-water generated due to cleaning operations in the factories. The trade effluent generated is treated in compliance with the applicable environmental laws and is recycled back into the production processes or discharged for landscaping/gardening/horticulture-development purposes. The jumbo packaging used for transfer of certain powder raw material by your Company's Suppliers are reused for a minimum of 3 times.
- During the year, the Pentaerythritol plant of your Company located at Cuddalore in Tamil Nadu was conferred the award of 'Excellent Energy Efficient Unit' by CII (Confederation of Indian Industry).

Principle 3 (Well-being of employees)

- Your Company has a total number of 5236 permanent employees in India. In addition to the permanent employees, the details of women employees and contracted workforce in India are listed below:

Sr. No.	Category of Employees	No. of Employees
1.	Contracted Workforce	9763
2.	Temporary Workforce	209
Number of permanent women employees		251
Number of permanent employees with disabilities		3

- Your Company safeguards the employees' rights, values their culture, social diversity and ensures safety and healthy work conditions. Your Company's policies prohibit sexual harassment, discrimination based on race,

religion, national origin, ethnic origin, colour, gender, age, citizenship, veteran status, marital status or disability. Your Company has a policy for Prevention of Sexual Harassment which applies to employees of your Company at all its establishments. It ensures prevention and deterrence towards commission of acts of sexual harassment and communicates procedures for their resolution, settlement or prosecution.

- There are recognised trade unions at your Company's manufacturing locations and certain sales units affiliated to various trade union bodies. Approximately, 33% of permanent employees are members of recognised employee unions.
- Your Company's policy prohibits engaging of any child labour, forced labour or involuntary labour. Thus, there were no complaints relating to child labour, forced labour, involuntary labour and sexual harassment.
- Percentage of employees who were given safety & skill up-gradation training in the last year are:

i.	Permanent Employees	85%
ii.	Permanent Women Employees	88%
iii.	Casual/Temporary/Contractual Employees	78%
iv.	Employees with Disabilities	100%

Principle 4 (Responsiveness to all stakeholders)

- Your Company has mapped its internal and external stakeholders. Your Company engages with its stakeholders on an ongoing basis for consulting on various matters. Your Company has taken initiatives for generation of employment for the local communities around its manufacturing units by giving preference to employment of local people. Your Company's manufacturing units have various initiatives to engage with the workers and contractual employees including provision of welfare facilities like subsidised food, rest rooms, medical check-ups and medical facilities.

Your Company has undertaken safety initiatives, including safety training programmes, etc which have been extended to contractual employees as well. Your Company runs painter training academies and trains more than 8000 painters in a year.

Principle 5 (Promoting Human Rights)

- Your Company's Code of Conduct adheres to the principles of Human Rights as enshrined in the Universal Declaration of Human Rights of the United Nations and to act in accordance with the principles laid down in it. Several

workshops explaining the principles enshrined in the Code of Conduct of your Company were organised for its employees.

- No stakeholder complaints have been received in the past financial year.

Principle 6 (Protecting the Environment)

- Your Company has an EHS Policy. Your Company considers compliance to statutory EHS requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards wherever appropriate. The EHS Policy covers all employees including Contract Labour and Service providers.
- The paint manufacturing facilities have established ISO systems (ISO 9001 and ISO 14001). As part of the ISO 14001 Environment Management system, every manufacturing facility monitors the state of the Environment inside the facility, including the Air Emissions and the Carbon Footprint of your Company.
- Further, as part of the ISO 14001 Environment Management system, every manufacturing facility conducts Aspect Impact study of various activities and identifies controllable/uncontrollable and normal/abnormal/emergency scenarios of operation. Any deviations from laid down policies and procedures are tracked and reviewed by effective procedures of Corrective And Preventive Action (CAPA). Mock-drills are conducted to review effectiveness of Emergency Management procedures and train personnel on response mechanisms in case of Emergency. Your Company has a system whereby Environment Management Review meetings are conducted and are attended by the Vice President- Supply Chain and General Works Managers of all paint manufacturing facilities. The Meeting is conducted every six months. The discussions in the meeting are centred around the topics of natural resource conservation, effluent reduction, water conservation, air emissions, waste generation and disposal. Confirmation on statutory compliance is provided by each manufacturing location by way of adherence to various clauses of Environmental Laws.
- Energy Efficiency studies are conducted on annual basis by the Engineering teams in your Company's manufacturing facilities. The results of these studies help your Company to identify Engineering Controls to save Energy. Solar-based street-lighting initiatives are existent in some of your Company's manufacturing facilities. Details of measures taken in conservation of Energy are mentioned in Form A of the Directors Report forming part of this Report.

- The Emissions/Waste generated by your Company is within the permissible limits given by Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) for the financial year being reported. There are no show cause/legal notices from CPCB/SPCB which are pending as at the end of financial year.
- Research & Technology (R&T) Function of your Company has played a significant role in the growth of the organisation. Your Company has continuously invested in R&T and has a dedicated team of scientists at the R&T Centre at Turbhe near Mumbai. It supports your Company's strategy around Technology development, development of substantially new products, productivity improvement and cost reduction.
- Also, the Total Water Management (TWM) Centre located in the premises of Mumbai plant has been championing the issue of water conservation, informing and demonstrating techniques of water harvesting to the public at large.

