Asian Paints Limited
6A & 6B, Shantinagar,
Santacruz (East)
Mumbai 400 055
Maharashtra, India
T : (022) 6218 1000
www.asianpaints.com

APL/SEC/26/2026-27/7

12th June 2026

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Security Code: 500820

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Symbol: ASIANPAINT

Sir/Madam,

**Sub: Integrated Annual Report for the financial year 2025-26 and Notice convening the 80th Annual General Meeting of the Company**

This is with reference to our letter no. APL/SEC/57/2026-27/4 dated 29th May 2026, wherein it was informed that the 80th Annual General Meeting ("AGM") of the Company is scheduled to be held on Thursday, 9th July 2026 at 11:00 a.m. IST through video conference and/or other audio visual means.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening the 80th AGM and the Integrated Annual Report of the Company, including the Business Responsibility and Sustainability Report, for the financial year 2025-26.

Further, the Notice of the AGM and the Integrated Annual Report of the Company for the financial year 2025-26 is being sent through electronic mode to all those shareholders of the Company whose email addresses are registered with the Company/Registrar and Share Transfer Agent ("RTA")/Depository Participant(s) and the physical copies of the same will be provided to the shareholders on request. For those shareholders who have not registered their email addresses, a letter providing the weblink from where the Notice of the AGM and Integrated Annual Report for the financial year 2025-26 can be accessed is being sent.

The Notice of the AGM along with the Integrated Annual Report for the financial year 2025-26 is also uploaded on the Company's website at https://www.asianpaints.com/AnnualReports.html and the website of National Securities Depository Limited at www.evoting.nsdl.com.

You are requested to take the above information on record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

JEYAMURUGAN RAMALINGAM JEYAPANDIYAN
Digitally signed by JEYAMURUGAN RAMALINGAM JEYAPANDIYAN
Date: 2026.06.12 15:57:21 +05'30'

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

Encl.: As above




# Bringing joy to people's lives®

Responsible. Resilient. Radiant.

asianpaints

Integrated Annual Report 2025-26

# Bringing joy to people's lives®

## RESPONSIBLE. RESILIENT. RADIANT.

At Asian Paints, every stroke of colour carries a deeper purpose - to transform spaces into expressions of joy, warmth and belonging. In FY 2025-26, we continued this journey with a renewed commitment to **bringing joy to people's lives.**

As India's leading paint and décor brand and among the world's foremost decorative coatings companies, we are constantly and responsibly reimagining how homes and spaces can inspire emotion and elevate everyday living while building the resilience to adapt, innovate and lead in a dynamic environment. Our radiance extends beyond our products - shaping experiences, enhancing lifestyles and building enduring connections with Millions of consumers.

Guided by our innovative spirit, we continue to embark on a journey that inspires us not only to transform living spaces but also to enrich lives.

# INSIDE OUR CANVAS

PINK MIST
8092




## IMPACT THAT TRANSCENDS JOY

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## RESPONSIBLE

Responsibility at Asian Paints extends beyond business, embedded in how we shape a sustainable and inclusive future. Our approach spans environmental stewardship, ethical governance and social transformation. From advancing green manufacturing practices and reducing environmental impact to strengthening ethical and governance frameworks, we are committed to building a business that is future-ready and accountable. At the same time, our St+art interventions offer a meaningful expression of responsibility, reimagining urban landscapes and transforming public spaces into vibrant expressions of community and creativity.

## RADIANT

Radiance lies at the heart of everything we create through the celebration of colour and creativity. It adds life and meaning to spaces, pushing the boundaries of décor, offering consumers a rich universe of possibilities to express their individuality. From leveraging advanced colour systems like Chromacosm - the world's largest colour system, to pioneering premium décor offerings through Nilaya Anthology, we are shaping the future of interior aesthetics. Our innovations encompass platforms like the Glitz Guide, to new introductions across paint, waterproofing, lights and kitchen categories, spreading joy in every corner.

## RESILIENT

In a rapidly evolving market, resilience reflects Asian Paints' tenacity to adapt, innovate and lead with confidence.
Our enduring strength lies in our agility - empowering us to promptly respond to changing consumer aspirations, navigate competitive dynamics and continuously redefine industry benchmarks. Our focus on brand building and innovation remains central to this resilient mindset. By investing in cutting-edge solutions, expanding our product portfolio and strengthening our consumer connect, we continue to emerge stronger, sharper and more relevant with every change.



ASIAN PAINTS COLOUR
OF THE YEAR 2026

# moonlit silk

7809

A CELEBRATION OF SLOW JOY

A warm, luminous green with hints of yellow, Moonlit Silk seems familiar yet quietly radiant. A tender pause in a chaotic landscape, it reflects a growing desire to slow down and embrace the comfort. The emotional ease of Moonlit Silk mirrors the beauty of unscripted moments, evoking the gentle glow of worn pages, the soft light of home at dusk, and the sight of freshly churned butter melting on warm toast - simple pleasures that keep us deeply grounded. The calming hues of Moonlit Silk becomes a soothing anchor for contemporary spaces seeking warmth, quiet confidence and enduring relevance.

MOONLIT SILK
7809

Click here
to access the ColourNext forecast Report 2026

Scan QR to watch the video or click here

# About this Report

The Integrated Annual Report of Asian Paints Limited presents a comprehensive overview of our financial, operational and sustainability performance for the year.

Going beyond financial reporting, the Report captures our non-financial performance, key opportunities, risks and outcomes associated with our stakeholders, reflecting our ability to create long-term value. Guided by our ESG framework, we embed responsible practices into the way we operate, innovate and grow, while staying true to our purpose of bringing joy to people's lives.

## Reporting scope and boundary

All reported financial numbers pertain to standalone and consolidated operations of Asian Paints Limited. All reported non-financial and operational numbers pertain to standalone operations of Asian Paints Limited, unless otherwise specified.

## Reporting period

1ST APRIL 2025 TO 31ST MARCH 2026

## Statutes, frameworks, guidelines and standards

This report has been prepared in accordance with the <IR> framework published by the International Financial Reporting Standards Foundation (IFRS). It has been prepared in accordance with the following statutes, frameworks, guidelines and standards:

- Companies Act, 2013 (and the rules issued thereunder)
- Indian Accounting Standards
- Securities and Exchange Board of India Act, 1992 (and the regulations issued thereunder)
- Secretarial Standards issued by the Institute of Company Secretaries of India
- National Guidelines on Responsible Business Conduct (NGRBC)

This Integrated Annual Report is aligned to the following standards and frameworks:

- Global Reporting Initiative (GRI) Standards 2021
- United Nations Sustainable Development Goals (UN SDGs)
- Task Force on Climate-related Financial Disclosures (TCFD)
- IFRS Sustainability Disclosure Standards

Double Materiality Assessment has been undertaken with reference to the methodology recommended by European Sustainability Reporting Standards - ESRS 1 and in alignment with guidance provided by European Financial Reporting Advisory Group.

**Frameworks & Standards**

TCFD IFRS® GRI

**Rating agencies**

CDP S&P Dow Jones Indices A Division of S&P Global MSCI

**Contribution to UN SDG's**




MARITIME GREEN 7455

## External assurance

### Financial information

Standalone and Consolidated Financial Statements have been audited by Deloitte Haskins & Sells LLP ('DHS'), Chartered Accountants, Statutory Auditors.

### Non-financial information

Reasonable and limited assurance on the agreed indicators in the Integrated Annual Report (including the Business Responsibility and Sustainability Report) has been provided by DHS.

Assurance on the process and methodology of the Double Materiality Assessment has been provided by DHS.

## Board Responsibility Statement

The Board acknowledges its responsibility to ensure the integrity of this Integrated Annual Report. In the Board's opinion, this report addresses all issues that are material to Asian Paints' ability to create value and presents a balanced overview of Asian Paints' performance.
**The Board of Asian Paints approved this Integrated Annual Report on 29th May 2026.**

## Forward-looking statements

Certain statements in the report regarding our business are forward-looking statements. These include all statements, other than those of performance highlights and historical facts, including those regarding the market and financial position, business strategy, and objectives for future operations. Forward-looking statements shall be identified by words such as 'anticipates', 'expects', 'intends', 'may', 'will', 'believes', 'estimates', 'outlook' and other words of similar meaning in connection with a discussion of future operational, environmental, social and financial performance. Forward-looking statements are necessarily dependent on projections and trends and constitute our current expectations based on reasonable assumptions. Actual results could differ from the projected in any forward-looking statements due to risks and uncertainties and other external factors.

## Share your feedback or queries on this Report

**R J Jeyamurugan**
CFO & Company Secretary
+91-22-62181188
investor.relations@asianpaints.com
Asian Paints Limited, 6A & 6B, Shantinagar, Santacruz (East), Mumbai - 400055, Maharashtra, India

## How to read this report

Jump marks are linked to content within the PDF.

The 'Online' icon links to additional content on the Internet.

GRI 2-1 Organisational details, GRI 2-2 Entities included in the organisation's sustainability reporting, GRI 2-3 Reporting period, frequency and contact point, GRI 2-5 External assurance

# FY 2025-26 HIGHLIGHTS

## FINANCIAL PERFORMANCE

**₹30,680.2 Crores**
Revenue from sale of products and services
↑ 4.3%

**₹7,113.1 Crores**
Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA)
↑ 12.43%

**₹5,566.7 Crores**
Free cash flow
↑ 110.4%

**28.9%**
Return on Capital Employed (RoCE)
FY25: 28.4%




Note: Figures pertain to standalone financial performance

## SUSTAINABLE OPERATIONS^

**69.2%**
Reduction in our absolute Scope 1 and 2 GHG emissions*

**24.7%**
Reduction in specific electricity consumption*

**25,323 Tonnes**
Recycled plastic used in packaging

**56.5%**
Share of renewable electricity in total electricity consumed across paint manufacturing facilities

**589%**
Water replenishment
Page 112

## SYNERGISING RELATIONSHIPS

**945,000+**
Participants trained at Beautiful Homes Academy

**82%**
Employee engagement score

**1.27**
Total Recordable Frequency Rate (TRFR)

**73.6**
Net Promoter Score (NPS)
Page 134

## GOVERNANCE

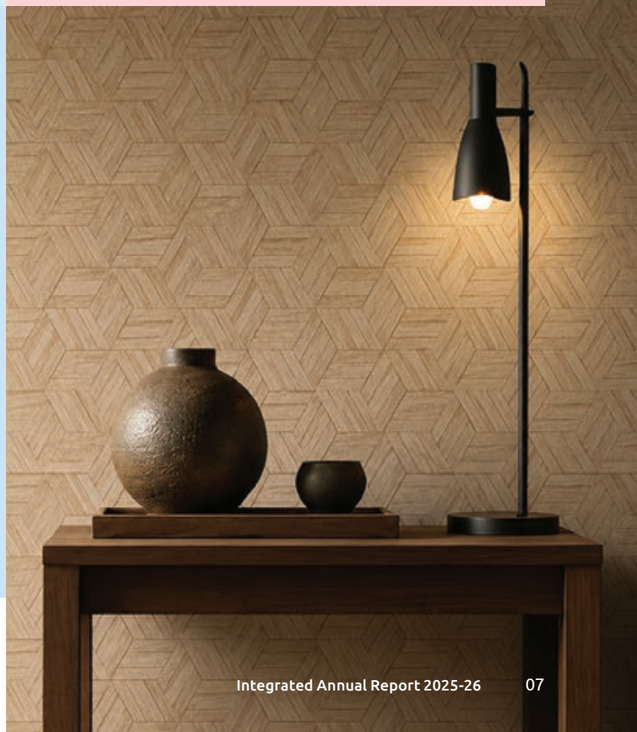
**50%**
Independent Directors on the Board@

**50%**
Time spent by the Board of Directors on strategic matters

**5 out of 6**
Committees chaired by Independent Director

**Leadership**
Recognition by IiAS

**AA**
ESG rating by MSCI
Page 182



* Baseline year is FY 2013-14 | @ As on 31st March 2026
^ Figures relate to decorative paint manufacturing units



ENVIRONMENT

# SUSTAINABLE OPERATIONS^

## ENERGY

| Metric | Baseline value | Performance 2025-26 | Target 2030 |
|---|---|---|---|
| Reduction in specific electricity consumption per KL of finished product (KWh/KL) | **116** FY 2013-14 | **87.3** ↓ 25% | **54.4** ↓ 53% |
| Renewable electricity in total electricity consumed across factories (%) | **0.1** FY 2013-14 | **56.5** | **100**@ |

## PRODUCT STEWARDSHIP

| Metric | Baseline value | Performance 2025-26 | Target 2030 |
|---|---|---|---|
| Greenhouse Gases (GHGs) footprint reduction through formulation optimisation ($tCO_2e$) | **3,700** FY 2020-21 | **139,013** Cumulative reduction from FY 2022-23 | **120,000** Cumulative reduction from FY 2022-23 |
| Renewable/bio-based raw materials in product offerings (%) | **6.5** FY 2020-21 | **7** 7.7% Increase in renewable content | **30%** Increase in renewable content |
| Lead and heavy metals-free paint | **100%** Products free of lead and added heavy metals FY 2020-21 | **100%** Architectural coatings free of lead and heavy metals | **100%**$ Architectural coatings to be lead and heavy metals-free |
| Minimising/eliminating the use of CMR* raw materials (Kg/KL)<br>*CMR stands for carcinogenic, mutagenic and reprotoxic substances. | **19.9** with styrene FY 2020-21<br>**4.5** without styrene FY 2020-21 | **23.2** ↑ 17%<br>**3.8** ↓ 15% | **25%** reduction |

## WATER NEUTRALITY

| Metric | Baseline value | Performance 2025-26 | Target 2030 |
|---|---|---|---|
| Reduce specific non-process water intensity (KL/KL) | **0.97** FY 2013-14 | **0.44** ↓ 54% | **0.24** ↓ 75% |
| Water replenishment as a percentage of freshwater consumption (%) | **0.1** FY 2013-14 | **589** | **600** |

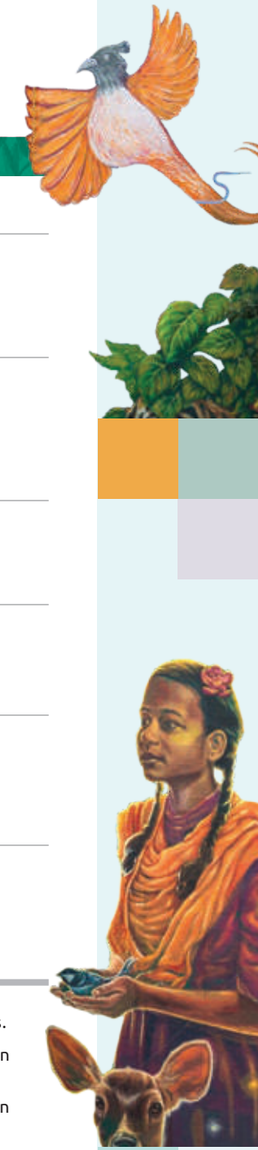
## NATURE POSITIVE

| Metric | Baseline value | Performance 2025-26 | Target 2030 |
|---|---|---|---|
| Collection points for plastic packaging from painters and consumers across states | **-** | **31 points** across 10 town/cities | **500 points** across 100 town/cities |
| Proportion of recycled plastic used in our packaging (%) | **7** (20% in GS-11 products) FY 2020-21 | **40** | **60** |
| Reduction in specific hazardous waste per KL of finished product (Kg/KL) | **2.7** FY 2013-14 | **0.82** ↓ 70% | **0.45** ↓ 83% |
| Reduction in specific non-hazardous waste per KL of finished product (Kg/KL) | **14.1** FY 2013-14 | **6.45** ↓ 54% | **6.0** ↓ 57% |
| Reduction in specific effluent generated per KL of the finished product (L/KL) | **82.4** FY 2013-14 | **17.5** ↓ 79% | **15.8** ↓ 81% |
| Reduction in specific (Scope 1 & 2) emission per KL of finished product ($KgCO_2e$/KL) | **131.2** FY 2013-14 | **40.5** ↓ 69% | **26.2** ↓ 80% |

^ The energy, emissions, water, waste and wastewater indicators pertain to decorative paint manufacturing factories.

@ We aspire to achieve 100% renewable electricity share subject to state policies relating to minimum grid utilisation requirements and banking policies.

$ No heavy metals are added to products as part of our formulation. We intend to measure heavy metals contained in raw materials and eliminate these and make our products free from heavy metals.





SOCIAL

## SYNERGISING RELATIONSHIPS

### CUSTOMER CELEBRATIONS

| Metric | Baseline value | Performance 2025-26 | Target 2030 |
|---|---|---|---|
| St+art/community sites | - | 700 | 1,000 |
| Net Promoter Score (NPS) | - | 73.6 | 70 |

### COMMUNITY OWNERSHIP

| Metric | Baseline value | Performance 2025-26 | Target 2030 |
|---|---|---|---|
| Participants trained at Asian Paints Beautiful Homes Academy | 199,000+ FY 2020-21 | 945,000+ | 1,000,000 |
| Beneficiaries impacted through healthcare initiatives | 170,000+ FY 2020-21 | 259,000+ | 650,000 |

### WATER STEWARDSHIP

| Metric | Baseline value | Performance 2025-26 | Target 2030 |
|---|---|---|---|
| Water harvesting potential created as % of annual freshwater consumption every year (%)^ | 8.1 FY 2013-14 | 431 | >70 |

### ENERGISING, EQUITABLE & INCLUSIVE WORKPLACE

| Metric | Baseline value | Performance 2025-26 | Target 2030 |
|---|---|---|---|
| Employee engagement score (%) | 67 FY 2020-21 | 82 | 80 |
| Psychological safety score (out of 10) | - | 7.9 | 7 |
| Wellness initiative score (out of 10) | - | 9 | 8 |

### SAFE WORKPLACE

| Metric | Baseline value | Performance 2025-26 | Target 2030 |
|---|---|---|---|
| Total Recordable Frequency Rate (TRFR) | 2.9 FY 2020-21 | 1.27 | </= 0.80 |
| Total Severity Rate (TSR) | 200 FY 2020-21 | 106.4 | </= 100 |
| Process Safety Event Rate (PSER)# | - | 0.426 | </= 0.165 |

# During the year, the safety promise has been upgraded to include a comprehensive metric covering Tier 1 & Tier 2 Process Safety Management incidents by way of PSER.

^ The indicator pertains to decorative paint manufacturing factories.



## GOVERNANCE

| Metric | Target 2030 |
|---|---|
| **World-class governance** | Committed to be a leader in ESG assessments |
| **Sustainable supply chain management** | Proactive engagement with value chain partners to educate, empower, and align them with our ESG commitments |



# CORPORATE OVERVIEW



SPRING DEW
7348

MORNING GLORY
0765

MILITARY BOOTS-N
9885

DUSK BLUE
7382



JAIPHAL DUST-N
9880

## IN THIS SECTION


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22 Our global footprint

24 Chairman's letter

28 MD & CEO's message

34 Board of Directors

At Asian Paints, we always aspire to be closer to our customers, willing to meet the diverse expectations of a vibrant customer base with a paint palette that is as extensive as India's rich heritage and culture. From offering the finest colours to vivid home décor solutions, we have adopted an innovative approach to transform living spaces and adding joy and bringing happiness home.

# INDIA'S LEADING PAINT COMPANY

**2,290,000** KL/ANNUM
We have installed in-house decorative paint manufacturing capacity in India^

**16,000+**
Employees globally, including 251 scientists

**25^**
In-house paint manufacturing facilities worldwide

**60+**
Countries served

**56 Lakhs+**
Beautifulhomes.com visitors during the year

**74**
Beautiful Homes stores across India

**#2**
Paint Company in Asia

**#1**
Integrated home décor player

**#8**
Paint Company in the world

**#2**
In fabrics and furnishing

**#1**
In decorative lighting



^ In addition, our Company has also tied up with Outside Processing Centres (OPCs) for manufacture and purchase of certain products.

## LIVING THE AP CHARTER

**We are Asian Paints, delivering joy since 1942.**

We are in the business of colour, décor, design and protection, we make anything & everything beautiful and lasting.

Being innovators, we transcend global boundaries and are the preferred brand.

We are dynamic and disruptive. Constantly redefining trends with world-class solutions, inspiring consumers to realise their dreams.

We are committed to sustainability and safety.

We are creative. Co-creating and partnering with customers and stakeholders, transforming billions of living spaces and objects.

We are an inspiring and inclusive workspace.

We exist to beautify, preserve, transform all spaces and objects, bringing happiness to the world.

### WE VALUE

**Standing for each other's success**
Always being selfless, ensuring success of all groups and individuals, like we would for ourselves

**Creative zeal**
Passionately striving to cause disruption by a constant search for innovative, out of the box and differentiated solutions and executing with velocity and attention to detail

**Integrity**
We honour our word, always

**Audacity**
Fearless in challenging the usual way of doing things, stretching for bold goals as a way of life

**Scientific rigor**
Adopting a data-analysis driven approach to decision-making and continuous experimentation towards building world-class practices and products

**Customer passion**
Treating our customers the way we would want to be treated. Customer First!

**We dare. We care. We create beautiful worlds. You can count on us.**

## OUR BRANDS

asianpaints · asianpaints BERGER · asianpaints CAUSEWAY · apco · ESSESS by asianpaints · KADISCO by asianpaints · TAUBMANS · WT THE WHITE TEAK COMPANY by asianpaints · scib Paints · PPG asian paints · Sleek KITCHENS by asianpaints · Weatherseal European Windows and Doors by asianpaints · NANOVA CARE COAT · asian paints PPG · asianwhite

# BUSINESS SEGMENTS



## DECORATIVE

India's leading paint and décor Company offering wide range of products and services along with largest-of-its kind painting service in the world.

**Offerings**
Interior and Exterior wall finishes, Wood finishes, Waterproofing, Enamels, Adhesives, Tools, Undercoats



## HOME DÉCOR

Expansive offering to provide a complete one-stop home décor solution to customers.

**Offerings**
Modular kitchens and wardrobes, Bath fittings and sanitaryware, Decorative lightings, uPVC windows and doors, Wall coverings, Furniture, Fabric & Furnishings, Rugs

**Decorative and Home décor**

**₹ 30,830.4 Crores**
**86.8% share of revenue**



## INTERNATIONAL

Taking forward the legacy of Asian Paints to cater to a wide cross-section of customers across geographies and bring delight to Millions of households.

**Regions**
Asia, Middle East, Africa, South Pacific



## INDUSTRIAL

Provider of high-quality custom-formulated products for the automotive and industrial business.

**Entities with their offerings**

**PPG Asian Paints Pvt. Ltd. (PPG-AP)**
Automotive (OEM & refinish), General industrial, Packaging & Marine

**Asian Paints PPG Pvt. Ltd. (AP-PPG)**
Industrial protective coatings and powder coatings

**International**

**₹ 3,353.6 Crores**
**9.4% share of revenue**

**Industrial**

**₹ 1,332.4^ Crores**
**3.8% share of revenue**

Note: Revenue represents revenue from sale of products and services

^Excluding PPGAP revenues as it is an Associate Company.





# OUR GROWTH ACCELERATORS

## MASSIVE UPSURGE ON BRAND BUILDING

By deepening our brand equity and reach, we have evolved from being present on the shelf to earning a meaningful place in the minds of consumers across the nation.

Read more on Page 142

## REGIONAL MARKET IGNITION

We are tailoring our products and packaging to specific market sensibilities and sharpening our competitive edge.

Read more on Page 144

## DIALING UP THE INNOVATION QUOTIENT

Our groundbreaking products and disruptive initiatives have crafted a differentiated portfolio, inspiring the future of paint technologies.

Read more on Page 100

## WIDENING THE NET IN B2B

Expansion of our B2B horizon has diversified our portfolio and broadened our reach to uncover powerful new revenue streams.

Read more on Page 141

## SERVICES IGNITION

With a continued focus on services as a differentiator, leveraging AI and technology, we are empowering our service ecosystem and moving closer to our customers.

Read more on Page 21

## BACKWARD INTEGRATION

We are capitalising on opportunities within our value chain to ensure cost efficiency and expand our capabilities to introduce differentiated products, retaining our competitive edge.

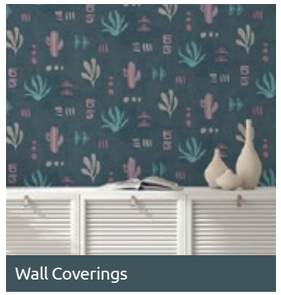
Read more on Page 106

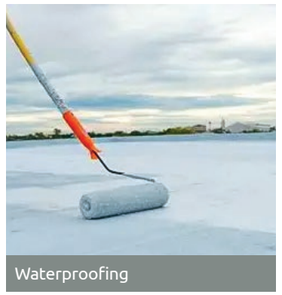
BAMBOO STRAW-N 9878

# PRODUCTS

We bring the transformative power of Colour and Décor to life through a portfolio of Decorative and Industrial paints, home décor solutions, and integrated offerings underpinned by a strong legacy of innovation. Together, catering to the unique needs of a diverse customer base, these capabilities cover interior and exterior spaces, enabling us to spread Asian Paints' radiance across homes, communities, and industries to create environments that inspire, endure, and bring delight.


Paints


Wall Coverings


Waterproofing

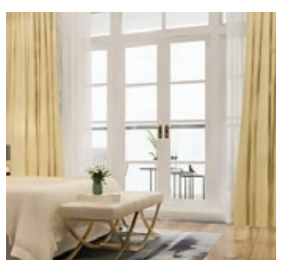

Adhesives


Bath fittings and Sanitaryware


Modular Kitchens and Wardrobes


Furnishings


Decorative Lightings


uPVC Windows and Door Systems

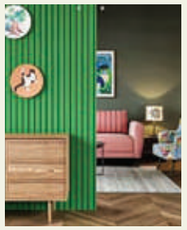

Furnitures


Textures and Painting Aid


Mechanised Tools

## OUR PAINT OFFERINGS

Interior Paints



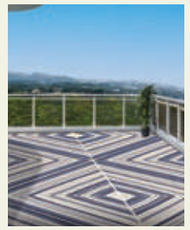
Exterior Paints



Wall Textures



Waterproofing



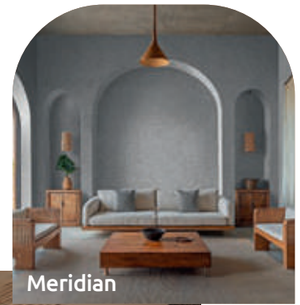
Wood Paints

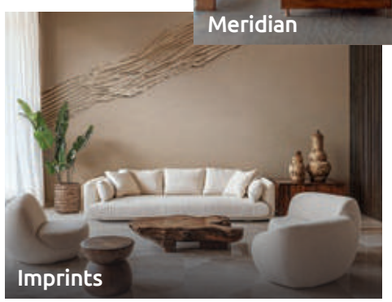


Metal Paints



## NEW LAUNCHES


Meridian


Imprints

### Royale Play

**Imprints | Meridian**

The Royale Play series introduces two premium collections: Luxe Imprints, offering designer wall textures etched with global sophistication, and Meridian, which innovatively mimics leather, lime, stone, and concrete. Together, they redefine interior depth, blending timeless materials with modern craftsmanship to create bold, personalised, and statement-making surfaces.




### Ultraa Range

**Tractor Ultraa Emulsion**

**Apex Dust Proof Ultraa**

**Ace Ultraa Exterior Emulsion**

The Ultraa range offers additional coverage and lasting finish. With its unique water-resistant and dust-proof range, the exterior emulsion as well as the interior paint is an excellent choice for the economy segment.




### SmartCare Damp Secure

Damp Secure Primer offers a never-before exterior primer proposition with a 3-year waterproofing warranty. It is extremely resistant to water absorption, alkali attack and efflorescence. It is renowned for long-term exterior protection.

## NEW LAUNCHES (CONTINUED)




### WoodTech PU Gold

PU Gold is an advanced PU designed to deliver enhanced protection and durability, along with first-of-its-kind packaging. Its key differentiator is its built-in termite-repellent technology, which forms a protective barrier and improves the long-term durability of wooden surfaces. This product is offered in both Gloss and Matt finishes.



### Wood Finishes- Chrome & Metallics

It is a landmark innovation offering 100+ designer chrome and metallic wood shades. Its designer look and timeless elegance make it the first choice of architects and home décor professionals, transforming wooden furniture into a luxurious and unique masterpiece.




### Spark Shyne

**Tractor Sparc Shyne**

**Ace Sparc Shyne**

One affordable sheen solution for every space. Sparc Shyne combines affordable finish and lasting appeal; Tractor Sparc Shyne for interior surfaces and Ace Sparc Shyne for exterior surfaces.

### Bath Fittings



A new series of bath products was launched, led by the Bathsense Canvas series, which expanded its lineup with Santorini Blue, a Mediterranean-inspired colour combining distinctive design with advanced surface innovation. This range was further extended by Canvas Play, an addition introduced to enhance design flexibility through a vibrant mix-and-match colour approach.

### Arazzo Kitchens & Wardrobes



**Arazzo** redefines premium living by blending Italian design with European precision. Offering bespoke, personalised kitchens and wardrobes, the brand expands across India, delivering practical luxury and refined global aesthetics.





OUR GROWTH ACCELERATORS

# SERVICES IGNITION

Our continuous focus on innovative services is a key growth accelerator, marking a strategic shift from a product-centric model to an integrated products-and-services platform enabling us to expand our offerings, unlock new revenue streams and deliver a differentiated value proposition to customers.




## BEAUTIFUL HOMES PAINTING SERVICES

Beautiful Homes Painting Services is designed to simplify the painting journey for homeowners through tailored colour guidance, trained applicators, and standardised processes with reliable timelines. From interior and exterior wall painting to waterproofing services and wood solutions, Beautiful Homes Painting Services focus on consistent execution, attention to detail and reliable outcomes that ensure superior finishing.

**175,000+**
Customers used the service

**3,900+**
Dealers participated



## TRUSTED CONTRACTOR SERVICE

We connect customers with a trusted network of contractors who have undergone comprehensive training and maintain an enduring relationship with the Company. This consistently ensures high service standards and dependable, high-quality execution from contractors in the area.

**40,800+**
Customers serviced

## ASSURE SERVICES AND METACARE

### Total Assure

Total Assure is a supervision-led service for builders, housing societies, factories and large projects, supported by a digital AI platform for seamless monitoring across the painting cycle.

### Smart Assure

Smart Assure is a waterproofing service designed to help customers address dampness and waterproofing issues through expert guidance.

### Metacare

Provides a dedicated asset management solution for industrial customers, supporting plant maintenance, corrosion control and long-term asset lifecycle protection.

TOTAL ASSURE
SMARTASSURE THE NEXT-GEN WATERPROOFING SERVICE
METACARE Asset Protection Management

## OUR GLOBAL FOOTPRINT

Asian Paints serves a diverse clientele in the Indian as well as in the international markets. With an extensive operating footprint across 14 countries, we have 25 paint manufacturing plants around the world. It has enabled us to deliver innovative and customer-specific products that uphold the highest standards of quality.




### MANUFACTURING LOCATIONS IN INDIA^

**Decorative coatings**

1. **Rohtak**, Haryana **400,000 KL**
2. **Kasna**, Uttar Pradesh **120,000 KL**
3. **Ankleshwar,** Gujarat **250,000 KL**
4. **Khandala**, Maharashtra **400,000 KL**
5. **Patancheru**, Telangana **80,000 KL**
6. **Visakhapatnam**, Andhra Pradesh **300,000 KL**
7. **Mysuru**, Karnataka **600,000 KL**
8. **Sriperumbudur**, Tamil Nadu **140,000 KL**

**Chemicals**

9. **Cuddalore**, Tamil Nadu **12,600 MT** (Pentaerythritol)

**Industrial coatings**

10. **Sarigam**, Gujarat* **14,400 MT**
11. **Taloja**, Maharashtra **21,000 KL**

**Kitchen business**

12. **Pune**, Maharashtra
13. **Wada**, Maharashtra

**Bath business**

14. **Wada**, Maharashtra

**Weatherseal***

15. **Bhiwadi,** Rajasthan
16. **Hoskote**, Karnataka

**Upcoming**

17. **Pithampur,** Madhya Pradesh (Decorative Coatings)
18. **Dahej**, Gujarat (VAM/VAE)

*Facility of subsidiary Company

^Over and above, our Company has also tied up with outside processing centres (OPCs) for manufacturing and purchase of certain products, where we do not have operational control.

Map not to scale

### Africa
Egypt and Ethiopia

**₹ 599.2 Crores**
17% OF INTERNATIONAL BUSINESS

### Asia
Bangladesh, Nepal and Sri Lanka

**₹ 1,410.5 Crores**
41% OF INTERNATIONAL BUSINESS

### Middle East
Oman, Bahrain, UAE and Qatar

**₹ 1,255.4 Crores**
37% OF INTERNATIONAL BUSINESS

### South Pacific
Fiji, Solomon Islands, Samoa and Vanuatu

**₹ 157.8 Crores**
5% OF INTERNATIONAL BUSINESS

**₹ 3,353.6 Crores**
INTERNATIONAL BUSINESS REVENUE FROM THE SALE OF PRODUCTS AND SERVICES

**15**
IN- HOUSE PAINT MANUFACTURING FACILITIES OUTSIDE INDIA

**13**
COUNTRIES IN WHICH WE OPERATE OUTSIDE OF INDIA

Note: Region-wise break-up excludes inter-Company elimination

# Building on a legacy of excellence



**R Seshasayee**
Chairman

**Dear Shareholders,**

There are years that test the strength of a business, and there are years that emphatically reveal its true character. The financial year 2025-26 falls firmly into the latter category. As I reflect on the year gone by, I feel proud of the maturity, agility, and the strategic conviction demonstrated by your Company. In an environment marked by shifting economic currents and unprecedented competitive intensity, the values enshrined in the Asian Paints Charter remained our steadfast guide, allowing us to not just navigate complexity but to harness it for sustainable growth.

To fully appreciate the performance of your Company, it must be viewed against the broader macroeconomic canvas. The global economy this past year was characterised by a distinct dichotomy. While overall global growth bolstered by technological investments demonstrated resilience, it remained below historical averages, heavily clouded by renewed tariff uncertainties, volatile capital flows, and persistent geopolitical friction that introduced intermittent shocks to energy markets and supply chains.

In sharp contrast, India stood out as a beacon of structural stability and continued its growth momentum. The resilience of our domestic economy was evident in the recent GDP numbers, with real annual growth accelerating to 7.7%. This economic growth momentum was supported by sustained government infrastructure outlays, expansion in the manufacturing sector and GST rate rationalisation. The second half of the year also saw revival in demand conditions in both urban and rural markets. The year also witnessed the culmination of a landmark initiative with the Government notifying the consolidation of 29 central labour laws into four Labour Codes. For manufacturing-led businesses, these reforms lead to simpler compliance, formalisation, workforce flexibility and better worker welfare.

Despite the positive economic backdrop, the immediate operating environment within the decorative coatings sector lacked the visible tailwinds of a sustained uptick.

The market dynamics became challenging during the year with an extended monsoon eclipsing festive period and a cautious approach to discretionary category like paints. Industry consolidation late last year further reshaped the competitive landscape, amplifying the elevated competitive intensity witnessed over the past few years.

In such an environment, your Company made a deliberate and confident choice: It executed a comprehensive strategic agenda designed to revive growth in the market while navigating a challenging competitive landscape.



**Our growth philosophy was anchored in a multi-dimensional approach to value creation: Deeply invest in our brand equity, consistently enhance the innovation quotient, systematically enhance our counter share across all geographies, and capitalise on India's sustained growth momentum and rising consumer aspirations.**

Firstly, we continued to aggressively reinforce our brand equity and disruptive innovation. By introducing a wave of novel product propositions and intensifying our marketing efforts, we ensured that Asian Paints remains the first choice for the evolving Indian consumer. This brand elevation was structurally supported by a strategic focus on our premium and luxury portfolios, which has driven healthier realisations.

Secondly, we recognised the sheer diversity of our market and continued our journey towards highly nuanced regionalisation strategies. By tailoring our products to specific traits of region, we were able to stimulate demand with precision. Crucially, we made a concerted push to enhance our counter share. In rural markets, we registered good growth, capitalising on the benefits from the favourable monsoons. Across the network, an array of measures to enhance transparency of feedback from market visits and following it up with streamlined actions helped your Company regain growth momentum.

Furthermore, we significantly scaled our consumer-centric services, recognising that the modern homeowner seeks a seamless, end-to-end experience rather than just a product. Concurrently, we capitalised on the humongous infrastructure and manufacturing push sweeping the nation, accelerating our B2B and Industrial ecosystems. Driven by robust demand from factory expansions and government projects, this segment has evolved into a sustained growth engine.

We also made critical strides in our backward integration journey with progress on our VAM-VAE plant construction in Dahej, Gujarat progressing well. It's a key initiative to help us pivot to next-gen emulsion that will not only offer differentiated product attributes, but also provide significant cost lever.

**In FY 2025-26, we commissioned our White Cement plant in Fujairah, UAE.**

This strategic clarity translated into a more resilient and disciplined operating performance during the year. In India Decorative business, volume growth stood at 8.7%, supported by the depth of the Company's market presence, the strength of its execution engine and sustained consumer engagement. This growth was delivered with clear financial discipline. Ongoing cost optimisation and operating efficiency initiatives enabled the Company to increase brand investments while progressively improving operating margins throughout the course of the year.

The broader coatings portfolio added further strength to the overall performance. The Industrial and Automotive Protective Coatings businesses delivered double-digit growth, driven by focused customer engagement, sharper category execution and continued relevance across end-use segments. Overall coatings volume and value growth, which provides a more representative view of the underlying business momentum, were 9.0% and 5.3% respectively.



Our transition into India's integrated home décor partner remains a relevant, long-term goal. While the broader home décor industry navigated near-term retail headwinds, our underlying infrastructure proved its resilience. The expanding network of Beautiful Homes Stores stood out as a beacon of growth, validating our conviction that offering a comprehensive, tech-enabled home décor experience under one roof resonates deeply with our customers.

The International business delivered revenue growth of 9.4% led by South Asia. Across key markets, the business remained focused on profitability, cash flow discipline and market execution, while navigating competitive intensity and currency volatility. Growth was supported by network expansion, contractor engagement, consumer outreach, premiumisation and product interventions.

Across the portfolio, raw material costs remained benign for most of the year, supporting operating profitability well, enabled through sharp cost optimisation programmes.

The Board has recommended a final dividend of ₹ 23 per equity share for the financial year ended 31st March 2026, subject to shareholders' approval. Together with the interim dividend of ₹ 4.5 per equity share, the total dividend for FY 2025-26 stands at ₹ 27.5 per equity share, reflecting the Company's performance and its commitment to a sustained reward for shareholders.

Our financial success is inextricably linked to our responsibility to the environment and society. Building on the comprehensive assessment of our 2025 targets, the Board is actively steering the organisation toward our rigorous ESG ambitions set for 2030. We remain steadfast in our resolve to align our growth to ecological goals, championing water stewardship, transition to renewable energy, and inclusive community development.

India is on an extraordinary trajectory, brimming with bold reforms and rising aspirations. The evolving landscape calls for pace, imagination, and purpose. The unique competitive moats, profound commercial acumen, agility, and forward-looking mindset of team Asian Paints give me immense confidence that we are exceptionally well-positioned to pioneer the future of our industry. I extend my deepest gratitude to all our stakeholders for their unfailing dedication.

To you, our shareholders, I extend my sincere thanks for your continued trust and partnership. As we step into the new financial year, we do so with renewed vigour, sharper strategic focus and confidence drawn from Asian Paints' enduring legacy since 1942. At a time when geopolitical conflicts continue to cast long shadows across the global economy and society, our vision assumes even deeper meaning. We remain committed to Beautifying, Preserving and Transforming all Spaces and Objects, and through this purpose, bringing happiness to the world.

Warm regards,

**R Seshasayee**
Chairman



# Translating Strategy into Performance




**Dear Shareholders,**

FY 2025-26 unfolded against a global backdrop that remained unsettled for much of the year. While elevated tariffs, volatile capital flows and recurring geopolitical friction created significant uncertainty, global growth ultimately proved more resilient than initially feared, supported in part by technology-led investment.

In India, the broader economy remained supportive, with continued infrastructure activity, manufacturing momentum and improving demand conditions across parts of the consumption basket. In our category, early green shoots were visible in the first half after a challenging FY 2024-25. This improvement, however, did not sustain through the year. A prolonged monsoon compressed the pre-festive painting season and affected demand momentum. At the same time, discretionary spending remained measured for most of the year, while competitive intensity stayed high. In such an environment, disciplined execution and a sharp focus on controllable growth drivers became especially important. Accordingly, we chose to act with intent. Rather than responding passively to market conditions, we accelerated a set of internally driven initiatives designed to stimulate demand, sharpen execution and strengthen our long-term competitive position.

These initiatives were anchored around six key priorities: strengthening brand equity, dialling up innovation, scaling services, deepening regional market execution, widening our B2B opportunity along with accelerating our presence in Industrial coatings and advancing backward integration.

## Strengthening brand equity and consumer connect

The first of our growth initiatives was a decisive step-up in brand building. In a market where consumer attention is fragmented and choice is expanding, we remain convinced that brand salience, cultural relevance and emotional connection are among the most enduring sources of competitive advantage.

We continued to build on the strength of 'Har Ghar Kuch Kehta Hai', a platform that has long defined our emotional relationship with Indian homes. For us, this thought has always stood for far more than just paint on the walls. It reflects identity, aspiration, memory and belonging. During the year, we refreshed this narrative with more contemporary expression while preserving the emotional truth that has made it distinctive over time.

At the same time, we approached brand investments to build deeper cultural engagement. We invoked the overall Warranty story an innovative campaign 'Asian Paints ki Warranty ab har doosra ghar kehta hai'. We embedded Asian Paints into some of the country's most visible and relevant platforms, allowing the brand to participate in everyday cultural moments with much greater immediacy and impact.




**Our association as the Official Colour Partner of the Indian Cricket Team gave us sustained visibility on one of the country's most influential cultural stages.**

Our partnership with Kaun Banega Crorepati, as the programme marked its 25th year, connected us with a format that carries enduring trust and national familiarity. We also integrated deeply with regional editions of Bigg Boss, strengthening our resonance in key linguistic markets, and collaborated with Spotify I-POP to build relevance with younger audiences through a format aligned to contemporary culture and expression.

Together, these efforts helped deepen consumer engagement with the brand while reinforcing aspiration, preference and relevance across markets.

Campaigns across premium and luxury emulsions, décor-led propositions, exterior protection and regionally relevant packs reinforced our relevance across cohorts, geographies and occasions.

I am pleased to share with you that Brand Finance has once again recognised Asian Paints as the world's strongest paints and coatings brand in its 2026 assessment. This is also a measured affirmation of the consistency and relevance that have long shaped brand Asian Paints for the last eight decades.

## Dialing up the innovation quotient

The second initiative was to increase the pace, quality and distinctiveness of innovation. Innovation remains one of the bedrocks of our strategy. During the year, we continued to approach it through two clear lenses: products that are new to the world, and products that bring globally relevant technologies to India in a locally meaningful form.

New products contributed approximately 16% of our overall revenues, reflecting the strength of our R&D pipeline and our ability to translate consumer insights into scalable propositions. We introduced differentiated products across waterproofing, wood finishes and premium and luxury wall finishes.

SmartCare Damp Secure addressed a persistent consumer need by creating a strong base that locks in paint and protects homes from dampness. Apcolite All Protek brought an all-round protection proposition to interior walls through Lotus Effect technology, designed to prevent stains from being absorbed. Nilaya Arc, a lime-based paint, combined environmental consciousness with tactile, rustic aesthetics and allowed consumers to create both solid finishes and special effects. WoodTech PU Gold introduced a first-of-its-kind luxury polyurethane wood finish with termite-repellent technology, offering long-term wood protection across interior and exterior applications.

**We continued to innovate with purpose, combining technology, design and sustainability to create meaningful solutions for consumers and drive premium growth.**

These launches reflect a consistent innovation philosophy: anticipating evolving consumer needs and shaping new solutions through science, design and performance. They also strengthen our ability to premiumise categories, expand use cases and create differentiated propositions across price points.

Our innovation agenda also moved beyond products into design foresight and material intelligence. During the year, we introduced the ColourNext Lab, a dedicated platform for research, experimentation and dialogue across colour, surfaces, finishes, craft and cultural context. Building on the 23-year legacy of ColourNext, the Lab explores future possibilities through research-led inquiry rather than ready-made solutions. ColourNext 2026, with Moonlit Silk as the Colour of the Year, captures emerging shifts in how people seek presence, meaning and emotional grounding in their spaces. It reinforces Asian Paints' role as a thought leader in colour, materials and design.

## Scaling the service platform

The third initiative was to further scale our services platform. Over time, services have become a significant source of differentiation for Asian Paints. They bring us closer to consumers, improve execution quality and expand our role beyond product supply.

Our Beautiful Homes Painting Service continued to scale across the country and remains the largest organised painting service platform globally. Its strength lies in the operating model that supports it: a retailer-led franchise structure, trained painters, and contractors, standardised processes and technology-enabled execution.

This platform is sustained by continuous investment in capability building. We operate 24 Beautiful Homes Academies in Tier I cities and 53 mobile training units, extending training reach into Tier II markets and beyond. During the year, we trained more than 9.45 Lakhs painters and contractors, strengthening execution capability across the ecosystem.

**9.45 Lakhs+**
Painters and contractors trained during the year

Our services agenda also progressed meaningfully in institutional and industrial segments. Total Assure strengthened our proposition for builders, housing societies and large project customers through supervised execution and contractor-linked warranty assurance. Smart Assure extended this approach to waterproofing. Metacare, our asset management service for industrial customers, supported plant maintenance, corrosion management and lifecycle asset protection.




The scale at which we run these service platforms make them distinctly unique. They require trained manpower, technology enablers, process discipline, and sustained investment in execution infrastructure. As they scale, they are strengthening customer trust, improving market access and positioning Asian Paints more firmly as a solutions partner.

## Deepening regional market execution

The fourth initiative was regionalisation. India is not one homogeneous market. Consumer preferences, cultural identities, demand patterns and competitive dynamics vary meaningfully across regions and micro-markets. We therefore sharpened our execution model to reflect this diversity with far greater precision.

Regional and festive packs were introduced across markets, drawing from local culture, art and design cues. The initiative created stronger local resonance and allowed the brand to engage consumers in a more personal and contextually relevant manner. Regional execution was also supported by localised campaigns, sharper dealer engagement and micro-market strategies.

Rural markets demonstrated relative resilience during the year, aided by favourable rainfall and improving sentiment. Urban market also saw some improvement especially in the second half of the year. Our distribution depth helped us capture this opportunity. During the year, we added nearly 6,000 new retail touchpoints. The overall network strength remains one of our strongest competitive advantages. It allows us to convert brand salience, local relevance and product availability into market performance across the length and breadth of the country.




## Widening the net in B2B and industrial opportunities

The fifth initiative was to widen our participation in B2B and industrial opportunities. India's infrastructure build-up and manufacturing sector momentum continue to create large and sustained opportunities across factories, government infrastructure, hospitality, transport, industrial assets and large projects. We therefore expanded our focus beyond conventional builder and housing society segments to participate more meaningfully in this wider infrastructure cycle.

Our B2B business continued to strengthen its solution-led model across the project lifecycle. We also advanced integrated engagement across businesses through coordinated offerings and unified customer interfaces.

The AP Assure digital platform was introduced as a unified interface for institutional customers, consultants, engineers and project stakeholders. It brings together product information, system recommendations, service frameworks, technical publications and solution pathways. This strengthens our ability to offer a more data-driven, customised and collaborative engagement model.

Industrial coatings continued to strengthen its position during the year, extending the strong trajectory built over the past few years. The business benefited from sharp improvement in automotive demand post GST rationalisation, continued traction in protective coatings and sustained execution across industrial segments. During the year, we also extended our 50:50 joint venture partnership with PPG Group, USA, for a further 15 years, reinforcing our long-term commitment to the growing Industrial coatings market in the country.

## Advancing backward integration and supply chain resilience

The sixth initiative was backward integration. This remains a long-term strategic journey aimed at strengthening supply assurance, improving cost competitiveness and enabling future product differentiation.

During the year, we commissioned our white cement plant in Fujairah, UAE. The plant has been integrated into the India supply chain, representing an important step in improving supply reliability as well as elevating quality. Over time, it is also expected to support margin resilience.

Our VAM-VAE (Vinyl Acetate Monomer-Vinyl Acetate Ethylene Emulsion) emulsion manufacturing project at Dahej, Gujarat, has also progressed well. This strategic investment is expected to support the next generation of emulsions and provide us with greater control over an important input platform. It will also enhance our ability to develop unique and differentiated product attributes, further enhancing our competitive edge.

The broader supply chain continued to support the business through formulation improvements, sourcing efficiencies, procurement optimisation and cost discipline. Customer service parameters remained strong, with high same-day order fill rates and improved availability across long-tail SKUs. The transformation of our Ankleshwar facility into an automated and flexible manufacturing platform, with a 2.5x increase in capacity, further strengthened our manufacturing capability.



## Building the integrated home décor ecosystem

Alongside these six initiatives, we continued to build our integrated home décor ecosystem, which remains a long-term strategic priority. While the broader home décor industry faced near-term retail headwinds, we stayed focused on portfolio expansion, operational consolidation, service capability and sharper execution.

Our Beautiful Homes Stores network expanded to 74 stores across 20 states. The integration of White Teak and WeatherSeal into the broader décor ecosystem supported category expansion. New offerings such as Struva system aluminium windows, Arazzo luxury kitchens and wardrobes, Bellamore faucets and showers, decorative lighting and premium furnishings strengthened the portfolio.

Our strategy in home décor is clear. We are building a differentiated ecosystem that brings together products, services, design assistance, fulfilment capability and technology-enabled consumer experience. Our focus remains on scaling this opportunity with discipline, improving execution and steadily strengthening the path to profitability.

## Navigating international markets

Our international business operated in a varied macroeconomic environment during FY 2025-26. Raw material trends remained favourable for much of the year, supporting price stability across several markets and allowing our subsidiaries to stay focused on business development in an intensely competitive landscape.

In Bangladesh and Nepal, we remained disciplined on liquidity and working capital management while calibrating demand generation to local conditions. In Sri Lanka, refreshed propositions in premium interior emulsions and exterior waterproofing helped sustain engagement through the year. In Egypt, premiumisation, contractor activation and tighter cost management supported mix improvement in a competitive environment. In Ethiopia, pricing action, sourcing flexibility and cost discipline remained central to navigating inflation and currency pressures. In the Middle East, premium activations, specification-led projects and décor-led retail initiatives helped strengthen visibility and market access. Together, these interventions improved the operating performance of the portfolio and reinforced the long-term position of our international business.

## Technology-enabled capacity building

We are also using technology more deliberately to reshape both customer experience and execution. Our focus is on deploying AI, analytics and automation in areas where they can create clear business differentiation, whether through more immersive visualisation, sharper recommendation engines, more consistent service delivery or stronger frontline productivity. During the year, these interventions were expanded across painting services, project sales, décor and sales operations, while integrated digital platforms improved coordination across categories and touchpoints. Alongside this, we continued to strengthen the resilience of our digital backbone through high-availability systems, observability frameworks and a more robust cybersecurity architecture. The result is a business that is becoming more responsive at the front end and reliable at its core.

## FY 2025-26 performance

This approach delivered tangible outcomes. At a consolidated level, a steady improvement was delivered, with growth visible across all key financial parameters. While revenue expanded at a measured pace, profitability improved more strongly, supported by cost discipline, efficiency programmes and a benign raw material environment for most of the year. More importantly, we continued to invest in the capabilities, platforms and growth engines that will shape Asian Paints over the long term.

## Looking ahead

The business environment will remain dynamic. Competitive intensity, commodity movements, external volatility and supply-chain risks will continue to require discipline. The recent escalation in West Asia has added to the uncertainty clouding the global economy and in particularly on markets like ours with heavy import dependency, especially through its effects on energy, logistics and broader cost structures.



Khandala Plant

**We enter the new financial year with stronger business, a broader opportunity set and a clear conviction in the path ahead. Asian Paints has never been defined only by the markets it serves, but by the capabilities it builds, the trust it earns and the standards it sets for itself.**

At the same time, the long-term opportunity in the markets we operate remains compelling. The year gone by has reaffirmed the value of clarity, discipline and long-term thinking. We enter the new financial year with a broader opportunity set and a clear conviction in the path ahead. Asian Paints has never been defined only by the markets it serves, but by the capabilities it builds, the trust it earns and the standards it sets for itself. It is with that conviction, I remain confident in our ability to deliver sustainable performance over the long term and continue fulfilling the expectations entrusted to us by all our stakeholders with consistency and discipline.

Warm regards,

**Amit Syngle**
Managing Director & CEO

# BOARD OF DIRECTORS



## R Seshasayee

Non-Executive Chairman/Independent

I N

**Age**
77 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **100%**
Committee meetings*: **100%**

**Brief profile**

R Seshasayee, is a Chartered Accountant by qualification and brings decades of rich leadership experience across industries. He served as Managing Director of Ashok Leyland Limited from 1998 to 2011, the Executive Vice Chairman from 2011 to 2013, and the Non-Executive Vice Chairman until 2016. He was the Non-Executive Chairman of IndusInd Bank from 2007 to 2019 and held board positions at ICICI Bank and Infosys, where he also served as Chairman from 2015 to 2017.

A respected thought leader, he has helmed prestigious industry bodies, including as President of the Society of Indian Automobile Manufacturers from 2001 to 2003 and President of the Confederation of Indian Industry from 2006 to 2007.



## Manish Choksi

Non-Executive Vice Chairman/Promoter

I N

**Age**
58 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **100%**
Committee meetings: **100%**

**Brief profile**

Manish Choksi holds a an MBA degree and a Bachelor's degree in chemical engineering from the University of Houston. He joined Asian Paints in 1992 and has held leadership positions across various functions, including Sales, Supply Chain, IT, International Business, Chemicals, and Human Resources. Prior to becoming a Non-Executive Director, he served as President – International Business, IT, HR and Chemicals and was a member of the Executive Council, reporting to the MD & CEO. He led the Company's digital transformation, international growth strategy, and entry into the home improvement segment. He was instrumental in restructuring the Company's joint ventures with PPG Industries Inc., USA, and implementation of the supply chain management solutions.

A recognised IT leader, Manish, has served on the advisory boards of IBM and SAP and is an active angel investor.



## Amit Syngle

Managing Director & CEO

I C

**Age:**
59 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **100%**
Committee meetings: **100%**

**Brief profile**

Amit Syngle holds a MBA degree from the Centre for Business Management (CBM), Panjab University, and a Bachelor's degree in mechanical engineering from Panjab Engineering College. He has been associated with Asian Paints since 1990. He has held key leadership roles in Sales, Marketing, Supply Chain, R&D, and Business Development. As Chief Operating Officer of the Company, he managed the $ 2.5 Billion decorative business, including the then-acquired businesses in home improvement verticals of kitchen and bath. He was appointed as Managing Director & CEO of our Company in April 2020. Since then, he has propelled the brand from a zone of 'share of surface' to 'share of space' in homes, expanding into home décor categories like furnishings, lighting, and furniture. He also spearheaded several new initiatives and innovation platforms, fuelling significant business growth over the past decade.

He is also a member of the Colour Marketing Group, USA, and has been awarded various awards by the Indian and International Marketing fraternities.

### Committees

- A Audit Committee
- S Stakeholders Relationship Committee
- C Corporate Social Responsibility Committee
- N Nomination and Remuneration Committee
- R Risk Management Committee
- I Investment Committee

### Areas of expertise

- Sales and marketing
- International Business
- General management and leadership
- Financial and risk management
- Technical, professional skills and knowledge, including legal, governance and regulatory aspects

Chairperson | Member

*Attendance in Committee meetings also includes attendance of Independent Directors in their separate meetings.

For detailed profiles of the Board of Directors, please click here

# BOARD OF DIRECTORS



## Malav Dani
Non-Executive Director/Promoter

C I

**Age:**
50 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **100%**
Committee meetings: **100%**

**Brief profile**

Malav Dani holds an MBA degree from Columbia Business School and a BSc from Purdue University. He is also a certified Six Sigma Black Belt and alumnus of General Electric's (GE) Information Management Leadership Programme. After six years with GE's Corporate Treasury Department, he joined Asian Paints in 2005 and worked on customer-centric initiatives and became a Non-Executive Director in 2013.

Mr. Malav serves on the Board of Yale University's Jackson School of Global Affairs and has received special congressional recognition from U.S. Congressman Joe Wilson.

A recipient of the Yuva Icon Award by Dr. A.P.J. Abdul Kalam and the Business Excellence and Innovative Best Practices Award by Dr. Pranab Mukherjee, he also chairs and contributes to various industry bodies. He founded the 'Sab Ka Mangal Ho' Foundation for social transformation.



## Amrita Vakil
Non-Executive Director/Promoter

C I

**Age:**
45 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **100%**
Committee meetings: **100%**

**Brief profile**

Amrita Vakil has been a Non- Executive Director at Asian Paints since 2014, where her leadership is centred on driving strategic enhancements across the Company, resulting in organisational success.

Amrita also served as the President of the Rotary Club of Bombay Bayview for FY 2022-23, leading various community initiatives. Her career in HR includes a pivotal role as HR Head at Frost & Sullivan since 2005, as well as an earlier 18-month stint as an HR trainee at Asian Paints in 2003.

With her blend of corporate expertise and dedication to community service, Amrita continues to make a significant impact in both spheres.



## Milind Sarwate
Non-Executive Director/Independent

A R

**Age:**
66 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **100%**
Committee meetings*: **100%**

**Brief profile**

Milind Sarwate is a Chartered Accountant, Cost Accountant and Company Secretary, with a Bachelor's degree in Commerce (Hon.) from the University of Bombay and is a Fulbright–CII Fellow in Leadership in Management from Carnegie Mellon University, USA.

He has held senior leadership roles in consumer companies such as Marico and Godrej, and over the past two decades has served as an Independent Director on multiple boards. His expertise spans financial stewardship, audit and internal controls, corporate governance, risk management, and consumer business.

His Independent Directorships include CEAT, Mahindra Finance, FSN e-Commerce (Nykaa) and Viyash Scientific. He is the Founder and Designated Partner of Increate Value Advisors LLP and Increate Social Value Advisors & Resourcers LLP, and Promoter Director of Increate Foundation.

Milind has received several recognitions, including ICAI CFO Award (2011), CNBC-TV18 Best CFO Award (2012), and induction into the CFO India Hall of Fame (2013).



## Nehal Vakil
Non-Executive Director/Promoter

S R

**Age:**
49 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **100%**
Committee meetings: **100%**

**Brief profile**

Nehal Vakil holds a Bachelor of Arts with specialisation in Finance from the Eli Broad College of Business, Michigan State University – East Lansing, Michigan, USA.

She began her professional journey with Asian Paints in 1999 in the finance department, where she was responsible for monitoring budgets, variance analysis and corporate level financial reporting. She currently oversees operations at Vikatmev Containers Ltd, a prominent container manufacturing enterprise, where she leads growth and profitability strategies. In addition, she manages her family's investment portfolio, working closely with financial advisers to enhance long-term wealth creation and portfolio optimisation.

Nehal is also an avid traveller, an ardent cricket follower, and has a keen interest in movies & music.



## Ireena Vittal
Non-Executive Director/Independent

R A

**Age:**
57 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **86%**
Committee meetings*: **100%**

**Brief profile**

Ireena Vittal holds a Bachelor of Science (Electronics) from Osmania University, Hyderabad, and a Postgraduate Diploma in Business Management from the Indian Institute of Management, Calcutta.

She is widely regarded as one of India's most respected strategy consultants. A former partner at McKinsey & Company, she spent over 16 years advising global corporations on sustainable growth and scalability. She has worked extensively with governments and public institutions to design and implement solutions core to India's development, such as inclusive urban development and sustainable rural growth.

Ireena is an expert in strategy - including digital, financial, marketing (consumer behaviour and insights) and sales/channel evolution and has vast experience in agriculture, urbanisation and the rural sector.

### Committees

- A Audit Committee
- S Stakeholders Relationship Committee
- C Corporate Social Responsibility Committee
- N Nomination and Remuneration Committee
- R Risk Management Committee
- I Investment Committee

### Areas of expertise

- Sales and marketing
- International Business
- General management and leadership
- Financial and risk management
- Technical, professional skills and knowledge, including legal, governance and regulatory aspects

Chairperson | Member

*Attendance in Committee meetings also includes attendance of Independent Directors in their separate meetings.

For detailed profiles of the Board of Directors, please click here

# BOARD OF DIRECTORS



## Soumitra Bhattacharya
Non-Executive Director/Independent

N A I

**Age:**
65 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **86%**
Committee meetings*: **100%**

**Brief profile**

Soumitra Bhattacharya is a Chartered Accountant and holds a Bachelor of Commerce (Accounting & Finance) from Kanpur Vishwavidyalaya, Uttar Pradesh.

He has over 41 years of corporate experience, including 28 years with the Bosch Group. During his tenure, he held several Leadership roles and was CEO and Managing Director of Bosch Ltd. and Regional President for the Bosch Group in India when he retired in June 2023. He is currently Non- Executive Chairman of Bosch Ltd.

Before Bosch, he served in key management positions at Tata Steel (Ipitata), Indian Aluminium Company Limited and Titan (Tanishq). He is currently the CEO and Director of the Indian Foundation for Quality Management (IFQM) and is also chairman & member of the various industry bodies contributing in the areas of quality, innovation, business excellence, building agile corporate environments, economics and finance.



## Gopichand Katragadda
Non-Executive Director/Independent

S C

**Age:**
58 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **100%**
Committee meetings*: **100%**

**Brief profile**

Gopichand Katragadda holds a PhD, Master of Science in Electrical Engineering from Iowa State University, USA, and a BE in Electronics Engineering from Bangalore University.

He is the Founder and CEO of Myelin Foundry, an AI enterprise revolutionising media, industrial IoT, and automotive experiences. In addition to Asian Paints, he also serves as an independent director at Bosch Ltd. and ICICI Securities. He is the immediate past president and currently on the Board of Trustees of the Institution of Engineering and Technology.

Previously, he has held leadership roles as Group CTO and Innovations Head at Tata Sons and Chairman & MD of GE India Technology Centre. He is a GE-certified Six Sigma Master Black Belt, has over 30 journal publications and holds five patents.

He serves as Chairman and member of various industry and academic councils.



## Varun Berry
Non-Executive Director/Independent

N

**Age:**
64 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **86%**
Committee meetings*: **100%**

**Brief profile**

Varun Berry holds an MBA degree from the University Business School, Panjab University, India, and a Bachelor's degree in Mechanical Engineering from Panjab University, India.

With over 39 years of experience across leading organisations, he has held key leadership roles, including at Britannia Industries Limited, where he joined in 2013 as Vice President & Chief Operating Officer and later served as Vice Chairman and Managing Director until stepping down in November 2025.

Before Britannia, he has worked across leading organisations including Hindustan Unilever Limited and PepsiCo in both Indian and global roles, and has led start-ups, business turnarounds and strategic joint ventures.

He also holds a certificate in Strategic Management from the Wharton School and the Global Leadership Programme at IMD, Switzerland.



## Ashish Choksi[$]
Non-Executive Director/Promoter

S R

**Age:**
57 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **100%**
Committee meetings: **100%**

**Brief profile**

Ashish Choksi holds a Bachelor of Arts degree in Economics from the University of Michigan, Ann Arbor, USA. He began his professional journey at Asian Paints in 1992, in Supply Chain division of the Company wherein he was in charge of managing the Original Equipment Manufacturer customers paints requirements.

In 1997, he joined Ricinash Renewable Materials Pvt. Ltd. ('Ricinash'), engaged in the business of oleochemicals derived from renewable, plant-based sources. He is currently working as the Managing Director and CEO of Ricinash.



## Sudhir Sitapati[#]
Additional and Non-Executive Director/ Independent

**Age:**
49 years

**Expertise**

**Attendance in FY 2025-26**
Board meetings: **Not Applicable**
Committee meetings: **Not Applicable**

**Brief profile**

Sudhir Sitapati holds MBA degree from the Indian Institute of Management, Ahmedabad, and a Bachelor of Science in Mathematics with Economics Honours from St. Xavier's College, Mumbai.

He is the Managing Director & CEO of Godrej Consumer Products Limited, a role he has held since 2021, leading the Company's strategic direction and transformation, anchored in its purpose of crafting of goodness of health and beauty for consumers and emerging markets. He chairs the CII FMCG Committee and has previously co-chaired the CII National Committee on Food Processing.

Prior to Godrej, he spent over two decades at Unilever, leading teams across categories and functions in India, Europe, Southeast Asia, and Africa and last served as Executive Director – Foods and Refreshments at Hindustan Unilever Limited. He is the author of the best-selling book, The CEO Factory, and is closely associated with Us Paar, a performing arts residency.

### Committees

- A Audit Committee
- S Stakeholders Relationship Committee
- C Corporate Social Responsibility Committee
- N Nomination and Remuneration Committee
- R Risk Management Committee
- I Investment Committee

### Areas of expertise

- Sales and marketing
- International Business
- General management and leadership
- Financial and risk management
- Technical, professional skills and knowledge, including legal, governance and regulatory aspects

Chairperson | Member

*Attendance in Committee meetings also includes attendance of Independent Directors in their separate meetings

[$]Appointed as Non-Executive Director of the Company with effect from 1st April 2025

[#]Appointed as an Additional and Independent Director of the Company with effect from 29th May 2026

For detailed profiles of the Board of Directors, please click here

# MANAGEMENT DISCUSSION & ANALYSIS



LAVENDER SECRET
7163

PLATINUM ORCHID
NP071

NUR JAHAN
NP058

MARRAKECH HONEY
NP012



KIMONO CREAM
NP009

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# MANAGEMENT DISCUSSION AND ANALYSIS

## MACROECONOMIC LANDSCAPE

The year 2025 was characterised by a resilient but uncertain global macroeconomic environment. While the global growth at 3.4% remained below its historical average, it maintained the pace of last year. Global trade and manufacturing proved more resilient than expected in the face of trade and geopolitical uncertainty accentuated by US tariff announcements. The resilience of global growth reflects tailwinds of fiscal policy and accommodative financial conditions supported by AI-led investment.

Growth trends across major economies remained uneven. The US economy remained relatively resilient, supported by technology-led capital expenditure. Europe witnessed a services-led recovery, while manufacturing competitiveness remained exposed to energy-related risks. China continued to face weak domestic demand and stress in the property sector, although exports remained resilient.

Global financial conditions remained fluid during the year. Major central banks, including the US Federal Reserve and the European Central Bank, moved towards policy easing as inflation pressures moderated from earlier peaks. Japan was an exception, with monetary tightening after a prolonged period of ultra-loose policy. Towards the end of FY 2025-26, escalation in West Asia led to a sharp rise in crude oil prices and renewed concerns around energy security, commodity inflation and supply-chain continuity. These developments brought imported input cost pressures back into focus, particularly for economies dependent on energy and commodity imports.









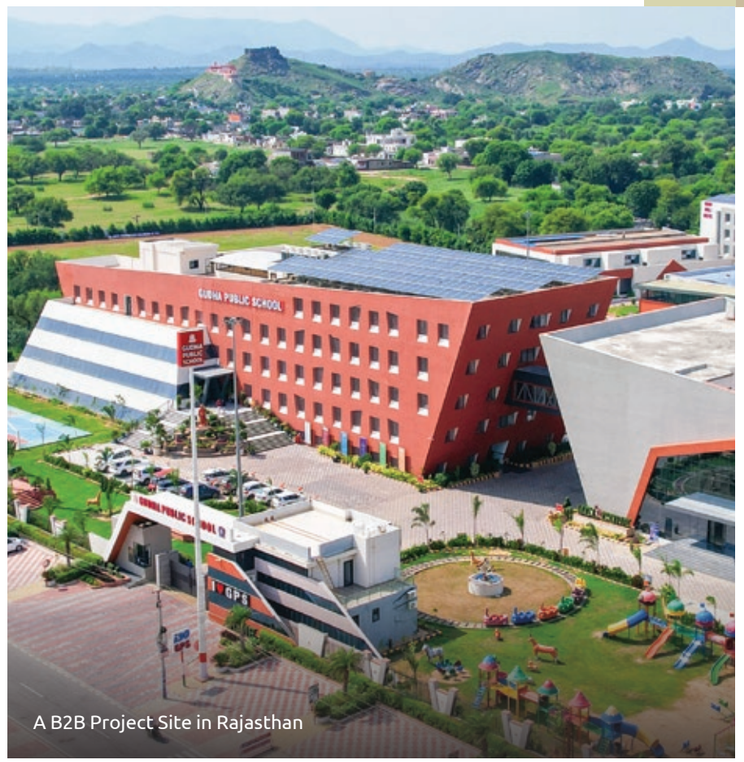
## INDIAN ECONOMY

India's economy remained resilient through the external volatility. During FY 2025-26, India revised the base year for GDP estimates from 2011-12 to 2022-23 to better reflect the evolving structure of the economy. The revised series incorporates improved data sources and methodological refinements to strengthen sectoral representation, granularity and consistency of national accounts. Under the revised series, real GDP growth for FY 2025-26 is 7.7%, compared with 7.1% in FY 2024-25, while nominal GDP has grown by 8.7%.

Domestic activity was supported by private consumption, investment activity and growth in manufacturing and services-linked sectors. Recent policy measures strengthened the demand environment.

The restructuring of personal income tax and GST rate rationalisation were aimed at improving disposable income, easing the tax burden on households and supporting consumption across income segments. Monetary easing and favourable financial conditions further supported economic activity.

Investment activity was aided by continued government emphasis on infrastructure spending, structural reforms and improved credit flow. Bank credit growth improved and remained supportive of real economic activity, while financing from non-bank sources also increased. The consolidation of labour laws into four Labour Codes represents a structurally important reform for a labour-rich economy such as India. It is expected to support formalisation, simplify compliance, improve workforce flexibility and strengthen worker welfare, thereby improving the operating framework for manufacturing and services-led growth.




A B2B Project Site in Rajasthan

Inflation conditions were largely supportive during FY 2025-26. Headline inflation rose from the historical low levels recorded in October 2025 but remained well below the RBI's target rate thereafter. Food prices moved out of deflation as base effects normalised, while fuel inflation remained moderate and core inflation stayed contained, barring precious metals. However, imported inflation and input cost pressures increased in March, following the spike in global energy prices. High-frequency indicators were mixed towards the end of the year, with moderation in PMIs and power demand, even as broader domestic activity remained supported by consumption, investment and credit conditions.

Overall, the operating environment remained constructive, supported by improving demand conditions and stable inflation conditions for most of the year. At the same time, external volatility, commodity movements and supply-chain risks required continued discipline in demand management, cost control and execution.

## BUSINESS REVIEW

### Decorative business in India

#### Operating environment

FY 2025–26 was a year of disciplined execution for the Decorative business. The operating environment remained measured through much of the year, with demand in the category recovering gradually after a subdued FY 2024-25. While momentum improved in H1 FY 2025-26, an extended monsoon delayed painting activity and affected the festive demand window with a pickup witnessed again in the last quarter of FY 2025-26. In this context, the Company strengthened its market position through calibrated portfolio actions, sharper execution and sustained focus across geographies and categories.

**The Company continued to shape its portfolio through differentiated propositions across segments, with a clear focus on innovation-led premiumisation and sharpening competitiveness.**

In the premium segment, All Protek gained traction during the year, supported by a differentiated Lotus Effect technology proposition that focuses on preventing stain absorption rather than removal, reinforced through strong marketing interventions. At the upper end, the Company strengthened its super-luxury positioning by building Nilaya over Royale, with Nilaya Arc emerging as a differentiated lime-based offering delivering an artisanal matte finish, gaining strong acceptance among architects and designers.

Innovation remained a key driver across categories. During the year, the Company introduced WoodTech PU Gold, a first-of-its-kind polyurethane wood finish with anti-termite properties, along with new offerings such as Aquadur, a water-based glossy product, and a value-for-money polyester paint, expanding the portfolio across use cases. These interventions were complemented by continued traction in exterior coatings, supported by campaigns around advanced material technologies such as Graphene in Apex Ultima Protek, reinforcing product differentiation.

The Company continued to build on the enduring strength of Har Ghar Kuch Kehta Hai. During the year, the proposition was refreshed through a contemporary campaign that stayed rooted in the lived reality of homes while appealing to a wider and younger audience. The campaign reinforced the idea that Asian Paints is associated not merely with surfaces, but with the identity, memories and aspirations that homes represent, thereby strengthening the brand's emotional relevance across consumer segments.

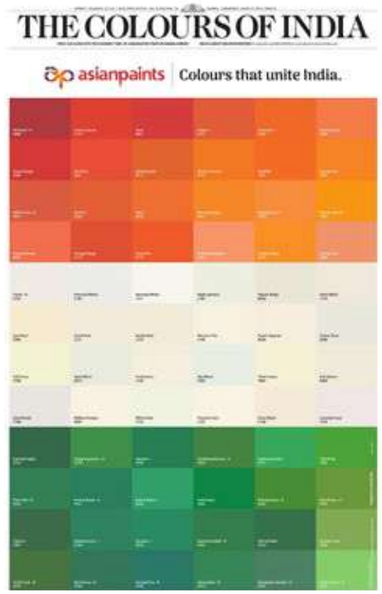
This was complemented by the warranty-led campaign, "Asian Paints ki Warranty, India ka Har Doosra Ghar Kehta Hai", which brought together the ideas of scale, credibility and durability. Built around real homes across the country, the campaign translated the Company's longstanding presence and warranty promise into a more tangible consumer proposition.

Regionalisation remained a key strategic anchor for decision-making and execution, enabling more targeted portfolio, communication and market interventions across geographies. Building on the limited-edition regional packaging initiative introduced in the previous year, the Company expanded the programme during FY 2025-26 across additional regions and strengthened it through more market-specific communication. This included targeted regional campaigns such as 'Garv se Haryana' for Apex Dust Proof, which reflected local cultural identity and strengthened consumer relevance in the market. The regional packs continued to create a more personalised consumer experience, with QR-enabled augmented reality bringing the narrative behind each design to life. Together, these initiatives helped deepen regional resonance, strengthen consumer association with the brand and extend the role of packaging and communication beyond functional product presentation.








The Company's association as the Colour Partner of Team India remained an important pillar of brand building during the year. Through its partnership with the BCCI, Asian Paints secured sustained visibility on one of the country's most widely followed platforms while also innovating within the format through distinctive integrations such as Colour Countdown and Colour Cam. The association was further amplified through contextual communication, including campaigns such as Meri Wali Blue during the Women's Cricket World Cup and through moments of national relevance such as celebrating the Indian women's team's tournament success. Together, these initiatives helped leverage the cultural salience of cricket to strengthen brand recall, engagement and consumer connect through the year.

Across the portfolio, this steady cadence of product launches and proposition-led interventions contributed to strengthening category depth, improving consumer relevance and driving growth across both premium and mainstream segments. Waterproofing portfolio continued to make strong progress, supported by wider use across repair, renovation and terrace applications, as well as increasing consumer awareness of preventive solutions. The category benefited from a stronger mix of premium and upgrade offerings, including Infinia and a broadened Damp Proof range, helping deepen participation across segments. In wood finishes, category development was driven by deeper engagement with architects and furniture manufacturers, supported by the Company's field technologist network. While mainline products expanded penetration, the polyurethane segment gained further traction, reinforcing the Company's position in a specialised and growing segment.

Adjacencies such as adhesives and tile adhesives also progressed, supported by a broader strategy of offering more complete solutions to channel partners and applicators. This was complemented by tools and implements, strengthening the Company's overall proposition across the painting ecosystem.

Execution intensity on the ground remained a differentiator. Engagement with applicators was sharpened through revised incentive structures, targeted training and a greater push towards mechanisation and automation, improving both quality and cost efficiency. At the same time, top-end applicators were engaged through initiatives such as Colour Awards, strengthening their role as promoters of product propositions, colour and finish. These efforts, combined with coordinated efforts with the dealer network, supported demand conversion across markets.

The Company also deepened its engagement with design through ColourNext, which continues to evolve from a colour forecast into a broader platform for design foresight. During the year, this was extended through the introduction of the ColourNext Lab, enabling research-led exploration across materials, finishes and textures, and strengthening the Company's engagement with architects, designers and specifiers. Through ColourNext 2026, Moonlit Silk was positioned not just as a shade but as an expression of a broader design sensibility that values presence, softness and enduring relevance in the spaces people inhabit.

Channel partnerships continue to be one of the Company's enduring strengths. During the year, investments in dealer engagement, lead generation through Beautiful Homes Painting Services, store upgrades, and access formats such as Colour Ideas and Colour Cubes helped strengthen consumer connect and improve network effectiveness. These efforts reflected the Company's continued belief that the progress of its network partners and the growth of the business are closely linked, reinforcing the strength of this partnership over time.

The Decorative business continues to be guided by a focus on building a balanced and sustainable ecosystem, one that supports dealer viability, delivers value for consumers and enables better outcomes for contractors and applicators.



## B2B business in decoratives and specialised products

India's macroeconomic environment during FY 2025-26 remained supportive of sustained investment activity, underpinned by policy measures focused on strengthening domestic manufacturing and infrastructure capacity. Government initiatives aimed at enhancing production capabilities, improving logistics efficiency, and attracting foreign direct investment continued to reinforce India's positioning within diversified global supply chain requirements. Programmes such as the Production Linked Incentive schemes and reforms aligned with the Atmanirbhar Bharat agenda contributed to this structural shift.

The institutionalisation of integrated multimodal planning through PM GatiShakti, which is driven by seven key engines: Railways, Roads, Ports, Waterways, Airports, Mass Transport, and Logistics Infrastructure, is supporting higher construction intensity across sectors.

Within this operating environment, Asian Paints' B2B business operates across a broad spectrum of institutional end markets in the paints and construction chemicals space. Over the past decade, the portfolio has evolved to include a wider range of construction chemical solutions, encompassing admixtures, waterproofing systems, floor coatings, and repair and restoration applications. This expanded offering structure enables participation across both maintenance and repair requirements as well as new construction activity.

Over the past decade, the B2B business has undergone a deliberate strategic pivot. While the real estate segment has remained the mainstay, the Company has built dedicated focus on two high-growth verticals - Industrial (Factories) and Government Infrastructure. These are sunrise segments characterised by a large and expanding addressable market. The Company has made steady inroads through progressive expansion of its product portfolio and service capabilities in both verticals.

The operating approach has centred on end-to-end solution delivery across the project lifecycle. For maintenance and repair requirements, the focus has been on addressing persistent, recurring challenges faced by institutional customers through comprehensive system-level interventions. For new construction projects, the emphasis has been on delivering effective, durable coating systems. The core real estate business has maintained sustained momentum, particularly in the premium and luxury segments across major urban centres. Concurrent traction in industrial and government infrastructure has contributed to the B2B business growing from strength to strength, with expanded market access across segments.

Integration across multiple businesses and operating units was advanced during the year through the "Juggernaut" initiative. This framework brought together Asian Paints PPG, PPG Asian Paints, Bath Fittings, Kitchen and Asian Paints B2B to facilitate coordinated solution delivery and unified customer engagement across project stages.







The 'Total Assure' service offering was further broadened during the year. The programme provides system recommendations based on structured visual assessment and identification of root causes, supported by technical oversight during execution. The approach is designed to support asset longevity, reduce operational disruptions, and enable planned maintenance execution within defined timelines.

FY 2025-26 also saw continued investment in technical engagement platforms targeted at industrial and infrastructure stakeholders. The Construction Chemicals Knowledge Leadership Initiative (CC KLI) was expanded as a structured industry engagement forum with emphasis on technical knowledge dissemination, material science, and application performance considerations relevant to large-scale construction projects.



A B2G project site - JRD TATA Flyover, Nashik

Technical outreach efforts were supplemented through the CC Tech Credence Symposium. The symposium engaged consultants and architects from the building materials, industrial, and infrastructure domains. Discussions focused on system demonstrations, emerging application technologies, and evolving construction chemical requirements, led by experts from both academic and industry backgrounds.

In December 2025, the AP Assure digital platform was introduced to support institutional engagement. The platform provides access to structured solution pathways, product and system information, service frameworks, technical publications, event content, and sustainability-related initiatives. It is positioned as a reference interface for consultants, engineers, procurement professionals, and academic institutions across project categories.

With stronger operating frameworks and engagement platforms, Asian Paints B2B continues to pursue opportunities aligned with infrastructure development, industrial expansion, and institutional construction activity.

**The business remains focused on disciplined execution, solution-led engagement, and expansion across priority segments, aligned with prevailing market conditions.**

### Beautiful Homes Painting Services

The Company continued to scale its Beautiful Homes Painting Service during the year, with reach extending to over 650 towns. The service proposition was strengthened through technology-led interventions aimed at improving customer engagement, service delivery and execution visibility. AI-enabled tools were also introduced to improve responsiveness and consistency in the customer journey. These initiatives supported stronger adoption of the service model and improved the Company's ability to offer a more differentiated consumer experience.

## Asian Paints: Owning Homes

Asian Paints' home décor business operates across an integrated portfolio of products and services, delivered through a network of physical stores and digital platforms. During FY 2025-26, the business focused on operational consolidation and strengthening of service delivery capabilities supported by premium range introductions across multiple categories, including Struva -a system aluminium window range, Arazzo—luxury range of kitchens and wardrobes, decorative lightings developed in collaboration with Atelier Oï, Bellamore – premium range of faucets and showers, and Casuals—a range of premium furnishings.

Investments during the year were directed towards strengthening servicing capabilities, which remain central to execution in this complex made-to-measure world of home décor. Focus areas included manpower augmentation, training, process reengineering and capital expenditure on service infrastructure. Organisational structures across multiple individual categories were consolidated into leaner, integrated teams. Common warehousing, transportation, digital marketing and servicing functions were streamlined to support cost discipline.

**Engagement with the architect and interior designer (AID) community was deepened during the year across coatings and décor categories.**

New launches were showcased at flagship industry events, including Design Democracy and India Design. Digital marketing and architect outreach investments contributed to improved same-store revenue performance. The omnichannel Beautiful Homes model continued to integrate digital, social media and physical touchpoints, aligned with evolving consumer behaviour.

## Beautiful Homes Stores

The Beautiful Homes Stores network expanded to 74 stores across 20 states during FY 2025-26. Business performance during the year was driven by same-store sales growth and deeper category-level expertise across décor segments. The integration of White Teak and Weatherseal into the broader décor ecosystem contributed to category expansion and revenue growth.

A dedicated post sales servicing team was introduced during the year, focused on installation quality and handover experience. This addressed a key requirement in the made-to-measure décor space, where post-purchase service delivery is integral to customer satisfaction.



The premium formats - Beautiful Homes Studio and Signature formats—were expanded into select identified geographies during the year. These clusters recorded a strong business trajectory, driven by positive consumer response to superlative in-store experience and after sales service delivery. These formats enabled a strong representation of the premium ranges across categories like furniture, fabrics, rugs and lighting.

Digital lead generation and architect-led referrals from the Décor Pro team remained important contributors to store-level business, reinforcing the omnichannel operating model.

## Décor Pro

Décor Pro is Asian Paints' architect and interior designer outreach programme, engaging with key AIDs across the country. The programme serves as a direct interface to drive product preference across the full décor portfolio and reinforce Asian Paints as a preferred full-spectrum



décor solutions provider. During FY 2025-26, meaningful contributions from Décor Pro were recorded across our diverse portfolio of categories including PU+ premium wood finishes, paints, lighting, Weatherseal, kitchens and furnishings.

Deeper relationships have been established with critical large architects through various designer-led engagement forums. These engagements have strengthened Asian Paints' positioning as an integrated décor solutions provider within the AID community.



# MANAGEMENT DISCUSSION AND ANALYSIS



Nilaya Anthology at Lower Parel, Mumbai

## Nilaya Anthology

Nilaya Anthology, launched in February 2025 in Mumbai, completed its first full year of operations during FY 2025-26. Spread across over 100,000 sq ft, the space operates as a curated platform for design, bringing together makers, artists, studios and brands across disciplines and geographies. This design destination is instrumental in building the Nilaya brand as a top end offering from Asian Paints and builds a super luxury eco framework.

During the year, Nilaya Anthology continued to evolve beyond a conventional retail format. The platform focused on curation, design engagement and long-term creative partnerships. Its programming brought together Indian and international designers, regional craft communities, emerging creators and collectible design within a single ecosystem.

The platform builds on giving the Nilaya brand a unique framework with Nilaya extensions in Wall Paper , furnishings and textures. Since launch, Nilaya Anthology has introduced over 100 makers and artists to the Indian market through curated presentations and initiatives. Key programme during the year included an exclusive presentation by ceramic artist Jane Yang D'Haene, recently shortlisted for the Loewe Craft Prize, and the India debut of Nina Yashar's Nilufar Gallery, which brought contemporary and collectible design to the platform. The platform also brings in World first innovations like the the 'largest global colour system' Chroma cosm which goes to build the equity of Asian Paints amongst the top designers & Architects.

Nilaya Anthology received attention from global design media and design commentators during the year.
The platform continues to support Asian Paints' presence in the luxury interiors and design ecosystem, while contributing to the broader positioning of Indian design within an international context.

**150+**
Makers and brands curated









## White Teak

White Teak by Asian Paints operates in the decorative and architectural lighting space, with an expanded presence across related home décor categories. On 27th June 2025, the Company acquired the balance 40% stake in Obgenix Software Private Limited (White Teak) for ₹ 188 Crore, making it a wholly owned subsidiary.

