Corporate Identification Number (CIN): L24220MH1945PLC004598
For Shares related queries, email to investor.relations@asianpaints.com
For Consumer queries, email to customercare@asianpaints.com

Asian Paints Limited
Asian Paints House
6A, Shantinagar,
Santacruz (East)
Mumbai 400 055
T : (022) 3981 8000
F : (022) 3981 8888
www.asianpaints.com

APL/SEC/13/204

1st December, 2015

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street, Mumbai – 400 001

Sir(s),

Sub: **Compliance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has approved and adopted a "Policy on determination of materiality of events/information" (hereinafter referred to as "the Policy") and has authorized the following Key Managerial Personnel of the Company for the purpose of determining materiality of events/information and making disclosures to the stock exchanges under this Regulation, as detailed in the Policy:

| | |
|---|---|
| Shri K B S Anand<br>Managing Director & CEO<br>Asian Paints Limited<br>6A, Shantinagar, Santacruz (East),<br>Mumbai – 400 055<br>Email: kbs.anand@asianpaints.com<br>Phone: 022 39818000 | Shri Jayesh Merchant<br>CFO & Company Secretary<br>Asian Paints Limited<br>6A, Shantinagar, Santacruz (East),<br>Mumbai – 400 055<br>Email: jayesh.merchant@asianpaints.com<br>Phone: 022 39818000 |

A copy of the aforesaid Policy is enclosed herewith.

This is for your information and record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

**JAYESH MERCHANT**
**CFO & COMPANY SECRETARY,**
**PRESIDENT – INDUSTRIAL JVs**

cc: The National Stock Exchange of India Limited

# ASIAN PAINTS LIMITED

## POLICY ON DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION

Approved and adopted by the Board of Directors of Asian Paints Limited at its meeting held on 16th November, 2015

# INTRODUCTION

This Policy is called "Asian Paints Limited – Policy for determination of materiality of events/information" (hereinafter referred to as "this Policy") and shall be effective from 1st December, 2015 ("Effective Date").

In terms of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Regulations"), Asian Paints Limited (hereinafter referred to as "the Company") is required to frame a Policy for determination of materiality of events/information.

This Policy for determination of materiality of events/information aims at:

- ensuring that all investors have equal access to important information that may affect their investment decisions;
- ensuring that adequate and timely information is provided to investors;
- avoiding establishment of false market in the securities of the Company; and
- communicating the principles of materiality based on which the Company shall make disclosures of events or information.

# MEANINGS OF TERMS USED

a. "**Act**" means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time;

b. "**Board**" refers to the Board of Directors of Asian Paints Limited;

c. "**Company**" or "**Asian Paints**" refers to Asian Paints Limited pursuant to this policy, having its Registered Office at 6A, Shantinagar, Santacruz (East), Mumbai – 400 055;

d. "**Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

e. ''**Schedule**" means a schedule annexed to Listing Regulations;

f. "**Stock Exchange**" means a recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956; and

g. "**Subsidiary(s)**" shall mean subsidiaries of the Company as defined under the Act.

Words, terms and expressions used and not defined in these Listing Regulations will have the same meaning as contained in (i) the Act, (ii) Securities Exchange Board of India Act, 1992, as may be modified from time to time.

## POLICY AND PROCEDURES

***MATERIALITY THRESHOLDS:***

- As stated above, in terms of the Regulation 30 of the Regulations, the Company is required to make disclosures of any events or information which, in the opinion of the Board of the Company, is material. Further, the events specified in Para A of Part A of Schedule III are deemed to be material events and the Company is mandatorily required to make disclosure of such events. The Company is required to make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality as set out in this Policy.

- In this context, the following has been approved and adopted by the Board the Company at its meeting held on November, 16, 2015, with the objective of determining materiality of events.

1. The events specified in Para A of Part A of Schedule III of the Regulations and as set out in Annexure I to this Policy shall be disclosed by the Company as applicable from time-to-time and in a manner as set out in the Regulations and this Policy.