Principle 7 (Influencing public and regulatory policy in a responsible manner)

- Your Company is a member of many trade associations, some of them are:
 - a) Confederation of Indian Industry (CII)
 - b) Federation of Indian Chambers of Commerce and Industry (FICCI)
 - c) Bombay Chamber of Commerce & Industry
 - d) The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
 - e) The Indian Paint Association (IPA)
- Your Company through The Indian Paint Association (IPA) has represented and worked towards the benefit and inclusive development policies for the Paint Industry as a whole.

Principle 8 (Supporting inclusive growth and equitable development)

- Your Company's manufacturing facilities engage in Corporate Social Responsibility (CSR) initiatives and these projects primarily focus on the following areas:
 - Education and Literacy: Your Company has adopted schools near its Plants, initiated drives for providing basic amenities to School Children; providing education and training to differently-abled children; promoting higher studies amongst girl students especially those from government schools; Construction of basic amenities in Schools such as

rooms, playground, compound-walls and provision of water-coolers, water-tanks, painting of school-premises, conducted inspirational workshops for Government Teachers on discipline etc.

- Environment: Your Company has conducted programmes to spread awareness about Rainwater harvesting by conducting seminars in schools and housing societies. Sapling Plantation drives have also been initiated in nearby villages.
- Health care, Hygiene and Sanitation: Your Company has organised free health camps for senior citizens of the local community around its manufacturing facilities and for family members of Staff / Workmen, sessions on health, hygiene and diet for female students in village government schools and career counselling, soft skills training and self defense techniques to the students of these Schools. Your Company has arranged for MMU (Mobile Medicare Unit) to the villages in vicinity of your Company's manufacturing facilities; these MMU's manned by a qualified doctor, pharmacist and a social worker and are fully equipped with medicines that are dispensed free of cost to the needy.
- Most of the programmes involve external Non-Government Organisations (NGOs) such as Red Cross Society, Helpage and Earth, however, some of the activities are also undertaken through in-house teams.
- Your Company has conducted impact assessment of its CSR initiatives through qualitative feedback collected from the

beneficiaries of the projects undertaken. The projects that are undertaken in partnership with NGOs and are reviewed periodically with the NGO concerned.

- Your Company has taken various steps to ensure that the CSR initiatives undertaken are successfully adopted by the community. The relevant stakeholders in the local community are involved during needs assessment, project planning and implementation. Feedback is collected from the beneficiaries of the projects and course corrections are taken based on the same, wherever necessary.

Principle 9 (Providing value to customer)

- Your Company has a Customer Centricity Department which carries out consumer survey/consumer satisfaction trends regularly.
- 14 consumer related legal cases are pending as at the end of the financial year.
- The products of your Company display all information which is mandated by law including the directions for use. Product information is not displayed on the product label. It is available in the product information sheet that is available with the dealers of your Company and on the website of your Company.
- There are no cases filed by any stakeholder against your Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

NOTICE

NOTICE is hereby given that the **SIXTY-SEVENTH ANNUAL GENERAL MEETING OF ASIAN PAINTS LIMITED** will be held at Yashwantrao Chavan Pratisthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 on Monday, 24th June, 2013 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the annual accounts for the year ended 31st March, 2013 together with the Reports of the Board of Directors and Auditors' thereon.
2. To consider and declare payment of final dividend and confirm the interim dividend of ₹ 9.50 (Rupees nine and paise fifty only) per Equity Share, declared and paid during the financial year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Mahendra Choksi, who retires by rotation and being eligible, offers himself for reappointment.

4. To consider and approve if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Ms. Tarjani Vakil, a Director liable to retire by rotation does not wish to seek re-appointment and is therefore not re-appointed as a Director of the Company.

RESOLVED FURTHER THAT the vacancy on the Board of Directors of the Company so created be not filled."

5. To appoint a Director in place of Mr. Mahendra Shah, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Mr. S. Ramadorai, who retires by rotation and being eligible, offers himself for reappointment.
7. To appoint the Auditors of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Shah & Co, Chartered Accountants (Registration Number 109430W) and M/s. B S R &

Associates, Chartered Accountants (Registration Number 116231W), be and are hereby appointed as Joint Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. M.K. Sharma who was appointed as an Additional Director by the Board of Directors of the Company on 25th October, 2012, pursuant to the provisions of Section 260 of the Companies Act, 1956 (hereinafter referred to as the "Act") and Article 118 of the Articles of Association of the Company, in respect of whom the Company has received notice under Section 257 of the Act and who is eligible for appointment as a Director of the Company, be and is hereby appointed as a Director on the Board of Directors of the Company."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2011 and such rules and regulations thereunder, or any statutory modification(s) or any amendment or substitution or re-enactment thereof, and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to the revision of the remuneration payable to Mr. Jalaj Dani (a relative of Company's Directors, Mr. Ashwin Dani and Mrs. Ina Dani) holding an office or place of profit in the Company as President – HR, International & Chemicals, at a monthly basic salary of ₹ 7,76,123 (Rupees Seven Lacs Seventy Six Thousand One Hundred and Twenty Three only) and other allowances, perquisites, benefits, and other amenities, as applicable to the Company's President in the same grade with effect from 1st April, 2013 or such other date as may be approved by the Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make and submit applications to the