In FY 2025-26, the business delivered a revenue of ₹ 99 Crore, with a decline of 7.1%. Revenue has remained under pressure over the past two years, reflecting subdued demand conditions in the decorative lighting category and residual impact of BIS-related disruptions in LED products experienced during FY 2024-25. The business continued to focus on portfolio diversification and channel expansion to address this trajectory.

Over 300 new products were introduced during the year. Three decorative lighting collections were launched - Ikebana (developed in house) and Anisora and Oina (developed in collaboration with international designer Atelier Oï). The architectural lighting portfolio recorded steady performance. During the year, the business further enhanced its lighting consultancy capabilities through Dialux based lighting design and simulation consultancy services.

FY 2025-26 also marked White Teak's entry into the fan category under the Make in India programme. The portfolio now comprises over 100 SKUs, all based on BLDC motor technology, designed for a balance of performance and energy efficiency. This category extension broadens the addressable market beyond decorative lighting.



## Weatherseal

Weatherseal operates in the uPVC and system aluminium windows and doors segment. The business provides end-to-end solutions from precision manufacturing to installation, supported by manufacturing facilities in Rajasthan and Bengaluru and a pan-India presence across 80 stores. Since inception, Weatherseal has partnered with leading developers and architects, with cumulative installations crossing 10 Million square feet during the year doubling from, 5 Million square feet reported in FY 2024-25.

For FY 2025-26, revenue increased by 42.1% to ₹ 75 Crore. Growth was broad-based across channels.

The Struva series of system aluminium, launched in the prior year, gained acceptance among architects and interior designers and contributed strongly to the overall business growth in the year. A strong innovation-driven product line and scalable business model have been established for the system aluminium category, reflected in a growing project pipeline reinforced further by digital leads and the architect-led Décor Pro channel. Servicing infrastructure was restructured, resulting in improved delivery timelines and service consistency.

## Furnishings & Wallcoverings

The wallcoverings business consolidated its leadership position during FY 2025-26. The Terra collection—a clay based wallcovering - was launched, bringing material science applications to interior wall surfaces. This represented a category-level innovation in substrate technology. Product development continued along the pillars of Indian craft and material innovation, incorporating hand painting, block printing and embroidery techniques into wallcovering designs.

In furnishings, the business maintained its position among the leading players in the category. The Pure Casuals series was launched, designed around contemporary living requirements. The collections were introduced at India Design Week and Design Democracy events and received a positive response from the architect and stylist community. The Design Excellence team, established in FY 2024-25, continued to build awareness and traction for design forward collections. Investment in retail format innovation continued with the creation of a luxury shop in shop within a heritage property in Kolkata.



## Sleek - Kitchens and Wardrobes

Sleek operates across full modular kitchen solutions and components. The portfolio addresses premium, contemporary and customised requirements across consumer and project segments.

The kitchen business under the FKD vertical operates across full modular kitchens, wardrobes and fitted furniture, offering end-to-end solutions from design to execution. The business operates through a national network of 305 stores across 160 cities.

The business recorded revenue of ₹ 400 Crore during the year, registering a growth of 1.7%.

During FY 2025-26, portfolio architecture was sharpened to address distinct consumer segments spanning luxury, premium and value categories. Engagement with architects and interior designers continued to be a focus area, with customised solutions forming the core of the business proposition across segments. The Sleek components business distributes a comprehensive range of kitchen hardware, accessories, appliances and wardrobe fittings through its national distribution network.

During the year, in the luxury segment, the business introduced the Beautiful Homes Arazzo range of kitchens and wardrobes - an Italian-inspired kitchens and wardrobes proposition conceived for discerning consumers seeking refined design, precision craftsmanship, and elevated materiality. The launch was anchored by the first flagship Beautiful Homes Arazzo store in Ahmedabad, delivering an immersive, end-to-end luxury experience.

**In the luxury segment, we introduced the Beautiful Homes Arazzo range of kitchens and wardrobes.**

At the value-end, the Neo range of kitchens was introduced, offering contemporary design and functional layouts at accessible price points. New finishes, including Membrane, were added to improve durability and ease of maintenance for value and mid-segment offerings. This balanced approach widened the addressable market while maintaining clear differentiation across segments.

Sustained focus was placed on last-mile installation and service quality through trained installer teams, standardised processes and quality audits. 'The Perfect Delivery' initiative was scaled during the year to ensure on-time and in-full delivery to consumers, strengthening delivery reliability across the network.

In the Components segment, the year saw the business undergoing a significant shift from imported to indigenised sourcing, driven by the implementation of Anti-dumping Duty and BIS certification requirements in certain large product categories. This transition was in line with broader industry level developments and required realignment of supply chains and vendor development efforts. New products and categories introduced in recent years continued to gain traction.



The Sleek Select retail format, which provides an enhanced consumer experience in the hardware and accessories category, continued its expansion alongside efforts to improve throughput at existing retail destinations.

During the year, the business initiated a structured carpenter engagement programme known as 'Sleek Saathi', built around an educate, engage and earn model. The programme is designed to enable identified carpenters to offer comprehensive solutions to consumers using the full Sleek product range.

The Kitchen Sense initiative, aimed at driving adoption of the complete range of products required for kitchen fitment through a single engagement, also gained traction during the year.

## Bath Fittings and Sanitaryware

The bath fittings and sanitaryware business operates across the premium segment through Bathsense and value segment through ESSESS brand, serving both retail and project markets. During FY 2025-26, the operating environment was marked by elevated volatility in brass prices, which led to frequent pricing actions across the industry and influenced buying behaviour across channels. The business recorded revenue of ₹ 347 Crore during the year, registering a de-growth of 2.5%.

Focus during the year remained on strengthening relevance and differentiation across price tiers through a combination of product innovation and channel execution, leveraging the broader Asian Paints ecosystem.

The Company's emphasis on coating-led technologies, water-quality based solutions, and aesthetic customisations continued to resonate strongly with architects, project influencers and top-end channel partners.

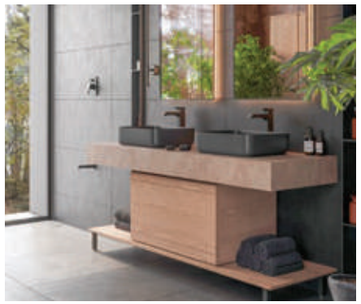


The Bathsense CANVAS portfolio, underpinned by the in-house developed Lotus 25 hydrophobic coating and backed by a 25-year warranty, continued to gain traction. CANVAS Play, which enables greater colour and finish customisation, gained acceptance as a design enablement platform among architects and specifiers. The coatings expertise was extended to the ESSESS range with the launch of ESSESS PuraShield carrying an in-house developed coating solution positioned in the value for money segment. The range continued to gain relevance across both retail and project channels, responding to recognised consumer and developer requirements to address hard water and high TDS conditions. In Bathsense sanitaryware, a new concealed cistern series was launched, strengthening the overall Bathsense portfolio.

During the year, a new manufacturing plant was commissioned at Wada, Maharashtra. The facility has been set up with modern technology aimed at improving productivity and ensuring consistent product quality. Initial operations have commenced and ramp-up is progressing as planned. This expansion is expected to strengthen supply capabilities, support future volume growth and improve responsiveness to market demand.

Investments in plumber training, accreditation-led capability building and after-sales service continued during the year. These initiatives are aimed at driving product adoption, building trust and supporting long-term brand preference at the point of installation.

The business continued to leverage the broader Asian Paints ecosystem spanning technology and R&T capabilities, the Beautiful Homes store network and engagement with architects and project partners, to support market presence and execution.



## SUPPLY CHAIN

### Operating context

The supply chain operated in an environment characterised by improving but uncertain demand, evolving regulatory requirements and intermittent disruptions in mining and upstream sourcing. Upstream raw material costs remained largely stable for most of the year. However, changes in duty structures and regulatory frameworks in key categories required proactive navigation. Towards the end of the year, the Middle East conflict reintroduced volatility and supply chain uncertainty – an increasingly consistent feature of the global operating environment. Continuity of operations was maintained through proactive sourcing and procurement actions across the supply chain.

Cost control remained a sustained focus area throughout the year. The supply chain delivered significant value through formulation improvements, sourcing efficiencies and procurement optimisation. At the factory level, material loss control and structural reduction in overhead costs contributed to improved manufacturing efficiency.

As part of the Company's backward integration programme, the white cement plant in the UAE was successfully commissioned during the year and integrated into the India supply chain.

The supply chain supported multiple new product launches during the year, alongside significant enhancements to existing products from both cost and quality perspectives. A Right First-Time (RFT) approach was maintained to ensure adherence to the product launch calendar. New regional and festive packs were introduced, adding to product segmentation complexity handled by the network.

Customer service parameters remained strong during the year. Same-day order fill rate was maintained at high levels, with focused efforts on improving availability across long-tail SKUs.

Demand sensing processes were further enhanced to improve inventory productivity. Work continued on upgrading the Company's demand forecasting system to leverage emerging progress in technology and AI-led solutions. AI-based tools were deployed in upstream supply chain analysis, equipping procurement teams with a comprehensive view of the vendor ecosystem.

A significant milestone was achieved during the year with the transformation of the Company's earliest factory at Ankleshwar. The facility was scaled up with a 2.5x increase in capacity, built around a Flex Scale Manufacturing Philosophy. The legacy facility was decommissioned, marking the transition to an automated and flexible manufacturing platform capable of delivering the complex and expanding product range of the company.

Factory operations continued to progress on the manufacturing excellence programme maturity curve, with strong engagement from shop floor teams. The Behaviour-based Quality (BBQ) initiative was launched across factories during the year to embed quality-centric practices in processes and workforce behaviour.

Under the Vyansamadhanam initiative, the Company continued its focus on safety and wellbeing across operations. Investments in the process safety domain continued during the year, alongside the deployment of technology for proactive detection of process safety incidents and escalation management.

Khandala Plant







## INTERNATIONAL BUSINESS

Asian Paints operates in 13 countries across four key regions: South Asia, the Middle East, Africa and the South Pacific. The international portfolio is marketed through seven corporate brands: Asian Paints, SCIB Paints, Apco Coatings, Asian Paints Berger, Taubmans, Asian Paints Causeway and Kadisco Asian Paints.

### Operating environment

The international business operated in a mixed macroeconomic environment during FY 2025-26. Raw material prices remained largely benign for most of the year, with a deflationary trend across several categories. This supported price stability in most markets and enabled subsidiaries to focus on business development amid intense competitive activity.

Supply chain pressures re-emerged towards the end of the year due to geopolitical disruptions. This resulted in significant increases in certain raw material and packaging material costs across geographies. Interest rates and inflationary pressure remained elevated in some of our markets.

Bangladesh experienced softening consumer demand and business sentiments due to uncertainty ahead of the general elections. Sentiment improved after peaceful elections. The Bangladeshi Taka remained stable during the year, while improved availability of US dollars supported consistent raw material supplies.

Nepal faced socio-political disruption during the year, with consequences for economic activity, business continuity and consumer sentiment. Immediate operational disruptions and election-related uncertainty weakened paint category demand. Stability improved after elections, although demand conditions remained cautious.

In Egypt, macroeconomic sentiment improved, supported by IMF assistance and government reforms. Construction activity and housing demand remained steady, supporting demand in the coatings market. The Egyptian Pound remained broadly stable for most of the year before turning volatile towards the year-end due to regional tensions.

Ethiopia continued to face currency devaluation and intermittent US dollar availability. While foreign exchange availability improved compared with earlier periods, inconsistency in access affected raw material availability. High inflation continued to affect demand and profitability, despite regular pricing actions.

Sri Lanka recorded strong macroeconomic conditions for most of the year. Cyclone Ditwah caused widespread disruption in central and eastern parts of the country in December, temporarily affecting demand sentiment. However, the market showed resiliency and recovered in the fourth quarter.

### Business performance

Across regions, focused operational interventions supported profitability, cash flow and market share performance. Across markets, our units focused on efficiency, working capital optimisation and liquidity management to address competitive intensity and currency volatility.

International segment revenue for FY 2025-26 came in at ₹ 3,354 Crore and registered growth of 9.4%, led by South Asia.

Across the Middle East, Egypt and South Asia, the business continued to strengthen consumer engagement through product and service propositions. Network expansion, contractor enrolment and consumer



outreach remained key focus areas. Premium and luxury products supported mix improvement and deeper shop-share in identified retail counters. Product launches and product revamps strengthened quality, relevance and consumer choice across markets. Safe Painting Solutions supported customer experience and service-led differentiation in select geographies.

### South Asia

Nepal faced political uncertainty, governance challenges and a slowdown in housing activity during the year. Despite this environment, the business delivered a resilient performance and gained market share through disciplined execution and targeted town-level strategies. Premium and waterproofing segments supported mix improvement. Cost optimisation and working capital discipline aided margins, profitability and cash flow.

Bangladesh operated in a subdued market environment. Consumer sentiment remained cautious for most of the year due to political uncertainty, inflation and elevated borrowing costs. Construction activity was also affected. Sentiment improved in the fourth quarter after the formation of an elected government.

The business focused on the key categories of emulsions and waterproofing. Non-Stick Emulsion was supported through mass media initiatives to strengthen its position in the premium interior and exterior emulsion category. Our effort on establishing this innovative and groundbreaking product in Premium Emulsion category augurs very well not only with the consumer but also with the dealer and influencer. Safe Painting Service continued to improve its presence in the services segment. Revenue and profitability remained under pressure due to uncertain market conditions.

Sri Lanka recorded a strong macroeconomic environment during the year, supported by improved internal measures and externally mandated reform agenda. The business refreshed Classique Glow, its premium interior emulsion brand, with anti-smudge and anti-scuff features. The launch was supported by mass media and influencer campaigns and strengthened the premium interior emulsion proposition.

Aquasafe, the exterior waterproofing topcoat brand, was also revamped with improved dirt pick-up resistance and enhanced elastic strength. These interventions supported engagement with consumers and influencers.



Business performance remained strong across key parameters during the year, despite temporary disruption caused by cyclone Ditwah.

### Africa

Egypt's economy remained supported by IMF assistance, government reforms and continued investment activity. Construction activity and housing demand remained steady, aiding demand in the coatings market.

The business intensified focus on premium and luxury products, which supported performance during the year. Contractor activation and brand-building initiatives were scaled. Currency stability for most of the year supported cost-efficient procurement of raw materials. Regional conflict towards the end of the year led to currency volatility and affected sourcing conditions. Competition remained intense, keeping margins under pressure. Cost efficiency initiatives continued across key areas to protect profitability.

In Ethiopia, commercial momentum improved through sharper market focus and better customer responsiveness. Project activity supported growth in priority segments. Execution improved through better planning and greater sourcing flexibility. Currency devaluation and high inflation continued to affect business conditions. Financial discipline remained focused on cost control and working capital management.

### Middle East

The Middle East remained an important contributor to international operations during FY 2025-26. The region benefitted from stable currencies for most of the year, brand-building initiatives and consistent market execution. Regional conflict towards the end of the year affected consumer sentiments and increased uncertainty across markets in the region.

The UAE construction market remained active, supported by new housing and infrastructure projects. The business worked closely with consultants and interior designers during the year. The first edition of ColourNext was launched in Dubai, driving engagement with consultants and interior designers. Kaleidoscope, an initiative focused on future designers, was introduced across the GCC region. Innovation in waterproofing and construction chemicals continued with the launch of Cure Assure. Digital campaigns were executed during Ramadan. Premium and luxury smooth emulsions recorded strong growth, supported by integrated market activation. Specification-led large projects remained a focus area. Expansion of décor lounges supported sales of premium products. Export business was muted in the last quarter due to the impact of regional conflict.

In Bahrain, the retail segment recorded growth, while institutional business remained below expectations. New marketing initiatives and premium product launches supported overall performance. In Qatar, customer experience and market presence improved during the year, although overall demand remained subdued.

Oman's construction sector was affected by a broader slowdown. Retail and protective coatings performed better relative to market conditions, while the projects segment was impacted.

The business inaugurated a solar power generation facility, supporting Oman's Vision 2040 sustainability agenda. Brand-building investments continued during the year. The Royale Smart Clean campaign supported strong growth in interior emulsions. Digital campaigns improved brand recall and preference among women consumers in Oman. The Décor Ideas Signature store, launched in the previous year, continued to attract consumers and design professionals. The business also received recognition at local brand and customer experience forums during the year.

### South Pacific

The South Pacific business operated in a subdued retail environment, particularly in Fiji. Recovery in tourism supported market share sustenance. Contractor activation and project sales remained key focus areas during the year. Cost optimisation initiatives supported profitability despite muted retail conditions.

## INDUSTRIAL BUSINESS IN INDIA

### Automotive, Industrial, Refinish, Packaging and Marine Coatings

PPG Asian Paints Private Limited (PPGAP), a joint venture between PPG Industries Inc., USA and Asian Paints Limited serves paints, coatings, adhesives and sealants across automotive original equipment manufacturers (OEMs), the automotive refinish segment, industrial applications, packaging and marine segments.

#### Operating environment

FY 2025-26 was a year of two distinct halves for the Indian automobile industry. While the Indian automotive industry recorded its highest-ever OEM builds of 5.6 Million units during the year, registering year-on-year growth of 10.3%, the growth strengthened only in the second half, with the second half building growth of 15.7% compared to 4.6% in the first half.

The second half saw a sharp recovery following the Government's GST rate rationalisation with the passenger vehicle demand improving materially.

The two wheeler industry recorded builds growth of 11.8%, with the first-half growth of 5.8% and the second-half growth of 17.9%, similarly benefiting from the GST-led demand recovery in the second half. The increasing adoption of electric scooters, particularly in urban markets, continued to support structural growth in this high-potential segment.

Exports also remained an important contributor to industry growth during the year, supporting overall volumes alongside the domestic recovery.

The automotive industry in India continued to invest in capacity expansion, electric vehicles and battery infrastructure to cater to the long-term domestic growth potential as well as being supported by government initiatives such as the Production Linked Incentive programme.

The operating environment for marine coatings is being supported by a stronger policy push towards building a broader domestic maritime ecosystem, backed by Maritime India Vision 2030 and the Maritime Amrit Kaal Vision 2047. Over time, these measures should help expand domestic shipbuilding and repair activity, creating a larger addressable opportunity.

#### Business performance

PPGAP revenue stood at ₹ 2,468 Crore, grew by 15.5% during FY 2025-26 while maintaining profitability, despite adverse currency fluctuations. Raw material costs remained largely stable during the year.

Profitability was supported by innovation in product formulations, improvements in manufacturing and sourcing efficiencies, localisation initiatives and sustained cost optimisation across the value chain.

The business continued to leverage the technological capabilities and operational practices of both parent companies to support product differentiation and customer value delivery.



A B2B project site of a manufacturing plant in Punjab

### Non-automotive industrial coatings

Asian Paints PPG Private Limited(APPPG) the second 50:50 joint venture of the Company with PPG Industries Inc., USA, serves India's non-automotive industrial coatings market. The business operates across protective coatings, powder coatings and traffic solutions, catering to customers in the infrastructure, energy, construction and manufacturing sectors, among others.

### Operating environment

Government-led infrastructure spending, energy transition projects and private capital expenditure supported industrial coatings demand during the year. However, project execution remained uneven across segments.

The protective coatings segment recorded strong demand across infrastructure, construction, oil and gas, energy and manufacturing end markets. The powder coatings segment was adversely affected by weather conditions in the first half of the year. Demand, while recovered in the second half, remained subdued.

Overall, the operating environment was characterised by intensified competition, pricing pressures and downtrading tendencies across segments.

### Business performance

APPPG revenue stood at ₹ 1,334 Crore registering a growth of 11.8% in FY26. The growth was driven by strong performance of the protective segment partially offset by the growth in the powder coating segment. Input costs remained benign during the year. However, margin expansion was constrained by competitive pricing dynamics and the margin resilience was driven primarily by cost discipline with price realisation under challenge.

Focus during the year remained on delivering customer value through product quality, portfolio breadth, service standards and delivery capabilities. Network expansion, a partner loyalty programme and digitisation initiatives contributed to share gains in select segments. The Company also scaled Metacare during the year as an asset protection service for industrial customers. The service is designed to support industries through periodic maintenance solutions aimed at protecting plant assets, including corrosion management and related applications. This engagement model strengthened the Company's presence with large industrial customers and provided deeper access for its industrial coatings portfolio. It also expanded the service basket beyond product supply to lifecycle-based asset maintenance.

**The business continued to leverage global and India-based R&D capabilities to maintain a steady pipeline of products tailored to industrial coatings applications.**

During the year, APPPG executed its largest capacity expansion programme to date, increasing in-house manufacturing capacity in Taloja by 60%. This investment is aimed at strengthening supply responsiveness and supporting future volume requirements.



Taloja plant upgrade inauguration


Naduan Indoor Stadium

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established a robust, integrated and adequate internal control framework designed to safeguard assets, ensure reliable financial reporting, support operational excellence and sustainable value creation, and ensure compliance with applicable laws, regulations and internal policies. The internal control framework is aligned to the scale, complexity and geographic footprint of the Company's operations and is embedded into day-to-day business processes. Controls are designed as an integral part of operations rather than standalone checks, enabling effective risk management and value protection.

A well-defined governance structure clearly assigns roles and responsibilities across the Board and its Committees, management, functional leaders and process owners, promoting accountability, ownership of risks and timely remediation across all levels of the organisation.

The Company has implemented standardised policies and procedures, which are periodically reviewed and updated to reflect evolving business requirements and regulatory developments. The internal control environment is supported by a strong ERP-enabled digital backbone, with a growing focus on automated- preventive controls and data analytics-driven monitoring. Progressively this is reducing manual interventions and improving overall control effectiveness.

Compliance with statutory and regulatory requirements is monitored through a centralised compliance management system, providing real-time visibility of compliance status and ensuring timely updates in line with legislative changes.

Ethical conduct and a strong control culture remain key pillars of the internal control framework. Regular communication, awareness programmes and mandatory trainings on the Code of Conduct, whistleblower mechanism, and key policies are conducted through digital learning platforms and instructor-led sessions to foster a culture of integrity, transparency and ethical behaviour.

The Internal Audit function, independent of business operations, provides objective assurance on the adequacy and operating effectiveness of the internal control environment. A risk-based internal audit plan, aligned with enterprise risks and approved by the Audit Committee, is executed during the year. Significant audit observations, control gaps and remediation status are periodically reviewed by the Audit Committee to ensure continuous strengthening of the control environment.

Management is responsible for establishing, maintaining and monitoring the internal control framework. Based on the internal audit evaluations, management representations and Audit Committee oversight, the Company believes that its internal control systems, including internal financial controls, are adequate and operating effectively during the year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW^

### Standalone results

(In ₹ Crores)

| | For the year ended 31st March, 2026 | For the year ended 31st March, 2025 |
|---|---|---|
| Revenue from sale of products and services | **30,680.2** | 29,421.1 |
| EBITDA | **7,113.1** | 6,326.9 |
| Net profit | **4,244.2** | 3,588.1 |
| Basic EPS (in ₹) | **44.27** | 37.43 |

### Consolidated revenue from sale of products and services

(In ₹ Crores)

| | For the year ended 31st March, 2026 | For the year ended 31st March, 2025 |
|---|---|---|
| Decorative & home décor business | **30,830.4** | 29,545.3 |
| International business | **3,353.6** | 3,066.4 |
| Industrial business | **1,332.4** | 1,185.7 |

### Key financial ratios

| Ratios | Standalone | | Consolidated | |
|---|---|---|---|---|
| | For the year ended 31st March, 2026 | For the year ended 31st March, 2025 | For the year ended 31st March, 2026 | For the year ended 31st March, 2025 |
| Debtors turnover ratio | **9.5** | 8.5 | **8.1** | 7.4 |
| Inventory turnover ratio (on COGS) | **3.2** | 3.1 | **3.2** | 3.1 |
| Interest coverage ratio[1] | **168.3** | 95.3 | **72.2** | 45.9 |
| Current ratio | **2.46** | 2.30 | **2.2** | 2.1 |
| Debt equity ratio[2] | **0.059** | 0.004 | **0.106** | 0.045 |
| Operating profit margin (%) | **20.1%** | 18.8% | **18.8%** | 17.7% |
| Net profit margin (%)[3] | **13.8%** | 12.1% | **12.4%** | 10.9% |
| Return on net worth (%)[3] | **21.3%** | 19.3% | **20.9%** | 18.8% |

**Notes**

^ The Standalone figures for FY 2024-25 have been restated on account of amalgamation of Asian Paints (Polymers) Private Limited with the Company.

[1] Variance in ratio is due to higher operating margins.

[2] Borrowings availed during the year for financing of capital expenditure and working capital has resulted in increase in Debt Equity ratio.

[3] Net profit margin and return on net worth increased due to improved profitability.

### Creating long-term investor value

Our disciplined financial stewardship has enabled us to create enduring shareholder value while maintaining a consistent and progressive dividend track record.

While FY 2025-26 saw our market capitalisation moderate from ₹ 224,232 Crores to ₹ 207,618 Crores amid heavy foreign portfolio outflows and subdued equity market conditions, our long-term performance remains compelling. Over the past decade, our market capitalisation has increased by 169.5%, reflecting the strength of our business model and our ability to deliver sustained value through market cycles. Our commitment to shareholder returns is equally evident in our progressive dividend policy. Over the last 10 years, dividend per share has risen from ₹ 7.5 to ₹ 27.5, reflecting our commitment on sharing the benefits of our growth with our shareholders. For FY 2025-26, we have maintained the dividend payout ratio at 60% (excluding exceptional items), in line with our Dividend Distribution Policy and consistent with the last three years.

We have robust shareholder support mechanisms such as the Stakeholders' Relationship Committee and the Investors' Grievance Redressal Policy, designed to address shareholder concerns promptly and efficiently.

### Economic value creation

All figures here are on Standalone basis

(In ₹ Crores)

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **Direct economic value generated[1]** | **31,702.1** | **30,323.0** |
| Revenue from sale of products and services | **30,680.2** | 29,421.1 |
| Other operating revenue | **89.2** | 131.5 |
| Other income | **932.7** | 770.3 |
| **Economic value distributed** | **29,647.4** | **28,728.6** |
| Operating cost | **23,475.6** | 22,919.4 |
| Employee Wages and Benefits | **2,176.7** | 2,013.6 |
| Payments to Providers of Capital | **2,437.1** | 2,378.9 |
| Payments to Government[2] | **1,442.5** | 1,307.9 |
| Community Investments | **115.5** | 108.8 |
| **Economic value retained** | **2,054.7** | **1,594.4** |

**Notes**

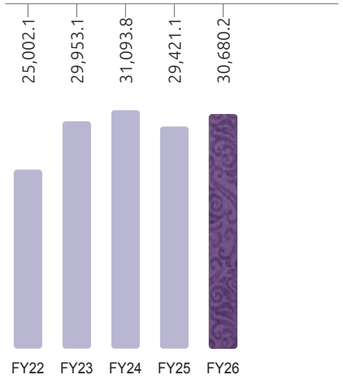
[1] Direct Economic Value generated includes financial assistance/grants accrued from Government authorities by our Company in the form of subsidies and export duty credits amounting to ₹ 8.9 Crores for FY 2025-26 and ₹ 58.8 Crores for FY 2024-25.

[2] It does not include the amount paid by our Company towards Goods and Services Tax ₹ 2,571.2 Crores for FY 2025-26 and ₹ 2,281.3 Crores for FY 2024-25.

## FINANCIAL REVIEW

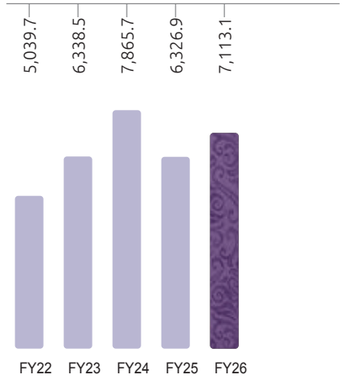
All figures here are on Standalone basis

### Revenue from sales of products and services
(₹ in Crores)



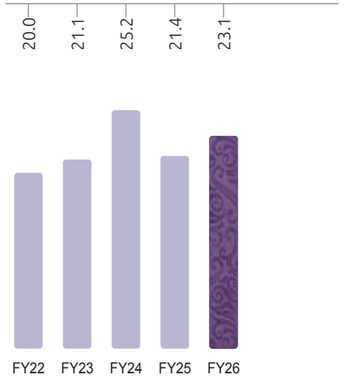

**4.3%** y-o-y growth | **10.9%** 5-year CAGR

### Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)
(₹ in Crores)

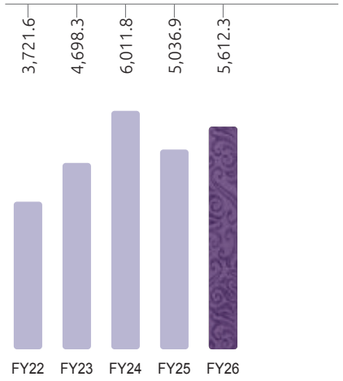



**12.4%** y-o-y growth | **7.9%** 5-year CAGR

### EBITDA margin
(%)

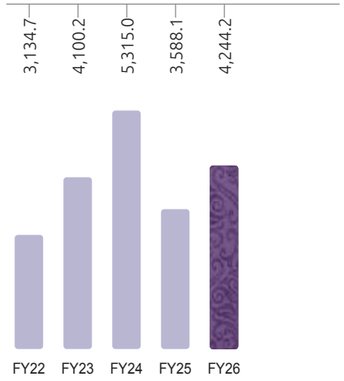



### Cash profit
(₹ in Crores)



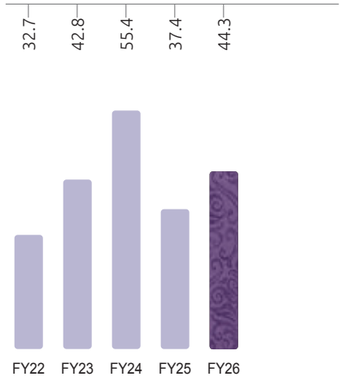

**11.4%** y-o-y growth | **9.3%** 5-year CAGR

### Profit After Tax (PAT)
(₹ in Crores)




**18.3%** y-o-y growth | **6.8%** 5-year CAGR

### Earnings Per Share (EPS)
(₹)

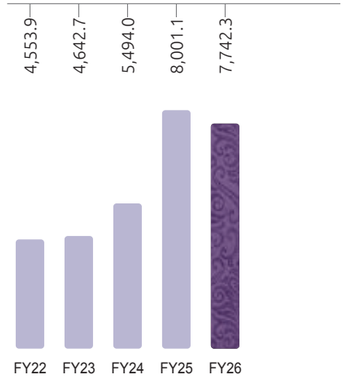



**18.3%** y-o-y growth | **6.8%** 5-year CAGR

Note: The figures for FY 2024-25 have been restated on account of amalgamation of Asian Paints (Polymers) Private Limited with the Company.

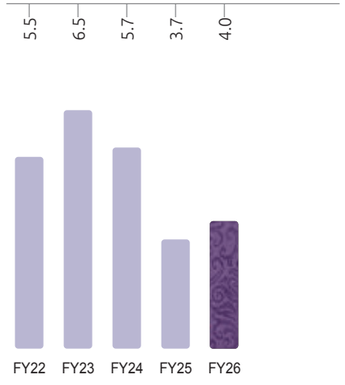
All figures here are on Standalone basis

### Net fixed assets
(₹ in Crores)

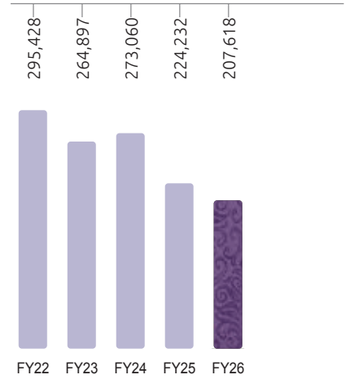



**(3.2)%** y-o-y growth | **13.9%** 5-year CAGR

### Asset turnover ratio
(X times)



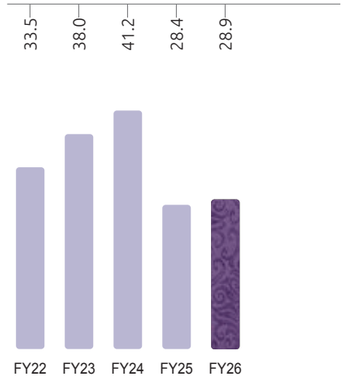

### Market capitalisation
(₹ in Crores)



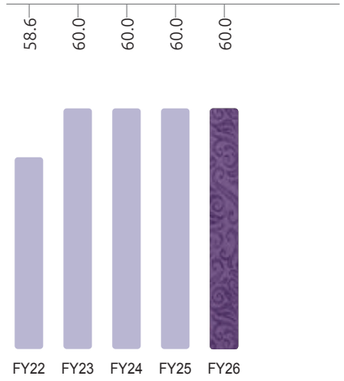

**(7.4)%** y-o-y growth | **(3.1)%** 5-year CAGR

Note: The above data is as on 31st March, of the respective financial year.

### Return on Capital Employed (RoCE)
(%)

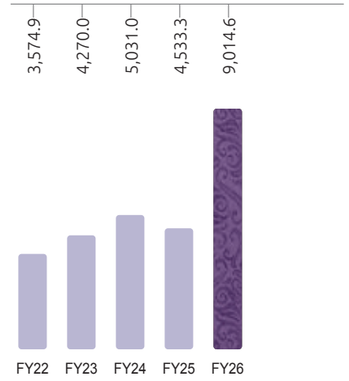



### Dividend payout ratio*
(%)




*Before exceptional items

### Surplus cash
(₹ in Crores)




**98.9%** y-o-y growth | **14.3%** 5-year CAGR

# MANAGING RISKS

The Company actively fosters a risk-aware environment by working closely with functional leaders to identify and manage risks specific to their domains. By incorporating strategic oversight, policy implementation and continuous monitoring, our framework empowers employees and leadership to manage risks effectively while seizing opportunities for growth. Regular risk assessments and collaborative efforts reinforce our enterprise-wide preparedness and resilience. This culture encourages teams to view risks not only as challenges to be mitigated but also as opportunities for growth and innovation.

## Risk management framework and governance

The risk management policy and framework is designed to identify, assess and mitigate both current and emerging risks, while reinforcing strong governance across the Company. This approach creates an ecosystem where risk sensitivity and opportunity recognition are integrated at every level, ensuring that risk management practices align with our risk appetite and governance standards.

The Risk Management Committee (RMC), chaired by an Independent Director, comprising of Independent and Non-Executive Directors along with senior management, provides strategic guidance and oversight. The RMC reviews key risks and evaluates mitigation strategies. It also oversees the implementation of risk management policy and periodically assesses the effectiveness of the overall risk management governance.

During FY 2025-26, the RMC met three times to review existing practices, evaluate mitigation effectiveness and recommend improvements. The Board was also appraised on the risk management efforts taken by the Company.

The Company operates under a risk governance framework that features dedicated risk management roles:

| Oversight by Risk Management Committee | Steering Committee | Senior Management members |
|---|---|---|
| Oversight of the overall risk management process of the Company and evaluate the adequacy of the risk management system. | Responsible for identification of the key strategic and business risks and put in place their treatment plans. | Assist Steering Committee in implementation of the risk treatment plans. |







### Alignment with ISO 31000

Our risk governance is benchmarked against ISO 31000 standards, ensuring consistency with international best practices and reinforcing our commitment to robust, transparent and effective risk management.

## Risk management approach

Our risk management approach is governed by a comprehensive Risk Management Policy which references risk appetite and the balance between risk mitigation and opportunity pursuit.

A materiality-based prioritisation framework is used to identify and rank key risks, with clearly assigned ownership and control mechanisms embedded within a structured governance framework. This ensures accountability, transparency and consistency in risk oversight.

We also monitor evolving risks across PESTLE dimensions – Political, Economic, Social, Technological, Legal and Environmental. These include macroeconomic trends, regulatory developments, technological shifts and competitive dynamics that may influence business performance.

The RMC and the Board also reviewed global developments and emerging risks affecting our operations, including tariff movements, demand volatility, foreign exchange fluctuations, multiple facets linked to Artificial Intelligence and deglobalisation, among others, along with other external factors that may influence business performance.

These reviews are designed not only to mitigate potential threats but also to identify opportunities arising from evolving market conditions.

## Risk management process

We have implemented a five-stage risk management process to ensure structured identification, evaluation and mitigation of risks. The process captures both threats and opportunities, enabling timely responses and continuous improvement.

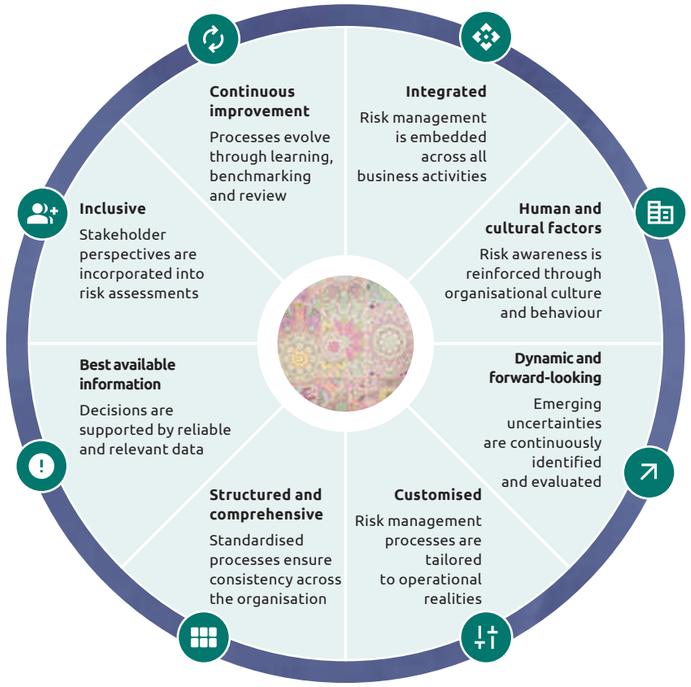
Key organisational risks are identified through inputs from top management and prioritised based on impact, likelihood, and the Company's risk appetite. The RMC strengthens preparedness for these risks through scenario-based mitigation plans and dynamic scenario planning.

Identified risks are mapped to business functions/those responsible for developing and implementing of mitigation plans as necessary. Progress is monitored periodically at the Risk Management Committee meetings.

| 01<br>Risk identification | 02<br>Risk assessment | 03<br>Risk recording | 04<br>Risk mitigation | 05<br>Risk monitoring & reviewing |
|---|---|---|---|---|
| Utilise 'top-down' and 'bottom-up' approaches to identify risks across the organisation | Analyse and assess identified risks to determine potential triggers and impacts | Establish, prioritise, and document key risks in a structured manner | Develop and implement action plans across businesses to mitigate identified risks | Monitor mitigation actions on an ongoing basis, with periodic reviews by the Board and RMC |

## Enterprise Risk Management

Our Enterprise Risk Management (ERM) framework strengthens governance, enhances organisational resilience and enables informed decision-making in an uncertain environment. The framework is guided by eight core principles:




This integrated and forward-looking approach enables us to mitigate risks, strengthen organisational resilience and harness opportunities for innovation and sustainable growth.

## Risk assessment

We leverage quantitative risk assessment tools, including Key Risk Indicators and the Value at Risk methodologies, to evaluate risk exposure and potential business impact.

### Key Risk Indicators (KRIs)

Key Risk Indicators (KRIs) are quantifiable metrics that serve as early warning signals to help organisations identify emerging risks and initiate timely mitigation. Our KRIs cover financial performance, operational matrix, regulatory compliance, cybersecurity and market dynamics and evaluate risks based on their impact on strategic objectives, operational effectiveness and reputational integrity.

### Value at Risk (VaR) methodology

To support data-driven risk assessment, we apply the Value at Risk (VaR) methodology, a statistical technique that estimates the risk-wise maximum exposure. VaR quantification enables us to better understand downside risk and incorporate this insight into our strategic and operational planning.

## Risk likelihood matrix

Risks are categorised using a matrix with two axis and four relevant quadrants. The horizontal axis includes endogenous factors (internal business factors) and exogenous factors (external events), while the vertical axis covers strategic and operational considerations.

| | Endogenous | Exogenous |
|---|---|---|
| Strategic | 1 People risk<br>2 New business complexities | 1 Shifting consumer preferences<br>2 Competition risk<br>3 Climate risk<br>4 Reputation risk<br>5 Geopolitical risk |
| Operational | 1 Evolving regulatory landscape<br>2 Process and product technology<br>3 Safety risk<br>4 Fraud risk<br>5 Large capex execution and management | 1 Counterfeit products<br>2 Information/Cyber Security risk |

## Critical risks and mitigation measures

All identified material topics are directly connected to the risks assessed by the RMC. Under the guidance of RMC, we have formulated comprehensive mitigation strategies to effectively address these risks.

These risks are linked to identified material topics:

### Linkage to materiality matrix

- Climate Change Mitigation
- Air Emission Pollution
- Waste Management
- End-of-Life Management of Product and Packaging
- Water Management
- Occupational Health, Safety and Wellbeing
- Talent Management
- Employee Engagement and Wellbeing
- Community Engagement
- Customer Delight
- Business Ethics and Corporate Governance
- Supplier Sustainability
- Human Rights – Value Chain
- Counterfeit Products
- Sustainable Product and Service Offerings
- Product Chemistry
- Supply Chain Disruptions
- Competitive Landscape and Market Position
- Consumer Health and Safety

## Critical risks and mitigation strategies

### Shifting consumer preferences ↔

**Impact**
Increase/Decrease in sales
Gain/Loss in market share

**Description**
Consumer preferences are shifting towards eco-friendly products, comprehensive solutions, niche offerings and socially responsible brands impacting consumer delight

**Rationale for identifying as**
**Risk/Opportunity**
Evolving consumer preferences necessitate continuous product adaptation, presenting both risks and opportunities to deliver differentiated solutions

**Mitigation strategies**
- Sustain a pipeline of cost-effective, consumer-centric product innovations, including offerings with differentiated features such as lotus-effect technology and air-purifying paints
- Drive new product development by exploring innovative technologies through patent landscaping, customer insights, academic collaborations, and competitive benchmarking
- Emphasise differentiated offerings such as Beautiful Home Painting Services. Expand presence in the home décor and services segment through Beautiful Homes Stores, providing customised furniture, furnishings, and lighting solutions
- Strengthen the portfolio of environmentally sustainable products with certified low-VOC formulations, high durability, cool coatings, and other eco-friendly alternatives
- Build strategic partnerships to broaden product range and pricing options within the décor segment
- Enhance packaging by incorporating heritage-inspired designs that reflect cultural diversity and human stories
- Deliver end-to-end solutions addressing consumer needs across the entire painting lifecycle—from waterproofing and undercoats to final top coats

Linkage for material topics :

### Competition ↑

**Impact**
Increase/Decrease in sales
Gain/Loss in market share

**Description**
Migration of end consumers/dealers due to a higher number of choices

**Rationale for identifying as Risk**
Loss of market share on account of increased competition
**Opportunity**
Upgrading consumers from the unorganised market to branded product offerings. Introduce differentiated solutions tailored to meet evolving consumer needs

**Mitigation strategies**
- Rolled out differentiated offerings and new variants with strong emphasis on ease of use and distinctive features
- Introduced décor and end-to-end painting solutions to elevate customer experience and create clear competitive differentiation.
- Prioritised long-term dealer partnerships, with a focus on enabling their growth and sustaining profitability
- Continued strategic focus on Project Sales (B2B) to drive volume and institutional penetration
- Strengthened influencer ecosystem through continuous upskilling, engagement programmes, and incentive schemes
- Executed region-specific initiatives tailored to local market dynamics and demand patterns
- Amplified brand visibility and recall through a range of targeted marketing initiatives
- Enhanced brand salience through new partnerships and integrated campaign-led outreach

Linkage for material topics :

### Reputation ↔

**Impact**
Increase/Decrease in brand value and market capitalisation

**Description**
Positive or negative perceptions regarding our Company and our products/services can significantly influence on customer relations, revenues, and interactions with regulatory bodies

**Rationale for identifying as Risk**
Negative publicity from any news/reports arising out of any act/inaction by our Company
**Opportunity**
Improved brand presence and reputation through proactive engagement with stakeholders

**Mitigation strategies**
- Maintained regular and structured engagement with Public Relations agencies and influencers in line with defined guidelines
- Closely monitored social media channels and ensured timely response to customer feedback and concerns
- Proactively addressed product-related complaints with a focus on improving overall customer experience during resolution.
- Ensured consistent delivery of products and services in line with commitments made to customers
- Adhered strictly to all applicable regulatory requirements and compliance standards
- Reinforced corporate governance practices, including strict adherence to the Code of Conduct
- Promoted transparency by regularly sharing key information with relevant stakeholders through structured updates

Linkage for material topics :

### Climate ↑

**Impact**
Positive or negative impact on our operations

**Description**
Climate change-related impact on operations

**Rationale for identifying as**
**Risk**
Variations in climate conditions present heightened physical and transition risks, which, if not effectively managed, could adversely impact business operations
**Opportunity**
Minimise the negative environmental impact of our operations and maximise the positive impact

**Mitigation strategies**
- Expanded green product portfolio through the introduction of environmentally friendly products and formulations with safer ingredients.
- Established a robust Business Continuity and Emergency Preparedness framework, supported by regular training programmes and mock drills.
- Identified and evaluated climate-related physical and transition risks in alignment with TCFD recommendations.
- Implemented both short-term and long-term mitigation strategies to address climate change impacts on operations.
- Continuously tracked evolving climate regulations, conducted employee training, and ensured timely compliance with new and amended requirements.
- Integrated climate considerations into long-term strategic planning and decision-making processes.
- Drove sustainability initiatives focused on energy conservation, increasing renewable energy usage, optimising alternative water sources, achieving water neutrality, reducing emissions across operations and logistics, and engaging suppliers on emission reduction.
- Extended producer responsibility to manage plastic waste.

Linkage for material topics :

↑ Increase in risk, ↓ Decrease in risk ↔ No change in risk + New risk

## Critical risks and mitigation strategies

### Evolving regulatory landscape ↑

**Impact**

Penalties and other impacts due to non-compliance

**Description**

Changes to existing regulations or the introduction of new regulatory requirements may impact our operations and compliance landscape

**Rationale for identifying as**

**Risk**

Non-compliance and penalties may have a direct impact on our operations and cause financial stress

**Mitigation strategies**

- Ensured adherence to existing regulatory requirements and maintain agility to respond promptly to new and evolving legislation
- Leveraged updated compliance checklists for real-time tracking and monitoring of statutory compliance
- Conducted periodic reviews of applicable compliances using a third-party compliance management tool
- Facilitated quarterly oversight of compliance status by senior management and the Board
- Strengthened the compliance framework through well-defined governance structures and internal controls
- Maintained active engagement with policymakers and industry associations
- Proactively tracked and prepared for emerging regulations, including Labour Codes and Data Privacy laws, to ensure readiness and compliance

Linkage for material topics :

### Process and product technology ↔

**Impact**

Significant decrease in cost

**Description**

Rapid advancements in technology is a key source of disruption, with the digital economy reshaping customer engagement across industries. Innovations in product development and manufacturing processes provide opportunities to deliver enhanced, reliable, and efficient customer solutions

**Rationale for identifying as**

**Opportunity**

Product and manufacturing technologies continually provide opportunities to deliver efficient and reliable offerings to customers

**Mitigation strategies**

- Drove industry leadership through consumer-centric innovations addressing both stated and latent customer needs
- Embedded 'Right First Time' and 'Inimitability' as foundational principles in product development
- Maintained a strong and structured pipeline of ideas for patenting and implementation
- Benchmarked products and innovations against global players, including internationally patented solutions and launches in paints and allied sectors
- Identified and pursued strategic partnerships to bridge technology gaps within the product portfolio
- Invested selectively in emerging digital technologies to build first-mover advantage and differentiated value propositions
- Continuously scouted and adopted advanced, efficient processing technologies at early stages to stay ahead of the curve

Linkage for material topics :

↑ Increase in risk, ↓ Decrease in risk ↔ No change in risk + New risk

### People ↔

**Impact**

- Increase in diversity of thought through introduction of laterals
- Loss of talent

**Description**

Potential challenges and uncertainties associated with employees

**Rationale for identifying as**

**Risk**

Attrition of key talent impacting the succession pipeline

**Opportunity**

Infusion of lateral talent within the workforce and create growth opportunities for existing employees

**Mitigation strategies**

- Strengthened the leadership pipeline by systematically identifying and developing talent across critical roles
- Enhanced employee engagement through structured organisational listening
- Established functional academies for new incumbents to build essential general and functional capabilities
- Aligned compensation and benefits with industry benchmarks to ensure competitiveness and retention
- Fostered a safe, inclusive, and open workplace culture through focused organisational initiatives
- Reinforced learning and development programme to equip employees with the necessary skills and knowledge

Linkage for material topics :

### Counterfeit products ↔

**Impact**

Decrease in revenue

**Description**

Counterfeit and spurious products pose a widespread global challenge, impacting nearly every sector and resulting in substantial losses to both industries and governments

**Rationale for identifying as**

**Risk**

Counterfeit and duplicate products pose a serious risk to the entire industry, leading to revenue loss, poor product performance, and reduced brand reliability

**Mitigation strategies**

- Cross-functional collaboration to proactively identify leads related to counterfeit activities
- Partnered with agencies and local authorities across states to detect and act against counterfeit manufacturers, including label printers
- Initiated and pursued post-raid legal actions through criminal and civil proceedings
- Strengthened anti-counterfeiting safeguards through enhanced packaging controls and features
- Increased awareness among key stakeholders to prevent, identify, and report counterfeit products

Linkage for material topics :

↑ Increase in risk, ↓ Decrease in risk ↔ No change in risk + New risk

## Critical risks and mitigation strategies

### Safety ↑

**Impact**
Increase in the number of incidents occurred

**Description**
Our manufacturing operations involve employees interacting with machinery and material handling equipment, presenting inherent risks of injury and potential exposure to hazardous materials or waste

**Rationale for identifying as**
**Risk**
Injury or occupational health hazard

**Mitigation strategies**
- Ensured strict adherence to Occupational Health & Safety standards, EHS policies, and best-in-class practices for handling hazardous materials
- Maintained continuous engagement with suppliers to identify emerging risks and explore improved mitigation alternatives
- Conducted periodic quantitative risk assessments and ensured timely closure of identified action plans
- Designed plants based on inherent safety principles, aligned with applicable standards, embedding Process Safety frameworks and closed-loop handling of hazardous materials
- Implemented customised safety management systems for new facilities handling complex petrochemical operations
- Comprehensive Emergency Response Plan (ERP) to enable effective incident preparedness and response is in place
- Advanced the Behaviour-Based Safety (BBS) journey across all plants through ongoing initiatives and interventions

Linkage for material topics :

### Fraud ↔

**Impact**
Financial loss

**Description**
Financial loss and reluctance to report fraud

**Rationale for identifying as**
**Risk**
Frauds lead to financial losses and strain on control systems

**Mitigation strategies**
- Established a comprehensive Fraud Risk Framework to drive actions across identified risk areas
- Conducted awareness sessions and training programmes to encourage reporting of fraud and malpractices
- Promoted a zero-tolerance culture for Code of Conduct violations through mandatory e-learning and structured manager-led team discussions
- Reinforced ethical decision-making through weekly communications such as 'CoC Compass – Make the Wise Choice'
- Institutionalised investigation protocols with clearly defined guidelines for conducting enquiries and disciplinary actions
- Enforced strict disciplinary measures against employees and external entities involved in misconduct
- Strengthened fraud detection capabilities and conducted periodic Fraud Risk Assessments (FRA) under the governance framework

Linkage for material topics :

↑ Increase in risk, ↓ Decrease in risk ↔ No change in risk + New risk

### New business complexities ↑

**Impact**
Financial loss

**Description**
Tackling complexities of new business:
- Requirement of specialised technical expertise across multiple domains
- Managing diverse raw materials along with their specific safety and handling requirements
- Adherence to evolving laws and regulatory requirements to ensure compliance

**Rationale for identifying as**
**Risk**
Difficulty in managing issues due to lack of experience in the new business, leading to delayed commencement or financial loss

**Mitigation strategies**
- Leveraged external advisors with specialised expertise to support niche and complex business areas
- Integrated technical and safety experts from the plant design stage to proactively mitigate safety-related risks
- Engaged subject matter experts to ensure adherence to all applicable regulatory and compliance requirements
- Targeted training on products, processes, and technologies to equip employees to manage business complexities effectively
- Undertook focused initiatives to enhance profitability and drive sustainable performance in these businesses

Linkage for material topics :

### Information/cyber security ↔

**Impact**
Leakage of information

**Description**
Threats from external cyber-attacks/hacking and internal leakage/modification of information, or failure to protect information

**Rationale for identifying as**
**Risk**
Loss of sensitive and confidential information and its impact on the reputation of our Company

**Mitigation strategies**
- 6-level architecture in place to curb information and cyber security risk – Identity, Data Centre, Network, Application, Device, and User Security
- Centralised identity and access management across systems, with automated provisioning/deprovisioning and authentication via active directory
- Comprehensive endpoint and device security, controlled VPN access and restrictions on personal devices
- Advanced network and communication security, including secure web access, email threat protection and firewalls
- Rigorous application and infrastructure security through secure coding , regular patching, and vulnerability assessments
- Strong data protection framework including information classification, rights management, restrictions on data sharing, and controlled external access
- Business continuity and resilience ensured through disaster recovery systems and drills and ongoing security awareness initiatives ('Kavach')
- Access to consumer-grade AI applications is restricted, with all AI usage governed through secure, enterprise-grade platforms

Linkage for material topics :

↑ Increase in risk, ↓ Decrease in risk ↔ No change in risk + New risk

## Critical risks and mitigation strategies

### Large capex execution and management ↔

**Impact**
- Delay in completion
- Cost overrun
- Safety incidents

**Description**
- Delay in commissioning due to design changes/ rework, vendor delays, manpower constraints, and other unforeseeable reasons, or an increase in capex costs due to delays or other factors.
- Safety incidents that cause harm to people, property and interrupt operations

**Rationale for identifying as**

**Risk**
Overrun in the budgeted capital expenditure and timeline and safety incidents

**Mitigation strategies**
- Defined clear project outcomes and aligned timelines upfront prior to initiation of any capex project
- Monitored project execution through periodic progress reports in collaboration with the Project Management team, tracking actual spends against budgets
- Integrated safety considerations early at the design stage to minimise inherent risks
- Maintained a comprehensive Safety Manual outlining detailed procedures and precautionary measures
- Conducted structured risk assessments such as Failure Mode and Effects Analysis (FMEA) and Hazard and Operability (HAZOP) to identify potential risks to personnel, equipment, and operations.
- Implemented permit-to-work systems to evaluate and control risks before undertaking critical activities.
- Deployed a dedicated on-site safety tem at construction locations, comprising contractor safety engineers and internal safety representatives
- Proactive efforts to ensure regulatory compliances/approvals are in place

Linkage for material topics :

### Geo-political risks +

**Impact**
- Material price inflation
- Material unavailability

**Description**
- Geopolitical tensions and tariff changes may lead to supply chain disruptions.
- Unpredictable costs, regulatory challenges, and delays in sourcing critical materials.

**Rationale for identifying as**

**Risk**
Material unavailability leading to disruption in production and ultimately sales loss
Higher cost of production leading to reduced profitability

**Mitigation strategies**
- Regular assessment of vendor or geographic dependency and ensuring minimal single vendor or region dependency
- Development of new vendor and engagement with them in the regions with lower risks
- Using cutting-edge technology-enabled Raw Material Procurement Planning solution to get an integrated view of the entire network, optimising procurement cost
- Hedging of foreign currency risks.
- Regularly monitor the global situation coupled with inventory management/stocking levels to ensure continued material availability.

Linkage for material topics :

↑ Increase in risk, ↓ Decrease in risk ↔ No change in risk + New risk

## Residual risks

While we strive to manage risks within established tolerance levels, some low-probability yet high-impact events—including natural disasters, macroeconomic shocks, regional conflicts or political instability—may surpass these levels. We proactively monitor such residual risks and remain committed to enhancing our systems and response strategies to minimise their potential effects.

## Emerging risks

Our Company remains alert to evolving risks that may not yet be fully quantifiable but hold potential implications for our operations. Among the uncertainties identified are the emergence of multiple facets linked to Artificial Intelligence (AI) and deglobalisation, among others. Increasing usage of AI may present risks relating to data confidentiality and information security, particularly where sensitive or proprietary information is processed through such systems. Wherever necessary, proactive measures are being implemented to mitigate the impact of these uncertainties and unlock potential opportunity.

## Business Continuity Plan (BCP)

We have established a comprehensive and systematic BCP to ensure operational resilience in case of major disruptions.

The BCP framework adopts a structured, multi-dimensional approach covering customers, supply chain, information technology and human resources, with each dimension independently evaluated. Scenario-based assessments and simulated disruption exercises were used to test response readiness, escalation mechanisms, and decision-making agility across functions. Key observations from these exercises highlighted the importance of cross-functional coordination, real-time monitoring and rapid communication protocols, which have since been further strengthened to enhance operational resilience and preparedness.

The BCP undergoes continuous review and enhancement, encompassing the following elements:

| Risk/Scenario identification | Business impact analysis | Solution design and implementation plan | Train and maintain |
|---|---|---|---|
| Identify various scenarios and potential risks associated with it. | Various impacts that might occur in case the scenarios are not addressed/ prevented. | Develop policies and response plans. | Conduct different types of drills for additional preparedness. |

## AWARDS AND RECOGNITIONS

Our pursuit of excellence across functions has earned us prestigious accolades year on year, spanning across governance practices, environmental stewardship, marketing, HR, and operational milestones. These recognitions validate our industry leadership and inspire us to continue advancing innovation and sustainable growth nationwide.



**Asian Paints was awarded Conscious Corporate of the Year 2025 by Economics Times reflecting consistency and authenticity of our commitment to responsible business**




Asian Paints received recognition for its efforts in advancing LGBTQ+ inclusion within the Manufacturing and Paints industry at the Bombay Chamber of Commerce & Industry DEI Awards 2025

Sriperumbudur plant achieved Arogya world healthy workplaces - 2025







**Asian Paints has been recognised under the 'Leadership' category of Indian Corporate Governance Scorecard assessment 2025 by Institutional Investor Advisory Services.**

Asian Paints Plants has been recognised at the 7th ICC Occupational Health & Safety Awards 2025 for outstanding performance in workplace safety (Khandala–Platinum, Kasna–Gold, Mysuru – Gold)




**FICCI Chemicals and Petrochemicals Award 2025 – Best Green Product of the Year for Ultima Air-O-Clean**

Ankleshwar received Gold Award at 13th Annual Convention by Quality Circle Forum of India




Khandala plant achieved Silver recognition in 8th CII IQ National Safety Practice Competition



**FICCI CSR Award – environmental sustainability for the watermark journey**



Asian Paints' Chromacosm launch won Gold at the PR & Communication Aces Awards 2025, organised by Indiantelevision.com group





Winner in the 'Most Creative Limited-Edition Packaging' for the Royale Matt Delhi Pack & Apex Dust Proof Haryana Pack



**Recognised as one of India's Best Brands -2025 by ET Edge**

Best Use of Creativity and Innovation at PR & Communication Aces Awards & Winner of Experiential PR Category at IMAGEXX Summit Adgully

Awarded Bhavishya Nidhi Award 2025 (Best Exempted Trust) by EPFO, Ministry of Labour and Employment, Government of India.




Awarded 'Compliance Team of the Year' at the 7th Edition Future of Legal and Compliance Summit & Awards 2025




Recognised among Businessworld's 'India's Most Sustainable Companies'

## TEN-YEAR REVIEW

### Standalone

(₹ in Crores except per share data, number of employees, number of shareholders and ratios)

| RESULTS FOR THE FINANCIAL YEAR | 2025-26 | 2024-25# | 2023-24^ | 2022-23 | 2021-22 | 2020-21** | 2019-20** | 2018-19~ | 2017-18$ | 2016-17$ |
|---|---|---|---|---|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | | | | | | |
| Revenue from sale of products and services (Net Sales) | **30,680.2** | 29,421.1 | 31,093.8 | 29,953.1 | 25,002.1 | 18,280.1 | 17,025.6 | 16,209.4 | 13,923.3 | 12,524.5 |
| Other operating revenue | **89.2** | 131.5 | 133.2 | 125.3 | 186.4 | 236.8 | 168.5 | 182.3 | 230.4 | 198.3 |
| Revenue from Operations | **30,769.5** | 29,552.7 | 31,227.0 | 30,078.4 | 25,188.5 | 18,516.9 | 17,194.1 | 16,391.8 | 14,153.7 | 12,722.8 |
| Growth Rates (%) | **4.1%** | (5.4%) | 3.8% | 19.4% | 36.0% | 7.7% | 4.9% | 15.8% | 11.2% | 7.5% |
| Materials Cost | **17,067.7** | 16,791.8 | 17,471.9 | 18,327.5 | 15,609.0 | 10,082.5 | 9,506.2 | 9,410.6 | 7,982.7 | 6,944.1 |
| % to Net Sales | **55.6%** | 57.1% | 56.2% | 61.2% | 62.4% | 55.2% | 55.8% | 58.1% | 57.3% | 55.4% |
| Gross Margin (Net Sales - Material Cost) | **13,612.5** | 12,629.3 | 13,621.9 | 11,625.6 | 9,393.1 | 8,197.5 | 7,519.4 | 6,798.8 | 5,940.6 | 5,580.4 |
| Gross Margin % to Net Sales | **44.4%** | 42.9% | 43.8% | 38.8% | 37.6% | 44.8% | 44.2% | 41.9% | 42.7% | 44.6% |
| Gross Contribution (Revenue from Operations - Material Cost) | **13,701.8** | 12,760.8 | 13,755.1 | 11,750.9 | 9,579.6 | 8,434.3 | 7,687.9 | 6,981.2 | 6,171.0 | 5,778.7 |
| Gross Contribution % to Revenue from Operations | **44.5%** | 43.2% | 44.0% | 39.1% | 38.0% | 45.5% | 44.7% | 42.6% | 43.6% | 45.4% |
| Overheads | **7,521.3** | 7,204.3 | 6,711.3 | 5,930.4 | 4,991.8 | 3,941.6 | 3,831.4 | 3,476.4 | 3,250.5 | 3,107.9 |
| Operating Profit (EBITDA) | **7,113.1** | 6,326.9 | 7,865.7 | 6,338.5 | 5,039.7 | 4,858.8 | 4,214.1 | 3,789.6 | 3,198.0 | 2,971.0 |
| Finance Costs | **127.4** | 143.8 | 124.1 | 93.1 | 70.3 | 71.7 | 78.4 | 78.6 | 21.1 | 18.9 |
| Depreciation and Amortisation Expense | **1,085.7** | 901.9 | 742.9 | 755.8 | 721.6 | 697.5 | 690.0 | 540.8 | 311.1 | 295.4 |
| Profit Before Tax and Exceptional items | **5,900.1** | 5,281.2 | 6,998.7 | 5,489.6 | 4,247.9 | 4,089.7 | 3,445.7 | 3,170.3 | 2,865.8 | 2,656.7 |
| % to Revenue from Operations | **19.2%** | 17.9% | 22.4% | 18.3% | 16.9% | 22.1% | 20.0% | 19.3% | 20.2% | 20.9% |
| Growth Rates (%) | **11.7%** | (24.5%) | 27.5% | 29.2% | 3.9% | 18.7% | 8.7% | 10.6% | 7.9% | 7.6% |
| Exceptional item | **(166.5)** | (379.6) | - | - | (53.7) | - | (33.2) | - | - | - |
| Profit Before Tax and after Exceptional items | **5,733.6** | 4,901.6 | 6,998.7 | 5,489.6 | 4,194.1 | 4,089.7 | 3,412.5 | 3,170.3 | 2,865.8 | 2,656.7 |
| % to Revenue from Operations | **18.6%** | 16.6% | 22.4% | 18.3% | 16.7% | 22.1% | 19.8% | 19.3% | 20.2% | 20.9% |
| Profit After Tax | **4,244.2** | 3,588.1 | 5,315.0 | 4,100.2 | 3,134.7 | 3,051.8 | 2,653.5 | 2,132.2 | 1,894.8 | 1,801.7 |
| Return on average capital employed (ROCE) (%) | **28.9%** | 28.4% | 41.2% | 38.0% | 33.5% | 38.1% | 37.8% | 38.4% | 38.7% | 40.9% |
| Return on average net worth (RONW) (%) | **21.3%** | 19.3% | 31.4% | 28.3% | 24.6% | 28.3% | 29.0% | 25.6% | 25.4% | 27.7% |
| **BALANCE SHEET** | | | | | | | | | | |
| Share Capital | **95.9** | 95.9 | 95.9 | 95.9 | 95.9 | 95.9 | 95.9 | 95.9 | 95.9 | 95.9 |
| Other Equity | **20,685.6** | 18,891.8 | 18,192.7 | 15,489.6 | 13,253.2 | 11,993.3 | 9,356.2 | 8,747.0 | 7,702.2 | 6,998.8 |
| Borrowings | **1,221.3** | 73.9 | 192.0 | 93.8 | 19.6 | 27.4 | 31.3 | 13.5 | 14.9 | 17.1 |
| Tangible Fixed Assets and Intangible Assets (incl. Right-of-Use Assets) | **9,496.4** | 8,872.8 | 8,055.1 | 5,620.7 | 4,779.4 | 4,882.0 | 5,237.5 | 5,400.5 | 3,960.4 | 2,824.4 |
| Investments | **7,510.2** | 5,296.2 | 5,471.0 | 4,911.7 | 3,810.6 | 5,179.3 | 2,496.5 | 2,964.0 | 2,577.3 | 2,913.6 |
| Debt-Equity Ratio | **0.059:1** | 0.004:1 | 0.01:1 | 0.006:1 | 0.001:1 | 0.002:1 | 0.003:1 | 0.002:1 | 0.002:1 | 0.002:1 |
| Market Capitalisation | **207,618** | 224,232 | 273,060 | 264,897 | 295,428 | 243,387 | 159,850 | 143,180 | 107,469 | 102,970 |
| **PER SHARE DATA** | | | | | | | | | | |
| Basic Earnings Per Share (EPS) (₹)* | **44.3** | 37.4 | 55.4 | 42.8 | 32.7 | 31.8 | 27.7 | 22.2 | 19.8 | 18.8 |
| Diluted Earnings Per Share (EPS) (₹)* | **44.3** | 37.4 | 55.4 | 42.8 | 32.7 | 31.8 | 27.7 | 22.2 | 19.8 | 18.8 |
| Dividend (%) | **2750%** | 2480% | 3330.0% | 2565.0% | 1915.0% | 1785.0% | 1200.0% | 1050.0% | 870.0% | 1030.0% |
| Dividend Payout Ratio (%) | **60.0%@** | 60.0%@ | 60.0% | 60.0% | 58.6% | 56.1% | 51.1% | 56.7% | 53.0% | 53.1% |
| Book Value (₹) | **216.7** | 198.0 | 190.7 | 162.5 | 139.2 | 126.0 | 98.5 | 92.2 | 81.3 | 74.0 |
| **OTHER INFORMATION** | | | | | | | | | | |
| Number of Employees | **11,162** | 11,111 | 9,482 | 8,056 | 7,423 | 7,134 | 6,751 | 6,456 | 6,238 | 6,156 |
| Number of Shareholders | **1,034,007.0** | 1,254,984.0 | 1,148,193 | 1,129,040 | 987,176 | 522,165 | 315,626 | 220,538 | 191,561 | 202,988 |

* EPS is calculated on Net Profit after Exceptional items.

$ Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years.

~ The figures for FY 2018-19 have been restated on account of retrospective application of Ind AS 116 - Leases. The cumulative impact of this retrospective application in prior years has been adjusted in opening retained earnings as at 1st April, 2018 (reducing the same by ₹ 42.0 Crores).

** The figures for FY 2019-20 and FY 2020-21 have been restated on account of amalgamation of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited with the Company with the appointed date of 1st April, 2019.

^ The figures for FY 2023-24 have been restated on account of amalgamation of Sleek International Private Limited and Maxbhumi Developers Limited with the Company with the appointed date of 1st April,2024.

# The figures for FY 2024-25 have been restated on account of amalgamation of Asian Paints (Polymers) Private Limited (APPPL) with the Company with the appointed date of 1st April, 2025.

@ Dividend payout ratio is before adjusting exceptional item.

### Consolidated

(₹ in Crores except per share data and ratios)

| RESULTS FOR THE FINANCIAL YEAR | 2025-26 | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19~ | 2017-18$ | 2016-17$ |
|---|---|---|---|---|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | | | | | | |
| Revenue from sale of products and services (Net Sales) | **35,516.4** | 33,797.4 | 35,382.1 | 34,367.8 | 28,923.5 | 21,485.2 | 20,048.3 | 19,070.7 | 16,619.8 | 14,978.7 |
| Other operating revenue | **67.2** | 108.3 | 112.6 | 120.8 | 177.8 | 227.6 | 162.9 | 177.8 | 224.0 | 189.5 |
| Revenue from Operations | **35,583.5** | 33,905.6 | 35,494.7 | 34,488.6 | 29,101.3 | 21,712.8 | 20,211.3 | 19,248.5 | 16,843.8 | 15,168.2 |
| Growth Rates (%) | **4.9%** | (4.5%) | 2.9% | 18.5% | 34.0% | 7.4% | 5.0% | 14.3% | 11.0% | 6.3% |
| Material Cost | **20,001.8** | 19,515.8 | 20,090.2 | 21,156.5 | 18,300.8 | 12,097.2 | 11,383.5 | 11,272.9 | 9,710.4 | 8,435.1 |
| % to Net Sales | **56.3%** | 57.7% | 56.8% | 61.6% | 63.3% | 56.3% | 56.8% | 59.1% | 58.4% | 56.3% |
| Gross Margin (Net Sales - Material Cost) | **15,514.6** | 14,281.6 | 15,291.9 | 13,211.3 | 10,622.7 | 9,388.0 | 8,664.9 | 7,797.8 | 6,909.4 | 6,543.6 |
| Gross Margin % to Net Sales | **43.7%** | 42.3% | 43.2% | 38.4% | 36.7% | 43.7% | 43.2% | 40.9% | 41.6% | 43.7% |
| Gross Contribution (Revenue from Operations - Material Cost) | **15,581.8** | 14,389.8 | 15,404.5 | 13,332.1 | 10,800.5 | 9,615.6 | 8,827.8 | 7,975.6 | 7,133.4 | 6,733.1 |
| Gross Contribution % to Revenue from Operations | **43.8%** | 42.4% | 43.4% | 38.7% | 37.1% | 44.3% | 43.7% | 41.4% | 42.4% | 44.4% |
| Overheads | **8,885.8** | 8,383.6 | 7,819.5 | 7,072.3 | 5,996.9 | 4,760.0 | 4,666.0 | 4,210.0 | 3,935.8 | 3,746.7 |
| Operating Profit (EBITDA) | **7,419.7** | 6,578.8 | 8,272.9 | 6,646.3 | 5,183.6 | 5,158.7 | 4,466.1 | 3,998.6 | 3,418.2 | 3,248.9 |
| Finance Costs | **195.4** | 227.0 | 205.2 | 144.5 | 95.4 | 91.6 | 102.3 | 105.3 | 35.1 | 30.0 |
| Depreciation and Amortisation Expense | **1,228.9** | 1,026.3 | 853.0 | 858.0 | 816.4 | 791.3 | 780.5 | 622.1 | 360.5 | 334.8 |
| Profit Before Tax and Exceptional items (including share of profit in associates) | **6,161.0** | 5,466.2 | 7,347.8 | 5,737.7 | 4,303.4 | 4,304.4 | 3,634.0 | 3,311.9 | 3,068.5 | 2,933.7 |
| % to Revenue from Operations | **17.3%** | 16.1% | 20.7% | 16.6% | 14.8% | 19.8% | 18.0% | 17.2% | 18.2% | 19.3% |
| Growth Rates (%) | **12.7%** | (25.6%) | 28.1% | 33.3% | 0.0% | 18.4% | 9.7% | 7.9% | 4.6% | 8.7% |
| Exceptional items | **(157.6)** | (363.1) | - | (48.9) | (115.7) | - | - | - | - | - |
| Profit Before Tax and after Exceptional items | **6,003.4** | 5,103.1 | 7,347.8 | 5,688.8 | 4,187.7 | 4,304.4 | 3,634.0 | 3,311.9 | 3,068.5 | 2,933.7 |
| % to Revenue from Operations | **16.9%** | 15.1% | 20.7% | 16.5% | 14.4% | 19.8% | 18.0% | 17.2% | 18.2% | 19.3% |
| Profit after Tax and Minority interest | **4,325.3** | 3,667.2 | 5,460.2 | 4,106.5 | 3,030.6 | 3,139.3 | 2,705.2 | 2,155.9 | 2,038.9 | 1,939.4 |
| Return on average capital employed (ROCE) (%) | **27.6%** | 26.9% | 39.7% | 35.9% | 30.4% | 35.4% | 34.4% | 34.1% | 34.8% | 37.6% |
| Return on average net worth (RONW) (%) | **20.9%** | 18.8% | 31.0% | 27.4% | 22.8% | 27.4% | 27.6% | 24.1% | 25.5% | 27.5% |
| **BALANCE SHEET** | | | | | | | | | | |
| Share Capital | **95.9** | 95.9 | 95.9 | 95.9 | 95.9 | 95.9 | 95.9 | 95.9 | 95.9 | 95.9 |
| Other Equity | **21,275.7** | 19,303.9 | 18,632.4 | 15,896.3 | 13,715.6 | 12,710.4 | 10,034.2 | 9,374.6 | 8,314.3 | 7,508.0 |
| Borrowings | **2,324.9** | 898.2 | 1,146.3 | 1,016.7 | 779.1 | 353.8 | 361.6 | 629.2 | 533.4 | 560.3 |
| Tangible Fixed Assets and Intangible Assets (incl. Right-of-Use Assets) | **11,489.0** | 10,474.6 | 9,845.0 | 6,790.1 | 5,945.5 | 6,041.5 | 6,412.6 | 6,706.2 | 4,857.4 | 3,415.1 |
| Investments | **7,061.7** | 4,724.8 | 4,587.9 | 4,261.7 | 3,247.5 | 4,736.8 | 2,018.9 | 2,568.6 | 2,140.7 | 2,652.0 |
| Debt-Equity Ratio | **0.11 : 1** | 0.04 : 1 | 0.06 : 1 | 0.06 : 1 | 0.06 : 1 | 0.03 : 1 | 0.04 : 1 | 0.07 : 1 | 0.06 : 1 | 0.07 : 1 |
| **PER SHARE DATA** | | | | | | | | | | |
| Basic Earnings Per Share (EPS) (₹)* | **45.1** | 38.3 | 56.9 | 42.8 | 31.6 | 32.7 | 28.2 | 22.5 | 21.3 | 20.2 |
| Diluted Earnings Per Share (EPS) (₹)* | **45.1** | 38.2 | 56.9 | 42.8 | 31.6 | 32.7 | 28.2 | 22.5 | 21.3 | 20.2 |
| Book Value (₹) | **222.8** | 202.2 | 195.2 | 166.7 | 144.0 | 133.5 | 105.6 | 98.7 | 87.7 | 79.3 |

* EPS is calculated on Net Profit (including share of profit in associates) after exceptional items.

$ Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years.

~ The figures for FY 2018-19 have been restated on account of retrospective application of Ind AS 116 - Leases. The cumulative impact of this retrospective application in prior years has been adjusted in opening retained earnings as at 1st April, 2018 (reducing the same by ₹ 46.9 Crores).

# VALUE PROPOSITION



STAR GAZE
7364

DAWN DEW-N
L190

DHUND-N
K075

DEEP LAGOON-N
9716



OCEAN SPRAY
0947

## IN THIS SECTION


82 Value creation model

86 Stakeholder engagement

91 Materiality

98 Innovation and manufacturing excellence

## OUR PURPOSE

**We exist to beautify, preserve, transform all spaces and objects, bringing happiness to the world.**

## OUR VALUES

Standing for each other's success | Creative zeal | Integrity | Audacity | Scientific rigor | Customer passion

## HELPS US TO UTILISE OUR INPUTS →

### Financial resources

**Strong balance sheet supporting our growth plans**
Shareholder's funds: **₹20,781.6 Crores**
Debt: **₹1,221.3 Crores**

### People and capabilities

**Talented, diverse team of 33,000+ people**
Permanent employees: **11,162**
Contractual employees: **22,198**
Investment in Learning & Development: **₹20.6 Crores**

### Natural resources

**Utilisation of various natural resources such as water, oil, etc.**
Renewable electricity consumption: **56.5%**
Spend on water conservation: **₹ 31.0 Crores**
Specific non-process water consumption: **0.44 KL/KL**
Specific electricity consumption: **87.3 kWh/KL**

### Manufacturing capabilities

**Pan-India state-of-the-art manufacturing facilities securing high levels of productivity and product excellence**
Property, plant, and equipment: **₹6,040.2 Crores**
In-house installed decorative paint capacity: **2,290,000 KL/ annum**
Manufacturing facilities (in-house): **13**
Processing centres (outsourced): **30**

### Communities

**Beneficiaries of our numerous CSR projects across India**
Spend on CSR activity: **₹114.6 Crores**

### Relationship with value chain partners

Supplier base: **30,000+**

### Technology and innovation

**Robust digital infrastructure and strong R&T capabilities**
Spend on Research and Development: **₹124.9 Crores**
Scientists at Research & Technology Centre: **250+**
Patents filed: **181**
Investment in Information Technology: **₹158.2 Crores**

## TO STRATEGISE BUSINESS OPERATIONS FOR MAXIMISING SHAREHOLDERS RETURNS →



**Upstream**
- Innovation-led products and services
- Strategic supply chain management

**Own operations**
- Management process
- Sustainable and safe manufacturing

**Downstream**
- Brand value propagation
- Customer life cycle management
- Deliver products and services



**Our growth accelerators**
- Massive upsurge on brand building
- Dialed up innovation quotient
- Services ignition
- Regional market ignition
- Widening the net in B2B
- Backward integration

Read more at Page 17



## SUSTAINABILITY →

### Sustainable operations

**Energy conservation**
Setting standards for energy neutrality and optimum resource utilisation

**Product stewardship**
Providing industry-leading environmentally sustainable product options in every category

**Water neutrality**
Ensuring water neutral operations

**Nature positive**
Achieving near-zero waste and emissions and foster circularity through the 3R principles

Read more at Page 112

### Synergising relationships

**Community ownership, Customer celebrations**
Fostering the development of our communities and deliver customer delight

**Water stewardship**
Assisting local communities with their water requirements

**Energising, equitable & inclusive workplace**
Creating a workplace that celebrates diversity and values performance

**Safe workplace**
Providing healthy and safe work environment

Read more at Page 134

### Governance

**World-class governance**
Committed to be a leader in ESG assessments

**Sustainable supply chain management**
Prioritising ethical sourcing, reduce environmental impact, and promote social responsibility

Read more at Page 182

## ADDRESS MATERIAL TOPICS

Read more at Page 91

- Climate Change Mitigation
- Air Emission Pollution
- Waste Management
- End-of-Life Management of Product and Packaging
- Sustainable Product and Service Offerings
- Consumer Health and Safety
- Product Chemistry
- Water Management
- Occupational Health
- Safety and Wellbeing
- Talent Management
- Employee Engagement and Wellbeing
- Human Rights – Value Chain
- Community Engagement
- Customer Delight
- Supplier Sustainability
- Supply Chain Disruptions
- Counterfeit Products
- Business Ethics and Corporate Governance
- Competitive Landscape and Market Position

## ALIGNED TO THE EXTERNAL ENVIRONMENT

**Political** | **Economic**
**Social** | **Technological**
**Legal** | **Environmental**

## TO ADDRESS RISKS AND OPPORTUNITIES

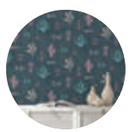
| | |
|---|---|
| Shifting consumer preferences | 🟢🔴 |
| Competition | 🟢🔴 |
| Reputation | 🟢🔴 |
| Climate | 🟢🔴 |
| Evolving regulatory landscape | 🔴 |
| Process and product technology | 🟢 |
| People | 🟢🔴 |
| Counterfeit products | 🔴 |
| Safety | 🔴 |
| Fraud | 🔴 |
| New business complexities | 🔴 |
| Information/cyber security risk | 🔴 |
| Large capex execution and management | 🔴 |
| Geopolitical risk | 🔴 |

🟢 Opportunity | 🔴 Risk

Read more at **Page 64**

## LEADING US TO DELIVER WORLD CLASS PRODUCTS AND SERVICES


Paints


Wall Coverings


Waterproofing


Adhesives


Bath fittings and Sanitaryware

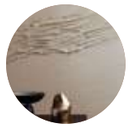

Modular Kitchens and Wardrobe


Furnishings


Decorative Lightings


uPVC Windows and Door Systems


Furnitures


Textures and Painting Aid


Mechanised Tools

### Services

- Colour Consultancy
- Projects
- Beautiful Homes Painting Services
- Waterproofing Solutions
- Wood Solutions
- Assure (Total Assure, AP Assure, Smart assure, Metacare)

## AND CREATE VALUE FOR ALL OUR STAKEHOLDERS

### Employees

Protecting and nurturing our employees

Loss Time Injury Frequency Rate (LTIFR): **0.34**

Employee engagement score: **82%**

Retention rate: **82%**

### Communities

Empowering through our sustainability and CSR activities

Reduction in specific hazardous waste disposal: **69.7%**

Water replenishment: **589%**

Reduction in specific non-process water consumption: **54.3%**

Reduction in specific effluent generation: **78.8%**

Reduction in emission intensity: **68.8%**

Reduction in specific electricity consumption: **24.7%**

Water harvesting potential created: **431%**

### Investors

Ensuring high investor returns

Revenue: **₹30,680.2 Crores**

EBITDA: **₹7,113.1 Crores**

EPS: **44.27**

RoCE: **28.9%**

### Customers

Best-in-class products and services

Net Promoter Score (NPS): **73.6**

New products developed: **25**

Customer complaints resolved: **95.3%**

Patents granted: **91**

### Influencers

Partnering for mutual success

Number of AID collaborations: **5,440+**

Business Influencers: **137,000+**

### Government and regulatory bodies

Maximise our positive direct and indirect impact on the economy

Taxes paid: **₹5,067.0 Crores**

### Vendors

Creating an inclusive ecosystem for partners

Procurement of materials from local suppliers: **78.7%**

New suppliers evaluated based on social and environmental parameters: **100%**



# STAKEHOLDER ENGAGEMENT

At Asian Paints, we prioritise continuous engagement with diverse stakeholders to create long-term value, understand their expectations and incorporate feedback into our decisions. Through continuous dialogue and transparent communication, we aim to build trust, manage risks and support sustainable growth.




## Purpose of stakeholder engagement

Regular interactions with stakeholders enable us to foresee change, co-create solutions and build lasting trust. By listening closely to the needs of our vendors, dealers, customers, influencers, employees, investors communities and Government & regulatory bodies, we can shape strategies that are relevant, inclusive, and future-ready. It ensures that growth remains sustainable and firmly anchored in common values.

Our Double Materiality Assessment, supported by stakeholder engagement, helped align stakeholder expectations and drive focused transformation and long-term value creation.

To learn more about our materiality assessment process to understand the role of stakeholders in identifying the material topics, read at **Page 91**

## Process of stakeholder engagement

### Planning

We define clear objectives and parameters for stakeholder engagement, leveraging our experience and insights from past interactions to guide the process effectively.

### Identifying

We actively collect and analyse feedback to recognise the key concerns and expectations of our stakeholder.

### Engaging

We collaborate closely with stakeholders to deeply understand their needs, align on priorities and build mutual trust.

### Reviewing and improving

We emphasise transparency and inclusivity, continuously refining our engagement approach based on stakeholder input and evolving expectations.

## Customers

**Frequency of engagement: Ongoing**

We engage with customers regularly to foster brand loyalty and gather feedback. We have also strengthened customer centricity by expanding our retail footprint to 74 Beautiful Homes stores and launching the Assure suite for technical accountability. By integrating AI-driven NPS and immersive digital touchpoints, we continue to redefine experiential luxury and trust.

### Engagement approach

- Partnering in their journey from products to services
- Digital channels such as mobile applications, TV commercials, Company website, social media platforms, etc.
- One-on-one interactions
- Customer satisfaction surveys
- Customer service helpline
- Feedback surveys and calls post-redressal of complaints
- Dealer/contractor meets

### Key imperative

- Product safety and value for money
- Anticipating requirements
- Innovative products
- Creating value
- Convenience
- Delivering solutions, beyond products
- Sustainable products and services
- Delightful experience through the décor journey

**73.6**
Net Promoter Score (NPS)

GRI 2-29 Approach to stakeholder engagement

# STAKEHOLDER ENGAGEMENT

## Employees

**Frequency of engagement: Ongoing**

At Asian Paints, we believe in empowering our people, enabling every individual to grow and thrive professionally as well as personally. With a strong focus on diversity, inclusivity, training and development, we aim to nurture a future-ready workforce. Our holistic wellness initiatives are designed to facilitate the physical and mental wellbeing of our people.

