



**Asian Paints Limited**  
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APL/SEC/19/2021-22/56

25<sup>th</sup> November, 2021

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
Fort, Mumbai – 400 001  
Scrip Code: 500820

National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1,  
Block G, Bandra – Kurla Complex,  
Bandra (East),  
Mumbai – 400 051  
Symbol: ASIANPAINT

Sir/Madam,

**Sub: Clarification on a news item published in the Hindu Businessline and Business Standard on 24<sup>th</sup> and 25<sup>th</sup> November, 2021 concerning Asian Paints Limited**

We are issuing this clarification in response to a news item published in the online edition of 'Hindu Businessline' and the 'Business Standard' on 24<sup>th</sup> November, 2021 and the print editions of the said newspapers today, concerning Asian Paints Limited ("the Company"). In this regard, we state the following:

- i. The report of InGovern, proxy advisory firm, quoted by the said news publications, was received by the Company only yesterday, 24<sup>th</sup> November, 2021, and the Company will be suitably responding to the same along with clarifying on certain factually incorrect information included in the report.
- ii. This report addresses certain transactions with related parties entered into by the Company during the FY 2019 – 20 and specifically responding to a statement made in the report on transactions with Paladin Paints & Chemicals Private Limited (Paladin), we quote the report: "Paladin formed 7 percent of the value of goods purchased from promoter-controlled entities" is factually incorrect. Out of Rs.553.88 crores of total purchases from related parties during the FY 2019 – 20, total purchase from Paladin was Rs.1.3 crores (which is lower than 0.2%) of total purchases from related parties.

- iii. We further invite your attention to the clarification dated 24<sup>th</sup> October, 2021 bearing reference no. APL/SEC/19/2021-22/49 filed by the Company with the Stock Exchanges, wherein the Company has adequately responded to all the aspects related to its transactions with the said related party – Paladin. The Company had received e-mail enquiries from the Securities Exchange Board of India and the National Stock Exchange of India Limited, seeking details of the said transactions with Paladin, and the Company has provided all necessary details and explanations sought by the said authorities, along with an overview of the processes followed for approval of related party transactions.
- iv. We would like to reiterate that all the transactions involving related parties are undertaken in strict compliance with the provisions of law and necessary disclosures have been made in accordance with the applicable disclosure norms from time to time including but not limited to the disclosures in the Annual Report on related party transactions. The Indian Accounting Standards - 24 on Related Party Disclosures states that items of a similar nature (i.e. nature of trade) needs to be disclosed at aggregate value as opposed to the statements made in the quoted report. Additionally, the Company has been disclosing transactions with each of the related parties where the transaction value is more than 10% of the total transactions of the same type with related parties during the year. Please refer to our Annual Report for further details ([www.asianpaints.com](http://www.asianpaints.com)).
- v. Further, all the transactions with related parties are approved by the Audit Committee in accordance with the provisions of law. The Audit Committee of the Board of Directors of the Company comprises of majority of Independent Directors. As required by law, any Promoter Director, if a member of the Audit Committee, does not participate in the concerned meetings of the Audit Committee wherein related party transactions are discussed.
- vi. The above - mentioned clarifications were also sent by the Company through email to the said news publishers on 24<sup>th</sup> November, 2021.

We have nothing further to add or comment on this matter at this stage and we reserve our right to supplement our response based on complete review of the quoted report of InGovern.

For **ASIAN PAINTS LIMITED**

**R J JEYAMURUGAN**  
**CFO & COMPANY SECRETARY**