

2017-18
Annual Report



Inspired by life



Read Inside

Business Review

About Asian Paints 02
Geographical Presence 04
Key Product Offerings 06
Chairman's Letter 08
Business Model 10
MD's Letter 12
Annual Performance 14

16
Inspired by
innovation
and research

18
A store for
every need

20
Real experiences.
Delivered digitally.

22
Manufacturing
footprint and
sustainable
operations

24
Making the
world a
colourful
place

Board of Directors 26
Leadership Team 29
Ten-year Review – Standalone 30
Ten-year Review – Consolidated 31
Commitment Towards Society 32
Management Discussion and Analysis 42
Awards and Recognition 64

Statutory Reports

Notice 65
Board's Report 74
Report on Corporate
Governance 108
General Shareholder
Information 121
Business Responsibility
Report 130

Financial Statements

Standalone Financial
Statements 143
Consolidated Financial
Statements 216

Progress in FY 2017-18 (Standalone)

Revenue from Operations

₹14,153.71
Crores

11.2%
Growth (y-o-y)

EBITDA

₹3,198.00
Crores

7.6%
Growth (y-o-y)

PAT

₹1,894.80
Crores

5.2%
Growth (y-o-y)

EPS

₹19.75

Online Report



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

asianpaints.com/annualreport

Equity share information

BSE code:
500820

PART
OF BSE
30 S&P
SENSEX

NSE code:
ASIANPAINT

PART OF
NSE
NIFTY 50

Market
capitalisation

4.4%
Growth (y-o-y)

Total dividend
per share

₹8.70

Inspired by life

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



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

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

Inspired by life to inspire others

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

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

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

We manufacture a wide range of paints for decorative, automotive and industrial use. In decorative paints, we are present in all the four segments – interior and exterior wall finishes,

enamels and wood finishes. Our product portfolio also includes waterproofing, wall coverings, adhesives and painting tools.

A part of our business is operated through two 50:50 joint ventures between Asian Paints Ltd. and PPG Inc., USA. One services the increasing requirements of the Indian automotive coatings segment, while

the other caters to the protective, powder coatings and industrial coatings markets in India.