### Engagement approach

- Programmes to ensure employee wellbeing and safety
- Employee engagement surveys
- Digital interactions
- One-on-one interactions and Townhall meetings
- Personalised learning and development programmes
- Regular performance review and feedback (360-degree feedback)
- Intranet portal
- Engaging with potential campus hires in leading colleges
- Exit interviews

### Key imperative

- Employee wellbeing
- Learning, development and growth opportunities
- Occupational health and safety
- Equity and diversity
- Robust rewards and recognition programmes
- Fair wages

**1.27**
Total Recordable Frequency Rate (TRFR)

**7.9**
Psychological Safety Score (out of 10)

## Vendors

**Frequency of engagement: Ongoing**

We foster strong, transparent relationships with our suppliers through continuous collaboration, knowledge exchange, adoption of advanced technologies, and a shared commitment to sustainable and responsible practices.

### Engagement approach

- Supplier meets
- One-on-one interactions
- Digital platforms such as supplier portals
- Forums and seminars
- Strategic collaborations with suppliers
- Onboarding and ESG assessments

### Key imperative

- Value creation
- Fairness in business dealings
- Timely payment and recurring orders
- Necessary knowledge and infrastructure support
- Alignment on ESG priorities

**100%**
New vendors assessed on environmental and social criteria

**89%**
Suppliers assessed under Samaveta program

## Investors

**Frequency of engagement: Periodic**

We have earned the trust of our investors through a consistent track record of healthy growth. Our financial resilience, innovative approach, strong cash flows and steady dividend payouts give us the confidence to fulfil the expectations of a large investor base.

### Engagement approach

- Annual general meeting
- Quarterly earnings calls and analyst meets
- Integrated Annual Reports
- One-on-one engagement/meeting
- Media updates – communicates business and financial performance and progress on priorities
- Filings with regulatory bodies
- Investor support and communication

### Key imperative

- Reliable return on investment
- Long-term viability and sustainable growth
- Timely disclosures and compliance
- Robust corporate governance practices

**₹ 5,566.7 Crores**
Free cash flows in 2025-26

**60%**
Dividend payout ratio in FY 2025-26

**112**
Funds participated in investor meets and conferences

## Communities

**Frequency of engagement: Ongoing**

We undertake various CSR projects to ensure the growth and development of communities. It has enabled us to empower and uplift lives in underserved regions and strengthen vocational capabilities. We work closely with communities and non-governmental organisations (NGOs) to drive inclusive and sustainable development.

### Engagement approach

- CSR and sustainability initiatives
- Collaboration with non-government organisations
- Field visits
- Skill development
- One-on-one interactions
- Employee volunteering activities

### Key imperative

- Social issues include water management, skill development, and health and hygiene
- Carrying out business sustainably
- Empower underprivileged sections of society/vulnerable and marginalised groups through CSR initiatives

**945,000+**
Painters and contractors trained during the year

**259,000+**
Beneficiaries impacted through healthcare initiatives

## Government and regulatory bodies

**Frequency of engagement: Periodic**

We regularly engage with policymakers and regulators to remain aligned with evolving norms and shape industry dialogue. We ensure compliance with laws and maintain transparency and accountability in our disclosures and through our engagements. By creating jobs, supporting communities and ensuring timely tax payments, we fulfil our responsibility towards public services and national development.

### Engagement approach

- E-mails and letters
- Conferences
- Industry forums
- Regulatory filings
- Meetings with officials
- Representations

### Key imperative

- Compliance with laws
- Collaboration on national agendas
- Industry representations for ease of doing business and regulatory reforms
- Support the 'Make in India' movement
- Adopting and following sustainable business practices

## Influencers

**Frequency of engagement: Ongoing**

Our partnerships with influencers enable us to stay attuned to the changing expectations of our customers. It empowers us to reimagine living spaces and offer solutions that truly transform homes.

### Engagement approach

- Meetings
- Conferences
- Digital platforms

### Key imperative

- Business collaboration
- Value addition
- Upgradation of products and offerings

**₹ 5,067.0 Crores**
Taxes paid

**137,000+**
Business influencers

GRI 207-3 Stakeholder engagement and management of concerns related to tax









## DOUBLE MATERIALITY

Guided by our ESG framework, we have embedded responsible practices into the way we operate, innovate and grow, while staying true to our purpose of 'Bringing joy to people's lives.'

We continuously evaluate how sustainability-related factors influence our business, stakeholders and the ecosystems in which we operate. In a rapidly evolving regulatory, environmental and social landscape, understanding the interdependence of our operations on our stakeholders and the environment as well as the externalities that impact our financial performance is critical to strengthening resilience, informing strategic decision-making and sustaining stakeholder trust.

As part of this journey, in FY 2020-21, we conducted our first materiality assessment and formulated our ESG framework with targets for 2025 and 2030.

Building on this foundation, in 2026 we undertook a Double Materiality Assessment (DMA) on a standalone basis. The DMA referred to the methodology recommended by European Sustainability Reporting Standards (ESRS 1) and is in alignment with the guidance provided by European Financial Reporting Advisory Group (EFRAG). Further, the materiality assessment under the Global Reporting Initiative ('GRI'), aligns to the ESRS 1 methodology insofar as it pertains to the assessment of impacts. This enabled us to systematically identify sustainability topics that are material from an impact perspective on the environment and society, and from a financial perspective, including their potential influence on our financial performance, risk profile, and long-term value creation.

Our Double Materiality Assessment approach and process have undergone third-party assurance. The assurance report is available on **Page 571**.

It incorporated both internal and external perspectives on the key risks and opportunities relevant to our business. Our assessment considered the following dimensions:

### Impact materiality (Inside-out)

Asian Paints' material impacts (actual or potential, positive or negative) on people or the environment

### Financial materiality (Outside-in)

Asian Paints' material risks or opportunities that affect (or could reasonably be expected to affect) financial position, performance, cash flows, access to finance or cost of capital.

### Stakeholder groups

- **Board of Directors and Senior Management**
- **Employees**
- **Investors**
- **Vendors**
- **Customers**
- **Communities**
- **Government/Regulatory Bodies**



## Materiality assessment approach

We mapped our business activities across key stages of the value chain, encompassing upstream sourcing, manufacturing operations, and downstream distribution. Potential Impacts, Risks, and Opportunities (IROs) were identified based on internal insights derived from focused discussions, prior assessments, peer benchmarking, media and industry analysis and stakeholder inputs.

We mapped key affected stakeholders and actively engaged with them through questionnaires, interviews, and focused discussions to understand the issues most material to them. Each IRO was assessed for both impact and financial materiality, including its relevance across our operations and value chain (upstream and downstream).

A structured approach was adopted to determine material sustainability matters:

- Impact materiality was assessed based on the parameters of scope, scale, and irremediability, which together determine the severity of an impact. This was further evaluated in conjunction with likelihood to derive the overall impact materiality score. A score of 2.3 and above (on a scale of 3) is considered material, ensuring that high-severity or high-likelihood impacts are prioritised.
- Financial materiality was assessed based on the magnitude and likelihood of potential risks and opportunities. A score above 2 (on a scale of 3) is considered material, capturing both high-likelihood moderate impacts and moderate-likelihood high impacts.

The final determination of material topics incorporated a governance overlay through cross-functional review and alignment with enterprise risk assessments, ensuring that the outcome reflects both analytical rigour and business context.

We assessed material topics relevant to our business and value chain and cross-referenced all identified sustainability risks with our Enterprise Risk Management (ERM) framework.

The outcomes of the impact and financial assessments were subsequently discussed with the Board, and the material matters were reflected in the Double Materiality Matrix. These insights are being actively integrated into strategic planning, operational excellence, ESG focus areas, and risk management processes.

GRI 3-1 Process to determine material topics

## Materiality Matrix*

| Impact Materiality | Financial Materiality: Low | Financial Materiality: High |
|---|---|---|
| High | • Climate Change Mitigation (−)<br>• Occupational Health, Safety and Wellbeing (−)<br>• Product Chemistry (−)<br>• Air Emission Pollution (−)<br>• Water Management (−)<br>• Consumer Health and Safety (−)<br>• Human Rights - Value chain (−)<br>• Community Engagement (+)<br>• Employee Engagement and Wellbeing (+)<br>• Supplier Sustainability (+) | • End-of-Life Management of Product & Packaging (−) (+) (↑)<br>• Sustainable Product and Service Offerings (+) (↑)<br>• Waste Management (−) (↓)<br>• Customer Delight (+) (↑) |
| Low | | • Counterfeit Products (↓)<br>• Business Ethics and Corporate Governance (↓)<br>• Supply Chain Disruptions (↓)<br>• Competitive Landscape and Market Position (↓)<br>• Talent Management (↓) |

Positive Impact (+) Negative Impact (−) Risk (↓) Opportunity (↑)

*Topics are not presented in order of priority.

Compared to our previous materiality assessment, the current evaluation reaffirms the continued relevance of our core ESG priorities. Certain topics have gained importance reflecting alignment with evolving stakeholder expectations, while others such as Biodiversity and Influencer Management are not considered material at this stage but continue to be monitored.



GRI 3-2 List of material topics, GRI 3-3 Management of material topics

## MATERIALITY

The table below includes the material impacts, risks and opportunities, as well as a reference to where the related disclosures are included in the Integrated Annual Report.

| Material Topics | Description | ESG focus areas and mitigation |
|---|---|---|
| **Climate Change Mitigation** | **Impact:**<br>Greenhouse gas emissions from manufacturing, energy use, logistics, and value chain activities contribute to climate change and its environmental impacts. | Refer to the Climate Change Mitigation chapter forming part of the Sustainable Operations section of the Integrated Annual Report.<br>Read more at **Page 114** |
| **Occupational Health, Safety and Wellbeing** | **Impact:**<br>Manufacturing operations could expose employees and contract workers to occupational health and safety risks arising from use of machinery, exposure to chemical substances and logistics activities. | Refer to the Safe Workplace chapter forming part of the Synergising Relationships section of the Integrated Annual Report.<br>Read more at **Page 176** |
| **Product Chemistry** | **Impact:**<br>Use of pigments, solvents, additives and other chemical substances in paint formulations could pose a risk to human health, safety or the environment during manufacturing, product applications and end-of-life disposal, if not properly handled or managed. | Refer to the Product Stewardship chapter forming part of the Sustainable Operations section of the Integrated Annual Report.<br>Read more at **Page 120** |
| **Air Emission Pollution** | **Impact:**<br>Manufacturing processes generate compounds and pollutants, like VOCs, $SO_x$, $NO_x$ which could adversely affect human health, surrounding communities, and the environment. | Refer to the Product Stewardship and Nature Positive chapters forming part of the Sustainable Operations section of the Integrated Annual Report.<br>Read more at **Page 120 and 128** |
| **Water Management** | **Impact:**<br>Industrial water consumption could create pressure on freshwater resources especially in water stressed regions. | Refer to the Water Neutrality chapter forming part of the Sustainable Operations section of the Integrated Annual Report.<br>Read more at **Page 124** |
| **Consumer Health and Safety** | **Impact:**<br>Use of chemical-based products such as paints and coatings could influence indoor air quality and affect consumer health due to product compositions and emissions during applications. | Refer to the Product Stewardship chapter forming part of the Sustainable Operations section of the Integrated Annual Report.<br>Read more at **Page 120** |
| **Human Rights-Value Chain** | **Impact:**<br>Business activities and value chain relationships could affect human rights outcomes across upstream and downstream operations, including labour practices, working conditions, occupational health and safety, worker welfare, and adherence to responsible business conduct. | Refer to the Sustainable supply chain management under Climate Change chapter forming part of Sustainable Operations and Energising, Equitable and Inclusive Workplace chapter forming part of the Synergising Relationships section of the Integrated Annual Report.<br>Read more at **Page 118 and 162** |
| **Community Engagement** | **Impact:**<br>Community initiatives and other engagements with the community could influence the socio-economic wellbeing of local communities, community resilience while strengthening connections with customers and other stakeholders. | Refer to the Community Ownership and Water Stewardship chapters forming part of the Synergising Relationships section of the Integrated Annual Report.<br>Read more at **Page 152 and 158** |
| **Employee Engagement and Wellbeing** | **Impact:**<br>Proactive employee engagement programmes, wellbeing, and inclusion initiatives enhance workforce satisfaction, productivity, retention, and organisational resilience. | Refer to the Energising, Equitable and Inclusive Workplace chapter forming part of the Synergising Relationships section of the Integrated Annual Report.<br>Read more at **Page 162** |
| **Supplier Sustainability** | **Impact:**<br>Responsible supplier engagement approaches and sustainability performance can contribute positively to environmental and social outcomes across the value chain. | Refer to the Climate Change chapter forming part of the Sustainable Operations section of the Integrated Annual Report.<br>Read more at **Page 114** |
| **End-of-Life Management of Product and Packaging** | **Impact:**<br>Inadequate end of life management could generate waste contributing to environmental pollution, extending compliance risks.<br>**Impact + Opportunity:**<br>Recovery, recycling and circularity considerations could reduce material costs, regulatory obligations and waste management-related costs, strengthening appeal to sustainability-focused consumers and channel partners. | Refer to the Nature Positive chapter forming part of the Sustainable Operations section of the Integrated Annual Report.<br>Read more at **Page 128** |

| Material Topics | Description | ESG focus areas and mitigation |
|---|---|---|
| **Sustainable Product and Service Offerings** | **Impact:**<br>Investments in cleaner technologies, sustainable products, and product innovations can reduce air emissions and other environmental impacts across the product lifecycle and improve usage experience.<br>**Opportunity:**<br>Product innovations and efforts towards sustainable offerings could create new revenue opportunities and influence market positioning by providing a competitive advantage. | Refer to the the Innovation and Manufacturing Excellence section and Product Stewardship chapter forming part of Sustainable Operations section of the Integrated Annual Report.<br>Read more at **Page 98 and 120** |
| **Waste Management** | **Impact:**<br>Hazardous and non-hazardous waste generated from manufacturing activities could impact the environment, if not effectively managed.<br>**Risk:**<br>Ineffective handling and disposal of waste could influence environmental impacts, regulatory obligations, operational costs, or result in temporary disruptions or reputational damage. | Refer to the Nature Positive chapter forming part of the Sustainable Operations section of the Integrated Annual Report.<br>Read more at **Page 128** |
| **Customer Delight** | **Impact + opportunity:**<br>The growing demand for sustainable products, along with integrated offerings, niche solutions, and digitally enabled innovations supported by differentiated customer services, presents opportunities to strengthen brand differentiation, foster customer loyalty, and drive sustainable growth through enhanced customer engagement and market positioning. | Refer to the Management Discussion and Analysis, Customer Celebrations chapter forming part of the synergising relationships section and Innovation and Manufacturing Excellence section of the Integrated Annual Report.<br>Read more at **Page 40, 136 and 98** |
| **Counterfeit Products** | **Risk:**<br>Counterfeit products could impact market share, customer trust and reputation. | Refer to the Management Discussion and Analysis section of the Integrated Annual Report.<br>Read more at **Page 40** |

| Material Topics | Description | ESG focus areas and mitigation |
|---|---|---|
| **Business Ethics and Corporate Governance** | **Risk:**<br>Ethical conduct, transparency and effective governance practices influence stakeholder confidence, regulatory compliance and corporate reputation. | Refer to the Management Discussion and Analysis and Governance section of the Integrated Annual Report.<br>Read more at **Page 40 and 182** |
| **Supply Chain Disruptions** | **Risk:**<br>Supply chain disruptions, raw material shortages driven by geopolitical tensions, trade or logistical constraints could influence operational continuity and procurement costs. | Refer to the Management Discussion and Analysis section of the Integrated Annual Report.<br>Read more at **Page 40** |
| **Competitive Landscape and Market Position** | **Risk:**<br>Changes in market dynamics and competitive conditions could influence market positioning and future growth opportunities. | Refer to the Management Discussion and Analysis section of the Integrated Annual Report.<br>Read more at **Page 40** |
| **Talent Management** | **Risk:**<br>Challenges related to talent attraction, retention and succession planning could influence business continuity and operational performance. | Refer to the Management Discussion and Analysis and Energising, Equitable and Inclusive Workplace chapter forming part of the Synergising Relationships section of the Integrated Annual Report.<br>Read more at **Page 40 and 162** |

# INNOVATION AND MANUFACTURING EXCELLENCE



ESG Strategy

- Energy conservation
- Water neutrality
- Product stewardship
- Nature positive
- Safe workplace
- Sustainable supply chain

VIVA LA VINO - N 9978

AMARILLO ORCHID NP045

SCARLET SUN - N 9981

At Asian Paints, innovation and manufacturing excellence drive growth through research-led improvements, digital technologies and an integrated supply chain, enhancing resilience, quality, efficiency, collaboration and dependable delivery of value-driven, future-ready solutions aligned to evolving customer needs and industry benchmarks.

Key material topics

- Product Chemistry
- Sustainable Product and Service Offerings
- Customer Delight
- Supply Chain Disruptions
- Competitive Landscape and Market Position

Stakeholders Impacted

Customers | Employees | Vendors | Communities

## INNOVATION

We continue to advance our innovation agenda by leveraging research and emerging technologies. Through advanced research and emerging technologies, we continuously enhance existing products and introduce differentiated solutions aligned to evolving customer needs. Our focus on strategic self-reliance, supported by backward integration across critical inputs, strengthens quality, cost efficiency, and supply assurance reinforcing long-term competitiveness.

### Research & Development (R&D)

Research & Development remains central to Asian Paints' innovation-led strategy. Our structured research approach spans opportunity identification, cross-functional ideation, product development, validation, and smooth scale-up into manufacturing, enabling consistent and differentiated product launches.

Our Research & Technology teams continue to drive technological advancement through robust testing protocols, advanced resin chemistries, nanotechnology, specialised process capabilities, and sustainable innovations. During the year, our scientists contributed to the development and upgradation of Indian Standards through active participation in BIS and RDSO committees, reinforcing industry quality benchmarks.

Innovation efforts are further supported by patent filings and the integration of life cycle assessment at the design stage for select premium and luxury water-based products, underscoring our commitment to responsible and future-ready innovation.

**181**
**Patents filed till date** 22 additional filed in FY 2025-26

**91**
**Patents granted till date**
6 added in FY 2025-26

**10**
**International research papers published in FY 2025-26**

**250+**
**Scientists**

**₹ 124.9 Crores**
**Spent on R&D**

**3**
**Breakthrough projects implemented**

**25**
**New products developed in Decorative Paints**

**61**
**New products developed in Industrial Paints**

### Construction Chemicals (CC) Tech Credence 2025

Asian Paints hosted CC Tech Credence Symposium at its Research & Technology Centre, Turbhe, bringing together consultants and architects to promote collaboration on smart construction solutions, including waterproofing, rehabilitation, green concrete admixtures, industrial flooring and construction chemical innovation.



OUR GROWTH ACCELERATORS

# DIALING UP THE INNOVATION QUOTIENT



## Innovation that anticipates customer needs

Innovation remains at the core of Asian Paints' ability to create differentiated value across categories and price points. Guided by a structured three-pillar innovation framework, we combine consumer insights, scientific expertise and sustainability-led thinking to develop future-ready solutions that enhance customer experience and strengthen our market leadership.

### Future-forward sensing

Our innovation journey begins with a deep understanding of evolving customer preferences, emerging lifestyle trends and global developments in coatings design and construction. Through continuous market sensing and cross-functional collaboration, we translate insights into relevant and scalable product solutions that address current and future customer needs.

### Science-led differentiation

We pursue differentiation through strong scientific capabilities, research expertise and technical innovation. By leveraging advanced material science and engineering excellence, we develop products with superior performance attributes such as enhanced durability, stain resistance, washability and long-term protection across segments and price points.

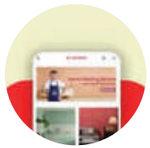
### Sustainability-driven innovation

Sustainability is embedded in our innovation process. We focus on developing environmentally responsible solutions through low-VOC technologies, bio-based inputs and resource-efficient formulations. By integrating sustainability with performance, we deliver products that meet customer expectations while contributing to a more sustainable future.

## Innovation across the ecosystem



PREMIUM DÉCOR



DIGITAL TOOLS



EXTERIOR INNOVATION



DESIGNER ECOSYSTEMS

## Improved durability across segments

| SUPER LUXURY | LUXURY | PREMIUM | ECONOMY |
|---|---|---|---|
| Lime-based paints | Emulsions | Emulsions | Emulsions |
| Up to **10 Years** Warranty | Up to **8 Years** Warranty | Up to **6 Years** Warranty | Up to **4 Years** Warranty |

## Strengthening market position through portfolio innovation

We expanded our product portfolio with differentiated offerings that enhance performance, durability and value. The Ultraa range delivers improved spread with 10% additional coverage, while Apex Floor Guard offers high abrasion resistance across multiple surfaces. Nilaya Arc combines premium aesthetics with durability through lime-based, low-VOC coatings, and Woodtech PU Gold Clear provides superior protection with enhanced gloss retention, hardness, stain resistance and termite repellence.

**NEW PRODUCT CONTRIBUTION**

**16%**

**of FY 2025-26 revenue**

### Sustained performance

Designed for long-lasting performance, with enhanced durability, colour retention and resistance to wear across conditions.

#### Nilaya Arc

Nilaya Arc delivers superior durability through its lime-based, silicon-reinforced formulation, ensuring a resilient and long-lasting finish. It combines high washability and stain resistance with strong colour retention and resistance to humidity and temperature variations, supported by a long-term warranty against peeling and flaking.




### Aspiration meets affordability

Combines premium features with strong value propositions, making high-quality solutions more accessible to consumers.

#### The Ultraa Range

Ace Ultraa, Apex Dust Proof Ultraa and Tractor Emulsion Ultraa were introduced as an affordable enhancement to core categories, delivering trusted performance with 10% higher coverage. The range ensures better spread and cost efficiency, offering greater value to consumers along with attractive economics for the channel.




### Product differentiators

Advanced formulations deliver superior coverage, protection and ease of maintenance, strengthening performance across categories.

#### APEX Ultima – Suprema Air-o-clean

An advanced exterior coating leveraging photocatalytic technology to actively reduce pollutants such as $SO_x$ and $NO_x$, combining sustainability with high-performance formulation.

#### CureAssure

An innovative internal curing additive that eliminates external water curing through polymer-based moisture retention, enabling efficient, controlled curing with improved structural performance.



## Breakthrough projects

Breakthrough projects remained central to Asian Paints' long-term growth strategy, strengthening market leadership through technology differentiation, product quality, agility and sustained profitability, while advancing capabilities across domains to enable faster go-to-market, cost efficiency and scalable growth.

### Nexpedition programme

The programme progressed nine focused initiatives across decorative, industrial, protective, flooring, texture and powder-coating businesses, translating strategic priorities into tangible business impact.

### Avyaan

Avyaan focused on exterior and interior water-based coatings, enamels and wood finishes.

## People and capability

The R&T function comprises employees with expertise spanning polymer science, formulation chemistry, surface physics, instrumentation and data modelling. It is further strengthened through collaborations with Indian and international institutions, enabling access to diverse scientific knowledge and research capabilities. A Technology Council comprising global experts provides guidance on innovation, development and future readiness.

### Sikshalaya

Sikshalaya, the R&T function's in-house technical learning academy, conducted seven structured training programmes during FY 2025-26, through internal and external experts. The academy also conducted the 3rd edition of the Paints & Polymers Certification Programme in collaboration with S K Somaiya, comprising 100 hours of learning, including 70 hours of theoretical instruction and 30 hours of hands-on practical sessions conducted at Asian Paints and S K Somaiya laboratories.

### Idea canvas and journal club

Idea Canvas serves as a bottom-up innovation platform, enabling employees to contribute ideas through a structured process involving mentoring, evaluation and progression to business pitch stages, with select ideas developed into viable proposals. Complementing this, the Journal Club initiative promotes continuous learning and knowledge sharing, with six sessions conducted during the year, where participants discussed insights from recent research publications and emerging industry trends.




FICCI Chemicals and Petrochemicals Award 2025 – Best Green Product of the Year for Ultima Air-O-Clean.



### Alchemy

Alchemy 2026, launched on 16th December 2025 with a keynote by Dr. S. Somanath, Former Chairman of ISRO, introduced case studies across Polymers, Coatings and Construction Chemicals, strengthening Asian Paints' engagement with academia and industry. The programme saw a significant increase in participation, with registrations and submissions rising 2–3 times year-on-year, including strong international and doctoral-level representation. The Grand Finale featured an eminent jury of academicians and industry experts, reflecting the programme's growing scale, credibility and global reach.

# MANUFACTURING EXCELLENCE

Manufacturing Excellence at Asian paints is shaped through a decade of disciplined practice, cultural transformation, and shared ownership across shopfloor teams. What began as a focused initiative at the Khandala plant nearly ten years ago has since grown into a deeply embedded philosophy across all eight manufacturing facilities. We are entering a new and more demanding phase of our manufacturing excellence journey, where people and culture continue to remain firmly at the heart of everything it does.

**11,900+**
**Ideas logged, with 5,764 implemented**

**33**
**High-impact projects delivered**

**4,200+**
**Problem-solving exercises closed**

**1,600+**
**Contamination sources were eliminated**



Mysuru Plant

### Recognised beyond our walls

The excellence of our teams has received strong external validation this year, with multiple plants winning awards at prestigious national and regional competitions organised by CII and QCFI.



# INNOVATION AND MANUFACTURING EXCELLENCE

## Excellence powered by continuous improvement

To ensure manufacturing excellence, we rely on continuous improvements across functions. This year marked a step-up with the rollout of programmes like Autonomous Maintenance, Setup time Reduction and Asset Care. It reflects our culture of shared ownership, with the shopfloor teams driving execution under the perfect leadership of the team leads.

## Reduction of reactor cycle time at Kasna

At the Kasna plant, reactor cycle time had emerged as a significant operational challenge, averaging 35 hours against a target of 18 hours. The extended cycle duration resulted in process inefficiencies and delays across operations.

To address this, a cross-functional shop-floor team applied DMAIC (Define, Measure,Analyze,Improve, Control) methodology to analyse critical stages including charging, esterification, stripping and cooling, as well as quenching and discharging.

The assessment identified manual dependencies, sub-optimal process parameters, and equipment-related delays as key bottlenecks. Targeted interventions included automating powder charging, enabling parallel heating and RM charging, optimising stripping sequences, and addressing equipment constraints.

These interventions reduced reactor cycle time by ~57%, with the reactor now consistently operating at 17 to 18 hours, significantly improving operational efficiency and process reliability.



Inauguration of administrative block at Dahej

## Scaling with precision at Ankleshwar

The Ankleshwar transformation marked a significant step change in scale and capability through a carefully managed brownfield expansion executed alongside ongoing operations and a phased ramp-up plan.

The new facility integrates next-generation technology with world-class infrastructure while aligning select legacy assets where required. Designed as a flexi-automated, multi-SKU platform, it supports a capacity of 2.5 Lakhs KL across 837 SKUs, enhancing operational flexibility and future readiness. Workforce capability development and hands-on learning supported a phased ramp-up from 1 SKU to 434 SKUs.

During the ramp-up of expansion, uninterrupted supply of products to the market was ensured.

## Improving efficiency

Teams across plants addressed critical operational challenges to enhance efficiency, safety, and productivity through targeted process improvement initiatives.

At Khandala, a resin batch project focused on optimising key stages such as sorbitol addition, esterification, scale-down, and discharge to reduce process inefficiencies. At Visakhapatnam, teams improved bulk packing operations through root cause analysis and equipment redesign to minimise manual intervention. These interventions delivered measurable operational improvements. The Khandala plant achieved a 2.5-hour reduction in batch manufacturing cycle time, resulting in significant monthly savings. Meanwhile, the Visakhapatnam plant reached 78% automated operations, eliminating safety incidents and optimising workforce deployment while reinforcing new standards for solving shopfloor problems.

## Behaviour-based quality

At Asian Paints, over the years, Behaviour-Based Safety (BBS) has helped embed safety as a shared value—how we think, act, and look out for one another every day. Building on this strong cultural backbone, Behaviour-Based Quality (BBQ) represents the next natural progression of our journey. BBQ is not about adding controls or inspections - It is about shaping daily behaviours that ensure quality is built-in and not just an act of compliance. By extending proven BBS principles to Quality, BBQ helps us build pride in right-first-time work, and make quality everyone's responsibility.

The strategic intent of BBQ is to create a culture where quality-centric behaviours are voluntarily practised, consistently demonstrated, and continuously improved with a focus on aspiring for excellence through:

- Right-first-time execution
- Early identification and stoppage of quality risks
- Reduction in rework, non-confirmatory batches, and customer complaints
- Stronger ownership, learning, and accountability

A key milestone in the BBQ journey for us has been the co-creation of capability enablers with the consultant partner, ensuring strong internal ownership and consistency across plants.

- **BBQ Champions Training:** Designed to create role models and coaches.
- **Internal Assessor Guide:** Provides a common framework to assess BBQ maturity.
- **Cadre-level Expectations:** Clear visualisation to a generative work style and expectation.

Early adopter plants Kasna and Sriperumbudur have demonstrated encouraging progress in BBQ maturity. BBQ has been integrated with existing BBS governance, increasingly focus on quality behaviours. Structured use of Key Quality Behaviours (KQBs), Quality Safe-UnSafe Act (SUSA), and layered audits has helped these plants move toward more proactive and preventive quality practices.

During the year, we have launched BBQ at Vizag, Mysuru, Patancheru, Rohtak & Ankleshwar plants with strong early momentum. Initial signals include high engagement during launches, active participation in quality conversations, defined Quality Behaviours and early identification of critical quality risks.

Across plants, BBQ has fostered a positive quality culture through recognition of proactive contributions via events, quality success stories and recognitions. Quality SUSA has strengthened openness to quality dialogue and increased quality awareness.

As BBQ continues to expand, our focus remains on embedding Key Quality Behaviours, strengthening contractor and support function integration, and building consistent assessment and coaching capability – supported by innovative frameworks – positioning the organisation to sustain world-class quality standards.

## WOOD FINISH

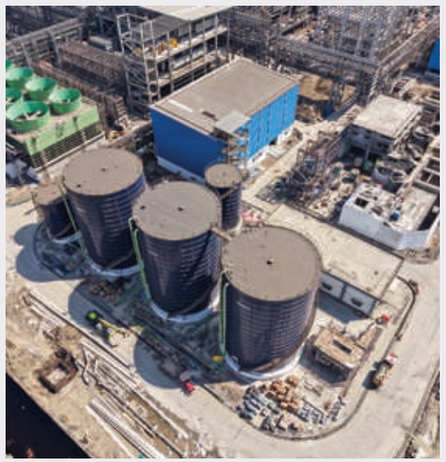
India is witnessing rising demand for premium wood finishes, driven by premium housing growth and rising décor aspirations. Historically, these products were largely imported, increasing supply-chain and foreign exchange risks. To reduce the import dependence and enhance domestic value addition, Asian Paints established dedicated manufacturing capability at its Ankleshwar plant. The initiative strengthens supply-chain resilience, improves speed-to-market, builds technical capabilities, and aligns with India's premiumisation journey.



OUR GROWTH ACCELERATORS

# BACKWARD INTEGRATION





Backward integration is a key strategic focus for Asian Paints for strengthening supply-chain resilience, reducing import dependence and enhancing control over critical raw materials. The Samarthya programme serves as a key enabler of this strategy, strengthening manufacturing capabilities, supply assurance and operational resilience.

### Building India's first integrated VAM-VAE manufacturing ecosystem

As India's first integrated facility with in-house production of both Vinyl Acetate Monomer (VAM) and Vinyl Acetate Ethylene Emulsion (VAE) at Dahej plant represents a significant milestone in Asian Paints' backward integration journey. The VAM-VAE Project at Dahej is progressing well and is expected to support the Company's efforts to build a more integrated and self-reliant manufacturing ecosystem. The facility will advance next-generation emulsion technologies and enhances the Company's ability to develop differentiated and sustainable product offerings.

**150,000 MT**
VAE annual production capacity

**100,000 MT**
VAM annual production capacity

Spread across 25 acres, the facility combines advanced process technology, automation and a strengthened safety framework. VAE-based paints offer superior shine, richer opacity, smoother finish, enhanced pigment binding and stronger colour retention while remaining Alkylphenol Ethoxylate (APEO)-free and low in Volatile Organic Compounds (VOCs).

### Khandala pilot VAE reactor

The successful commissioning of the VAE pilot at Khandala played a critical role in bridging the scale-up from laboratory research to commercial manufacturing.

**100%**
RFT (Right First Time) achieved during the first batch

The facility validated process design, automation strategies and safety systems for handling high-pressure ethylene, helping de-risk commercial-scale operations at Dahej and establishing a strong foundation for scale-up.

### Establishing White cement manufacturing capabilities

Asian Paints commissioned its first white cement manufacturing facility in Fujairah, UAE, marking a strategic milestone in its expansion beyond paints. White cement serves as a key raw material for wall putty, further strengthening backward integration capabilities for the Company's putty business. Integrated with the India supply chain, the facility strengthens supply continuity, enhances quality control, and supports long-term cost optimisation. With a designed clinker capacity of 800 tonnes per day, the plant reinforces Asian Paints' manufacturing capabilities in the white cement segment.



**Note:** TA= Tonnes per Annum



# TECHNOLOGY

At Asian Paints, technology is integral to how we innovate, adapt and lead in a dynamic market. It powers smarter operations, enhances customer experiences and drives efficiency across our value chain. Combining advanced digital solutions with deep consumer insight, we continue to reimagine how India experiences colour and décor.

## Management approach

Our approach centres on three strategic technology focus areas that shape the Company's digital journey. Efforts across these focus areas are governed by measurable KPIs, enabling disciplined tracking of performance and impact over the long term.

### Technology-enabled business differentiators

- Leveraging advanced technologies to strengthen market leadership, generating additional revenues while achieving sustainable cost efficiencies in a highly competitive environment.
- Driving innovation through cutting-edge digital tools to deliver a valuable impact

### Customer experience and scalability

- Commitment to maintaining a robust digital infrastructure with a target of high availability across all business-critical applications.
- Deployment of a world-class 'Customer First' framework to deliver a certified and consistent customer experience across digital initiatives.

### Cybersecurity and Data Protection

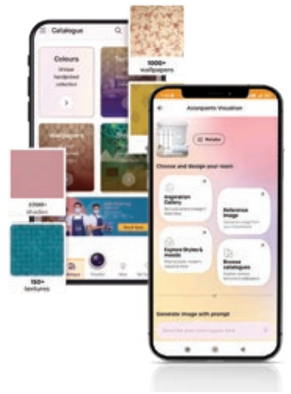
- Transitioning to a proactive resilience model supported by a zero trust security framework.
- Ensuring 100% compliance with Development–Security–Testing–Operations protocols across all critical software development and deployment activities.
- Building systems and processes for implementing data privacy.

## AI-driven transformation

Our organisational digital transformation initiatives have matured from a data-reporting foundation to an insight-driven model, leveraging Artificial Intelligence (AI) for predictive optimisation. Technology continues to be a key enabler of Asian Paints' growth strategy, with a strong focus on leveraging AI, advanced analytics and automation to enhance customer experience, strengthen decision-making, improve operational efficiency and enhance workforce productivity.

### AI Visualiser

The AI Visualiser for our Painting Services and Project Sales teams represents a significant leap in customer engagement—especially for our residential and project businesses. By leveraging AI-driven and immersive 3D visualisation features, we enable users to accurately preview interior and exterior decors in real time, further enhancing customer experiences and bridging the gap between imagination and execution through high-precision digital renderings.





## Driving growth through intelligent digital solution

Over the years, we have established a robust digital foundation, resulting in a significant portion of work being undertaken through AI-led solutions. As a guiding principle, the AI projects were prioritised basis their return on investment – the returns being measured as an ability to exponentially improve the customer experience or bring about strong revenue uplift or cost control.

During the year, multiple AI-led initiatives were undertaken across businesses. AI-powered solutions were deployed to transform customer and partner experiences, including digital visualisation tools, intelligent recommendation engines, voice bots and automated onboarding journeys. These initiatives enabled faster customer acquisition, improved personalisation, higher engagement and incremental revenue generation across multiple platforms.

We are advancing this vision across several key fronts:

**Contractor empowerment**
We are transforming the Contractor app (Master Strokes app) by infusing AI into their experience and enabling immediate and automatic complaint resolution to ensure seamless support for our painting partners.

**Dealer precision**
We have enhanced the dealer ordering process with AI-fuelled recommendation engines that recommend relevant products real-time.

We have also advanced the paint tinting ecosystem through dealer-focused tinting solutions, comprising both machines and software, which have significantly improved the overall tinting experience for the dealers.

**Service excellence**
Our proprietary Beautiful Home Painting Service (BHPS) app empowers our associates to deliver high-quality, consistent digital journeys. This AI-driven integration is designed to exponentially improve customer satisfaction scores through superior service delivery.

Additionally, AI-driven solutions implemented to empower sales teams across India and global markets have delivered substantial efficiencies in sales operations.

**Supply chain**

AI in our supply chain operations and finance shared services centre, demonstrated improved efficiencies and cost control.

### Supply chain analytics

Supply chain analytics continued to enhance efficiency, control, and governance across key functions through data-driven interventions, strengthening process adherence, minimising inefficiencies, and enhancing operational transparency.

**Manufacturing efficiency**

Real-time platforms and prescriptive analytics optimised processes, improved yield, reduced material loss and variability, and enhanced cost efficiency.

**Engineering and inventory management**

Analytics-driven initiatives enhanced spares management with real-time visibility, reduced losses, minimised duplication and inventory levels, and automated purchase requisitions.

**Purchasing efficiency**

Analytics-driven alerts improved purchasing responsiveness and control, enhancing coordination, reducing issues, and strengthening downstream processes.

**Quality and governance**

Real-time monitoring and automated assurance enhanced quality, compliance, and end-to-end traceability while reducing potential issues.





### Unified Décor Offering

For the Décor business, the technology systems serve as a critical single platform to manage complex customer requirements through a unified 'One AP' approach. This integrated application ensures seamless coordination across diverse lines of businesses—including Weatherseal, White Teak, Sleek, Bath, and Furnishings—allowing us to give a unified experience to our décor customers as a single Asian Paints entity.

### The Kavach campaign

Through the 'Kavach' programme, governed by the Information Security Council, we have sensitised our workforce to best practices in cyber and information security and we consider it a shared responsibility across the organisation.

## A thriving digital ecosystem

We have prioritised our core applications and critical digital backbone of Asian Paints to ensure a very high availability. This resilience is achieved through a dual-track strategy of rigorous Disaster Recovery (DR) drills and advanced Full Stack Observability.

We have successfully executed DR drills across numerous virtual machines, including critical transactional systems to simulate actual disaster conditions and improve emergency preparedness. Simultaneously, we are institutionalising proactive monitoring through comprehensive frameworks.

## Governance safeguards

Our digital strategy is anchored in a zero-trust framework that safeguards data integrity while enabling technological growth. We have institutionalised best-in-class security controls monitored through a 24x7 Cybersecurity Operations Centre, integrated with global threat intelligence to pre-empt evolving cyber risks. This is further reinforced by rigorous Penetration Testing that continuously tests our perimeter resilience.

We have embedded rigorous testing protocols within the Software Development Life Cycle through a hybrid model of static & dynamic software testing tools. To safeguard sensitive information, we have deployed advanced data classification and leakage prevention systems also. In parallel, we are targeting zero cybersecurity breaches across all business units through robust controls and continuous monitoring.

During the year, vulnerability assessment exercises were undertaken across critical applications, and processes were established for tracking and remediation of identified vulnerabilities. Cyber maturity assessments were carried out to evaluate existing controls, define improvement areas, and establish a multi-year security roadmap aligned with industry best practices.

These have all contributed to our successful transition to the next stage of the ISO certification–ISO/IEC 27001:2022–with better alignment to global industry benchmarks.



# ESG PERFORMANCE REVIEW



SHEER ICE
L111

AKHBAAR
SV37

KANHA WILDERNESS
NP090

Guided by our core values, the ESG approach propels us to steer the Business Strategy to deliver our purpose of bringing joy to people's lives.

**Purpose**
Bringing Joy to people's lives

**Business Strategy**
Maximising stakeholders returns by propelling ESG Strategies

**ESG**
Environment, Social and Governance framework led by values

**Core Values**
are the pillars

## FIVE ELEMENTS OF VALUE CREATION THROUGH ESG

### Focus on growth

Attract B2B and B2C customers with more sustainable products and improved access to resources

### Resource optimisation

Lower energy consumption, improve material efficiency and water consumption intensity

### Responsible corporate citizen

Setting standards for governance through self-regulation

### Inspire employees

Values-led employees, best employee experience creating ambassadors for Asian Paints

### Sustainable investments

Allocation of capital that enhances returns and also ensures long-term sustainability



BIRCHWOOD PATH
NP087

## IN THIS SECTION


112 Sustainable operations

134 Synergising relationships

182 Governance

INK BLUE
7246

**Project:** Donate a Wall Vadodara
**Artist:** Sowmya Raj Vishwakarma
**Location:** Vadodara
**Year:** 2023





**Project:** Lodhi Art Festival
**Artist:** Pener
**Location:** Delhi
**Year:** 2026


## ESG STRATEGY

114 Climate Change
120 Product stewardship
124 Water neutrality
128 Nature positive


## UN SDGs




## Stakeholders impacted

- Customers
- Employees
- Government and regulatory bodies
- Communities
- Investors
- Vendors

## Key material topics

- Climate Change Mitigation
- Air Emission Pollution
- Waste Management
- End-of-Life Management of Product and Packaging
- Water Management
- Supplier Sustainability
- Sustainable Product and Service Offerings
- Product Chemistry
- Consumer Health and Safety



# SUSTAINABLE OPERATIONS



**Project:** We Are
**Artist:** Akill & Khatra
**Location:** Chennai
**Year:** 2021

JOLLY HOLLY
7653

# CLIMATE CHANGE

Climate change considerations are reflected in how the Company manages energy use, raw materials and supply chains. The focus remains on improving carbon efficiency across operations and the value chain, alongside strengthening resilience across operations.



## MANAGEMENT APPROACH

We consider climate change a critical challenge impacting our operations, supply chain and stakeholders. Our climate change strategies are driven through a dual approach focused on climate change mitigation and adaptation. Climate change mitigation action plan consists of decarbonisation, energy efficiency, renewable energy adoption and low-carbon innovations to reduce emissions across operations and the value chain. As part of climate change adaptation, we conduct climate risk assessments, governance oversight and TCFD-aligned scenario analysis, we strengthen our climate change resilience, support informed decision-making and advance our long-term sustainability strategy.





| | Target 2030 | Performance 2025-26 |
|---|---|---|
| **Reduction in specific electricity consumption per KL of finished product (kWh/KL)** | **54.4** ↓ 53% | **87.3** ↓ 25% |
| **Renewable electricity in total electricity consumed across factories (%)** | **100@** | **56.5** |

@We aspire to achieve 100% renewable electricity share subject to state policies relating to minimum grid utilisation requirements & banking policies.

**Policy**

- Environment Policy
- Health and Safety Policy

Click here to access Policy

## CLIMATE CHANGE MITIGATION

Our approach to climate change mitigation is underpinned by a comprehensive assessment of greenhouse gas emissions across both operations and the broader value chain. Emissions from operations arise primarily from fuel consumption and purchased electricity, while value chain emissions are largely attributable to transportation and upstream supplier activities.

In response, our decarbonisation pathway is operationalised through a set of focused enablers across both operations and the value chain. Within operations, efforts are directed at improving energy efficiency and increasing the share of renewable energy.

Across the value chain, the approach emphasises reduction of embodied emissions through advancing the sustainable optimisation of products and services, adoption of lower carbon raw material alternatives, active engagement with suppliers to drive emissions reduction, and optimisation of transportation and distribution networks. Collectively, these enablers are designed to deliver measurable emissions reduction while strengthening resilience and efficiency across the business ecosystem.

### Key enablers for addressing emissions across our operations

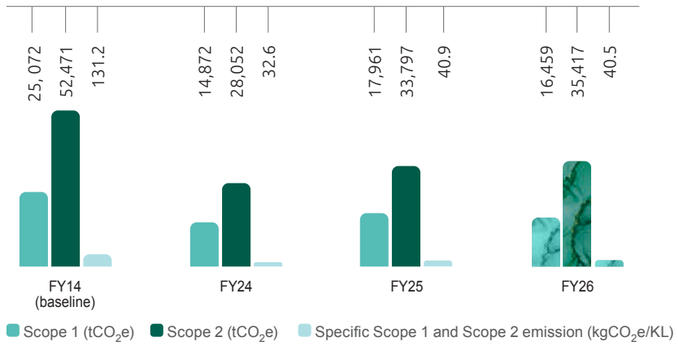
| Own Operations | | Value Chain | | | |
|---|---|---|---|---|---|
| E1 Energy efficiency | E2 Renewable energy | E3 Sustainable optimisation of products and services | E4 Lesser carbon intensive raw material alternatives | E5 Engagement with suppliers to reduce emissions | E6 Optimising transportation and distribution |

### Own operations*

Over the years, we have made significant progress in reducing our absolute Scope 1 and Scope 2 emissions within the decorative paints business. Since FY 2013–14, Scope 1 emissions have been reduced by 34%, while Scope 2 emissions have declined by 33% at decorative paint manufacturing units. Additionally, emission intensity has dropped by 69% from the baseline year. The Scope 1 and Scope 2 emissions on a standalone basis during the year were 79,686 $tCO_2e$ & 55,660 $tCO_2e$ respectively. The emission intensity was 102.6 $KgCO_2e$/KL. Biogenic emission due to the combustion of biofuels was 126 $tCO_2e$.

*GRI 305-1 Direct (Scope 1) GHG emissions, *GRI 305-2 Energy indirect (Scope 2) GHG emissions *GRI 305-4 GHG emissions intensity

## Scope 1 and Scope 2 GHG emissions at decorative paint manufacturing units




**69%**
Reduction in specific (Scope 1 & 2) emission per KL of finished product from baseline

**33%**
Reduction in absolute Scope 1 & Scope 2 emissions from baseline

The Scope 2 emissions reported here is market-based. The location-based Scope 2 emissions for decorative paint manufacturing unit and at standalone level were 69,650 $tCO_2e$ and 89,893 $tCO_2e$ respectively.

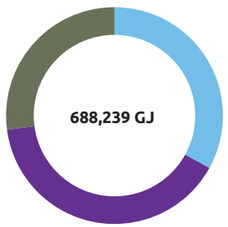
### E1: Energy efficiency

Efficient energy management remains central to reducing Scope 1 and Scope 2 emissions. Our approach centres on process optimisation, deployment of advanced technologies and the upgrade of legacy infrastructure with energy-efficient systems. We also provide regular training and organise awareness initiatives to drive energy conservation.

Specific electricity consumption at decorative paint plants increased during the year due to stabilisation of newly added capacities and changes in the production boundary from backward integration, with additional energy consumption not proportionately reflected in reported finished goods output. However, it remains 24.7% lower than the baseline year. This corresponds to an increase of 24,300 GJ in electricity consumption compared to the previous year, while remaining 132,127 GJ lower than the baseline year (FY 2013-14)*.

Total energy consumption across our decorative paint manufacturing units stood at 688,239 GJ, including 227,379 GJ from renewable sources. On a standalone basis, total energy consumption was 1,430,920 GJ, comprising 968,286 GJ of direct energy and 462,634 GJ of indirect energy, including 17,083 GJ of procured steam. Energy intensity was 1.09 GJ/KL^.

## Energy consumption by source at decorative paint manufacturing units (GJ)



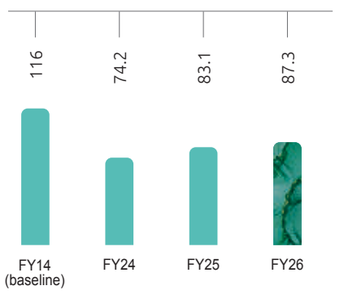

**Renewable Energy**
- Electricity & Steam: 227,379

**Non-renewable energy**
- Fuel: 274,439
- Electricity & Steam: 186,421
- Total: 460,860

**24.7%**
Reduction in specific electricity consumption from baseline

Our energy mix continues to shift towards lower-carbon sources, with natural gas replacing diesel across most heating applications and renewable electricity capacity increasing during the year. A structured energy audit framework along with continuous monitoring across sites enable us to identify energy efficiency opportunities, optimise performance and stay on track with our long-term emissions reduction goals.

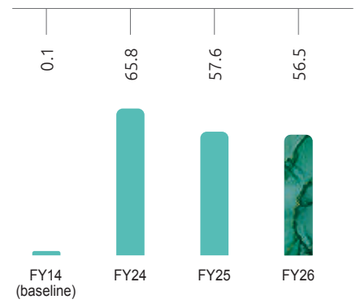
## Specific electricity consumption at decorative paint manufacturing units (kWh/KL)




### E2: Renewable Energy

Our decorative paint manufacturing facilities have a total installed renewable energy capacity of 51.9 MW, comprising 27.6 MW of solar and 24.3 MW of wind power. During the current year, renewable energy has met 56.5% of our electricity requirements, helping us avoid approximately 44,844 $tCO_2e$ emissions as compared to base line year*.

## Renewable electricity consumed across decorative paint manufacturing units (%)




### Installation of PV system at Ankleshwar and Khandala

Electricity consumption is a significant contributor to indirect emissions. To increase the use of renewable energy and reduce dependence on conventional grid power, we commissioned on-site solar photovoltaic (PV) systems with a combined capacity of 3 MWp across our Ankleshwar and Khandala manufacturing facilities.

The project is expected to generate approximately 4.5 Million kWh of renewable electricity annually, helping avoid around 3,200 $tCO_2e$ emissions each year. Beyond reducing our greenhouse gas footprint, the initiative strengthens energy reliability and lowers long-term exposure to grid power price volatility.

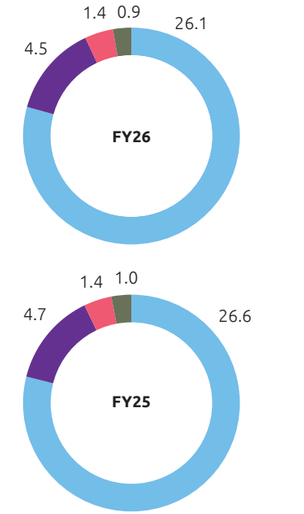


### Value Chain

As part of our transition to a low-carbon future, we are progressively strengthening efforts to minimise Scope 3 emissions, primarily arising from supplier operations and transportation. It makes up to approximately 94% of our total emissions.

We are advancing decarbonisation efforts through initiatives such as formulation optimisation, adoption of low-carbon alternatives, promotion of lower-emission transport, and deeper integration of sustainability across our value chain.

## Category-wise emissions#
(Lakhs $tCO_2e$)




### E3: Sustainable optimisation of products and services

We focus on optimising formulations and improving process efficiency to reduce the overall carbon footprint of our products. It minimises the use of high-emission raw materials by developing alternative formulations and implementing process innovations such as enhancing the scattering efficiency of rutile and other inputs.

**49,125 $tCO_2e$**
Avoided in FY26

^GRI 302-1 Energy consumption within the organisation, ^GRI 302-3 Energy intensity, *GRI 302-4 Reduction of energy consumption

#GRI 305-3 Other indirect (Scope 3) GHG emissions, *GRI 305-5 Reduction of GHG emissions

## E4: Lesser carbon-intensive raw material alternatives

We are focused on lowering our environmental footprint by rethinking material inputs and integrating options with reduced embedded carbon. This includes assessment of alternate grades and chemistries and increasing the use of renewable and bio-based raw materials. We are also advancing investments in manufacturing capabilities for lower-carbon Vinyl Acetate Monomer (VAM) and Vinyl Acetate Ethylene (VAE) emulsions, supporting our transition to a more sustainable future.

**7.0%**
of renewable/bio-based raw materials

**36.8%**
of recycled content in plastic packaging

**26,092 $tCO_2e$**
Resultant avoidance due to plastic recycled content

## E5: Engagement with suppliers to reduce emissions

Procurement contributes nearly 80% of our total greenhouse gas (GHG) emissions, making supplier engagement central to our decarbonisation efforts.

Through our Samaveta programme, we work closely with suppliers on key ESG priorities, including climate change. The engagement entails capability building, performance assessment and fostering collaboration and promotes continuous improvement.

**46%**
of our upstream supplier linked GHG emissions were calculated using supplier-specific data

### SUSTAINABLE SUPPLY CHAIN MANAGEMENT^

The supply chain remains a critical enabler of value creation and risk management, with a structured approach to embedding environmental, social, and governance (ESG) considerations across supplier relationships. The Company's Sustainable Supply Chain Management (SSCM) framework is anchored in globally recognised principles, including the United Nations Global Compact, International Labour Organisation standards, and ISO 26000, and is operationalised through the Code of Conduct for business partners.

| Types of suppliers | Process | Tools |
|---|---|---|
| All suppliers | Acknowledge Code of Conduct for business partners. | Supplier outreach |
| | ESG criteria in new supplier screening. | Supplier onboarding |
| | Samaveta Academy - capacity building on ESG. | Samaveta |
| Critical supplier* | Self-declaration forms - capturing ESG performance in terms of maturity and impact. | |
| | Comprehensive site assessment. | |
| **Foundation: Code of conduct for business partners** | | |

*Business partners that fall in the top quartile (75%) of value by spend or suppliers having a significant ESG footprint

Supplier engagement is driven through 'Samaveta'—the Company's overarching supplier engagement programme, which enables systematic integration of ESG considerations across the value chain. Under this programme, suppliers are assessed, prioritised, and engaged based on their ESG maturity and potential impact. All suppliers are required to acknowledge the Code of Conduct, with ESG criteria embedded into onboarding and screening processes. For critical suppliers - identified based on spend significance and ESG footprint - enhanced due diligence is undertaken through self-declaration forms, disclosure reviews, and structured assessments. Under the Samaveta programme, supplier engagement follows a progressive approach, beginning with maturity and impact assessment, followed by targeted site or virtual assessments for deeper evaluation and capacity-building initiatives which are available for all. These interventions help identify ESG hotspots across categories such as raw materials, logistics, and packaging, enabling prioritised action.

This structured approach strengthens supply chain transparency, builds partner capability, and drives alignment with the company's sustainability objectives, while supporting more resilient and responsible sourcing practices.

During the year significant progress has been made in expanding supplier coverage and strengthening understanding of ESG risks and opportunities across the value chain. All new raw material suppliers were onboarded following evaluation on key ESG parameters, while assessments through Self-Declaration Forms (SDFs) continued alongside an expanded programme of site and virtual assessments.

| Key highlights* | FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26 |
|---|---|---|---|---|
| Partners acknowledged the Code of Conduct for business partners (No.) | 1,279 | 2,793 | 3,188 | 3,264 |
| Raw and packing material suppliers acknowledged Code of Conduct for business partners (% of spend) | >65% | >90% | >90% | >92% |
| New suppliers screened and onboarded based on ESG criteria | 100% | 100% | 100% | 100% |
| Capacity building of business partners (% spend) | – | – | 12% | 12% |
| Partners assessed through SDFs | – | 77% | 81% | 89% |
| Site/virtual assessments (% of spend) | – | – | 20% | 28% |

Based on the programme's implementation over the past few years, supplier assessments through SDFs have largely aligned with findings from site evaluations, with mainline operations are found to be compliant. Building on this foundation, the focus is progressively shifting from compliance-driven assessments to collaborative improvement. This includes working closely with suppliers to advance greener chemistry, enhance operational efficiencies, and drive measurable improvements in sustainability performance.

## E6: Transportation and distribution

We are minimising our impact on the environment by transitioning to low-carbon transport modes and improving fleet efficiency. Along with a strategic shift towards rail and sea for long-haul movement, we have included lower-emission vehicles into our fleet and this has helped to reduce fuel consumption and associated emissions.

At the same time, collaborative initiatives with FMCG and FMCD partners for load pooling and reverse logistics have enhanced distribution efficiency. We also continue to leverage opportunities under the National Logistics Policy to advance our green logistics framework and adopt innovative practices to foster a sustainable supply chain. During the year, around 4,200 tonnes of raw material and finished goods were dispatched using sea instead of road. Further, more than 59,000 tonnes of raw material and finished goods were dispatched using multimodal including rail.

**5,600+ $tCO_2e$**
of GHG emissions avoided

## CLIMATE CHANGE ADAPTATION

A comprehensive climate risk assessment aligned with TCFD recommendations was carried out in FY 2022-23. It covered both physical and transition risks. By engaging with internal stakeholders, identification of vulnerabilities and evaluation of its potential impact on our business, the process assured compliance with our sustainability strategy.

### Physical risk assessment

We analysed both acute risks arising from extreme weather events and chronic risks associated with long-term changes in climate patterns across all eight paint manufacturing locations in India. These risks were evaluated over the short term (2030) and long term (2050), using IPCC Representative Concentration Pathways (RCP 4.5 – moderate scenario and RCP 8.5 – high scenario).

Key climate hazards identified included heatwaves, droughts, cyclones, and floods. While the overall risk was assessed as low, we continue to implement resilience measures such as rainwater harvesting, improved ventilation and water conservation systems.

### Transition risk assessment

We undertook a comprehensive assessment of policy, regulatory, technological and market dynamics, drawing on IEA SDS scenarios and India's Net Zero pathway. This helped us identify key risk areas such as regulatory shifts and market volatility while also highlighting opportunities linked to energy transition, innovation and resource efficiency.

These insights strengthened our ESG approach, enabling us to respond proactively to emerging challenges and capitalise on sustainable value creation opportunities. The outcomes have been embedded within our Risk Management Framework, reinforcing our emphasis on long-term climate resilience.

^GRI 2-6 Activities, value chain and other business, ^GRI 308-2 Negative environmental impacts in the supply chain and actions taken

*GRI 308-1 New suppliers that were screened using environment criteria, *GRI 414-1 New suppliers that were screened using social criteriachain and actions taken

# PRODUCT STEWARDSHIP

Product Stewardship remains central to the Company's approach to responsible growth, embedding environmental, health, and safety considerations across the product lifecycle. These efforts are led by a qualified Research and Technology team, enabling a balanced approach that integrates compliance, innovation, and evolving expectations on safety, efficiency, and circularity.

## MANAGEMENT APPROACH

Asian Paints drives product stewardship through a disciplined lifecycle-based framework integrating environmental, health and safety considerations across sourcing, manufacturing and use. Led by the Research and Technology team, coordinated efforts advance compliance, innovation and stakeholder alignment. Continued investments in low-VOC and bio-based formulations, alongside durable and energy-efficient solutions, reduce environmental impacts while supporting reliable product performance and sustainability.







| | Target 2030 | Performance 2025-26 |
|---|---|---|
| **Greenhouse Gases (GHGs) footprint reduction through formulation optimisation ($tCO_2e$)** | Cumulative reduction of **120,000** From FY 2022-23 | Cumulative reduction of **139,013** From FY 2022-23 |
| **Renewable/bio-based raw materials in product offerings (%)** | **30%** (Increase in renewable content) | **7** ↑ 7.7% |
| **Lead and heavy metals-free paint** | **100%** Architectural coating to be lead and heavy metals-free^ | **100%^** Architectural paints are free from lead and heavy metals |
| **Minimising/eliminating the use of CMR* raw materials** | **25%** reduction | **23.2 kg/kL** (with Styrene) ↑ 17% **3.8 kg/kL** (without Styrene) ↓ 15% |

*CMR stands for carcinogenic, mutagenic and reprotoxic substances.
^Heavy metals are not added as part of our formulation. We intend to measure presence of heavy metals contained in raw materials and proactively eliminate these.

### Life cycle assessment

Asian Paints conducts Life Cycle Assessments (LCA) on a cradle-to-grave basis, covering raw materials, manufacturing, packaging, distribution, use, and end-of-life. These assessments evaluate key inputs—including materials, energy, water, and packaging—to understand overall resource intensity and environmental footprint.

Insights from LCA help identify key impact hotspots, particularly in raw material sourcing, manufacturing emissions, and water use, guiding targeted interventions in formulation design, material selection, and process efficiency. While no significant risks are identified across production or end-of-life stages, identified hotspots are actively addressed through continuous improvement initiatives to strengthen lifecycle performance and advance product sustainability.



## CERTIFIED SUSTAINABLE PRODUCTS AND SERVICE OFFERINGS

We recognise the importance of building customer trust in the environmental performance of our products and, accordingly, adopt a combination of independent third-party certifications and robust in-house assessments to validate key environmental and safety attributes. These evaluations follow comprehensive protocols covering product formulation, testing, packaging, manufacturing practices, and supply chain controls, along with emissions, particularly VOC performance, material safety, and overall environmental impact.

This approach enables the Company to offer a diverse portfolio of environmentally responsible products—including distempers, primers, putties, enamels, interior and exterior coatings, wood finishes, and waterproofing solutions—reinforcing its commitment to credible and transparent product stewardship.

| | |
|---|---|
| **6** 31st March, 2026 | **81*** 31st March, 2026 |
| **4** 31st March, 2025 | **67** 31st March, 2025 |
| | **290** 31st March, 2026 |
| | **290** 31st March, 2025 |

*Green Assure is a stringent internal standard adopted by Asian Paints to evaluate products through a rigorous criteria, including verification.

# SUSTAINABLE OPERATIONS

## SUSTAINABLE OPTIMISATION OF PRODUCTS AND SERVICES

We prioritise formulation optimisation and efficiency improvements to reduce the carbon footprint of our products. This strategy focusses on minimising the use of high-emission raw materials through innovative formulation and process enhancements. A key area of focus has been improving the scattering efficiency of rutile-grade titanium dioxide, which plays a significant role in lowering the cradle-to- gate carbon footprint. Similar innovations are being applied across other raw materials to further advance our sustainability goals. We are also advancing development of cementitious products with lower carbon footprint and low water demand to improve resource efficiency.

**49,125 $tCO_2e$**

GHG reduced through formulation optimisation in FY 2025-26

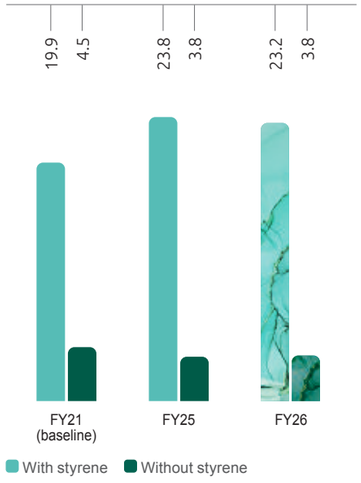


## ELIMINATION OF HARMFUL INGREDIENTS

The transition towards safer chemistry remains a key priority within the product stewardship framework. Asian Paints adopts a structured approach to identify, assess, and progressively phase out substances with adverse environmental and health impacts across the product lifecycle, including VOCs, carcinogenic, mutagenic, and reprotoxic (CMR) substances, and heavy metals.

This approach is supported by rigorous internal screening and continuous innovation in raw material selection and formulation design. By advancing safer alternatives and refining formulations, the Company aims to enhance both environmental and health outcomes. Progress in reducing CMR substances is systematically monitored through defined formulation-level performance metrics. The VAM VAE project, which is underway, is a key step towards this outcome.

**Reduction of CMR substances in products (kg/KL)**




## RENEWABLE CONTENT IN PRODUCT OFFERINGS

Strong emphasis is placed on integrating renewable materials into the product portfolio, reflecting a commitment to sustainability and responsible sourcing. This includes incorporating bio-based and eco-friendly raw materials, such as plant-derived resins and biomass-based inputs, into product formulations.

Material integration decisions are guided by scalability, performance, and supply chain readiness, ensuring higher renewable content without compromising product quality. In FY 2025-26, renewable and bio-based materials accounted for 7% of total raw material consumption (excluding water), marking progress towards sustainable inputs. Efforts to further increase this share are supported by systematic evaluation of alternative materials, considering environmental impact, performance compatibility, and safety.

**7.0%**

Usage of renewable/bio-based raw materials by volume in product offering (not including water)

## DURABILITY: ENHANCING PRODUCT LIFE

Extending product life remains a central element of our sustainability strategy. Durable coatings reduce the need for frequent repainting, resulting in lower material consumption and reduced environmental impact over time. This also enhances long-term value for customers by lowering maintenance requirements and associated costs. Efforts to improve durability and in-can shelf life are ongoing, supported by research and development initiatives.

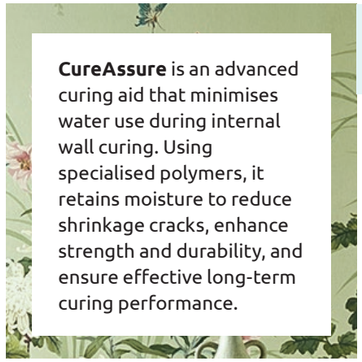
**66**

Products delivering long-lasting performance

## SUSTAINABLY ADVANTAGED PRODUCTS

To fulfil our commitment towards product stewardship, we have developed an extensive range of sustainable products. It reflects our emphasis on eco-conscious innovation and is designed to contribute to a better future. It integrates environmental and health considerations into every stage of product development and ensures continuous improvements in formulation efficiency, raw material selection and product performance. The sustainably advantaged products portfolio includes a wide range of low-VOC solutions designed to improve indoor air quality and offer lasting protection. These advancements reflect a consistent effort to align product innovation with sustainability priorities while responding to evolving customer expectations and regulatory requirements.

**Sustainably Advantaged Products contributed 39% to total revenue during the year.**



**CureAssure** is an advanced curing aid that minimises water use during internal wall curing. Using specialised polymers, it retains moisture to reduce shrinkage cracks, enhance strength and durability, and ensure effective long-term curing performance.




### Long-lasting performance

We develop durable coatings that protect surfaces, helping reduce costs, conserve resources and lower lifecycle emissions. Currently, 66 of our products offer durability of over five years.




### Health benefits

Our solutions are designed to enhance indoor air quality and improve surface hygiene. The Green Assure range includes 6 Green Seal-certified products, featuring low-VOC offerings. One such product is APEX Ultima Suprema Airoclean an exterior coating developed with advanced material science, integrating photocatalytic functionality to actively reduce atmospheric pollutants such as $SO_x$ and $NO_x$.



### Reduce, reuse and recycle

We promote circularity by minimising material use, encouraging recycling and incorporating the use of renewable resources. The Nilaya Naturals range features over 90% materials derived from natural sources, available in Matt and Pearlescent finishes, combines sustainability and aesthetics through lime-based, low-VOC formulations with superior stain cleanability, a 10-year warranty and a palette of over 100 shades.




### Reduced energy and emissions

We design products that improve energy efficiency during use and minimise emissions through advanced formulations. The SmartCare Damp Proof range helps reduce surface temperatures by up to 12°C.

# WATER NEUTRALITY

Responsible water management is deeply integrated into our environmental strategy to safeguard local ecosystems and operational continuity. Our mitigation efforts focus on high-impact areas: driving down specific freshwater consumption, sustaining Zero Liquid Discharge (ZLD), and scaling up community-based conservation initiatives.



## MANAGEMENT APPROACH

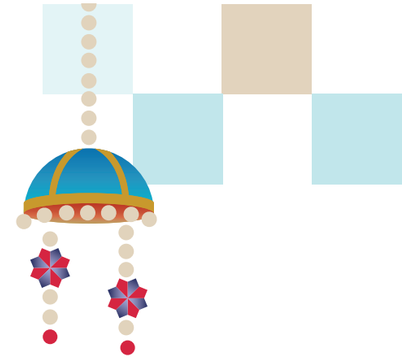
Our integrated water management approach focuses on risk assessment, conservation, efficiency enhancement and replenishment. It is implemented across our manufacturing facilities and extended to surrounding communities through various interventions and local engagements. We collaborate with key stakeholders to promote responsible water use and strengthen resilience against water-related risks.





| | Target 2030 | Performance 2025-26 |
|---|---|---|
| **Reduce specific non-process water intensity (KL/KL)** | **0.24** | **0.44** |
| **Water replenishment as a percentage of freshwater consumption (%)#** | **600** | **589** |

#Water neutrality is estimated based on calculations for rainwater harvesting structures constructed by the Company outside the plant through CSR initiatives by relying on the methodologies, assumptions, and tools as used by our NGO partners.



## WATER MANAGEMENT^

Water management is a key focus area within our environmental strategy. As a responsible manufacturer, we are committed to using water efficiently, safeguarding its quality and supporting its long-term availability for our operations as well as communities around us.

### Governance and risk management

In alignment with the Business Responsibility and Sustainability Report disclosure requirements, we conduct water stress assessments at all our manufacturing locations in India using the Central Ground Water Board's (CGWB) groundwater block classification. According to the CGWB's 2025 assessment, the groundwater block encompassing our Patancheru and Cuddalore facilities has been identified as water stressed as of 31st March 2026.

In addition, we have undertaken climate risk assessments across our decorative paint manufacturing plants using RCP 4.5 and RCP 8.5 scenarios. These assessments help us evaluate potential long-term water-related risks and inform our site-level planning and mitigation strategies.

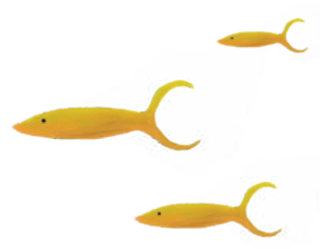
These insights enable us to prioritise interventions at high-risk locations and strengthen long-term water resilience.

### Water use efficiency

We continue to strengthen water management across our operations through a focus on efficiency, reuse and responsible sourcing. Water is primarily sourced from groundwater and third-party suppliers, supplemented by rainwater harvesting infrastructure developed at our facilities.

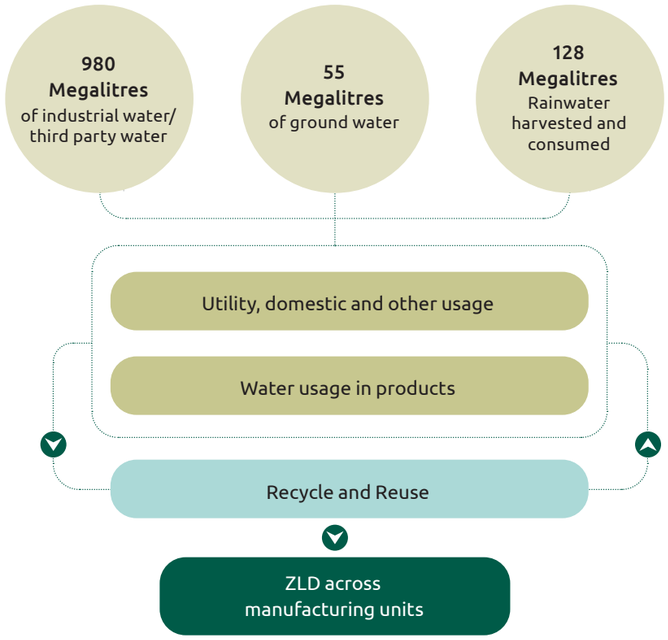
A portion of the water withdrawn is incorporated into our products, while the remainder supports domestic, utility and landscaping requirements. Our state-of-the-art water treatment systems, combined with a strong emphasis on reuse and recycling, enable us to maintain Zero Liquid Discharge (ZLD) status across all manufacturing sites.

In FY 2025–26, our decorative paint manufacturing units consumed 1,163 megalitres of water. Total water withdrawal at the standalone level was 1,483 megalitres, including 128 megalitres of harvested rainwater. Notably, only 4 megalitres of water was withdrawn with Total Dissolved Solids (TDS) ≥1,000 mg/L, indicating a limited reliance on lower-quality water sources*.



^GRI 303-1 Interactions with water as a shared resource, *GRI 303-3 Water withdrawal, *GRI 303-5 Water consumption

## Water withdrawal at Decorative paint manufacturing units



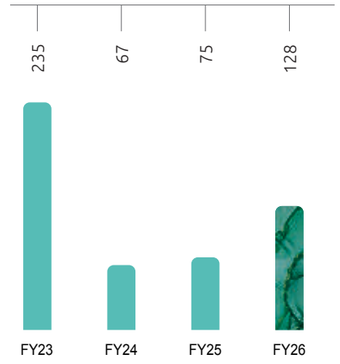



### Water conservation inside factory premises

We have consistently prioritised water conservation across our manufacturing sites, undertaking a range of initiatives to drive efficient and sustainable use. Our approach includes the use of contextual indicators to monitor water efficiency, maximise reuse and recycling and integrate innovative technologies into everyday operations.

Rainwater harvesting remains a key priority, with increasing integration of harvested water into operations to reduce dependence on conventional sources. These efforts are supported by employee engagement initiatives, including training and awareness programmes, to foster a culture of responsible water use across sites.

### Rainwater harvested and consumed within the factory (megalitres)



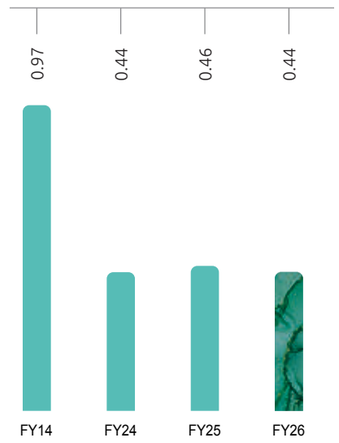

**128 megalitres**
of rainwater harvested and used in process

### Non-process water consumption at decorative paint manufacturing units

We have reduced non-process water consumption across our decorative paint manufacturing units, resulting in a 54% reduction in specific non-process water use compared to the FY 2013–14 baseline.

The specific non-process water performance for the year, while slightly better than previous year, bears the impact of expansion and backward integration projects. The consumption continues to remain significantly lower than the baseline, reflecting continued improvements in water use efficiency.

### Specific non-process water (KL/KL)






### Community water replenishment initiatives

We work closely with local communities to enhance water availability in regions surrounding our manufacturing facilities through targeted replenishment initiatives. These include supply-side interventions such as pond rejuvenation and canal lining, alongside demand-side measures such as integrated watershed management, silt application and farmer training programmes.

Read more on Page 158
(CSR chapter – Water Stewardship)

Case study

## STEAM CONDENSATE RECOVERY SYSTEM INSTALLED AT ANKLESHWAR

In decorative paints manufacturing, steam plays a critical role across processes, making efficient water and energy management essential. Unrecovered condensate can lead to avoidable losses of both heat and water, impacting overall resource efficiency.

### Intervention

A condensate recovery system was installed at the Ankleshwar plant to capture hot condensate and return it to the utility system for reuse, thereby reducing fresh-water intake while recovering heat value that would otherwise be lost.

### Impact

The initiative has strengthened water efficiency and reduced dependence on fresh-water procurement through systematic reuse and recovery.

**~1,200 KL**
Total water reused through recycling and reuse initiatives

# NATURE POSITIVE

Minimising adverse environmental impacts remains a core focus of the Company's approach to sustainable operations. Efforts are directed towards managing key operational aspects particularly waste, wastewater, circularity, and air emissions such as $SO_x$, $NO_x$, and particulate matter—through defined controls and continuous improvement initiatives.

## MANAGEMENT APPROACH

At Asian Paints, Nature Positive reflects a holistic approach to sustainability, focused on reducing the environmental footprint of operations while creating long-term value for both the Company and the planet. The theme encompasses focused efforts in waste reduction, wastewater management, circularity, air emissions management, cleaner operations, and biodiversity conservation through responsible and resource-efficient practices.







| | Target 2030 | Performance 2025-26 |
|---|---|---|
| **Number of collection points for plastic packaging from painters and consumers across states** | **500 points** across 10 towns/cities | **31 points** across 10 town/cities |
| **Proportion of recycled plastic used in our packaging (%)** | **60** | **40** |
| **Reduction in specific hazardous waste per KL of finished product (Kg/KL)** | **0.45** ↓ 83% | **0.82** ↓ 70% |
| **Reduction in specific non-hazardous waste per KL of finished product (Kg/KL)** | **6.0** ↓ 57% | **6.45** ↓ 54% |
| **Reduction in specific effluent generated per KL of finished product (L/KL)** | **15.8** ↓ 81% | **17.5** ↓ 79% |
| **Reduction in specific (Scope 1 & 2) emission per KL of finished product ($KgCO_2e$/KL)** | **26.2** ↓ 80% | **40.5** ↓ 69% |

## WASTE MANAGEMENT^

Waste management at Asian Paints is built on a foundation of continuous visibility and structured accountability. By tracking material flows through our operations and conducting regular reviews, we are able to identify opportunities for waste reduction. Our internal waste hierarchy places emphasis on deploying innovative technologies and investing in research and development to push the boundaries of what can be minimised, reused or recovered.

We lay emphasis on '3R' strategy of Reduce, Reuse and Recycle for waste management to reduce the negative environmental impact of our operations.

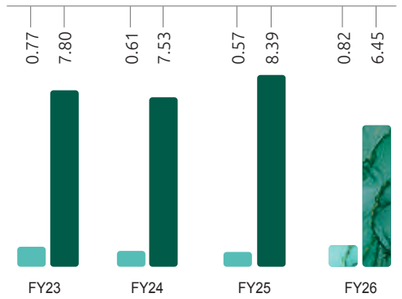
Eliminating waste at the point of generation remains our foremost goal. This means ongoing refinement of our manufacturing processes and smarter production planning to ensure lesser waste generation. Where complete prevention is not achievable, we turn to recovery; reintegrating materials back into our value chain. Wash water is recirculated through production, solvents are recovered and put back to use, and residual materials that cannot be segregated at source find new life as economy-grade paint. Running alongside these initiatives is a sustained investment in our people, with dedicated training equipping our teams with both the knowledge to reduce waste and the skills to handle materials safely.

Where recycling and reuse are not options, we ensure that disposal is carried out with the same rigour: responsibly managed, fully compliant with applicable environmental regulations, and never treated as an afterthought. The results of this long-standing commitment are reflected in our performance data. Specific hazardous waste generation at our paint manufacturing sites, measured in kg per KL of output, has fallen consistently every year since our FY 2013-14 baseline with a cumulative decline of 70% over the full period. Specific non-hazardous waste has followed a similar trajectory, registering a 54% reduction against the same baseline.



^GRI 306-2 Management of significant waste-related impacts

## Waste disposal at decorative paints manufacturing units (kg/KL)^

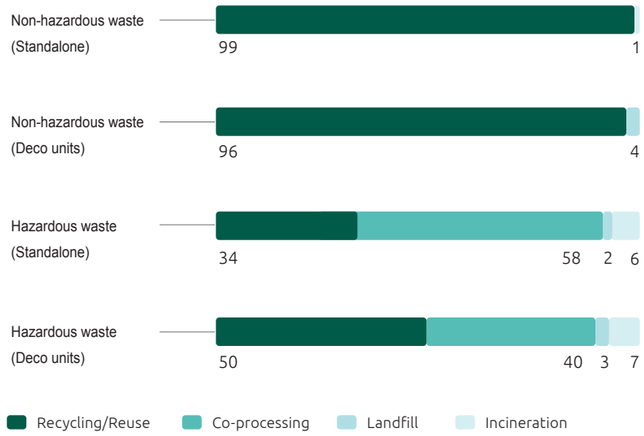



Specific hazardous waste disposal*
Specific non-hazardous waste disposal

*The indicator includes disposal of waste under Hazardous Waste Management Rules except barrels and containers which are disposed in numbers as per authorisation.

Increase in hazardous waste intensity during the year is primarily attributable to additional cleaning requirements, including storage tank cleaning arising from changes in raw material formulations, leading to higher generation of cleaning residues.

## Waste by disposal method (%)^

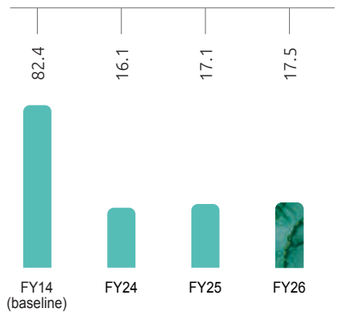



For absolute waste disposal numbers, refer BRSR Principle 6 Essential indicator 9.

## WASTEWATER MANAGEMENT^

Managing wastewater across paint processing, equipment maintenance, and pipeline cleaning operations is guided by two interconnected priorities—minimising generation at source and maximising recovery of wastewater generated, in line with the Company's Zero Liquid Discharge (ZLD) approach. Deployment of high-efficiency pressure cleaning systems has significantly reduced wastewater generation from routine operations, while increased reuse of wash water within production processes further limits the volume requiring treatment. Improvements in utility management, including condensate recovery and optimised blowdown control, also contribute to an overall reduction in wastewater generation. Wastewater that cannot be directly reused is treated through dedicated effluent treatment systems designed to address process-specific contaminants, with treated water recovered to standards suitable for reuse in both process and non-process applications, enabling a closed loop system across operations.

## Specific trade effluent generation at decorative paint manufacturing units (L/KL)




^GRI 303-2 Management of water discharge related impacts, ^GRI 303-4 Water Discharge, *GRI 306-3 Waste generated, *GRI 306-4 Waste diverted from disposal, *GRI 306-5 Waste directed to disposal, ^GRI 306-1 Waste generation and significant waste related impacts, ^GRI 306-2 Management of significant waste-related impacts

Case study

## NURTURING WATER STEWARDSHIP AT KASNA

At our Kasna facility, industrial effluent and domestic sewage had historically been processed through a single combined treatment system, an arrangement that limited both treatment effectiveness and reuse potential.

### Intervention

The Effluent Treatment Plant and Sewage Treatment Plant were separated into dedicated independent streams, allowing each to be optimised for its specific characteristics. A series of technical trials, including Fenton treatment and jar tests, were carried out alongside the introduction of wash-water reuse to further drive down volumes.

### Impact

Wastewater generation reduced by 10.4% over previous year. Separation also unlocked more purposeful use of treated water, with RO permeate directed to utility applications and STP-treated water redeployed for landscaping.






**Project:** Lodhi Art Festival
**Artist:** Hanif Kureshi & Raissa Pardini
**Location:** Delhi
**Year:** 2026

## CIRCULARITY IN OPERATIONS

### Recycled plastic[%]

Recycled plastic has been increased to 36.8% of our packaging this year with our total use at 25,323 tonnes in FY 2025-26. This achievement marks another important advance in our journey towards circularity and lower environmental impact.

### Plastic waste management[$]

Collection and environmentally sound disposal of packaging waste have been ensured through the Extended Producer Responsibility (EPR) framework since 2018. Under plastic EPR, over 8,900 MT of flexible and multi-layered plastic (MLP) and 72,000 MT of rigid plastic have been collected, representing 100% fulfilment of the Company's liability across categories. Collection and responsible channelisation have been implemented across 25 states, reflecting a robust and geographically widespread execution framework.

In addition, used plastic pails are collected through designated centres and channelised for recycling, creating an avenue for consumers to reduce their environmental impact while benefitting from monetary incentives. The programme is currently operational across 10 cities. Its expansion is moderated by the prevalence of established reuse practices for paint containers, which influence overall collection volumes.

### Wash water[%]

In FY 2025-26, we used almost 41,367 tonnes of wash water, i.e. water used to clean equipment and mixers daily. This practice helped to reduce freshwater demand during production and minimised the generation of water sludge.

### Waste solvent reuse[%]

In FY 2025-26, we were able to reuse 236 tonnes of solvent in products. In addition to this, we also use recovered solvents for cleaning purposes.

### Economy grade paint

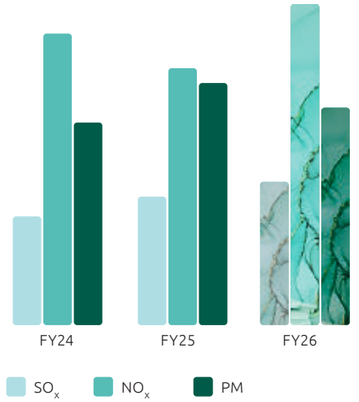
Economy grade paint is a byproduct of waste materials that cannot undergo source level segregation or reuse initiatives. During the year, we effectively sorted and reprocessed 2,087 tonnes of material to produce this value-added offering.

### Other emissions[#]

Over the years, we have substituted diesel-powered DG sets with gas-based systems, and lowered boiler consumption through the use of community steam boilers and heat recovery units. These practices have made the transition to cleaner fuel alternatives successful.

In our decorative paint units, absolute $SO_x$, $NO_x$ and PM emissions were 3.7 MT, 8.4 MT and 5.6 MT, respectively. At standalone levels, absolute $SO_x$, $NO_x$ and PM emissions were 7.1 MT, 49.1 MT and 11.3 MT respectively.

### Other emissions at decorative paint manufacturing units (g/KL)






LIGHTNING GREEN-N 9753

## BIODIVERSITY*

Biodiversity conservation lies at the heart of our environmental commitments. We remain focused on the protection, recovery and long-term resilience of natural ecosystems in and around the areas of our operation.

To understand our relationship with the natural world, we leverage the Integrated Biodiversity Assessment Tool (IBAT) across our manufacturing sites. Drawing on the World Database on Protected Areas and aligned with IUCN definitions, this process helps us map ecologically sensitive zones, identify our dependencies on natural systems and evaluate the ways in which our operations interact with surrounding habitats. Our efforts are rooted in the priorities set by the National Biodiversity Strategy and Action Plan. We have examined the full spectrum of threats; from habitat conversion and pollution to overexploitation, climate disruption and the spread of invasive species; and developed tailored risk assessments and mitigation measures specific to each of our manufacturing sites, whether those threats touch our operations directly or through indirect pathways. Given the nature of our activities, our direct impact on biodiversity is limited.

Beyond these targeted measures, we recognise that biodiversity outcomes are inseparable from broader environmental stewardship. Our ongoing work in resource efficiency, pollution control and community engagement collectively strengthens the ecological fabric of the regions we are part of, contributing to habitat restoration and long-term ecosystem health well beyond our immediate footprint.