Central Government or any other statutory authorities as may be required, settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Director’s Relatives (Office or Place of Profit) Rules, 2011 and such rules and regulations thereunder, or any statutory modification(s) or any amendment or substitution or re-enactment thereof, and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to the revision of the remuneration payable to Mr. Manish Choksi (a relative of Company’s Directors, Mr. Ashwin Choksi and Mr. Mahendra Choksi) holding an office or place of profit in the Company as President – Home Improvement, IT & Supply Chain, at a monthly basic salary of ₹ 8,85,165 (Rupees Eight Lacs Eighty Five Thousand One Hundred and Sixty Five only) and other allowances, perquisites, benefits, and other amenities, as applicable to the Company’s President in the same grade with effect from 1st April, 2013 or such other date as may be approved by the Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make and submit applications to the Central Government or any other statutory authorities as may be required, settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act,

1956 read with Director’s Relatives (Office or Place of Profit) Rules, 2011 and such rules and regulations thereunder, or any statutory modification(s) or any amendment or substitution or re-enactment thereof, consent of the Company be and is hereby accorded to the appointment of Mr. Vivek Vakil (a relative of Company’s Directors, Mr. Abhay Vakil and Mr. Amar Vakil) to hold and continue to hold an office or place of profit in the Company as an Executive in the Corporate Finance Department at a monthly basic salary of ₹ 16,000 (Rupees Sixteen Thousand only) and other allowances, perquisites, benefits, and other amenities, as may be applicable to the Company’s Executives in the same grade with effect from 1st November, 2012.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.”

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 94 and other provisions, if any, of the Companies Act, 1956, or any statutory modification(s), amendment or re-enactment thereof and Article 9 of the Articles of Association of the Company and subject to such approvals, permissions, and sanctions, if any, as may be necessary from any concerned authorities, each Equity Share of the Company having a nominal face value of ₹10 (Rupees Ten only) each fully paid-up, be sub-divided into 10 (Ten) Equity Shares of the nominal face value of ₹ 1 (Rupee One only) each fully paid-up and the relevant capital clauses in the Memorandum and Articles of Association of the Company be and is hereby accordingly altered.

RESOLVED FURTHER THAT upon sub-division of the Equity Shares of the Company as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of ₹ 10 (Rupees Ten only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the record date and the Company may, without requiring the surrender of the existing Share Certificate(s), directly issue and despatch the new Share Certificate(s) of the Company, in lieu of such existing Share Certificate(s) subject to the provisions laid down in the Companies (Issue of Share Certificates) Rules, 1960 and the Articles of

Association of the Company and in the case of shares held in dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division.

RESOLVED FURTHER THAT the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and is hereby authorised to fix a record date, take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers to Shareholder’s Committee or any other Committee of Directors of the Company as it may deem appropriate in this regard.”

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT on the resolution for sub-division of the nominal face value of Equity Shares being duly passed and becoming effective as stated in the resolution as set out at Item No. 12 of this Notice convening the 67th Annual General Meeting and in accordance with provisions contained in Section 16 and other provisions, if any, of the Companies Act, 1956, or any statutory modification(s), amendment or re-enactment thereof, the existing Clause V of the Memorandum of Association of the Company be and is hereby amended by deletion of the existing Clause V and by substitution thereof by the following clause:

“V. The Authorised Share Capital of the Company is ₹ 1,00,00,00,000 (Rupees One Hundred Crores only) divided into 99,50,00,000 (Ninety Nine Crores Fifty Lacs only) Equity Shares of ₹ 1 (Rupee One) each and 50,000 (Fifty Thousand) 11% Redeemable Cumulative Preference Shares of ₹ 100 (Rupees Hundred only) each, with power to increase or reduce or modify the said capital and to divide the Share for the time being of the Company into several classes and attach thereto preferential, deferred, qualified or special rights or conditions, as may be determined by or in

accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided for by the Articles of Association of the Company.”

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT on the resolution for sub-division of the nominal face value of Equity Shares being duly passed and becoming effective as stated in the resolution as set out at Item No. 12 of this Notice convening the 67th Annual General Meeting and pursuant to provisions contained in Section 31 and all other provisions, if any, of the Companies Act, 1956, or any statutory modification(s), amendment or re-enactment thereof, the existing Clause 3 of the Articles of Association of the Company be and is hereby amended by deletion of the existing Clause 3 and by substitution thereof by the following clause:

“3. The Authorised Share Capital of the Company is ₹ 1,00,00,00,000 (Rupees One Hundred Crores only) divided into 99,50,00,000 (Ninety Nine Crores Fifty Lacs Only) Equity Shares of ₹ 1 (Rupee One) each and 50,000 (Fifty Thousand) 11% Redeemable Cumulative Preference Shares of ₹ 100 (Rupees Hundred only) each, with power to increase or reduce or modify the said capital and to divide the shares for the time being of the Company into several classes and attach thereto preferential, deferred, qualified, or special rights or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided for by the Articles of Association of the Company. The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in depositories and / or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF. A Proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its registered office not later than forty-eight hours before the commencement of the meeting. Proxies submitted on behalf of the Limited Companies, Societies, etc., must be supported by an appropriate resolution/authority, as applicable.