2. For disclosing the events specified in Para B of Part A of Schedule III, the Company shall consider the following criteria for determination of materiality of an event/information:

   a. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

   b. the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date.

   c. Where it would be difficult to report any event including events specified in Para B of Part of Schedule III and set out in Annexure II to this Policy, based on qualitative criteria as stated in points a) and b) above, the same may be considered material for disclosure, upon meeting materiality thresholds as mentioned herein below:

      i. For events specified in Annexure II of this Policy, if the impact of the occurrence of such an event would exceed 5% of the gross standalone turnover of the Company, in the immediately preceding accounting year.

ii. For events specified in Annexure II of this Policy with respect to a Subsidiary of the Company, if the impact of the occurrence of such an event would exceed 5% of the gross consolidated turnover of the Company, in the immediately preceding accounting year.

d. in case where the criteria specified in sub-clauses a to c are not applicable, an event/information may be treated as being material if in the opinion of the Board and/or the Managing Director and the CFO of the Company, the event/information is considered material.

e. Following shall be the additional considerations in determining the materiality thresholds as stated above:

- materiality to be assessed at the level of each individual disclosure requirement and, where relevant, on an aggregate basis; and
- additional considerations to be taken into account by the Company when they are considered as plausible and objectively reasonable.

3. As specified in Para C of Part A of Schedule III of the Regulations, the Company shall promptly disclose any other information/event viz., major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the financial statements of the Company and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

***DISCLOSURE OF EVENTS / INFORMATION:***

- Any event required to be reported under Regulation 30 of the Regulations shall be informed to the Managing Director or Chief Financial Officer of the Company on an immediate basis with adequate supporting data or information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation to the Chief Financial Officer. The process of disclosure shall be in line with the process set out under the "CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION".

- The Managing Director and the Chief Financial Officer of the Company shall severally be responsible and authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this Policy.

- The contact details of the persons authorised to determine materiality of events under this Policy are as follows:

K B S Anand, Managing Director & CEO
Asian Paints Limited
6A Shantinagar, Santacruz (East),
Mumbai – 400 055
Email: kbs.anand@asianpaints.com
Phone: 022 39818000

Jayesh Merchant, Chief Financial Officer
Asian Paints Limited
6A Shantinagar, Santacruz (East),
Mumbai – 400 055
Email: jayesh.merchant@asianpaints.com
Phone: 022 39818000

- The Managing Director, the Chief Financial Officer & Company Secretary of the Company shall severally be responsible and authorised for dissemination of such events and information in accordance with provisions of the Regulations or any other law as may be applicable.

- The Company shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and in accordance with the provisions of the Regulations, as may be amended from time to time.

- The disclosures made under the Regulations shall be hosted on the website of the Company (www.asianpaints.com) and simultaneously communicated to the Stock Exchanges in the permitted mode. All disclosures shall be available on the website of the Company for a period of 5 years in accordance with the Archival Policy of the Company.

## AMENDMENTS TO THE POLICY

The Company is committed to continuously reviewing and updating our policies and procedures. Therefore, this policy is subject to modification. Any amendment of any provision of this policy must be approved in writing by the Company's Board and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment.

## ANNEXURE I: PARA A OF PART A OF SCHEDULE III OF THE REGULATIONS:

**Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation.- For the purpose of this sub-para, the word 'acquisition' shall mean,-

i. acquiring control, whether directly or indirectly; or,

ii. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -

a. the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;

b. there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.

3. Revision in Rating(s).

4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;

b) any cancellation of dividend with reasons thereof;

c) the decision on buyback of securities;

d) the decision with respect to fund raising proposed to be undertaken

e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;

f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;

g) short particulars of any other alterations of capital, including calls;

h) financial results;

i) decision on voluntary delisting by the listed entity from stock exchange(s).

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.

6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.

8. Appointment or discontinuation of share transfer agent.

9. Corporate debt restructuring.

10. One time settlement with a bank.

11. Reference to BIFR and winding-up petition filed by any party / creditors.

12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.

13. Proceedings of Annual and extraordinary general meetings of the listed entity.

14. Amendments to memorandum and articles of association of listed entity, in brief.

15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

## ANNEXURE II:

Illustrative list of events which shall be disclosed upon application of the guidelines for materiality:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.