Case study

### BIODIVERSITY AND GREEN INFRASTRUCTURE DEVELOPMENT

Recognising that biodiversity and green infrastructure contribute to climate resilience and healthier microclimates, one of our sites set out to strengthen its ecological footprint while preserving existing tree cover and natural trail networks.

#### Intervention

A dedicated biodiversity park was developed, centred around a Miyawaki micro-forest of 4,500 trees planted across 1,500 m². This was complemented by additional tree and shrub plantations, curated gardens and a bio-pond aligned to the site's natural drainage patterns.

#### Impact

Local habitat value and green cover increased substantially and groundwater recharge improved through better percolation. The park now serves as an active space for employee and community engagement, and the initiative has been formally recognised by UPSIDA through certificates of gratitude.



[$]GRI 301-3 Reclaimed products and their packaging materials, [%]GRI 301-2 Recycled input material used

[#]GRI 305-7 Nitrogen oxides (NOx), sulfar oxides (SOx) and other significant air emissions

*GRI 101-4 Identification of biodiversity impacts

CENTRE STAGE
8045



**Project:** Jaisalmer Gyaan Center
**Artist:** Kshetrimayum Johnson Singh
**Location:** Jaisalmer
**Year:** 2023

# SYNERGISING RELATIONSHIPS







MORNING RAYS
9424

**Project:** St+art Care 1st Edition
**Artist:** Nikunj Prajapati (aka Do)
**Location:** Noida
**Year:** 2022

## ESG STRATEGY


136 Customer celebrations
152 Community ownership
158 Water stewardship
162 Energising, Equitable and Inclusive Workplace
176 Safe workplace


## UN SDGs




## Stakeholders impacted

- Customers
- Employees
- Government and regulatory bodies
- Communities
- Investors
- Vendors

## Key material topics

- Water Management
- Occupational Health, Safety and Wellbeing
- Talent Management
- Employee Engagement and Wellbeing
- Community Engagement
- Customer Delight
- Human Rights – Value Chain
- Counterfeit Products
- Sustainable Product and Service Offerings
- Consumer Health and Safety

# CUSTOMER CELEBRATIONS

To celebrate our customers is to celebrate the trust they place in us to colour their most personal spaces. Our journey is no longer just about the paint on the shelf, but about the seamless experience that begins the moment a customer envisions a change.

## MANAGEMENT APPROACH

At Asian Paints, our approach to customer engagement is guided by our purpose to beautify, preserve and transform spaces and objects. As customer expectations evolve, we are strengthening brand visibility, driving differentiated innovation and expanding service-led solutions to deliver more seamless experiences. While we continue to build on the trust earned over more than eight decades, we are equally embracing the enthusiasm and aspirations of a new generation of customers. We are also tailoring our approach to regional markets to align with diverse consumer preferences. In parallel, we are strengthening our presence across B2B segments through integrated solutions, while expanding immersive retail and experiential formats.







| | Target 2030 | Performance 2025-26 |
|---|---|---|
| **Net Promoter Score (NPS)** | **70** | **73.6** |
| **St+art /community sites** | **1,000** | **700** |

**Customer Policy**

Click here to access Policy

## CUSTOMER TOUCHPOINTS

We drive home transformations in a unique manner. As customers look for immersive experiences and clarity on designs, we have built physical as well as digital touchpoints for our valued customers. It not only enables them to confidently choose products and services but also customise them to their liking and seamlessly bring ideas to life.

### Physical

Our expansive retail footprint continues to strengthen with the launch of three new stores this year - *Mumbai, Jaipur*, and *Hyderabad*- bringing our total to 74 Beautiful Homes Stores across the country. This growth reinforces our position as a trusted destination for Homeowners, Contractors, Architects and Interior Designers.

As part of our omnichannel home décor strategy, these stores bring together a wide spectrum of curated interior solutions within immersive retail experience. The Beautiful Homes format brings together a comprehensive range of premium home décor and interior solutions, including kitchens, baths, doors, windows, furniture, furnishings, wallcoverings and lighting. Each store is designed as an experiential space where customers can explore materials, finishes and textures in thoughtfully styled settings.

It also provides the opportunity to reimagine existing spaces through digital solutions, under the guidance of expert design consultants.

By seamlessly integrating design expertise, in-house systems and digital consultations, Beautiful Homes stores are redefining how homeowners engage with interior solutions

**74**

Beautiful Homes Stores across the country






## Launch of a Beautiful Homes Signature store Invogue, Mumbai

We unveiled a new luxury destination in the heart of Bandra, Mumbai. Spanning 16,000 sq. ft. across three floors, the store offers a curated selection of 1,600+ SKUs, providing an immersive retail experience for premium home décor and end-to-end solutions for luxury living.

The store brings together bespoke modular kitchens by Sleek, premium bath fittings, Sabyasachi furnishings by Nilaya, White Teak lighting, and home automation solutions within a single premium retail format. Bringing together colour, design and material expertise, the store combines Indian design sensibilities with global refinement. Its emphasis on Italian craftsmanship is reflected in offerings such as Cesar kitchens and bath fittings from Globo, Azzurra, Newform and Bath Sense.



## Nilaya Anthology

As a living celebration of craft, culture and design, Nilaya Anthology store continued to be a place where Indian designers find their grandest stage. Nestled in Lower Parel, Mumbai, this 100,000+ sq. ft. destination brings together 150+ extraordinary makers: weavers, architects, collectors and global icons. It integrates global and Indian design perspectives under the same roof. It is a place to discover spaces, experience events, savour stories and witness beauty in the making.

## Crafting immersive customer journeys

To bridge the gap between inspiration and execution, we strengthened in-store experiences through the expansion of our Colourideas and Colour Cube formats, with over 500 stores added during the year, enabling greater accessibility and a more structured colour selection journey.




### Colourideas stores

Function as comprehensive décor hubs, offering a wide range of paints, textures and finishes supported by guided consultations. The format enables customers to explore curated colour palettes and coordinated solutions across categories, helping translate design intent into well-defined outcomes.




### Colour Cube stores

Complement this network through a more accessible, neighbourhood-driven format focused on ease and speed of selection. Designed to simplify decision-making, these stores provide customers with intuitive tools to compare shades, understand applications and make confident product choices.

## ColourNext Lab

We also launched the ColourNext Lab, a platform focused on material research and experimentation, enhancing how colour and surface intelligence inform design and customer decision-making.




Serves as a research-led platform focused on material exploration and innovation, extending the understanding of colour beyond conventional applications. By introducing experimental finishes and evolving material systems, it enables architects and designers to engage with new possibilities and make more informed design decisions.

## Colour Infinity

Designed for architects, designers and homeowners, Colour Infinity is our most expansive colour fan deck, featuring 3,000+ curated shades arranged along the natural progression of the colour wheel. This structured approach enables users to visualise tonal variations, build cohesive palettes and explore contrast with greater clarity—supporting more precise and confident design decisions.







## Colour Pulse

The right colours can transform a project and bring spaces to life. Colour Pulse is designed to guide contractors with ready colour combinations ranging from soft, gentle blends to bright and bold options, making it simple to find the perfect look for every space. Each colour harmony is thoughtfully crafted to save time and cut down on the guesswork around combinations.

### Chromacosm: Setting new benchmarks in design innovation

Asian Paints strengthened its design capabilities through Chromacosm, the world's largest architectural colour system, offering over 5,300 shades in a structured palette. Designed for architects, designers and homeowners, it enables seamless visualisation across tonal variations, supporting more precise and consistent design outcomes. The initiative has been recognised across leading industry platforms, winning multiple awards that underscore its impact in design innovation and communication:

- Gold at the PR & Communication Aces Awards 2025
- Silver at the E4M Indian PR & Corporate Communications Awards (IPRCCA)
- Bronze at the IMAGEXX 2025 Awards

## Digital

We continue to strengthen our position as a preferred destination for home transformation solutions by enhancing digital touchpoints that simplify and personalise the customer journey. It also integrates advanced technology to make the process seamless for every customer.

### Customer engagement platform

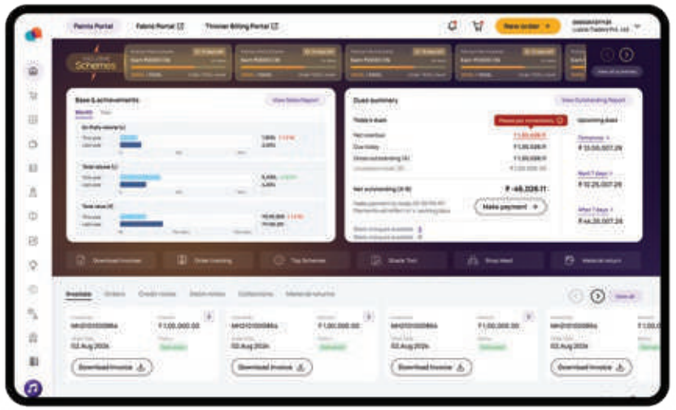
We enhanced product information on our website across key categories including pricing, warranty and product application enabling customers to make more informed decisions while improving transparency and simplifying evaluation.

KNOW MORE

### Platform for architects and interior designers

We expanded our digital ecosystem through a dedicated platform for architects and interior designers, offering curated products, solutions and specialised resources. This has enhanced engagement with professional stakeholders and supported more efficient project planning and collaboration.

KNOW MORE



### MyAwaaz Next-Gen portal

Rolled out the latest version of the MyAwaaz dealer platform, integrating operational, financial and business insights into a single system for real-time visibility across orders, payments and performance.

It strengthens dealer self-service and control, enabling faster decision-making, supported by features such as intuitive ordering, real-time visibility, order tracking, payment dashboards and AI-enabled product assistance.





OUR GROWTH ACCELERATORS

# WIDENING THE NET IN B2B

From highways and metro corridors to factories, industrial parks and urban infrastructure, India's economic landscape is changing at an unprecedented pace.

At Asian Paints, our growing B2B ecosystem positions us at the centre of this transformation. Moving beyond traditional retail markets, we are deepening our participation in high-value industrial and institutional infrastructure.

## AP ASSURE

AP Assure is an industry-first B2B platform that brings together end-to-end solutions across construction chemicals and coatings. Backed by 80+ years of expertise in technology-led surface solutions, it integrates product systems, technical resources and tailored solutions for institutional stakeholders.

The platform delivers system-based solutions spanning coatings, waterproofing, flooring, repair and admixtures, supported by a data-driven and customised approach that enables more effective discovery, collaboration and decision-making across B2B segments.

## ACCELERATING THROUGH MULTIPLE GROWTH ENGINES

We have expanded our B2B engagement significantly beyond conventional builder and housing society markets into a broader set of project environment. Our presence now spans government-led infrastructure, industrial facilities, factories, hospitality and other large-scale developments, where we align our products, services and technical expertise to deliver integrated solutions.

Aligned with India's aspiration for a Viksit Bharat, this expanding B2B ecosystem is helping us participate more meaningfully in the country's development priorities. Through this approach, we are strengthening our strategic presence while supporting sustainable and high-quality growth.

## JUGGERNAUT

Our 'Juggernaut' initiative embodies the strength of 'One AP', integrating decorative and industrial interfaces to deliver one solution to the customers, offering a seamless and holistic experience.

## OUR B2B ECOSYSTEM



Factories



Hospitality



Government

OUR GROWTH ACCELERATORS

# MASSIVE UP SURGE ON BRAND BUILDING

For over eight decades, Asian Paints has built more than a brand, it has earned a place in the lives and homes of millions of consumers. By consistently strengthening brand equity and expanding its reach, the Company has evolved from being a product on the shelf to a trusted household name.




asianpaints
OFFICIAL COLOUR PARTNER

During the year, we strengthened our brand visibility through a strategic partnership with BCCI as the Official Colour Partner of India Home Cricket, giving us strong year-round presence across one of the country's most influential sporting platforms.







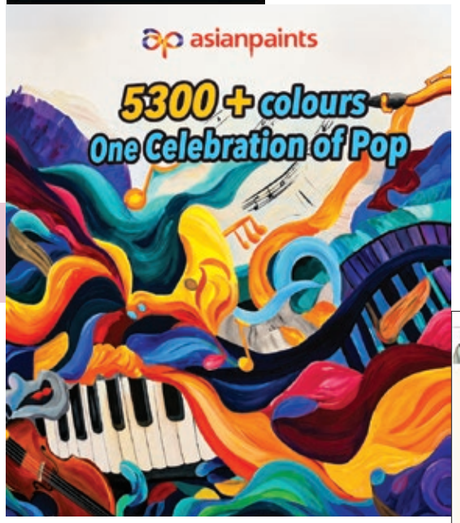



asianpaints
COLOUR COUNTDOWN




Building on this association, we introduced a series of cricket-led initiatives that deepened fan engagement and amplified key brand propositions. These included ColourCam and Colour Countdown, the Rang De India anthem, and Meri Wali Blue and Har Ghar Blue, which together connected colour with emotion, fandom and national pride across cricketing moments. In parallel, activations such as the Asia Cup Countdown and the Damp Proof pitch-cover integration at Old Trafford helped amplify our warranty and waterproofing propositions in a high-recall cricket context.




Our brand-building efforts were further reinforced through high-impact media properties such as Kaun Banega Crorepati and Bigg Boss, which strengthened household visibility, while collaborations such as Spotify I-POP helped us engage Gen Z and Gen Alpha through more relatable and culturally relevant formats. Occasion-led initiatives such as The Colours of India campaign also extended our reach by bringing colour-led storytelling into a nationally resonant moment.

Together, these initiatives strengthened recall, expanded visibility and reinforced our position as a culturally resonant and innovation-led brand.



OUR GROWTH ACCELERATORS

# REGIONAL MARKET IGNITION

We translate our regional market connect into curated shade guides and colour palettes that beautifully reflect local design heritage and modern décor tastes.

By pairing these tailored products with culturally rich campaigns and hyper-local collaborations, we build deeper consumer trust and create a more meaningful connection that naturally inspires purchase decisions.




### Honouring India's woodcraft heritage

The WoodTech PU Special Edition series celebrates India's rich artisanal heritage by honouring regional woodcraft traditions, including the sandalwood artistry of Karnataka and the intricate carvings of Chittoor, Andhra Pradesh. Together, these reflect a legacy of craftsmanship, precision and cultural richness shaped over generations while reinforcing the design inspiration behind our wood finishes portfolio.

Scan QR to watch







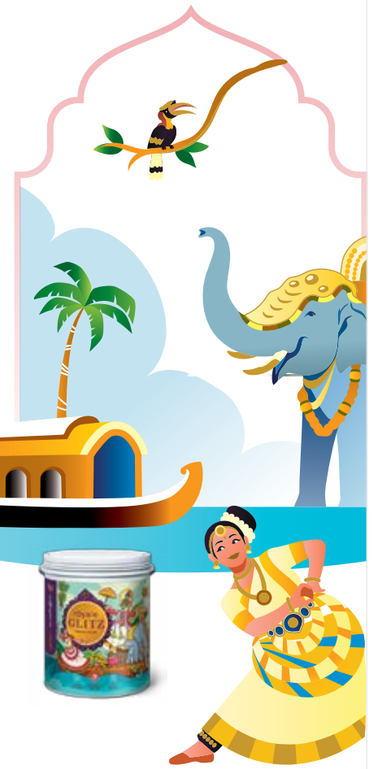

We celebrated the enduring spirit of India's diverse heritage by undertaking hyper-localised regional advertisements throughout the year.

Across both North and West India, we focused on culturally inspired, regionally targeted packaging that blended local storytelling with high-performance product functionality. In the North, our initiatives celebrated the heritage, identity, and spirit of communities across Delhi, Haryana, Kashmir, Uttar Pradesh, and Uttarakhand, reinforcing the utility of our premium décor and home protection offerings.

In the West, our Gujarat Special Edition pack celebrated the state's cultural authenticity through bespoke design, significantly strengthening consumer connect while driving home the advanced waterproofing and damp protection features of SmartCare Damp Proof.




In the East and South, we deepened market relevance by integrating cultural storytelling with our premium product offerings. In the East, the Royale Glitz – Tribute to Odisha Limited Edition pack celebrated the state's rich artistic heritage through Pattachitra-inspired designs, blending luxury décor with local art to create a deeper emotional connection with consumers. Meanwhile, across South India, we strengthened relationships through packaging that celebrated the distinct heritage, landmarks, crafts, and classical art forms of Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, and Telangana. Both initiatives successfully wove regional motifs into our premium décor and waterproofing solutions, driving stronger emotional resonance across these diverse markets.

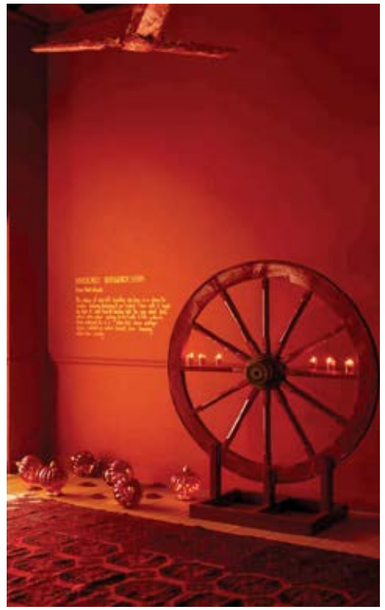






### Red Reimagined in Fort Kochi

At Fort Kochi's historic Bafna House, we created 'A Story in Red' as an immersive art-house experience that explored the cultural, emotional and symbolic meanings of red through curated installations. Timed with the Kochi Biennale season, the initiative brought together colour, design and artistic expression in a format that extended our engagement with consumers beyond conventional brand communication.



## CAMPAIGNS

### Har Ghar Kuch Kehta Hai

**"Har ghar chup-chaap se yeh kehta hai, ki andar isme kaun rehta hai."**

Building on this enduring thought, we reintroduced Har Ghar Kuch Kehta Hai with a contemporary lens, reflecting the evolving nature of Indian homes.

The campaign presents homes not merely as physical spaces, but as living expressions shaped by everyday moments, personal choices and relationships. Through a series of narratives, it captures how modern homes have become more dynamic and deeply personal—each space carrying the imprint of those who inhabit it.

By retaining its familiar poetic voice while embracing present-day realities, the campaign bridges legacy with a modern perspective. It reaffirms the idea that the essence of a home lies not in its structure, but in the lives, experiences and memories it holds—strengthening Asian Paints' enduring emotional connect across generations.



### Asian Paints Where the Heart Is – Season 9

Asian Paints continued to strengthen consumer engagement through Season 9 of *Where the Heart Is*, its home décor platform that showcases homes as reflections of identity, emotion and everyday living.

The season features homes of well-known personalities including Sonakshi Sinha and Zaheer Iqbal, Gautam Gambhir, Keerthy Suresh, Archana Puran Singh and Parmeet Sethi, and Aman and Priya Gupta, each offering distinct perspectives on how spaces are shaped by personal experiences and lifestyles.

Through curated narratives, the series highlights how colour, design and décor choices reflect individual expression, reinforcing the idea that homes are defined by the people and stories within them. With over 1 billion cumulative views, the platform continues to engage a wide audience, reinforcing Asian Paints' role in guiding end to end home transformation journeys.





### Cholte Cholte Chollish – Sharad Shamman

To mark 40 years of Asian Paints Sharad Shamman, the Company launched Cholte Cholte Chollish, a campaign celebrating the cultural evolution of Durga Pujo in Kolkata. Built around a journey through time, the initiative uses the city's iconic yellow taxi—along with the brand's familiar mascot Gattu—as storytelling devices to traverse four decades of Pujo, reflecting its transformation from traditional forms to contemporary, technology-led expressions.

By blending nostalgia with a fresh and contemporary narrative, the campaign connects across generations, including younger audiences, while reinforcing Asian Paints' long-standing association with Kolkata's creative and cultural landscape. Through this initiative, Asian Paints continues to celebrate cultural expression and creativity, strengthening its role as a long-term partner in India's artistic traditions.

### SmartCare Damp Proof

Asian Paints strengthened its waterproofing portfolio through the SmartCare Damp Proof campaign, highlighting the importance of effective damp protection for long-term structural durability.

Featuring Ranbir Kapoor and Saurabh Shukla, the campaign uses a Qawwali-inspired narrative to communicate the impact of damp-related issues in an engaging manner. The solution focuses on preventing water seepage, ensuring the durability of walls.




### Apex Ultima – Grandmaster

Asian Paints strengthened its exterior portfolio through the Grandmaster campaign for Apex Ultima Protek, highlighting advanced protection solutions for demanding climatic conditions.

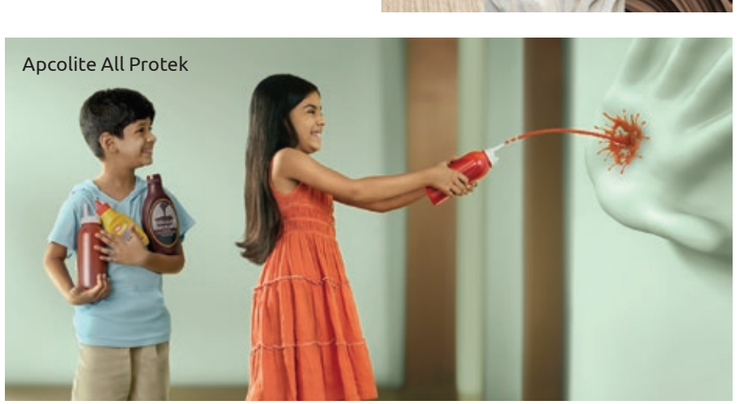
Featuring chess grandmasters Viswanathan Anand and Gukesh Dommaraju, the campaign draws on the idea of strategic defence to emphasise durability and long-term performance. Powered by Graphene technology, the product offers superior resistance to rain, heat and humidity, backed by a 12-year warranty, reinforcing its positioning as a high-performance exterior solution.



## Apcolite All Protek – Lotus Effect Technology

Asian Paints strengthened its interior emulsions portfolio through the Apcolite All Protek campaign, highlighting advanced surface protection for everyday wall care.

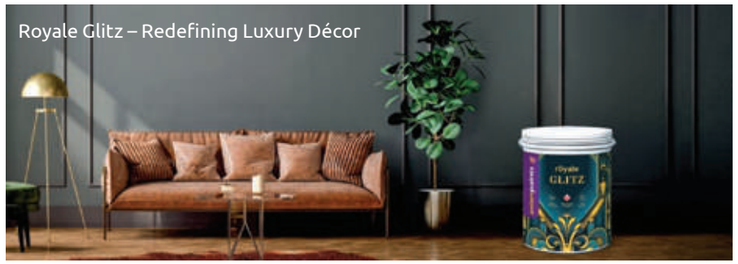
Featuring Virat Kohli, the campaign focuses on the Lotus Effect Technology, which enables walls to resist stains, dirt and spills before they form. By shifting the narrative from stain removal to stain prevention, the offering enhances ease of maintenance while ensuring long-lasting cleanliness.




## Royale Glitz – Redefining Luxury Décor

Asian Paints strengthened its premium portfolio through a campaign for Royale Glitz, positioning it as a design-led offering that elevates interior aesthetics.

Featuring Deepika Padukone, the campaign highlights how colour, texture and finishes can enhance the character of living spaces. With features such as a Crème Finish, Teflon™ Surface Protector and an 8-year performance warranty, Royale Glitz combines refined aesthetics with durability, reinforcing its premium positioning.




## Royale Play – Texture-led personalisation

Asian Paints strengthened its premium portfolio through a campaign for Royale Play, highlighting the role of textured finishes in creating personalised interior spaces.

Featuring Mira Rajput Kapoor, the campaign demonstrates how textures can transform walls into expressive design elements reflecting individual preferences. By enabling richer visual depth and differentiated outcomes, Royale Play reinforces the growing demand for customised interiors.

## WoodTech Emporio – Truly Italian

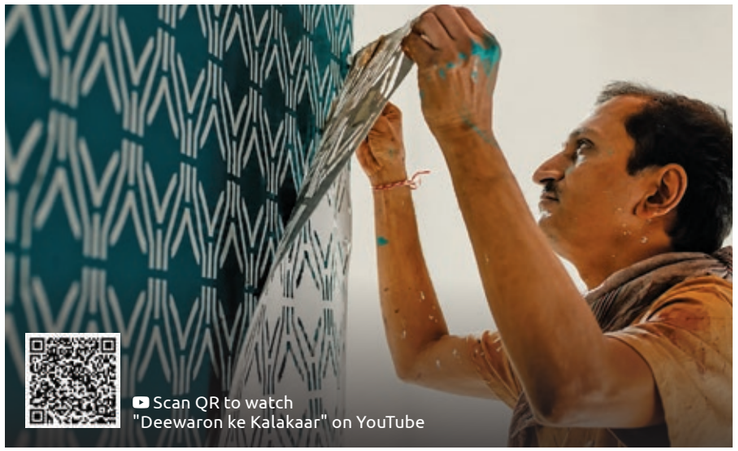
Asian Paints strengthened its premium wood finishes portfolio through the WoodTech Emporio – Truly Italian campaign, highlighting its focus on refined craftsmanship and authentic design sensibilities. Featuring Dino Morea, the campaign explores the idea of authenticity by contrasting genuine Italian design with everyday interpretations. With advanced wood coating solutions that enhance grain, texture and finish while ensuring durability, the range reinforces its positioning as a premium offering for elevated interior aesthetics.




## CUSTOMER CENTRICITY

At Asian Paints, we follow a customer-first approach that enables us to serve our stakeholders with accuracy, reliability and punctuality. Along with homeowners, we also regard painters, dealers and contractors as integral customers within our ecosystem, recognising their role in shaping the overall painting and décor experience.

Our products, services and engagement initiatives are designed to address the evolving needs of each stakeholder group while fostering long-term relationships built on trust and collaboration. Through customised colour consultations, expert guidance and a robust feedback mechanism, we remain focused on delivering a seamless and rewarding experiences that reflect the quality and assurance associated with the Asian Paints brand.




## Deewaron Ke Kalakaar

Deewaron Ke Kalakaar recognises the creativity and craftsmanship of painters who transform spaces through their on-ground execution. The initiative celebrates painters as artists, bringing greater visibility to their work and reinforcing their role in delivering high-quality outcomes for customers.

Through continued recognition and engagement, it strengthens emotional connect with the brand while promoting pride in workmanship and execution excellence.

## Kaamyabi ke Rang

Stepping into its sixth season, Kaamyabi ke Rang continues to recognise and celebrate the journeys of contractors and painters. It celebrates the skill, perseverance and commitment required for professional success.

Featuring stories from diverse regions such as Amroha, Vizag, Gandhidham and Banaras, the initiative reflects the evolving aspirations and entrepreneurial progress within the contractor ecosystem. The initiative has helped to build a deeper connection with the contractor community.




Scan QR to watch "Kaamyabi ke Rang" on YouTube

## Building partnerships, creating lasting growth

We took creativity off screens and onto the streets with workshops, trainings, meetups, and more powered by product breakthroughs. This strengthened dealer and contractor capabilities and execution excellence, driving improved product adoption and wider market reach.

### Colour awards

**20,000+** Contractors engaged

**600+** Product proposition workshops

**100+** Events conducted across regions

### Small dealer and Economy meets

**80,000+** Painters reached

**8,500+** Shop meets conducted

**2,500+** Small dealers engaged through regional meet.




### Smartcare Clinics

**1,000+** Counters activated as SmartCare Clinics across the country

**7,300+** Contractors trained

### Royale Play Artists' Circle

Advanced training to 400 applicators by international (Italy-based) texture experts

### Asian Paints WoodTech Applicators (AWA) experience, Elite business meets and Maestro trainings

**130+** Meets conducted nationwide

**6,000+** Applicators engaged

Training by Italian wood coatings experts

## GRIEVANCE REDRESSAL MECHANISM

Ensuring timely and transparent resolution of customer concerns remains integral to our commitment to service excellence. We have established a structured grievance redressal framework that enables customers to raise concerns through multiple channels, supported by a centralised digital system for end-to-end tracking and real-time monitoring.

Our approach emphasises accountability and responsiveness, with a clear focus on consistent resolution outcomes. We aim to resolve all registered complaints within five working days, reinforcing reliability across customer interactions.

Customer feedback is systematically captured and analysed to strengthen service quality. Net Promoter Score (NPS) is measured post-resolution of every complaint, enabling us to measure customer experience at each touchpoint. During the year, this mechanism was further strengthened through an AI-enabled NPS framework, providing real-time insights and helping identify areas for improvement.

Through a focus on timely resolution, transparent communication and clear outcomes, we continue to enhance customer satisfaction while strengthening trust and long-term customer relationships.

**73.6**
NPS in FY 2025-26

**95%**
Customer complaints closed in FY 2025-26

### Grievance redressal process

Complaint registration → Within 4 hours → Setting up appointment → Within 48 hours → First visit → Within 120 hours → Final resolution





## ASIAN PAINTS X ST+ART INDIA

Through its decade-long partnership with the St+art India Foundation, Asian Paints advances its vision of Art for All by transforming public spaces into accessible and shared creative expressions. The collaboration reflects a sustained vision of public art that brings colour, creativity and engagement into the heart of everyday urban life. Over time, this partnership has expanded the reach of public art across cities through murals, community-led initiatives and collaborations with artists and institutions, enabling people to experience and connect with their surroundings in new ways.


Lodhi St+art

### Lodhi Art Festival

Celebrating a decade of India's first public art neighbourhood, the 2026 edition of the Lodhi Art Festival by St+art India Foundation and Asian Paints unfolded under the theme 'Dilate All Art Spaces'.

The festival introduced six new murals across the Lodhi Art District, including Garden of Encounters — a striking collaboration between Spanish artist Suso33 and Delhi-based artists Ishaan Bharat and Tarini Sethi.

Inaugurated by Pedro Sánchez, the mural celebrated Indo-Spanish cultural exchange while transforming the streets into immersive spaces of dialogue, imagination, and shared artistic expression.

### St+art Kolkata

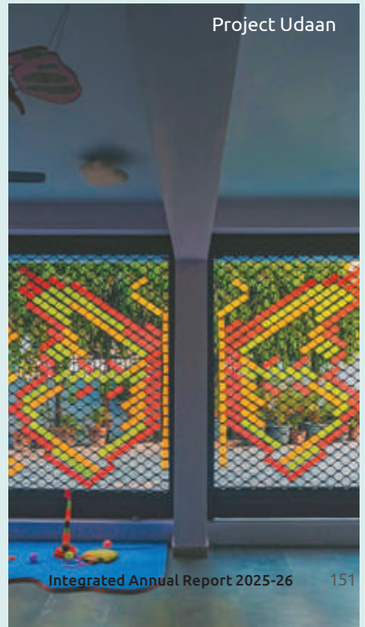
The St+art Kolkata festival extended this engagement, reimagining Ballygunge neighbourhood spaces as shared cultural environments. Drawing inspiration from the city's 'adda' culture, the initiative explored how public spaces foster connection, interaction and belonging. Blending art, colour, poetry and sensory storytelling, the project invited citizens to pause, connect and rediscover Kolkata as a living canvas where community, culture and creative expression seamlessly converge.

### Project Udaan

Through Project Udaan, Asian Paints, in collaboration with the St+art India Foundation, transformed the Arpan Charitable Trust in Vadodara into a sensory learning environment for neurodivergent children.

Inspired by the metamorphosis of a butterfly—a symbol associated with neurodiversity—the project reimagined learning spaces to support comfort, engagement and self-expression. The initiative integrated art, colour and material innovation to create interactive and calming environments.


St+art Kolkata


Project Udaan

# COMMUNITY OWNERSHIP*

Community ownership at Asian Paints is centred on trust, participation and shared progress. Through collaborative partnerships and locally relevant interventions across livelihoods, healthcare, water stewardship and employee volunteering, the Company creates lasting impact while strengthening community resilience and fostering sustainable development.

## MANAGEMENT APPROACH

Guided by the principles of trust, fairness and care, Asian Paints' community development approach focuses on fostering inclusive growth and creating long-term social value. Through interventions across livelihoods, healthcare, water stewardship and employee volunteering, the Company works closely with communities and partners to address local priorities and enhance community wellbeing. Collaborations with government bodies, NGOs, local institutions and implementation partners help ensure that these initiatives remain participative, scalable and responsive to evolving community needs.

*GRI 413-1 Operations with local community engagement, impact assessments and development programmes,

*GRI 203-1 Infrastructure investments and services supported

^Key performance indicator that has limited assurance







| | Target 2030 | Performance 2025-26 |
|---|---|---|
| **Participants trained at Asian Paints Beautiful Homes Academy^** | **1,000,000** | **945,000+** |
| **Beneficiaries impacted through healthcare initiatives** | **650,000** | **259,000+** |

### Policy

- Corporate Social Responsibility Policy
- Code of Conduct for Business Partners

Click here to access Policy

**₹114.6 Crores**
CSR Expenditure in FY 2025-26

**Our CSR focus area spends#**

**₹68.5 Crores**
Enhancing vocational skills

**₹9 Crores**
Health and hygiene

**₹31 Crores**
Water stewardship

#Excludes expenditure on CSR overheads

## ENHANCING VOCATIONAL SKILLS

The Beautiful Homes Academy (BHA or Academy) drives vocational skill development across the painting, construction, and home improvement ecosystem through structured training programmes for painters, contractors, shop owners. By strengthening technical and professional capabilities, the Academy enables participants to improve employability, enhance livelihoods, and build long-term growth opportunities. Guided by its possibility statement of "*being a shining beacon and life catalyst for enhancing skills and improving livelihoods*", the Academy is committed to bringing joy, happiness, respect, and pride to people's lives through meaningful and sustained impact.



Training session at one of our Academies

### New programmes and focused trainings

Beautiful Homes Academy strengthened its training portfolio through focused programmes such as Décor Advisor, Shop Manager, Health and Safety, Mechanisation and NextGen. During the year, we also inaugurated two new Beautiful Homes Academies, including a 4,000 sq. ft. centre in Bhandup, Mumbai, equipped with modern classrooms, hybrid learning capabilities and practical training zones.

The new Shop Manager module enhanced capabilities in customer handling, upselling, shop display management and digital tools, while the NextGen programme strengthened technical, managerial, business, digitisation and financial capabilities through hands-on learning.

During FY 2025-26, over 41,000 participants were trained through the Décor Advisor Programme, while 44,000+ shop staff were trained under the Shop Manager Programme.

**2,281**
Locations covered through BHA^

# SYNERGISING RELATIONSHIPS

## Reach and collaborations

The Academy scales vocational skill development through partnerships with labour associations, state governments, community organisations and non-governmental institutions, strengthening last-mile delivery, community engagement and local relevance.

Programmes reach construction workers, unemployed youth, women, refugees, tribal communities and prison inmates, promoting equitable access to skills and livelihood opportunities.



Training session at one of our Academies

Case Study

## GIVING WINGS TO ASPIRATIONS

For Kishor Jadhav, life changed when he lost his father at a young age. Growing up in Sambhajinagar, he had to leave school and take on the responsibility of supporting his family through farming. Amid the hardships, an opportunity to work on a house painting project introduced him to a profession that would eventually transform his life.

### The intervention

Determined to create a better future, Kishor moved to Nashik and began working as a painter. While he gained valuable experience, he knew that improving his skills was key to unlocking bigger opportunities. At the Beautiful Homes Academy he learnt advanced techniques in textures, waterproofing, wood finishes, wallpaper application and mechanised painting tools. It equipped him with the confidence and expertise to deliver professional painting solutions and build a skilled team of his own.

### The impact

Today, Kishor is the proud owner of JK Painters & Services and has earned recognition as a Platinum Contractor. From a young boy forced to abandon his education to support his family, he has built a thriving business and a secure future for his loved ones. His journey is a powerful reminder that with determination, the right skills and an opportunity to grow, challenges can be transformed into lasting success.



## Digital interventions

To sustain engagement beyond classroom training, AI chatbot assistance and micro-learning modules were introduced, enabling participants to continuously revisit and reinforce skills acquired through the programmes.

AI-based tools are being deployed to strengthen learner engagement and programme effectiveness. To enhance communication and knowledge sharing, Asian Paints introduced a WhatsApp Broadcast Channel for the Academy to share refresher tips, practical techniques and quick learning nuggets with the beneficiaries.

## Programme credibility and certification

The Beautiful Homes Academy programmes are aligned with recognised standards, including certification support through National Skill Development Corporation (NSDC), enhancing the credibility and employability of participants. Structured training and formal certification strengthen participants' credentials and improve access to livelihood opportunities across the ecosystem.

Certification not only validates technical competencies but also enables access to formal employment and financial systems, contributing to greater income stability and long-term socio-economic outcomes, while supporting broader industry acceptance and career progression, reinforcing sustainable livelihood creation and value for communities.



One of the eye check-up camps conducted

## HEALTH AND HYGIENE

Our healthcare initiatives are designed to address disparities in healthcare delivery in underserved areas. Along with a focus on providing essential medical care, it aims to develop preventive habits and create hygiene awareness among communities.

## Curative healthcare

Curative healthcare initiatives are designed to ensure timely and accessible medical support for underserved communities. Primary healthcare services are delivered through Mobile Medical Units (MMUs) and Static Health Units (SHUs) that provide outpatient consultations, free medicines, basic diagnostic services and follow-up care for communicable and non-communicable diseases.
The SAFAR programme extends these services to truck drivers through medical consultations, physiotherapy, diagnostic support and care for non-communicable diseases (NCDs), improving access to essential healthcare services.

**259,000+**
Beneficiaries impacted in FY 2025-26^

## Mobile and Static Medical Units

Mobile Medical Units improve healthcare access in remote communities by delivering doorstep medical services. The initiative provides general consultations, primary treatment, medicines and diagnostic support, along with home-based care for bedridden patients. It also enables access to government healthcare schemes and conducts awareness sessions on hygiene, nutrition and preventive healthcare practices.

Our Static Medical Units function as permanent healthcare access points within community catchments providing medical consultations, conduct preventive health screenings and routine diagnostics.

**195,000+**
Beneficiaries served by Mobile Medical Units^

**64,000+**
Beneficiaries served by Static Medical Units and SAFAR programme^

^Key performance indicator that has limited assurance

## Proactive health initiatives

Asian Paints advanced preventive healthcare through health awareness sessions, behaviour-change communication and community outreach focused on hygiene, nutrition, healthy lifestyles and non-communicable disease prevention. These interventions strengthened health awareness, encouraged early diagnosis and promoted access to government healthcare schemes and preventive healthcare services.

These programmes supported women, children, elderly individuals, daily-wage earners and mobile populations, including truck drivers.

Healthcare initiatives are implemented within the operational influence areas of manufacturing locations, in partnership with organisations such as Apollo Telemedicine Networking Foundation, HelpAge India, Piramal Swasthya Management Research Institute, and Child Survival India.



Static Health Unit Clinic Consultation

## EMPLOYEE VOLUNTEERING PROGRAMME

SPARSH – Employee Volunteering Programme (EVP) serves as a structured platform to drive employee participation across Asian Paints' core CSR focus areas of healthcare, water stewardship, and community development. Through initiatives such as Arogya Saathi, Jal Saathi, Rakta Saathi, and environment-focused engagements, employees actively contribute to last-mile delivery of health awareness, preventive healthcare, and water conservation interventions, strengthening community wellbeing at the grassroots.

**1,500+**
Employees participated as volunteers

**2,000+**
Participants benefitted from training sessions conducted by employees

Aligned with flagship programmes, these initiatives deepen on-ground impact, foster employee ownership, and strengthen community connect while building a culture of responsible citizenship. During the year, EVP was further integrated with the Beautiful Homes Academy, where employees contributed as volunteer trainers across select modules. By sharing domain expertise and practical insights, they enhanced participant capabilities and readiness for employment, entrepreneurship, and sustainable livelihood opportunities—creating meaningful and lasting impact.


Awareness program at Schools

## Key volunteering initiatives

### Saathis

Guided by a clear mission to nurture a culture of giving, the Saathis platform represents an evolution towards a more collective and purpose-led approach to employee volunteering. Building on the earlier 'Warrior' identity, the transition to 'Saathis', meaning a friend and supporter, reflects a more collaborative and purpose-led approach, anchored in values of empathy, collaboration, and unity, bringing employees together to create meaningful and lasting community impact.


Hygiene awareness at Schools

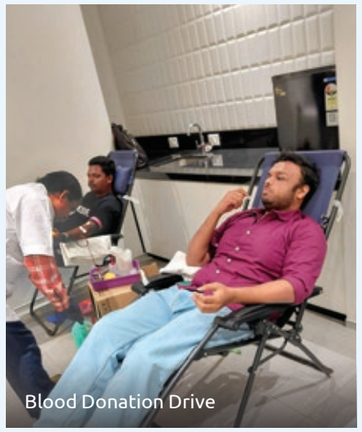
### Arogya Saathi

Focused on improving health and hygiene within communities, the initiative drew employee participation for health camps, awareness programmes and community outreach activities carried out in collaboration with healthcare partners and NGOs.


Beach Clean up drive - Mumbai

### Jal Saathi

Employees participated in water conservation projects and supported community engagement activities to promote water stewardship and create awareness about responsible water usage.


Blood Donation Drive

### Rakta Saathi

Employees participated in voluntary blood donation drives organised at the Head Office and across manufacturing locations.

## Measuring impact

Independent impact assessments were conducted across key interventions, including Enhancing Vocational Skills, Health & Hygiene and Water Stewardship initiatives, to evaluate outcomes across livelihood development, employability, healthcare access and, community resilience. Based on OECD-DAC and SROI frameworks, the assessments covered multiple geographies and stakeholder cohorts, evaluating relevance, effectiveness, efficiency, impact and long-term sustainability.

### Enhancing vocational skills

Assessments highlighted significant improvements in technical competencies, work quality, and customer engagement among participants of the Beautiful Homes Academy. The interventions have translated into higher employability, increased job opportunities, transition into advisory roles, and improved socio-economic outcomes for beneficiaries.

### Health and hygiene

Healthcare initiatives improved access to preventive and primary healthcare services through timely consultations, early diagnosis, and better treatment adherence. Beneficiaries reported reduced travel time, lower out-of-pocket expenditure, and greater access to essential healthcare services.

### Water stewardship

Water stewardship initiatives delivered measurable improvement in groundwater levels, irrigation access, and soil quality, enabling multi-season cropping, higher agricultural productivity, and increased household incomes. The interventions have supported reduced cultivation costs, improved livestock productivity and strengthened community resilience to climate variability.

Detailed Impact Assessment Reports are available at www.asianpaints.com

# WATER STEWARDSHIP*

Water stewardship at Asian Paints advances across its manufacturing locations through its flagship CSR initiative, Watermark, guided by its possibility statement of "*transforming the community's relationship with water in every form" and aiming to leave a lasting 'watermark' on people's lives.*

## MANAGEMENT APPROACH

Asian Paints' water stewardship efforts focus on restoring local water ecosystems, improving resource availability and supporting sustainable rural development through the Watermark initiative. The Company undertakes interventions such as restoration of water bodies, rainwater harvesting structures, canal strengthening and promotion of responsible water-use practices.

Through nature-based solutions and collaborative implementation with communities, local institutions and partner organisations, Asian Paints contributes to groundwater replenishment, improved agricultural outcomes and long-term socio-economic value creation across project locations.



*GRI 413-1 Operations with local community engagement, impact assessments and development programmes,

*GRI 203-1 Infrastructure investments and services supported





| | Target 2030 | Performance 2025-26 |
|---|---|---|
| **Water harvesting potential created as % of annual freshwater consumption every year (%)** | **>70** | **431** |

## WATERMARK: STRENGTHENING WATER SECURITY

Watermark adopts a holistic, community-centric approach to strengthen water security. The programme views water as a community resource and therefore, combines technical, social and ecological methods to address issues around water availability. It creates accountability among community members to preserve water and ensure its efficient utilisation for various purposes.

These interventions are enabling a shift towards a more resilient, multi-season farming system that is not completely dependent on rainwater. It has improved water efficiency, created better livelihood opportunities in rural areas and resulted in long-term water security.



Khandala Integrated Watershed Management (IWSM)

Watermark initiatives have been implemented across manufacturing locations through integrated watershed and community-based interventions.

### Key outcomes of FY 2026

**15,361**
Farmers benefitted

**14,757**
Small and marginal farmers benefitted

**147**
Water bodies restored^

**4,461,705 KL**
Water potential created^

**5,798 hectares**
Command area created

**250 hectares**
Farmland improved through silt application

**92**
Water user groups formed

**155**
Number of villages^

^Key Performance Indicator that has limited assurance

# SYNERGISING RELATIONSHIPS

## SUPPLY-SIDE INTERVENTIONS

Strengthening water availability remains central to improving community resilience.
Asian Paints strengthens water security through supply-side interventions that enhance water storage, improve groundwater recharge and support sustainable water availability:

Canal lining to reduce water loss through seepage and improve water delivery to farms.

Integrated Watershed Management (IWSM) that helps to prevent soil erosion and enhance water availability.

Rejuvenation of water bodies like ponds, lakes, and tanks to improve water storage and groundwater recharge.

Phycoremediation for improving water quality through the use of algae-based solutions to naturally remove pollutants from water bodies. These interventions help replenish groundwater, improve water retention and water access for agricultural and domestic use.

Construction and renovation of check dams for building small barriers across streams to slow down water flow and enhance groundwater recharge.

Rejuvenation and construction of water harvesting structures help capture and store rainwater, reduce surface runoff and improve groundwater recharge and local water availability.

On-farm water recharge structures enable rainwater harvesting and storage within farmlands, improving local water availability and reducing dependence on groundwater extraction.

Case Study

### RESTORING VILLAGE PONDS TO SUPPORT LIVELIHOODS

**Bharuch district, Gujarat**
Under the Water for Livelihood – Rejuvenation of Water Bodies initiative, Asian Paints supported the restoration of the Siludi Gram Panchayat village pond.

#### The intervention

The intervention restored the pond's storage capacity to approximately 62,260 KL, improving groundwater recharge and strengthening local water availability.

#### The impact

Restored water bodies support irrigation across agricultural regions, benefiting farming communities through improved water availability for crops and livestock. Enhanced water access and recharge capacity also help strengthen resilience against water stress during dry periods.



**62,260 KL**
Pond storage capacity restored

**39**
Farmers benefitted

## DEMAND-SIDE INTERVENTIONS

Enhancing water-use efficiency remains central to improving agricultural resilience and reducing pressure on groundwater resources. Asian Paints undertakes demand-side initiatives that promote sustainable farming and responsible water consumption through:

Promotion of micro-irrigation systems to optimise water use

Reduced dependence on groundwater through greater use of surface water storage

Leveraging government schemes that support water-efficient agriculture

Promotion of low water-intensive crops and crop varieties

Adoption of water-efficient farming practices including mulching

Case Study

### RESTORING WATER SECURITY FOR FARMING COMMUNITIES

**Cuddalore district, Tamil Nadu**
Under the Water for Livelihood initiative, Asian Paints supported the rejuvenation of Annavali Thangal, a historic village lake serving the local farming community.

#### The intervention

The intervention involved desilting the lake, strengthening bunds and restoring its water retention capacity, improving water availability for agriculture and supporting long-term water security in the region.

**30,160 KL**
Water storage potential created

**120**
Farmer families benefited

#### The impact

The restored lake has enhanced water security through improved water storage and groundwater recharge. It has reduced irrigation time and costs, enabled cultivation across multiple seasons and strengthened agricultural productivity. The intervention has also improved access to water for livestock, reduced flood risks and enhanced community resilience during periods of water stress.



A farmer supported through watermark initiative

# ENERGISING, EQUITABLE AND INCLUSIVE WORKPLACE

Guided by our philosophy 'Leaders for Life' we foster a psychologically safe, inclusive environment that values diversity, recognises individual contributions and upholds human rights — empowering every person to thrive.

## MANAGEMENT APPROACH

Our focus is on nurturing skills, building competencies, and fostering a safe, inclusive workplace to develop exceptional talent. This year, we further advanced our Inclusion, Equity, and Diversity (IED) initiatives, weaving inclusivity into the very fabric of our culture. Through our 'Leaders for Life' philosophy, we support holistic development so our people can thrive both at work and in life. We actively promote an open, psychologically safe environment that values unique perspectives, while fostering strong labour relations through honest and constructive dialogue.







| | Target 2030 | Performance 2025-26 |
|---|---|---|
| **Employee engagement score (%)** | **80** | **82** |
| **Psychological safety score (out of 10)** | **7** | **7.9** |
| **Wellness initiative score (out of 10)** | **8** | **9** |

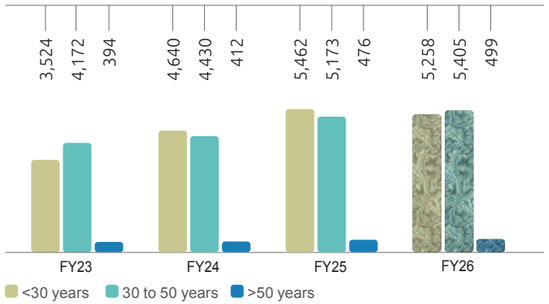
### Policy

- Code of Conduct For Employees
- Code of Conduct For Board Members and Senior Management Personnel
- Policy for Prevention, Prohibition, and Redressal of Sexual Harassment at Workplace
- Policy on Equal Opportunity and Non-Discrimination
- Whistle-Blower Policy

Click here to access Policy

## EMPLOYEE SNAPSHOT*

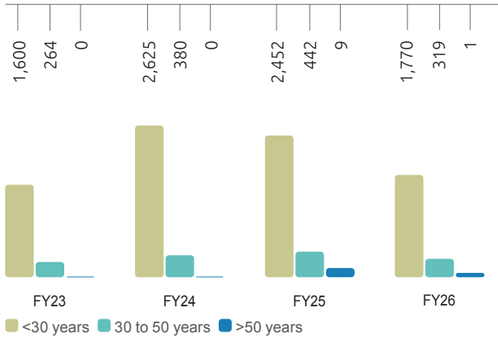
### Total permanent employees by age




### Total employees per category by age

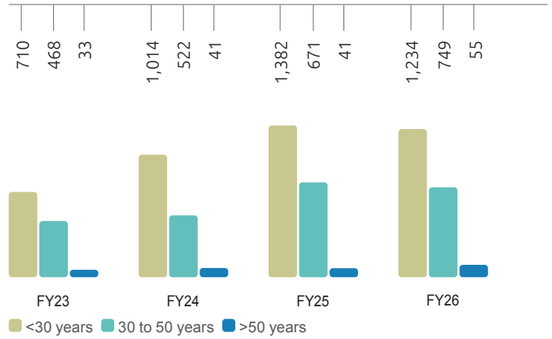
| | <30 years | 30 to 50 years | >50 years | Total |
|---|---|---|---|---|
| Senior management | 0 | 8 | 10 | 18 |
| Middle management | 2 | 316 | 56 | 374 |
| Junior management | 382 | 863 | 35 | 1,280 |
| Staff | 4,679 | 3,020 | 69 | 7,768 |
| Workers | 195 | 1,198 | 329 | 1,722 |

### New hires by age




New hire rate by age group for FY 2025-26:
<30 years: 33.0%; >30 to 50 years: 6.0%; >50 years: 0.2%

### Employee attrition by age




Attrition rate by age for FY 2025-26:
<30 years: 23.0%; 30 to 50 years: 14.2%; >50 years: 11.3%

*GRI 2-7 Employees, *GRI 401-1 New employee hires and employee turnover, *GRI 405-1 Diversity of governance bodies and employees

## TALENT MANAGEMENT

Asian Paints focuses on attracting and nurturing talent aligned with our culture of innovation, excellence, and continuous learning.

**Our strategic people agenda**

- People collaboration and engagement through periodic surveys
- Strengthening organisation structure and support new acquisition
- Movement of talent across verticals through institutionalisation of a democratic process
- Strengthening leadership and succession through precision talent management

People analytics underpins our talent management approach, enabling data-driven decisions across the employee lifecycle. Integrated digital platforms and real-time dashboards enhance workforce planning, performance management, and organisational effectiveness. Standardised processes capture manager and skip-level feedback through automated workflows. Role-based dashboards on attrition, attendance, and performance support timely, evidence-based decisions, while digital tools improve field sales productivity by streamlining workflows and reducing administrative effort. This analytics-led approach also strengthens talent acquisition by building a robust pipeline of future-ready professionals.

### Technology-Enabled Hiring and Early Talent Pipeline Building

A centralised Applicant Tracking System provides end-to-end visibility into the hiring process, streamlining recruitment, while AI-led interviews and tools enable efficient candidate assessment and shortlisting. Digitised onboarding further improves turnaround time, reduces manual intervention, and ensures a seamless Day 1 experience.

Strengthening this digital-first approach, the TrailBlazer Programme was scaled to enhance early-career engagement and identify high-potential talent. In FY 2025-26, it expanded through gamified initiatives such as the Campus Treasure Hunt, engaging over 5,500 participants across 1,500+ campuses, rewarding 50 top performers, and facilitating 115 Pre-Placement Interviews (PPIs). The programme also created a robust pre-qualified student database, supporting sustained recruitment and strengthening the Company's presence across Tier 2 and Tier 3 MBA campuses.

## LEARNING AND DEVELOPMENT

We nurture talent across every stage of the employee journey through an integrated learning ecosystem that encompasses leadership development, functional skill-building, values-based orientation and future-ready capabilities.

Our learning philosophy aligns employees with a culture of continuous growth and development, enabling them to excel in a dynamic working environment. It prioritises practical application of skills to various roles and fosters capability-building through hands-on training. This integrated approach supports the development of resilient and agile teams.

**₹ 20.6 Crores**
Total amount spent on learning and development

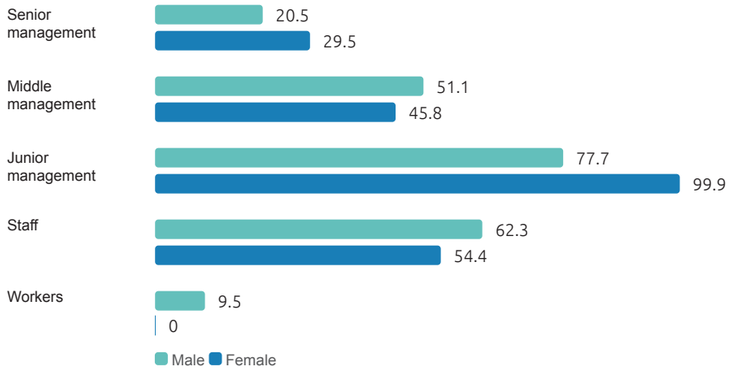






### Learning and development dashboard for FY 2025-26*

Average hours of training per year per employee*




During the year, we focused on delivering learning programmes consisting of leadership and transition programmes, technology-enabled modules and initiatives that reinforce our core values while incorporating external perspectives. Each initiative is thoughtfully designed to enhance self-awareness, strengthen decision-making and foster a collaborative and purpose-driven culture.

### Pillars of learning and development

#### Emerging leaders

We focus on preparing emerging leaders for managerial roles by strengthening core leadership capabilities through structured learning journeys, role-based programmes and values-driven interventions. These initiatives build leadership confidence and decision-making capabilities, enabling emerging leaders to contribute effectively and thrive in an evolving business environment.

#### Middle management

Middle managers play a vital role in converting strategic priorities into disciplined execution across the organisation. We strengthen their leadership effectiveness, decision-making rigour and cross-functional collaboration through immersive learning interventions, targeted financial acumen programmes and curated external exposure. This equips them to manage complexity, align teams and consistently deliver scalable and sustainable business outcomes.

#### Senior management

Strengthening senior leadership underpins our ability to foster innovation and navigate an increasingly complex business environment. Advanced learning with global institutions deepens strategic capability, equipping leaders to manage complexity, drive transformation, and embed organisational innovation. This approach strengthens decision-making, leadership confidence and execution capabilities, enabling consistent performance and sustainable growth.




*GRI 404-1 Average hours of training per year per employee

## Emerging leaders*

We provided comprehensive leadership and management training for junior and first-time managers, offering foundational education, project-based business exposure and structured general management development.

**32**
Junior managers trained under IMPACT programme

**289**
First-time managers trained via Emerging Leaders Programme

**42**
Junior managers upskilled through Business Management Programme at IIM Bangalore

Our leadership and functional capabilities were significantly enhanced through digital learning, role-linked certifications, and a value-based framework. By focusing on scientific rigor, analytics, data storytelling, and advanced Power BI training, these programmes built stronger people leadership and business effectiveness to support sustained organisational growth.

**8.8/10**
Feedback score from participants of the Emerging Leaders Programme

**9.2/10**
Feedback score from participants of the Business Management Programme (BMP)

## Middle management

Initiatives such as the Enabling Leaders Programme and Strategic Leaders Programme enabled progression from functional expertise to enterprise level leadership through blended learning that included assessments, leadership dialogues, experiential workshops and group coaching. Targeted learning in financial analysis, executive coaching and leadership diagnostics further strengthened leadership effectiveness and sustained business performance.

Organisation-wide interventions such as leadership reflections, team diagnostics, and coaching strengthened collaboration, trust, and strategic capability. Leadership effectiveness was further enhanced through cross-functional and external learning initiatives, providing exposure to diverse perspectives and deepening market insights.

### Aarohan: Elevating leadership capability

At Asian Paints, we believe in building a strong leadership pipeline. Aarohan, our focused leadership development journey, is designed to enhance strategic thinking and leadership effectiveness among Senior Managers. The leadership capability development initiative is aimed at enabling more effective and robust succession planning. Through interactions with industry leaders and structured workshops, we enable participants to build perspective, strengthen leadership capability and prepare for larger organisational roles.

## Senior management

Senior leaders participated in Management Development Programmes with leading global institutions such as Institut Européen d'Administration des Affaires ("INSEAD"), gaining advanced exposure to AI, strategy, finance, marketing and leadership. Six senior leaders completed an executive programme on AI strategy at INSEAD, where blended learning—including expert faculty, case studies and peer interaction—enabled application of global best practices. Initiatives such as Financial Acumen Programmes and Leadership Team Diagnosis using Hogan strengthened strategic judgement, self-reflection and team effectiveness, equipping leaders to drive transformation.

## Feedback Mechanism: Recognising performance, enabling growth

Our performance management framework reinforces a high-performance and people-centric culture. It follows a structured, self-driven approach where employees define goals and career growth paths. Periodic performance reviews ensure target achievement and timely support, supported by a 360-degree feedback mechanism that guides development needs and prepares employees for future leadership roles.

Appraisals are conducted each cycle through a structured People Review process, enabling identification of development opportunities and progression of managerial talent. Continuous feedback is further enabled via a digital platform, strengthening and streamlining overall performance management.

## Focused learning initiatives

Asian Paints supplements its learning framework with focused programmes that address changing business needs, technology shifts and industry trends. These efforts are aimed at building capabilities in areas that are most relevant, helping employees make better decisions, stay adaptable and support long-term stability.

Initiatives such as Business Valuation Masterclasses, AI-focused programmes and cross-industry exposure are designed to deepen understanding, strengthen core skills and prepare employees for emerging demands.

### Continuous learning for operational excellence

We embrace a culture of continuous learning with a focus on safety, operational excellence and data-driven capability building. At the Vishakhapatnam plant, through initiatives such as 'One Learning Day' we transformed a non-production day into a focused learning experience covering process safety, risk profiling, visual management and operational practices.

This was complemented by the Power BI Champion Programme and Trinity Trainings across sustainability, waste management, quality practices and problem-solving, enabling employees to build stronger technical and analytical capabilities.



### Building AI-led marketing capability

At Asian Paints, Marketing with Machines is an immersive AI skilling initiative designed to integrate generative AI into campaign creation, content development and analytics. Delivered through hands-on workshops, the programme enabled 21 marketing professionals to apply AI across data analysis, video generation and rapid prototyping while solving live business challenges.

With a strong feedback score of 8.5/10, the initiative positioned AI as a productivity partner—enhancing speed, efficiency and digital capability, and advancing the Company's transition to an AI-driven, future-ready organisation.

### Focus on value-based framework

At Asian Paints, we continue to strengthen our culture by embedding core values into everyday behaviours through our Value-Based Framework (VBF). Programmes such as Value-Based Framework Orientation and 'Standing for Each Other's Success' are designed to develop collaboration and ownership, aimed at ensuring the success of teams.

We conducted manager-focused VBF sessions across locations, ensuring consistent alignment with organisational values and leadership expectations. Complementing this, capability-building initiatives such as the Scientific Rigour workshop, analytics training and data storytelling electives enabled participants to apply these values in decision-making, problem-solving and business execution.

### Strengthening sales capability

The Field Readiness function plays an important role in building frontline sales capability through structured, need-based learning programmes. With an emphasis on role-specific learning journeys, it operates through two focused verticals allowing sharper programme design and closer alignment with business requirements.

During the year, 48 tailored training programmes were delivered through both online and in-person formats, ensuring wide participation from different verticals. These efforts have helped strengthen functional knowledge, improve field preparedness and support the development of a capable and confident sales workforce.

**100,000+**
Learning hours

**4,000+**
Participants

### Lakshya: Strengthening Décor capability

Lakshya is a focused learning initiative designed to strengthen field readiness across Asian Paints' décor portfolio. It covers six categories: Sleek, Bath, Weatherseal, White Teak, Furnishings and Furniture, combining e-learning modules with monthly 'Ask Me Anything' sessions led by Category Brand Managers.
The programme strengthens product understanding, pitch effectiveness and objection handling, enhancing category confidence, enabling more informed customer interactions, and driving continuous capability building across décor verticals.

*GRI 404-2 Programs for upgrading employee skills and transition assistance programs

Case study

## AP ACCELERATOR: FLAGSHIP INDUCTION PROGRAMME

In FY 2025–26, Asian Paints strengthened its frontline capability-building approach through the launch of AP Accelerator, a flagship residential induction programme designed to equip newly appointed Sales Executives with strong foundational knowledge and field readiness.

### Intervention

A structured learning journey was implemented, beginning with an eight-day intensive retail training covering product knowledge, category understanding and core sales processes. Participants then progressed to specialised Finishing Schools for Projects and Services, followed by guided field stints for real-world application. To enable immersive and consistent learning delivery, the Accelerator Academy was inaugurated in Bhandup as a dedicated training hub with advanced infrastructure.

### Impact

Enhanced field readiness through integrated classroom and on-ground learning





### Building shopfloor leadership at Sriperumbudur

At the Sriperumbudur plant, Asian Paints enabled a structured transition of technicians and operators into Team Leader (TL) and Alternate Team Leader (ATL) roles, in line with TRACC (Total Resource and Cost Competitiveness).

This initiative not only strengthened shopfloor ownership but also created a clear pathway for operators to progress into higher responsibilities. The transition was supported through Training-of-Trainers programmes, structured coaching, and nearly 100 interactive learning videos to ensure role clarity and capability building.

Implemented across packaging, Processing, Polymer and Engineering, the initiative has enhanced problem-solving, team engagement and adherence to TRACC standards, while developing a strong pipeline of future shopfloor and executive talent.

### Learning with LinkedIn

LinkedIn Learning strengthened capability building across the organisation through targeted interventions across Manufacturing, Supply Chain, Systems and Corporate teams. Initiatives such as Learning Hour and the Learning Premier League enhanced engagement through guided sessions, healthy competition and leadership involvement, reinforcing a culture of continuous learning. Complementing these efforts, Asian Paints fostered an inclusive workplace focused on engagement, psychological safety and holistic wellbeing. Besides, continuous feedback mechanisms helped to integrate mental, physical and financial wellness into the employee experience.

## EMPLOYEE WELLBEING*

Fosters a healthier and more resilient workforce through focused programmes on preventive healthcare, fitness, nutrition, mental wellbeing and engagement, empowering employees to embrace healthier lifestyles within a supportive workplace environment.

Our approach to employee wellbeing is anchored in continuous engagement and a comprehensive support ecosystem. Regular surveys assess workplace culture, leadership effectiveness and employee well-being across parameters such as job satisfaction, purpose, happiness and stress. These insights are complemented by flexible work arrangements, parental and childcare support, and a 24x7 Employee Assistance Programme offering confidential counselling and wellness guidance. Strengthening this further, the Company introduced a priority 24x7 ambulance service, ensuring timely access to critical medical support for employees and their eligible dependents, including those living away from home, reinforcing health security, responsiveness in emergencies and overall peace of mind.

### Holistic wellbeing at Khandala plant

At the Khandala plant, employee wellbeing was embedded as a shared responsibility and a core pillar of the people philosophy. Mental and emotional wellbeing initiatives such as 'Laugh a Minute' sessions, de-stressing activities and digital detox awareness roadshows were conducted to encourage healthier and more balanced lifestyles.

Physical wellbeing was promoted through sports activities and fitness challenges, and monthly recognition ceremonies encouraged participation and strengthened a more inclusive, cohesive and health-focused workplace culture.



### FitQuest 2.0

A structured wellness initiative delivering measurable health outcomes through scientific tracking and personalised guidance, driving improved health indicators, sustainable habits, and overall employee wellbeing.

Case study

## AP WELLNESS SEASON CHALLENGE

The AP wellness season challenge was an organisation-wide initiative designed to promote balance, vitality and mindfulness in employees' everyday lives. Through focused themes covering physical activity, nutrition, hydration and digital wellbeing, the programme encouraged healthier habits and holistic wellbeing across the workforce.

- **Physical and Nutritional Wellbeing:** Encouraged movement through the 10,000 steps challenge, the #WalkForFreedom campaign and app-based tracking, supported by expert sessions on physical fitness, immunity, eye care and musculoskeletal health. Awareness campaigns also shared practical guidance on hydration, nutrition and maintaining energy levels during the workday.
- **Digital and Mental Wellbeing:** Promoted mindfulness and work-life balance through the Digital Wellbeing Challenge, #MindfulMoments and #YogaUnplugged, along with guided breathing practices, self-care sessions and 24/7 confidential counselling through the Employee Assistance Programme.

With 3,554 employees participating, the initiative strengthened awareness around sustainable wellness practices and fostered a healthier, more engaged organisational culture.

*GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

Case study

## GOLD CERTIFICATION AT AROGYA HEALTHY WORKPLACE AWARDS 2025

The Sriperumbudur Plant received the Gold certification at the Arogya Healthy Workplace Awards 2025, in recognition of its outcome-driven approach to employee wellbeing, in alignment with WHO guidelines.

### Intervention

Wellbeing initiatives are led through a cross-functional committee under the **Nalame Valam** (Health is Wealth) programme. It covers aspects related to physical, mental, financial, occupational and family wellbeing. Various interventions covering health check-ups, nutrition and fitness programmes, mental wellbeing and stress management, de-addiction, ergonomic improvements and financial literacy are reinforced through continuous communication with team members. These initiatives are often carried out in partnership with our contractors and their families.

### Impact

The plant's data-driven approach has positioned it among organisations with leading workplace practices. The Gold certification reflects strong leadership commitment for integrating wellness measures into daily operations. It is a recognition of the plant's consistent focus on behavioural change among employees and contractors. These practices have created awareness about wellness and ensured proactive health management.



## DIVERSITY AND INCLUSION (D&I)*

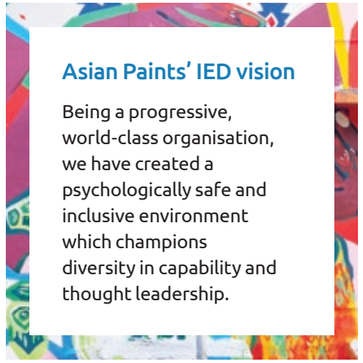
Diversity and Inclusion (D&I) are foundational to Asian Paints' culture and long-term value creation. Guided by our vision of a safe and inclusive workplace, we champion diversity in capability, thought and identity—embedding fairness, accessibility and a sense of belonging across all aspects of our operations.

Our Inclusion, Equity and Diversity (IED) approach is anchored in strong governance, equitable policies and leadership accountability, ensuring that every individual at Asian Paints is empowered to thrive.

During FY 2025–26, Asian Paints further advanced its Inclusion, Equity and Diversity (IED) agenda through focused and integrated initiatives aimed at strengthening workforce inclusion, representation and inclusive behaviours across the organisation. Guided by the Company's IED Charter, we continued to foster a psychologically safe and inclusive environment that values diversity in capability and thought leadership.

The IED framework remained anchored around three priority groups:
a. Women
b. Persons with Disabilities (PwD)
c. Transgender Individuals

with a deliberate emphasis on sustained integration within core business processes rather than standalone interventions.



### Asian Paints' IED vision

Being a progressive, world-class organisation, we have created a psychologically safe and inclusive environment which champions diversity in capability and thought leadership.

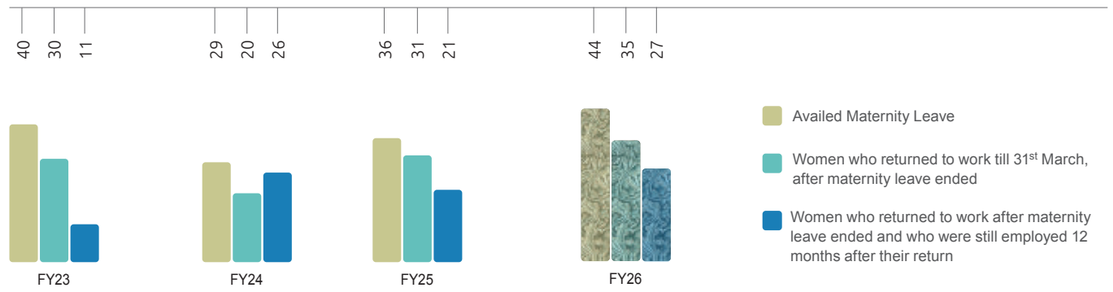
*GRI 405-1 Diversity of governance bodies and employees




### Deepening inclusive practices

We have organised sensitisation initiatives across the organisation through digital modules, in-person workshops and experiential initiatives on disability inclusion, gender identity and unconscious bias. The Pride mural at the R&T Turbhe facility, our inclusive flea markets and regular discussions on various topics allow our people to actively participate in sensitisation drives that effectively help to contribute towards a truly diverse and inclusive workplace.

### Women employees who availed maternity leave and resumed work#




During the year, 44 female employees took maternity leave. 35 female employees returned to work till 31st March, 2026 after their leave ended in FY 2025-26.

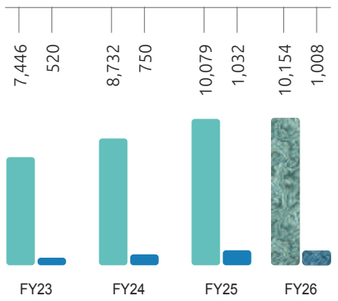
Of these, the number of female employees who would still be employed with our Company, 12 months after their return, would be assessed in the year 2026-27.

**Other disclosures for parental leaves:**

1. All employees are entitled to avail parental leave.
2. During the year 2025-26, 520 male employees took paternity leave. 510 male employees returned to work till 31st March, 2026 after their leave ended in FY 2025-26.
3. Of the 520 male employees who would still be employed with our Company, 12 months after their return, would be assessed in the year 2026-27.
4. The return to work rate for both male and female employees is 100% during the year 2025-26.
5. The retention rate for male employees is 88.7% and female employees is 87.1% during the year 2025-26.
6. 478 male employees returned to work in the previous period after their leaves ended and are still employed in FY 2025-26, 12 months after their return.

#GRI 401-3 Parental leave

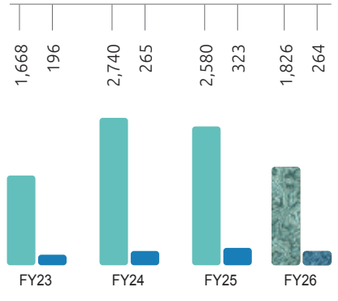
### Total employees by gender*




Includes 2 transgender employees

Male Female

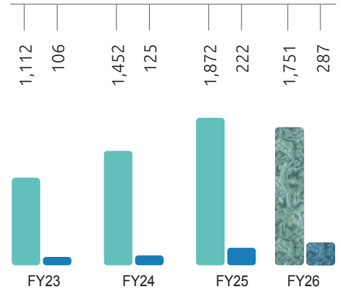
### New hires by gender*




Includes 2 transgender employees

New hire rate by gender for FY 2025-26:
Male: 18.0% | Female: 25.9%

### Employee attrition by gender*




Includes 1 transgender employee

Attrition rate by gender FY 2025–26:
Male: 17.3% | Female: 28.1%

### Employee attrition by management level

| | FY25 | FY26 |
|---|---|---|
| Senior Management | 2 | - |
| Middle Management | 30 | 40 |
| Junior Management | 215 | 230 |
| Staff | 1,805 | 1,730 |
| Workers | 42 | 38 |

### Total employees per category by gender

| | Male | Female | Total |
|---|---|---|---|
| Senior Management | 16 | 2 | 18 |
| Middle Management | 344 | 30 | 374 |
| Junior Management | 1,055 | 225 | 1,280 |
| Staff | 7,025 | 743 | 7,768 |
| Workers | 1,714 | 8 | 1,722 |

### Total employees per category by age and gender (%)

| | <30 years | 30 to = 50 years | >50 years |
|---|---|---|---|
| **Senior Management** (Male: 88.9%; Female 11.1%) | - | 44.4 | 55.6 |
| **Middle Management** (Male: 92.0%; Female: 8.0%) | 0.5 | 84.5 | 15.0 |
| **Junior Management** (Male: 82.4%; Female: 17.6%) | 29.8 | 67.4 | 2.7 |
| **Staff** (Male: 90.4%; Female: 9.6%) | 60.2 | 38.9 | 0.9 |
| **Workers** (Male: 99.5%; Female: 0.5%) | 11.3 | 69.6 | 19.1 |



## Celebrating cultural diversity and engagement

At the Visakhapatnam plant, several festivals were celebrated to foster employee engagement and create a sense of belonging among employees and the extended workforce. These activities also created awareness on sustainability, encouraged appreciation, creativity and personal reflection.

## LGBTQIA+ inclusion and employee engagement

Strengthening LGBTQIA+ inclusion was a key focus area during the year. Asian Paints continued to scale initiatives designed to build awareness, allyship and psychological safety across locations. The Pride Employee Resource Group (ERG) played a central role in driving employee-led engagement, enabling safe spaces for dialogue and supporting Pride Month activities across corporate offices, manufacturing plants and sales locations.

*GRI 405-1 Diversity of governance bodies and employees

### Recognition

Asian Paints was honoured with the LGBTQIA+ Inclusion Award by Bombay Chambers of Commerce and Industry, in recognition of its structured approach to transgender inclusion, inclusive hiring, sensitisation programmes and leadership commitment—reinforcing the alignment between internal culture-building efforts and external accountability.

## Persons with Disabilities (PwD) inclusion and workplace accessibility

Asian Paints continued to strengthen its commitment to PwD inclusion through capability-based hiring, workplace enablement and accessible infrastructure. Employees with disabilities were integrated across functions and locations through structured hiring interventions and sensitisation initiatives, supported by a focus on enabling independence and dignity at work.

The Company's new office in Bhandup is equipped with universal accessibility features, including step-free movement from entry to workstations. Wheelchair-accessible washrooms are available on all floors, voice-assisted elevator call buttons have also been placed at accessible heights for ease of use, complemented by Braille signage across meeting rooms.

Accessibility audits were conducted to facilitate infrastructure enhancements. It was aimed at supporting visually impaired employees as well. Similar facilities have been implemented at our Company's head office.

## Inclusive hiring and equal opportunity

Inclusive hiring and workforce representation continued to be the key focus areas during the year. Asian Paints strengthened PwD and transgender hiring through partnerships with community organisations and NGOs, supporting sourcing, onboarding, and transition processes. These efforts were reinforced by gender-neutral and inclusive policies, including equitable benefits and medical coverage, underscoring the Company's commitment to dignity, fairness, and equal opportunity in the workplace.

Case study

### CHAMPIONING THE SPIRIT OF INCLUSIVITY

We introduced a capability-led hiring model for Persons with Disabilities (PwD) through a three-day Excel Training and Job Drive Programme conducted in Gurgaon and Mumbai.

#### Intervention

The initiative enabled candidates to build job-ready capabilities in data handling, reporting and workplace readiness. Over 400 candidates were screened and shortlisted participants underwent training and evaluation before progressing to the hiring stage.

#### Impact

This approach enabled the creation of a job-ready PwD talent pipeline, reduced early attrition risk and demonstrated a scalable model for inclusive, role based hiring, reinforcing the Company's commitment to long-term employability and performance parity.

**79**

PwD employees and workers as of 31st March, 2026

### Women in STEM

We support gender diversity across STEM functions by fostering equitable opportunities and inclusive talent development practices. Focused interventions across Science, Technology, Engineering and Mathematics enable greater representation and participation of women across the workforce. 3,596 males and 219 females are part of various STEM functions of the Company. 4,739 males and 361 females are part of revenue-generating functions.



### Transgender internship programme

We continued our Transgender Internship Programme—a six-month paid initiative designed to provide structured corporate exposure and improve long-term employability.

The programme offers functional exposure across multiple business areas, supported by induction processes, periodic reviews and continuous feedback. Several interns transitioned into full-time roles while others completed the programme to secure future employment opportunities.

## HUMAN RIGHTS*

At Asian Paints human rights are embedded across every aspect of our people practices. Under the oversight of the Human Resources function, we ensure consistent implementation and monitoring of the rights of employees across locations, nurturing a culture of accountability, trust and transparency.

### Management approach

Asian Paints governs human rights and equal opportunity through its core governance and people management framework. The Human Resources function, through its designated Liaison and Complaints Officer, oversees policy implementation, grievance redressal and statutory alignment with applicable disability and transgender rights legislation. The Company's position statement on Human Rights confirms its commitments within governance and people policies, aligned with the Universal Declaration of Human Rights, ensuring consistency with internationally recognised principles.

### Business Ethics and Human Rights Governance

The Company's Code of Conduct forms the foundation of responsible business practices, embedding integrity, accountability and respect across operations. It reinforces commitments to equal opportunity, a harassment-free workplace, freedom of association, safe working conditions, and zero tolerance for forced labour, child labour, bribery and unethical conduct. A minimum employment age of 18 is maintained, supported by an open-door culture, robust grievance redressal mechanisms and a confidential Whistle-Blower framework with protection against retaliation. Human rights standards extend across the value chain through the Code of Conduct for Business Partners, embedded within contracts and commercial arrangements with defined corrective actions for non-compliance. Due diligence is integrated into governance and risk management systems, covering both internal operations and the supply chain through structured processes, ongoing engagement and accessible grievance channels. For further details on due diligence of value chain partners, refer to the Sustainable Supply Chain section under Sustainable Operations on **Page 118**

Key risks, including labour practices, discrimination, health and safety, and business conduct, are addressed through policy frameworks, contractual safeguards, awareness initiatives and continuous stakeholder engagement. Identified concerns are resolved through transparent processes guided by confidentiality, natural justice and non-retaliation, ensuring alignment with global ESG standards.

### Training and awareness

Human rights expectations are reinforced through:

- Code of Conduct
- POSH Training
- D&I Programmes
- Ethical Sensitisation
- Grievance Mechanisms
- Supplier Onboarding

Beyond compliance, mentoring programmes and behaviour-based safety initiatives reinforce a culture of inclusion, trust and shared accountability. Through this integrated framework, Asian Paints upholds dignity, equity and accountability across its operations and value chain.

*GRI 2-23 Policy commitments,

*GRI 408-1 Operations and suppliers at significant risk for incidents of child labor,

*GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

## 400,000+ hours

**Human rights and Code of Conduct provided to leadership and 9,212 employees through 56 unique sessions**

### Building an ethical and inclusive workplace

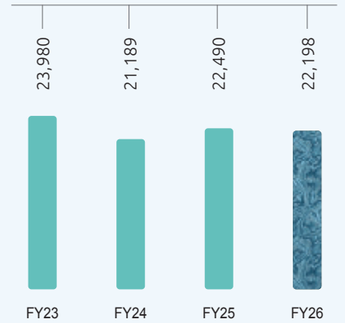
Code of Conduct sessions were led by senior leaders to inculcate human rights, inclusion and ethical workplace practices within the organisation. A combination of training and open communication helped to improve awareness and accountability, making people recognise and adopt behaviours required for nurturing a cohesive and inclusive working environment.

### Ensuring wellbeing of contract workers

At Asian Paints, we remain committed to enhancing the wellbeing of contract workers by strengthening awareness and access to healthcare and welfare benefits. Through targeted ESIC awareness sessions, workers were guided on healthcare, maternity and sickness benefits, along with related claim processes, while support was also extended to improve access to schemes under the Haryana Labour Welfare Fund. These interventions have enhanced awareness and uptake of statutory benefits, strengthened access to welfare support, and contributed to improved financial stability and quality of life, reinforcing a more inclusive and responsible workplace.

## COLLECTIVE BARGAINING#

### Total temporary and contractual employees




We recognise our employees' right to freedom of association and participation in civic matters, in line with prevailing legal frameworks. By encouraging open conversations and maintaining transparency, we create an environment of trust and mutual respect. Trade unions across our manufacturing facilities serve as key partners in collective negotiations, contributing to stable industrial relations and seamless operations.

Union engagements are conducted every three years or as defined by the settlement cycle, with a focus on finalising productivity-linked wage agreements. These discussions are designed to strike a balance between employee welfare and the organisation's financial viability.

Deliberations begin well ahead of time, enabling both management and union representatives to thoughtfully consider financial priorities and operational requirements for ensuring peak productivity of manufacturing units.

## 88.7%

Permanent workers covered under collective bargaining agreements

### Workforce governance

Our workforce governance approach maintains consistent labour, safety and compliance standards across all plants. Permanent employees are supported through structured HR policies, performance management systems and recognised unions that promote transparent dialogue and industrial harmony. Contractual workers operate within a defined governance framework, with audits and due diligence processes ensuring compliance with labour, safety and welfare standards.

#GRI 2-8 Workers who are not employees

#GRI 2-30 Collective bargaining agreements

#GRI 402-1 Minimum notice periods regarding operational changes

#GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk



# SAFE WORKPLACE

Safe workplace is the ultimate measure of our operational excellence, cultivating a culture of holistic wellbeing.

## MANAGEMENT APPROACH

We are guided by a philosophy deeper than mere compliance — Vyansamadhanam, our commitment towards life and breath. This commitment is operationalised through a structured Occupational Health and Safety (OHS) & Process Safety Management framework covering governance, risk identification, engineering controls, and behavioural interventions. All Asian Paints' plants are ISO 45001 certified, with our eight decorative paint manufacturing plants holding British Safety Council (BSC) five-star certification.

We remain deeply committed to protecting life and preserving the fundamental elements of wellbeing, including safe, healthy and sustainable living conditions.

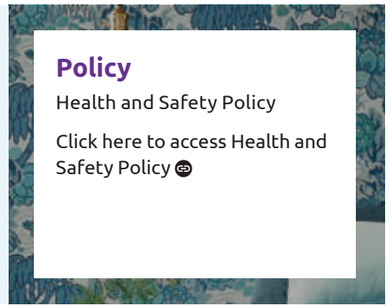






| | Target 2030 | Performance 2025-26 |
|---|---|---|
| **Total Recordable Frequency Rate (TRFR)** | **</= 0.80** | **1.27** |
| **Total Severity Rate (TSR)** | **</= 100** | **106.4** |
| **Process safety event rate (PSER)#** | **</=0.165** | **0.426** |

#During the year, the safety promise has been upgraded to include a comprehensive metric covering Tier 1 & Tier 2 PSM incidents by way of PSER.



**Policy**

Health and Safety Policy

Click here to access Health and Safety Policy

## The architecture of safety*

We anchor our safety strategy on five core pillars:

- **Health and safety**
- **Process Safety Management**
- **Behaviour-based safety**
- **Road safety**
- **Hazardous Chemicals Transportation**

## HEALTH AND SAFETY

At Asian Paints, health and safety is embedded as a core organisational value. The Company's approach goes beyond compliance, focusing on building lasting capability, fostering a proactive safety culture and ensuring preparedness for any eventuality.

### Safety-first culture

During the year, we achieved significant progress in severity reduction, maintaining a Total Severity Rate (TSR) well within our strategic commitment of ≤140. This result reflects the maturity of our injury management protocols and the strengthening of site-level controls across our global operations. Simultaneously, we are refining our Total Recordable Frequency Rate (TRFR) through high-touch leadership engagement and targeted risk-reduction programmes, ensuring that every operational activity—from R&T to site operations—is aligned with our safety-first culture.



*GRI 403-1 Occupational health and safety management system, *GRI 403-3 Occupational health service

## Keeping track of safety*

| Metric | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Recordable Work Injury | 46 | 47 |
| Fatalities | 0 | 0 |
| LTI | 27 | 26 |
| LTIFR | 0.34 | 0.32 |
| Severity Rate | 28.45 | 23.46 |
| Frequency severity index | 0.0031 | 0.0027 |
| Manhours worked | 79,940,425 | 82,534,953 |

LTI: Lost Time Injury (Based on Incidents) | LTIFR: Lost Time Injury Frequency Rate (Based on Incidents)
Recordable work-related ill health is NIL for the year aforesaid. We are taking various preventive and mitigation measures to reduce occupational health and safety impacts such as quantitative risk assessment for manufacturing operations.

1. The details of safety-related incidents include all the locations.
2. The lost time injury details for manufacturing locations and R&T Centre, is as per the criteria defined in Factories Act, 1948. For non-manufacturing locations, where Factories Act, 1948 is not applicable, man days lost >= 2 has been considered.
3. Recordable work-related injuries, LTI and LTIFR have been calculated based on the count of incidents as per Company's safety policy and recognised guidelines. If injuries had been considered instead of incident, the total recordable work-related injuries would be 49, the LTI would be 28 and the LTIFR would be 0.35.