2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during working hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays till the conclusion of the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **8th June, 2013 to 24th June, 2013** (both days inclusive).
5. Dividend recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be paid on or after 25th June, 2013 to those members whose names appear on the Register of Members as on 7th June, 2013. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of 7th June, 2013, as per the details furnished by the National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
6. The Company is presently using National – ECS (NECS) for dividend remittance. Members holding shares in physical form are requested to notify/send the following:
 - Any change in their address/mandate/bank details; and
 - Particulars of their bank account, in case the same have not been sent earlier.

to the Company's Registrar and Transfer Agent at: Sharepro Services (India) Pvt. Ltd., Unit: **Asian Paints Limited**, 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021 or Sharepro Services (India) Pvt. Ltd., 13AB Samhita Warehousing Complex, Second Floor, Sakinaka, Telephone Exchange Lane, Off Andheri- Kurla Road, Sakinaka, Andheri (East), Mumbai 400072 at the earliest but not later than 7th June, 2013.
7. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants. The address/bank mandate as furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the dividend warrants.
8. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to send the same to the office of the Registrar and Transfer Agent of the Company.
9. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
10. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
11. In terms of Sections 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, in the year 2012-13, the Company would be transferring the unclaimed or unpaid Final Dividend for the year ended 31st March, 2006 and First Interim Dividend for the financial year ended 31st March, 2007, to the IEPF on or before 25th July, 2013 and 29th November, 2013, respectively. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
12. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
14. Information required under Clause 49 IV G of the Listing Agreement (relating to Corporate Governance) with respect to the Director being appointed and Directors retiring by rotation and being eligible seeking re-appointment is as under:

	Mr. Mahendra Choksi	Mr. Mahendra Shah	Mr. S. Ramadorai	Mr. M.K. Sharma
Profile of the Director	<p>Mr. Mahendra Choksi has considerable knowledge and experience in the Chemical industry, particularly in 'Synthetic Resins'. Mr. Mahendra Choksi was Director-Production & Process Engineering till 1st March, 1973 in Asian Paints Limited. He joined the Board in 1992 and prior to becoming a Director on the Board of Asian Paints Limited, he was holding the position of Managing Director in Resins and Plastics Limited till 31st August, 2002.</p>	<p>Mr. Mahendra Shah was the Managing Director of The Indian Card Clothing Co. Limited from 1985 until his retirement in 2001. During his tenure, he was also responsible for setting up the greenfield project of Suessen Asia Limited, as its Managing Director concurrently over 5 years. Earlier, Mr. Shah was the Managing Partner of the India operations of the multi-national trading-cum-finance companies of The Pan-Africa/The Plenum Group, headquartered in Hongkong, offering country lines of credit. During his professional career, Mr. Shah was also Chairman of several panels of the Textile Machinery Manufacturers' Associations representing the industry's interests with the Government of India in formulation of Government policies. He also led an all India Textile Machinery Manufacturers' delegation to Nigeria with distinction. Mr. Shah, who holds a Bachelor's degree in Electrical Engineering from University of Mumbai and a Master's degree in Industrial Engineering from New York University, currently serves on the Boards of various companies.</p>	<p>Mr. S. Ramadorai holds a Bachelors Degree in Physics from Delhi University, a B.E. degree in Electronics and Telecommunications from the Institute of Science, Bangalore and also a Masters degree in Computer Science from the University of California – UCLA, (USA). As the Managing Director of Tata Consultancy Services Limited (TCS), he was instrumental in building TCS to be a global software and services company. He is now the Non-Executive Vice Chairman of TCS. In recognition of his commitment and dedication he was awarded the Padma Bhushan by the President of India. In April, 2009, he was awarded the CBE (Commander of the Order of the British Empire) by Her Majesty Queen Elizabeth II for his contribution to Indo-British economic relations. He is also an advisor to the Prime Minister in the Prime Minister's National Skill Development Council in the rank of Cabinet Minister. He holds Directorships in various companies of repute.</p>	<p>Mr. M.K. Sharma holds Bachelor's Degree in Arts and Bachelors of Law Degree from Canning College University of Lucknow. He has also completed Post Graduate Diploma in Personnel Management from Department of Business Management, University of Delhi and Diploma in Labour Laws from Indian Law Institute, Delhi. Mr. M.K. Sharma began his career with DCM Limited and subsequently joined Hindustan Unilever Limited (formerly Hindustan Lever Limited) (HUL) as Legal Manager. He joined the Management Committee of HUL in April, 1990 as Vice President, Legal & Secretarial and was inducted into the Board of HUL in August, 1995 as a Wholetime Director and served as the Vice Chairman from April, 2000 till his retirement in May, 2007. He serves as a Director on the Boards of several companies of repute.</p>
Date of Joining the Board	27 th November, 1992	6 th June, 2001	16 th September, 2009	25 th October, 2012