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

Our corporate brands



Industrial coatings



Home Improvement businesses



Smart Like You





USD 2.5+ Bn
Group
revenue

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



7,500+
Employee
worldwide

75+
Years of
innovation
in the paint
industry



16
Countries of
operations



25
Paint
manufacturing
plants globally



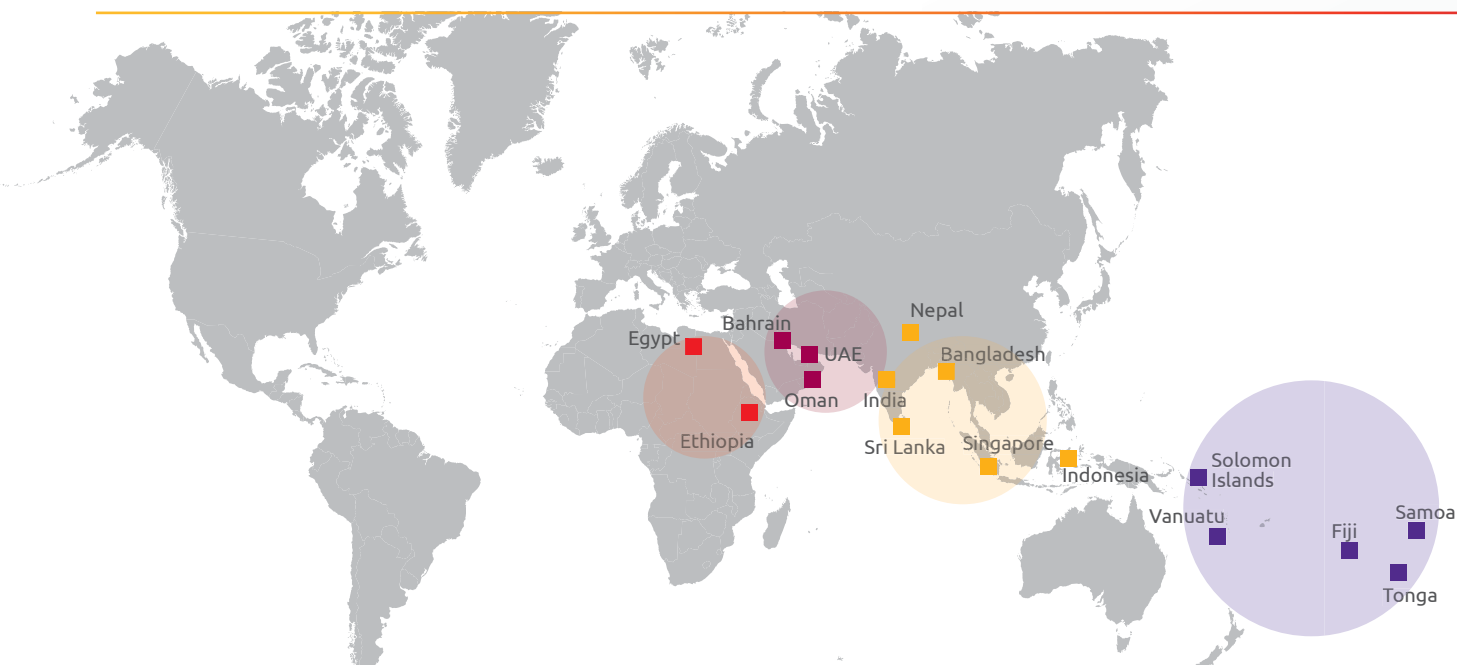
Serviced
Consumers in
60+ countries

International operations



Global operations

We are present in 16 countries spread over four regions.



Note: Maps not to scale

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

49%

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

21%

Africa
(Egypt & Ethiopia)

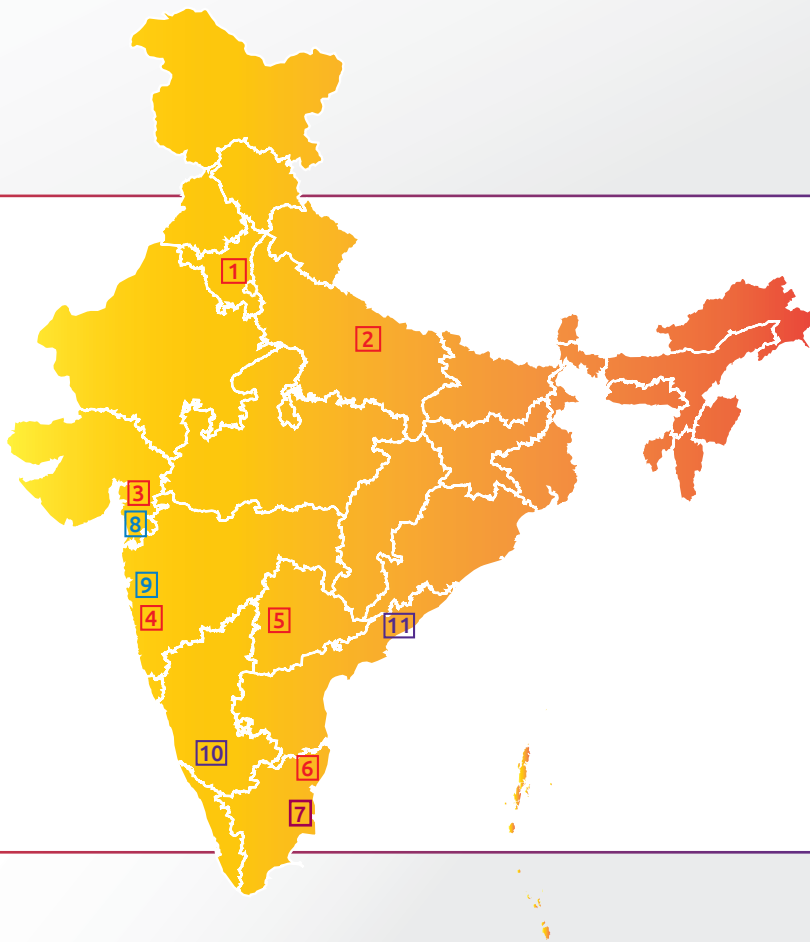
24%

Middle East
(Oman, Bahrain & UAE)

6%

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

Paint manufacturing facilities in India



Locations

Installed capacities (per annum)