## Capability building and training

During the year, we strengthened safety process and practices through focused training, structured assessments and expert reviews. We follow a continuous learning approach to enhance employee skills and build strong safety capabilities across all operations.

### Key initiatives included:

#### Internal training programmes

Including Train-the-Trainer and Auditor training to build in-house expertise and improve the effectiveness of safety audits and risk evaluations.

#### Behaviour-Based Safety (BBS) training

To train employees to identify unsafe conditions, engage in safety conversations and take preventive actions.

#### Internal safety assessments

Conducted across manufacturing plants, enabling teams to regularly review safety practices, system effectiveness and emergency preparedness.

#### External expert reviews and audits

To benchmark safety performance against industry standards and best practices. These assessments provide an independent evaluation of systems, controls and processes, and help identify gaps and opportunities for strengthening risk management and operational effectiveness.

In addition, we continued to strengthen incident management practices by focusing on identifying root causes and sharing learnings across locations.

*GRI 403-9 Work-related injuries, *GRI 403-10 Work-related ill health

### SPECIAL 30: Enhancing emergency response capabilities

Building on the 'Special 27' initiative introduced in the previous year, Asian Paints further strengthened its emergency response framework at the Mysuru plant during the year. The programme was expanded to 'Special 30', with increased team strength, enhanced diversity and improved cross-functional representation. The team underwent advanced refresher training focused on firefighting, rescue techniques, emergency equipment handling and evacuation support, strengthening on-ground response capabilities across a range of scenarios.

A structured deployment framework has been institutionalised, with clearly defined roles covering first aid, firefighting, rescue operations and emergency coordination, ensuring swift and organised response during incidents.

The 'Special 30' initiative reflects a transition from capability creation to capability institutionalisation, and continues to serve as a benchmark for strengthening emergency preparedness across manufacturing locations.









## PROCESS SAFETY MANAGEMENT^

At Asian Paints, we have fundamentally strengthened our Process Safety Management (PSM) by converging rigorous governance with advanced digital twin technology. Our focus remains on the health of critical barriers, embedding operational discipline and emergency readiness at every level of our decorative paint plants.

### Strategic investment in critical barriers

During the year, we continued to invest in various PSM projects to strengthen physical safeguards. These targeted upgrades have materially reduced the risk of Loss of Containment and enhanced system reliability:

| Infrastructure upgrade | Operational impact |
|---|---|
| Managing thermal stratification | Dedicated recirculation and heat-exchange upgrades in styrene systems to prevent thermal stratification. |
| Advanced venting | Strengthened venting systems to ensure pressure integrity during high-load scenarios. |
| Process isolation | Enhanced isolation protocols to eliminate potential leakage points and maintain containment. |
| Early detection | New sensing capabilities to identify condenser choking and back-flushing deviations before they impact operations. |

Through these investments, we continue to build a resilient ecosystem where safety is engineered into every process. Collectively, these actions strengthen our emergency preparedness and position the organisation for more proactive and reliable occupational health and safety performance.

### Strengthening process safety standards

This year, we fundamentally reimagined our safety standards to ensure a uniform experience of protection for every employee, contractor and visitor.

- **Digital PSM induction:** We have deployed 3D-animated induction modules. By showcasing real-world Asian Paints environments in multiple regional languages, we ensure that site-specific hazards and safe behaviours are understood with absolute clarity, regardless of location or role.
- **Risk-based engineering:** Utilising advanced Bowtie Risk Profiling and Human Reliability Analysis (HRA) methodologies, we identified critical safety intersections within our decorative paint plants. This led to the development of 412 Standard Operating Procedures (SOPs), of which 155 high-risk SOPs were prioritised to strengthen key safety controls at the most critical stages of operations.

### Bowtie risk profiling and Human Reliability Analysis (HRA)

We continued to strengthen our hazard identification and risk assessment framework through the application of Bowtie risk profiling and HRA across our decorative paint plants.

Bowtie analysis helps visualise hazards by mapping threats, preventive and mitigative barriers, and potential consequences, while HRA evaluates the likelihood of human error in critical tasks.

During the year, we significantly expanded the coverage of these methodologies.

Standardisation was further strengthened through the development of Master Bowties derived from incident learnings, common high-risk activities and shared raw materials.

**47%**
Annual increase in HRA

**38**
New master bowties identified and deployed

^GRI 403-2 Hazard identification, risk assessment, and incident investigation,
^GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

## Digital vigilance and real-time oversight

We are transitioning from reactive monitoring to predictive protection through the strategic deployment of the Internet of Things (IoT) and Digital Twins.

**IoT integration**
Real-time monitoring across PSM scoped areas at the decorative paint plants provides instant visibility into critical interlocks, instrument health, and alarm performance.

**Digital twin simulation**
By creating digital replicas of our physical assets, we simulate failure scenarios to validate our safeguards, enabling faster and more informed safety decisions.

**Independent benchmarking**
To ensure our systems meet global standards, we conducted extensive internal compliance assessments alongside external PSM audits at our Vizag and Khandala sites.

### PSM IoT system

Across several plants, operators were receiving a large number of alarms on the control system, where critical safety alarms were mixed with routine alerts.

During disruptions, the high volume of alarms made it difficult to identify genuine risks in a timely manner, and there was limited overall visibility of system overrides and near-miss events. To address this, we implemented a structured alarm management system aligned with global standards. Critical safety signals were separated and monitored through a central digital platform, supported by a dedicated alarm database. This initiative reduced unnecessary alarms, improved fault identification, and enhanced the overall reliability and effectiveness of process safety monitoring across plants.

Case Study

## ENHANCING BIOCIDE SAFETY THROUGH RIGOROUS ENGINEERING STANDARDS AT SRIPERUMBUDUR

To proactively mitigate the risk of potential chemical spillages, Sriperumbudur team implemented a safety initiative to strengthen biocide handling and eliminate hazards from non-standard pipeline fabrication.

### The intervention

The team introduced standardised engineering designs, isometric drawings, and stress-control measures. Welders were qualified in line with the American Society of Mechanical Engineers Boiler and Pressure Vessel Code (ASME BPVC) supported by the creation of Welding Procedure Specifications (WPS), radiography, and strict quality checks.

### The impact

These preventive measures strengthen pipeline integrity and significantly reduce the likelihood of chemical spillage.
The initiative ensures long-term operational reliability, lower maintenance costs, and a robust culture of safe chemical handling.



### Process Safety Golden Rules (PSGR)

Asian Paints adopted the process safety golden rules to strengthen frontline safety behaviour and reduce the likelihood of major incidents. Grounded in real-world industrial insights from the International Association of Oil and Gas Producers (IOGP), the PSGRs distil process safety into 10 Golden Rules focused on barrier integrity, operating discipline, hazard recognition and intervention, making process safety a natural part of everyday work rather than a compliance exercise.

Launched as a leadership-driven cultural campaign, the initiative featured a purposefully designed logo communicating 'Safer Process, Safer Workplace', structured rollout teasers, and a unique 'Voice of the System' concept, giving critical assets like pipelines, interlocks, and operating limits a narrative voice to illustrate the consequences of deviation. Each rule was reinforced through practical guidance and leadership communication on 'Why It Matters'.

The PSGRs are being embedded into toolbox talks, pre-job planning, risk assessments, and walkabouts to reinforce the belief that high-severity incidents can be prevented through collective efforts and it is a shared responsibility of every member of the organisation.

## BEHAVIOUR-BASED SAFETY

At Asian Paints, the journey towards a generative safety culture is driven by leadership engagement, proactive reporting and continuous learning across the organisation. This is reflected through the below deeply embedded pillars:

**Leadership-led generative culture leaders** model curiosity, transparency, and collective responsibility through visible engagement, behavioural safety programmes, and learning platforms, reinforcing that people are not sources of error, but essential partners in building resilient systems.

**Psychological safety and speak-up culture:** Employees and contractors are encouraged to openly report unsafe conditions, near misses, and concerns without fear of blame. Safety conversations shift from "Who failed?" to "What conditions shaped this decision?", treating every report as a contribution to learning rather than an admission of failure.

These principles are reinforced through regular safety conversations, reporting of near misses, and proactive interventions across all levels of the organisation.

## ROAD SAFETY

We proactively strive to build a road safety culture through awareness programmes, employee engagement initiatives and behavioural safety interventions across sites. During the year, we organised initiatives for road safety training and also observed national road safety week through various activities. Safety awareness videos and public transportation safety guidelines were shared among teams.

At Asian Paints, campaigns like Meaningful Mondays aim to link product uniqueness with road safety behaviours through creative posters shared across the organisation to promote defensive driving awareness.

HumSafar Premier League, a companywide interactive, scenario-based road safety quiz was organised. More than 1000 employees actively participated, strengthening awareness and a strong road safety culture.

## HAZARDOUS CHEMICALS (HAZCHEM) TRANSPORTATION

Asian Paints has implemented a structured Hazchem transportation safety framework with defined governance, standardised incident classification and real-time GPS-based monitoring of key violations such as over-speeding, route deviation, stoppages and driver fatigue. This system addresses risks of road accidents, chemical spills and public exposure, ensuring safe transportation of hazardous chemicals.

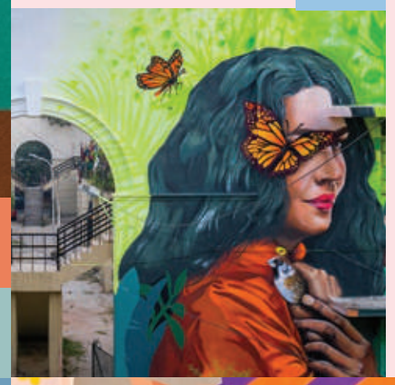
### Compliance and regulatory oversight

At Asian Paints, we ensure compliance with statutory safety requirements through a structured and robust compliance management framework. This enables us to systematically track and monitor legal obligations related to occupational health, process safety, fire safety and environmental regulations, supported by timely escalation mechanisms. We conduct periodic corporate compliance audits across all units to assess adherence to applicable laws, regulations and codes of practice. These audits review documentation, statutory records, equipment certifications and adherence to regulatory requirements in operations.

**Project:** Colour Corridor, St+art Kolkata
**Artist:** Sayan Mukherjiee
**Location:** Kolkata
**Year:** 2026







**Project:** Lodhi Art District
**Artist:** Zero
**Location:** Delhi
**Year:** 2021



LENTIL YELLOW-N
9868

COBALT HIT-N
9654

# GOVERNANCE

## Governance Strategy

**184 World-class governance**
**187 Ethics, transparency, quality and accountability**

## UN SDGs




## Stakeholders impacted

- Customers
- Employees
- Investors
- Communities
- Influencers
- Vendors
- Government and regulatory bodies

## Key material topics

- Business Ethics and Corporate Governance
- Competitive Landscape and Market Position
- Supplier Sustainability

# WORLD-CLASS GOVERNANCE

At Asian Paints, we consider good governance as a core enabler of sustainable value creation for diverse stakeholders. Our governance philosophy is embedded in the way we lead, make decisions and create long-term value. Rooted in ethical behaviour, accountability and transparency, it fosters organisational resilience and reinforces our commitment to integrity and regulatory compliance.

## MANAGEMENT APPROACH

Our governance framework goes beyond statutory requirements and is closely aligned with our values, culture and stakeholder relationships. Supported by well-defined policies, a robust Code of Conduct, Board and Committee charters, disclosure frameworks and structured reporting mechanisms, it ensures strong oversight, accountability and transparency.







| | Target 2030 |
|---|---|
| **World-class governance** | **Committed to be a leader in ESG assessments** |
| **Sustainable supply chain management** | **Proactive engagement with value chain partners to educate, empower, and align them with our ESG commitments** |

## GOVERNANCE STRUCTURE^

The efficacy of our decision-making process is underpinned by our governance structure, designed to ensure strategic alignment and the consideration of all stakeholder interests.

**Sustainability and resilience**

### Shareholders

**Board of Directors@**
Our experienced and diverse Board provide astute oversight, rigorous counsel and an independent examination in integrated thinking. The Board establishes and steers strategic direction, oversees and monitors performance, manages risk, and ensures accountability and compliance with policies.

Read more about our Board of Directors on **Page 255**

**Auditors**
Comprises Statutory Auditors, Secretarial Auditors, Cost Auditors and Internal Auditors providing independent oversight, evaluating internal controls, ensuring regulatory compliance, and enhancing the integrity of financial and non-financial reporting. Our Company also engages with external agencies to carry out due diligence and review on an assignment basis.

Read more about our Auditors on **Page 221**

**Collaboration with stakeholders**

### Board Committees

Our six Board Committees play a significant role in the governance structure. These Committees oversee specialised areas of operations and provide recommendations based on expertise. Committee Chairpersons relays relevant matters to the other Board Committees as required and provides updates on Committee activities to the Board at its meeting.

Read more about our Board Committees on **Page 266**

| | | |
|---|---|---|
| Audit Committee (AC) | Nomination and Remuneration Committee (NRC) | Corporate Social Responsibility Committee (CSRC) |
| Risk Management Committee (RMC) | Stakeholders Relationship Committee (SRC) | Investment Committee (IC) |

### Management

**One Link**
The One Link comprises of the General Managers, Associate Vice Presidents, Vice Presidents, Senior Vice Presidents, Presidents and the Managing Director & CEO. The Managing Director & CEO leads One Link, and which spearheads transformation initiatives that ignite change.

**Employees**
Responsible for working to deliver on our purpose, whilst adhering to the standards of behaviour set out in our values and CoC.

**Empowerment**

**Accountability**

**Ethics & Transparency**

**Systems and processes**

^GRI 2-9 Governance structure and composition, @GRI 2-13 Delegation of responsibility for managing impacts

## ESG*

Sustainability is integrated into the organisation's decision-making processes through strong board oversight and active management involvement. The Board also sets the direction for our ESG strategy and provides rigorous oversight to fulfil our commitments. Committees such as the Risk Management Committee and the Stakeholders Relationship Committee oversee ESG risks, opportunities and long-term commitments.

Management drives implementation through the MD & CEO, functional heads, business units and the sustainability team. Together, these groups set ESG targets, execute sustainability initiatives, monitor progress and report performance on climate-related objectives, ensuring accountability and the integration of sustainability across the organisation.

### ESG ratings and scores

**S&P Global Sustainability Yearbook 2026**

**ISS Scorecard: 1**
Sustained, Leadership' position in the Institutional Shareholder Services Scorecard

**MSCI ESG Ratings: AA**
Sustained 'AA ESG rating (Leader)' for five consecutive years

**CDP Ratings: A-**
Recognised as Leader (A-) by CDP in Climate Change and Water Security

### Recognition

Awarded under 'LEADERSHIP' category in the Indian Corporate Governance Scorecard 2025 assessment by IiAS



## POLICIES AND CODES

Our governance policies and codes, aligned with the Company's values, culture, and ESG commitments establish a strong ethical foundation and guide our decision-making. The Company's policies and position statements define the governance framework, provide guiding principles, and ensure transparency and accountability through disclosures.

The Company has adopted codes of conduct for Board Members and Senior Management Personnel, employees to promote ethical conduct of business, equitable treatment of all, and to avoid practices like bribery, corruption and anti-competitive practices. Further the Company has in place code of conduct for its business partners to emphasise its commitments in the areas of business integrity, human rights, labour practices and environment stewardship.

Click here to access our codes and policies.

Click here to access our position statements.

## SUSTAINABLE SUPPLY CHAIN

As part of our journey towards becoming a future-ready, ESG-aligned organisation, Asian Paints recognises its supply chain as a vital driver of sustainable value creation. Over the past few years, we have consistently strengthened our approach to Sustainable Supply Chain Management (SSCM), aligning with global best practices and reaffirming our commitment to environmental stewardship, social responsibility and ethical governance.

Read more about our sustainable supply chain approach and journey in Sustainable Operations section of this Integrated Annual Report Page 118

Page 255
For more details about our robust governance framework, please refer to the Corporate Governance section of the Integrated Report.

*GRI 2-14 Role of the highest governance body in sustainability reporting





## ETHICS, TRANSPARENCY, QUALITY AND ACCOUNTABILITY#

### MANAGEMENT APPROACH

Rooted in ethical behaviour, accountability and transparency, our organisational culture reflects a deep emphasis on financial governance, integrity and long-term value creation for all stakeholders. By proactively managing conflicts of interest, we uphold fairness, embed resilience in our business strategies and strengthen disclosure practises. We remain compliant with applicable laws and by going beyond regulatory obligations, through sustained stakeholder outreach and timely disclosures, we foster trust and reinforce confidence among our diverse stakeholder groups.

### CULTURE OF INTEGRITY

We take a proactive and firm approach to ethical conduct. Through policies such as our CoC, Whistle-Blower Policy and anti-bribery and gifting norms, we foster a culture of transparency, accountability and openness. Our employees and their immediate family members are prohibited from accepting or offering gifts or favours to vendors, suppliers or competitors.

We have a zero-tolerance policy for ethical breaches and remain committed to safeguarding data, preventing fraud and upholding human rights.

**Zero**
Confirmed cases of corruption^

**Zero**
Shareholder agreements impacting control over our Company

### WHISTLE-BLOWER POLICY

We foster a culture of integrity by promoting ethical conduct across all our operations. Our Whistle-Blower Policy establishes a formal and accessible framework for stakeholders such as Directors, employees and business associates to express their concerns regarding suspected unethical behaviour.



**01**
Provides stakeholders with a formal and structured framework for expressing their concerns.

**02**
Promotes the disclosure of unfair practices, fraud, malfeasance or malpractice to the Ethics Committee or the Investigating Officer or Chairperson of the Audit Committee through protected disclosures.

**03**
Safeguards individuals who report concerns, including cases involving the potential leakage of unpublished price sensitive information

The policy encourages responsible reporting in good faith, ensures confidentiality and provides for independent, fair, timely and transparent review of all concerns. By upholding this policy, the Company aims to investigate all reported concerns and take appropriate action in both letter and spirit, reinforcing its commitment to transparency, accountability and ethical governance.

#GRI 2-16 Communication of critical concerns, ^GRI 205-3 Confirmed incidents of corruption and actions taken

# ETHICS, TRANSPARENCY, QUALITY AND ACCOUNTABILITY

## Financial governance

### Internal controls

Our Company has resilient internal controls for financial reporting, encompassing its processes, policies and procedures to ensure the accuracy, reliability and integrity of financial statements. These controls are designed to safeguard assets, mitigate fraud, identify errors and ensure compliance with relevant legal and regulatory requirements.

### Related party transactions

We have a resilient process for dealing with Related Party Transactions (RPTs). We adhere to a rigorous framework to oversee the approval of related party transactions. All RPTs undergo rigorous internal review and require prior approval, wherever required, from the Audit Committee, which consists of Independent Directors. This ensures objectivity and alignment with best practices.

### Accounting policies

We acknowledge that sound accounting policies and practices are fundamental for our Company to ensure transparency, accountability and financial integrity. We comply with the Indian Accounting Standards and other accounting principles generally accepted in India, along with robust internal control systems ensuring accuracy of financial reporting. We believe that effective accounting practices foster stakeholders' trust, mitigate financial risks and enable informed and responsible business decisions thereby facilitating long-term sustainability and growth.

### Conflict of interest*

The Company's CoC for the Board of Directors and Senior Management Personal (SMP), and CoC for employees set the guidelines for the identification, avoidance and declaration of conflicts of interest.

**Employees**

Click here to learn more

**Business Partners**

Click here to learn more

**Board and Senior Management Personnel**

Click here to learn more

To ensure operational integrity, our employees, Directors and SMPs, are expected to proactively report potential conflict of interest, such disclosures are evaluated by Chief Human Resources Officer, Internal Auditors and the Board of Directors to prevent any potential conflict that could adversely affect the interests of our Company.

The Directors and Key Managerial Personnel declare their material interests annually, whether direct or indirect or on behalf of third parties in transactions affecting our Company.

Directors abstain from agenda items at the Board/Committee meetings in which they are interested or are deemed to be interested.

*GRI 2-15 Conflicts of interest

## Stakeholders and corporate governance

Our stakeholders empower us to act responsibly and ethically. Their engagement helps maintain transparency and supports our commitment to long-term sustainability. We remain focused on serving stakeholders' interests through a consistent, value-driven approach that guides our decisions and reinforces trust in our operations.

## Fair competition

We are committed to the highest standards of corporate governance, fair competition and ethical, lawful business practices. We support market liberalisation and comply fully with antitrust and competition laws. We build brand loyalty by offering high quality products and superior services tailored to the needs of our customers and do not engage in restrictive practices, abuse of market dominance, collusion with competitors or engage in any unfair trade activities.

Employees, Directors and officers are required to comply with the policy and conduct business in a manner that upholds the Company's values of integrity, transparency and accountability.

## Data privacy

We acknowledge the growing importance of data privacy in an increasingly digital operating environment and hence we have implemented a comprehensive, company-wide data protection framework aligned with legal requirements and information security best practices to safeguard stakeholder information.

Our IT environment is supported by advanced cyber-security controls, including Data Classification, Digital Rights Management (DRM), and Data Leakage Prevention (DLP) embedded across endpoints, email systems, and file-sharing platforms. All information assets are classified and protected based on sensitivity to ensure appropriate access control.

Regular ransomware simulation exercises are conducted, and industry-standard antivirus solutions are implemented across all endpoints. An annual review and maturity benchmarking exercise is carried out for our cybersecurity programme to assess preparedness against evolving cyber risks.

Ahead of the implementation of the Digital Personal Data Protection Act, 2023, we conducted a comprehensive assessment of personal data flows at a functional level, including data mapping, policies, procedures, and supporting IT systems. Following the assessment, a structured compliance roadmap has been formulated, together with targeted awareness and training initiatives to familiarise employees across functions with the Act's obligations.

**Zero**
Consumer complaints with respect to data privacy breach in FY 2025-26

**Zero**
Data breaches in FY 2025-26#

## Compliance^

We acknowledge the relevance of adhering to legal, regulatory and ethical obligations, and understands their integral role in ensuring responsible operations, transparency and accountability to all stakeholders.

## Ensuring tax compliance*

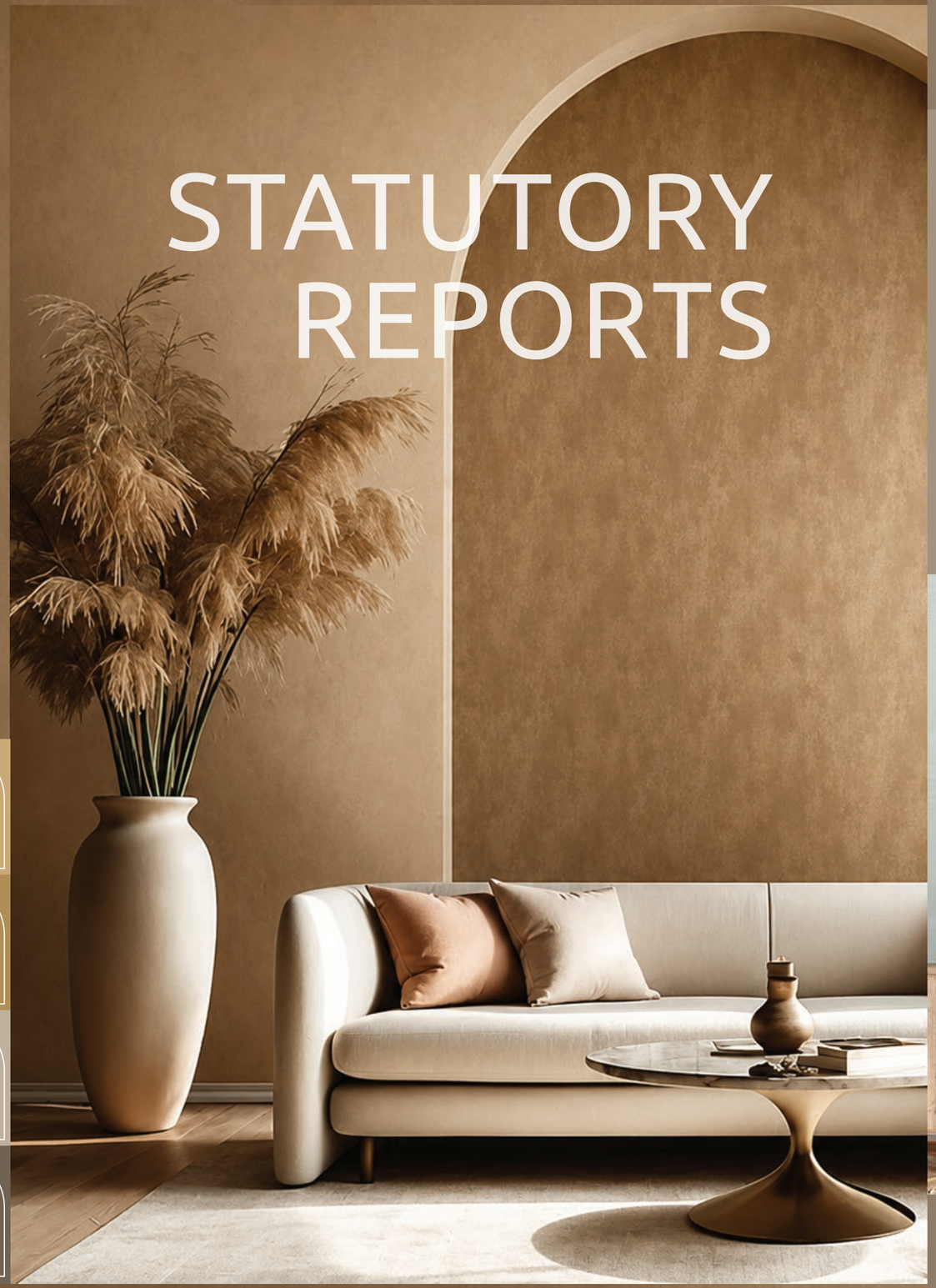
We maintain transparency and fairness while maintaining the highest standards of integrity in all its interactions with the tax authorities. Our responsible tax strategy reflects a strong commitment to complying with applicable taxation laws, statutory obligations and regulatory requirements including income tax, GST and customs duties, across all jurisdictions in which we operate, both in letter and in spirit. Our strategy is proactive and structured, relying on the strategic application of technology, periodic audits and robust internal controls to enhance the accuracy and efficiency of tax reporting.

In FY 2025 26, the Company contributed ₹ 5,067.0 Crores to the exchequer through taxes.

^GRI 2-27 Compliance with laws and regulations, *GRI 207-2 Tax governance, control, and risk management

#GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

# STATUTORY REPORTS & FINANCIAL STATEMENTS



GINGER ROOT
7888

BOTANICA
7886

SANDS OF TIME
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DULL BIRCH
8454



DUSTY TRAIL
8506

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# Notice

## Asian Paints Limited

**CIN:** L24220MH1945PLC004598
**Registered Office:** 6A & 6B, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India
**Email:** investor.relations@asianpaints.com; **Website:** www.asianpaints.com
**Phone No.:** (022) 6218 1000

**NOTICE** is hereby given that the **EIGHTIETH ANNUAL GENERAL MEETING** of Asian Paints Limited ("the Company") will be held on **Thursday, 9th July 2026** at **11.00 a.m. IST** through video conference or other audio-visual means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at 6A & 6B, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India.

## Ordinary Business:

1. To receive, consider, and adopt the:

   (A) audited standalone financial statements of the Company for the financial year ended 31st March 2026 together with the reports of the Board of Directors and Auditors thereon; and

   (B) audited consolidated financial statements of the Company for the financial year ended 31st March 2026 together with the report of Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   **"RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended 31st March 2026 together with the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby approved and adopted.

   **RESOLVED FURTHER THAT** the audited consolidated financial statements of the Company for the financial year ended 31st March 2026 together with the report of the Auditors thereon, as circulated to the members, be and are hereby approved and adopted."

2. To declare the final dividend on equity shares for the financial year ended 31st March 2026 and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** approval be and is hereby accorded for declaration and payment of final dividend of ₹ 23 (Rupees twenty-three only) per equity share of the face value of ₹ 1 (Rupee One) each fully paid up, of the Company, as recommended by the Board of Directors of the Company for the financial year ended 31st March 2026."

3. To appoint a Director in place of Mr. Manish Choksi (DIN: 00026496), who retires by rotation and being eligible, offers himself for re-appointment and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force) read with the Articles of Association of the Company, Mr. Manish Choksi (DIN: 00026496), who retires by rotation at this ensuing Annual General Meeting of the Company, and being eligible, seeks re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation, on such remuneration as may be recommended by the Board of Directors of the Company from time to time which shall be within the maximum limits as approved by the shareholders of the Company."

4. To appoint a Director in place of Ms. Amrita Vakil (DIN: 00170725), who retires by rotation and being eligible, offers herself for re-appointment and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force) read with the Articles of Association of the Company, Ms. Amrita Vakil (DIN: 00170725), who retires by rotation at this ensuing Annual General Meeting of the Company, and being eligible, seeks re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation, on such remuneration as may be recommended by the Board of Directors of the Company from time to time which shall be within the maximum limits as approved by the shareholders of the Company."

5. To appoint S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003), as the Statutory Auditors of the Company and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), based on the recommendation of the Audit Committee and the Board of Directors of the Company, S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of this 80th Annual General Meeting till the conclusion of 85th Annual General Meeting of the Company, on such annual remuneration, excluding applicable taxes and out of pocket expenses at actuals, as shall be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee and in consultation with the Statutory Auditors.

   **RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company, be and are hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto."

## Special Business:

6. To ratify the remuneration payable to Joshi Apte & Associates, Cost Accountants (Firm Registration No.: 000240), Cost Auditors of the Company for the financial year ending 31st March 2027 and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force), the remuneration payable to Joshi Apte & Associates, Cost Accountants (Firm Registration No.: 000240), who were appointed by the Board of Directors of the Company as the Cost Auditors of the Company, based on the recommendation of the Audit Committee, to audit the cost records of the Company for the financial year ending 31st March 2027, amounting to ₹ 10,50,000 (Rupees ten lakhs and fifty thousand only), excluding applicable taxes and reimbursement of out-of-pocket expenses at actuals, be and is hereby ratified.

   **RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company, be and are hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto."

7. To re-appoint Mr. Milind Sarwate (DIN: 00109854) as an Independent Director of the Company to hold office for a second term of five consecutive years from 21st October 2026 to 20th October 2031 and, in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Lisiting Regulations") (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Milind Sarwate, who was appointed as an Independent Director and who holds office up to 20th October 2026 and, who has submitted a declaration confirming that he meets the criteria of independence as prescribed under the Act and the Listing Regulations, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing

from 21st October 2026 up to 20th October 2031, on such remuneration as may be recommended by the Board of Directors of the Company from time to time, which shall be within the maximum limits as approved by the shareholders of the Company.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company, be and are hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto."

8. To appoint Mr. Sudhir Sitapati (DIN: 09197063) as an Independent Director of the Company to hold office for a term of five consecutive years from 29th May 2026 to 28th May 2031 and, in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Sudhir Sitapati (DIN: 09197063) who was appointed as an Additional Director, in the capacity of an Independent Director, by the Board of Directors of the Company with effect from 29th May 2026, and who has submitted a declaration confirming that he meets the criteria of independence as prescribed under the Act and the Listing Regulations, and, in respect of whom the Company has received a notice in writing under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years commencing from 29th May 2026 to 28th May 2031, on such remuneration as may be recommended by the Board of Directors of the Company from time to time, which shall be within maximum limits as approved by the shareholders of the Company.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company, be and are hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto".

By Order of the Board of Directors
of **Asian Paints Limited**

**R J Jeyamurugan**
CFO & Company Secretary

Mumbai, 29th May 2026

**Registered Office:**
6A & 6B, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India

## Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") read with Regulation 36(5) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as applicable, in respect of business to be transacted at the 80th Annual General Meeting ("AGM"), as set out under Item Nos. 5, 6, 7 and 8 above and the relevant details of the Directors as mentioned under Item Nos. 3, 4, 7 and 8 above as required by Regulation 36(3) of the Listing Regulations and as required under the Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, is annexed hereto.

2. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular No. 03/2025 dated 22nd September 2025 issued by the Ministry of Corporate Affairs ("MCA") and such other applicable circulars issued by MCA and SEBI ("the Circulars") read with the provisions of the Listing Regulations, companies are allowed to hold AGM through video conference or other audio visual means ("VC/OAVM"), without the physical presence of members at a common venue. Accordingly, the AGM of the Company is being held through VC/OAVM, and video recording and transcript of the same shall be made available on the website of the Company. National Securities Depository Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the AGM through VC/OAVM and e-Voting during the AGM.

3. As the AGM will be conducted through VC/OAVM, the facility for appointment of proxy by the members is not available for this AGM and hence, the proxy form is not annexed to this Notice. Further, attendance slip including route map is not annexed to this Notice.

4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. The Company, in compliance with the Listing Regulations will be webcasting the proceedings of the AGM on NSDL's website. Members can view the proceedings by logging on the e-Voting website of NSDL at www.evoting.nsdl.com using their secure login credentials. The link will be available in the Member login where EVEN (139609) of the Company will be displayed.

6. Authorised representatives of the Institutional Shareholders/Corporate Members intending to participate in the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG format) of the relevant Board Resolution/Authority Letter, etc. authorising them to attend the AGM, by email to investor.relations@asianpaints.com.

   Institutional Shareholders/Corporate Members (i.e., other than individuals, HUF, NRI, etc.) are requested to upload their Board Resolution/Power of Attorney/ Authority Letter by clicking on 'Upload Board Resolution/Authority Letter' displayed under 'e-Voting' tab in their login or send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer at asianpaints.scrutinizer@asianpaints.com with a copy marked to evoting@nsdl.com.

## Process for dispatch of the Integrated Annual Report and registration of email address for obtaining a copy of the same

7. In compliance with the Circulars, Notice of the AGM along with the Integrated Annual Report for the financial year 2025-26 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Registrar and Share Transfer Agent ("RTA") and Depository Participants ("DPs"). Further, a letter providing a weblink and QR code for accessing the Notice of the AGM and Integrated Annual Report for the financial year 2025-26 will be sent to those shareholders who have not registered their email address.

   In case any Member is desirous of obtaining physical copy of the Integrated Annual Report for the financial year 2025-26 and Notice of the AGM of the Company, may send a request to the Company at investor.relations@asianpaints.com mentioning their DP ID and Client ID/folio no. or raise a service request with MUFG Intime India Private Limited (formerly Link Intime India Private Limited), Company's RTA at https://web.in.mpms.mufg.com/helpdesk/Service_Request.html.

   Members may note that the Notice of the AGM and the Integrated Annual Report for the financial year 2025-26 will also be available on:

   a. the Company's website at www.asianpaints.com,
   b. websites of the Stock Exchanges on which the equity shares of the Company are listed i.e., BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com; and
   c. the website of NSDL at www.evoting.nsdl.com.

8. If your email address is not registered with the DPs (for shares held in demat form)/Company or RTA (for shares held in physical form), you may register the same on or before 5.00 p.m. IST on Wednesday, 1st July 2026, to receive this Notice of the AGM along with the Integrated Annual Report for the financial year 2025-26 by completing the process as under:
   a. Visit the link https://web.in.mpms.mufg.com/EmailReg/Email_Register.html.
   b. Select the name of the Company 'Asian Paints Limited' from the dropdown.
   c. Enter details in respective fields such as DP ID and Client ID (for shares held in demat form)/folio no. and certificate no. (for shares held in physical form), shareholder name, PAN, mobile no. and email address.
   d. Click on continue button.
   e. System will send One Time Password ("OTP") on the mobile no. and email address.
   f. Click on verify OTP.
   g. Enter OTP received on mobile no. and email address and click on submit.

   After successful submission of the email address, NSDL will email you a copy of this AGM Notice along with the Integrated Annual Report for the financial year 2025-26. In case of any queries, members may write to NSDL at evoting@nsdl.com or raise a service request with RTA at https://web.in.mpms.mufg.com/helpdesk/Service_Request.html.
9. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company at investor.relations@asianpaints.com.

## Procedure for joining the AGM through VC/OAVM

10. Members may note that the VC/OAVM facility allows participation of at least 1,000 members on a first-come-first-served basis and shall open 30 minutes before the time scheduled for the AGM.
11. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned at note no. 17(e). After successful login, members can click on the link 'VC/OAVM link' placed under the 'Join Meeting' tab against the Company name. The link for VC/OAVM will be available in the Shareholder/Member login where the EVEN (139609) of the Company will be displayed.
12. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in this Notice.
13. Members who need assistance before and during the AGM, can contact Mr. Amit Vishal, Deputy Vice President, NSDL, or Ms. Pallavi Mhatre, Senior Manager, NSDL, at evoting@nsdl.com or call at no.: (022) 4886 7000.

## Procedure to raise questions/seek clarifications with respect to the Integrated Annual Report at the ensuing AGM of the Company

14. Members are encouraged to express their views/send their queries in advance mentioning their name, DP ID and Client ID/folio no., email address, and mobile no. at investor.relations@asianpaints.com. Questions/queries received by the Company till 5.00 p.m. IST on Monday, 6th July 2026, shall only be considered and responded to during the AGM.
15. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker, by sending request from their registered email address mentioning name, DP ID and Client ID/folio no., and mobile no. at investor.relations@asianpaints.com up to 5.00 p.m. IST on Thursday, 2nd July 2026. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
16. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

## Procedure for remote e-Voting and e-Voting during the AGM

**17. Remote e-Voting and e-Voting during the AGM**

a. All the shareholders of the Company are encouraged to attend and vote in the AGM to be held through VC/OAVM.

b. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force), the Company is providing the facility of remote e-Voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency.

c. The remote e-Voting period will commence on **Sunday, 5th July 2026 at 9.00 a.m. IST** and will end on **Wednesday, 8th July 2026 at 5.00 p.m. IST.** During this period, members holding shares either in physical form or in dematerialised form, as of Thursday, 2nd July 2026 i.e., cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter.

   A person who is not a member as of the cut-off date should treat this Notice for information purposes only.

   Members have the option to cast their vote on any of the resolutions set out in this Notice using the remote e-Voting facility either during the period commencing from Sunday, 5th July 2026 at 9.00 a.m. IST and ending on Wednesday, 8th July 2026 at 5.00 p.m. IST, or cast votes through e-Voting during the AGM. Members who have voted on some of the resolutions during the said remote e-Voting period are also eligible to vote on the remaining resolutions during the AGM. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.

d. The members who have cast their vote by remote e-Voting may also attend the AGM but shall not be entitled to cast their vote again.

e. The details of the process and manner for remote e-Voting are explained herein below:

   **Step 1:** Access to the NSDL e-Voting system

   **Step 2:** Cast your vote electronically and join the virtual meeting on NSDL e-Voting system.

### Details on Step 1 are mentioned below:

**I. Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode**

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020 (subsumed as part of the SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January 2026), on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants ("DPs") in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the E-Voting Service Provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile no. and email address in their demat accounts in order to access e-Voting facility.

| Type of shareholders | Login Method |
|---|---|
| **Individual shareholders holding securities in demat mode with NSDL** | **A.** For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>**B. NSDL IDeAS facility**<br>**If you are already registered, follow the below steps:**<br>1. Visit the e-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile phone.<br>2. Once the home page of e-services is launched, click on the **'Beneficial Owner'** icon under **'Login'** which is available under **'IDeAS'** section.<br>3. A new screen will open. You will have to enter your User ID, Password, and Verification Code. After successful authentication, you will be able to see e-Voting services under Value added Services.<br>4. Click on **'Access to e-Voting'** appearing on the left hand side under e-Voting services and you will be able to see e-Voting page. |

| Type of shareholders | Login Method |
|---|---|
| | 5. Click on options available against the Company name or **ESP – NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>**If you are not registered, follow the below steps:**<br>1. Option to register is available at https://eservices.nsdl.com.<br>2. Select 'Register Online for IDeAS' Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.<br>3. Please follow the steps given in Point B (1-5) above.<br>**C. E-Voting website of NSDL**<br>1. Open web browser by typing the following URL: www.evoting.nsdl.com either on a personal computer or on a mobile phone.<br>2. Once the home page of e-Voting system is launched, click on the icon **'Login'** which is available under **'Shareholder/Member'** section.<br>3. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password/OTP, and a Verification Code as shown on the screen.<br>4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against the Company name or **ESP – NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.<br>**D. Shareholder/Member can also download the NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.**<br>**NSDL Speede App is available on**<br>App Store Google Play |
| **Individual shareholders holding securities in demat mode with Central Depository Services (India) Limited ("CDSL")** | **A. CDSL Easi/Easiest facility**<br>**If you are already registered, follow the below steps:**<br>1. Users can login through their existing User ID and Password. An option will be made available to reach the e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab and then use the existing Easi Username & Password.<br>2. After successful login, the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the ESP for casting your vote during the remote e-Voting period. Additionally, the links have been provided to access the system of all ESP's, so that the user can visit the ESP's websites directly.<br>**If you are not registered, follow the below steps:**<br>1. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option.<br>**B. E-Voting website of CDSL**<br>1. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from an e- Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile and email address as recorded in the demat account.<br>2. After successful authentication, the user will be able to see the e-Voting option where the e-Voting is in progress and also will be able to directly access the system of all ESP's. |

| Type of shareholders | Login Method |
|---|---|
| **Individual shareholders (holding securities in demat mode) logging through their DPs** | 1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility.<br>2. Once logged-in, you will be able to see the e-Voting option. Once you click on the e-Voting option, you will be redirected to NSDL/CDSL site after successful authentication, wherein you can see the e-Voting feature.<br>3. Click on options available against Company name or **ESP – NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. |

**Important note:** Members who are unable to retrieve User ID/Password are advised to use the Forgot User ID and Forgot Password option available at respective websites.

### Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL

| Login type | Helpdesk details |
|---|---|
| a) Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at contact no.: (022) 4886 7000 |
| b) Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk evoting@cdslindia.com or call at toll free no.: 1800 21 09911 |

## II. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to login to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: www.evoting.nsdl.com either on a personal computer or on a mobile phone.
2. Once the home page of e-Voting system is launched, click on the icon **'Login'** which is available under **'Shareholder/Member'** section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP, and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL e-services i.e., IDeAS, you can login at https://eservices.nsdl.com with your existing IDeAS login. Once you login to NSDL e-services after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e., cast your vote electronically.
5. Your User ID details are given below:

| Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For members who hold shares in demat account with NSDL | 8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12****** then your User ID is IN300***12****** |
| b) For members who hold shares in demat account with CDSL | 16 Digit Beneficiary ID. For example, if your Beneficiary ID is 12********** then your User ID is 12********** |
| c) For members holding shares in Physical Form | EVEN followed by folio no. registered with the Company. For example, if EVEN is 139609 and if the folio no. is 001*** then User ID is 139609001*** |

6. Your password details are given below:
   a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c. How to retrieve your 'initial password'?
      i. If your email address is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email address. Trace the email sent to you from NSDL in your mailbox from

evoting@nsdl.com. Open the email and open the attachment i.e., a .pdf file. The password to open the .pdf file is your 8-digit Client ID for NSDL account, last 8 digits of Beneficiary ID for CDSL account or folio no. for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. In case you have not registered your email address with the Company/Depositories, please follow instructions mentioned below in this Notice.

7. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

   a. Click on 'Forgot User Details/ Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b. 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio no., PAN, name, and registered address.

   d. Members can also use the OTP based login for casting the votes on the e-Voting system of NSDL.

8. After entering your password, click on agree to 'Terms and Conditions' by selecting on the check box.

9. Now, you will have to click on 'Login' button.

10. After you click on the 'Login' button, home page of e-Voting will open.

## Details on Step 2 are mentioned below:

### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select 'EVEN (139609)' of the Company for which you wish to cast your vote during the remote e-Voting period and during the General Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under 'Join Meeting'.

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

5. Upon confirmation, the message 'Vote cast successfully' will be displayed and you will receive a confirmation by way of a SMS on your registered mobile no. from Depository.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### Process for those shareholders whose email addresses are not registered with the Depositories/Company for procuring User ID and Password for e-Voting for the resolutions set out in this Notice

Shareholders/Members may send a request to evoting@nsdl.com for procuring User ID and Password for e-Voting by providing below mentioned documents:

1. Members whose shares are held in physical mode, are requested to provide folio no., name, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN Card), and Aadhaar (self-attested scanned copy of Aadhaar Card).

2. Members whose shares are held in demat mode, are requested to provide DP ID Client ID (16 digit DP ID + Client ID for NSDL demat accounts or 16 digit Beneficiary ID for CDSL demat accounts), name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN Card), and Aadhaar (self-attested scanned copy of Aadhaar Card). If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at note no. 17(e) 'Step 1: Access to NSDL e-Voting system'.

### General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.

2. In case of any queries for remote e-Voting, you may refer to the Frequently Asked Questions ("FAQs") for shareholders and e-Voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call at no.: (022) 4886 7000 or send a request to Mr. Amit Vishal, Deputy Vice President, NSDL or Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.com.

f. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after the Notice is sent through email and holds shares as of the cut-off date i.e., Thursday, 2nd July 2026 may obtain the User ID and Password by sending a request at evoting@nsdl.com or to the Company at investor.relations@asianpaints.com. Further, if you are already registered with NSDL for remote e-Voting, then you can use your existing User ID and Password for casting your vote. If you forgot your password, you can reset your password by using the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com or call at no.: (022) 4886 7000. In case of individual shareholders holding shares in demat mode who acquire shares of the Company and become a Member of the Company after sending the Notice and who hold shares as of the cut-off date i.e., Thursday, 2nd July 2026 may follow steps mentioned in this Notice under note no. 17(e) 'Step 1: Access to NSDL e-Voting system'.

g. Mr. Makarand Joshi (Membership No.: 5533, CP No.: 3662), failing him Ms. Kumudini Bhalerao (Membership No.: 6667, CP No.: 6690), Partners, Makarand M. Joshi & Co., Practicing Company Secretaries, have been appointed as the Scrutinizers for conducting voting process in a fair and transparent manner.

h. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.

i. The voting results shall be declared within two working days from conclusion of the AGM and the resolutions shall be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared results along with the report of the Scrutinizer shall be placed on the website of the Company (www.asianpaints.com) and on the website of NSDL (www.evoting.nsdl.com) immediately after the declaration of results by the Chairman or a person authorised by him. The results along with the report of the Scrutinizer shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

## 18. Intimation of details of the agreement, if any under the Listing Regulations

Shareholders are informed that in terms of the provisions of the Listing Regulations, the Company is required to intimate the Stock Exchanges the details of the agreements entered into by the shareholders, promoter(s), members of the promoter(s) group, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.

Accordingly, it is hereby advised to the shareholders to inform the Company about any such agreement to which the Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements. The Company will inform the details of such agreements to the Stock Exchanges on it becoming aware of it within the prescribed timelines.

[Explanation: For the purpose of this clause, the term 'directly or indirectly' includes agreements creating an obligation on the parties to such agreements to ensure that the listed entity shall or shall not act in a particular manner.]

## 19. Documents open for inspection

a. Relevant documents referred to in the accompanying Notice and the Explanatory Statement pursuant to Section 102 of the Act shall be available for inspection through electronic mode. Members are requested to write to the Company at investor.relations@asianpaints.com for inspection of the said documents.

b. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act and the Certificate from the Secretarial Auditor in respect of the Asian Paints Employee Stock Option Plan 2021 prescribed under Regulation 13 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available for inspection by the members during the AGM by following the

steps mentioned at note no. 17(e) 'Step 1: Access to NSDL e-Voting system'. After successful login members will be able to view the documents for inspection by clicking on the link available against the EVEN (139609) of the Company.

## 20. Dividend related information

a. The Board of Directors of the Company at their meeting held on 29th May 2026 have, *inter alia,* recommended payment of final dividend of ₹ 23 (Rupees twenty-three only) per equity share of the face value of ₹ 1 (Rupee one) each fully paid up for the financial year ended 31st March 2026 ("final dividend"), subject to the approval of shareholders of the Company at the ensuing 80th AGM.

b. Final dividend for the financial year ended 31st March 2026, if approved by the members at the ensuing AGM, will be paid on or after Monday, 13th July 2026, to those members whose names appear in the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on the record date i.e., Tuesday, 23rd June 2026.

c. Members holding shares in physical/demat form are hereby informed that the bank particulars registered with RTA or their respective DP, as the case may be, will be considered by the Company for payment of final dividend.

d. As per SEBI Notification dated 18th November 2025 read with Master Circular for Registrars to an Issue and Share Transfer Agents, as amended, companies must pay dividend to shareholders only through electronic mode. Accordingly, dividend will be withheld by the Company where bank details are inadequate or not registered for electronic remittance and a letter in lieu of the dividend instrument will be sent to the concerned holders by post.

The shareholders holding shares in physical form are requested to register their PAN and KYC details with the Company/RTA. While the shareholders holding shares in demat form are requested to update their bank details with their Depository Participant(s), for release of final dividend and unclaimed dividend pending, if any, with the Company.

## 21. Tax Deducted at Source ("TDS") on dividend

a. As per the Income Tax Act, 2025, dividend paid or distributed by the Company is taxable in the hands of the shareholders. Therefore, the Company is required to deduct the tax at source ("TDS") from dividend paid to the shareholders at the prescribed rates.

b. A separate email communication was sent to the members on Monday, 1st June 2026 informing the relevant procedure to be adopted by them/ documents to be submitted for availing the applicable tax rate. The said communication and draft of the exemption forms and other documents are available on the Company's website at https://www.asianpaints.com/TDSExemptionForms.html.

c. The resident and non-resident shareholders should send the scanned copies of the requisite documents to RTA at Csg5exemptforms2627@in.mpms.mufg.com on or before Thursday, 25th June 2026 to enable the Company to determine the appropriate TDS/ withholding tax rate, as may be applicable. The resident individual shareholders also have the option to upload the exemption documents directly at https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html.

d. Members are requested to note that in case the tax on dividend is deducted at a higher rate in the absence of receipt of the requisite details/ documents, there would still be an option available to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

## 22. Investor Education and Protection Fund ("IEPF") related information

a. Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends that are unpaid or unclaimed for a period of seven consecutive years from the date of their transfer to unpaid dividend account are required to be transferred by the Company to the IEPF, administered by the Central Government. Further, according to the said IEPF Rules, shares in respect of which dividends remain unclaimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. The Company requests all the members to encash/claim their respective dividends within the prescribed period.

b. The dividend amount and shares transferred to the IEPF can be claimed by the concerned shareholder(s)/legal heir(s) from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at https://www.asianpaints.com/IEPF.html and the said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link www.iepf.gov.in. Please refer to the 'General Shareholder Information' section forming part of this Integrated Annual Report for further details with respect to unclaimed dividends and transfer of dividends/shares to the IEPF.

## 23. Updation of PAN, KYC, and nomination details

a. SEBI vide Master Circular for Registrars to an Issue and Share Transfer Agents, as amended, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC (Contact Details, Bank Details, and Specimen Signature) and Nomination details.

b. As per the provision of the said Master Circular, all shareholders holding shares in physical form are mandated to update their PAN, address, mobile number, bank account details, and specimen signature with the RTA.

In view of the same, it may be noted that any service request can be processed only after the folio is KYC compliant. In the case, wherein any one of the above details are not updated, such shareholders will be able to:

(i) lodge any grievance or avail any service only after furnishing all necessary details required above; and

(ii) receive any payments including dividend in respect of such folios only electronically with effect from 1st April 2024, upon registering the required details.

c. In terms of the SEBI Master Circular for Registrars to an Issue and Share Transfer Agents, as amended, all investors are encouraged in their own interest, to provide choice of nomination by contacting the RTA, if shares are held in physical form or their respective Depository Participant(s), if shares are held in dematerialised form. Further, all new investors are mandatorily required to provide the choice of nomination for their demat accounts (except for jointly held demat accounts).

d. The Company has sent individual letters to all the shareholders holding shares of the Company in physical form for furnishing their PAN and KYC details wherever pending for updation. The relevant Circular(s) and necessary forms in this regard have been made available on the website of the Company at https://www.asianpaints.com/ShareholderServiceRequest.html and its RTA at https://web.in.mpms.mufg.com/KYC-downloads.html.

e. Accordingly, the members are advised to register their details with the RTA or DPs, in compliance with the aforesaid SEBI guidelines for smooth processing of their service requests and trading without any hindrance.

## Explanatory Statement

**In terms of Section 102 of the Companies Act, 2013 ("the Act") read with Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable**

### Resolution No. 5

At the 75th AGM of the Company held on 29th June 2021, the shareholders had approved the re-appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), as Statutory Auditors of the Company for a second term of five consecutive years from the conclusion of 75th AGM till the conclusion of this 80th AGM of the Company.

The Board of Directors of the Company at their meeting held on 26th March 2026, considering the experience and expertise and based on recommendations of the Audit Committee, have approved the appointment of S R B C & CO LLP ("SRBC"), Chartered Accountants (Firm Registration No. 324982E/E300003), as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of this 80th AGM till the conclusion of 85th AGM of the Company, on such annual remuneration plus applicable taxes and reimbursement of out-of-pocket expenses as shall be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee and in consultation with the Statutory Auditors, subject to approval of the shareholders of the Company at this ensuing 80th AGM.

SRBC is a limited liability partnership firm incorporated in India and is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India ("ICAI") with ICAI Firm Registration No. 324982E/E300003, having a valid peer review certificate. SRBC is part of S. R. Batliboi & Affiliates, a network of firms registered with the ICAI. Established in 2002, SRBC has its registered office in Kolkata and has offices across key cities in India.

All the network firms including SRBC are primarily engaged in providing audit and assurance services, tax consultancy and financial accounting advisory services to its clients. They along-with their network firms audit listed and private companies across diverse market segments.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Act read with the Companies (Audit and Auditors) Rules, 2014 and Listing Regulations, SRBC has provided their consent and eligibility certificate to that effect that, their appointment, if made, would be in compliance with the applicable laws.

The proposed remuneration to be paid to SRBC for statutory audit services for financial year 2026-27 is ₹ 2.4 crores (Rupees two crores and forty lakhs only), excluding applicable taxes and out of pocket expenses at actuals, if any, incurred in connection with the audit. There is no material change in the remuneration proposed to be paid to SRBC for the financial year 2026-27 and the remuneration paid to the outgoing auditors for the financial year 2025-26. The overall remuneration proposed to be paid for statutory audit services is commensurate to the scope of the audit to be carried out by the Statutory Auditors.

The remuneration for the subsequent year(s) of their term shall be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee and in consultation with the Statutory Auditors, from time to time.

The Company may, from time to time, obtain certifications and other permissible non-audit services from SRBC, in accordance with the provisions of Section 144 of the Act, and subject to the prior approval of the Audit Committee. The remuneration for such certifications and permissible non-audit services shall be determined and paid on mutually agreed terms.

While recommending the appointment of SRBC as the Statutory Auditors of the Company, the Audit Committee and the Board of Directors of the Company, have considered, among other factors, independence, fulfilment of the eligibility criteria & qualification, the credentials of the firm and its partners, and experience of auditing companies in the same industry or of similar size or complexity.

None of the Directors, Key Managerial Personnel, or their relatives, are in any way, concerned or interested, financially or otherwise, except to the extent of their respective shareholding in the Company, if any, in the proposed Ordinary Resolution as set out in Resolution No. 5 of this Notice.

The Board of Directors recommend the Ordinary Resolution as set out in Resolution No. 5 of this Notice for the approval by the members of the Company.

### Resolution No. 6

The Board of Directors of the Company at their meeting held on 12th May 2026, based on the recommendation of the Audit Committee, appointed Joshi Apte & Associates, Cost Accountants (Firm Registration No.: 000240), as the Cost Auditors of the Company for the audit of the cost records maintained by the Company for the financial year ending 31st March 2027, at a remuneration not exceeding ₹ 10,50,000 (Rupees ten lakhs and fifty thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force) (collectively referred to as "the Cost Audit Rules"), maintenance of cost records and audit thereof, is applicable in respect of Thinners, Sealers (Smartcare range, PU Magnum & Construction chemical), Pentaerythritol and its by-product (Sodium Formate), Emulsions, Alkyds & other Resins, Bath fittings and other applicable products, which contributes to around 3% of the overall operating income of the Company.

The overall remuneration proposed to be paid to the Cost Auditors for the financial year ending 31st March 2027 is commensurate to the scope of the audit to be carried out by the Cost Auditors.

Joshi Apte & Associates, Cost Accountants, have confirmed that they hold a valid certificate of practice under Section 6(1) of the Cost and Works Accountants Act, 1959 and are free from any disqualifications specified under the provisions of the Act.

In accordance with the provisions of Section 148(3) of the Act, read with the Cost Audit Rules, the remuneration payable to Cost Auditors is required to be ratified by the shareholders of the Company.

Accordingly, the consent of the shareholders is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2027.

None of the Directors, Key Managerial Personnel, or their relatives, are in any way, concerned or interested, financially or otherwise, except to the extent of their respective shareholding in the Company, if any, in the proposed Ordinary Resolution as set out in Resolution No. 6 of this Notice.

The Board of Directors recommend the Ordinary Resolution as set out in Resolution No. 6 of this Notice for the approval by the members of the Company.

### Resolution No. 7

Mr. Milind Sarwate (DIN: 00109854) was appointed as an Independent Director of the Company to hold office for a period of five consecutive years commencing from 21st October 2021 up to 20th October 2026.

In accordance with the provisions of the Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014 ("Appointment of Directors Rules") and the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and based on the (i) outcome of performance evaluation; (ii) recommendation of the Nomination and Remuneration Committee ("NRC"); and (iii) experience and significant contributions made by Mr. Milind Sarwate, the Board of Directors at its meeting held on 29th May 2026, has, *inter alia,* approved and recommended to the shareholders at the ensuing 80th AGM of the Company, his re-appointment as an Independent Director for the second term of five consecutive years w.e.f. 21st October 2026 to 20th October 2031.

Mr. Milind Sarwate continues to possess the skills, expertise and competencies considered relevant by the NRC and the Board for the effective discharge of his role as an Independent Director of the Company, including in the areas of sales and marketing, international business, general management and leadership, financial and risk management, technical, professional, legal, governance and regulatory matters. Mr. Milind Sarwate has attended all meetings of the Board of Directors, its Committees, as applicable, and the shareholders of the Company, held from the date of his induction on the Board up to the date of this Notice.

The Company has received all statutory declarations/ disclosures from Mr. Milind Sarwate, including the following:

(i) Consent to act as a Director of the Company in Form DIR-2 pursuant to Section 152 of the Act read with the Appointment of Directors Rules;

(ii) Confirmation that he is not disqualified from being appointed as a Director in Form DIR-8 pursuant to Section 164 of the Act read with the Appointment of Directors Rules;

(iii) Declaration that he has not been debarred from holding the office of director by virtue of any order passed by the Securities and Exchange Board of India or any such authority;

(iv) Declaration that he continues to fulfil the criteria of independence specified in Sections 149 and 152 read with Schedule IV of the Act read with the Appointment of Directors Rules and the Listing Regulations;

(v) Confirmation of his ability to continue to devote sufficient time and attention to the affairs of the Company; and

(vi) Confirmation that he does not hold any full-time executive employment or full-time executive responsibility with Increate or with any other entity.

Further, the Company has also obtained a certificate from Makarand M Joshi, Practicing Company Secretaries, confirming that Mr. Milind Sarwate is not debarred from being appointed as a Director of the Company.

Other than the remuneration proposed to be paid to Mr. Milind Sarwate in his capacity as an Independent Director

and to the extent of his shareholding in the Company as mentioned in the 'Annexure' to this Notice, he does not have any other pecuniary relationship, directly or indirectly, with the Company.

While considering the proposed re-appointment of Mr. Milind Sarwate, the NRC and the Board also took into account his directorships and committee positions across other companies, his attendance record, and his preparedness and contributions to the deliberations of the Board and its Committees during his current tenure, along with the aforementioned confirmations and declarations.

In the opinion of the NRC and the Board of Directors of the Company, the re-appointment of Mr. Milind Sarwate would be in the interest of the Company and its shareholders, considering his preparedness, participation, experience, contribution to Board and Committee deliberations, and the skills and expertise he brings to the Board.

Further, the NRC and the Board of Directors of the Company are of the opinion that Mr. Milind Sarwate fulfils the criteria of independence as specified under the Act and the Listing Regulations and is independent of the management.

The Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Mr. Milind Sarwate for the office of Director of the Company.

Relevant details relating to re-appointment of Mr. Milind Sarwate, including his profile, as required by the Act, the Listing Regulations and the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the 'Annexure' to this Notice.

Accordingly, the approval of the members is sought by way of a Special Resolution under Resolution No. 7 of this Notice for the re-appointment of Mr. Milind Sarwate as an Independent Director of the Company to hold office for a period of five consecutive years from 21st October 2026 to 20th October 2031, not liable to retire by rotation.

A copy of the draft letter of appointment of Mr. Milind Sarwate setting out the terms and conditions of appointment has been uploaded on the website of the Company at www.asianpaints.com.

Other than Mr. Milind Sarwate to whom the resolution relates, and his relatives, none of the Directors, Key Managerial Personnel, or their relatives are in any way, concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the proposed Special Resolution as set out in Resolution No. 7 of this Notice for the approval by the members of the Company.

The Board of Directors recommend the Special Resolution as set out in Resolution No. 7 of this Notice for the approval by the members of the Company.

## Resolution No. 8

In accordance with provisions of the Sections 149, 150, 152 and 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act 2013 ("the Act"), and the Companies (Appointment and Qualification of Directors) Rules, 2014,( "Appointment of Directors Rules") and the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, and based on the recommendation of NRC, the Board of Directors of the Company at its meeting held on 29th May 2026, has, *inter alia,* approved the appointment of Mr. Sudhir Sitapati (DIN: 09197063), as an Additional Director in the capacity of an Independent Director of the Company for a term of five consecutive years w.e.f. 29th May 2026 to 28th May 2031, subject to the approval of the shareholders of the Company at the ensuing 80th AGM.

As an Additional Director, Mr. Sudhir Sitapati holds office up to the date of the ensuing 80th AGM of the Company.

Mr. Sudhir Sitapati has extensive experience across international and domestic operations and is widely recognised for his thought leadership. He has played a significant role in shaping strategy and driving transformational change within organisation.
Mr. Sudhir Sitapati possesses the skills, expertise and competencies considered relevant by the NRC and the Board for the effective discharge of his role as an Independent Director of the Company, including in the areas of sales and marketing, international business, general management and leadership, financial and risk management, technical, professional, legal, governance and regulatory matters.

The Company has received all statutory declarations/ disclosures from Mr. Sudhir Sitapati, including the following:

(i) Consent to act as a Director of the Company in Form DIR-2 pursuant to Section 152 of the Act read with the Appointment of Directors Rules;

(ii) Confirmation that he is not disqualified from being appointed as a Director in Form DIR-8 pursuant to Section 164 of the Act read with the Appointment of Directors Rules;

(iii) Declaration that he has not been debarred from holding the office of director by virtue of any order passed by the Securities and Exchange Board of India or any such authority;

(iv) Confirmation that he is registered with the Independent Director's databank for lifetime in terms of Section 150 of the Act read with Rule 6 of the Appointment of Directors Rules; and

(v) Declaration that he fulfils the criteria of independence specified in Sections 149 and 152 read with Schedule IV of the Act read with the Appointment of Directors Rules and the Listing Regulations.

Further, the Company has also obtained a certificate from Makarand M Joshi, Practicing Company Secretaries, confirming that Mr. Sudhir Sitapati is not debarred from being appointed as a Director of the Company.

Other than the remuneration proposed to be paid to Mr. Sudhir Sitapati in his capacity as an Independent Director and to the extent of his shareholding in the Company as mentioned in the 'Annexure' to this Notice, he does not have any other pecuniary relationship, directly or indirectly, with the Company.

In the opinion of the NRC and the Board of Directors of the Company, the appointment of Mr. Sudhir Sitapati would be in the interest of the Company and its shareholders, considering his wealth of experience, invaluable input to the Company's strategic decision making and the immense value addition to the Board and the Company. Further, the NRC and the Board of Directors of the Company are of the opinion that Mr. Sudhir Sitapati fulfils the criteria of independence as specified under the Act and the Listing Regulations and is independent of the management.

The Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Mr. Sudhir Sitapati for the office of Director of the Company.

Relevant details relating to appointment of Mr. Sudhir Sitapati, including his profile, as required by the Act, the Listing Regulations and the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the 'Annexure' to this Notice.

Accordingly, the approval of the members is sought by way of a Special Resolution under Resolution No. 8 of this Notice for the appointment of Mr. Sudhir Sitapati as an Independent Director of the Company to hold office for a period of five consecutive years from 29th May 2026 to 28th May 2031, not liable to retire by rotation.

A copy of the draft letter of appointment of Mr. Sudhir Sitapati setting out the terms and conditions of appointment has been uploaded on the website of the Company at www.asianpaints.com.

Other than Mr. Sudhir Sitapati to whom the resolution relates, and his relatives, none of the Directors, Key Managerial Personnel, or their relatives are in any way, concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the proposed Special Resolution as set out in Resolution No. 8 of this Notice for the approval by the members of the Company.

The Board of Directors recommend the Special Resolution as set out in Resolution No. 8 of this Notice for the approval by the members of the Company.

By Order of the Board of Directors of

**Asian Paints Limited**

**R J Jeyamurugan**
CFO & Company Secretary

Mumbai, 29th May 2026

**Registered Office:**
6A & 6B, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India

## Annexure

| Name of the Director(s) | Mr. Manish Choksi (DIN: 00026496) | Ms. Amrita Vakil (DIN: 00170725) | Mr. Milind Sarwate (DIN: 00109854) | Mr. Sudhir Sitapati (DIN: 09197063) |
|---|---|---|---|---|
| **Photograph** |  |  |  |  |
| **Age (Years)** | 58 | 45 | 66 | 49 |
| **Qualifications** | • Bachelor of Chemical Engineering degree from University of Houston, USA<br>• Master of Business Administration with specialisation in Entrepreneurial Management and MIS from University of Houston, USA | • Bachelor of Science Degree in Human Resources<br>• Economics Degree from Michigan State University, East Lansing, Michigan | • Bachelor's degree in Commerce (Honours), University of Bombay<br>• Chartered Accountant, from the Institute of Chartered Accountants of India<br>• Cost Accountant from the Institute of Cost Accountants of India<br>• Company Secretary from the Institute of Company Secretaries of India<br>• Participant in the Fulbright – CII Fellowship for Leadership in Management at Carnegie Mellon University, USA | • Master of Business Administration, Indian Institute of Management, Ahmedabad<br>• Bachelor of Science in Mathematics with Economics Honours from St. Xaviers College, Mumbai. |
| **Brief resume along with experience** | Mr. Manish Choksi joined Asian Paints Limited in the year 1992 as an Executive and has grown in ranks by holding various positions across Sales, Information Technology, Supply Chain, Chemicals, International Business and Human Resource ("HR") functions of the Company.<br><br>Before being inducted as the Non-Executive Director on the Board of Directors of the Company in the year 2018, he held the position of President-International Business, IT, HR and Chemicals. He was a member of the Executive Council of Asian Paints Group and reported to the then Managing Director & CEO of the Company.<br><br>Mr. Manish Choksi spearheaded the Information Technology function of the Company and has been instrumental in leveraging IT solutions across the extended enterprise and achieving improved business performance. | Ms. Amrita Vakil began her career at Asian Paints Limited in the year 2003 in the Human Resource ("HR") department. She was responsible for end-to-end training of the executives cadre of the Company. She was also instrumental in the launch of employees' intranet portal of the Company.<br><br>In the year 2005, she joined Frost & Sullivan, an American Consulting company as a Senior HR Executive and managed a Generalist HR profile. She handled HR operations for all their India & Middle East offices. She spent a total of five years at Frost and Sullivan and then she quit the organisation to pursue her passion in the hospitality sector and she continues to work towards it. | Mr. Milind Sarwate has over four decades of post-qualification experience across finance, governance, audit, risk management, strategy and board oversight.<br><br>He serves as an Independent Director on the boards of companies including Asian Paints Limited, CEAT Limited, Mahindra & Mahindra Financial Services Limited, OmniActive Health Technologies Limited, and Viyash Scientific Limited. | Mr. Sudhir Sitapati is the Managing Director & CEO of Godrej Consumer Products, a role he has held since 2021. He leads the company's strategic direction and transformation, anchored in its purpose of crafting the goodness of health and beauty for consumers in emerging markets. Sudhir also serves as Chair of the CII FMCG Committee and has previously co-chaired the CII National Committee on Food Processing.<br>Prior to joining Godrej Consumer Products, Sudhir spent over two decades at Unilever, where he led teams across categories and functions in India, Europe, South East Asia, and Africa. His last role was as Executive Director – Foods and Refreshments at Hindustan Unilever. |

| Name of the Director(s) | Mr. Manish Choksi (DIN: 00026496) | Ms. Amrita Vakil (DIN: 00170725) | Mr. Milind Sarwate (DIN: 00109854) | Mr. Sudhir Sitapati (DIN: 09197063) |
|---|---|---|---|---|
| | He was also the head of the International Business of the Company and has led the Company's efforts in expansion of its emerging markets portfolio. He has been a catalyst for the Company's foray into Home Improvement businesses. Mr. Manish Choksi has significantly contributed in achieving the Company's growth plans and more particularly in the critical areas of implementation of Supply Chain Management solutions. He played an active role in restructuring the Joint Venture companies of the Company with PPG Industries Inc., USA.<br><br>Mr. Manish Choksi has been a leader in the IT community and the past Chairman of INDUS, a 1100+ company network of SAP users. He has been on the advisory boards of IBMs Collaboration business, the Asia Pacific Executive Advisory Board of SAP APAC, member of the Global Chemical Executive Advisory Board of SAP SE and a member of SUGEN, a global executive network of all SAP user groups worldwide. He is an active angel investor with particular interest in investing in companies that champion cross leverage of physical and ecommerce models with a focus on consumers and data/ analytics. | She has been Directors on the Company's Board since the year 2014.<br>Ms. Vakil is also an avid angel investor with particular interest in investing in start-ups. | He is the Founder and Designated Partner of Increate Value Advisors LLP and Increate Social Value Advisors & Resourcers LLP, and Promoter Director of Increate Foundation, a Section 8 company.<br><br>His professional focus is on board and governance roles, with selective advisory and mentoring engagements in the areas of business and social value creation, governance and capability-building.<br><br>He served in leadership roles in consumer products companies including Godrej Soaps Limited, which was subsequently restructured to form Godrej Consumer Products Limited, and Marico Limited. He has served as an independent director on the boards of several companies over the past 20 years.<br><br>His areas of expertise include financial stewardship, audit and internal controls, corporate governance, risk management, stakeholder value creation and consumer-business experience.<br><br>He was awarded the ICAI Award 2011 in the CFO - FMCG sector by the Institute of Chartered Accountants of India, the Best Performing CFO Award in the FMCG & Retail sector by CNBC-TV18 in 2012, and was inducted into the CFO India Hall of Fame by CFO India magazine in 2013. | He is the author of the best-selling book, *The CEO Factory,* and is closely associated with Us Paar, a performing arts residency. |
| **Expertise in specific Functional Areas** | • Sales & Marketing<br>• International Business<br>• General Management and Leadership<br>• Financial and risk management<br>• Technical, professional skills and knowledge, including legal, governance and regulatory aspects | • Sales & Marketing<br>• General Management and Leadership<br>• Financial and risk management<br>• Technical, professional skills and knowledge, including legal, governance and regulatory aspects | • Financial and risk management<br>• Technical, professional skills and knowledge, including legal, governance and regulatory aspects<br>• Sales & Marketing<br>• International Business<br>• General Management and Leadership | • Sales & Marketing<br>• International Business<br>• General Management and Leadership<br>• Financial and risk management<br>• Technical, professional skills and knowledge, including legal, governance and regulatory aspects |

| Name of the Director(s) | Mr. Manish Choksi (DIN: 00026496) | Ms. Amrita Vakil (DIN: 00170725) | Mr. Milind Sarwate (DIN: 00109854) | Mr. Sudhir Sitapati (DIN: 09197063) |
|---|---|---|---|---|
| **Date of first appointment on the Board** | 22nd October 2018 | 14th May 2014 | 21st October 2021 | 29th May 2026 |
| **Shareholding in the Company as on the date of Notice (self and beneficial basis)** | 23,81,040 equity shares of face value of ₹ 1 each (0.25% of the paid-up shares capital of the Company) | 25,66,680 equity shares of face value of ₹ 1 each (0.27% of the paid-up shares capital of the Company) | 35 equity shares of face value of ₹ 1 each (0.00% of the paid-up shares capital of the Company) | Nil |
| **Terms and conditions of appointment/ re-appointment** | Non-Executive Director, liable to retire by rotation | Non-Executive Director, liable to retire by rotation | Independent Director, not liable to retire by rotation, to hold office for a period of five consecutive years, with effect from 21st October 2026 up to 20th October 2031 | Independent Director, not liable to retire by rotation, to hold office for a period of five consecutive years, with effect from 29th May 2026 up to 28th May 2031. |
| **Details of remuneration last drawn** | **FY 2025-26**<br>₹ 80,00,000<br>(comprises sitting fees and commission)<br>**FY 2026-27**<br>₹ 6,00,000<br>(comprises sitting fees) | **FY 2025-26**<br>₹ 67,00,000<br>(comprises sitting fees and commission)<br>**FY 2026-27**<br>₹ 2,00,000<br>(comprises sitting fees) | **FY 2025-26**<br>₹ 80,00,000<br>(comprises sitting fees and commission)<br>**FY 2026-27**<br>₹ 8,00,000<br>(comprises sitting fees) | Not applicable |
| | The remuneration is within the limits approved by the shareholders at their 68th Annual General Meeting of the Company held on 26th June 2014 for the remuneration payable to the Non-Executive Directors of the Company in a financial year not exceeding 1% of the net profit of the Company calculated under Section 198 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. | | | |
| **Details of proposed remuneration** | Sitting fees and commission as approved by the Board of Directors/shareholders in accordance with applicable provisions of law. The detailed criteria is available in the Nomination and Remuneration Policy of the Company. | | | |
| ***Inter-se* relationships between** | | | | |
| • **Directors** | Cousin of Mr. Ashish Choksi | Cousin of Ms. Nehal Vakil | Nil | Nil |
| • **Key Managerial Personnel** | Nil | Nil | Nil | Nil |

| Number of meetings of the Board attended | Financial Year(s) | No. of meetings attended | Financial Year(s) | No. of meetings attended | Financial Year(s) | No. of meetings attended | Financial Year(s) | No. of meetings attended |
|---|---|---|---|---|---|---|---|---|
| | 2025-26 | 7 of 7 | 2025-26 | 7 of 7 | 2025-26 | 7 of 7 | 2025-26 | Not Applicable |
| | 2026-27 | 2 of 2 | 2026-27 | 2 of 2 | 2026-27 | 2 of 2 | 2026-27 | Not Applicable |

| | | | | |
|---|---|---|---|---|
| **Chairpersonship/ Membership of the Committee(s) of the Board of Directors of** | • Member of Nomination and Remuneration Committee<br>• Member of Investment Committee | • Member of Investment Committee<br>• Member of Corporate Social Responsibility Committee | • Chairman of Audit Committee<br>• Member of Risk Management Committee | Nil |

| Name of the Director(s) | Mr. Manish Choksi (DIN: 00026496) | Ms. Amrita Vakil (DIN: 00170725) | Mr. Milind Sarwate (DIN: 00109854) | Mr. Sudhir Sitapati (DIN: 09197063) |
|---|---|---|---|---|
| **Other companies in which he/ she is a Director excluding Directorship in Private and Section 8 companies as on date of Notice** | Listed Company<br>• Vedant Fashions Limited<br>• Birlasoft Limited<br>• Torrent Pharmaceuticals Limited<br>Unlisted Company<br>MSL Driveline Systems Limited | Listed Company:<br>• Elcid Investments Limited<br>Unlisted Company:<br>• Murahar Investments and Trading Company Limited<br>• Suptaswar Investments and Trading Company Limited | Listed Company:<br>• CEAT Limited<br>• FSN E-Commerce Ventures Limited<br>• Mahindra and Mahindra Financial Services Limited<br>• Viyash Scientific Limited (Formerly known as Sequent Scientific Limited)<br>Unlisted Company:<br>OmniActive Health Technologies Limited | Listed Company:<br>Godrej Consumer Products Limited |
| **Chairpersonship/ Membership of the Committee(s) of Board of Directors of other companies in which he/ she is a Director excluding Private and Section 8 companies as on date of Notice** | Vedant Fashions Limited<br>• Member of Audit Committee<br>• Member of Nomination & Remuneration Committee<br>• Member of Risk Management Committee<br>• Member of Stakeholder Relationship Committee<br>Birlasoft Limited<br>• Member of Audit Committee<br>• Member of Risk Management Committee<br>Torrent Pharmaceuticals Limited<br>• Chairman of Nomination & remuneration Committee<br>• Member of Corporate Social Responsibility & Sustainability Committee<br>• Member of Audit Committee<br>MSL Driveline Systems Limited<br>• Member of Audit Committee<br>• Member of Corporate Social Responsibility Committee<br>• Member of Nomination & Remuneration Committee | Murahar Investments and Trading Company Limited<br>• Member of Audit Committee<br>• Member of Nomination and Remuneration Committee<br>Suptaswar Investments and Trading Company Limited<br>• Member of Audit Committee<br>• Member of Nomination and Remuneration Committee | CEAT Limited<br>• Chairman of Audit Committee<br>• Member of Risk Management Committee<br>• Member of Sustainability and Corporate Social Responsibility Committee<br>FSN E-Commerce Ventures Limited<br>• Chairman of Audit Committee<br>• Member of Fundraise & Investment Committee<br>Mahindra and Mahindra Financial Services Limited<br>• Chairman of Risk Management Committee<br>• Chairman of Committee for Strategic Investments<br>• Chairman of IT Strategy Committee<br>• Chairman of Rights Issue Committee<br>• Member of Audit Committee<br>• Member of Nomination & Remuneration Committee<br>• Member of Asset Liability Committee<br>• Member of Digital & AI Committee<br>• Member of Special Committee for Monitoring and Follow-up of Frauds | Godrej Consumer Products Limited<br>• Member of Risk Management Committee<br>• Member of Corporate Social Responsibility Commitee<br>• Member of ESG Committee<br>• Member of Management Committee |

| Name of the Director(s) | Mr. Manish Choksi (DIN: 00026496) | Ms. Amrita Vakil (DIN: 00170725) | Mr. Milind Sarwate (DIN: 00109854) | Mr. Sudhir Sitapati (DIN: 09197063) |
|---|---|---|---|---|
| | | | OmniActive Health Technologies Limited<br>• Chairman of Nomination & Remuneration Committee<br>• Member of Audit Committee<br>Viyash Scientific Limited<br>• Chairman of Audit Committee<br>• Chairman of Nomination & Remuneration Committee<br>• Member of Stakeholder Relationship Committee<br>• Member of Risk Management Committee | |
| **Listed companies from which the person has resigned in the past three years** | Nil | Nil | Nil | Nil |

## Information at a Glance

| Particulars | Details |
|---|---|
| Day, date and time of AGM | Thursday, 9th July 2026 at 11.00 a.m. IST |
| Mode | Video conference/other audio visual means |
| Participation through video conference("VC") | www.evoting.nsdl.com |
| Final dividend record date | Tuesday, 23rd June 2026 |
| Final dividend payment date | On or after Monday, 13th July 2026 |
| Cut-off date for e-Voting | Thursday, 2nd July 2026 |
| E-Voting start time and date | Sunday, 5th July 2026 at 9.00 a.m. IST |
| E-Voting end time and date | Wednesday, 8th July 2026 at 5.00 p.m. IST |
| E-Voting website of NSDL | www.evoting.nsdl.com |
| Last date for speaker registration | Thursday, 2nd July 2026 at 5.00 p.m. IST |
| Last date for sending questions | Monday, 6th July 2026 till 5.00 p.m. IST |
| Name, address, and contact details of e-Voting service provider | **National Securities Depository Limited**<br>T301, 3rd Floor, Naman Chambers, G Block, Plot No. C-32, Bandra Kurla Complex, Bandra East, Mumbai – 400 051<br>**Mr. Amit Vishal**<br>Deputy Vice President – NSDL<br>**Ms. Pallavi Mhatre**<br>Senior Manager – NSDL<br>**Contact Details:**<br>Email id:<br>amitv@nsdl.com<br>pallavid@nsdl.com<br>evoting@nsdl.com<br>Helpline No. for VC participation and e-Voting:<br>(022) 4886 7000 |
| Name, address, and contact details of Registrar and Share Transfer Agent | **MUFG Intime India Private Limited**<br>(formerly Link Intime India Private Limited)<br>Address: C-101,1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083<br>Tel No.: +91 810 811 8484<br>Fax No.: (022) 4918 6060<br>Toll Free No.: 1800 2100 124 (Exclusive for the shareholders of Asian Paints Limited)<br>Email id: investor.helpdesk@in.mpms.mufg.com<br>Website: https://in.mpms.mufg.com |

# Board's Report

Dear Members, the Board of Directors are pleased to present the 80th Integrated Annual Report of Asian Paints Limited ("the Company") together with the audited financial statements for the financial year ended 31st March 2026.

## Financial Results and State of Company Affairs

The Company's financial performance (standalone and consolidated) for the financial year ended 31st March 2026 is summarised below:

(₹ in Crores)

| Particulars | Standalone | | | Consolidated | | |
|---|---|---|---|---|---|---|
| | 2025-26 | 2024-25[2] | Growth (%) | 2025-26 | 2024-25 | Growth (%) |
| Revenue from operations | **30,769.48** | 29,552.65 | 4.10 | **35,583.54** | 33,905.62 | 4.95 |
| **Earnings before Interest, Taxes, Depreciation, and Amortisation** | **7,113.13** | 6,326.85 | 12.40 | **7,419.72** | 6,578.82 | 12.78 |
| Less: Finance Costs | **127.35** | 143.77 | | **195.41** | 227.02 | |
| Less: Depreciation and Amortisation Expense | **1,085.65** | 901.85 | | **1,228.85** | 1,026.34 | |
| **Profit before share of profit in associates, exceptional items and tax** | **5,900.13** | 5,281.23 | 11.70 | **5,995.46** | 5,325.46 | 12.58 |
| Share of profit in associates | **-** | - | | **165.59** | 140.71 | |
| **Profit before exceptional items and tax** | **5,900.13** | 5,281.23 | 11.70 | **6,161.05** | 5,466.17 | 12.71 |
| Exceptional Items[3 & 4] | **166.53** | 379.63 | | **157.61** | 363.10 | |
| **Profit before Tax** | **5,733.60** | 4,901.60 | 17.00 | **6,003.44** | 5,103.07 | 17.64 |
| Less: Tax Expense | **1,489.43** | 1,313.53 | | **1,608.75** | 1,393.36 | |
| **Profit for the period** | **4,244.17** | 3,588.07 | 18.30 | **4,394.69** | 3,709.71 | 18.46 |
| Other Comprehensive Income (net of tax) | **(45.92)** | 233.50 | | **(27.36)** | 114.56 | |
| **Total Comprehensive Income** | **4,198.25** | **3,821.57** | **9.90** | **4,367.33** | **3,824.27** | **14.20** |
| Attributable to: | | | | | | |
| Shareholders of the Company | **4,198.25** | 3,821.57 | 9.90 | **4,291.52** | 3,820.48 | 12.33 |
| Non-Controlling Interest | **-** | - | | **75.81** | 3.79 | |
| **Opening balance in Retained Earnings[1]** | **14,309.56** | 13,829.85 | | **14,574.95** | 14,018.63 | |
| Profit to shareholders of the Company and Remeasurement of the defined benefit plans for the period | **4,226.82** | 3,588.42 | | **4,306.49** | 3,665.03 | |
| **Amount available for Appropriation[1]** | **18,536.38** | 17,418.27 | | **18,881.44** | 17,683.66 | |
| Less: Dividend | **2,402.87** | 3,107.91 | | **2,402.87** | 3,107.91 | |
| Less: ESOP exercised during the year | **-** | 0.80 | | **-** | 0.80 | |
| Add: Effects of stake acquired from non-controlling interest | **-** | - | | **188.00** | - | |
| Add: Transfer to Retained Earnings from Equity instruments through OCI on sale of equity shares of Akzo Nobel India Limited | **396.24** | - | | **396.24** | - | |
| **Closing balance in Retained Earnings[1]** | **16,529.75** | **14,309.56** | | **17,062.81** | **14,574.95** | |

1. Includes re-measurement of defined benefit plans.
2. Figures for the financial year 2024-25 have been restated to give impact of amalgamation of Asian Paints (Polymers) Private Limited, a wholly owned subsidiary of the Company, with the Company, with effect from 31st March 2026. There is no material impact on the financials.
3. For Standalone financial results, exceptional items for the financial year 2025-26 consists of impairment loss towards investment in Obgenix Software Private Limited (popularly known by the brand name "White Teak"), a wholly owned subsidiary of the Company, of ₹ 105.37 crores and impact of new labour code of ₹ 60.59 crores. Exceptional items for the financial year 2024-25 consists of impairment loss towards investment in White Teak and Weatherseal Fenestration Private Limited ("Weatherseal"), a subsidiary of the Company, of ₹ 188.88 crores and ₹ 12.96 crores, respectively and fair valuation loss towards derivative contract for future stake purchase in White Teak and Weatherseal of ₹ 167.76 crores and ₹ 10.03 crores, respectively.
4. For Consolidated financial results, exceptional items for the financial year 2025-26 consists of impairment loss towards Intangibles pertaining to White Teak of ₹ 93.87 crores and impact of new labour code of ₹ 63.74 crores. Exceptional items for the financial year 2024-25 consists of Exchange loss on devaluation of Ethiopian Currency of ₹ 56.14 crores, impairment loss towards 'goodwill on consolidation' and 'intangibles' in Causeway Paints Lanka (Pvt) Ltd, a step-down subsidiary of the Company, and White Teak of ₹ 21.47 crores and ₹ 201.78 crores, respectively and loss of ₹ 83.71 crores on divestment of stake in PT Asian Paints Indonesia and PT Asian Paints Color Indonesia by Asian Paints International Private Limited, Singapore, a wholly owned subsidiary of the Company.