Directorships and Committee Memberships in other Companies*	<ul style="list-style-type: none"> ■ Ultramarine and Pigments Limited 	<ul style="list-style-type: none"> ■ The Indian Card Clothing Co. Limited ■ ICC International Agencies Limited ■ Tech-Knit Limited 	<ul style="list-style-type: none"> ■ Tata Consultancy Services Limited <i>Member - Shareholders/ Investors Grievance Committee</i> ■ Tata Industries Limited ■ Tata Technologies Limited <i>Member – Audit Committee</i> ■ CMC Limited ■ Hindustan Unilever Limited <i>Member – Audit Committee</i> ■ Piramal Enterprises Limited ■ Tata Elxsi Limited <i>Member – Audit Committee</i> ■ Tata Teleservices (Maharashtra) Limited <i>Member – Audit Committee</i> ■ Tata Communications Limited ■ Tata Advanced Systems Limited <i>Member – Audit Committee</i> ■ BSE Limited <i>Chairman – Share Allotment and Shareholders/Investors’ Grievance Committee</i> <i>Member-Audit Committee</i> ■ Tata Lockheed Martin Aerostructures Limited ■ Tara Aerospace Systems Limited 	<ul style="list-style-type: none"> ■ ICICI Lombard Insurance Company Limited ■ Thomas Cook (India) Limited <i>Member – Audit Committee</i> ■ Fulford (India) Limited <i>Member – Audit Committee</i> ■ KEC International Limited ■ Wipro Limited <i>Member – Audit Committee</i> ■ The Andhra Pradesh Paper Mills Limited <i>Member – Audit Committee</i> ■ Travel Corporation (India) Limited ■ India Infradebt Limited
No. of shares held in the Company	2,19,618	NIL	NIL	NIL

*Directorships and Committee memberships in Asian Paints Limited and its Committees are not included in the aforesaid disclosure. Also, Directorships in Private Limited Companies, Foreign Companies and Section 25 Companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.

The Board of Directors recommend the re-appointment of Mr. Mahendra Choksi, Mr. Mahendra Shah and Mr. S. Ramadorai.

Except, Mr. Mahendra Choksi and Mr. Ashwin Choksi, none of the Directors of the Company may be deemed to be concerned or interested in Mr. Mahendra Choksi’s re-appointment as a Director of the Company. Except Mr. Mahendra Shah, none of the Directors of the Company may be deemed to be concerned or interested in his re-appointment as a Director of the Company. Except Mr. S. Ramadorai, no other Director of the Company is concerned or interested in his re-appointment as a Director of the Company.

The Board of Directors also recommend appointment of Mr. M.K. Sharma, as a Director of the Company. Except Mr. M.K. Sharma,

none of the other Directors of the Company may be deemed to be concerned or interested in his appointment.

For Asian Paints Limited



Jayesh Merchant

CFO & Company Secretary,
President – Industrial JVs

Registered Office:

6A, Shantinagar,
Santacruz (East),
Mumbai 400 055.

9th May, 2013

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO. 8:

The Board of Directors at its meeting held on 25th October, 2012, appointed Mr. M.K. Sharma as an Additional Director pursuant to provisions of Section 260 of the Companies Act, 1956 and pursuant to Article 118 of the Articles of Association of the Company. Mr. M.K. Sharma holds office upto the date of the ensuing Annual General Meeting. The Company has received notice pursuant to Section 257 of the Companies Act, 1956, from members proposing the appointment of Mr. M.K. Sharma as a Director alongwith the required deposit amount.

Mr. M.K. Sharma (66) holds Bachelors Degree in Arts and Bachelors of Law Degree from Canning College University of Lucknow. He has also completed Post Graduate Diploma in Personnel Management from Department of Business Management, University of Delhi and Diploma in Labour Laws from Indian Law Institute, Delhi.

Mr. M.K. Sharma joined Hindustan Unilever Limited (HUL) in 1974 as Legal Manager and handled Legal & Secretarial work in diverse areas. He joined the Management Committee of HUL in April, 1990 as Vice President, Legal & Secretarial and was inducted into the Board of HUL in August, 1995 as a Wholetime Director and served as the Vice Chairman from April, 2000 till his retirement in May, 2007. He serves as a Director on the Board of several companies of repute.

His appointment as the Director of the Company will be beneficial to the Company and to its shareholders. He does not hold any shares in the Company.

The Board of Directors propose the appointment of Mr. M.K. Sharma as the Director and recommend the resolution as set out in Item No. 8 for the approval of the shareholders at the ensuing Annual General Meeting.

Except Mr. M.K. Sharma, no other Director of the Company may be deemed to be concerned or interested in the Ordinary Resolution at Item No. 8 of this Notice, except as a member, if any, of the Company.

ITEM NO. 9:

At the Sixty - Second Annual General Meeting of the Company held on 24th June, 2008, the shareholders had, pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, accorded their approval through a Special Resolution to Mr. Jalaj Dani, a relative of the Company's Directors, Mr. Ashwin Dani and Mrs. Ina Dani, to hold and continue to hold office or place of profit under the Company as its President - International Business Unit at the salary, allowances, perquisites, benefits and amenities as approved by the shareholders.

