

APL/SEC/01/2015

12th January, 2015

National Stock Exchange of India Limited
The Listing Department,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051

Dear Sir(s),

Re: Your email dated 12th January, 2015 regarding 'News Clarification – Asian Paints'

This is with reference to news item appearing in 'The Business Line' dated January 10, 2015, Page No. 11, captioned "Asian Paints in talks for Rs. 2,500-cr project in South". We would like to state the following in this regard:

1. The Company has been exploring the possibility of setting up a paint manufacturing plant and is in talks with some of the Southern States of the country since the last four to five years. It usually takes three to four years for the Company for setting up a paint manufacturing plant including acquisition of land, obtaining all necessary environmental and other clearances and approvals. The final capacity of the proposed paint plant will be dependent on the location and area of the land allotted to the Company. The cost of setting up a manufacturing plant of a capacity in the range of 4,00,000 KL to 6,00,000 KL, subject to various factors would be approximately Rs. 2000 crores to Rs. 2500 crores. Since the Company has not been allotted the required land and pending other approvals, as may be required for setting up the said manufacturing facility, the Company has not made any announcements in this regard. We trust this clarifies the matter.

As soon as the required land is allotted to the Company and necessary approvals for setting up of the paint plant are granted by the concerned State Government, the Company will promptly make appropriate disclosures including the location and the details of the investment.

2. As regards the Company's greenfield venture in Indonesia is concerned, the Company vide its letters dated 22nd August, 2014 and 1st October, 2014 had made announcements, that the Company had made an application for investment approval for setting up a greenfield paint manufacturing facility in Indonesia. The Badan Koordinasi Penanaman Modal ("BKPM"), the Investment Coordinating Board of Republic of Indonesia had approved the investment application and issued a principal license for setting up manufacturing facility. The Company had further informed that the further steps to be taken for setting up the greenfield operations in Indonesia will be subject to necessary regulatory and other approvals.



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3. Regarding the Company's proposed acquisition of 51% stake in Kadisco Paint and Adhesive Industry Share Company, Ethiopia, (Kadisco) the Company had made announcement dated 22nd October, 2014, wherein the Company had stated that, Berger International Limited, Singapore (indirect subsidiary of the Company) had signed the Share Purchase Agreement and other definitive agreements and documents to acquire 51% stake in Kadisco. The Company had further stated that the acquisition would be subject to regulatory approvals.

This is for your information and record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

A handwritten signature in blue ink, appearing to read 'Jayesh Merchant', written over the printed name.

JAYESH MERCHANT
CFO & COMPANY SECRETARY,
PRESIDENT – INDUSTRIAL JVs