During the year, there was no change in the nature of the Company's business.

### Confirmations:

a. There were no revisions to the financial statements and the Board's Report of the Company during the year; and

b. There have been no material changes and commitments that affect the financial position of the Company which have occurred between the end of the financial year 2025-26 and the date of this Report.

## Financial Saliency

The Company's principal sources of liquidity are cash and cash equivalents, liquid investments, and the cash flow that the Company generates from its operations.

The Company has long-term borrowings of ₹ 805.42 crores as on 31st March 2026, arising pursuant to the amalgamation of Asian Paints (Polymers) Private Limited, a wholly owned subsidiary of the Company, with the Company. In addition, the Company has availed short-term facilities, both fund and non-fund based, for managing working capital requirements and other business purposes, including cash credit facilities, bank guarantees and letters of credit.

The Company continues to maintain a strong financial position, with sufficient cash balances and robust operating cash flows, which are adequate to meet its strategic and operational requirements as well as its debt servicing obligations, in the normal course of business.

Cash and cash equivalents and other balances with Banks (excluding earmarked balances), current/non-current term deposits as disclosed in other financial assets, investments in debentures or bonds (including interest accrued on the same) and mutual funds on a standalone basis as on 31st March 2026, stood at ₹ 9,014.60 crores as against ₹ 4,533.55 crores in the previous financial year. Cash and investments, on both standalone and consolidated basis, include deposits with banks and financial institutions with high credit ratings by international and domestic credit rating agencies. As a result, liquidity risk towards such balances is limited. The ratings are monitored periodically.

The Company's working capital management is robust and involves a well-organised process, which facilitates continuous monitoring and control over receivables, inventories, and other parameters.

## Capital Expenditure

During the year, the Company, on a standalone basis, spent ₹ 1,177.99 crores towards capital expenditure against ₹ 1,467.19 crores in the previous financial year. This mainly comprises of spends for capacity expansion for paint business, regular capital expenditure at various plant locations and other Company offices/warehouses, technological advancements, safety and ESG expenditure, backward integration projects, and general maintenance.

### Proposed paint plant in the state of Madhya Pradesh

The Company had announced its proposal to set up a water-based paint manufacturing facility in the State of Madhya Pradesh with a proposed capacity of 4 lakh KL per annum and an estimated investment of ~₹ 2,000 crores.

The operations at the proposed facility would commence within three years from the date of receipt of Environmental Clearance for setting up of the manufacturing facility by the Company.

### Setting up of second paint manufacturing facility in United Arab Emirates

During the year, Berger Paints Emirates Ltd Co (L.L.C), UAE, a step-down subsidiary of Asian Paints International Private Limited, Singapore, a wholly owned subsidiary of the Company, initiated the process for setting up its second paint manufacturing facility in the United Arab Emirates with an estimated investment of AED 140 million (~₹ 340 crores) with an initial capacity of 55,800 KL per annum. The proposed facility is planned within the Khalifa Economic Zones Abu Dhabi, Abu Dhabi, UAE.

## Transfer to Reserves

During the year, no amount was transferred to any of the reserves by the Company.

## Dividend

The Board of Directors have recommended the final dividend of ₹ 23 (2300%) per equity share of face value of ₹ 1 each fully paid-up for the financial year 2025-26, subject to the approval of the shareholders of the Company at the ensuing 80th Annual General Meeting ("AGM"). The record date for determining entitlement to the final dividend is 23rd June 2026. If approved, the final dividend will be paid on or after 13th July 2026.

During the year, the Company declared and paid an interim dividend of ₹ 4.50 (450%) per equity share on and after 27th November 2025.

Accordingly, the total dividend for the financial year 2025-26, including the proposed final dividend, aggregates to ₹ 27.50 per equity share and would entail a total cash outflow of ₹ 2,637.81 crores. The dividend payout ratio continues to

be at 60% of the standalone profit after tax, for both the financial years 2024-25 and 2025-26. Dividends are taxable in the hands of the shareholders and are paid after deduction of tax at source ("TDS"), as applicable, in accordance with the Income Tax Act, 2025.

Details of the dividend paid by the Company during the financial year 2025-26 are stated below:

(₹ in Crores)

| Particulars | Gross amount of dividend | TDS amount | Net amount of dividend |
|---|---|---|---|
| Final Dividend FY 2024-25 | 1,971.21 | 185.70 | 1,785.51 |
| Interim Dividend FY 2025-26 | 431.66 | 40.94 | 390.72 |
| **Total** | **2,402.87** | **226.64** | **2,176.23** |

The aforesaid dividends are being paid by the Company from its profits for the respective financial years.

The dividends paid and recommended by the Board of Directors for the financial year 2025-26 are in accordance with the Dividend Distribution Policy of the Company as per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), which is available on the Company's website at https://www.asianpaints.com/DDPolicy.html.

## Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as per Regulation 34 read with Schedule V of the Listing Regulations, forms an integral part of this Integrated Annual Report. The Management Discussion and Analysis Report provides, *inter alia,* an overview of the macro-economic landscape, business performance, risk management, supply chain, internal control system, and the outlook for the period ahead.

## Asian Paints Group

As on 31st March 2026, the Company has twenty-four subsidiary companies (Nineteen international subsidiary companies), and two joint venture companies. There was no change in the nature of the business of the subsidiary and joint venture companies during the year.

### International Business

Outside India, the Company has operations in 13 countries across four regions of the world – Asia (Bangladesh, Nepal, and Sri Lanka), the Middle East (Oman, Bahrain, United Arab Emirates ("UAE"), and Qatar), Africa (Egypt and Ethiopia), and South Pacific (Fiji, Solomon Islands, Samoa, and Vanuatu).

### Financial Performance

A list of subsidiaries/joint ventures is provided as part of the notes to Consolidated Financial Statements ("CFS"). The financial performance of the Company's select entities for the financial year 2025-26 is provided below:

#### i. Asian Paints International Private Limited

Asian Paints International Private Limited ("APIPL"), Singapore, is a wholly owned subsidiary of the Company and the holding company for overseas operations except Asian Paints (Nepal) Private Limited, Nepal and Asian White Cement Holding Limited, UAE. APIPL's principal activity is investment holding and management.

On a consolidated basis, revenue of APIPL for the financial year 2025-26 was ₹ 2,945.63 crores with a net profit of ₹ 129.38 crores.

#### ii. Asian Paints (Nepal) Private Limited

Asian Paints (Nepal) Private Limited ("AP Nepal"), Nepal, is a subsidiary of the Company. Its principal business is manufacturing and selling of paint products in Nepal.

Revenue of AP Nepal for the financial year 2025-26 was ₹ 394.12 crores with a net profit of ₹ 57.62 crores.

#### iii. Asian White Cement Holding Limited

Asian White Cement Holding Limited ("AWCHL"), UAE, is a subsidiary of the Company. AWCHL operates through its wholly owned subsidiary company, Asian White Inc. FZE ("AWI"), in Fujairah Free Zone, UAE, and carries out the business of manufacturing and exporting white cement and white cement clinkers.

During the year, AWI has commenced commercial production at its manufacturing facility in Fujairah Free Zone, UAE.

The revenue of AWCHL for the financial year 2025-26 was ₹ 32.59 crores with a net loss of ₹ 43.33 crores.

#### iv. Obgenix Software Private Limited

Obgenix Software Private Limited (popularly known by the brand name "White Teak") is a wholly owned subsidiary of the Company, engaged in the business of decorative lighting products, fans, and other décor accessories.

Revenue of White Teak for the financial year 2025-26 was ₹ 99.24 crores with a net loss of ₹ 55.59 crores.

#### v. Weatherseal Fenestration Private Limited

Weatherseal Fenestration Private Limited ("Weatherseal") is a subsidiary of the Company, engaged in the business of uPVC and system aluminium windows and doors segment.

Revenue of Weatherseal for the financial year 2025-26 was ₹ 74.74 crores with a net loss of ₹ 23.24 crores.

#### vi. Harind Chemicals and Pharmaceuticals Private Limited

Harind Chemicals and Pharmaceuticals Private Limited ("Harind") is a subsidiary of the Company and is engaged in the business of nanotechnology-based research, manufacturing, and sale of a range of additives and specialised coatings.

Revenue of Harind for the financial year 2025-26 was ₹ 46.45 crores with a net profit of ₹ 11.32 crores.

#### vii. Asian Paints PPG Private Limited

Asian Paints PPG Private Limited ("APPPG") is a joint venture company between the Company and PPG Group, USA. APPPG is engaged in the business of manufacturing, selling, and distribution of protective coatings, powder coatings, road markings, and providing related services.

Revenue of APPPG for the financial year 2025-26 was ₹ 1,333.90 crores with a net profit of ₹ 78.29 crores.

#### viii. PPG Asian Paints Private Limited

PPG Asian Paints Private Limited ("PPGAP") is a joint venture company between the Company and PPG Group, USA. PPGAP is engaged in the business of manufacturing, selling, and distribution of paints and coatings for automotive, original equipment manufacturers, packaging, refinishing, marine, and other industries.

On a consolidated basis, the revenue of PPGAP for the financial year 2025-26 was ₹ 2,468.24 crores with a net profit of ₹ 331.18 crores.

During the year, PPGAP paid final dividend of ₹ 42.78 crores for the financial year 2024-25 and interim dividend of ₹ 72.72 crores for the financial year 2025-26 to the Company.

A separate statement containing the salient features of financial statements of subsidiaries, and joint ventures of the Company in the prescribed Form AOC-1 is annexed to CFS forming part of this Integrated Annual Report, in compliance with Section 129(3) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Rules issued thereunder.

The Company does not have a material subsidiary as per the Listing Regulations. The Policy for determining material subsidiaries is available on the Company's website at https://www.asianpaints.com/PolicyforMaterialSubsidiaries.html.

### Key Developments within the Group

#### i. Scheme of Amalgamation of Asian Paints (Polymers) Private Limited with the Company

Asian Paints (Polymers) Private Limited ("APPPL"), a wholly owned subsidiary of the Company, was incorporated for the purpose of setting up an in-house manufacturing facility for manufacture of Vinyl Acetate Ethylene Emulsion ("VAE") and Vinyl Acetate Monomer ("VAM") in Dahej, Gujarat. The in-house manufacturing is expected to enhance cost efficiencies and reduce dependence on imports.

The Board of Directors at their meeting held on 29th July 2025 approved the Scheme of Amalgamation of APPPL, a wholly owned subsidiary of the Company, with the Company ("the Scheme") with effect from the appointed date of 1st April 2025, subject to necessary statutory and regulatory approvals.

The Mumbai Bench of the Hon'ble National Company Law Tribunal vide its Order dated 10th March 2026 sanctioned the Scheme. Pursuant to necessary filings with the Registrar of Companies, Maharashtra at Mumbai, the Scheme became effective from 31st March 2026, and all the equity shares issued by APPPL stand cancelled and extinguished.

#### ii. Acquisition of remaining stake in Obgenix Software Private Limited

On 27th June 2025, the Company acquired the remaining stake of 40% of the equity share capital of Obgenix Software Private Limited (popularly known by the brand name "White Teak") from the promoters of White Teak for a consideration of ₹ 188 crores.

The Company now holds 100% of the equity share capital of White Teak. Consequently, it has become a wholly owned subsidiary of the Company with effect from the said date.

### iii. Dilution of stake in Asian White Cement Holding Limited

Asian White Cement Holding Limited ("AWCHL"), UAE, a subsidiary of the Company, has in accordance with the Joint Venture Agreement issued and allotted 12,08,891 equity shares, representing 16.66% of the pre-issue paid-up share capital of AWCHL, as sweat equity to one of its other shareholders, on a non-cash basis.

Consequently, the Company's shareholding in AWCHL now stands at 60% from its earlier stake of 70%.

### iv. Scheme of Amalgamation of Nova Surface-Care Centre Private Limited with Harind Chemicals and Pharmaceuticals Private Limited

During the year, the Board of Directors of Harind Chemicals and Pharmaceuticals Private Limited ("Harind"), a subsidiary of the Company and Nova Surface-Care Centre Private Limited ("Nova"), a wholly owned subsidiary of Harind, at their respective meetings held on 24th March 2026, approved the Scheme of Amalgamation of Nova with Harind, subject to necessary statutory and regulatory approvals.

## Consolidated Financial Statements

The Consolidated Financial Statement provides the details of the performance and financial position of each subsidiary and joint venture companies and their contributions to the overall performance of the Company.

In accordance with the provisions of the Act, Regulation 33 of the Listing Regulations, and applicable Indian Accounting Standards ("Ind AS"), the audited CFS of the Company for the financial year 2025-26, together with the Auditor's Report forms part of this Integrated Annual Report.

Pursuant to Section 136 of the Act, the audited financial statements, including the CFS and related information of the Company and the separate financial statements of each of the subsidiary companies, are available on the Company's website at https://www.asianpaints.com/AnnualReports.html. Any member desirous of inspecting or obtaining copies of the audited financial statements, including the CFS, may write to the Company Secretary at investor.relations@asianpaints.com.

## Renewal of Joint Venture Agreement with PPG Group, USA

The Company had entered into joint venture agreements with PPG Group, USA, for formation of 50:50 joint venture companies, PPG Asian Paints Private Limited ("PPGAP") and Asian Paints PPG Private Limited ("APPPG") ("Original JV Agreements").

During the year, the Company and the PPG Group executed Supplementary Joint Venture Agreements to the Original JV Agreements, *inter alia,* extending the partnership for a further period of 15 years. This renewal would enable PPGAP and APPPG to continue to serve the country's industrial, protective, marine, packaging, automotive and powder coatings customers with industry-leading solutions.

The changes made vide Supplementary Joint Venture Agreements are not material in nature, nor do they impact the management and control of the PPGAP and APPPG.

## Directors and Key Managerial Personnel

### Board of Directors

As on 31st March 2026, the Board of Directors comprised of twelve Directors, six of which are Independent Directors (including a woman Independent Director), five Non-Executive Directors (including two women Non-Executive Directors) [Promoter(s) & Promoter(s) Group], and a Managing Director & CEO.

During the year, there were no changes in the Directors of the Company, except for Mr. Ashish Choksi, who was appointed as a Non-Executive Director of the Company with effect from 1st April 2025.

The Managing Director & CEO and Independent Directors of the Company are not liable to retire by rotation.

During the year, none of the Directors of the Company were appointed as Directors on the Board of the subsidiary companies.

### Change in Directorate

#### i. Appointment of Mr. Sudhir Sitapati as an Additional and Independent Director of the Company

The Board of Directors of the Company, at their meeting held on 29th May 2026, in accordance with Sections 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Act and the Listing Regulations and based on the recommendation of the Nomination and Remuneration Committee, have approved the appointment of Mr. Sudhir Sitapati (DIN: 09197063) as an Additional and Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 29th May 2026 up to 28th May 2031, subject to the approval of the shareholders of the Company at the ensuing 80th AGM.

In the opinion of the Nomination & Remuneration Committee and Board of Directors of the Company, Mr. Sudhir Sitapati is a person of integrity and brings with him substantial leadership experience in the consumer products sector, including in strategy, business transformation and brand-led growth, which will add tremendous value to the Board in exercising his role effectively. His experience, *inter alia*, in leading large consumer businesses would provide valuable perspective to the Board and the Company.

The Company has received from Mr. Sudhir Sitapati the requisite declarations and confirmations under the provisions of the Act and the SEBI Regulations, including confirmation with respect to his eligibility and independence, for the purpose of his appointment as an Independent Director of the Company.
Mr. Sudhir Sitapati is exempt from the requirement of undertaking the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs ("IICA").

#### ii. Re-appointment of Mr. Milind Sarwate as an Independent Director of the Company

The shareholders of the Company had appointed Mr. Milind Sarwate (DIN: 00109854) as an Independent Director to hold office for a term of five consecutive years up to 20th October 2026.

Based on the outcome of performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 29th May 2026, have approved the re-appointment of Mr. Milind Sarwate as an Independent Director for a second term of five consecutive years up to 20th October 2031, in accordance with Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Act and the Listing Regulations, subject to the approval of the shareholders of the Company at the ensuing 80th AGM.

In the opinion of the Nomination & Remuneration Committee and Board of Directors of the Company, considering Mr. Milind Sarwate's preparedness, participation, experience, contribution to the Board and Committee deliberations and the skill and expertise he brings to the Board, the re-appointment of Mr. Milind Sarwate would be in the interest of the Company and its shareholders.

The Company has received from Mr. Milind Sarwate the requisite declarations and confirmations under the provisions of the Act and the SEBI Regulations, including confirmation with respect to his eligibility and independence, for the purpose of his re-appointment as an Independent Director of the Company.
Mr. Milind Sarwate is exempt from the requirement of undertaking the online proficiency self-assessment test conducted by IICA.

#### iii. Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act and the Articles of Association of the Company, Mr. Manish Choksi (DIN: 00026496) and Ms. Amrita Vakil (DIN: 00170725), Non-Executive Directors of the Company, are liable to retire by rotation at the ensuing 80th AGM and being eligible have offered themselves for re-appointment.

Based on the outcome of performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 29th May 2026, have recommended their re-appointment as a Director of the Company, liable to retire by rotation, subject to the approval of the shareholders of the Company at the ensuing 80th AGM.

The resolutions for the re-appointment of Mr. Manish Choksi and Ms. Amrita Vakil are being placed for the approval of the shareholders of the Company at the ensuing 80th AGM.

The required information as stipulated under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("ICSI"), including the brief profile for all the aforementioned directors proposed to be appointed/ re-appointed have been disclosed in the Annexure to the Notice of the 80th AGM.

## Key Managerial Personnel

Mr. Amit Syngle, Managing Director & CEO, and Mr. R J Jeyamurugan, CFO, Company Secretary & Compliance Officer, are the Key Managerial Personnel ("KMP") of the Company in accordance with the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year, there were no changes in the KMP.

## Directors' Responsibility Statement

Pursuant to Section 134 of the Act, the Directors state that:

a. in the preparation of the annual accounts for the financial year ended 31st March 2026, the applicable Accounting Standards have been followed and there are no material departures from the same;

b. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2026 and of the profits of the Company for the financial year ended 31st March 2026;

c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts have been prepared on a 'going concern' basis;

e. proper internal financial controls laid down by the Directors are followed by the Company and that such internal financial controls are adequate and operating effectively; and

f. proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and operating effectively.

This statement has also been reviewed by the Audit Committee.

## Declaration from Directors

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 or are debarred or disqualified by the Securities and Exchange Board of India ("SEBI"), Ministry of Corporate Affairs ("MCA") or any other such statutory authority. Further, none of the Directors of the Company are required to vacate office as a Director of the Company under Section 167 of the Act.

The Company has, *inter alia,* received the following declarations from all the Independent Directors confirming that:

a. they meet the criteria of independence as prescribed under the provisions of the Act, read with Schedule IV and Rules issued thereunder, and the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;

b. they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and

c. they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs and have qualified the online proficiency self-assessment test or are exempted from passing the test as required in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

The Board of Directors have taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, the Independent Directors of the Company are persons of integrity, possess requisite expertise, experience and relevant proficiency.

Further, an independent and reputed firm of Practicing Company Secretaries has confirmed that:

a. none of the Directors have been debarred or disqualified from being appointed and/or continuing as Directors by the SEBI/MCA or any other such statutory authority; and

b. the Directors are independent in terms of the provisions of the Act, read with Schedule IV and Rules issued thereunder, and the Listing Regulations.

All Board members and the Senior Management Personnel have affirmed compliance with Code of Conduct for the financial year 2025-26.

## Number of Meetings of the Board

During the year, seven meetings of the Board of Directors were held. The details of the meetings of the Board of Directors of the Company held and attended by the Directors are given in the Report of Corporate Governance forming part of this Integrated Annual Report.

The maximum interval between any two meetings did not exceed one hundred and twenty days, as prescribed by the Act and the Listing Regulations.

## Familiarisation Programme for Independent Directors

The Company conducts familiarisation sessions for all the members of the Board including the Independent Directors at the time of appointment and on an ongoing basis to provide them an update on business, strategy, operations, and governance.

The details of the training and familiarisation programme are given in the Report of Corporate Governance forming part of this Integrated Annual Report and are also available on the Company's website at https://www.asianpaints.com/FamiliarisationProgramme.html.

## Committees

As on 31st March 2026, the Board has six Committees: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders Relationship Committee, and Investment Committee.

The composition and terms of reference of all the Committees of the Board of Directors of the Company are in line with the provisions of the Act and the Listing Regulations.

During the year, all recommendations of the Committees were approved by the Board.

The Committee composition, terms of reference, meeting details and attendance are given in the Report of Corporate Governance forming part of this Integrated Annual Report.

## Auditors and Auditor's Report

### Statutory Auditors

Deloitte Haskins & Sells LLP ("DHS"), Chartered Accountants (Firm's Registration No.: 117366W/W-100018), were re-appointed as Statutory Auditors of the Company at the 75th AGM, to hold office till the conclusion of the ensuing 80th AGM for the financial year 2025-26. The second term of DHS as the Statutory Auditors of the Company expires at the conclusion of the ensuing 80th AGM.

Pursuant to the provisions of the Sections 139, 142 and other applicable provisions, if any of the Act and Rules issued thereunder, and based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on 26th March 2026, have approved and recommended to the shareholders at the ensuing 80th AGM of the Company, the appointment of S R B C & Co. LLP ("SRBC"), Chartered Accountants (Firm's Registration No.: 324982E/E300003), as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of the ensuing 80th AGM till the conclusion of 85th AGM of the Company.

The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder, from SRBC. They have confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Listing Regulations.

DHS has issued an unmodified opinion on the financial statements prepared as per the provisions of the Act and Rules issued thereunder for the financial year 2025-26 and the Statutory Auditor's Report forms part of this Integrated Annual Report. It is also confirmed that DHS has issued unmodified opinion on the quarterly and annual financial results of the Company for the financial year 2025-26 submitted to the Stock Exchanges, as per the requirements of the Listing Regulations.

The profile of the Statutory Auditors is available on the Company's website at https://www.asianpaints.com/Auditors.html.

### Secretarial Auditor

Dr. K. R. Chandratre, Practicing Company Secretary (FCS No.: 1370; CP No.: 5144 & Peer Review Certificate No.: 7703/2026), was re-appointed as the Secretarial Auditor of the Company at the 79th AGM, for a term of five consecutive years from financial year 2025-26 to financial year 2029-30.

The details of the reports and certificate received from Dr. K. R. Chandratre, *inter alia*, for the financial year 2025-26, are as under:

a. Secretarial Audit Report under Section 204 of the Act read with Rules made thereunder and Regulation 24A of the Listing Regulations, is set out in Annexure (A-1) to this Report;

b. Secretarial Compliance Report in relation to compliance with all applicable SEBI Regulations/Circulars/Guidelines

issued thereunder, and Secretarial Standards issued by the ICSI, pursuant to requirement of Regulation 24A of the Listing Regulations, is set out in Annexure (A-2) to this Report. The Secretarial Compliance Report has been voluntarily enclosed as a good disclosure practice; and

c. Auditor's Certificate on Corporate Governance is annexed to the Report on Corporate Governance forming part of this Integrated Annual Report as required by Schedule V of the Listing Regulations.

The Secretarial Audit Report and Secretarial Compliance Report for the financial year 2025-26, does not contain any qualification, reservation, adverse remark or disclaimer.

The profile of the Secretarial Auditor is available on the Company's website at https://www.asianpaints.com/Auditors.html.

## Cost Auditors

The Company has maintained cost records for certain products as specified by the Central Government under Section 148(1) of the Act. Joshi Apte & Associates, Cost Accountants (Firm's Registration No.: 000240), the Cost Auditors, are in the process of carrying out the cost audit for applicable products for the financial year 2025-26.

The profile of the Cost Auditors is available on the Company's website at https://www.asianpaints.com/Auditors.html.

The Board of Directors, on the recommendation made by the Audit Committee, re-appointed Joshi Apte & Associates, as the Cost Auditors of the Company to conduct the audit of cost records of applicable products for the financial year 2026-27 at a remuneration of ₹ 10,50,000 plus applicable taxes and reimbursement of out-of-pocket expenses at actuals. Joshi Apte & Associates, being eligible, have consented to act as the Cost Auditors of the Company for the financial year 2026-27 and have confirmed that they are not disqualified from being appointed.

The resolution for ratification of the proposed remuneration payable to Joshi Apte & Associates to audit the cost records of the Company for the financial year ending 31st March 2027, is being placed for the approval of the shareholders of the Company at the ensuing 80th AGM.

The Cost Audit Report for the financial year 2024-25 does not contain any qualification, reservation, adverse remark or disclaimer. The Cost Audit Report for the financial year 2025-26 will be submitted to the Central Government within the prescribed timelines.

## Policy

The Company has adopted a Policy on engagement of Auditors of the Company covering the Statutory Auditors, Secretarial Auditor, and Cost Auditors, which includes guidance on establishing proper procedures for determining, *inter alia,* qualification, eligibility, and procedure for appointment/re-appointment/removal of the Auditors that confirm with the extant norms under the applicable laws and regulations. The Policy is available on the Company's website at https://www.asianpaints.com/AuditorsEngagementPolicy.html.

## Internal Auditors

The Company has a strong and independent Internal Audit function comprising a multidisciplinary team of Chartered Accountants, Certified Internal Auditors, Certified Fraud Examiners, Engineers, and data experts. The function is further strengthened through collaboration with specialised external firms with expertise in information technology, technical review, field audits, forensics, fraud risk assessment, and other niche areas.

A risk-based Internal Audit plan is formulated and approved by the Audit Committee and is subject to periodic review. Audit engagements are conducted using a structured risk-based approach, encompassing evaluation of internal financial controls, governance frameworks, compliance with management policies, system-driven controls, adherence to applicable statutory requirements and identify opportunities to improve efficiency and effectiveness of the processes.

The Chief Internal Auditor ("CIA") reports functionally to the Audit Committee and administratively to the Managing Director & CEO, ensuring independence and objectivity. The CIA is a permanent invitee to the meetings of the Risk Management Committee and attends all meetings of the Audit Committee. During the year, the Audit Committee held reviews to assess adequacy of Internal Audit function including talent, experience and technology usage.

The Internal Audit function leverages cutting edge technological tools including artificial intelligence and data analytics for audit execution, exception monitoring, fraud risk identification, external validation, and managing audits. The CIA periodically presents key audit observations relating to financial, operational, safety, compliance, information security, and other critical risks to the Audit Committee, along with root cause, corrective and preventive action plans for plugging the risks identified.

The Company has instituted a comprehensive Internal Audit Charter to enhance the governance mechanism, define the scope, authority, and responsibilities of the Internal Audit function, including the reporting framework of the CIA. An abridged version of the Internal Audit Charter is available on the Company's website at https://www.asianpaints.com/AbridgedIACharter.html.

## Reporting of Frauds by Auditors

None of the Auditors of the Company have identified and reported any fraud as specified under the second proviso of Section 143(12) of the Act.

# Related Party Transactions

## Related party transactions at Asian Paints

The Company has been entering into transactions with related parties, including entities directly and/or indirectly controlled by members of the Promoter(s) & Promoter(s) Group, for its business purposes for more than three decades. These transactions primarily include transactions relating to the purchase of raw materials, packing materials, intermediaries, and such other transactions permissible and provided for under the provisions of the Act, the Listing Regulations, and the Income-Tax laws.

The related parties with which the Company contracts:

a. primarily supply their products to the Company;

b. bring in advanced and innovative technology for the benefit of the Company;

c. customise their products to suit the Company's specific requirements; and

d. help in enhancing the Company's purchase cycles and assure just in time supply with resultant benefits – notably on working capital.

All of the aforementioned benefits provide the Company a competitive and cost advantage in the market, without compromising on the quality/service levels and based on sound commercial judgement.

The Company follows robust internal processes before entering into transactions with related parties and the considerations which govern the transactions with related parties are the same as those applicable for other vendors of the Company. All the transactions are undertaken for the benefit of the Company and in compliance with the applicable laws. None of the transactions are prejudicial to the interest of the Company.

In order to ensure transparency and arm's length pricing for such supplies by related parties, the Company seeks multiple quotes from related parties and unrelated parties of equal standing and appoints a related party only if such party offers competitive terms, including pricing, as compared to unrelated parties. Along with pricing, manufacturing capabilities to effectively serve the Company's requirements and quality parameters are primary factors taken into consideration.

Further, the Audit Committee seeks advice from external consultants and experts on determining, as and when required, whether a particular transaction which is being considered by the Audit Committee would be regarded on an arm's length basis or otherwise.

As a part of the Company's annual planning process, before the beginning of a financial year, details of all the transactions proposed to be executed with related parties, including the estimated amount of transactions to be executed, manner of determination of pricing and commercial terms, etc. are presented to the Audit Committee for its consideration and approval, as required. The details of said transactions are also placed before the Board of Directors for their information. The Director, if interested in a transaction, does not participate in the meeting during the discussions relating to that transaction.

Further approval is sought during the year for any new transaction/modification to the previously approved limits/terms of contracts with the related parties. This is followed by a quarterly review of the related party transactions by the Audit Committee.

## Policy

During the year, the Board of Directors, based on recommendation of the Audit Committee, approved and took note of the revision to the Policy on dealing with and materiality of Related Party Transactions and framework for transactions with related parties of the Company to incorporate the following:

a. Changes pursuant to the amendments in the Listing Regulations and Industry Standards on minimum information to be provided for review of the Audit Committee and shareholders for approval of related party transactions;

b. Addition/Deletion/Modification to the list of nature of transactions forming part of the framework for determination of arm's length price for transactions with related parties; and

c. Other cosmetic changes, as may be necessary.

The Policy on dealing with and materiality of related party transactions is available on the Company's website at https://www.asianpaints.com/RPTPolicy.html.

## Review

All transactions with related parties were reviewed and approved, as required by the Audit Committee and were in

accordance with the Policy on dealing with and materiality of related party transactions.

There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

All contracts/arrangements/transactions entered into by the Company during the year with related parties were in the ordinary course of business and on arm's length basis in terms of the provisions of the Act. Further, there are no contracts or arrangements entered into under Section 188(1) of the Act, hence, no justification has been separately provided in that regard.

### Statutory Disclosures

The details of the related party transactions as per Ind AS-24 on Related Party Disclosures are set out in Note no. 37 to the standalone financial statements of the Company.

The Company in terms of Regulation 23 of the Listing Regulations submits on the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions, in the format specified by the SEBI. The said disclosures are available on the Company's website at https://www.asianpaints.com/StatutoryFilings.html.

Form AOC-2 pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, is set out in Annexure (B) to this Report.

## Internal Controls

The Company has implemented a comprehensive internal control framework that is aligned with the nature, scale, complexity and geographic footprint of its operations. These controls are consistently applied across all functions, processes, and business units. The framework, comprising well-defined policies, procedures, and technology systems, is designed to ensure efficient operations, safeguard assets, optimise resource utilisation, enhance the reliability of financial reporting, and ensure adherence to applicable laws and regulations. Ethical conduct and a strong control culture are the key pillars of this internal control framework.

Recognising the evolving business environment and increasing operational complexity, the Company periodically reviews and upgrades its internal control systems. The Company has enhanced its internal control maturity with continuous move from manual detective controls to automated preventive controls. The Audit Committee plays an active role in evaluating the adequacy and effectiveness of these controls and provides strategic guidance for continuous improvement. Appropriate actions are implemented in a timely manner to further strengthen the control environment.

## Internal Financial Controls related to Financial Statements

The Company has established a robust system of Internal Financial Controls over financial reporting to ensure that transactions are duly authorised, accurately recorded, and timely reported. This framework provides reasonable assurance regarding the accuracy and integrity of the financial statements.

Detailed standard operating procedures, policies, manuals, and process guidelines have been institutionalised to clearly define roles, responsibilities, and control mechanisms. Functional heads are responsible for ensuring compliance with applicable laws, regulations, and internal policies.

The Company effectively leverages its ERP platform, SAP RISE, for transaction processing and financial reporting. This system, supported by integrated IT solutions, provides a strong technological backbone for financial controls. Investments in automation have enabled system-driven accounting and financial reporting processes, resulting in improved accuracy, reduced manual intervention, and faster reporting cycles. Financial statement preparation is increasingly automated, enabling end-to-end, system-based consolidation across the Group.

The Company's Shared Services Centre has accelerated the digital transformation journey, delivering enhanced efficiency, accuracy and control in the transaction processing. Key initiatives include AI-driven invoice processing agents and Intelligent Document Processing, enabling touchless operations and reducing manual intervention, alongside Gen AI–enabled virtual assistant that has improved query resolution and stakeholder experience. The Company has introduced instant employee reimbursements, significantly improving turnaround time, while mobile-enabled platforms have enhanced access to travel and expense services. The Company has also achieved timely vendor payments with near-zero errors, reinforcing operational reliability. Further, digitised workflows, system-driven controls and automated payment validations have strengthened governance and standardisation. The Company continues to invest in advanced technologies to build a scalable, future-ready, and control-focused operating model.

The Company remains vigilant in tracking changes in accounting standards, regulatory requirements, and statutory provisions, and ensures timely updates to systems, processes, and controls to remain compliant. With growing business complexity, appropriate accounting treatments are evaluated for new products, services, and contractual arrangements, and any resulting policy changes along with their financial implications are reviewed by the Audit Committee after validation with Statutory Auditors. The Company's standalone financial results are subject to quarterly audit by Statutory Auditors. Uniform accounting policies are followed across subsidiaries, with international entities reporting in standardised formats to facilitate consolidation. The financial statements of subsidiaries and joint ventures are audited by their respective auditors prior to consolidation.

The Risk Assessment and Control Matrix across financial reporting processes is periodically reviewed and tested for both design adequacy and operating effectiveness. The outcomes of these assessments are reported to the Audit Committee, and gaps, if any, are addressed through targeted improvements, including increased automation and enhanced data analytics capabilities.

## Vigil Mechanism

The Company promotes ethical behaviour in all its business activities and is in line with the best governance practices. The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by the Board of Directors of the Company in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations.

The Company has engaged an agency to manage the "Ethics Hotline" which can be used to, *inter alia,* anonymously report any instances of financial irregularities, breach of code of conduct, abuse of authority, disclosure of financial/unpublished price sensitive information other than for legitimate purposes, unethical/unfair actions concerning Company vendors/suppliers, malafide manipulation of Company records in an anonymous manner.

The Policy also provides adequate protection to all its stakeholders who report unethical practices and irregularities.

Any incidents that are reported are investigated and suitable action is taken in line with the Company's Whistle Blower Policy. No person is denied access to the Audit Committee.

The Whistle Blower Policy aims to:

a. allow and encourage stakeholders to bring to the management's notice concerns about unethical behaviour;

b. ensure timely and consistent organisational response;

c. provide access to Ethics Committee comprising of senior officials of the Company and/or in appropriate or exceptional cases to the Chairman of the Audit Committee;

d. provide protection against victimisation; and

e. build and strengthen a culture of transparency and trust.

The Whistle Blower Policy has been appropriately communicated within the Company and its Group and is also available on the Company's website at https://www.asianpaints.com/WBPolicy.html.

## Compliance Management

The Company has a structured compliance management framework supported by a digital compliance platform, which maps applicable legal requirements and enables monitoring through automated alerts and dashboards.

During the year, the platform was upgraded with additional features to strengthen usability, monitoring and governance oversight. Consolidated compliance status, key observations and corrective actions are reviewed by senior management and placed before the Audit Committee and Board of Directors for oversight. In addition, during the year, the statutory compliance team reviewed and refreshed the compliance checklists to reflect regulatory changes and to strengthen completeness and timeliness of compliance tracking.

Along with a compliance management platform, the statutory compliance team also oversees a dedicated license management module, to track validity and renewals of licenses across locations with system driven alerts aligned to statutory timelines and prescribed thresholds. Any instances of delay or overdue compliance are automatically escalated to senior management for corrective action.

In addition, the Company operates a centralised regulatory communication management module administered by the statutory compliance team for handling notices, inspection reports, and correspondence from statutory authorities. The system triggers immediate alerts upon receipt, enables collaborative and version controlled response drafting, monitors statutory response timelines, and provides end-to-end notice lifecycle tracking supported by governance ready dashboards and MIS for senior management and Board review.

## Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company, *inter alia,* provides that the Nomination and Remuneration Committee shall: (i) formulate the criteria for Board membership, including the appropriate mix of Executive & Non-Executive Directors; (ii) lay down the criteria for appointment in Key Managerial Personnel and Senior Management positions; (iii) approve and recommend compensation packages and policies for Directors and

Senior Management; (iv) lay down the process for the effective manner of performance evaluation of the Board, its Committees and the Individual Directors; and (v) play the role of Compensation Committee in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations") and administer the Asian Paints Employee Stock Option Plan 2021.

Salient features of the Nomination and Remuneration Policy of the Company are outlined in the Report of Corporate Governance forming part of this Integrated Annual Report. The Policy is also available on the Company's website at https://www.asianpaints.com/NRCPolicy.html.

## Remuneration of Directors, Key Managerial Personnel and Senior Management

The remuneration paid to the Directors, Key Managerial Personnel, and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 read with Schedule II of the Listing Regulations. Details on the same are given in the Report of Corporate Governance forming part of this Integrated Annual Report.

Mr. Amit Syngle, Managing Director & CEO of the Company, has not received any remuneration or commission from any of the subsidiary companies. As the Company does not have any holding company, hence, there does not arise a circumstance of any remuneration or commission received by him from a holding company.

The information required under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the Directors and employees of the Company is set out in Annexure (C) to this Report.

## Board Evaluation

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for effective evaluation of the performance of the Individual Directors, Committees of the Board, and the Board as a whole.

The detailed process of evaluation, including criteria, and the outcomes thereto are set out in the Report of Corporate Governance forming part of this Integrated Annual Report.

## Asian Paints Employee Stock Option Plan 2021

The Asian Paints Employee Stock Option Plan 2021 ("2021 Plan") as approved by the shareholders of the Company was introduced to incentivise, retain, and attract key talent through a performance-based stock option grant program and consequently enhance shareholder value. The 2021 Plan aims to create a sense of ownership among the eligible employees of the Company and its subsidiaries and to align their medium and long-term compensation with the Company's performance.

The vesting criteria are primarily based on the achievement of annual performance parameters by the eligible employees, number of years of service, and such other criteria as may be prescribed by the Nomination and Remuneration Committee i.e., the Administrator, from time to time.

During the year, the Company has not granted loan to its employees for purchasing shares of the Company. Voting rights on the shares as may be credited to employees pursuant to exercise of stock options under 2021 Plan are to be exercised by them directly or through their appointed proxy, hence, the disclosure prescribed under Section 67(3) of the Act read with Rules issued thereunder is not applicable.

The details of the stock options granted under the 2021 Plan and the disclosures in compliance with the SEBI SBEB Regulations are set out in Annexure (D) to this Report and are available on the Company's website at https://www.asianpaints.com/AnnualReports.html.

The 2021 Plan is being implemented in accordance with the provisions of the Act and SEBI SBEB Regulations, and is available on the Company's website at https://www.asianpaints.com/ESOPplan.html.

The certificate from the Secretarial Auditor on the implementation of the 2021 Plan in accordance with Regulation 13 of the SEBI SBEB Regulations, has been uploaded on the Company's website at https://www.asianpaints.com/AnnualReports.html. The certificate will also be available for electronic inspection by the members during the ensuing 80th AGM of the Company.

## Corporate Social Responsibility

During the financial year 2025-26, the Company spent ₹ 115.14 crores towards Corporate Social Responsibility ("CSR") activities, including set-off of excess CSR spends of ₹ 0.51 crore from the previous years, in accordance with the CSR annual action plan approved by the CSR Committee and the Board. The Company's CSR initiatives are focused on health & hygiene, vocational skills and water stewardship.

The CSR Committee confirms that the implementation and monitoring of the CSR Policy was done in compliance with the CSR objectives and policy of the Company.

The CSR Annual Report in the prescribed format is set out in Annexure (E) to this Report. Impact assessment disclosures, where applicable, are included in the CSR annexure and the detailed reports are hosted on the Company's website.

The CSR Policy is available on the Company's website at https://www.asianpaints.com/CSRPolicy.html.

## Risk Management

The Company views risk as an inherent element of its business landscape and is committed to managing it in a structured, forward-looking, and effective manner. Sustained success depends on the Company's ability to balance risk management with opportunity creation, supported by continuous evaluation of both internal and external risk factors to limit adverse impacts.

A systematic framework underpins the Company's approach to risk management, involving regular identification, assessment, recording, mitigation, and monitoring of risks. Periodic risk assessments are conducted to evaluate potential threats and opportunities that may influence the achievement of strategic and operational objectives.

The Steering Committee proactively identifies emerging risks such as advancements in artificial intelligence, changes in regulatory framework, and shifts in global trade, and undertakes rigorous evaluation to develop both short-term and long-term mitigation strategies for risks with material impact. These actions are embedded within the Company's strategic and business planning processes by the senior management, ensuring that risk considerations are integral to decision-making. Mitigation efforts include preventive controls to reduce likelihood and impact, as well as contingency planning to manage outcomes if risks materialise.

The risk management framework is designed to enable value creation in uncertain environments, reinforce governance standards and ensure resilience. Continuous oversight and periodic reviews ensure that the risk management framework remains dynamic and aligned with evolving business and external conditions.

The Company has formalised its approach through a Risk Management Policy, which provides the risk management structure including guidance on addressing risks and leveraging opportunities. Oversight of risk management rests with the Risk Management Committee, which has been entrusted with responsibility by the Board to review the risk management processes and ensure adequacy of risk management system.

The Company periodically strengthens its risk management practices to keep pace with increasing complexity and a rapidly evolving environment, with the objective of maintaining risks within the defined appetite. Based on the Board's evaluation, no risks currently threaten the Company's continuity. Key risks and mitigation strategies are disclosed in the Management Discussion and Analysis section forming part of this Integrated Annual Report.

The Risk Management Policy of the Company is available on the Company's website at https://www.asianpaints.com/RMPolicy.html.

## Integrated Annual Report

The Company continues with its integrated reporting journey in the current financial year, aligning with its purpose of Bringing joy to people's lives. This is the sixth year of publication of the Integrated Annual Report of the Company in line with the framework published by the International Financial Reporting Standards Foundation ("IFRS").

The Global Reporting Initiative disclosures presented in this Integrated Annual Report have been subject to reasonable/limited assurance. The Assurance Report issued by Deloitte Haskins & Sells LLP has been annexed to this Integrated Annual Report.

The Integrated Annual Report comprises both financial and non-financial information to illustrate how different 'capitals' are deployed to enable the creation of value, thereby enabling the members to make well-informed decisions and have a better understanding of the Company's long-term perspective and value creation for all the stakeholders. The Integrated Annual Report, like last year, is structured around Environmental, Social and Governance ("ESG") commitments and how they are integrated into the Company's business strategy. The Company's focus on creating sustainable operations, supported by empowered people and world-class governance, helps to build and grow the Company's business seamlessly.

The key initiatives taken by the Company, *inter alia,* with respect to the stakeholder engagement, ESG, Health & Safety of employees/workers, and progress against ESG commitments have been provided separately under various sections of this Integrated Annual Report.

During the year, the Company undertook a Double Materiality Assessment ("DMA") to identify and prioritise key ESG matters based on their impact on society and the environment, as well as their potential financial implications for the Company. The assessment involved identifying relevant ESG topics, stakeholder engagement, impact and risk assessment, and validation by management. The outcomes of the DMA shall support informed strategic

decision-making and enhance transparency for investors by highlighting ESG factors relevant to the Company's long-term value creation and risk management.

The Board acknowledges its responsibility for the integrity of the report and the information contained therein.

## Corporate Governance Report

In compliance with Regulation 34(3) read with Schedule V of the Listing Regulations, a separate Report on the Corporate Governance, as stipulated under the Listing Regulations is presented in a separate section forming part of this Integrated Annual Report.

## Business Responsibility and Sustainability Report

In compliance with Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report ("BRSR") on the environmental, social, and governance disclosures, including BRSR Core consisting of Key Performance Indicators as stipulated under the Listing Regulations is presented in a separate section forming part of this Integrated Annual Report.

## Annual Return

In accordance with Section 92(3) read with Section 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as of 31st March 2026 in Form MGT-7, is available on the Company's website at https://www.asianpaints.com/AnnualReturnFY2025-26.html. The Annual Return will be submitted to the Registrar of Companies within the timelines prescribed under the Act.

## Policy on Prevention of Sexual Harassment at Workplace

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the Prevention of Sexual Harassment Act"), the Company has formulated a Policy for prevention, prohibition and redressal of sexual harassment at workplace ("POSH Policy") and set up Internal Complaints Committees, as and where required, to redress complaints relating to sexual harassment at workplace. The POSH Policy is available on the Company's website at https://www.asianpaints.com/POSHPolicy.html.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

Further, the POSH Policy also covers contract workers, probationers, temporary employees, trainees, apprentices of the Company and any person visiting the Company at its office.

The Company periodically conducts sessions for employees across the organisation to build awareness about the Policy and the provisions of the Prevention of Sexual Harassment Act.

The complaints of sexual harassment received during the financial year 2025-26 by the Company were investigated in accordance with the POSH Policy and were resolved within the timelines prescribed in the Prevention of Sexual Harassment Act. The details with respect to such complaints and its status thereto, is as under:

| Particulars | Number of Complaints |
|---|---|
| Complaints received during the financial year | 3 |
| Complaints disposed off during the financial year | 3 |
| Cases pending for more than 90 days | Nil |
| Complaints pending as at the end of the financial year | Nil |

## Registrar and Share Transfer Agent

MUFG Intime India Private Limited (formerly Link Intime India Private Limited) is the Registrar and Share Transfer Agent of the Company.

## Share Capital

During the financial year 2025-26, there was no change in the authorised, issued, subscribed, and paid-up share capital of the Company, except the following increase in the authorised share capital of the Company in line with and upon the coming into effect of the Scheme of Amalgamation of Asian Paints (Polymers) Private Limited, a wholly owned subsidiary of Company, with the Company, with effect from 31st March 2026:

| Class of Shares | Earlier Authorised Capital (No. of Shares) | Face Value (₹) | Total Value (₹) | Revised Authorised Capital (No. of Shares) | Face Value (₹) | Total Value (₹) |
|---|---|---|---|---|---|---|
| Equity Shares | 99,50,00,000 | 1 | 99,50,00,000 | 13,99,50,00,000 | 1 | 13,99,50,00,000 |
| 11% Redeemable Cumulative Preference Shares | 50,000 | 100 | 50,00,000 | 50,000 | 100 | 50,00,000 |
| **Total Authorised Share Capital** | - | - | 1,00,00,00,000 | - | - | 14,00,00,00,000 |

## Confirmations:

a. During the year, the Company has not:
   i. issued any shares, warrants, debentures, bonds, or any other convertible or non-convertible securities;
   ii. issued equity shares with differential rights as to dividend, voting or otherwise;
   iii. issued any sweat equity shares to its Directors or employees;
   iv. made any change in voting rights;
   v. reduced its share capital or bought back shares;
   vi. changed the capital structure resulting from restructuring; and
   vii. failed to implement any corporate action.

b. The Company's securities were not suspended for trading during the year; and

c. The disclosure pertaining to the explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company.

## Unclaimed Dividend

During the year, unclaimed dividend amounting to ₹ 2.13 crores and 93,915 equity shares were transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Government of India, in accordance with the applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The details relating to unclaimed dividend lying in the unclaimed dividend accounts of the Company and details of resultant benefits arising out of shares already transferred to IEPF as on 31st March 2026 is provided in the General Shareholder Information section forming part of this Integrated Annual Report.

## Significant and Material Orders passed by the Regulators or Courts

During the year, there were no significant and material orders passed by any Regulator or Court or Tribunal impacting the going concern status of the Company or its future operations.

## Competition Law matter

The Company is a party to proceedings before the Competition Commission of India and in a separate matter before the appellate forum in relation to certain allegations under the Competition Act, 2002. The Company continues to cooperate with the authorities and provide necessary information in respect of the investigation which is ongoing and separately continues to strongly defend its position in the appeal which is also an ongoing matter.

## Loans and Investments

Particulars of loans, guarantees and investments as per Section 186 of the Act are disclosed in Note no. 35(b) to the standalone financial statements of the Company.

## Deposits

During the year, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

## Compliance with Secretarial Standards

The Company has complied with Secretarial Standards issued by the ICSI on Meetings of the Board of Directors & General Meetings. The Company has voluntarily adopted the Secretarial Standards on Dividend (SS-3) and Report of the Board of Directors (SS-4) issued by the ICSI.

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on the conservation of energy, technology absorption, and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is set out in the Annexure (F) to this Report.

## Awards and Accolades

Highlights of key recognitions received during the financial year 2025-26 are given in the Management Discussion and Analysis section forming part of this Integrated Annual Report.

## Other Disclosures

During the year:

a. the Company has complied with the applicable provisions of the Maternity Benefit Act, 1961;

b. no credit rating has been obtained by the Company with respect to its securities. Further, the details of the credit rating obtained by the Company with respect to its long-term and short-term borrowings have been provided separately in the General Shareholder

Information section forming part of this Integrated Annual Report;

c. no application has been made under the Insolvency and Bankruptcy Code, 2016; and

d. disclosures relating to difference between the amount of the valuation in case of one-time settlement is not applicable.

## Appreciation

The Board places on record sincere gratitude to all employees for their commitment and contribution during the year. With such a strong foundation and shared vision, the Board is confident to drive continued success in the years ahead.

The Board conveys its appreciation for its customers, shareholders, suppliers, business partners, bankers, the Government and regulatory authorities for their continued support.

For and on behalf of the Board of Directors

**R Seshasayee**
Chairman
(DIN: 00047985)

Place: Mumbai
Date: 29th May 2026

## Annexure (A-1) to Board's Report

### Secretarial Audit Report for the financial year ended 31st March 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:
The Members,
Asian Paints Limited,
6A & 6B, Shantinagar,
Santacruz (East),
Mumbai – 400 055.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Asian Paints Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2026 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings. There were no Foreign Direct Investment transactions during the Audit Period;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit Period); and

(h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period).

(vi) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) The Water (Prevention and Control of Pollution) Act, 1974 and the Water (Prevention and Control of Pollution) Rules, 1975;

(b) The Air (Prevention and Control of Pollution) Act, 1981 and the Air (Prevention and Control of Pollution) Rules, 1982;

(c) The Environment Protection Act, 1986 and Rules & Regulations thereunder;

(d) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;

(e) The Legal Metrology Act, 2009 and Rules & Regulations thereunder;

(f) The Regulation on Lead contents in Household and Decorative Paints Rules, 2016; and

(g) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and

(ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the Board of Directors of the Company, at its meeting held on 29th July 2025, had approved the Scheme of Amalgamation of Asian Paints (Polymers) Private Limited, ("Transferor Company"), a wholly-owned subsidiary of Asian Paints Limited ("Transferee Company" or "the Company") with the Company ("the Scheme of Amalgamation") in accordance with the provisions of the Companies Act, 2013 and other applicable laws, subject to receipt of necessary statutory and regulatory approvals, including the approval of the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"). The appointed date of the Scheme of Amalgamation is 1st April 2025.

The NCLT, vide its Order dated 10th March 2026 ("Order"), sanctioned the Scheme of Amalgamation and it is effective on 31st March, 2026 i.e. the date of filing of the certified copy of the Hon'ble NCLT Order sanctioning the Scheme of Amalgamation, with the Registrar of Companies, Maharashtra, at Mumbai by the Transferor Company and the Company.

**Dr. K. R. Chandratre**
FCS No.: 1370, C. P. No.: 5144

Place: Pune
Date: 29th May 2026

UDIN: F001370H000539151
Peer Review Certificate No.: 7703/2026

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

## Annexure to the Secretarial Audit Report

To:
The Members,
Asian Paints Limited,
6A & 6B, Shantinagar,
Santacruz (East),
Mumbai – 400 055.

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.

6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Dr. K. R. Chandratre**
FCS No.: 1370, C. P. No.: 5144

Place: Pune
Date: 29th May 2026

UDIN: F001370H000539151
Peer Review Certificate No.: 7703/2026

## Annexure (A-2) to Board's Report

### Secretarial Compliance Report of Asian Paints Limited for the financial year ended 31st March 2026

[Pursuant to regulation 24A(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I have examined:

(a) all the documents and records made available to us and explanation provided by Asian Paints Limited ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended **31st March 2026** ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956, rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the listed entity during the Review Period);

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (Not applicable to the listed entity during the Review Period);

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the listed entity during the Review Period);

(g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

(b) The listed entity has taken the following actions to comply with the observations made in the previous reports: Not Applicable.

(c) In respect of following matters, the listed entity, during the Review Period, has complied with as specified below:

| Sr. No. | Particulars | Compliance Status (Yes/No/Not Applicable) | Observations / Remarks by Practicing Company Secretary |
|---|---|---|---|
| 1. | **Secretarial Standards:**<br>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI). | Yes | - |
| 2. | **Adoption and timely updation of the Policies:**<br>(a) All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entity; and<br>(b) All the policies are in conformity with SEBI Regulations and have been reviewed and timely updated as per the regulations/circulars/guidelines issued by SEBI. | Yes | - |
| 3. | **Maintenance and disclosures on Website:**<br>(a) The listed entity is maintaining a functional website;<br>(b) Timely dissemination of the documents/ information under a separate section on the website; and<br>(c) Web-links provided in annual corporate governance report under regulation 27(2) of the SEBI LODR are accurate and specific which re-directs to the relevant document(s)/ section of the website. | Yes | - |
| 4. | **Disqualification of director:**<br>None of the directors of the listed entity is disqualified under Section 164 of Companies Act, 2013, as confirmed by the listed entity. | Yes | - |
| 5. | **Details related to subsidiaries of listed entity examined with respect to:**<br>(a) Identification of material subsidiary companies; and<br>(b) Disclosure requirements of material as well as other subsidiaries. | Yes | - |
| 6. | **Preservation of documents:**<br>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of documents and Archival policy prescribed under the SEBI LODR. | Yes | - |
| 7. | **Performance Evaluation:**<br>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of the financial year as prescribed in SEBI Regulations. | Yes | - |
| 8. | **Related Party Transactions:**<br>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions; and<br>(b) In case where no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee. | Yes<br>Not Applicable | <br>No such instances observed |
| 9. | **Disclosure of events or information:**<br>The listed entity has provided all the required disclosure(s) under Regulation 30 read with Schedule III to the SEBI LODR within the time limits prescribed thereunder. | Yes | - |
| 10. | **Prohibition of Insider Trading:**<br>The listed entity is in compliance with Regulation 3(5) and 3(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015. | Yes | - |
| 11. | **Actions taken by SEBI or Stock Exchange(s), if any:**<br>No Action has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder. | Yes | - |
| 12. | **Resignation of statutory auditors from the listed entity or its material subsidiaries, if any:**<br>In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the SEBI LODR by listed entities. | Not Applicable | No such instance Occurred |
| 13. | **Additional Non-compliances, if any:**<br>No additional non-compliance observed for any SEBI regulations/circulars/guidance notes, etc. | Yes | - |

**I further report that,** the listed entity is in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2)(za) of the SEBI LODR.

**Assumptions and Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. My responsibility is to report based upon my examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**Dr. K. R. Chandratre**
FCS No.: 1370, C. P. No.: 5144

Place: Pune
Date: 29th May 2026

UDIN: F001370H000539325
Peer Review Certificate No.: 7703/2026

## Annexure (B) to Board's Report

### Form AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 ("the Act") read with Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Act including certain arm's length transactions under the fourth proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis**

| | | |
|---|---|---|
| a. | Corporate identity number (CIN) or any other registration number | Not Applicable |
| b. | Name of the related party and nature of relationship | |
| c. | Nature of the contracts/arrangements/transactions | |
| d. | Duration of the contracts/arrangements/transactions | |
| e. | Salient terms of the contracts or arrangements or transactions including actual/expected contractual amount | |
| f. | Justification for entering into such contracts/arrangements/transactions | |
| g. | Date of approval by the Board | |
| h. | Amount paid as advances, if any | |
| i. | Date on which the resolution was passed in general meeting as required under the first proviso to Section 188 of the Act | |

**2. Details of material contracts or arrangements or transactions at arm's length basis**

| | | |
|---|---|---|
| a. | Corporate identity number (CIN) or any other registration number | Not Applicable |
| b. | Name of the related party and nature of relationship | |
| c. | Nature of the contracts/arrangements/transactions | |
| d. | Duration of the contracts/arrangements/transactions | |
| e. | Salient terms of the contracts or arrangements or transactions including actual/expected contractual amount | |
| f. | Date of approval by the Board | |
| g. | Amount paid as advances, if any | |

During the financial year 2025-26, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis and were approved by the Audit Committee of the Company, as required.

For and on behalf of the Board of Directors

**R Seshasayee**
Chairman
(DIN: 00047985)

Place: Mumbai
Date: 29th May 2026

## Annexure (C) to Board's Report

### Statement of Disclosure of Remuneration

[Pursuant to Section 197(12) of the Companies Act, 2013 ("the Act") and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### A. Remuneration details of Directors and Key Managerial Personnel of the Company for the financial year 2025-26 is as follows:

| Sr. No. | Name | Designation | Remuneration (₹) | Ratio to median Remuneration[8] | Percentage Increase/ Decrease in the Remuneration |
|---|---|---|---|---|---|
| 1. | R Seshasayee | Non-Executive Chairman/Independent | **1,37,00,000** | **10.92** | **59.30** |
| 2. | Manish Choksi | Non-Executive Vice Chairman/Promoter | **80,00,000** | **6.38** | **1.27** |
| 3. | Amit Syngle[4] | Managing Director & CEO | **31,24,46,860** | **249.09** | **179.04** |
| 4. | Malav Dani | Non-Executive Director/Promoter | **70,00,000** | **5.58** | **6.06** |
| 5. | Amrita Vakil | Non-Executive Director/Promoter | **67,00,000** | **5.34** | **4.69** |
| 6. | Nehal Vakil | Non-Executive Director/Promoter | **65,00,000** | **5.18** | **14.04** |
| 7. | Milind Sarwate | Non-Executive Director/Independent | **80,00,000** | **6.38** | **9.59** |
| 8. | Ireena Vittal | Non-Executive Director/Independent | **73,00,000** | **5.82** | **8.96** |
| 9. | Soumitra Bhattacharya | Non-Executive Director/Independent | **90,00,000** | **7.18** | **2.27** |
| 10. | Gopichand Katragadda | Non-Executive Director/Independent | **72,00,000** | **5.74** | **18.03** |
| 11. | Varun Berry | Non-Executive Director/Independent | **67,00,000** | **5.34** | **Refer Note 6** |
| 12. | Ashish Choksi[5] | Non-Executive Director/Promoter | **65,00,000** | **5.18** | |
| 13. | R J Jeyamurugan[7] | CFO, Company Secretary & Compliance Officer | **5,36,53,863** | **42.77** | **10.73** |

**Notes:**

1. The aforesaid details are calculated on the basis of remuneration for the financial year 2025-26 and include commission and sitting fees paid to the Directors during the financial year.
2. The commission paid to Non-Executive Directors is determined based on defined parameters, including their respective roles, responsibilities, and contribution to Board and Committee meetings, and is reviewed periodically by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. During the financial year 2025-26, the commission was revised in accordance with this process.
3. The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
4. The remuneration to Amit Syngle consists of two parts: fixed and variable, the latter linked to achievement of predetermined performance parameters. Only the fixed part of the remuneration was paid for the financial year 2024-25, while the remuneration for the financial year 2025-26 includes the variable element, commensurate with the performance. The remuneration is recommended by the Nomination & Remuneration Committee and approved by the Board.

   The remuneration for the financial year 2025-26 includes perquisite value of ₹ 3,73,29,974 on the ESOPs granted for the financial year 2020-21 and 2021-22 exercised in the financial year 2025-26 and the commission for the financial year 2025-26. Further, the aforesaid remuneration for the financial year 2025-26 excludes stock options worth ₹ 14,12,00,000 granted in accordance with the Asian Paints Employee Stock Option Plan 2021 ("2021 Plan") for the financial year 2025-26. The stock options would equally vest over a period of three years on fulfilment of vesting conditions in accordance with the 2021 Plan.
5. Ashish Choksi was appointed as Non-Executive Director with effect from 1st April 2025.
6. Ratio to median remuneration and percentage increase/decrease in remuneration are not reported as Varun Berry was holding directorship for part of the financial year 2024-25 and Ashish Choksi was appointed during financial year 2025-26.
7. The remuneration to R J Jeyamurugan for the financial year 2025-26 includes perquisite value of ₹ 21,51,448 on the ESOPs granted for the financial year 2021-22 exercised in the financial year 2025-26 and the variable pay for the financial year 2025-26. Further, the aforesaid remuneration for the financial year 2025-26 excludes ₹ 61,00,000 worth of stock options granted in accordance with the 2021 Plan for the financial year 2025-26. The stock options would vest on fulfilment of vesting conditions in accordance with the 2021 Plan.
8. The median remuneration of all employees who were present throughout the last & current financial year was ₹ 12,54,353 and ₹ 12,40,678 per annum for the financial year 2025-26 and 2024-25, respectively. The increase in median remuneration of employees for the financial year 2025-26, as compared to financial year 2024-25 is 1.10%.
9. The increase in average salary of employees (other than Key Managerial Personnel) for the financial year 2025-26, as compared to financial year 2024-25 is 9.21% (including performance-based incentive) for those employees who are present throughout the last & current financial year.
10. The remuneration of Key Managerial Personnel increased by 128.21% in the financial year 2025-26, as compared to the financial year 2024-25. The increase in remuneration of employees other than the Key Managerial Personnel is lower considering the increase in remuneration of Key Managerial Personnel.

### B. Number of permanent employees on rolls of the Company as on 31st March 2026:

| Particulars | No. of employees |
|---|---|
| Manager cadre | **1,672** |
| Staff | **7,781** |
| Operators/Workmen | **1,709** |
| **Total** | **11,162** |

C. It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel, and Senior Management is as per the Nomination and Remuneration Policy of the Company.

D. The statement containing names of the top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of this Report is open for inspection by the members through electronic mode. Any member interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board of Directors

**R Seshasayee**
Chairman
(DIN: 00047985)

Place: Mumbai
Date: 29th May 2026

## Annexure (D) to Board's Report

### Disclosure in relation to Asian Paints Employee Stock Option Plan 2021

[Pursuant to Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations")]

All the relevant details of the Company's Employee Stock Option Plan are provided below and are also available on the website of the Company at https://www.asianpaints.com/AnnualReports.html.

### (A) Relevant disclosures in terms of the Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share based payments' issued in that regard from time to time:

Refer Note no. 34(3) forming part of the standalone financial statements and Note no. 33(3) of the consolidated financial statements for the financial year 2025-26. Please note that the said disclosure is provided in accordance with the Ind AS 102 – Share Based Payment.

### (B) Diluted EPS on issue of shares pursuant to all the schemes covered under the SEBI SBEB Regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by the Central Government or any other relevant Accounting Standards as issued from time to time:

Refer Note no. 31 forming part of the standalone financial statements and Note no. 31 of the consolidated financial statements for the financial year 2025-26. Please note that the said disclosure is provided in accordance with the Ind AS 33 – Earnings per share.

### (C) Details related to Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"):

| Sr. No. | Particulars | Details of 2021 Plan |
|---|---|---|
| **(i)** | **General terms and conditions of 2021 Plan:** | |
| (a) | Date of shareholders' approval | 29th June 2021 |
| (b) | Total number of options approved under 2021 Plan | 25,00,000 stock options will be granted over ten years period of the 2021 Plan. |
| (c) | Vesting requirements | The vesting period shall be decided by the Nomination and Remuneration Committee ("the Committee/NRC") from time to time in accordance with the 2021 Plan. As per the present norms, the minimum vesting period shall not be less than 12 months from the date of grant of the stock options (or such other minimum period as allowed under the SEBI SBEB Regulations) and the maximum vesting period shall not be more than 48 months from the date of grant of the stock options. Vesting may happen in one or more tranches. Vesting period excludes any unpaid long or sabbatical leave. In the event of disability or death or retirement of the Participant, there will be accelerated vesting.<br>The vesting will be in accordance with the 2021 Plan and SEBI SBEB Regulations as in effect from time to time. |
| (d) | Exercise price or Pricing Formula | The exercise price for any stock options granted to eligible employee shall be 50% to the "Reference Share Price" of the shares of the Company (rounded off to the next whole number, if not a whole number).<br>"Reference Share Price" means the average of the daily high and low of the volume weighted average prices of the shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made. |
| (e) | Maximum term of options granted | The maximum term of options shall not be more than 63 months. |
| (f) | Source of shares (primary, secondary or combination) | The 2021 Plan envisages a combination of fresh issue of shares and secondary (market) purchase of shares of the Company [through Asian Paints Employee Stock Ownership Trust ("ESOP Trust") to the extent of the secondary market purchase] subject to the regulatory approvals.<br>Since inception till date, shares are purchased through the secondary market purchase mechanism. |
| (g) | Variation in terms of options | No variation/modification/amendment was made in the term of options during the financial year 2025-26. |
| **(ii)** | **Method used to account for stock options** | Fair Value Method |
| **(iii)** | **Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company** | Not applicable |
| **(iv)** | **Option movement during the year:** | |
| | Number of options outstanding at the beginning of the period | 4,12,240 |
| | Number of options granted during the year | 2,98,384# |
| | Number of options forfeited/lapsed during the year | 40,162 |
| | Number of options vested during the year | 1,09,385 |
| | Number of options exercised during the year | 1,02,699 |
| | Number of shares arising as a result of exercise of options | 82,633 |
| | Money realised by exercise of options (₹), if scheme is implemented directly by the Company | Not Applicable |
| | Loan repaid by the ESOP Trust during the year from exercise price received | ₹ 17.66 crores* |
| | Number of options outstanding at the end of the year | 5,67,763 |
| | Number of options exercisable at the end of the year | 30,996 |
| **(v)** | **Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock** | Refer Annexure 1 |
| **(vi)** | **Employee wise details of options granted during the FY 2025-26 to:** | |
| (a) | Senior managerial personnel as defined under Regulation 16(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 | Refer Annexure 2 |
| (b) | Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year | Refer Annexure 2 |
| (c) | Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant | None |

| Sr. No. | Particulars | Details of 2021 Plan |
|---|---|---|
| **(vii)** | **Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:** | |
| (a) | Weighted-average values of share price | Refer Annexure 1 |
| | Exercise price | |
| | Expected volatility | |
| | Expected option life | |
| | Expected dividends | |
| | Risk-free interest rate | |
| | Any other inputs to the model | |
| (b) | The method used and the assumptions made to incorporate the effects of expected early exercise | Refer Annexure 1 |
| (c) | How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility | Refer Annexure 1 |
| (d) | Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition | Incase of stock options granted with market linked vesting conditions, fair value has been determined using Monte Carlo simulation. |
| **(viii)** | **Disclosures in respect of grants made in three years prior to IPO under each ESOS** | Not Applicable |

#Includes 1,49,879 stock options granted to Amit Syngle, Managing Director & CEO, for the financial year 2025-26, by the NRC at its meeting held on 28th April 2025 adjourned to 29th April 2025, subject to achievement of predetermined performance parameters.

*Does not include repayment of financial assistance amount of ₹ 20.41 crores given by the Company for the options exercised and shares credited to the eligible employees during the year.

## (D) Details related to Trust:

Given below are the details, *inter alia,* in connection with transactions made by the Trust meant for the purpose of administering the 2021 Plan under the SEBI SBEB Regulations:

### (i) General information on 2021 Plan:

| Sr. No. | Particulars | Details |
|---|---|---|
| (a) | Name of the Trust | Asian Paints Employee Stock Ownership Trust |
| (b) | Details of the Trustee(s) | 1. Barclays Wealth Trustees (India) Private Limited - Designated Trustee<br>2. Amit Kumar Singh - Other Trustee<br>3. Sachin Singh - Other Trustee |
| (c) | Amount of loan disbursed by the Company/any company in the Group, during the year | ₹ 48.63 crores* |
| (d) | Amount of loan outstanding (repayable to Company / any company in the Group) as at the end of the year | ₹ 165.58 crores |
| (e) | Amount of loan, if any, taken from any other source for which Company/any company in the group has provided any security or guarantee | Nil |
| (f) | Any other contribution made to the Trust during the year | Nil |

*During the year, the Company disbursed financial assistance amount of ₹ 50 crores out of which unutilised amount of ₹ 1.37 crores was refunded back to the Company.

### (ii) Brief details of transactions in shares by the Trust:

| Sr. No. | Particulars | Details |
|---|---|---|
| (a) | Number of shares held at the beginning of the year (1st April 2025) | 4,54,666 |
| (b) | Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share | Number of shares acquired: 2,09,299 equity shares through secondary acquisition<br>Percentage of paid-up share capital: 0.02% Weighted average cost of acquisition per share: ₹ 2,323.38 |
| (c) | Number of shares transferred to the employees/sold along with the purpose thereof | Number of shares sold by the ESOP Trust in FY 2025-26: 41,045<br>Number of shares transferred to the employees in FY 2025-26 pursuant to exercise: 69,425 |
| (d) | Number of shares held at the end of the year (31st March 2026) | 5,53,495 |

### (iii) In case of secondary acquisition of shares by the Trust:

| Sr. No. | Shares | In number | As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained (%) |
|---|---|---|---|
| (a) | Held at the beginning of the year | 4,54,666 | 0.05 |
| (b) | Acquired during the year | 2,09,299 | 0.02 |
| (c) | Sold during the year | 41,045 | * |
| (d) | Transferred to the employees during the year | 69,425 | 0.01 |
| (e) | Held at the end of the year | 5,53,495 | 0.06 |

*Less than 0.01%

**Notes:**

1. There was no change in the 2021 Plan since its implementation and the 2021 Plan is in compliance with the SEBI SBEB Regulations.
2. 1,51,330 stock options were granted to the eligible employees for the financial year 2025-26, by the NRC at its meeting held on 27th April 2026, basis their performance for the financial year 2025-26.
3. 1,54,257 stock options were granted to Amit Syngle, Managing Director & CEO, for the financial year 2026-27, by the NRC at its meeting held on 11th May 2026, subject to achievement of predetermined performance parameters.

For and on behalf of the Board of Directors

**R Seshasayee**
Chairman
(DIN: 00047985)

Place: Mumbai
Date: 29th May 2026

## Annexure 1

### a) Details of stock options granted during the year:

| Particulars | Grant 9 (excluding Managing Director & CEO) | Grant 10 (Managing Director & CEO) | | |
|---|---|---|---|---|
| | | Tranche 1 | Tranche 2 | Tranche 3 |
| Financial Year | 2024-25 | 2025-26 | 2025-26 | 2025-26 |
| Grant Date | 29th April 2025 | 29th April 2025 | 29th April 2025 | 29th April 2025 |
| Vesting Date | 1st April 2028 | 30th June 2026 or date of Annual General meeting for the FY 2025-26, whichever is later | 30th June 2027 or date of Annual General meeting for the FY 2026-27, whichever is later | 30th June 2028 or date of Annual General meeting for the FY 2027-28, whichever is later |
| Fair Value at Grant Date (₹) | 1,409 | 1,354/851# | 1,398/829# | 1,441/846# |
| Exercise Price (₹)* | 1,188 | 1,188 | 1,188 | 1,188 |
| Options outstanding at the beginning of the year | - | - | - | - |
| Options granted during the year | 1,48,505 | 50,781 | 50,211 | 48,887 |
| Options exercised during the year | - | - | - | - |
| Options forfeited during the year | - | - | - | - |
| Options lapsed during the year$ | 8,399 | 4,670 | 4,596 | 4,459 |
| Balance as at year end | 1,40,106 | 46,111 | 45,615 | 44,428 |
| Exercisable at period end | - | - | - | - |
| Weighted-average remaining contractual life (years) | 3 | 2.25 | 3.25 | 4.25 |

*Represents weighted average exercise price.

# Fair value differs for stock options granted for market/non-market linked vesting conditions.

$ Stock options have lapsed due to non fulfilment of vesting conditions.

### b) Fair Value of stock options granted during the year:

Fair Value of stock options was calculated using the Black Scholes Model. The key assumptions used for calculating the option fair value are as below:

| Grant date | Risk free interest rate | Expected option life | Expected volatility | Expected dividend | Market price at the time of grant of the option (₹) | Exercise price |
|---|---|---|---|---|---|---|
| Assumptions | Zero Coupon Sovereign Bond Interest Rate equivalent for option life (%) | Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period (years) | Based on daily volatility for period equivalent for option life (%) | Dividend yield is calculated as dividend paid in last FY divided by current share price (%) | | 50% of Reference Share Price (₹) |
| Grant 9 29th April 2025 | 6.05 | 3.42 | 26.37 | 1.04 | 2,451 | 1,188 |
| Grant 10 29th April 2025 Tranche 1 | 5.99 | 2.17 | 23.28 | 1.04 | 2,451 | 1,188 |
| Grant 10 29th April 2025 Tranche 2 | 6.04 | 3.17 | 26.02 | 1.04 | 2,451 | 1,188 |
| Grant 10 29th April 2025 Tranche 3 | 6.09 | 4.17 | 27.35 | 1.04 | 2,451 | 1,188 |

Fair Value of stock options (market linked vesting conditions) was calculated using the Monte Carlo simulations. The key assumptions used for calculating the option fair value are as below:

| Grant date | Risk free interest rate | Expected volatility | Market price at the time of grant of the option (₹) | Exercise price |
|---|---|---|---|---|
| Assumptions | Zero Coupon Sovereign Bond Interest Rate equivalent for option life (%) | Based on daily volatility for period equivalent for option life (%) | | 50% of Reference Share Price (₹) |
| Grant 10 29th April 2025 Tranche 1 | 5.96 | 26.57 (APL)/ 18.11 (NIFTY 50) | 2,451 | 1,188 |
| Grant 10 29th April 2025 Tranche 2 | 5.99 | 23.29 (APL)/ 15.33 (NIFTY 50) | 2,451 | 1,188 |
| Grant 10 29th April 2025 Tranche 3 | 6.11 | 24.89 (APL)/ 15.85 (NIFTY 50) | 2,451 | 1,188 |

Annexure 2

**Details of stock options granted during the year to senior managerial personnel as on 31st March 2026 and details of employee to whom stock options granted during the year amounting to 5% or more of the options granted during the year:**

**(i) Details of employee to whom stock options granted during the year amounting to 5% or more of the options granted during the year**

| Sr. No. | Participants | Designation | Grant 10 |
|---|---|---|---|
| 1. | Amit Syngle | Managing Director & CEO | 1,49,879 |

**(ii) Details of stock options granted during the year to senior managerial personnel as on 31st March 2026**

| Sr. No. | Participants | Designation | Grant 9 |
|---|---|---|---|
| 1. | Rahul Bhatnagar | President – Project Sales, R&T, Industrial JVs, Home Improvement, Supply Chain | 6,743 |
| 2. | R J Jeyamurugan | CFO, Company Secretary & Compliance Officer | 4,330 |
| 3. | Aashish Kshetry | Vice President – Systems | 2,130 |
| 4. | Sameer Salvi | Vice President – Backward Integration Businesses, Mantech & Strategy | 3,407 |
| 5. | Pragyan Kumar | Senior Vice President – Retail Sales, Marketing & Commercial | 3,052 |
| 6. | Savitha Shivsankar | Chief Human Resources Officer | 4,330 |
| 7. | Gagandeep Kalsi | Vice President – Strategy, Business Development, Décor and Services | 2,556 |
| 8. | Amit Kumar Singh | Vice President – Corporate Affairs & CSR | 2,556 |
| 9. | Alok Agrawal | General Manager – Internal Audit & Risk (Chief Internal Auditor) | 1,562 |
| 10. | Joseph Eapen | Chief Executive – APIPL | 1,562 |

**Notes:**

1. The exercise price of Grant 9 is ₹ 1,188. The exercise price of stock options granted to eligible employees is at 50% of the "Reference Share Price" of the Company, as defined under the 2021 Plan.
2. 32,204 stock options were granted to the senior management personnel for the financial year 2025-26, by the NRC at its meeting held on 27th April 2026, basis their performance for the financial year 2025-26.

## Annexure (E) to Board's Report

### Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1. Brief Outline of CSR Policy

Rooted in the Company's purpose of *"Bringing joy to people's lives"*, Asian Paints' Corporate Social Responsibility ("CSR") Policy is anchored in trust, fairness, and care.

The Company's CSR initiatives are designed to create a lasting value in the communities we operate, with a focus on sustainable community development, livelihood enhancement, employee volunteering, and responsible business practices. These interventions are aligned with the broader ESG promises.

The Company's CSR approach is guided by the following principles:

a. actively initiating and participating in projects that together make it the local lighthouse for the region which significantly improves the lives of the people where it operates and is present.

b. providing vocational training and imparting skilling to enhance the livelihood and skills of people who are primarily from the unorganised sector.

c. commitment to create social and economic value as a corporate citizen and encouraging employees to participate and contribute to our various CSR programmes.

d. managing the Company's operations using principles of sustainable development to minimise resource footprint and protect the health & safety of all the stakeholders.

**Key highlights of the CSR activities undertaken during the year are listed below:**

**a. Enhancing Vocational Skills**

The Beautiful Homes Academy ("BHA" or "Academy") promotes inclusive growth and livelihood enhancement by enabling individuals to enhance their skills, thereby fostering a sense of dignity, pride and self reliance. Leveraging Asian Paints' domain expertise, the Academy delivers capability-building programmes across multiple trades including paint application, specialised finishes, waterproofing, wood finishes, wallpaper installation, carpentry and plumbing, along with modules on finance, business, customer engagement, and safety.

During the year, the Academy delivered multi-level trainings across trades, alongside focused programmes such as mechanisation, NextGen, Décor Advisor, Shop Manager, and Health & Safety trainings.

The Academy also launched a WhatsApp Broadcast Channel to enable continued engagement with participants after completion of training through curated content such as success stories, quizzes, practical frameworks, testimonials and nudges for subsequent learning.

Asian Paints' *'Kamyabi Ke Rang'* brings to life inspiring journeys shaped by determination, craftsmanship, and the pursuit of excellence. Click here to watch all episodes of *'Kamyabi Ke Rang'*.

| Key Impact for the FY 2025-26 | |
|---|---|
| Total participants trained | 9,45,652 |
| Total unique participants trained* | 3,24,020 |

*Total unique participants trained since FY 2014-15 were 11,89,557.

**b. Water Stewardship**

Watermark continues to be a core pillar of the Company's CSR strategy with a focus on measurable, sustainable and community-owned water security outcomes across its operational geographies. The Company adopts an integrated approach addressing both water availability (supply-side) and water use efficiency (demand-side) to build long-term resilience in water-stressed communities.

Under the Watermark programme, supply-side interventions during the year focused on rejuvenation of water bodies, creation and restoration of water storage infrastructure, canal lining, and feeder channel development, contributing to improved water capture, storage and groundwater recharge. Complementing this, demand-side initiatives promoted water-efficient agricultural practices, enabling optimised water to use and reducing pressure on local water resources.

Nature based solutions including micro algae-based technology-phycoremediation were implemented at select locations to address water quality challenges and enable reuse of treated water.

The programme continues to strengthen local ownership and usability of water assets, ensuring

that the water systems remain functional, accessible, relevant, and sustainable over time.

The programme is implemented with a strong emphasis on scientific planning (including geo-hydrological assessments), community participation and convergence with local stakeholders, ensuring that interventions are context-relevant and impact-driven.

Through these efforts, the Company continues to strengthen access, reliability, and sustainability of water resources, while fostering community ownership and long-term functionality of created assets, thereby delivering a lasting "Watermark" across its areas of operation.

| Key Impact for the FY 2025-26 | |
|---|---|
| Water Potential Created (in KL) | **44,61,705** |
| Total Water Replenishment (in KL) | **61,01,718** |
| No. of Water Bodies restored | **147** |
| Water Neutrality (in %) | **589** |

### c. Health & Hygiene

The Company primarily delivers its primary healthcare interventions through Mobile Medical Units ("MMUs"), ensuring last-mile access to essential health services in underserved and remote communities. The MMU model enables the Company to provide regular, doorstep primary healthcare, including outpatient consultations, basic diagnostics, and free medicines. By addressing accessibility barriers such as distance, cost, and limited infrastructure, MMUs have become the backbone of the Company's Health & Hygiene program.

To enhance the effectiveness and long-term impact of these services, the Company adopts an integrated approach by layering targeted interventions on top of MMU operations. Other areas of operations through MMUs are nutrition and malnutrition, general health awareness camps, and Specialty camps.

In addition, the Company has designed specific outreach interventions for vulnerable populations such as truck drivers, who often face occupational health risks and limited access to continuous healthcare. Through trucker health programs anchored around MMU services or static camps at transport hubs, the Company provides screenings for non-communicable diseases, awareness on hygiene, substance abuse, and preventive care.

The multi-pronged service delivery model strengthens health outcomes by moving beyond basic healthcare to value driven healthcare at doorstep. By integrating nutrition and targeted outreach programs within the MMU framework, the Company ensures a holistic, community-centric healthcare approach that addresses both immediate medical needs and underlying determinants of health.

| Key Impact for the FY 2025-26 | |
|---|---|
| Beneficiaries impacted through Mobile Medical Units | **1,95,023** |
| Beneficiaries impacted through Static Health Units | **64,468** |
| **Total beneficiaries impacted** | **2,59,491** |

### d. Employee Volunteering

The SPARSH – Employee Volunteering Programme ("EVP") brings together purpose-driven engagement across key initiatives such as Arogya Saathi, Jal Saathi, Rakta Saathi, and IT Skill Saathi, beach clean-up drives, and blood donation camps. Rooted in the Company's core CSR focus areas of health and water, Arogya Saathi and Jal Saathi enable employees to actively contribute to community well-being—supporting health awareness sessions, and water stewardship activities at the grassroots. These initiatives extend the impact of flagship programs like MMUs and water conservation by fostering employee ownership and deeper community connection.

Complementing these are IT Skill Saathi sessions that promote digital literacy, alongside environmental actions like beach cleanups that reinforce sustainability values. Blood donation drives further underscore the Company's commitment to saving lives through collective action. By integrating core CSR priorities into EVP, the Company has created a unified platform that transforms employees into active partners in driving inclusive and sustainable development.

During the year, the EVP initiative was also extended to our interventions under the area of Beautiful Homes Academy. The employees stepped in as volunteer trainers and took interactive sessions of various training modules for the participants. The participants reported positive learning outcomes, including improved customer and team handling, better understanding of site challenges and resolutions, and enhanced knowledge of colour consultation, and effective pitching techniques.

To know more about our initiatives in the area of CSR, please refer the detailed discussions under the Synergising Relationships section forming part of this Integrated Annual Report.

## 2. Composition of CSR Committee

| Sr. No. | Name of Members | Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| a. | Malav Dani, Chairman | Non-Executive Director/Promoter | 4 | 4 |
| b. | Amit Syngle | Managing Director & CEO | 4 | 4 |
| c. | Amrita Vakil | Non-Executive Director/Promoter | 4 | 4 |
| d. | Gopichand Katragadda | Non-Executive Director/Independent | 4 | 4 |

R J Jeyamurugan, CFO & Company Secretary of the Company, is the Secretary to the CSR Committee.

## 3. Web-link where composition of CSR Committee, CSR Policy, and CSR Projects approved by the Board are disclosed on the website of the Company

| Sr. No. | Particulars | Weblink |
|---|---|---|
| a. | Composition of CSR Committee | https://www.asianpaints.com/CommitteeComposition.html |
| b. | CSR Policy | https://www.asianpaints.com/CSRPolicy.html |
| c. | CSR Projects | https://www.asianpaints.com/CSRProjects2025-26.html |

## 4. Executive summary along with web-links of Reports of Impact Assessment of CSR Projects carried out in pursuance of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014

The Company has appointed agencies to undertake independent review and impact assessment for the eligible CSR activities undertaken during the previous financial years.

During the year, the Company had engaged two external agencies to conduct the impact assessment of the fourteen eligible CSR projects undertaken by the Company in the previous financial years as per the provisions of the Act.