As the salary, allowances and perquisites, benefits and amenities as approved by the shareholders and payable to Mr. Jalaj Dani exceeded the monetary ceiling prescribed under Section 314 (1B) of the Companies Act, 1956, approval of the Central Government was also obtained for the same vide letter dated 4th May, 2009.

Mr. Jalaj Dani holds a Bachelor's Degree in Chemical Engineering from the University of Wisconsin, USA. He has obtained a post graduate degree in Chemical Engineering from Massachusetts Institute of Technology, USA and has working experience in the field of specialty chemicals. Mr. Jalaj Dani has made significant contributions in achieving the Company's growth plans and particularly in leading, managing and developing International Business and the overseas subsidiaries. During the year he was appointed to lead the Human Resource Function and Chemicals Business of the Company, in addition to the International Business Unit. His contribution in developing the businesses headed by him has been noteworthy.

In view of the contributions made by Mr. Jalaj Dani towards the progress of the Company, his increased responsibilities and the overall increase in the compensation payable as per industry standards, there is a need to review and revise the remuneration payable to him. Also, the proposed revision would align the remuneration payable to Mr. Jalaj Dani to the remuneration payable to other Senior Management Personnel.

The Board of Directors at their meeting held on 9th May, 2013, on recommendation by the Remuneration Committee, approved the proposed revision in the remuneration payable to Mr. Jalaj Dani. The details of the salary, allowances, perquisites,

benefits and amenities proposed to be paid to Mr. Jalaj Dani with effect from 1st April, 2013, as applicable to employees in the same grade are as follows:

- a) Basic Salary: ₹ 7,76,123 (Rupees Seven Lacs Seventy Six Thousand One Hundred and Twenty Three only) per month with an increment not exceeding 20% of the basic salary on annual basis
- b) Flexible Grade Allowance: ₹ 4,05,000 (Rupees Four Lacs Five Thousand only) per month and as per the rules of the Company which is subject to yearly revision as per his grade
- c) Performance Incentive: As per the rules of the Company payable in his grade but subject to the ceiling of ₹ 75,00,000 (Rupees Seventy Five Lacs only) per annum and at the discretion of the Board of Directors of the Company
- d) Provident Fund: 12% of the basic salary
- e) Superannuation: 15% of the basic salary
(the contributions stated at (d) and (e) are subject to any changes effected in the schemes/ rules of the respective funds)
- f) Medical Reimbursement: ₹ 15,000 p.a. (Rupees Fifteen Thousand only)
- g) Car: Provision of Company car as per the Company policy
- h) Telephone and Fuel expenses: Reimbursements of Telephone and fuel expenses on actuals, payable in his grade as per the Company policy
- i) Retirals: As per the rules of the Company payable in his grade

Since the proposed increase in the remuneration payable to Mr. Jalaj Dani would exceed the monetary ceiling prescribed under Section 314 (1B) of the Companies Act 1956, if approved by the shareholders, it would be necessary to obtain the approval of the Central Government.

Necessary application under Section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956 for obtaining the approval of the Central Government will be preferred after obtaining consent of the shareholders.

Accordingly, your Directors recommend the Special Resolution as set out under Item No. 9 in the Notice for approval of the shareholders under Section 314 and other applicable provisions, if any, of the Companies Act, 1956.

Except Mr. Ashwin Dani and Mrs. Ina Dani no other Director of the Company may be deemed to be concerned or interested in

the Special Resolution at Item No. 9 of this Notice, except as a member, if any, of the Company.

ITEM NO. 10:

At the Sixty - Second Annual General Meeting of the Company held on 24th June, 2008, the shareholders had, pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, accorded their approval through a Special Resolution to Mr. Manish Choksi, a relative of the Company's Directors, Mr. Ashwin Choksi and Mr. Mahendra Choksi, to hold and continue to hold office or place of profit under the Company as its Chief-Corporate Strategy & CIO, at the salary, allowances, perquisites, benefits and amenities as approved by the shareholders.

As the salary, allowances and perquisites, benefits and amenities as approved by shareholders and payable to Mr. Manish Choksi exceeded the monetary ceiling prescribed under Section 314 (1B) of the Companies Act, 1956, approval of the Central Government was also obtained for the same vide letter dated 4th May, 2009.

Mr. Manish Choksi is a bachelor of Chemical Engineering from the University of Houston, USA. He obtained his Masters of Business Administration with specialisation in Entrepreneurial Management and MIS from the same University. Mr. Manish Choksi spearheads the Information Technology Function of the Company. During the year he was appointed to head the Supply Chain Function and the Home Improvement business of the Company. He has played a pivotal role in identifying opportunities and guiding the Company to foray into Home Improvement Business. Mr. Manish Choksi's contribution in achieving the Company's growth plans has been exceptionally well more particularly in the critical areas of implementation of Supply Chain Management solution and leveraging IT solutions in achieving Company's goals.