Plants

- 1 Rohtak, Haryana
4,00,000 KL
- 2 Kasna, Uttar Pradesh
80,000 KL
- 3 Ankleshwar, Gujarat
1,30,000 KL
- 4 Khandala, Maharashtra
3,00,000 KL
- 5 Patancheru, Telangana
80,000 KL
- 6 Sriperumbudur, Tamil Nadu
1,40,000 KL

Chemical Plant

- 7 Cuddalore, Tamil Nadu
6,720 MT

Industrial Plants

- 8 Sarigam, Gujarat
7,200 MT
- 9 Taloja, Maharashtra
14,000 KL

Upcoming Plants

- 10 Mysuru, Karnataka
6,00,000 KL*
- 11 Visakhapatnam, Andhra Pradesh
5,00,000 KL*

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



Upcoming paint manufacturing facilities at Visakhapatnam and Mysuru

Key Product Offerings

World of Asian Paints

Interior Paints



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

Metal Finishes (Enamels)



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

Wood Finishes Range



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

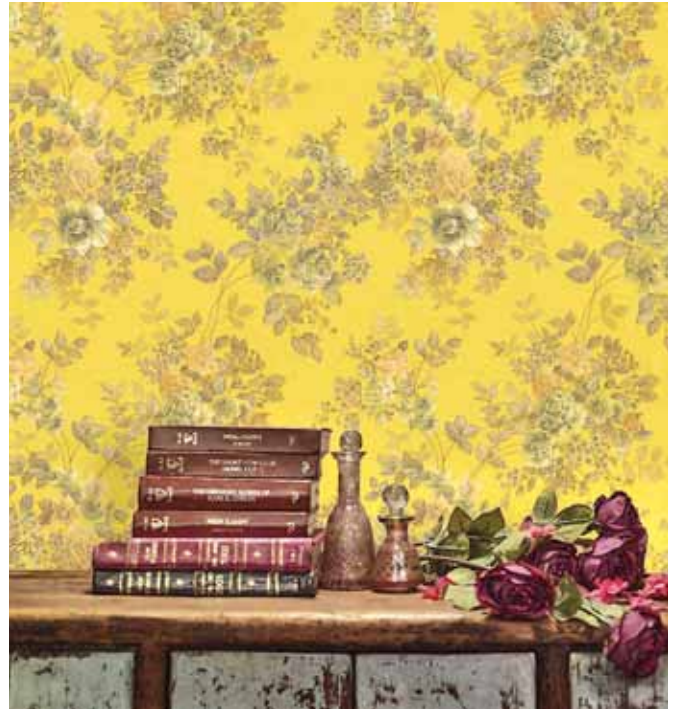
Exterior Paints



Apex Ultima Protek
(Base Coat & Top Coat)

Apex Ultima Protek Duralife
(Base Coat & Top Coat)

Ace Exterior Emulsion, Apex Exterior Emulsion, Apex Ultima

Range of Tools**Adhesives****Nilaya Range of Wall coverings****SmartCare Range of Waterproofing Products****Bath Fittings****Kitchens & Wardrobes****Our services**

**Colour
consultancy**



**Home
painting
services**



**Experience
retail stores**



**Décor
solutions**



**Large
projects**

Accelerating our growth opportunities

Dear Shareholders,

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

Asian Paints continues to follow highest standards of corporate governance and considers it as more of an ethical requisite than a regulatory necessity. It is a matter of great pride that

our success over the years has come without ever compromising on integrity or environmental and social obligations.

Structural changes cause short-term pain

The Indian economy faced headwinds from three directions, compounding the impact on businesses. The Goods & Services Tax (GST), the long-debated and often delayed tax reform was finally introduced on 1st July, 2017. This is the single biggest structural reform in the country that pushes for creation of a unified common market, laying aside the inefficiencies created by different tax incidences in various states. The Company worked closely with its partners along its entire supply chain to transition its operations to the new tax regime efficiently. This was not without the initial hiccups, as there were challenges around clarity of rules and processes. It led to a

temporary disruption of the trade channel, accentuating the impact on demand that was already reeling in the aftermath of demonetisation in the previous fiscal. Along with these, the trade also encountered a difficult credit environment with banks stressed by mounting non-performing assets and a series of frauds leading to tighter credit controls.

Evolving, expanding portfolio

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



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