Below is the executive summary of the reports of impact assessment of CSR projects carried out in pursuance of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 by independent agencies:

| Particulars | Health & Hygiene | Water Stewardship | Health & Hygiene | Enhancing Vocational Skills |
|---|---|---|---|---|
| **Name of independent agency conducting Impact Assessment** | KPMG Assurance and Consulting Services LLP | KPMG Assurance and Consulting Services LLP | KPMG Assurance and Consulting Services LLP | Sattva Consulting |
| **Scope of Project** | ***SAFAR – truckers wellbeing interventions*** | ***Water for livelihoods, Water Resource Management, and Water Resource Development & Rainwater Harvesting*** | ***Static Health Units/ Mobile Medical Units*** | ***Beautiful Homes Academy*** |
| | To strengthen access to primary healthcare for the trucker community operating by providing basic medical consultations, diagnostic services, preventive healthcare, and physiotherapy support, while facilitating awareness of government healthcare schemes. | To create and strengthen water harvesting structures, *inter alia,* to promote basic supplementary irrigation and improve water storage and availability, while encouraging sustainable farming practices aimed at enhancing household income of the farming community and delivering positive environmental outcomes. | To deliver primary healthcare and health awareness services through last-mile outreach, at the same time strengthening medical infrastructure in the form of mobile medical van, setting-up of static health clinic, facilitating doctors, nurse, medicines, and diagnostic lab testing equipment. | To build capabilities by providing vocational and skill-based training to painters, applicators, plumbers, and carpenters, to enhance their employability and improve their livelihoods. |

| Particulars | Health & Hygiene | Water Stewardship | Health & Hygiene | Enhancing Vocational Skills |
|---|---|---|---|---|
| **Key highlights of impact created** | Nearby clinics and mobile units made healthcare easier to access, reducing travel effort and delays in seeking timely medical care.<br>Free medicines and local treatment helped lower out-of-pocket costs and prevent loss of daily wages due to illness. | Community water sources became more reliable, improving year-round availability for domestic and agricultural needs.<br>Natural treatment and restoration measures helped enhance water quality and reduce local water stress. | The project aided in reduced expenses on healthcare and overall access to healthcare facilities. | The program strengthened skills and improved livelihood opportunities for participants, thereby leading to financial independence and overall enhanced quality of life. |

The detailed impact assessment reports for fourteen CSR Projects and its executive summary can be accessed on the Company's website at https://www.asianpaints.com/AnnualReports.html.

5.

| Sr. No. | Particulars | Amount (₹ in Crores) |
|---|---|---|
| a. | Average net profit of the Company as per Section 135(5) of the Act | 5,732.35 |
| b. | Two percent of the average net profit of the Company as per Section 135(5) of the Act | 114.65 |
| c. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | 0.00 |
| d. | The amount required to be set-off for the financial year, if any | 0.51 |
| e. | Total CSR obligation for the financial year (5b+5c-5d) | 114.14 |

6.

| Sr. No. | Particulars | Amount (₹ in Crores) |
|---|---|---|
| a. | Amount spent on CSR Projects (both ongoing projects and other than ongoing projects) | 108.93* |
| b. | Amount spent on Administrative Overheads | 5.56 |
| c. | Amount spent on Impact Assessment | 0.65 |
| d. | Total amount spent for the financial year (6a+6b+6c) | 115.14* |

*The amount spent on the CSR activities for the financial year includes the set-off of the excess amount of ₹ 0.51 crore spent by the Company on CSR activities in the previous financial years.

## e. CSR amount spent or unspent for the financial year:

| Total amount spent for the financial year (₹ in Crores) | Amount unspent (₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act | | The amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act | | |
| | Amount (₹) | Date of transfer | Name of the Fund | Amount (₹) | Date of transfer |
| 115.14* | - | - | - | - | - |

*The amount spent on the CSR activities for the financial year includes the set-off of the excess amount of ₹ 0.51 crore spent by the Company on CSR activities in the previous financial years.

## f. Excess amount for set off:

| Sr. No. | Particulars | Amount (₹ in Crores) |
|---|---|---|
| i. | Two percent of the average net profit of the Company as per Section 135(5) of the Act | 114.65 |
| ii. | Total amount spent for the financial year | 115.14* |
| iii. | Excess amount spent for the financial year [f(ii)-f(i)] | 0.49 |
| iv. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 0.00 |
| v. | The amount available for set off in succeeding financial years [f(iii)-f(iv)] | 0.49 |

*The amount spent on the CSR activities for the financial year includes the set-off of the excess amount of ₹ 0.51 crore spent by the Company on CSR activities in the previous financial years.

7. Details of Unspent CSR amount for the preceding three financial years:

| Sr. No. | Preceding financial year(s) | Amount transferred to Unspent CSR Account under Section 135(6) of the Act (₹ in Crores) | Balance Amount in Unspent CSR Account under Section 135(6) of the Act as on 1st April 2025 (₹ in Crores) | Amount spent in the reporting financial year (₹ in Crores) | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act, if any | Amount remaining as on 31st March 2026 to be spent in succeeding financial years (₹ in Crores) | | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Amount (₹ in Crores) | Date of transfer | |
| - | - | - | - | - | - | - | - | - |

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year: No

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) of the Act: Not applicable

For and on behalf of the CSR Committee

**Malav Dani**
Chairman of CSR Committee
(DIN: 01184336)
Place: U.S.A.
Date: 29th May 2026

**Amit Syngle**
Managing Director & CEO
(DIN: 07232566)
Place: Mumbai
Date: 29th May 2026

## Annexure (F) to Board's Report

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 ("the Act") read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

### 1. Conservation of Energy

Energy management is one of the key strategic areas in the Company's pursuit of sustainability in its operations. Energy consumption is not only the main source of emissions but also has a direct implication on the cost of operations. The energy management strategy of the Company involves the following:

a. Increasing energy efficiency: This primarily involves reducing the quantity of energy used in our operations by process optimisation, technology-led energy interventions, fixed load optimisation and standardisation of energy conservation initiatives across plants.

b. Increasing the share of renewable energy: The Company has been making sustained efforts toward transitioning to renewable energy over the last decade through investments in solar and wind projects.

Some of the key measures taken by all the manufacturing units are stated below:

**i. Measures taken or impact on conservation of energy:**

The efforts of the Company in energy management have resulted in a gradual decline in its total energy consumption over the years, as well as increase in the percentage of renewable energy consumption.

Energy management and energy intensity are the key metrics for the performance measurement across teams at the site level as well as at the leadership level.

One of the key metrics that the Company has been monitoring and concentrating on is Specific Electricity Consumption at its decorative paint plants.

**ii. Utilising alternate sources of energy:**

The Company has an installed capacity of 27.61 MW of solar energy and 24.3 MW capacity of wind energy. The overall contribution of renewables to electricity consumption stands at 56.5% for decorative paint plants.

**iii. Capital investment on energy conservation equipment:**

The Company has spent about ₹ 19.9 lakhs as capital investment on energy conservation initiatives during the financial year apart from the investment in renewable energy resources of solar and wind.

For details on steps taken by the Company on the conservation of energy, waste management, and water conservation & replenishment, please refer to the Sustainable Operations section and the Business Responsibility and Sustainability Report forming part of this Integrated Annual Report.

### 2. Technology Absorption

**i. Efforts made towards technology absorption:**

This year sustained and focused efforts by the Research & Technology ("R&T") function enabled effective absorption, adaptation and internalisation of advanced technologies across technology platforms, products and processes. These initiatives fuelled the organisation's strategic priorities of strengthening backward integration, ensuring supply chain resilience, driving cost excellence, and delivering innovation-led growth amid highly uncertain geopolitical and macroeconomic conditions.

#### Backward Integration

The organisation attained readiness for Vinyl Acetate Ethylene ("VAE") deployment at pilot scale, along with successful development and laboratory validation of products based on VAE emulsion. This step marks a critical milestone towards future commercial scaleup and reinforces the Company's backward integration roadmap.

The technology function also played a key role in supporting the backward integration initiative related to cement by helping in the commissioning of two new cement plants at Fujairah and Naidupet and ensuring technical readiness to assimilate the output of these plants.

As part of the Make in India ("MII") initiative, localisation of technology was further expanded. The MII track for high end wood finish range of products was successfully implemented, enabling import substitution, improved supply reliability, cost optimisation, and alignment with global performance benchmarks.

#### Characterisation and Analytical Research

The physical characterisation and analytical research laboratories continued to enhance internal technology absorption by developing critical test methods to elucidate structure–property–performance relationships. During the year, eleven new test methods received NABL accreditation under ISO/IEC 17025, significantly strengthening in-house analytical depth, faster prototype screening, robust fault analysis, and improved competitive benchmarking capabilities. The accreditation also helped in giving further credence to product warranties.

#### Sustainability and Product Stewardship

Sustainability and product stewardship remained core focus areas. Two hundred and ninety products are GreenPro certified, and six products have received approval for the prestigious Green Seal eleven certification. Two key products in the area of pollution abatement and reduced water consumption won accolades both in the marketplace as well as industry fora.

#### Supply chain resilience through Project Samarthya

In response to global supply chain volatility, the technology function ensured uninterrupted operations by proactively developing raw material alternatives. Under Project Samarthya, development of raw materials, both in-house and in partnership, fructified with successful implementation of critical raw materials in the key additives and specialty monomer categories. These initiatives delivered differentiated performance at optimal costs while significantly enhancing supply chain resilience.

#### Breakthrough Projects

The Company's R&T Breakthrough commitment continued to drive transformative innovation, operational excellence, and customer-centric value creation. Projects undertaken during the year spanned interior and exterior architectural coatings, enamels, and wood coatings, building scalable and resilient technology platforms for sustained long-term competitiveness.

As part of the Nexpedition initiative, nine focused projects were undertaken primarily in the decorative, protective, flooring, and powder coating businesses translating strategic priorities into measurable business impact. One of the key initiatives, Project Vishwas, was undertaken to provide strong technical credence to warranties and create a sustainable competitive moat.

#### Technical Proficiency building

Internal capability development was further strengthened through Sikshalaya, R&T's in-house technical learning academy, which conducted seven structured technical training programs during the financial year 2025-26. Additionally, sixteen employees underwent the exhaustive Paints & Polymers Certification Programme involving a 100-hour blended learning curriculum comprising theoretical and hands-on training. The programme was conducted in collaboration with S K Somaiya University.

In the quest to deliver the desired performance of our products to the consumers, technical workshops highlighting the key features and right application techniques of our products were conducted for consultants, engineers and contractors.

#### Ideation and Technology forecasting

To foster a strong culture of ideation and innovation, the Idea Canvas platform continued to enable bottom-up innovation through structured evaluation, mentorship, and leadership engagement. Further, in order to strengthen continuous learning, a Journal Club initiative was introduced, with six sessions focused on recent research publications and emerging industry trends.

The Technology Council, a curated team of eminent technocrats from India and abroad, met for the thirteenth edition of the Technology Council meeting and gave insightful perspective about the technical happenings across the globe. The meeting concluded with earmarking of the key technical domains of strategic interest to Asian Paints.

#### Engagement with Universities and Research Organisation

Talent development and ecosystem engagement remained strong focus areas. Building on earlier successes, Alchemy 2026, a technology conclave for students and industry professionals, was launched on 16th December 2025 with a keynote address by Dr. S Somanath, Former Chairman, ISRO. The event marked the formal launch of case study topics across Polymers, Coatings, and Construction Chemicals domains and witnessed around threefold growth in participation, reflecting its growing global reach.

Asian Paints signed two MOUs viz. with Central

Building Research Institute, Roorkee and Central Electrochemical Research Institute, Karaikudi to collaborate on developing innovative products and testing methods for characterising raw material and coatings.

**ii. Benefits derived like product improvement, cost reduction, product development or import substitution:**

During the year, technology absorption initiatives resulted in:

a. Readiness for pilot scale deployment of VAE technology supporting future backward integration;

b. Successful commissioning support for new cement manufacturing capacities;

c. Twenty-five formulations were released with respect to new products for architectural paints, construction chemicals, and adhesives business;

d. Sixty-one formulations were released with respect to new products for Industrial business;

e. Import substitution through localisation under the Make in India initiative for high end wood finish coatings;

f. Enhanced product differentiation and warranty-backed credibility;

g. Cost optimisation and supply assurance through in-house and partnered development of critical raw materials. Critical import substitutes were developed as part of this initiative;

h. Strengthened sustainability credentials through GreenPro and Green Seal eleven certifications. In all six products have received approval for Green Seal eleven certification and two hundred and ninety products are Green Pro certified;

i. Faster, more robust product development enabled by developing critical analytical and characterisation methods. Eleven new test methods have received accreditation from NABL under ISO/IEC 17025; and

j. Asian Paints receiving four critical certifications for coating systems for railways which leveraged the technical competency of the organisation to protect national assets.

**iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

Not applicable

**iv. Expenditure incurred on Research and Development:**

(₹ in Crores)

| Particulars | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Capital | **3.13** | 2.95 |
| Recurring | **121.74** | 122.76 |
| **Total** | **124.87** | **125.71** |

## 3. Foreign Exchange Earnings and Outgo

(₹ in Crores)

| Particulars | FY 2025-26* | FY 2024-25* |
|---|---|---|
| Foreign exchange earned in terms of actual inflows | **258.18** | 202.93 |
| Foreign exchange outgo in terms of actual outflow | **3,216.51** | 4,407.18 |

*amount(s) are equivalent to the value of various currencies.

For and on behalf of the Board of Directors

**R Seshasayee**
Chairman
(DIN: 00047985)

Place: Mumbai
Date: 29th May 2026





# Report on Corporate Governance

The Report on Corporate Governance of the Company consists of the following sections:

**Asian Paints' Philosophy on Corporate Governance**

**Excellence in Corporate Governance**

**General Shareholder Information**

## Asian Paints' Philosophy on Corporate Governance

Corporate Governance at Asian Paints is a reflection of our values-driven commitment to responsible and sustainable growth. Anchored in the pillars of integrity, transparency, and accountability, it enables robust oversight and informed strategic decision-making across the organisation, reinforcing our vision of *"Bringing joy to people's lives"*.

Environmental, Social and Governance ("ESG") is embedded in our operating philosophy, and we continue to strengthen ESG integration across our operations to enable sustained long-term value creation for all stakeholders.

The Company continues to strengthen its governance framework in response to evolving regulatory expectations, stakeholder priorities, and global best practices.

Asian Paints adheres to the prescribed Corporate Governance practices as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and is also committed to being amongst the best-governed companies.

This report is prepared in accordance with the provisions of the Listing Regulations and provides an overview of the Company's Governance framework, systems, processes, and practices.

## Excellence in Corporate Governance

### Governance structure and defined roles & responsibilities

#### Board of Directors

The Board of Directors ("the Board") has the primary responsibility of enhancing stakeholder value and ensuring that the Company's strategy and objectives are aligned to sustainable growth and long-term value creation.

The Board is, *inter alia*, responsible for:

a. review of annual and long-term business plans & strategies, and monitoring their implementation;

b. review of business performance and key developments;

c. monitoring the effectiveness of the Company's Corporate Governance practices and process of disclosure;

d. ensuring a transparent and effective process of appointing, compensating the Board of Directors and Senior Management Personnel of the Company, and overseeing their succession planning; and

e. overseeing the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of controls are in place, in particular, systems for risk management, financial and operational controls, and compliance with applicable laws and standards.

The Directors bring diverse perspectives and provide independent judgement through active participation in Board and Committee deliberations, strengthening governance, risk oversight, and accountability.

Some of the distinctive aspects of the Board's functioning in Asian Paints include:

a. Beyond formal performance evaluation, the Board engages constructively with the management on long-term strategic matters such as growth opportunities, succession planning, innovation and technology, human capital management, organisational culture, etc.

b. Engagement extends beyond scheduled meetings. The Chairman actively encourages ongoing formal and informal interactions between board members and senior management outside scheduled meetings to build camaraderie and to support open dialogue.

c. The CFO & Company Secretary typically hold structured discussions with the Chairpersons of the Board and its Committees to align on key priorities and plan the agendas for forthcoming Board and Committee meetings.

d. The Board maintains a clear distinction between oversight and executive management functions. It focuses on

strategy, risk, governance and leadership matters, without involvement in day-to-day operations.

e. The Directors are expected to ensure that their other commitments do not materially impair their ability to discharge responsibilities effectively.

### Board Committees

The Board Committees have been constituted to oversee specific areas/activities, as mandated by applicable rules and regulations and as delegated by the Board, which need a closer review and specialised oversight. The terms of reference of the Committees approved by the Board define its scope, powers, and responsibilities.

The Chairperson of the respective Committees updates the Board on the key discussions held at the Committee meetings and presents the recommendations of the Committees, along with the underlying rationale.

The minutes of the meetings of all Committees are placed before the Board for noting. In the event of overlap in Committee remits, appropriate cross-committee coordination is undertaken to promote consistency in governance practices.

During the year under review, all the statutory recommendations of the Committees were approved by the Board.

The terms of reference of the Committees are in line with the applicable provisions of the Listing Regulations, the Companies Act, 2013 ("the Act") and the Rules issued thereunder. The detailed terms of reference of the Committees can be accessed on the Company's website at https://www.asianpaints.com/TOR.html. The Board undertakes an annual review of the terms of reference of all Committees to ensure their adequacy and effective functioning.

### Management

The management structure comprises the Managing Director & CEO and the members of the One Link group, including the Senior Management.

The One Link group comprises of the Managing Director & CEO, Presidents, Senior Vice Presidents, Vice Presidents, Associate Vice Presidents and General Managers and is led by the Managing Director & CEO. The One Link group also includes the members of the Senior Management of the Company comprising of members of the management who are reporting to the Managing Director & CEO and have respective functional responsibilities.

The One Link group drives future-oriented and innovative strategic projects across functions and businesses through a structured approach. It is also responsible for fulfilling Environment, Social and Governance ("ESG") commitments at the management level, with a defined weightage assigned to the achievement of these commitments as part of its key performance indicators.

The Managing Director & CEO reports to the Board and is in-charge of managing the affairs of the Company, executing the business strategy in consultation with the Board, and achieving annual and long-term business goals.

The management promotes decentralised, bottom-up decision-making, encouraging input across levels to foster transparency, collaboration, innovation, and empowerment.

## Board

### Composition of the Board

Asian Paints recognises the importance of Board diversity as a cornerstone of effective governance. A Board with varied experience, skills, industry knowledge, professional backgrounds and gender diversity strengthens oversight and supports sound decision making.

**Recognition of the Company's governance standards**

**Best Governed Company in Listed Segment – Large Category (2023)**

The Institute of Company Secretaries of India ("ICSI") honoured the Company in 2023 with the ICSI National Awards for 'Excellence in Corporate Governance'.

**IiAS Award**

Recognised under the 'LEADERSHIP' category on Indian Corporate Governance Scorecard 2025 assessment by Institutional Investor Advisory Services India Limited ("IiAS").

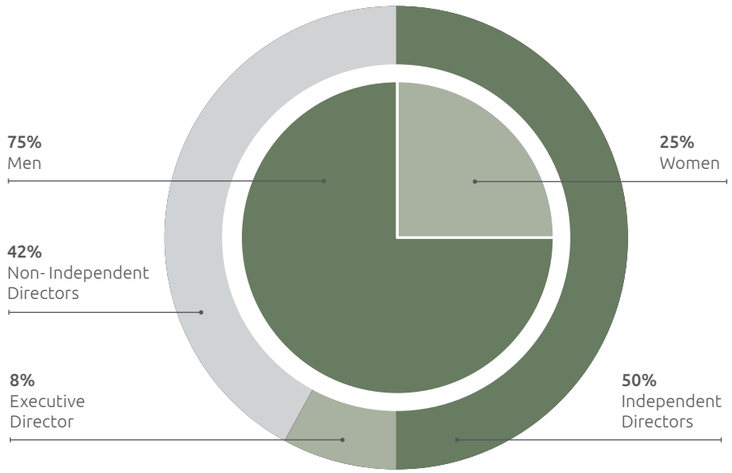
**ISS Scorecard**

The Company continues to maintain 'Leadership' score (1) in the Institutional Shareholder Services Inc. ("ISS") scorecard.

**Golden Peacock – Excellence in Corporate Governance**

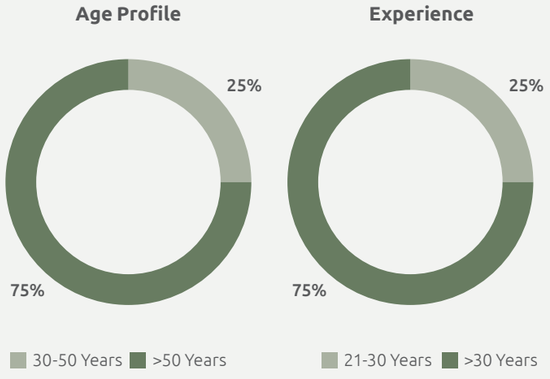
Awarded the 'Golden Peacock' Award by the Institute of Directors for 'Excellence in Corporate Governance' for three years i.e., 2020, 2021, and 2023.

**Composition of the Board**




**Average Tenure (in years)**




**Average Age of Board of Directors**

**59 Years**

**Average Attendance of Board of Directors**

**96%**

**Our Board is led by an Independent Non-Executive Chairman**

The Company's Board comprises an appropriate mix of Executive and Non-Executive Directors, in line with the applicable provisions of the Act and the Listing Regulations.

As on 31st March 2026, the Board comprised of 12 (twelve) members, 6 (six) Independent Directors, 5 (five) Non-Executive/Promoter Directors, and the Managing Director & CEO. The Chairman is an Independent Director.

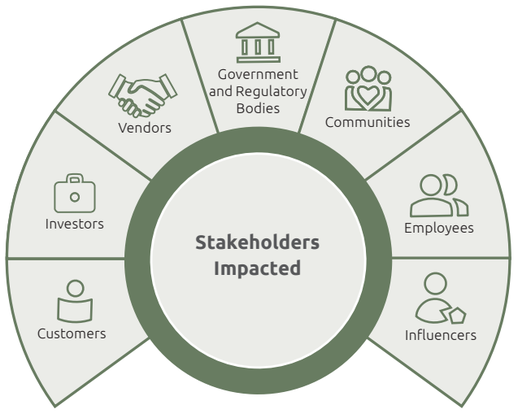
The brief profiles of Directors are available on page no. 34 of this Integrated Annual Report and has also been hosted on https://www.asianpaints.com/GovernanceStructure.html.

### No Permanent Board Seat

As on 31st March 2026, no Director held a permanent Board seat. The Directors serve for fixed terms not exceeding five years or are subject to retirement by rotation, as applicable.

## Stakeholders Impacted

The Board and its Committees, while exercising their roles and responsibilities, take informed decisions which impact its stakeholders across the value chain.




## Board Meetings, Committee Meetings and Procedures

### A. Conduct of Board/Committee Meetings

The schedule of the meetings of the Board, its Committees, and Independent Directors is prepared in advance, and an annual calendar of these meetings is circulated to the Directors and Committee members well in advance to support effective participation.

The meetings are generally held at the Company's Registered Office in Mumbai. Audio/Video conferencing facilities are made available to the Directors who are travelling and/or are located outside Mumbai to enable their participation in the meetings.

For urgent business matters, approval of the Board/ Committees is obtained by passing resolutions through circulation, as permitted by law, and these are noted in the next Board/Committee meeting. To facilitate effective discussions, the agenda is bifurcated into items requiring approval and items to be taken note of or are circulated for the information.

The Chairman sets the context and outlines key expectations at the outset of strategic and critical discussions, and provides a concise summary to ensure effective closure of deliberations.

Further, the management team is invited to attend the meetings with the permission of the Chairman to present the performance on key areas such as the Company's business segments and their operations, subsidiaries' performance, and key functions from time to time.

An inclusive approach is adopted whereby each member is encouraged to share their views, inputs, and concerns, enabling constructive dialogue focused on solution-oriented outcomes at the meetings.

### B. Circulation of Agenda Material and Board information

To protect confidentiality and reduce paper usage, agenda papers and explanatory notes are shared through a secure web-based application accessible on Directors' devices. All material information (including minimum information prescribed under Part A of Schedule II of the Listing Regulations) is circulated in advance. Information classified as Unpublished Price Sensitive Information ("UPSI") may, where necessary, be circulated at shorter notice with the unanimous consent of the Board.

The Company has adopted a 'safety-first' approach for all its meetings and business decisions. Each quarterly Board meeting begins with an elaborate discussion on the Health and Safety initiatives, reportable incidents, and corrective & preventive action taken by the management.

### C. Oversight and Governance

The Board reviews business performance against the annual plan and strategy, including financial results, subsidiary's performance, compliance status, fund position, investments, industrial relations, environmental consents, and regulatory matters.

It also deliberates on Board and senior management appointments, remuneration, and succession planning, and periodically provides guidance on strategy, budgets, capital expenditure, investments, governance, shareholder returns and ESG commitments, while factoring in economic, regulatory and industry developments. The Board also meets industry experts on matters of importance as and when deemed fit.

### D. Board Strategy Review and Deliberations

A strategy meeting of the Board of Directors is held annually to formulate, evaluate, and approve the business strategy of the Company. Functional heads present on key priorities, opportunities, and challenges to support deeper engagement with management.

### E. Access to information by the Board

The Board has unrestricted access to all Company-related information, including access to members of the management. The Company Secretary ensures that the Board and the Committees of the Board are provided with the relevant information, details, and documents required in advance, for decision-making.

### F. Minutes and Proceedings

The Company Secretary attends all the meetings of the Board and its Committees and is, *inter alia,* responsible for recording the minutes of such meetings. The Company adheres to the provisions of the Act and the Rules made thereunder, Secretarial Standards, and the Listing Regulations with respect to convening and holding the meetings, preparation of the agenda, explanatory notes, and minutes of the meeting of the Board, its Committees, and the General Meetings of the shareholders of the Company.

### G. Post-meeting follow-up mechanism

The Company has a structured and robust post-meeting follow-up, review, and reporting mechanism to ensure effective and timely implementation of the decisions taken by the Board and its Committees. The key decisions and action points arising from the meetings are promptly communicated to the respective functional heads for necessary action and are systematically monitored and tracked until closure. An Action Taken Report ("ATR") on the decisions of the previous meeting(s) is placed at the subsequent Board/Committee meeting for the information and noting of the Directors/members.

During the year under review, 7 (seven) meetings of the Board were held. The Directors attended the meetings either in person or through video conference, as permitted under the applicable law.

The composition of the Board of Directors along with details of the meetings held during the financial year 2025-26 and the attendance of Directors in person or through video conference, are detailed below:

| Name of the Director, Director Identification Number (DIN), and Nature of Directorship | Date of initial appointment | Meeting Dates 1 17th April 2025 | 2 8th May 2025 | 3 29th July 2025 | 4 12th November 2025 | 5 27th January 2026 | 6 23rd February 2026 | 7 26th March 2026 | % of attendance |
|---|---|---|---|---|---|---|---|---|---|
| R Seshasayee (00047985)<br>Non-Executive Chairman/Independent | 23-01-2017 | Video | Video | Present | Present | Present | Present | Video | 100 |
| Manish Choksi (00026496)<br>Non-Executive Vice Chairman/Promoter | 22-10-2018 | Video | Present | Present | Present | Present | Present | Present | 100 |
| Amit Syngle (07232566)<br>Managing Director & CEO | 01-04-2020 | Video | Present | Present | Present | Present | Present | Present | 100 |
| Malav Dani (01184336)<br>Non-Executive Director/Promoter | 21-10-2013 | Video | Video | Video | Video | Video | Video | Video | 100 |
| Amrita Vakil (00170725)<br>Non-Executive Director/Promoter | 14-05-2014 | Video | Present | Present | Present | Present | Present | Present | 100 |
| Milind Sarwate (00109854)<br>Non-Executive Director/Independent | 21-10-2021 | Video | Present | Present | Present | Present | Present | Present | 100 |
| Nehal Vakil (00165627)<br>Non-Executive Director/Promoter | 01-03-2022 | Video | Present | Present | Present | Present | Present | Present | 100 |
| Ireena Vittal (05195656)<br>Non-Executive Director/Independent | 25-07-2023 | Video | Video | Present | Absent | Present | Present | Present | 86 |
| Soumitra Bhattacharya (02783243)<br>Non-Executive Director/Independent | 26-10-2023 | Absent | Present | Present | Present | Present | Video | Present | 86 |
| Gopichand Katragadda (02475721)<br>Non-Executive Director/Independent | 01-04-2024 | Video | Present | Present | Present | Present | Present | Present | 100 |

| Name of the Director, Director Identification Number (DIN), and Nature of Directorship | Date of initial appointment | Meeting Dates 1 | 2 | 3 | 4 | 5 | 6 | 7 | % of attendance |
|---|---|---|---|---|---|---|---|---|---|
| | | 17th April 2025 | 8th May 2025 | 29th July 2025 | 12th November 2025 | 27th January 2026 | 23rd February 2026 | 26th March 2026 | |
| Varun Berry (05208062) Non-Executive Director/Independent | 23-10-2024 | Leave of absence | Video | Video | In person | In person | In person | Video | 86 |
| Ashish Choksi[1] (00059132) Non-Executive Director/Promoter | 01-04-2025 | Video | Video | In person | In person | In person | In person | Video | 100 |

In person: Attended in person; Leave of absence; Video: Attended through video conference

**Notes:**

1. Appointed as a Non-Executive Director of the Company with effect from 1st April 2025.
2. Sudhir Sitapati (DIN: 09197063) was appointed as an Additional and Independent Director of the Company with effect from 29th May 2026 for a term of five consecutive years, subject to the approval of shareholders of the Company.
3. The interval between any two Board Meetings was well within the maximum allowed gap of 120 days under the provisions of the Act and the Listing Regulations.
4. There was requisite quorum in all the meetings of the Board held during the financial year 2025-26.

All the Directors, except Mr. R Seshasayee, attended the last Annual General Meeting ("AGM") of the Company held on 26th June 2025 through video conference/other audio-visual means. Mr. R Seshasayee was unable to attend the AGM due to health reasons.

The details of Directors seeking appointment/ re-appointment form part of the Notice of the 80th AGM of the Company.

## Key discussions at the Board meetings during the financial year 2025-26

a. Reviewed on a quarterly basis, updates in relation to safety incidents, cyber security, environmental consents, and industrial relations.

b. Reviewed the business performance and approved the financial results and financial statements of the Company.

c. Approved the Company's capital expenditure plan for the financial year 2026-27, including the long-term strategy across its various businesses.

d. Discussed and reviewed the investments and acquisition proposals and monitored the status thereto.

e. Recommended and approved payment of dividends.

f. Recommended and approved the appointment and remuneration of the Secretarial Auditors, Cost Auditors and Statutory Auditors of the Company.

g. Reviewed the succession plan of the Board of Directors and Senior Management.

h. Approved the structure of remuneration payable to Managing Director & CEO of the Company, including performance parameters.

i. Reviewed and approved the remuneration payable to Directors, Key Managerial Personnel and Senior Management.

j. Approved the amendments to the Codes and Policies to further strengthen the corporate governance mechanisms.

k. Approved the Scheme of Amalgamation of Asian Paints (Polymers) Private Limited, a wholly-owned subsidiary of the Company, with the Company.

l. Approved the renewal of the Joint Venture Agreements of the Company with PPG Group, USA.

m. Approval of the proposal of divestment of stake held by the Company in Akzo Nobel India Limited.

n. Discussed and reviewed the recommendations of the proxy advisory firms and institutional investors on the resolutions placed for approval of the shareholders at the 79th AGM.

o. Discussed and reviewed the outcome of performance evaluation of the Board and its Committees for the financial year 2024-25 and the actionable items.

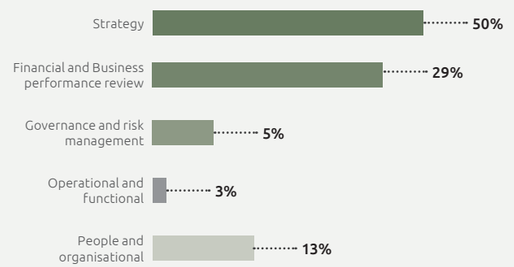
p. Reviewed the performance of the Company against its ESG commitments for the financial year 2024-25.

q. Reviewed the regulatory updates, including the Digital Data Protection Act, 2023 and New Labour Code, and its impact on the Company.

r. Reviewed and approved the other compliance requirements under the Act and Listing Regulations.

The aforesaid discussions/decisions of the Board, wherever applicable, were based on the recommendations of the respective Committees of the Board of Directors of the Company.

### Insights into Board Discussions




## Directors and Officers Liability Insurance

In accordance with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place, a Directors and Officers Liability Insurance ("D&O Insurance") policy. The Board reviews the adequacy and quantum of the D&O Insurance on an annual basis.

## Independent Directors

### Role of Independent Directors

Independent Directors play a critical role in safeguarding stakeholder interests by bringing objective judgement to Board deliberations on strategy, performance, risk, resource allocation and appointments to the Board and Management. They evaluate performance against agreed goals, uphold financial integrity, and strengthen oversight of risk management. The Independent Directors also ensure robust checks and balances to address conflicts of interest with fairness and equity.

### Meetings of Independent Directors

During the financial year 2025-26, the Independent Directors met thrice, without the presence of other Directors or management representatives at said meetings, in accordance with the Listing Regulations.

At such meetings, the Independent Directors, *inter alia,* discussed and reviewed matters arising from the agendas of the Board and the Committee meetings, as well as the performance of the Non-Independent Directors, the Board as a whole, and the Chairman of the Company. They also assessed the quality, quantity, and timeliness of flow of information between the Company's management and the Board to enable the Board to perform its duties effectively and reasonably. Further, the Independent Directors deliberated on succession planning of the Board and Senior Management Personnel, Board composition, performance of the Company, key risks faced by the Company, competition and strategy and expressed their views and satisfaction on the matters discussed.

The details of the meetings of Independent Directors held during the financial year 2025-26 and meetings attended by the Independent Directors of the Company, in person or through video conference, are detailed below:

| Name of Independent Director | Meeting Dates 1 | 2 | 3 | % of attendance |
|---|---|---|---|---|
| | 29th July 2025 | 12th November 2025 | 27th January 2026 | |
| R Seshasayee | In person | In person | In person | 100 |
| Milind Sarwate | In person | In person | In person | 100 |
| Ireena Vittal | In person | Leave of absence | In person | 67 |
| Soumitra Bhattacharya | In person | In person | In person | 100 |
| Gopichand Katragadda | In person | In person | In person | 100 |
| Varun Berry | Video | In person | In person | 100 |

In person: Attended in person; Leave of absence; Video: Attended through video conference

### Formal letter of appointment to Independent Directors

The Company has issued a formal letter of appointment/ re-appointment to Independent Directors in the manner provided in the Act. The terms and conditions of the appointment/re-appointment of Independent Directors are placed on the Company's website and can be accessed at https://www.asianpaints.com/letter-of-appointment-for-ID.html.

### Declarations from Independent Directors

Based on the declarations received from all the Independent Directors, confirmation from an independent firm, and in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act, the Listing Regulations, and are independent of the management.

## Non-Executive Directors' material relationships with the Company

The Company enters into related party transactions with its Directors and/or the entities in which its Directors are interested. These transactions entered by the Company are in the ordinary course of business and on an arm's length and are not materially significant, in line with the thresholds prescribed in the Act and the Listing Regulations. The details of such transactions entered into during the financial year 2025-26 are disclosed in Note No. 37 to the standalone financial statements of the Company forming part of this Integrated Annual Report of the Company.

Further, the details on the process and business rationale for entering into the related party transactions by the Company have been disclosed as part of the Board's Report, and Notes to the financial statements forming part of this Integrated Annual Report.

## Key Board qualifications, expertise, and attributes

The Board of Directors is collectively responsible for the selection and appointment of a Director on the Board. The Nomination and Remuneration Committee of the Company follows a well-defined criteria for identifying, screening, evaluating and recommending candidates for election as a Director on the Board.

The criteria for nominating/inducting a Director on the Board of the Company, *inter alia,* include the following:

a. the composition of the Board, taking into consideration, the size of the Company and the requirements of applicable laws;
b. diversity on the Board, including diversity of skills, experience, and perspectives;
c. an optimal balance of skills, professional qualifications and relevant experience;
d. expertise and experience in specific areas of Company's business and operations;
e. absence of any present or potential conflict of interest;
f. availability of sufficient time and commitment for proper discharge of duties;
g. personal characteristics in line with the Company's core values, such as integrity, honesty, and transparency; and
h. any other criteria as may be determined by the Board or the Nomination and Remuneration Committee from time to time.

The Board has identified individuals possessing wide experience and skills/expertise/competencies in their areas of function, as detailed hereunder, that allows them to make effective contributions to the Board and its Committees.

| Skills/Expertise/Competencies | | | | |
|---|---|---|---|---|
| **Sales and marketing experience** | **International business experience** | **General management and leadership** | **Financial and risk management skills** | **Technical and professional skills** |
| Exposure to sales and marketing management based on understanding of the consumers | Experience in leading businesses in different geographies/markets around the world and emerging markets exposure | Strategic planning, sustainability, and protect interest of all stakeholders | Understanding the financial statements and financial controls, systems and processes & mergers and acquisitions | Technical, professional skills and knowledge including legal, governance and regulatory aspects |

In terms of requirements of the Listing Regulations, following are the specific areas of focus or expertise possessed by the individual directors:

| Sr. No. | Name of Director | Skills/Expertise/Competencies | | | | |
|---|---|---|---|---|---|---|
| | | Sales and marketing experience | International business experience | General management and leadership | Financial and risk management skills | Technical and professional skills |
| **As on 31st March 2026** | | | | | | |
| 1. | R Seshasayee | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. | Manish Choksi | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3. | Amit Syngle | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. | Malav Dani | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5. | Amrita Vakil | ✓ | - | ✓ | ✓ | ✓ |
| 6. | Ashish Choksi[1] | ✓ | - | ✓ | ✓ | - |
| 7. | Milind Sarwate | ✓ | ✓ | ✓ | ✓ | ✓ |
| 8. | Nehal Vakil | - | - | ✓ | ✓ | - |
| 9. | Ireena Vittal | ✓ | - | ✓ | ✓ | - |
| 10. | Soumitra Bhattacharya | ✓ | ✓ | ✓ | ✓ | ✓ |
| 11. | Gopichand Katragadda | ✓ | ✓ | ✓ | ✓ | ✓ |
| 12. | Varun Berry | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Appointed w.e.f. 29th May 2026** | | | | | | |
| 13. | Sudhir Sitapati[2] | ✓ | ✓ | ✓ | ✓ | ✓ |
| **% of Skills/Expertise/Competencies** | | **92** | **69** | **100** | **100** | **77** |

**Notes:**

1. Appointed as a Non-Executive Director of the Company with effect from 1st April 2025.
2. Appointed as an Additional and Independent Director of the Company with effect from 29th May 2026 for a term of five consecutive years, subject to the approval of shareholders of the Company.

## Directorship and Memberships/Chairpersonships of Committees and shareholding of Directors

The details of Directorship, *inter-se* relationship, shareholding in the Company, number of Directorships and Committee memberships/chairpersonships held by the Directors of the Company in other companies as on 31st March 2026 are as under:

| Name of Director | *Inter-se* relationship | No. of shares held along with % to the paid-up share capital of the Company[1,2] | Directorship in other companies | | | | Membership and Chairpersonship of the Committees of the Board of other companies[3] | |
|---|---|---|---|---|---|---|---|---|
| | | | Other companies | | Indian Public Listed Companies | Name of Listed entities along with the category | Chairperson | Member |
| | | | Private, Section 8, and foreign | Unlisted Public | | | | |
| R Seshasayee | - | 1,496 (0.00%) | - | - | - | - | - | - |
| Manish Choksi | Cousin of Ashish Choksi | 23,81,040 (0.25%) | 9 | 1 | 3 | Independent Director of Vedant Fashions Limited, Torrent Pharmaceuticals Limited, and Birlasoft Limited | - | 5 |
| Amit Syngle | - | 35,730 (0.00%) | 1 | - | - | - | - | - |
| Malav Dani | - | 36,50,176 (0.38%) | 7 | 1 | 1 | Managing Director of Hitech Corporation Limited | - | - |
| Amrita Vakil | Cousin of Nehal Vakil | 25,66,680 (0.27%) | - | 2 | 1 | Whole-time Director of Elcid Investments Limited | - | 2 |
| Ashish Choksi[4] | Cousin of Manish Choksi | 8,80,840 (0.09%) | 5 | - | - | - | - | - |
| Milind Sarwate | - | 35 (0.00%) | 1 | 1 | 5 | Independent Director of Mahindra & Mahindra Financial Services Limited, FSN E-Commerce Ventures Limited, Viyash Scientific Limited, Hexaware Technologies Limited, and CEAT Limited | 4 | 7 |
| Nehal Vakil | Cousin of Amrita Vakil | 57,38,489 (0.60%) | 4 | 3 | - | - | - | - |
| Ireena Vittal | - | - | 4 | - | 2 | Independent Director of Urban Company Limited and Maruti Suzuki India Limited | - | 3 |
| Soumitra Bhattacharya | - | - | 2 | - | 2 | Non-Executive Director and Chairman of Bosch Limited, Independent Director of Tata Elxsi Limited | 1 | 3 |
| Gopichand Katragadda | - | - | 2 | 1 | 1 | Independent Director of Bosch Limited | 1 | 2 |
| Varun Berry | - | 860 (0.00%) | 1 | 0 | 1 | Independent Director of Page Industries Limited | - | - |

**Notes:**

1. As per the declarations made to the Company by the Directors with respect to the shares held in their own name or held jointly as the first holder or held on a beneficial basis as the first holder.
2. The Company has not issued any convertible instruments, hence no such instruments are being held by Non-Executive Directors.
3. For the purpose of calculating the limit of Committee membership and chairpersonship of a director, membership and chairpersonship of the Audit Committee and Stakeholders Relationship Committee of public companies other than Asian Paints Limited have been considered.
4. Appointed as a Non-Executive Director of the Company with effect from 1st April 2025.
5. Sudhir Sitapati (DIN: 09197063) was appointed as an Additional and Independent Director of the Company with effect from 29th May 2026 for a term of five consecutive years, subject to the approval of shareholders of the Company.
6. All the Directors of the Company inform at the beginning of each financial year and as and when there is change about their Directorships, Committee memberships/chairpersonships. Based on the intimations/disclosures received from the Directors, none of the Directors of the Company hold Directorships, memberships/chairpersonships of Board/Committees more than the limits prescribed under the Act and the Listing Regulations.

## Familiarisation Programme

The Company undertakes familiarisation programme for its Independent Directors and other Non-Executive Directors which, *inter alia,* includes briefing on:

a. the roles, responsibilities, duties, and obligations as a member of the Board/Committees;

b. nature of business and business model of the Company;

c. strategic objectives and directions for businesses;

d. mergers & acquisitions, investment opportunities and capital allocation strategies;

e. macro-economic outlook and prevailing business conditions impacting the Company;

f. matters relating to the Company's risk management, internal controls and information technology systems; and

g. governance practices, sustainability initiatives, ESG frameworks, and ethical standards adopted by the Company relating to governance and sustainability framework.

A Director induction kit is provided to each newly appointed Director on the Board, which includes, the Company's profile, Company's Codes and Policies, calendar of the Board Meeting and any other operational information which will enable them to discharge their duties effectively. Periodic and strategic updates including press releases to be submitted with the stock exchanges are shared with the Board members to keep them abreast of the material developments relating to the Company.

The Non-Executive Directors are familiarised through the following engagements:

a) Introduction to the Board: The Chairman of the Board explains the functioning of the Board and the roles & responsibilities of an individual as a member of the Board.

b) Corporate & business overview: The Managing Director & CEO and CFO explain the Company's vision & mission, business and risk overview, business model, strategic plan, future outlook, and market trends.

c) Finance & governance overview: The CFO & Company Secretary explain the financial planning, board governance, stakeholder management, codes and policies, ESG strategy & plan, and Corporate Social Responsibility ("CSR") activities.

d) Committee overview: The Chairperson of the respective Committees and concerned members of the management introduce the responsibilities of the Committees to the incoming Director.

e) Introduction to Management: The respective business heads give a functional overview to the incoming Director.

f) Visit to Operational/Business locations: The incoming Director visits the Company's manufacturing locations, markets & stores, and CSR sites to understand the operations of the Company in a more practical manner.

g) Concluding session with Chairman: The induction programme concludes with a feedback session with the Chairman.

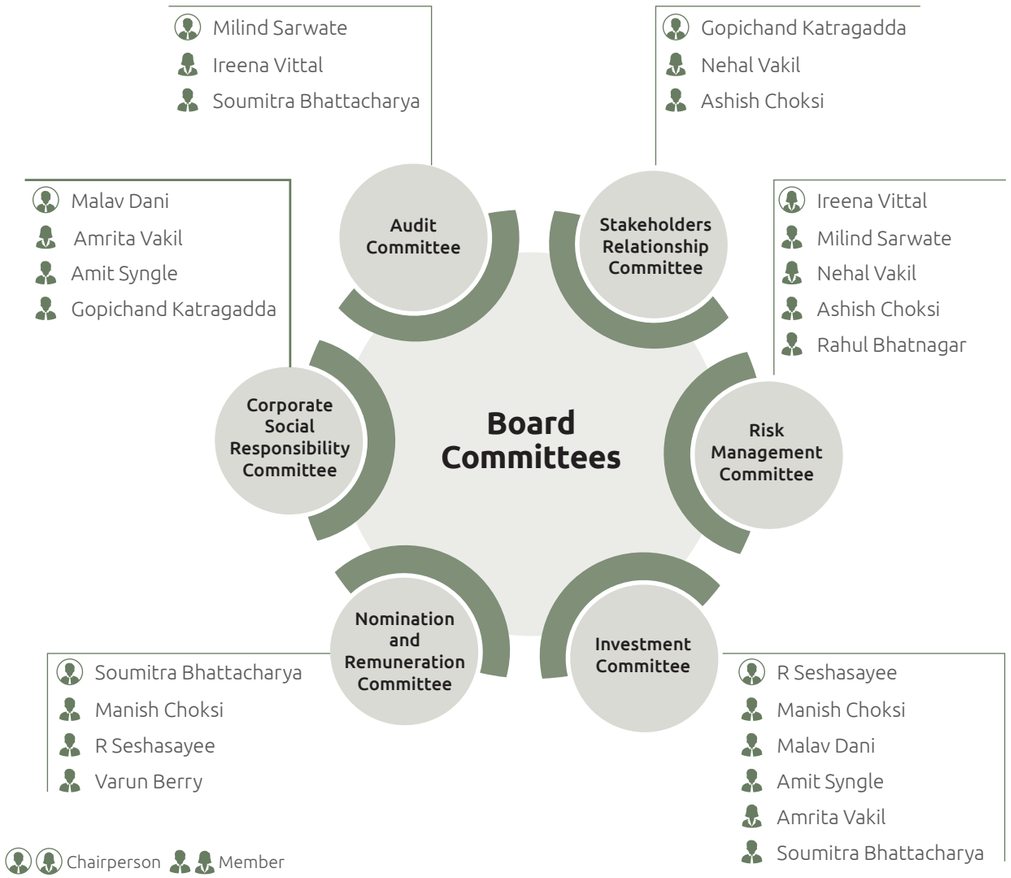
In the Board meetings, discussions on performance review of the businesses are preceded by a recap of the strategic direction adopted for the business. This provides the Independent Directors and the other Non-Executive Directors with meaningful insights into the long-term strategy and the way forward for the businesses carried on by the Company.

As part of the familiarisation programmes, during the year under review, the Directors visited sites where CSR initiatives were undertaken under the thrust areas of Water Stewardship and Enhancing Vocational Skills to engage with the community and assess on ground impact.

The details of such familiarisation programmes for Independent Directors can be accessed on the Company's website at https://www.asianpaints.com/FamiliarisationProgramme.html.

## Board Committees

The Company has 6 (six) Committees of the Board, namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, and Investment Committee. The composition and details of which are set out below:




**Notes:**

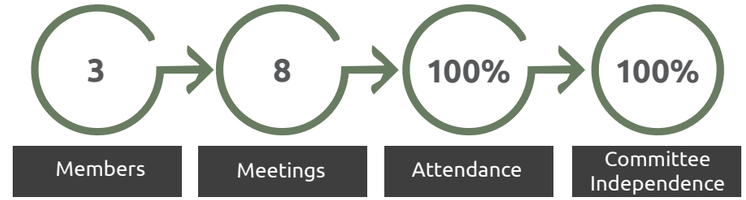
1. R J Jeyamurugan, CFO & Company Secretary of the Company, is the Secretary to all the above Committees and is a permanent invitee to the Stakeholders Relationship Committee and the Investment Committee.
2. Alok Agrawal, General Manager – Internal Audit & Risks, heads the Company's Internal Audit and Risk Management function, is a permanent invitee to the Risk Management Committee, and also serves as the Chief Internal Auditor of the Company.
3. The Board of Directors of the Company have delegated the authority to approve the request for transmission, dematerialisation of shares, etc. to the Management Committee comprising of Amit Syngle, Managing Director & CEO and R J Jeyamurugan, CFO & Company Secretary of the Company.

### Beyond silos to synergy: The cross-functional Board advantage

The Board derives a structural advantage from its cross-functional composition, reflected in enhanced committee effectiveness through overlapping memberships that promote alignment, collective oversight and integrated decision-making. This model drives a dual thrust in the areas of ESG and Risk, while enabling a continuous flow of information across committees, thereby strengthening coordination, deepening governance and reinforcing strategic coherence.

## Audit Committee

### Composition and attendance




The Audit Committee ("AC") comprises of 3 (three) Independent Directors. The Chairman of AC is an Independent Director.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held during the financial year 2025-26 and attendance of the members of the Committee, in person or through video conference, are detailed below:

| Name of Member | Nature of Membership | Meeting Dates | | | | | | | | % of attendance |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| | | 24th April 2025 | 7th May 2025 | 28th July 2025 | 29th September 2025 | 11th November 2025 | 17th December 2025 | 26th January 2026 | 25th March 2026 | |
| Milind Sarwate | Chairman | 🎥 | 👤 | 👤 | 🎥 | 👤 | 🎥 | 👤 | 👤 | 100 |
| Ireena Vittal | Member | 🎥 | 🎥 | 👤 | 🎥 | 🎥 | 🎥 | 🎥 | 👤 | 100 |
| Soumitra Bhattacharya | Member | 🎥 | 👤 | 👤 | 🎥 | 🎥 | 🎥 | 👤 | 👤 | 100 |

👥 Attended in person 🎥 Attended through video conference

**Notes:**

1. The intervening period between 2 consecutive Audit Committee meetings was well within the maximum allowed gap of 120 days.
2. There was requisite quorum in all the meetings of the Audit Committee held during the financial year 2025-26.
3. R J Jeyamurugan, CFO & Company Secretary of the Company, is the Secretary to the Committee.

### Terms of Reference

The Audit Committee is, *inter alia,* entrusted with the following key responsibilities by the Board of Directors of the Company:

| Sr. No. | Key responsibilities | Frequency |
|---|---|---|
| 1. | Overseeing the Company's financial reporting process and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval. | ◉ |
| 2. | Reviewing, approving or subsequently modifying transactions of the Company with related parties. | ◔/◕ |
| 3. | Evaluating the internal financial controls and risk management policies system of the Company. | ◉ |
| 4. | Recommending the appointment/re-appointment, remuneration, terms of appointment and scope of Auditors of the Company, and approval of payment for any other service. | ◕/◉ |
| 5. | Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process and audit reports submitted by the auditor. | ◔/◉ |
| 6. | Reviewing the adequacy of internal audit function and discussing with the internal auditors on the significant findings and further course adopted. | ◔/◉ |
| 7. | Reviewing the Whistle Blower mechanism of the Company and overseeing the functioning of the same. | ◔ |
| 8. | Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and verify adequacy of internal controls. | ◕/◉ |

Frequency: ◉ Annually ◔ Quarterly ◕ Periodically

## Key discussions at the meetings of the AC during the financial year 2025-26

a. Reviewed the financial performance of the Company and its group companies.

b. Reviewed and recommended to the Board the approval of the financial results and financial statements of the Company.

c. Reviewed and approved the related party transactions of the Company.

d. Reviewed the internal audit findings.

e. Assessed the need for impairment provision/reversal for the investments made in the Group companies and intangibles.

f. Reviewed the complaints and mechanism in relation to the violations of the policies, including whistle blower and prevention of sexual harassment and took necessary action thereon.

g. Reviewed the process and approval of the scope for the audit conducted by the statutory and internal auditors of the Company.

h. Reviewed the basis of making accounting estimates and provisions.

i. Recommended to the Board amendments to the Codes and Policies in relation to strengthening the corporate governance mechanisms.

j. Reviewed and approved the significant changes in accounting policies and disclosures proposed in the financial statements of the Company for the financial year 2025-26.

k. Reviewed the processes and policies in place for the affirmation in relation to the directors' responsibility statement.

l. Reviewed the implications of various amendments to the applicable corporate and others laws.

m. Reviewed the outcome of performance evaluation of the Committee for the financial year 2024-25 and actionable items.

## Governance

a. The Audit Committee met eight times during the financial year 2025-26.

b. The composition and terms of reference of the Audit Committee are in line with the applicable provisions of the Listing Regulations and the Act. Further, the Audit Committee is an independent Committee.

c. The Audit Committee meets the Statutory Auditors and the Internal Auditor independently without the presence of any members of the management at least once a year.

d. The members of the Audit Committee are financially literate and have relevant experience in financial management.

e. The Committee meets quarterly for consideration of financial results, review, and approval of related party transactions.

f. The Internal Audit plan is approved by the Audit Committee before the beginning of the financial year. Internal Audit is oriented, *inter alia,* towards the review of internal controls and risks in the Company's operations and covers factories, sales offices, warehouses, and centrally controlled businesses and functions.

g. A dedicated meeting of the Committee is held to review the key internal audit observations, fixing the limits and reviewing the governance process for entering into related party transactions during the year.

h. The meetings of the Audit Committee are also attended by the Statutory Auditors, Managing Director & CEO, CFO & Company Secretary, Chief Internal Auditor, and other employees of the Finance function of the Company as considered necessary for providing inputs to the Committee.

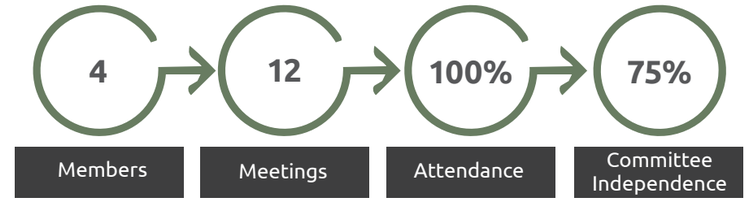
i. The Audit Committee obtains external legal or other professional advice and secures the attendance of outsiders with relevant expertise, if it considers it necessary.

j. The Chairman of the Audit Committee attended the 79th AGM of the Company for the financial year ended 31st March 2025, held on 26th June 2025, to answer the shareholders' queries.

k. All the decisions and recommendations made by the Committee during the year were unanimously approved by the members of the Committee.

# Nomination and Remuneration Committee

## Composition and attendance




The Nomination and Remuneration Committee ("NRC") comprises 3 (three) Independent Directors and a Non-Executive Director. The Chairman of NRC is an Independent Director.

The composition of NRC of the Board of Directors of the Company along with the details of the meetings held during the financial year 2025-26 and attendance of the members of the Committee, in person or through video conference, are detailed below:

| Name of Member | Nature of Membership | Meeting Dates | | | | | | | | | | | | % of attendance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| | | 24th April 2025 | 28th April 2025[1] | 7th May 2025 | 9th July 2025 | 27th July 2025 | 26th August 2025 | 28th August 2025 | 12th November 2025 | 19th December 2025 | 14th January 2026 | 27th January 2026 | 10th March 2026 | |
| Soumitra Bhattacharya | Chairman | Video | Video | In person | In person | Video | Video | Video | In person | Video | Video | In person | In person | 100 |
| Manish Choksi | Member | Video | Video | In person | In person | Video | Video | Video | In person | Video | Video | In person | In person | 100 |
| R Seshasayee | Member | Video | Video | Video | In person | Video | Video | Video | In person | Video | Video | In person | Video | 100 |
| Varun Berry[2] | Member | NA | NA | NA | NA | NA | Video | Video | In person | Video | Video | In person | In person | 100 |

In person — Attended in person; Video — Attended through video conference; NA — Not applicable

**Notes:**

1. Meeting held on 28th April 2025 was adjourned to 29th April 2025. All the members of the Committee were present at the adjourned meeting.
2. Appointed as a member of the Committee with effect from 29th July 2025.
3. There was requisite quorum in all the meetings of the NRC held during the financial year 2025-26.
4. R J Jeyamurugan, CFO & Company Secretary of the Company, is the Secretary to the Committee.

## Terms of Reference

The NRC is, *inter alia,* entrusted with the following key responsibilities by the Board of Directors of the Company:

| Sr. No. | Key responsibilities | Frequency |
|---|---|---|
| 1. | Formulating criteria for determining qualifications, positive attributes and independence of a Director. | As and when required |
| 2. | Recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. | Annually |
| 3. | Devising a policy on Board Diversity. | Annually |
| 4. | Recommending to the Board a succession plan for the Board of Directors, Key Managerial Personnel and Senior Management and reviewing the same. | Annually / As and when required |
| 5. | Reviewing and recommending to the Board the remuneration payable to Directors of the Company. | Annually |

| Sr. No. | Key responsibilities | Frequency |
|---|---|---|
| 6. | Identifying persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel and in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal. | Event-based |
| 7. | Reviewing the performance of the Managing Director & Chief Executive Officer. | Periodically |
| 8. | Recommending to the Board all remuneration, in whatever form, payable to Key Managerial Personnel and Senior Management. | Annually |
| 9. | For every appointment of an Independent Director, NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. | Event-based |
| 10. | Specifying methodology for effective evaluation of performance of Board/Committees of the Board and review the terms of appointment of Independent Directors on the basis of the report of performance evaluation of the Independent Directors. | Annually |
| 11. | Playing the role of Compensation Committee and to act as an administrator to the Employees Stock Option Scheme of the Company. | Periodically |

Frequency: Annually Periodically Event-based

## Key discussions at the meetings of the NRC during the financial year 2025-26

a. Approved and recommended to the Board the remuneration payable to Directors, Key Managerial Personnel, and Senior Management.

b. Reviewed and recommended to the Board the changes in Senior Management cadre of the Company.

c. Reviewed and recommended to the Board the structure of remuneration payable to Managing Director & CEO of the Company, including performance parameters.

d. Reviewed the performance of the Managing Director & CEO against the agreed goals.

e. Reviewed and briefed the Board on the succession plan of the Board and Senior Management.

f. Considered and evaluated the candidatures for appointment of Independent Directors.

g. Discussed and reviewed the outcome of performance evaluation of the Board and its Committees for the financial year 2024-25 and the actionable items.

## Governance

a. The NRC met twelve times during the financial year 2025-26.

b. The composition and terms of reference of NRC are in line with the applicable provisions of the Listing Regulations and the Act.

c. The Chairman of NRC attended the 79th AGM of the Company for the financial year ended 31st March 2025, held on 26th June 2025, to answer the shareholder queries.

d The NRC conducts an annual self-evaluation of its effectiveness, including assessment of its composition, quality of deliberations, and fulfilment of responsibilities.

e. All the decisions and recommendations made by the Committee during the year were unanimously approved by the members of the Committee.

## Succession Planning

The Company believes that succession planning is imperative for a Company's continuity and sustainability.

It endeavours to maintain an optimal balance of skills and experience within the organisation and the Board, enabling the introduction of new perspectives while retaining experience and continuity. In order to strengthen its succession planning responsibilities, the Board provides senior leaders with opportunities to present at Board and committee meetings within their respective areas of expertise. This enables the Board to evaluate leadership capabilities and readiness for advancement, while also allowing senior talent to demonstrate their expertise and actively contribute to strategic deliberations.

The NRC plays a pivotal role in identifying successors to the members of the Board and invests substantial time with the Managing Director & CEO on succession planning of Senior Management. Furthermore, the NRC has adopted a methodical and fair process to select the suitable candidate. The succession plan is closely aligned with the strategy and long-term goals of the Company.

## Nomination and Remuneration Policy

The Company has in place, a Nomination and Remuneration Policy formulated as per the provisions of the Act and the Listing Regulations. The key objectives of the said Policy and broad responsibilities of the NRC, are set out below:

### A. Board membership

i. Formulate the criteria for appointing Director.

ii. Identify people as potential candidates who are qualified to be appointed as Directors.

iii. Nominate candidate(s) for approval of the Board.

### B. Performance evaluation

Determine a process for effective evaluation of performance of the Board, its Committees, and individual Directors and review its implementation and compliance.

### C. Appointment of Key Managerial Personnel and Senior Management

Evaluation and appointment of eligible internal and external candidates for Key Managerial Personnel and Senior Management positions of the Company.

### D. Remuneration of Directors, Key Managerial Personnel, Senior Management, and Employees

In accordance with the said Policy, following is the criteria for payment of remuneration to Directors, Key Managerial Personnel, Senior Management, and other employees:

i. Remuneration to the Executive Director: The NRC shall approve the compensation of the Managing Director which shall be in accordance with the applicable law, in line with Company's objectives, shareholders interest, and industry standards, subject to the approval of the Board and shareholders, if required under the law.

ii. Remuneration to the Non-Executive Directors: The NRC shall recommend to the Board for its approval, the commission payable to the Non-Executive Directors, including Independent Directors after reviewing payments made by similar sized successful companies, after taking into account their contribution to the decision-making at meetings of the Board/Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of Corporate Governance and Board effectiveness. In addition, the Directors excluding Executive Director will be paid sitting fees for attending the meetings of the Board of Directors and its Committees.

iii. Remuneration to Key Managerial Personnel and Senior Management: The NRC shall review performance of the Key Managerial Personnel and Senior Management of the Company, in discussion with the Managing Director & CEO and shall ensure that the remuneration involves a balance between fixed and variable pay reflecting the short and long-term performance objectives of the Company.

iv. Remuneration to other employees: The Company regularly benchmarks the compensation levels and employee benefits in the market and makes necessary changes to remain consistent with the industry standards. The remuneration structure of employees is designed on principles of fairness, transparency and internal and external parity and involves an optimum balance of fixed and variable components.

### E. Succession Plan for Directors, Key Managerial Personnel, and Senior Management

NRC periodically formulate, review and recommend to the Board, the succession plan for the members of the Board, Key Managerial Personnel, and Senior Management to ensure a balanced mix of skills, experience, and expertise at all times.

### F. Administrator to Employee Stock Option Plan

NRC plays the role of the Compensation Committee and administers the Company's ESOP Plan.

The Nomination and Remuneration Policy can be accessed on the Company's website at https://www.asianpaints.com/NRCPolicy.html.

## Policy on Appointment of Independent Directors

The Company has in place, a Policy on appointment of Independent Directors on the Board of Directors of the Company. This Policy, *inter alia,* lists the process to be followed for the appointment of Independent Directors, criteria for shortlisting the candidates, and critical attributes.

## Details of remuneration paid to Directors during the financial year 2025-26

### A. Non-Executive Directors

The remuneration paid by the Company to its Non-Executive Directors continues to be in line with the approval accorded by the shareholders. The manner of distribution of such commission is determined by the Board, taking into account the roles, responsibilities and overall contribution of the Directors.

The remuneration paid to the Non-Executive Directors during the financial year 2025-26 was within the limits approved by the shareholders. During the year, the Board also reviewed the compensation framework and revised the base commission payable to Non-Executive Directors, with effect from 1st October 2025, taking into account time spent by them in contributing to the Board and its committee meetings, as well as benchmarking with similar companies.

In addition to commission, Non-Executive Directors are paid sitting fees of ₹ 1,00,000 per meeting for attending meetings of the Board & its Committees, and meeting of the Independent Directors.

### B. Managing Director & CEO

The remuneration of the Managing Director & CEO is structured to ensure a balanced mix of fixed and performance-linked elements, aligned with the Company's strategic priorities and long-term value creation.

The fixed component comprises basic salary and flexible grade allowance and is determined based on the outcome of the annual performance evaluation. The variable component is linked to performance and is structured as an equal mix of Short-Term Incentive ("STI") and Long-Term Incentive ("LTI"), within an overall cap of 0.50% of the consolidated profits, as approved by the shareholders. The STI, in the nature of commission, is linked to the achievement of defined annual performance targets. The LTI, comprising ESOPs and/or deferred commission, is designed to drive long-term alignment, with vesting linked to sustained performance over a period of time.

Performance is assessed through a balanced set of metrics, covering financial outcomes such as revenue and profit growth, as well as strategic priorities including market share, focused product initiatives, ESG commitments, employee engagement, leadership development and succession planning for senior management, along with long-term value creation for shareholders.

The remuneration of the Managing Director & CEO, as well as that of other senior management including the CFO & Company Secretary, is benchmarked against relevant industry peers and reviewed annually by the NRC. Revisions, where applicable, are based on performance outcomes and in line with the Company's Nomination and Remuneration Policy.

Details of the remuneration paid to the Directors during the financial year 2025-26 are as follows:

(Amount in ₹)

| Name of Director | Basic Salary | Perquisites | Sitting Fees | Commission | Total |
|---|---|---|---|---|---|
| R Seshasayee | - | - | 27,00,000 | 1,10,00,000 | 1,37,00,000 |
| Manish Choksi | - | - | 24,00,000 | 56,00,000 | 80,00,000 |
| Amit Syngle[1] | 5,94,72,000 | 9,89,74,860 | - | 15,40,00,000 | 31,24,46,860 |
| Malav Dani | - | - | 16,00,000 | 54,00,000 | 70,00,000 |
| Amrita Vakil | - | - | 16,00,000 | 51,00,000 | 67,00,000 |
| Ashish Choksi[2] | - | - | 14,00,000 | 51,00,000 | 65,00,000 |
| Milind Sarwate | - | - | 21,00,000 | 59,00,000 | 80,00,000 |
| Nehal Vakil | - | - | 14,00,000 | 51,00,000 | 65,00,000 |
| Ireena Vittal | - | - | 19,00,000 | 54,00,000 | 73,00,000 |
| Soumitra Bhattacharya | - | - | 34,00,000 | 56,00,000 | 90,00,000 |
| Gopichand Katragadda | - | - | 18,00,000 | 54,00,000 | 72,00,000 |
| Varun Berry | - | - | 16,00,000 | 51,00,000 | 67,00,000 |
| **Total** | **5,94,72,000** | **9,89,74,860** | **2,19,00,000** | **21,87,00,000** | **39,90,46,860** |

**Notes:**

1. The remuneration to Amit Syngle is linked to achievement of predetermined performance parameters which are reviewed annually by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee. The remuneration for the financial year 2025-26 includes perquisite value of ₹ 3,73,29,974 on the ESOPs granted for the financial year 2020-21 and 2021-22 exercised in the financial year 2025-26 and the commission for the financial year 2025-26. Further, the aforesaid remuneration for the financial year 2025-26 excludes stock options worth ₹ 14,12,00,000 granted in accordance with the Asian Paints Employee Stock Option Plan 2021 ("2021 Plan") for the financial year 2025-26. The stock options would equally vest over a period of three years on fulfilment of vesting conditions and would be exercised, in accordance with the 2021 Plan. Services of the Managing Director & CEO may be terminated by either party, giving the other party 6 months' notice or the Company paying 6 months' basic salary in lieu thereof. There is no separate provision for payment of severance pay.
2. Appointed as a Non-Executive Director of the Company with effect from 1st April 2025.
3. During the financial year 2025-26, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company. The Company has not granted any stock options to its Non-Executive Directors.
4. The remuneration paid to all the Directors of the Company is within the limits prescribed under the provisions of the Act read with the corresponding Rules issued thereunder and the Listing Regulations.

## Performance Evaluation

### A. Plan and Evaluate

In compliance with the Act and the Listing Regulations, the Board undertakes an annual performance evaluation to enhance its effectiveness and that of its Committees. NRC has established a structured framework for evaluating the performance of the Board, its Committees, and Individual Directors, including the Chairman, under the guidance of the NRC Chair.

The Independent Directors, at their separate meeting, reviewed the performance of the Non-Independent Directors, the Board as a whole, and the Chairman, taking into account peer feedback, succession planning, and the adequacy, quality, and timeliness of information flow from management to the Board.

### B. Methodology

During the year under review, the NRC decided that the Board, Committee, and peer performance evaluations would be conducted through an external consultant on an alternate-year basis to strengthen qualitative assessments. The framework is designed to combine structured questionnaires with one-on-one interactions, enabling a deeper, insight-driven evaluation.

Accordingly, Egon Zehnder, a leadership advisory firm, was engaged to evaluate the Board, its Committees and Individual Directors for the financial year 2025-26, focusing on key strategic areas. The exercise included online surveys (including a peer feedback component) and one-on-one conversations to support deeper qualitative inputs.

### C. Review and reporting

The Board evaluation process was completed for the financial year 2025-26 and the outcome of the performance evaluation was presented to the NRC and the Board of Directors of the Company.

Based on the evaluation outcome, the Board expressed its overall satisfaction with the effectiveness of the Board and its Committees. The Board of Directors deliberated on the key outcomes and agreed on the way forward.

#### Parameters of the Performance Evaluation

#### Board and Individual Directors

The parameters for performance evaluation of the Board and individual Directors, *inter alia,* included quality of dialogue, board facilitation, management-board relationship, committee effectiveness, etc.

The outcome of survey and feedback from Directors was discussed at the meeting of NRC and Board.

#### Managing Director & CEO

The NRC evaluates the performance of the Managing Director & CEO by setting his Key Performance Objectives i.e., Promises at the beginning of each financial year. The Committee ensures that its Key Performance Objectives are aligned with the immediate and long-term goals of the Company.

The performance of the Managing Director & CEO *vis-à-vis* the Key Performance Objectives/Parameters set at the beginning of the financial year are reviewed by the NRC during the year.

#### Committees of the Board

As part of the Board evaluation questionnaire, the assessment of Committees covered aspects such as the appropriateness of skill sets of Committee Chairs, clarity and effectiveness of Committee structure, level of the Board's awareness and oversight of the activities of its Committees, etc. The feedback from members and the action suggested by the NRC and Board are discussed at the respective meetings of the Committees of the Board of Directors for taking necessary action.

## Synopsis of outcome of evaluation for the financial year 2025-26 and action plan

As an outcome of the performance evaluation, the Board noted the following:

a. the Board's evolution into a professionally managed structure, supported by collaborative governance and the induction of newer Independent Directors bringing fresh perspectives;

b. strengthen tracking of progress and review of key matters, particularly succession planning, to support informed deliberations and improved alignment; and

c. institute a structured and formalised approach to drive alignment on strategy and key priorities across the Board.

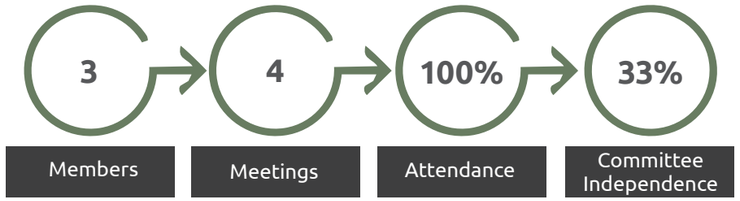
The overall outcome of the performance evaluation was balanced, and the Board would engage further on the areas to be actioned upon.

The actionable areas for the financial year 2026-27 would, *inter alia,* include continuous focus on succession planning of the Board and Committee members, enhancing Director engagement and strengthening informal interactions among the Board members & Senior Management.

The progress on recommendations arising from last year's performance evaluation was also discussed. The Board spent considerable time focusing on strengthening Board composition from a long-term perspective, including succession planing for the Board, the Managing Director and the Chairperson.

# Stakeholders Relationship Committee

## Composition and attendance




The Stakeholders Relationship Committee ("SRC") comprises of an Independent Director and 2 (two) Non-Executive Directors. The Chairman of SRC is an Independent Director.

The composition of SRC of the Board of Directors of the Company along with the details of the meetings held during the financial year 2025-26 and attendance of the members of the Committee, through video conference, are detailed below:

| Name of Member | Nature of Membership | Meeting Dates | | | | % of attendance |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | |
| | | 16th April 2025 | 21st August 2025 | 21st November 2025 | 13th February 2026 | |
| Gopichand Katragadda | Chairman | 📹 | 📹 | 📹 | 📹 | 100 |
| Nehal Vakil | Member | 📹 | 📹 | 📹 | 📹 | 100 |
| Ashish Choksi[3] | Member | 📹 | 📹 | 📹 | 📹 | 100 |

📹 Attended through video conference

**Notes:**

1. Appointed as a Non-Executive Director of the Company and as a member of the Committee with effect from 1st April 2025.
2. There was requisite quorum in all the meetings of the SRC held during the financial year 2025-26.
3. R J Jeyamurugan, CFO & Company Secretary of the Company, is the Secretary to the Committee and is also a permanent invitee to the Committee.

## Terms of Reference

The SRC is, *inter alia,* entrusted with the following responsibilities by the Board of Directors of the Company:

| Sr. No. | Key responsibilities | Frequency |
|---|---|---|
| 1. | Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc. | ◔ |
| 2. | Reviewing the various measures and initiatives undertaken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company. | ◔ |
| 3. | Issuing share certificates pursuant to duplicate/remat/renewal requests as and when received by the Company. | ◕ |
| 4. | Providing direction to the management on the implementation of ESG Strategy. | ◕ |
| 5. | Providing oversight of the execution of the ESG Strategy and the Company's progress and performance on its long-term ESG commitments and targets. | ◕ |

Frequency: ◔ Quarterly ◕ Periodically

## Key discussions at the meetings of the SRC during the financial year 2025-26

a. Reviewed the progress of ESG commitments of the Company for the financial year 2025-26.

b. Reviewed the feedback of the analysts and institutional investors of the Company on the performance of the Company.

c. Reviewed the processes in place to enable shareholders to effectively exercise their voting rights.

d. Discussed and reviewed the recommendations of the proxy advisory firms and institutional investors on the resolutions placed for approval of the shareholders.

e. Reviewed adherence to the service standards adopted in respect of various services rendered by the Company's Registrar and Share Transfer Agent.

f. Examined the trend and nature of investor complaints, as well as shares and dividends transferred to the IEPF Authority over a period of past few years.

g. Reviewed the outcome of performance evaluation of the Committee for the financial year 2024-25 and actionable items.

## Governance

a. The SRC met four times during the financial year 2025-26.

b. The composition and terms of reference of the SRC are in line with the applicable provisions of the Listing Regulations and the Act.

c. The Chairman of SRC attended the 79th AGM of the Company for the financial year ended 31st March 2025, held on 26th June 2025, to answer the shareholder queries.

d. The number of complaints received and redressed during the financial year 2025-26 is given in the 'General Shareholder Information' section, forming part of this Integrated Annual Report.

e. All the decisions and recommendations made by the Committee during the year were approved by a requisite majority by the members of the Committee.

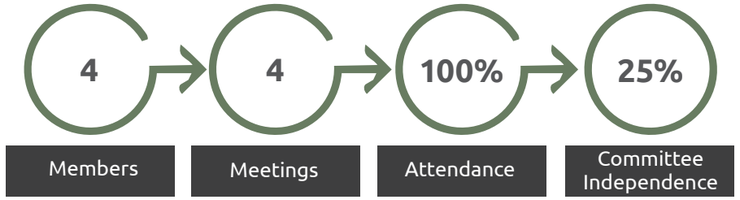
## Compliance Officer

Mr. R J Jeyamurugan, CFO & Company Secretary, is the Compliance Officer in accordance with Regulation 6 of the Listing Regulations and Regulation 9(3) of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations"). Mr. R J Jeyamurugan is an Associate Member of ICSI and an Associate Member of the ICAI.

He is also a Key Managerial Personnel of the Company in accordance with the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## Corporate Social Responsibility Committee

### Composition and attendance




The Corporate Social Responsibility Committee ("CSRC") comprises of an Independent Director, Managing Director & CEO, and 2 (two) Non-Executive Directors. The Chairman of CSRC is a Non-Executive Director.

The Composition of CSRC of the Board of Directors of the Company along with the details of the meetings held during the financial year 2025-26 and attendance of the members of the Committee, through video conference, are detailed below:

| Name of Member | Nature of Membership | Meeting Dates | | | | % of attendance |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | |
| | | 16th July 2025 | 13th October 2025 | 16th January 2026 | 19th March 2026 | |
| Malav Dani | Chairman | 🎥 | 🎥 | 🎥 | 🎥 | 100 |
| Amrita Vakil | Member | 🎥 | 🎥 | 🎥 | 🎥 | 100 |
| Amit Syngle | Member | 🎥 | 🎥 | 🎥 | 🎥 | 100 |
| Gopichand Katragadda | Member | 🎥 | 🎥 | 🎥 | 🎥 | 100 |

🎥 Attended through video conference

**Notes:**

1. There was requisite quorum in all the meetings of the CSRC held during the financial year 2025-26.
2. R J Jeyamurugan, CFO & Company Secretary of the Company, is the Secretary to the Committee.

### Terms of Reference

The CSRC is, *inter alia,* entrusted with the following key responsibilities by the Board of Directors of the Company:

| Sr. No. | Key responsibilities | Frequency |
|---|---|---|
| 1. | Recommending the amount of expenditure to be incurred on the CSR activities. | ◉ |
| 2. | Monitoring implementation and adherence to the CSR Policy of the Company from time to time. | ◔ |
| 3. | Preparing a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company. | ◕ |

Frequency: ◉ Annually ◔ Quarterly ◕ Periodically

### Key discussions at the meetings of the CSRC during the financial year 2025-26

a. Reviewed and recommended to the Board the CSR budget for the financial year 2025-26 and the financial year 2026-27, including annual action plan.

b. Reviewed the status and implementation of CSR activities of the Company.

c. Reviewed the Impact Assessment of the Company's CSR projects.

d. Recommended to the Board the CSR Annual Report for the financial year 2024-25.

e. Reviewed the outcome of performance evaluation of the Committee for the financial year 2024-25 and actionable items.

f. Undertook detailed review of CSR initiatives in the thrust areas of Water Stewardship and Vocational Training, with emphasis and focus on effectiveness, beneficiary reach and long-term impact.

g. Reviewed and recommended to the Board changes to the CSR Policy of the Company.

### Governance

a. The composition and terms of reference of the CSRC are in line with the applicable provisions of the Act.

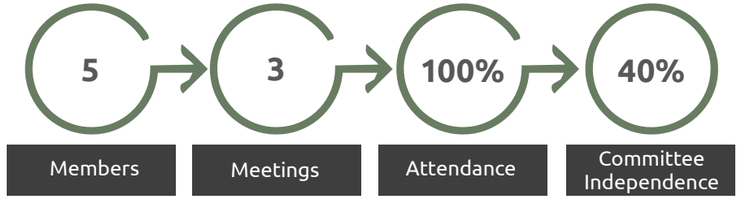
b. The meetings of the CSRC are also attended by members of the CSR Council of the Company as invitees. Employees responsible for on-ground CSR activities are invited to the Committee meetings to provide the members with a comprehensive briefing on the execution of CSR initiatives.

c. All the decisions and recommendations made by the Committee during the year were approved by a requisite majority by the members of the Committee.

d. The key highlights of the CSR activities undertaken during the financial year 2025-26 as per the CSR Policy of the Company and the executive summary of the reports of impact assessment of CSR Projects are given in the Annual Report on Corporate Social Responsibility activities annexed to the Board's Report forming part of this Integrated Annual Report. The CSR Policy is available on the Company's website at https://www.asianpaints.com/CSRPolicy.html.

## Risk Management Committee

### Composition and attendance




The Risk Management Committee ("RMC") comprises 2 (two) Independent Directors, 2 (two) Non-Executive Directors and a member from the management of the Company. The Chairperson of the RMC is an Independent Director.

The composition of RMC of the Board of Directors of the Company along with the details of the meetings held during the financial year 2025-26 and attendance of the members of the Committee, through video conference, are detailed below:

| Name of Member | Nature of Membership | Meeting Dates | | | % of attendance |
|---|---|---|---|---|---|
| | | 1 | 2 | 3 | |
| | | 27th June 2025 | 25th September 2025 | 11th February 2026 | |
| Ireena Vittal | Chairperson | 🎥 | 🎥 | 🎥 | 100 |
| Milind Sarwate | Member | 🎥 | 🎥 | 🎥 | 100 |
| Nehal Vakil | Member | 🎥 | 🎥 | 🎥 | 100 |
| Ashish Choksi[1] | Member | 🎥 | 🎥 | 🎥 | 100 |
| Rahul Bhatnagar | Member | 🎥 | 🎥 | 🎥 | 100 |

🎥 Attended through video conference

**Notes:**

1. Appointed as a Non-Executive Director of the Company and as a member of the Committee with effect from 1st April 2025.
2. The intervening period between 2 consecutive RMC meetings was well within the maximum allowed gap of 210 days.
3. There was requisite quorum in all the meetings of the RMC held during the financial year 2025-26.
4. R J Jeyamurugan, CFO & Company Secretary of the Company, is the Secretary to the Committee.
5. Alok Agrawal, General Manager – Internal Audit & Risks, heads the Internal Audit and Risk Management function of the Company and is a permanent invitee to the Committee.

## Terms of Reference

The RMC is, *inter alia,* entrusted with the following key responsibilities by the Board of Directors of the Company:

| Sr. No. | Key responsibilities | Frequency |
|---|---|---|
| 1. | Identification of Company's risk appetite set for various elements of risk. | Periodically |
| 2. | Ensuring appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. | Periodically |
| 3. | Formulating a detailed risk management policy which shall include:<br>a. Framework for identification of internal and external risks specifically faced by the listed entity.<br>b. Measures for risk mitigation including systems and processes for internal control of identified risks.<br>c. Business continuity plan. | Periodically |
| 4. | Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems. | Periodically |
| 5. | Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity. | Periodically |
| 6. | Seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise as and when required. | Event-based |

Frequency: Periodically Event-based

## Key discussions at the meetings of the RMC during the financial year 2025-26

a. Reviewed the key risks, the risk matrix and movement therein, risk mitigation strategy for key risks including competition risk, new business viability and complexity risk, reputation risk, capital portfolio/large capital expenditure risk, talent risk and information security risk.

b. Reviewed the Vinyl Acetate Monomer (VAM) and Vinyl Acetate Ethylene emulsion (VAE) risk management readiness.

c. Reviewed the outcome of performance evaluation of the Committee for the financial year 2024-25 and actionable items.

## Governance

a. The RMC met thrice during the financial year 2025-26.

b. The composition and terms of reference of the RMC are in line with the applicable provisions of the Listing Regulations.

c. The RMC is responsible for oversight of the overall risk management processes of the Company and ensuring that key strategic and business risks are identified and addressed by the management.

d. The Company has in place a Risk Management Framework, which provides the guiding principles for risk management efforts within the Company. It also includes risk management approach, identification of risks, risk management process, reporting of risks to the management, and disclosure of such risks to stakeholders which shall impact the going concern status of the Company.

e. The Risk Management Policy of the Company articulates the Company's approach to address uncertainties in its endeavours to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of various stakeholders within the Company, risk management structure and framework. The Internal Financial Controls comprehensively addresses key strategic/business risks, information technology risks, financial risks, cyber security risks, and operational risks.

f. The Risk Management Policy is available on the Company's website at https://www.asianpaints.com/RMPolicy.html.

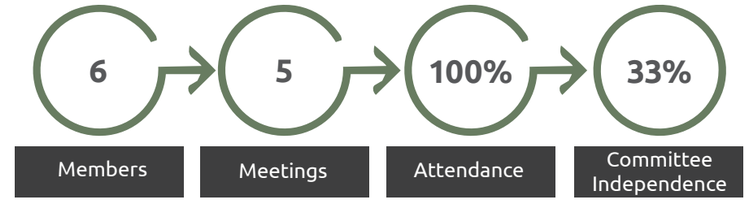
g. The Chairperson of the Committee presents periodic updates to the Audit Committee and the Board on key risks, mitigation progress, and risk trends observed, during the year.

h. The Committee obtains outside legal or other professional advice and secures attendance of outsiders with relevant expertise, if it considers it necessary.

i. All the decisions and recommendations made by the Committee during the year were approved by the requisite majority by the members of the Committee.

# Investment Committee

## Composition and attendance




Apart from the above statutory Committees, the Board has constituted an Investment Committee with the objective of focusing and reporting to the Board on areas of strategic focus and significance for the Company.

The Investment Committee ("IC") comprises of 2 (two) Independent Directors, 3 (three) Non-Executive Directors, and the Managing Director & CEO. The Chairman of the Investment Committee is an Independent Director.

The composition of IC of the Board of Directors of the Company along with the details of the meetings held during the financial year 2025-26 and attendance of the members of the Committee, in person or through video conference, are detailed below:

| Name of Member | Nature of Membership | Meeting Dates 1 – 7th April 2025 | 2 – 30th June 2025 | 3 – 11th August 2025 | 4 – 6th November 2025 | 5 – 10th March 2026 | % of attendance |
|---|---|---|---|---|---|---|---|
| R Seshasayee | Chairman | Video | Video | Video | Video | Video | 100 |
| Manish Choksi | Member | Video | Video | Video | Video | In person | 100 |
| Malav Dani | Member | Video | Video | Video | Video | Video | 100 |
| Amit Syngle | Member | Video | Video | Video | Video | In person | 100 |
| Amrita Vakil | Member | Video | Video | Video | Video | In person | 100 |
| Soumitra Bhattacharya | Member | Video | Video | Video | Video | In person | 100 |

Attended in person Attended through video conference

**Note:**

1. R J Jeyamurugan, CFO & Company Secretary of the Company, is the Secretary to the Committee and is also a permanent invitee to the Committee.

## Terms of Reference

The terms of reference of the Investment Committee, *inter alia,* include reviewing and evaluating proposals for investments (including acquisitions), divestments, strategic alliances/technological tie-ups, large projects requiring capital expenditure based on strategic plans of the Company or its subsidiaries, and making appropriate recommendations to the Board of the Company.