In view of the contributions by Mr. Manish Choksi towards the progress of the Company, his increased responsibilities and the overall increase in the compensation payable as per industry standards, there is a need to review and revise the remuneration payable to him. Also, the proposed revision would align the remuneration payable to Mr. Manish Choksi to the remuneration payable to other Senior Management Personnel.

The Board of Directors at their meeting held on 9th May, 2013, on recommendation by the Remuneration Committee approved the proposed revision in the remuneration payable to Mr. Manish Choksi. The details of the salary, allowances,

perquisites, benefits and amenities proposed to be paid to Mr. Manish Choksi with effect from 1st April, 2013, as applicable to employees in the same grade are as follows:

- a) Basic Salary: ₹ 8,85,165 (Rupees Eight Lacs Eighty Five Thousand One Hundred and Sixty Five only) per month with an increment not exceeding 20% of the basic salary on annual basis
- b) Flexible Grade Allowance: ₹ 4,05,000 (Rupees Four Lacs Five Thousand only) per month and as per the rules of the Company which is subject to yearly revision as per his grade
- c) Performance Incentive: As per the rules of the Company payable in his grade but subject to the ceiling of ₹ 75,00,000 (Rupees Seventy Five Lacs only) per annum and at the discretion of the Board of Directors of the Company
- d) Provident Fund: 12% of the basic salary
- e) Superannuation: 15% of the basic salary
(the contributions stated at (d) and (e) are subject to any changes effected in the schemes/ rules of the respective funds)
- f) Medical Reimbursement: ₹ 15,000 p.a. (Rupees Fifteen Thousand only)
- g) Car: Provision of Company car as per the Company policy
- h) Telephone and Fuel expenses: Reimbursements of Telephone and fuel expenses on actual, payable in his grade as per the Company policy
- i) Retirals: As per the rules of the Company payable in his grade

Since the proposed increase in the remuneration payable to Mr. Manish Choksi would exceed the monetary ceiling prescribed under Section 314 (1B) of the Companies Act 1956, if approved by the shareholders, it would be necessary to obtain the approval of the Central Government.

Necessary application under Section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956 for obtaining the approval of the Central Government will be preferred after obtaining consent of the shareholders.

Accordingly, your Directors recommend the Special Resolution as set out under Item No.10 in the Notice for approval of the shareholders under Section 314 and other applicable provisions, if any, of the Companies Act, 1956.

Except, Mr. Ashwin Choksi and Mr. Mahendra Choksi, no other Director of the Company may be deemed to be concerned or

interested in the Special Resolution at Item No. 10 of this Notice, except as a member, if any, of the Company.

ITEM NO. 11:

Mr. Vivek Vakil (a relative of Mr. Abhay Vakil and Mr. Amar Vakil, Directors of the Company) had completed Bachelor of Science in Business, Major in Finance, in August, 2011 from Indiana University, Kelley School of Business Bloomington, IN, USA. During this period, he worked as Teaching Assistant for the program Computers in Business. Further, after completion of his course, he had worked with Ernst and Young Private Limited, Mumbai as an Analyst, Transaction Advisory Services for one year.

The Board of Directors of the Company at their meeting held on 25th October, 2012, had approved, subject to the approval of the shareholders of the Company, the appointment of Mr. Vivek Vakil (a relative of Mr. Abhay Vakil and Mr. Amar Vakil, Directors of the Company) as an Executive in the Corporate Finance Department cadre with effect from 1st November, 2012, on the following remuneration structure:

- a) Basic Salary: ₹ 16,000 (Rupees Sixteen Thousand only) per month with an increment not exceeding 20% of the basic salary on annual basis
- b) Flexible Grade Allowance: ₹ 50,000 (Rupees Fifty Thousand only) per month and as per the rules of the Company which is subject to yearly revision as per his grade
- c) Performance Incentive: As per the rules of the Company payable in his grade but subject to the ceiling of ₹ 2,00,000 (Rupees Two Lacs only) per annum and at the discretion of the Board of Directors of the Company
- d) Provident Fund: 12% of the basic salary
(the contribution stated at (d) is subject to any changes effected in the schemes/ rules of the respective funds)
- e) Medical Reimbursement: ₹ 15,000 p.a. (Rupees Fifteen Thousand only)
- f) Telephone: Reimbursements of Telephone expenses on actuals but not exceeding ₹ 12,000 p.a. (Rupees Twelve Thousand only)
- g) Retirals: As per the rules of the Company payable in his grade

In terms of Section 314(1)(b) of the Companies Act, 1956, appointment of a relative of the Directors of a Company shall not hold any office or place of profit in that Company unless the same is approved by the shareholders by a Special Resolution at their meeting.

Approval of the Central Government shall not be required for appointment of Mr. Vivek Vakil under Section 314(IB) of the Companies Act, 1956 and Directors Relatives (Office or Place of Profit) Rules, 2011, as the monthly remuneration payable to him does not exceed ₹ 2,50,000 (Rupees Two Lacs Fifty Thousand only) per month.

Accordingly, approval of the shareholders is sought under Section 314 and any other applicable provisions, if any, of the Companies Act, 1956, for appointment of Mr. Vivek Vakil to hold an office or place of profit as an Executive in the Corporate Finance Department with effect from 1st November, 2012.

