

#### **Read Inside** Inspired by **Business Review** innovation About Asian Paints **02** and research Geographical Presence 04 Key Product Offerings 06 Chairman's Letter 08 Business Model 10 MD's Letter 12 A store for Annual Performance 14 every need Real experiences. Manufacturing Delivered digitally. footprint and sustainable operations 24 Making the Board of Directors 26 world a Leadership Team 29 Ten-year Review – Standalone 30 colourful Ten-year Review – Consolidated 31 place Commitment Towards Society 32 Management Discussion and Analysis 42 Awards and Recognition 64

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#### **Financial Statements**

Standalone Financial Statements **143** Consolidated Financial Statements **216** 

#### Progress in FY 2017-18 (Standalone)

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

#### **Online Report**



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

asianpaints.com/annualreport

#### **Equity share information**

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



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*).

About Asian Paints

## 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



BONUOUR

**7,500+**Employee worldwide

**75+**Years of innovation in the paint industry

**16** Countries of operations



**25**Paint
manufacturing
plants globally

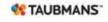


Serviced
Consumers in **60+** countries

International operations







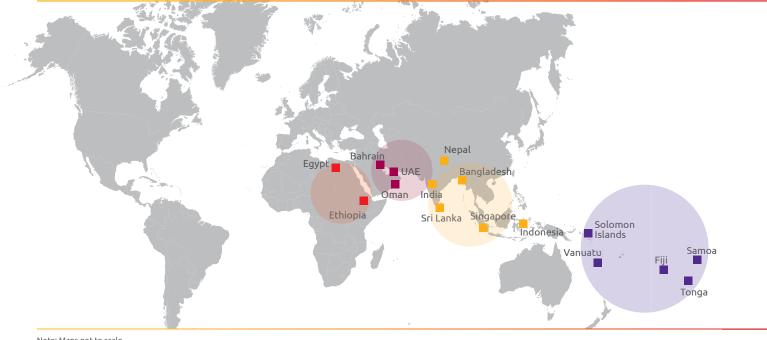






# Global operations

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%

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

(Egypt & Ethiopia)

21% 24%

Middle East (Oman, Bahrain & UAE)

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

# Paint manufacturing facilities in India



## Locations Installed capacities (per annum)

#### **Plants**

- Rohtak, Haryana 4,00,000 KL
- 2 Kasna, Uttar Pradesh 80,000 KL
- Ankleshwar, Gujarat 1,30,000 KL
- Khandala, Maharashtra 3,00,000 KL
- 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**

- Mysuru, Karnataka 6,00,000 KL\*
- 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**







#### **SmartCare Range of Waterproofing Products**



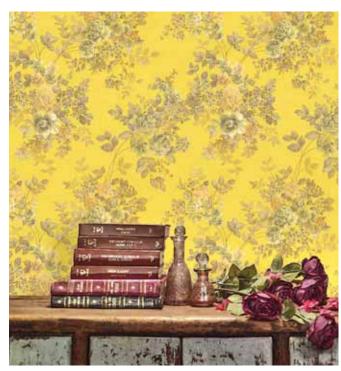
**Bath Fittings** 



**Kitchens & Wardrobes** 



#### Nilaya Range of Wall coverings









### Our services



Colour consultancy



Home painting services



Experience retail stores



Décor solutions



Large projects Chairman's Letter

# 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.

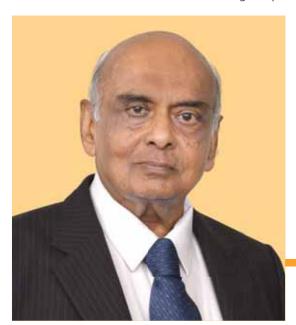
### Structural changes cause short-term pain

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 doubledigit 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'.