Your Directors recommend the Special Resolution set out in the notice under Item No.11 for approval of the shareholders.

Except Mr. Abhay Vakil and Mr. Amar Vakil, Directors of the Company, no other Director of the Company may be deemed to be interested or concerned in the Special Resolution under Item No.11, except as a member, if any, of the Company.

ITEM NO. 12-14:

The Equity Shares of the Company are listed and actively traded on the BSE Limited and The National Stock Exchange of (India) Limited (NSE). The market price of the Company has witnessed significant increase over the last few years. In order to facilitate affordability of the Company's shares for investors at large and to enhance the liquidity of the Company's Equity Shares in the stock market, it is proposed to bring down the nominal face value of the Equity Shares of the Company from ₹ 10 (Rupees Ten only) to ₹ 1 (Rupee One only).

After the approval by the members, the Board of Directors (or a Committee thereof) of the Company will fix a Record Date for the aforesaid sub-division.

At present, the Authorised Share Capital of the Company is ₹ 1,00,00,00,000 (Rupees One Hundred Crores only) divided into 9,95,00,000 (Nine Crores Ninety Five Lacs only) Equity Shares of ₹10 each and 50,000 (Fifty Thousand) 11% Redeemable Cumulative Preference Shares of ₹ 100 (Rupees Hundred only) each. The Issued, Subscribed and Paid-up Share Capital of the

Company is divided into 9,59,19,779 (Nine Crores Fifty Nine Lacs Nineteen Thousand Seven Hundred and Seventy Nine only) Equity Shares of ₹10 (Rupees Ten only) each amounting to ₹ 95,91,97,790 (Rupees Ninety Five Crores Ninety One Lacs Ninety Seven Thousand Seven Hundred and Ninety only).

The resolutions as set out in Item No. 13 and 14 of the Notice for altering Clause V of the Memorandum of Association ("MOA") of the Company and Article 3 of the Articles of Association ("AOA") of the Company are to reflect the corresponding changes in the Capital clause of the Memorandum and Articles of Association of the Company, consequent to proposed sub-division of each existing Equity Share of ₹10 (Rupees Ten only) each to 10 (Ten) Equity Shares of ₹ 1 (Rupee One) each pursuant to sub-division.

Accordingly, your Directors recommend the resolutions as set out in Item No. 12, 13 and 14 of the notice for approval of the shareholders.

A copy of the Memorandum and Articles of Association of the Company along with the proposed alterations, deletions and/or modifications is available for inspection at the Registered Office of the Company during working hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays till the conclusion of the Annual General Meeting.

None of the Directors of your Company are concerned or interested in the said Resolution, except as a member, if any of the Company.

For Asian Paints Limited



Jayesh Merchant

CFO & Company Secretary,
President – Industrial JVs

Registered Office:

6A, Shantinagar,
Santacruz (East),
Mumbai 400 055.

9th May, 2013



Asian Paints Limited

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

ATTENDANCE SLIP

(To be presented at the entrance)

DP ID _____

Folio No./Client ID _____

I/We hereby record my/our presence at the **67th ANNUAL GENERAL MEETING** of the Company at Yashwantrao Chavan Pratisthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400021 on Monday the 24th June, 2013 at 10.00 a.m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM. JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

Name of the Member/Proxyholder

Signature of the Member/ Proxy



Asian Paints Limited

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

PROXY FORM

DP ID: _____ Folio No./Client ID: _____ No. of Shares held: _____

I/We _____ of _____ in the district of _____ being, a Member/Members of ASIAN PAINTS LIMITED hereby appoint _____ in the district of _____ (or failing him/her) _____ in the district of _____ as my/our Proxy to attend and vote for me/us on my/our behalf at the **67th Annual General Meeting** of the Company to be held on Monday, 24th June, 2013 at 10.00 a.m. and at any adjournment(s) thereof.

Signed this _____ day of _____ 2013

Signature _____

Affix
Revenue
Stamp

- Note: 1. The Proxy need not be a member of the Company.
- 2. The Proxy in order to be effective must be duly signed and deposited at the Registered Office of the Company at 6A, Shantinagar, Santacruz (East), Mumbai - 400 055 not less than 48 hours before the time of holding the meeting.



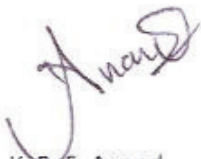
asianpaints

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

FORM A
(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the Company	Asian Paints Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.

For Asian Paints Limited



K. B. S. Anand
Managing Director & CEO

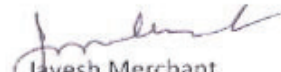
Place: Mumbai
Date: 9th May, 2013

For Asian Paints Limited



Tarjani Vakil
Chairperson of Audit
Committee

For Asian Paints Limited



Jayesh Merchant
CFO & Company Secretary,
President- Industrial JVs

For B S R & Associates
Chartered Accountants
FRN: 116231W



Natraj Ramakrishna
Partner
Membership No. 032815

Place: Bengaluru
Date: 9th May, 2013



For Shah & Co.
Chartered Accountants
FRN: 109430W



Ashish Shah
Partner
Membership No. 103750

Place: Mumbai
Date: 9th May, 2013