The Committee is also responsible for reviewing post-transaction completion and integration processes and assessing whether the status is aligned with the plans for acquisitions, strategical alliances and technological tie-ups.

## Key discussions at the meetings of the IC during the financial year 2025-26

a. Reviewed and recommended to the Board the investment & acquisition proposals and monitored the status thereof.

b. Reviewed and recommended to the Board financial plans of the Company for the financial year 2026-27, and making changes, if any.

c. Reviewed the outcome of performance evaluation of the Committee for the financial year 2024-25 and actionable items.

d. Approved and recommended to the Board the Company's capital expenditure plan for financial year 2026-27.

e. Approved and recommended to the Board the renewal of the Joint Venture Agreements of the Company with PPG Group, USA.

f. Approved and recommended to the Board the proposal of divestment of stake held by the Company in Akzo Nobel India Limited.

## Senior Management

The Nomination and Remuneration Policy of the Company defines Senior Management of the Company. The details of the Senior Management of the Company as on 31st March 2026, and the changes therein during the financial year 2025-26 are as under:

| Sr. No. | Name of Senior Management Personnel | Designation |
|---|---|---|
| 1. | Rahul Bhatnagar[1] | President – Project Sales, R&T, Industrial JVs, Home Improvement & Supply Chain |
| 2. | R J Jeyamurugan | CFO, Company Secretary & Compliance Officer |
| 3. | Pragyan Kumar[2] | Senior Vice President – Retail Sales, Marketing and Commercial |
| 4. | Aashish Kshetry | Vice President – Systems |
| 5. | Sameer Salvi | Vice President – Backward Integration Businesses, Mantech & Strategy |
| 6. | Savitha Shivsankar | Chief Human Resources Officer |
| 7. | Gagandeep Kalsi[3] | Vice President – Strategy, Business Development, Décor & Services |
| 8. | Amit Kumar Singh[4] | Vice President – Corporate Affairs & CSR |
| 9. | Alok Agrawal | General Manager – Internal Audit & Risk (functional head) |
| 10. | Joseph Eapen | Chief Executive – Asian Paints International Private Limited ("APIPL"), a wholly-owned subsidiary of the Company in Singapore |

### Changes during the financial year 2025-26

#### Appointment

| Sr. No. | Name of Senior Management Personnel | Designation |
|---|---|---|
| 1. | Joseph Eapen | Chief Executive – APIPL |

#### Cessation

| Sr. No. | Name of Senior Management Personnel | Designation |
|---|---|---|
| 1. | Ashish Rae[5] | Vice President – Retail Sales, Marketing & Services |
| 2. | Harish Lade | Senior Vice President – Supply Chain |

**Notes:**

1. Change in designation of Rahul Bhatnagar – earlier designation was President – Project Sales, R&T, Industrial JVs, Home Improvement.
2. Change in designation of Pragyan Kumar – earlier designation was Chief Executive – APIPL.
3. Change in designation of Gagandeep Kalsi – earlier designation was Associate Vice President – Strategy, Business Development, Décor & Services.
4. Change in designation of Amit Kumar Singh – earlier designation was Associate Vice President – Corporate Affairs & CSR.
5. Change in designation of Ashish Rae – earlier designation was Associate Vice President – Retail Sales, Marketing & Commercial.

### CEO & CFO Certification

As required under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the CEO & CFO certificate for the financial year 2025-26, signed by Mr. Amit Syngle, Managing Director & CEO, and Mr. R J Jeyamurugan, CFO & Company Secretary, was placed before the Board at its meeting held on 29th May 2026 and is annexed to this Report on Corporate Governance as Annexure (A).

### Compliance Certificate on Corporate Governance

As required under Schedule V of the Listing Regulations, the Auditors Certificate on Corporate Governance is annexed to this Report on Corporate Governance as Annexure (B).

## General Body Meetings and Postal Ballot

### General Body Meetings

#### Annual General Meeting

Details of the last three Annual General Meeting (AGM) of the Company and summary of special resolutions passed therein, if any, are as under:

| Financial Year | Date and Time | Location | Video Recording | Transcript | Other Weblinks | Special resolutions passed |
|---|---|---|---|---|---|---|
| 2022-23 | 27th June 2023 at 11.00 a.m. IST | Conducted through video conference /other audio-visual means. The deemed venue of the meeting was the Registered Office of the Company then located at 6A Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India. | Click here | Click here | Notice: Click here<br>Results: Click here<br>Minutes: Click here | Continuation of directorship by Mr. Ashwin Dani (DIN:00009126) as a Non-Executive Director of the Company. |
| 2023-24 | 25th June 2024 at 11.00 a.m. IST | | | Click here | Notice: Click here<br>Results: Click here<br>Minutes: Click here | Nil |
| 2024-25 | 26th June 2025 at 11.00 a.m. IST | Conducted through video conference/ other audio-visual means. The deemed venue of the meeting was the Registered Office of the Company then located at 6A & 6B Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India. | | Click here | Notice: Click here<br>Results: Click here<br>Minutes: Click here | Nil |

During the last three years, no resolutions have been rejected by the shareholders.

#### Extra Ordinary General Meeting

No Extra Ordinary General Meeting (EGM) of the shareholders of the Company was held during the financial year 2025-26.

### Postal Ballot

During the financial year 2025-26, no Special Resolution was passed by the Company through Postal Ballot. No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Integrated Annual Report.

## Policies, Codes, and Position Statements

The Company's governance policies and codes, aligned with its values and ESG commitments, strengthen the culture and guide decision-making. These policies and position statements establish a robust governance framework, set clear guiding principles, and drive transparency and accountability through comprehensive disclosures. The Company's position statements also set out its clear and succinct stance on key matters and the approach adopted to address them.

**List of policies and codes for strengthening governance structure is given below:**

- Nomination and Remuneration Policy
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information *
- Archival Policy
- Board Diversity Policy
- Risk Management Policy
- Policy on Engagement of Auditors
- Whistle Blower Policy
- Policy for determination of Materiality of Events/Information
- Advocacy Policy
- Code of Conduct to Regulate, Monitor and Report trading by Designated Persons *
- Policy for determining Material Subsidiaries
- Fair Competition Policy^

- Code of Conduct for Board Members and Senior Management Personnel
- Policy on dealing with and materiality of Related Party Transactions*
- Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace
- Corporate Social Responsibility Policy *
- Environment Policy
- Abridged Version of Internal Audit Charter
- Dividend Distribution Policy
- Health and Safety Policy
- Code of Conduct for Employees
- Information Security Policy
- Investors' Grievance Redressal Policy*
- Communication policy including Social Media Policy^
- Policy on Equal Opportunity and Non-Discrimination
- Code of Conduct for Business Partners

* Revised during the financial year 2025-26.
^ Hosted on the Company's intranet portal.

**List of position statements formulated for the following areas:**

- Anti-Bribery and Anti-Corruption
- Tax Governance
- Biodiversity & No Deforestation
- Human Rights
- Net Zero Carbon Emissions
- Sustainable Supply Chain

The brief details of certain policies/codes are set out below:

## a. Whistle Blower Policy and Vigil Mechanism

The Company is committed to the highest standards of ethical, moral, and legal business conduct.

The Company has adopted a Whistle Blower Policy and established an effective Vigil Mechanism to provide Directors, employees, customers, suppliers, shareholders, and business associates with a formal platform to report concerns regarding suspected unethical conduct, malpractice, abuse or wrongdoing within the organisation, while ensuring adequate safeguards against victimisation of those who use the mechanism. The scope of the Whistle Blower Policy also enables its stakeholders to report any instances of leakage of UPSI and consequent non-compliance with the SEBI PIT Regulations.

The vigil mechanism as envisaged in the Act and the Listing Regulations is implemented through the Code of Conduct for Employees and Whistle Blower Policy.

In accordance with the Policy, an Ethics Committee has been constituted comprising of the Managing Director & CEO, CFO & Company Secretary, and the Chief Human Resources Officer for receiving and investigating all complaints, protected disclosures, and any matter in connection therewith, as per directions, if any, by the Audit Committee under the said Policy.

**Vigil Mechanism at Asian Paints**

Stakeholders of the Company are encouraged to raise their concerns through the Whistle Blower framework.

↓

Concerns can be raised to the Ethics Committee through the Asian Paints Ethics Hotline by way of:

- Toll-free number 000-800-100-1622; OR
- Web reporting facility https://asianpaints.ethicspoint.com ; OR
- Email at whistle.blower@asianpaints.com ; OR
- Oral means of communication

↓

The stakeholders may, in exceptional cases, approach directly to the Chairman of the Audit Committee of the Company for registering complaints.

↓

No person was denied access to the Audit Committee of the Company with regard to the above.

All incidents that are reported, are investigated in letter and spirit and suitable action is taken in line with the Whistle Blower Policy. The Whistle Blower Policy is available on the Company's website at https://www.asianpaints.com/WBPolicy.html.

## b. Code of conduct for engagement with stakeholders

### (i) Code of Conduct for Employees

The Company has adopted a Code of Conduct for Employees which provides guiding principles of conduct to promote ethical conduct of business, confirms equitable treatment of all, and to avoid practices like bribery, corruption, and anti-competitive practices.

Employees are mandated to undergo video-based training modules and case studies embodying real-life examples upon joining the organisation as a part of their induction and annually as a part of periodic refresher trainings for all employees. During the year under review, around 88% of employees completed the training module.

The Code of Conduct for Employees enjoins that everyone in the organisation must know and respect existing laws, accept, and provide appropriate professional views, and be upright in their conduct and observe corporate discipline.

The Code of Conduct for Employees is aligned to the Asian Paints' charter, its values, ESG matrix and focus areas. The Vigil Mechanism is also implemented through the said Code. It includes the policies and practices followed by the Company, including the guiding principles on which the Company conducts its business and their implementation by employees.

The Code of Conduct for Employees is available on the Company's website at https://www.asianpaints.com/EmployeeCoC.html.

### (ii) Code of Conduct for Board Members and Senior Management Personnel

The Company has adopted a Code of Conduct for Board Members and Senior Management Personnel, which sets out guiding principles to promote ethical business conduct, ensures equitable treatment of all, and prohibits practices such as bribery, corruption, and anti-competitive practices.

All the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the financial year 2025-26. A declaration to this effect duly signed by Mr. Amit Syngle, Managing Director & CEO of the Company, is annexed as Annexure (D) to this Integrated Annual Report.

The Code of Conduct for Board Members and Senior Management Personnel is available on the Company's website at https://www.asianpaints.com/CodeofConductBODSM.html.

The Board reviews this Code once in three years and every subsequent modification, alteration or amendment made thereto, is promptly disclosed on the Company's website.

### (iii) Code of Conduct for Business Partners

The Company has adopted a formal Code of Conduct for its Business Partners, which includes, suppliers/dealers/service providers/vendors/ traders/agents/consultants/contractors/ sub-contractors/joint venture partners/third parties, acting directly and/or through their representatives, engaged by the Company, in the normal course of business.

The Company has developed the Code of Conduct for Business Partners to emphasise its commitments in the areas of business integrity, human rights, labour practices and environment stewardship. The Code of Conduct for Business Partners is available on the Company's website at https://www.asianpaints.com/CodeofConductforBusinessPartners.html.

## c. Advocacy Policy

The Company proactively engages with government bodies and stakeholders on matters impacting its business, customers, communities and society at large. All advocacy efforts are undertaken with integrity and in compliance with the applicable laws, through recognised platforms such as industry associations, think tanks and civil society organisations. Such engagements are carried out with explicit authorisation and in accordance with the said Policy, safeguarding the reputation and business interests of the Company and enforcing its commitment to open and transparent engagements that create a sustainable future, advances economic value, and promotes trust in the Company's vision of

*'Bringing joy to people's lives'*. The Advocacy Policy is available on the Company's website at https://www.asianpaints.com/AdvocacyPolicy.html.

### d. Policy on engagement of Auditors

The Company has a Policy on engagement of Auditors of the Company which act as a guideline for establishing proper procedures for determining, *inter alia,* qualification, eligibility, and procedure for appointment/re-appointment/removal of the auditors that conform with the extant norms of applicable laws and regulations.

The Policy on engagement of Auditors of the Company is available on the Company's website at https://www.asianpaints.com/AuditorsEngagementPolicy.html.

## Group Governance

The Company operates under a Group Governance Framework that delineates roles, decision-making authority, and escalation mechanisms, ensuring consistency in governance standards and strategic oversight across the Group. Specified duties for various Boards, international business heads and process owners assist in upholding steady supervision and tactical uniformity across regions.

### Sharing of expertise

Asian Paints operates centralised Group functions with specialised expertise, providing oversight and guidance across its subsidiaries. Core departments deliver technical expertise and shared services to global business units which enhances operational efficiency, strengthens monitoring, and ensures consistent policies, controls, and processes across the Group.

### Extension of Company's policies to Group Companies

To support consistent benchmarks and encourage ethical corporate habits across the group companies, following key policies of the Company are extended to subsidiaries and joint ventures (to the extent applicable):

a. Whistle Blower Policy
b. Code of Conduct for Employees
c. Code of Conduct for Business Partners
d. Policy on engagement of Auditors
e. Communications policy including Social Media Policy
f. Environment Policy
g. Health and Safety Policy
h. Fair Competition Policy
i. Policy on Equal Opportunity and Non-Discrimination

The Company does not have any material subsidiary in terms of Regulation 16(1)(c) of the Listing Regulations. In view of the above, the requirement to disclose information in respect of material subsidiaries, in terms of the aforesaid regulation is not applicable.

The Company's policy for determining material subsidiaries is available on the Company's website at https://www.asianpaints.com/PolicyforMaterialSubsidiaries.html.

### Oversight measures

Asian Paints exercises effective overall oversight of its subsidiaries through the Board and its Committees. The Board periodically reviews subsidiary performance and oversees corporate restructuring and collaborations. A summary of the minutes of subsidiary Board meeting is presented each quarter, while detailed minutes remain accessible to Directors through a secure online portal.

The Audit Committee plays a critical role in monitoring the financial performance of Group companies, including investment decisions, utilisation of loans, and related party transactions. It also reviews consolidated financial results and ensures compliance with regulatory requirements.

The Nomination and Remuneration Committee identifies eligible employees of subsidiaries for ESOPs, supporting talent retention and incentivisation, and oversees senior management mobility across international business units.

The Investment Committee evaluates major investment, divestment, and acquisition proposals of subsidiaries, reviews proposed capital infusions, and submits its recommendations to the Board for consideration ensuring disciplined capital allocation and strategic alignment.

## Compliance with Corporate Governance Requirements

### a. Confirmation of compliance with applicable SEBI Regulations

The Company hereby confirms the following:

i. The Company has complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of the Listing Regulations;

ii. The Company has complied with all the requirements of the stock exchanges and SEBI on matters relating to Capital Markets. There were no penalties imposed or strictures passed against the Company by SEBI, stock exchanges on which the shares of the Company are listed or any statutory authority in this regard, during the last three years;

iii. The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance; and

iv. There are no non-compliances of any requirements of Corporate Governance Report, as per sub-paras (2) to (10) of Schedule V Para C of the Listing Regulations.

### b. Confirmation by Senior Management Personnel

In accordance with the provisions of Regulation 26(5) of the Listing Regulations, Senior Management Personnel have affirmed that they do not have any personal interest relating to material, financial, and commercial transactions which may have a potential conflict with the interest of the Company at large.

### c. No special rights to shareholders

SEBI introduced Regulation 31B of the Listing Regulations under which any 'Special Rights' granted to a shareholder shall be subject to approval by the shareholders in a general meeting by way of a special resolution once in every five years starting from the date of grant of such Special Right.

The Company ensures equitable treatment to all shareholders and has not granted any special rights like nomination rights, veto rights/affirmative voting rights, information rights, anti-dilution rights, rights of first refusal, tag-along rights, divestment rights, etc., to any of its shareholders.

### d. Agreement in relation to dealing in securities of the Company

In accordance with the provisions of Regulation 26(6) of the Listing Regulations, the Directors, members of the Promoter(s) & Promoter(s) Group, Key Managerial Personnel, and Senior Management Personnel have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

### e. Disclosure of certain type of Agreements Binding Listed Entities

The Company has not been informed of any agreement under Regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations. In view of the above, the requirement to disclose any agreement in terms of the aforesaid regulation is not applicable.

### f. Related Party Transactions

During the year under review,

i. All Related Party Transactions ("RPTs") entered into by the Company, were approved by the Audit Committee and were in the ordinary course of business and at arm's length. The Audit Committee also granted prior omnibus approval for RPTs which were in the ordinary course of business and on an arm's length that were repetitive in nature and also for unforeseen transactions, in line with the Policy on dealing with and materiality of Related Party Transactions and the applicable provisions of the Act read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force).

ii. The Audit Committee reviewed, on a quarterly basis, the details of RPTs entered into by the Company pursuant to the omnibus approval granted.

iii. The Company did not enter into any material RPTs nor did it enter into any significant transaction with its related parties that may have a potential conflict with the interests of the Company.

iv. The RPTs undertaken by the Company were in compliance with the provisions set out in the Act read with the Rules issued thereunder and relevant provisions of the Listing Regulations.

v. The business rationale for the transactions with related parties and details of the same form part of the Board's Report and notes to financial statements, forming part of this Integrated Annual Report.

vi. SEBI vide its Circular dated 26th June 2025 and several subsequent amendments had notified the Industry Standards formulated by the Industry Standards Forum ("ISF") on minimum information

to be provided to the audit committee and shareholders while seeking their approval for RPTs. This Industry Standard is applicable for all the approvals for RPTs sought on or after 1st September 2025.

The Company had presented the requisite information as per the Industry Standards for the RPTs to be entered into by the Company during the financial year 2025-26 to the Audit Committee for their information.

vii. The Company has amended the Policy on dealing with and materiality of Related Party Transactions to incorporate the changes pursuant to the notification of Industry Standards and amendments to the Listing Regulations. The revised Policy on dealing with and materiality of Related Party Transactions is available on the website of the Company at https://www.asianpaints.com/RPTPolicy.html.

viii. Pursuant to Regulation 23(9) of the Listing Regulations, the Company had filed the half-yearly reports on RPTs with the stock exchanges on which the equity shares of the Company are listed.

ix. The details of remuneration paid to the employees of the Company, who are relatives of the Directors as on 31st March 2026 are as under:

| Name of the Employee | Name of relationship with Directors | Remuneration (in ₹) |
|---|---|---|
| Varun Vakil | Relative of Amrita Vakil and Nehal Vakil | **1,15,19,195** |
| Aashay Choksi | Relative of Ashish Choksi and Manish Choksi | **20,59,113** |

**Note:** In terms of Section 177 and other applicable provisions, if any, of the Act read with the Rules issued thereunder and the Listing Regulations, the appointment and remuneration payable to the aforesaid employees were approved by NRC and the Audit Committee and were noted by the Board of the Company and were at arm's length and in the ordinary course of business.

The Audit Committee engages an independent firm of accountants once every two years to review the process for RPTs. Accordingly, a review was carried out during financial year 2025-26, and it was noted that the Company's processes in this regard are appropriate.

### Report from an external firm of accountants

The Company has obtained an independent report from an external firm of accountants, which confirms that the Company's process of determining whether the transactions entered into with related parties are at arm's length and in the 'ordinary course of business', is appropriate. The report further confirms that the relevant approvals under the Companies Act, 2013, the Listing Regulations, relevant circulars issued by the Securities and Exchange Board of India have been obtained for such transactions.

## g. Loans and advances

No loans/advances in the nature of debt were given to firms/companies in which Directors of the Company are interested.

## h. Non-Mandatory requirements

i. The Chairman of the Board is a Non-Executive Independent Director and his position is separate from that of the Managing Director & CEO.

Further, the Chairman of the Board is not related to the Managing Director & CEO.

ii. The Independent Chairman of the Company has been provided with a Chairman's Office at the Registered Office of the Company.

iii. Quarterly and Half-yearly financial results of the Company are sent to all the shareholders who have registered their email addresses with the Company and to the stock option grantees of the Company.

iv. The Company discusses with the institutional investors and equity analysts on the Company's performance on a periodic basis and presentations, if any, made during such meetings and calls are also available on the Company's website at https://www.asianpaints.com/InvestorPresentations.html.

v. During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

vi. The Chief Internal Auditor reports functionally to the Audit Committee of the Company and administratively to the Managing Director & CEO. He participates in the meetings of the Audit Committee and presents his internal audit observations to the Audit Committee and is a permanent invitee of the Risk Management Committee.

vii. The Independent Directors of the Company met thrice during the financial year 2025-26, without the presence of non-independent directors and members of the management and all the Independent Directors' endeavour to be present at such meetings, against the discretionary requirement of meeting twice in a financial year.

viii. The Company publishes audited standalone and consolidated financial results every quarter.

ix. The Integrated Report has been prepared as per the Integrated Reporting <IR> framework by International Integrated Reporting Council.

Reasonable and limited assurance engagement on the agreed indicators in the Integrated Annual Report including the Business Responsibility and Sustainability Report has been provided by Deloitte Haskins & Sells LLP (FRN 117366W/ W-100018), in accordance with the Standard on Sustainability Assurance Engagements ("SSAE") 3000, Assurance Engagements on Sustainability Information and the Standard on Assurance Engagements ("SAE") 3410, Assurance Engagements on Greenhouse Gas Statements, both issued by the Sustainability Reporting Standards Board of the ICAI. The report is annexed to this Integrated Annual Report.

## i. Website

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website at https://www.asianpaints.com/CorporateGovernanceatAPL.html. This section includes the basic information/documents of the Company *viz.*, Company's business, memorandum and articles of association, brief profile of board of directors etc. Further, it also includes details relating to the financial results declared by the Company, annual reports, presentations made by the Company to investors, press releases, shareholding patterns and such other material information which is relevant to shareholders. The Company ensures the content on the website of the Company is correct and updated within the prescribed timelines.

## j. Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February 2019 read with Regulation 24A of the Listing Regulations, directed listed entities to obtain Annual Secretarial Compliance Report from a Practicing Company Secretary, confirming compliances to all applicable SEBI Regulations and circulars/guidelines issued thereunder.

The Secretarial Compliance Report, submitted by a Practicing Company Secretary, is in addition to the Secretarial Audit Report in Form No. MR-3 and is filed with the Stock Exchanges within 60 days from the end of each financial year.

The Company engaged Dr. K. R. Chandratre (CP No.: 5144), Practicing Company Secretary and Secretarial Auditor, to provide the required certification.

This Report is being published voluntarily and has been annexed to the Board's Report, forming part of this Integrated Annual Report.

## k. Certificate from Practicing Company Secretary

A certificate as required under Clause 10(i) of Para C of Schedule V of the Listing Regulations, received from Mr. Saurabh Agarwal (CP No.: 20907), Partner, Makarand M. Joshi & Co., Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed and/or continuing as Directors of the Company by the SEBI/MCA or any such statutory authority, was placed before the Board of Directors at their meeting held on 29th May 2026 and is set out as Annexure (C) to this Report on Corporate Governance.

## l. Secretarial Auditor

Dr. K. R. Chandratre, Practicing Company Secretary (CP No.: 5144), was re-appointed as the Secretarial Auditor of the Company at the 79th AGM held on 26th June 2025, for a further period of five consecutive financial years, i.e., from financial year 2025-26 to financial year 2029-30, pursuant to the provisions of Regulation 24A of the Listing Regulations, read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P2024/185 dated 31st December 2024 and the Act, based on the recommendation of the Audit Committee and approval of the Board at their respective meetings held on 7th May 2025 and 8th May 2025.

The profile of the Secretarial Auditor is available on the Company's website at https://www.asianpaints.com/Auditors.html and the Policy on engagement of Auditors of the Company is also available on the Company's website at https://www.asianpaints.com/AuditorsEngagementPolicy.html.

## m. Total fees paid to Statutory Auditors of the Company

The total fees paid by the Company and its subsidiaries, on a consolidated basis, to Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018), Statutory Auditors and all entities forming part of the network firm/network entity of which the Statutory Auditors are a part, for all services availed during the financial year 2025-26, are as follows:

| Particulars | Amount (₹ in Crores) |
|---|---|
| Statutory audit fees | 4.37 |
| Tax audit fees | 0.32 |
| Other services* (includes other certification, out-of-pocket expenses, etc.) | 1.23 |
| **Total** | **5.92** |

* required under applicable laws

## n. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity, and respect for human rights.

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the Rules made thereunder, the Company has adopted a gender neutral Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace. The Policy is aimed at preventing instances of sexual harassment and at providing all employees with a safe, secure, and dignified work environment. The Company has also constituted an Internal Complaints Committee to address complaints relating to sexual harassment at the workplace. To promote awareness and sensitisation, the Company ensures that mandatory training on the POSH Act is imparted to all employees through a structured e-learning module.

Further, the Policy also extends coverage to contract workers, probationers, temporary employees, trainees, apprentices of the Company, and any person visiting the Company at its office. The Company has in place, an effective mechanism for dealing with complaints relating to sexual harassment at workplace.

The details relating to the number of complaints received and disposed of during the financial year 2025-26 are as under:

| Particulars | Number of complaints* |
|---|---|
| Received during the financial year | 3 |
| Disposed of during the financial year | 3 |
| Pending as at the end of the financial year | - |

* Cases were resolved within 90 days.

The Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace is available on the Company's website at https://www.asianpaints.com/POSHPolicy.html.

## o. Framework on Prohibition of Insider Trading

In accordance with the SEBI PIT Regulations, the Company has a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons ("Code for Prevention of Insider Trading") and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure").

The Company has established systems and internal controls to support compliance with the SEBI PIT Regulations and the Code for Prevention of Insider Trading, including mechanisms for identification of Designated Persons, maintaining required records and oversight through periodic reporting.

During the year under review, the Code for Prevention of Insider Trading and the Code for Fair Disclosure were reviewed and amended from time to time to align with the regulatory requirements, including updates reflected in the current versions of these Codes.

All compliances relating to the Code for Prevention of Insider Trading are being managed through a web-based portal onboarded by the Company.

The Company periodically circulates the informative emails on prevention of Insider Trading, Do's and Don'ts, etc. to the Designated Persons to familiarise them with the provisions of the Code for Prevention of Insider Trading and educate & sensitise them on various aspects of the Code for Prevention of Insider Trading.

The management also conducted several training sessions for the Designated Persons to create awareness on various aspects of the Code for Prevention of Insider Trading and the SEBI PIT Regulations, and to ensure that the internal controls are adequate and effective to ensure compliance.

These activities have reinforced awareness and compliance amongst the Designated Persons. During the year under review, the Audit Committee has reviewed the compliance with the provisions of the SEBI PIT Regulations and has verified that the systems for internal controls are adequate and operating effectively.

Further, the Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations to the Board as prescribed in the penalty framework adopted by the Board with respect to action taken against defaulters in accordance with the penalty framework.

The said non-compliances are promptly intimated to the stock exchanges in the prescribed format and penalty, if any, is being directly deposited by the Designated Person with SEBI's Investor Protection and Education Fund.

All the Designated Persons of the Company submitted their annual disclosures in accordance with the Code for Prevention of Insider Trading, and in compliance with the SEBI PIT Regulations.

KPMG Assurance and Consulting Services LLP's independent review reaffirmed the robustness of the Company's compliance framework on Prohibition of Insider Trading, the recommendations were limited to medium/low-risk governance enhancements to further strengthen internal controls.

The Code for Prevention of Insider Trading and Code of Fair Disclosure are available on the Company's website at https://www.asianpaints.com/CodesandPolicies.html.

## p. Disclosure on resignation of Independent Directors

None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, the disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons other than those provided by them is not applicable.

## q. Commodity price risk or foreign exchange risk and hedging activities

The disclosure of commodity price risk or foreign exchange risk and hedging activities is given in the 'General Shareholder Information' section, forming part of this Integrated Annual Report.

## r. Means of communication

The Company promptly discloses information on material corporate developments and other events as required under the Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purpose, it provides multiple channels of communications through dissemination of information on the online portal of the Stock Exchanges, press releases, annual reports, and by placing relevant information on its website.

### i. Publication of financial results

In accordance with regulatory requirements and to ensure transparency with the stakeholders, the Company publishes its quarterly, half-yearly, and annual financial results in leading English and Marathi newspapers. These include:

- The Economic Times (All-India edition)
- Free Press Journal (Mumbai edition)
- Business Standard (Mumbai edition)
- Navshakti (Mumbai edition)
- Maharashtra Times (Maharashtra edition)

This practice ensures broad accessibility of financial information to shareholders and the investing public.

### ii. Website

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' tab i.e., 'Disclosures under Regulation 46 of SEBI (LODR) Regulations, on the Company's website provides information on various announcements made by the Company, while status of unclaimed dividend, annual reports, financial results, official news releases along with the applicable policies of the Company etc., are also available under their respective tabs. The said section can be accessed on the Company's website at https://www.asianpaints.com/CorporateGovernanceatAPL.html.

Quarterly Compliance Reports on Corporate Governance and other relevant information of interest to the Investors are also placed under the Investors section on the Company's website.

Further, the Company has made necessary information available under the said section pursuant to Regulation 46 of the Listing Regulations.

### iii. Analysts presentations

In compliance with Regulation 46 of the Listing Regulations, the Company ensures timely, accurate and transparent communication with its stakeholders. Presentations, audio and video recordings, and transcripts of investor conference calls, discussing the Company's business and financial performance are available on the Company's website. This initiative is aimed at providing easy access to institutional investors, analysts, and shareholders.

The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director & CEO, CFO & Company Secretary, Associate Vice President – Finance, and representatives of Corporate Communications team. The Company also uploads transcripts and audio recordings of the said calls/meets on its website.

The Company's presentations made to the institutional investors and analysts are also available on the Company's website at https://www.asianpaints.com/InvestorPresentations.html.

### iv. Disclosure of material information

The Company has a Policy for determination of Materiality of Events/Information for the purpose of making disclosures to the stock exchanges.

The Managing Director & CEO and CFO & Company Secretary are empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges.

The Company makes timely disclosures of all material and relevant information to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed, in accordance with the Listing Regulations and other applicable rules and regulations issued by the SEBI.

The financial results of the Company and other UPSI are submitted to the stock exchanges immediately upon approval by the Board. The Board meeting thereafter continues until its scheduled time, in order to minimise the time taken for public dissemination of UPSI.

The Policy for determination of Materiality of Events/Information is available on the Company's website at https://www.asianpaints.com/MaterialityPolicy.html.

### v. Exclusive email ID for investors

The Company has a designated email id i.e., investor.relations@asianpaints.com exclusively for investor services, and the same, along with the contact details of the Investor Relations team is prominently displayed on the Company's website.

### vi. NSE Electronic Application Processing System and BSE Listing Centre

NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre are web-based applications developed by NSE and BSE, respectively, to facilitate electronic submission by listed corporates. All periodical compliance filings, *inter alia,* shareholding pattern, corporate announcements, Integrated Filing (Governance), and Integrated Filing (Financials) amongst others, are filed electronically through these platforms in accordance with the Listing Regulations.

Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the stock exchanges are in formats that enable users to access relevant information easily through a searching tool.





# General Shareholder Information

| | | | |
|---|---|---|---|
| 1. | **Corporate Identification Number** | L24220MH1945PLC004598 | |
| 2. | **Registered Office** | Asian Paints Limited<br>6A & 6B, Shantinagar<br>Santacruz (East)<br>Mumbai – 400 055<br>Maharashtra, India | |
| 3. | **80th Annual General Meeting ("AGM")** | | |
| | **Day, Date & Time** | Thursday, 9th July 2026 at 11.00 a.m. IST | |
| | **Venue** | Video conference/other audio-visual means<br>[Deemed venue for meeting: Registered Office of the Company] | |
| 4. | **E-Voting Details** | | |
| | **Cut-off Date** | Thursday, 2nd July 2026<br>Shareholders whose names appear in the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on the cut-off date shall be eligible to vote either through remote e-Voting or e-Voting during the AGM. | |
| | **E-Voting start date and time** | Sunday, 5th July 2026 at 9.00 a.m. IST | |
| | **E-Voting end date and time** | Wednesday, 8th July 2026 at 5.00 p.m. IST | |
| 5. | **Financial Calendar** | | |
| | **Financial Year** | 1st April to 31st March | |
| | **The calendar (tentative and subject to change) for consideration and approval of financial results during the financial year 2026-27** | | |
| | **Quarter and period ending on** | **Board meeting date** | **Trading window closure** |
| | June 2026 | 29th July 2026 | 19th June 2026 to 31st July 2026 |
| | September 2026 | 29th October 2026 | 18th September 2026 to 2nd November 2026 |
| | December 2026 | 19th January 2027 | 18th December 2026 to 21st January 2027 |
| | March 2027 | 12th May 2027 | 19th March 2027 to 14th May 2027 |
| 6. | **Listing Details** | | |
| | **Name of the Stock Exchanges** | **Scrip Code/Symbol** | **Address** |
| | BSE Limited ("BSE") | 500820 | Phiroze Jeejeebhoy Towers<br>Dalal Street, Mumbai – 400 001 |
| | National Stock Exchange of India Limited ("NSE") | ASIANPAINT | Exchange Plaza, C-1, Block G<br>Bandra Kurla Complex<br>Bandra (East), Mumbai – 400 051 |
| 7. | **ISIN for Depositories** | INE021A01026 | |

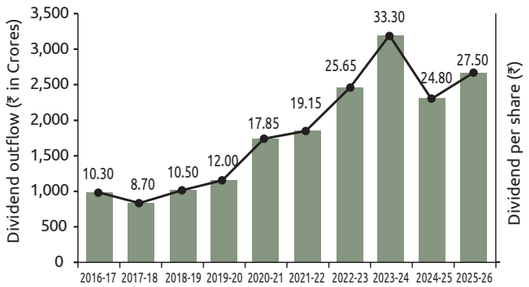
**Payment of Listing Fees:** Annual listing fees for the financial year 2026-27 has been duly paid by the Company to BSE and NSE.

**Payment of Depository Fees:** Annual Custody/Issuer fees has been duly paid by the Company to National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

## 8. Shareholders' Value Creation

### a. Details of the dividend declared and paid by the Company for the last 10 years

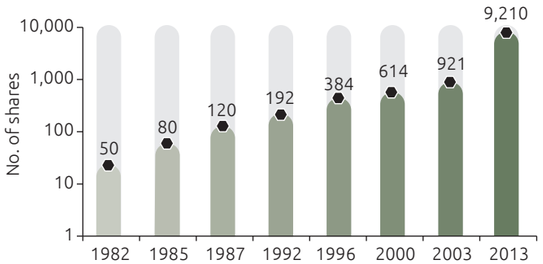
The Company has a consistent track record of rewarding its shareholders, including by way of payment of dividend. The Company has paid dividend amounting to ₹ 18,200.78 crores in the last 10 years. The details of the same have been summarised below.




**Notes:**

1. Dividend for financial year 2016-17, includes one-time special dividend of ₹ 2 per share of face value of ₹ 1 each.
2. Dividend for financial year 2025-26, includes final dividend of ₹ 23 per share of face value of ₹ 1 each for the financial year 2025-26 recommended by the Board of Directors, subject to approval of shareholders at the ensuing 80th AGM.

### b) Bonus issues and stock split




| | | | | | | | |
|---|---|---|---|---|---|---|---|
| IPO* | Bonus | Bonus | Bonus | Bonus | Bonus | Bonus | Stock Split |
| | 3:5 | 1:2 | 3:5 | 1:1 | 3:5 | 1:2 | 10:1 |

*Equity shares of face value of ₹ 10 each fully paid-up issued at a premium of ₹ 13 per share.

The above graph depicts the increase in the number of Asian Paints shares as a result of the Company's bonus issues over the years and a stock split in 2013 in the ratio of 10:1. For example, if an investor held 50 equity shares in 1982 during Initial Public Offer ("IPO") and continued to hold it, he/she/they would have 9,210 equity shares today owing to the bonus share issues and stock split.

Over the course of 44 years since the IPO, the shareholder wealth has grown at a CAGR of ~ 25%.

#### Capital Evolution

The details of paid-up capital evolution of the Company can be accessed on its website at https://www.asianpaints.com/CapitalEvolution.html.

## 9. In case the securities of the Company are suspended from trading, the reasons thereof

The securities of the Company were not suspended from trading during the year.

## 10. Registrar and Share Transfer Agent & Share Transfer System

MUFG Intime India Private Limited (formerly Link Intime India Private Limited) is the Registrar and Share Transfer Agent ("RTA") of the Company.

Transmission, dematerialisation of shares, issue of duplicate share certificates, dividend payment, redressal of investor grievances, and all other shareholder related matters are attended to and processed by the Company's RTA.

### Shareholder transactions

The Securities and Exchange Board of India ("SEBI") with effect from 1st April 2019, has barred physical transfer of shares of listed companies and mandated transfers only in demat mode.

Transactions involving the issue of share certificates, namely, issuance of duplicate share certificates, split, rematerialisation, consolidation, renewal of share certificates, new shares certificates in terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) ("IEPF Rules") are approved by the Stakeholders Relationship Committee of the Board of Directors of the Company.

Further, SEBI has mandated the listed entities to process all the investor service requests involving issue of share certificate only in dematerialised form.

The manner and process of making application as per the revised framework prescribed by SEBI and operational guidelines thereto are available on the RTA's website at https://web.in.mpms.mufg.com/client-downloads.html and the Company at www.asianpaints.com/ShareholderServiceRequest.html.

Based on the delegation by the Board of Directors of the Company, a Management Committee comprising of Managing Director & CEO and CFO & Company Secretary of the Company approves the request for transmission, dematerialisation of shares, etc. A summary of approved requests of transmissions, dematerialisation of shares, etc. is placed before the Stakeholders Relationship Committee of the Board of Directors of the Company for information.

After due verification and confirmation by the Company, the requests for dematerialisation of shares are processed by RTA and confirmation thereof is given to the respective Depositories i.e., NSDL and CDSL within the prescribed time limit.

The Company, while processing investor service requests, in certain instances exercises abundant precaution and due diligence by seeking additional documents and information from the shareholders/claimants in their interest to ensure that the shares are released in favour of the person who is rightfully entitled.

During the year, all the requests received from the shareholders by the Company or its RTA were addressed in accordance with the timelines as prescribed by the Statutory Authorities, from time to time.

### Simplification of process by SEBI

SEBI from time to time has simplified the process for various investor services requests to make it more efficient and investor friendly. In continuation, the SEBI during the year has notified following changes in the manner of processing investor services requests by the Company/its RTA:

#### Procedure for issuance of duplicate share certificate

In continuation of the above, SEBI, vide its Circular No. HO/38/13/11(3)2025-MIRSD-POD/I/1102/2025 dated 24th December 2025, has further streamlined and simplified the process for issuance of duplicate securities by introducing a standardised Affidavit-cum-Indemnity Bond in place of separate documents. The said Circular read with previous Circulars have also dispensed certain procedural requirements, such as filing of police complaints, publication of newspaper advertisements, and notarisation of affidavits for cases up to a specified value.

#### Special window for re-lodgement of transfer of physical shares

In response to feedback received from investors, companies, and RTAs, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated 2nd July 2025, opened a special window for a period of 6 months from 7th July 2025 till 6th January 2026 to facilitate re-lodgement of transfer requests of physical shares of the Company in dematerialised form, which were sold/purchased prior to 1st April 2019 and/or were rejected/returned/not attended to due to deficiency in the documents/process or otherwise.

Further, SEBI vide its Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated 30th January 2026, has decided to open another special window for a period of one year from 5th February 2026 to 4th February 2027 to facilitate transfer and dematerialisation of physical shares of the Company.

#### Applicability of Special Window

| Lodgement for transfer before 1st April 2019 ? | Original share certificate available | Eligible to lodge in Special Window |
|---|---|---|
| *No (it is fresh lodgement)* | *Yes* | *Yes (subject to the conditions stated in the said SEBI Circular)* |
| *Yes (it was rejected/returned earlier)* | *Yes* | |
| *Yes* | *No* | *No* |
| *No* | *No* | *No* |

During the further extended period, the re-lodged transfer requests that are found to be in order and complete in all respects in line with the SEBI Circular, will be issued only in dematerialised form and shall be under lock-in for a period of one year from the date of registration of transfer. Such shares shall not be transferred/lien-marked/pledged during the said lock-in period.

This measure has been introduced by SEBI as a facilitative step to provide a final opportunity to investors to regularise legacy cases pertaining to physical transfers and ensure transition to a fully dematerialised regime. The eligible investors who wish to avail the said opportunity are requested to submit necessary documents in this regard to the RTA.

### Doing away with the requirement of issuance of Letter of Confirmation

In order to simplify the process for credit of securities pursuant to investor service requests by reducing the timelines, risk of loss and pilferage, SEBI vide its Circular No. HO/38/13/(3)2026-MIRSD-POD/I/3763/2026 dated 30th January 2026 has decided to do away with the requirement of issuance of Letter of Confirmation ("LOC") with effect from 2nd April 2026. The Depositories have developed processes and systems to enable RTAs and listed companies to credit the securities directly to the demat account of the investor after necessary due diligence.

Any LOC issued before 2nd April 2026, may be submitted by the investors to the Depository Participant ("DP") for dematerialisation within the specified timeline i.e., 120 days from the date of issuance of LOC.

The format of the relevant documents and operational guidelines in this regard are available on the Company's website at https://www.asianpaints.com/ShareholderServiceRequest.html and its RTA at https://web.in.mpms.mufg.com/client-downloads.html.

## Legal proceedings

There are certain pending cases related to disputes over title to shares in which the Company and its RTA have been made a party. Since the disputed shares relate to the Company, accordingly, the Company and its RTA have been made defendants in these litigation matters, however, these cases are not material in nature.

### Common booklet for unclaimed securities

Certain financial assets created by the investors, such as bank deposits, investments and insurance proceeds may remain unclaimed at maturity due to inactive accounts, lack of awareness or incomplete beneficiary details, despite efforts by institutions to reach the rightful claimants.

These amounts constitute the lawful entitlement of investors, their nominees or legal heirs. To facilitate recovery, the IEPF Authority ("IEPFA") has issued a consolidated booklet outlining the process and grievance redressal mechanisms for claiming such amounts.

The investors may access the booklet by visiting the website of the IEPFA at www.iepf.gov.in.

## Shareholder engagement

The officials of the Company and RTA on a continuous basis engages with the shareholders, to explain them the procedure and documents required for processing their service requests. Once the Company or RTA establishes contact with the shareholders, all the efforts are made to enable the shareholders to submit requisite and valid documents and approve their service request in a single instance.

The Company has always regarded shareholder engagement as one of the key anchor towards achieving a better corporate governance.

## Review of service standards adhered by RTA with respect to share related activities

The Company has agreed service timelines and Standard Operating Procedures ("SOPs") for various shareholder related services with its RTA. The SOPs developed by the Company in association with its RTA are robust and includes step-by-step process for each and every activity. The responsibility has been earmarked between the Company and its RTA for their respective roles in processing the investor service requests.

The Secretarial Team of the Company on an on-going basis engages with the officials of RTA at various levels for review of these SOPs and other share related activities to ensure that the shareholder practices are investor-friendly and effective in time.

Periodic meetings and discussions are held with RTA to understand the concerns of shareholders, deviations, if any, within the agreed timelines for processing investor service requests, best practices, and other measures to strengthen shareholder related services.

In addition, internal audit is carried out on an annual basis by a firm of independent professionals and periodically by the Internal Audit team of the Company.

## Technology led initiatives taken by Registrar and Share Transfer Agent

The Company's RTA has implemented various investor related initiatives as detailed below in order to enhance their investor service levels:

**a. Investor Self-Service portal**

'SWAYAM' is a secure, user-friendly web-based application that empowers investors to effortlessly access information through a dashboard and avail various services in digital mode.

**Following are the key features and benefits of 'SWAYAM' Portal:**

- Updated status on electronic holdings across various companies serviced by the RTA and its subsidiaries.
- Tracking of corporate actions.
- Generate and track service requests/ complaints raised on the Portal.
- Shareholders holding shares in physical form can register on the said Portal only after updating their KYC details in their folio.

The investors are requested to get themselves registered and access the 'SWAYAM' Portal at https://swayam.in.mpms.mufg.com/.

**b. Chatbot Facility**

The Company's RTA has a Chatbot facility named "iDIA" to enable the investors to ask questions and get information about queries. 'iDIA' is a Chatbot that utilises conversational technology to provide investors with a round-the-clock intuitive platform to ask questions and get information about queries. Investors may talk to iDIA by logging in to https://in.mpms.mufg.com.

**c. Tax Exemption Forms submission**

The shareholders can submit their tax exemption forms through online services on the RTA's website at https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html.

**d. Investor Query/Service Request Module**

The shareholders are requested to take note that all queries, service requests or complaints in electronic mode, by any genuine shareholders, may be raised through the RTA's website at https://web.in.mpms.mufg.com/helpdesk/Service_Request.html.

## 11. Investor Grievance & Investor Contacts

The Company has authorised the Stakeholders Relationship Committee ("SRC") of the Board of Directors of the Company to examine and redress complaints by the shareholders and investors. The status of quarterly complaints is also reported to the Board of Directors of the Company.

The Company and its RTA constantly monitors the Investor Complaints Module as available on the BSE Listing Portal, NSE Electronic Application Processing System ("NEAPS") Portal, SEBI Complaints Redress System ("SCORES") Portal, Online Dispute Resolution ("ODR") Portal, and Investor Query Module on the website of the Company to track and redress the investor complaints and disputes in a speedy manner.

The Company attended most of the shareholders' correspondence received through electronic communication within a period of 5 days and postal communication within a period of 12 days from the date of receipt. The exceptions have been for cases constrained by disputes or legal impediments.

The SRC during the year, *inter alia,* examined the trend vis-a-vis nature of investor complaints over a period of past few years. The Committee was satisfied with the process followed by the Company in redressal of investor grievances.

The shareholders may write to the officials of the Company as per the escalation matrix enlisted in the Investors' Grievance Redressal Policy of the Company and can be accessed at https://www.asianpaints.com/IGRPolicy.html.

## SEBI SCORES Portal

SEBI has requested shareholders to approach the Company directly at the first instance for their grievance. If the Company does not resolve the complaint of the shareholders within stipulated time, then they may lodge the complaint on the SEBI SCORES Portal for further action.

The revised framework for handling and monitoring of investor complaints received through SCORES Portal by the Company and designated stock exchanges is provided by SEBI in its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6th February 2026. The same is available on the Company's website at https://www.asianpaints.com/ShareholderServiceRequest.html.

## Online Dispute Resolution Portal

After exhausting all the available options for resolution of the grievance as per the Company's Investors' Grievance Redressal Policy, if the Shareholder is still not satisfied with the outcome, then may initiate dispute resolution through the ODR Portal at https://smartodr.in/login.

The process for online resolution of disputes in the securities market has been provided by SEBI in its Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated 28th December 2023.

Pursuant to the said Circular, the existing dispute resolution mechanism in the Indian securities market is being streamlined under the aegis of Stock Exchanges and Depositories by expanding their scope and by establishing a common ODR Portal which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian securities market.

The aforesaid Circular issued by SEBI in this regard can be accessed on the Company's website at www.asianpaints.com/ShareholderServiceRequest.html.

## Investors' Grievance Redressal Policy

The Company believes that the shareholders of the Company should be able to communicate their grievances and obtain redressal for violation of their rights. In order to facilitate this, the Company must have a transparent framework for handling shareholder grievances, which would help the shareholders to register and escalate their grievances to the relevant authorities.

In continuation of the Company's endeavour to strengthen its investor relations and corporate governance practices, the Company has an Investors' Grievance Redressal Policy available on the Company's website at https://www.asianpaints.com/IGRPolicy.html.

## Statistics of Investor Complaints

During the year, the Company received the following investor complaints:

| Nature of Complaints | Pending at the start of the year | Number of complaints received | Number of complaints redressed | Number of complaints pending at the end of the year |
|---|---|---|---|---|
| IEPF related | 2 | 32 | 33 | 1 |
| Legal matters | - | 18 | 15 | 3 |
| Issue of share certificate | - | 17 | 17 | - |
| Transmission of shares | 1 | 15 | 16 | - |
| Others | 1 | 22 | 22 | 1 |
| **Total** | **4** | **104** | **103** | **5** |

**Notes:**

1. Out of the total complaints received, 12 complaints were received on Smart ODR Portal of the stock exchanges.
2. Nature of complaints in the category "Others" includes KYC updation, TDS on dividend, request for Annual Report, etc.
3. 5 complaints pending as on 31st March 2026 have been addressed.
4. To the best of our knowledge, all the complaints were resolved to the satisfaction of the complainants.

## 12. Dividend




| Interim Dividend for FY 2025-26 |
|---|
| Declaration date: 12th November 2025 |
| Record date: 18th November 2025 |
| Payment date: on and after 27th November 2025 |

Dividend payout ratio for the financial year 2025-26 is 60%

| Proposed Final Dividend for FY 2025-26 |
|---|
| Date of recommendation: 29th May 2026 |
| Record date: 23rd June 2026 |
| Payment date: on or after 13th July 2026 |

The Company provides the facility for remittance of dividends to shareholders through DC (Direct credit)/ NACH (National Automated Clearing House)/NEFT (National Electronic Funds Transfer).

As per SEBI Notification dated 18th November 2025 read with SEBI Master Circular No. HO/38/13(4)2026-MIRSD-POD/I/4298/2026 dated 6th February 2026 for Registrars to an Issue and Share Transfer Agents, companies must pay dividends to shareholders only through electronic mode. Accordingly, dividends are withheld by the Company where bank details are inadequate or not registered for electronic remittance.

An intimation is being sent by the Company to such shareholders whose details are not registered and/ or are inadequate informing them that their payment is due and has been withheld. Further, the same shall be released electronically only upon registering the aforesaid required details.

The shareholders holding shares in physical form are requested to register their PAN and KYC details with the Company/RTA for release of outstanding dividend(s). While the shareholders holding shares in demat form are requested to update their bank details with their DPs for release of outstanding dividend(s), in order to ensure safe and speedy credit of their dividend into their bank account.

As per the Income Tax Act, 2025, dividend paid or distributed by the Company is taxable in the hands of the shareholders. Therefore, the Company is required to deduct tax at source ("TDS") from dividend paid to the shareholders at the prescribed rates.

The TDS rate would vary depending on the residential status of the shareholders and the documents submitted by them and accepted by the Company. For further details, shareholders are requested to refer to the Notice of 80th AGM of the Company forming part of this Integrated Annual Report.

The Company sends the TDS certificate to the shareholders at their registered email address or postal address, as the case may be, post payment of the dividend in terms of applicable provisions of the law.

### Saksham Niveshak Campaign – Empowering Shareholders Nationwide

"Saksham Niveshak", a 100-day campaign led by the IEPFA under the Ministry of Corporate Affairs, was launched on 28th July 2025 for all the companies to strengthen investor protection and promote financial transparency.

**Key objectives include:**

- Encouraging companies to proactively engage with shareholders.
- Facilitating direct dividend disbursal to minimise delays and reduce intermediaries.
- Promoting timely resolution of investor grievances.

The Company undertook initiatives aligned with the above objectives, including KYC updation.

The IEPFA has since launched the second phase of the 100-day Saksham Niveshak campaign on 1st April 2026. The Company continues to undertake measures in furtherance of the Campaign objectives.

## Details of unclaimed dividend

The details of the outstanding unclaimed dividend and corresponding due dates for transfer to Investor Education and Protection Fund ("IEPF") as on 31st March 2026 are as under:

| Financial Year | Particulars of dividend | Amount (₹) | Due dates of transfer to IEPF |
|---|---|---|---|
| 2018-19 | Final Dividend | 1,73,77,089.75 | 31st August 2026 |
| 2019-20 | 1st Interim Dividend | 71,77,664.15 | 26th December 2026 |
| | 2nd Interim Dividend | 1,60,29,091.65 | 30th April 2027 |
| | Final Dividend | 25,85,629.80 | 12th October 2027 |
| 2020-21 | Interim Dividend | 57,34,435.12 | 18th January 2028 |
| | Final Dividend | 2,55,25,009.40 | 1st September 2028 |
| 2021-22 | Interim Dividend | 64,66,065.65 | 21st December 2028 |
| | Final Dividend | 2,66,81,732.60 | 30th August 2029 |
| 2022-23 | Interim Dividend | 71,09,859.40 | 21st December 2029 |
| | Final Dividend | 3,31,72,037.00 | 26th August 2030 |
| 2023-24 | Interim Dividend | 54,30,213.50 | 27th December 2030 |
| | Final Dividend | 5,73,06,247.00 | 25th August 2031 |
| 2024-25 | Interim Dividend | 79,51,262.50 | 8th January 2032 |
| | Final Dividend | 3,91,77,236.00 | 26th August 2032 |
| 2025-26 | Interim Dividend | 97,55,674.00 | 14th January 2033 |

## 13. Transfer to Investor Education and Protection Fund

In terms of Sections 124 and 125 of the Companies Act, 2013 ("the Act") read with the IEPF Rules, dividend, if not paid or claimed for a period of 7 years from the date of transfer to Unclaimed Dividend Account of the Company, is liable to be transferred to the IEPF. Further, according to the Act read with the IEPF Rules, all the shares in respect of which dividend has not been paid or claimed by the shareholders for 7 consecutive years or more shall also be transferred to the demat account of the IEPFA.

During the year, the Company had sent individual notices and issued advertisements in the newspapers, requesting the shareholders to claim their dividends in order to avoid transfer of shares/dividends to the IEPF.

Details of the unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPFA are available on the Company's website at https://www.asianpaints.com/IEPF.html.

The details of the unclaimed dividends and shares transferred to the IEPF during the financial year 2025-26 are as follows:

| Particulars | Amount of unclaimed dividend transferred (₹) | No. of shares transferred |
|---|---|---|
| Final Dividend 2017-18 | **1,48,07,133** | **29,133** |
| Interim Dividend 2018-19 | **65,26,880** | **64,782** |
| **Total** | **2,13,34,013** | **93,915** |

**Notes:**

a. As on 31st March 2026, the Company has transferred to the IEPF an amount of ₹19,16,35,470.30 after deduction of applicable tax as corporate benefits (dividend) arising on shares already transferred to the IEPF.

b. Total number of equity shares outstanding in the demat account of the IEPFA as on 31st March 2026 stood at 21,91,478 equity shares in comparison to 22,03,023 equity shares as on 31st March 2025. The total number of equity shares released by the IEPFA in favour of the shareholders during the financial year 2025-26 is 1,05,460 equity shares.

c. In the financial year 2026-27, the Company would be transferring unclaimed final dividend amount for the financial year ended 31st March 2019 on or before 31st August 2026, unclaimed 1st interim dividend amount for the financial year ended 31st March 2020 on or before 26th December 2026 and unclaimed 2nd interim dividend amount for the financial year ended 31st March 2020 on or before 30th April 2027 to the IEPF.

The procedure for claiming underlying shares and unclaimed dividend from the IEPFA is covered in the Shareholders' Referencer available on the Company's website at https://www.asianpaints.com/ShareholderReferencer.html.

### IEPFA Integrated Portal

The IEPFA has launched an upgraded search facility under the 'IEPFA Integrated Portal', enabling investors to verify whether their unclaimed shares or dividends have been transferred to the IEPF.

The portal provides a single-window interface linking claimants, companies, and regulators, with features such as real-time claim tracking, expedited grievance redressal, and simplified access to investor awareness resources. This facilitates smoother asset recovery, reduces reliance on intermediaries, and promotes financial awareness.

The portal is accessible on the IEPFA's website at www.iepf.gov.in.

### Grievances Redressal Mechanism at the IEPF Authority

In order to streamline the grievance redressal mechanism for claimants, a "Grievances Ticketing System" with upgraded features has been established by the IEPFA for updating the investors in respect of the status of their claims and queries.

A step-by-step procedure for raising grievance has been made available on the website of the IEPFA and the same can be accessed by the claimants by Clicking Here.

### Nodal Officer and Deputy Nodal Officer

In accordance with the IEPF Rules, the Board of Directors of the Company have appointed the following officials as the Nodal Officer and Deputy Nodal Officer:

| Nodal Officer | Deputy Nodal Officer |
|---|---|
| **R J Jeyamurugan** | **Saloni Arora** |
| CFO, Company Secretary & Compliance Officer | Deputy Company Secretary & Associate General Manager – Compliance |

Contact information of the Nodal Officer for the purpose of co-ordination with the IEPFA is available on the Company's website at https://www.asianpaints.com/IEPF.html.

## 14. Disclosure in respect of equity shares transferred to Unclaimed Suspense Account and Suspense Escrow Demat Account

### Asian Paints Limited – Unclaimed Suspense Account and Suspense Escrow Demat Account

In accordance with the requirements of Regulations 34 and 39 read with Schedule V(F) of the Listing Regulations, details of equity shares lying in Asian Paints Limited – Unclaimed Suspense Account and Suspense Escrow Demat Account ("SEDA") are as follows:

| Particulars | Unclaimed Suspense Account* | | Suspense Escrow Demat Account# | |
|---|---|---|---|---|
| | No. of shareholders | No. of equity shares | No. of shareholders | No. of equity shares |
| Aggregate number of shareholders and the outstanding shares lying as on 1st April 2025 | **3** | **9,340** | **2** | **6,800** |
| Number of shareholders who approached and to whom shares were transferred by the Company during the financial year 2025-26 | **(2)** | **(9,300)** | **-** | **-** |
| Number of shareholders and aggregate number of shares transferred to unclaimed suspense account during the financial year 2025-26 | **-** | **-** | **-** | **-** |
| Aggregate number of shareholders and outstanding shares lying as on 31st March 2026 | **1** | **40** | **2** | **6,800** |

**Notes:**

1. All the corporate benefits against these shares like bonus shares, split, etc., would also be transferred to the Unclaimed Suspense Account of the Company. While the dividend for the shares which are lying in Unclaimed Suspense Account and SEDA would be credited back to the relevant dividend accounts of the Company.
2. *The voting rights on shares lying in Unclaimed Suspense Account shall remain frozen till the rightful owner claims the shares.
3. #The concerned holders whose shares are lying in SEDA, shall be entitled to vote, and to receive dividends, notices of meetings, and annual reports.

## 15. Shareholding Details

### Distribution of shareholding of shares of the Company as on 31st March 2026 vis-à-vis 31st March 2025:

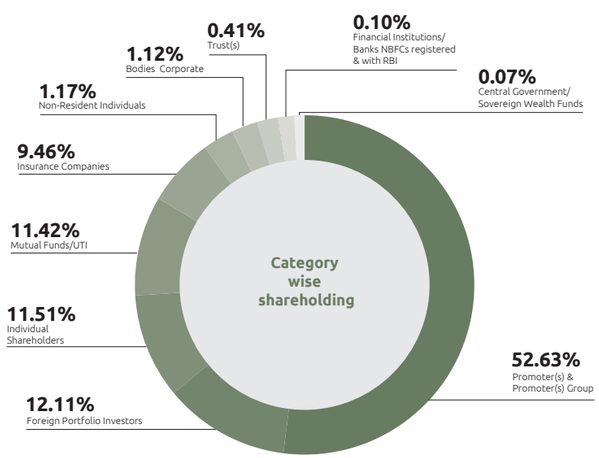
| No. of shares | 31st March 2026 | | | | 31st March 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of shareholders | | Equity shares in each category | | Number of shareholders | | Equity shares in each category | |
| | No. of shareholders | % to total | Shareholding | % to total | No. of shareholders | % to total | Shareholding | % to total |
| Upto 50 | **8,85,995** | **85.69** | **1,06,17,664** | **1.11** | 10,82,734 | 86.27 | 1,30,38,099 | 1.36 |
| 51-100 | **69,745** | **6.74** | **53,58,205** | **0.56** | 81,610 | 6.50 | 62,82,043 | 0.65 |
| 101-200 | **33,828** | **3.27** | **50,14,113** | **0.52** | 41,503 | 3.31 | 61,46,291 | 0.64 |
| 201-300 | **11,295** | **1.09** | **28,55,251** | **0.30** | 12,901 | 1.03 | 32,56,526 | 0.34 |
| 301-400 | **5,092** | **0.49** | **18,18,796** | **0.19** | 6,040 | 0.48 | 21,61,797 | 0.23 |
| 401-500 | **4,016** | **0.39** | **18,89,771** | **0.20** | 4,621 | 0.37 | 21,72,901 | 0.23 |
| 501-1,000 | **7,252** | **0.70** | **54,54,116** | **0.57** | 8,138 | 0.65 | 61,07,308 | 0.64 |
| 1,001-5,000 | **11,345** | **1.10** | **2,83,09,599** | **2.95** | 11,932 | 0.95 | 2,96,61,772 | 3.09 |
| 5,001-10,000 | **2,861** | **0.28** | **2,19,07,261** | **2.28** | 2,953 | 0.24 | 2,25,78,868 | 2.35 |
| 10,001 and above | **2,578** | **0.25** | **87,59,73,014** | **91.32** | 2,545 | 0.20 | 86,77,92,185 | 90.47 |
| **Total** | **10,34,007** | **100.00** | **95,91,97,790** | **100.00** | **12,54,977** | **100.00** | **95,91,97,790** | **100.00** |

## Shareholding pattern of the Company

| Category of Shareholder(s) | 31st March 2026 | | 31st March 2025 | | Change % |
|---|---|---|---|---|---|
| | No. of shares | % of total no. of shares | No. of shares | % of total no. of shares | |
| **(A) Shareholding of Promoter(s) and Promoter(s) Group** | | | | | |
| (1) Individuals/Hindu Undivided Family | **10,05,01,615** | **10.48** | 10,05,01,615 | 10.48 | - |
| (2) Bodies Corporate | **40,34,97,883** | **42.07** | 40,34,97,883 | 42.07 | - |
| (3) Trust | **7,85,700** | **0.08** | 7,85,700 | 0.08 | - |
| **Total Shareholding of Promoter(s) and Promoter(s) Group (A)** | **50,47,85,198** | **52.63** | 50,47,85,198 | 52.63 | - |
| **(B) Public shareholding** | | | | | |
| **(1) Institutions** | | | | | |
| i) Mutual Funds/UTI | **10,95,55,316** | **11.42** | 5,44,12,484 | 5.67 | 5.75 |
| ii) Financial Institutions/Banks | **9,29,146** | **0.10** | 6,21,534 | 0.07 | 0.03 |
| iii) Central Government/Sovereign Wealth Funds | **6,66,205** | **0.07** | 5,98,282 | 0.06 | 0.01 |
| iv) Insurance Companies | **9,08,23,469** | **9.46** | 9,10,76,329 | 9.50 | (0.04) |
| v) Foreign Institutional Investors | **11,61,47,304** | **12.11** | 11,72,53,642 | 12.22 | (0.11) |
| **Sub-Total (B)(1)** | **31,81,21,440** | **33.16** | **26,39,62,271** | **27.52** | **5.64** |
| **(2) Non-Institutions** | | | | | |
| i) Bodies Corporate | **1,07,51,590** | **1.12** | 5,47,38,300 | 5.71 | (4.59) |
| ii) Individuals | | | | | |
| (a) Individual shareholders holding nominal share capital up to ₹ 2 lakhs | **10,53,04,249** | **10.98** | 11,34,05,352 | 11.82 | (0.84) |
| (b) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs | **50,88,891** | **0.53** | 74,60,871 | 0.78 | (0.25) |
| iii) Non-Resident individuals | **1,12,39,337** | **1.17** | 1,19,21,545 | 1.24 | (0.07) |
| iv) NBFCs registered with Reserve Bank of India (RBI) | **5,298** | **0.00** | 3,670 | 0.00 | 0.00 |
| v) Trust(s) | **39,01,787** | **0.41** | 29,20,583 | 0.30 | 0.11 |
| **Sub-total (B)(2)** | **13,62,91,152** | **14.21** | **19,04,50,321** | **19.85** | **(5.64)** |
| **Total Public Shareholding (B) = (B)(1) + (B)(2)** | **45,44,12,592** | **47.37** | **45,44,12,592** | **47.37** | **-** |
| **Total (A) + (B)** | **95,91,97,790** | **100.00** | **95,91,97,790** | **100.00** | **-** |

The shareholding pattern filed on a quarterly basis with stock exchanges is also available on the Company's website at https://www.asianpaints.com/ShareholdingPattern.html.

## Category wise shareholding as on 31st March 2026




## Top 10 shareholders of the Company under the Public category as on 31st March 2026

| Sr. No. | Name of shareholder | Sub-category | No. of shares held* | % of shares held |
|---|---|---|---|---|
| 1. | Life Insurance Corporation of India | Insurance Companies | **7,78,22,006** | **8.11** |
| 2. | SBI Mutual Fund | Mutual Funds | **4,98,85,007** | **5.20** |
| 3. | ICICI Prudential Mutual Fund | Mutual Funds | **2,15,82,801** | **2.25** |
| 4. | UTI Mutual Fund | Mutual Funds | **1,11,31,106** | **1.16** |
| 5. | Nippon Life India Trustee Limited | Mutual Funds | **68,78,958** | **0.72** |
| 6. | Government Pension Fund Global | Foreign Portfolio Investors | **66,56,632** | **0.70** |
| 7. | Vanguard Total International Stock Index Fund | Foreign Portfolio Investors | **66,42,934** | **0.69** |
| 8. | Vanguard Emerging Markets Stock Index Fund | Foreign Portfolio Investors | **62,65,619** | **0.65** |
| 9. | Ishares Core MSCI Emerging Markets ETF | Foreign Portfolio Investors | **42,12,376** | **0.44** |
| 10. | PI Opportunities AIF V LLP | Alternate Investment Funds | **38,41,350** | **0.40** |
| | | **Total** | **19,49,18,789** | **20.32** |

* Shareholding has been consolidated on the basis of the name of the first holder and Permanent Account Number in the account.

## 16. Dematerialisation/Rematerialisation of shares and liquidity

The Company's equity shares are actively traded on BSE and NSE and are also available for trading in the Futures & Options segment.

The summary of average daily turnover of equity shares of the Company for the financial year 2025-26 is given below:

| Name of Stock Exchange | Average no. of shares traded on daily basis | Average value of shares traded on daily basis (₹ in Crores) |
|---|---|---|
| BSE | **61,837** | **15.36** |
| NSE | **12,07,760** | **301.92** |
| **Total** | **12,69,597** | **317.28** |

**Note:** This information is compiled from the data available on the websites of BSE and NSE.

The shareholders holding shares in physical form are requested to dematerialise their shares for safeguarding their holdings and managing the same hassle free.

Shareholders are accordingly requested to get in touch with any of the DPs registered with SEBI to open a demat account. The shareholders may also visit the website of Depositories viz. NSDL or CDSL to further understand the procedure for opening of demat account.

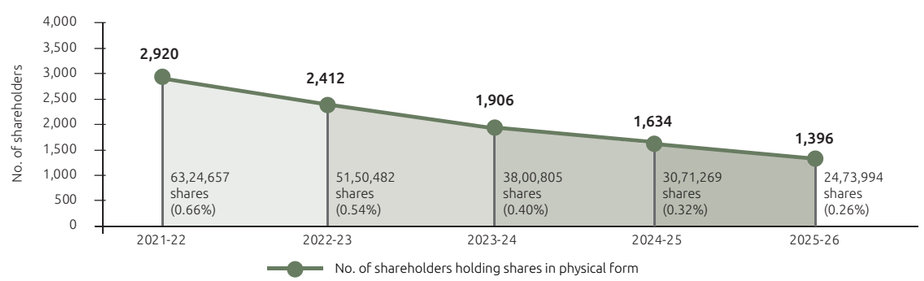
During the year, 5,97,275 (0.06%) equity shares of the Company were dematerialised. Further, 5 equity shares held by a shareholder were rematerialised during the financial year 2025-26 based on a request.

## Reconciliation of share capital audit

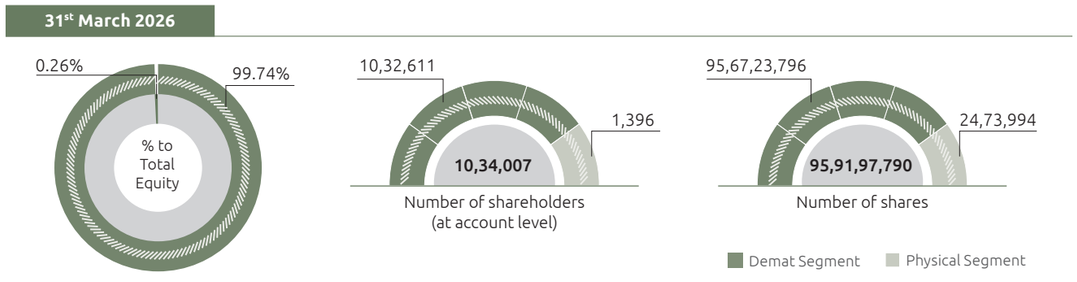
As required by the SEBI (Depositories and Participants) Regulations, 2018, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Auditor's Certificate in this regard is submitted on a quarterly basis to BSE and NSE and is also placed before the Board of Directors of the Company.

## Reduction in physical shareholders

On account of the continuous efforts made by the Company to convert its entire equity share capital into dematerialised form, there has been a significant reduction in the number of shareholders holding shares in physical form in last 5 years. Number of shareholders holding shares in physical form decreased by 52.19%* (1,396 in the FY 2025-26 as compared to 2,920 in the FY 2021-22) as on 31st March 2026.




*This also includes shares which have been transferred to IEPF.




## 17. Investor Conferences/Events held in the financial year 2025-26

The Company as a listed entity and a responsible corporate citizen recognises the imperative need to maintain continuous dialogue with the investor community.

The Company holds investor meets/calls after the announcement of every quarterly results, which is accessible to all stakeholders. The Company also participates in various investor meetings/conferences wherein the management interacts with investors on one-on-one or group physical/virtual meetings. The details of such calls and participation in the investor conferences are intimated to the exchanges as well as updated on the website of the Company.

The objective of the aforesaid interactions is to keep investors abreast of significant developments that determine Company's overall performance while at the same time addressing investor concerns. This translates into disseminating timely, accurate, and relevant information that helps investors in making informed investment decisions.

During the financial year 2025-26, there were over 1,000 participants in our quarterly earnings call and 112 funds participated in the 30 investor meets and conferences.

## 18. Outstanding Instruments and their impact on equity

The Company does not have any outstanding GDRs/ ADRs/Warrants/Convertible Instruments as on 31st March 2026.

## 19. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

a. Risk management policy of the listed entity with respect to commodities or forex including through hedging:

The Company imports and locally buys certain raw materials, which are derivatives of various commodities, from various sources, for manufacturing paints and related products of the Company. Most of the significant raw materials are not commodities, *per se,* though some of them could be derivatives of commodities.

The Company does not undertake any commodity hedging activities.

The Company actively monitors the foreign exchange movements and takes hedges as appropriate to reduce the risks associated with transactions in foreign currencies.

b. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: Not Applicable

c. Commodity risks faced by the listed entity during the year and how they have been managed: Not Applicable

## 20. Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilisation of funds, whether in India or abroad

The Company has not issued any debt instruments and did not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended 31st March 2026.

The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1+ and AAA/Stable, respectively. There was no revision in the said ratings during the year under review.

ESG Risk Assessments & Insights Limited, a SEBI-registered Category I ESG rating provider ("ERAIL"), has assigned the Company an ESG rating of '62', placing it in the 'Strong' category. The said rating has been based solely on publicly available information, without any engagement from the Company.

## 21. Plant Locations

The locations of the Company's paint manufacturing plants in India forms part of this Integrated Annual Report.

## 22. Communication Details

| Particulars | Contact | Website & Email | Address |
|---|---|---|---|
| For Corporate Governance and Secretarial related matters | Mr. R J Jeyamurugan<br>CFO, Company Secretary & Compliance Officer | Website: www.asianpaints.com<br>Email: investor.relations@asianpaints.com | Registered Office:<br>Asian Paints Limited<br>6A & 6B, Shantinagar<br>Santacruz (East)<br>Mumbai – 400 055<br>Maharashtra, India<br>Tel. No.: (022) 6218 1000 |
| For Investor Grievance | Please refer Investors' Grievance Redressal Policy available on the Company's website at https://www.asianpaints.com/IGRPolicy.html | | |
| Nodal Officer<br>Deputy Nodal Officer | Mr. R J Jeyamurugan<br>Ms. Saloni Arora | | |
| For Corporate Communications | Mr. Lakshya Sharma, Associate General Manager – Finance | Email: proffice@asianpaints.com | |
| Registrar and Share Transfer Agent | MUFG Intime India Private Limited | Website: https://in.mpms.mufg.com<br>Email: investor.helpdesk@in.mpms.mufg.com<br>Shareholders are requested to quote their folio no./DP ID & Client ID, email address, telephone no., and full address while corresponding with the Company and its RTA.<br>Further, shareholders are requested to take note that all queries or service requests in electronic mode may be raised through website of RTA, the link for which is https://web.in.mpms.mufg.com/helpdesk/Service_Request.html. | C-101, 1st Floor, 247 Park<br>Lal Bahadur Shastri Marg<br>Vikhroli (West), Mumbai – 400 083<br>Tel. No.: +91 810 811 8484<br>Fax No.: (022) 4918 6060<br>Toll Free No.: 1800 2100 124<br>(Exclusive for Asian Paints shareholders)<br>The details of 'collection centres and other branches' are available on the website of RTA at https://web.in.mpms.mufg.com/contact-us.html and on the website of the Company at www.asianpaints.com. |

## 23. Address of the redressal agencies for Investors to lodge their grievances

| | |
|---|---|
| **Regulatory Authorities:** | |
| **Ministry of Corporate Affairs** | 'A' Wing, Shastri Bhawan<br>Rajendra Prasad Road<br>New Delhi – 110 001<br>Tel. Nos.: (011) 2338 4660, 2338 4659<br>Website: www.mca.gov.in |
| **Securities and Exchange Board of India** | Plot No. C4-A, 'G' Block<br>Bandra-Kurla Complex, Bandra (East)<br>Mumbai – 400 051, Maharashtra<br>Tel. Nos.: (022) 2644 9000/4045 9000/<br>Fax Nos.: (022) 2644 9019-22/4045 9019-22<br>Interactive Voice Response System (IVRS)<br>Tel. Nos.: +91-22-26449950/40459950<br>Toll Free Investor Helpline: 1800 22 7575<br>Email: sebi@sebi.gov.in<br>Website: www.sebi.gov.in |
| **Investor Education and Protection Fund Authority** | Ground Floor, Jeevan Vihar Building<br>3, Sansad Marg, New Delhi – 110 001<br>Tel. No.: 14453<br>Email: iepf@mca.gov.in<br>Website: www.iepf.gov.in |

| | |
|---|---|
| **Stock Exchanges:** | |
| **BSE Limited** | Phiroze Jeejeebhoy Towers<br>Dalal Street, Mumbai – 400 001<br>Tel. Nos.: (022) 2272 1233/4<br>(022) 6654 5695 (Hunting)<br>Fax No.: (022) 2272 1919<br>Website: www.bseindia.com |
| **National Stock Exchange of India Limited** | Exchange Plaza, C-1, Block G<br>Bandra Kurla Complex, Bandra (East)<br>Mumbai – 400 051<br>Tel. Nos.: (022) 2659 8100/8114 (022) 6641 8100<br>Fax No.: (022) 2659 8120<br>Website: www.nseindia.com |
| **Depositories:** | |
| **National Securities Depository Limited** | 3rd Floor, Naman Chamber<br>Plot C-32, G-Block, Bandra Kurla Complex<br>Bandra (East), Mumbai – 400 051<br>Tel. No.: (022) 4886 7000<br>Email: info@nsdl.com<br>Website: www.nsdl.co.in |
| **Central Depository Services (India) Limited** | Marathon Futurex, A-Wing, 25th Floor<br>NM Joshi Marg, Lower Parel, Mumbai – 400 013<br>Toll Free No.: +91 80691 44800<br>Email: helpdesk@cdslindia.com<br>Website: www.cdslindia.com |

## 24. Others

a. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations: Not Applicable

b. Useful information for shareholders

### i. Access to Company related information

Shareholders can access the details of Company related information viz. Corporate Governance Codes & Policies, Memorandum and Articles of Association, financial information, shareholding information, details of unclaimed dividends and shares transferred/liable to be transferred to the IEPF etc. on the Company's website at https://www.asianpaints.com/more/investors.html.

### ii. Updation of PAN and KYC details

SEBI vide Master Circular No. HO/38/13(4)2026-MIRSD-POD/I/4298/2026 dated 6th February 2026, has prescribed common and simplified norms for processing investor service requests by RTAs and norms for furnishing PAN, KYC (Contact Details, Bank Details, and Specimen Signature), and Nomination details.

As per the provisions of the said Circular, amended from time to time, all shareholders holding shares in physical form are mandated to update their PAN, address, mobile number, bank account details, and specimen signature with the RTA.

In view of the same, it may be noted that any service request can be processed only after the folio is KYC compliant. In the case, wherein any one of the above details are not updated, such shareholders will be able to:

- lodge any grievance or avail any service only after furnishing all necessary details required above; and
- receive any payments including dividend in respect of such folios only electronically with effect from 1st April 2024, upon registering the required details.

In accordance with the said SEBI Master Circular, the Company has sent the yearly reminder to the concerned shareholders holding shares in physical form, wherein PAN, KYC and/or Nomination details are not updated, requesting them to furnish necessary documents/information.

Relevant Circulars and necessary forms in this regard are available on the Company's website at https://www.asianpaints.com/ShareholderServiceRequest.html and its RTA at https://web.in.mpms.mufg.com/KYC-downloads.html.

### iii. Nomination

In terms of the SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6th February 2026, all investors are encouraged in their own interest, to provide choice of nomination by contacting the RTA, if shares are held in physical form or their respective DP, if shares are held in dematerialised form.

Further, all new investors are mandatorily required to provide the choice of nomination for their demat accounts (except for jointly held demat accounts).

If a shareholder holding shares in physical form desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she/they may submit the same in the prescribed form.

The prescribed forms to be used for nomination in respect of physical shares are available on the Company's website at https://www.asianpaints.com/ShareholderServiceRequest.html and its RTA at https://web.in.mpms.mufg.com/KYC-downloads.html.

### iv. Consolidation of folios

Shareholders holding shares in multiple folios with the same name are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into a single folio.

### v. Preservation of ownership documents

Shareholders are advised to keep all their original investment documentation, including share certificate, Company communication.

### vi. Manner of postage of documents

Shareholders are advised to send share certificates, cheques, demand drafts, etc. through registered/speed post or courier.

### vii. Non-resident shareholders

Non-resident shareholders are requested to immediately notify the following to the RTA of the Company in respect of shares held in physical form and to their DPs in respect of shares held in dematerialised form:

a. Indian address for sending all communications, if not provided so far.
b. Change in their residential status on return to India for permanent residence.
c. Particulars of their Non-resident rupee account, whether repatriable or not, with a bank in India, if not furnished earlier.
d. Email address and Phone No.

### viii. Registration of email address

To support the green initiative, shareholders are requested to register their email addresses with their DPs or with the Company's RTA, as the case may be.

This is to inform that ~98% shareholders of the Company have registered their e-mail addresses. Communications in relation to the Company like notice and outcome of meetings of Board of Directors, dividend credit intimations, Notice of AGM, and Integrated Annual Report are periodically sent electronically to such shareholders.

In case of any change in relation to the email address, the members are required to intimate the same as follows:

a. For shares held in electronic form: to their respective DP; and
b. For shares held in physical form: to the Company/RTA in prescribed Form No. ISR-1.

### ix. Voting Rights

The fundamental voting principle is 'One Share-One Vote'.

Equity shares issued by the Company carry equal voting rights, except, where voting rights in respect of the shares, if any, lying in the Unclaimed Suspense Account, shares transferred to IEPF, and shares held by Asian Paints Employees Stock Ownership Trust are frozen.

### x. Dealing with SEBI registered intermediaries

Shareholders are requested to deal only through SEBI registered intermediaries and give clear and unambiguous instructions to their broker/sub-broker/DP.

### xi. Shareholders' Referencer

The Shareholders' Referencer of the Company provides all the shareholders with a duly updated and easy to refer compendium of all the relevant information, procedural steps, and escalation matrix for all engagements with the Company or its RTA.

The Shareholders' Referencer is available on the Company's website at https://www.asianpaints.com/ShareholderReferencer.html.

### xii. Investor Charter

In order to facilitate investor awareness for various service requests, SEBI had prescribed Investor Charter for RTAs, *inter alia,* detailing the services provided to investors, rights of investors, timelines for various activities of RTAs, do's and don'ts for investors, and Grievance Redressal Mechanism.

The Investor Charter is available on the Company's RTA website at https://in.mpms.mufg.com/InvestorCharter.html.

### xiii. Frequently Asked Questions

For ready reference, the Company has made available responses to frequently asked questions with respect to investor related services on its website at https://www.asianpaints.com/ShareholderFAQs.html.

### xiv. Investor Feedback Survey

MUFG Intime India Private Limited, RTA of the Company is classified as a Qualified RTA ("QRTA") as per the criteria laid down by SEBI.

The QRTAs are required to conduct an annual investor feedback survey and publish the outcome on its website as provided in the SEBI Master Circular No. HO/38/13(4)2026-MIRSD-POD/I/4298/2026 dated 6th February 2026.

The RTA had conducted an investor feedback survey for the financial year ended 31st March 2026, covering walk-in investors and email responses. As per the results, 96.8% of the investors were happy/satisfied with the services extended by RTA.

The outcome of the investor feedback survey is available on the RTA's website at https://web.in.mpms.mufg.com/Survey_result.html.

## Annexure (A) to Report on Corporate Governance

### Certification by CEO & CFO

[Pursuant to Regulation 17(8) read with Part B of Schedule II and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
**Asian Paints Limited**
Mumbai

Sir(s)/Madam(s),

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the quarter and year ended 31st March 2026 and to the best of our knowledge and belief that –

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

We hereby certify that, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and year ended 31st March 2026 are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

1. significant changes, if any, in internal control over financial reporting during the year ended 31st March 2026;
2. significant changes, if any, in accounting policies during the year ended 31st March 2026 and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Amit Syngle**
Managing Director & CEO

**R J Jeyamurugan**
CFO & Company Secretary

Place: Mumbai
Date: 29th May 2026

## Annexure (B) to Report on Corporate Governance

### Certificate on Compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by Asian Paints Limited relating to Corporate Governance Requirements

To:
The Members
**Asian Paints Limited**

I have examined compliance by Asian Paints Limited ("the Company") with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") relating to Corporate Governance requirements for the year ended on 31st March 2026.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

I state that there are five complaints relating to investor's grievance received by the Company and are pending unresolved as on March 31, 2026.

I further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Dr. K. R. Chandratre**
FCS No.: 1370, C. P. No.: 5144

Place: Pune
Date: 29th May 2026

UDIN: F001370H000539523
Peer Review Certificate No.: 7703/2026

## Annexure (C) to Report on Corporate Governance

### Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
**Asian Paints Limited**
6A & 6B, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A), to **Asian Paints Limited** bearing **CIN: L24220MH1945PLC004598** having registered office at 6A & 6B, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India (hereinafter referred to as 'the Company'), provided to us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs ('MCA') as on 27th May 2026 (ii) Debarment list of BSE Limited and National Stock Exchange of India Limited as on 27th May 2026 (iii) Verification of Director Identification Number ('DIN') status on the website of MCA on 27th May 2026, and (iv) Disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India, MCA, or any such other statutory authority as on 31st March 2026.

**TABLE A**

| Sr. No. | Name of the Directors | Designation | Director Identification Number | Date of appointment in the Company |
|---|---|---|---|---|
| 1. | Seshasayee Ramaswami | Independent Director & Chairman | 00047985 | 23/01/2017 |
| 2. | Manish Choksi | Non-Executive Director & Vice-Chairman | 00026496 | 22/10/2018 |
| 3. | Amit Syngle | Managing Director & CEO | 07232566 | 01/04/2020 |
| 4. | Malav Dani | Non-Executive Director | 01184336 | 21/10/2013 |
| 5. | Amrita Vakil | Non-Executive Director | 00170725 | 14/05/2014 |
| 6. | Milind Sarwate | Independent Director | 00109854 | 21/10/2021 |
| 7. | Nehal Vakil | Non-Executive Director | 00165627 | 01/03/2022 |
| 8. | Ireena Vittal | Independent Director | 05195656 | 25/07/2023 |
| 9. | Soumitra Bhattacharya | Independent Director | 02783243 | 26/10/2023 |
| 10. | Gopichand Katragadda | Independent Director | 02475721 | 01/04/2024 |
| 11. | Varun Berry | Independent Director | 05208062 | 23/10/2024 |
| 12. | Ashish Choksi | Non-Executive Director | 00059132 | 01/04/2025 |

*General Disclaimer: Our Analysis for this certificate does not cover the verification of criteria pertaining to appointment as independent director under Section 149 and criteria pertaining to appointment as Managing Director under Section 196 and Schedule V of the Companies Act, 2013.*

**For Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review No.: 6832/2025

**Saurabh Agarwal**
Partner
FCS No.: 9290
CP No.: 20907
UDIN: F009290H000501311

Place: Mumbai
Date: 27th May 2026

## Annexure (D) to Report on Corporate Governance

### Declaration of Compliance with the Code of Conduct

I hereby confirm that all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the financial year ended 31st March 2026.

**Amit Syngle**
Managing Director & CEO

Place: Mumbai
Date: 29th May 2026





# Business Responsibility and Sustainability Report

As our business evolves, we remain firmly committed to responsible and sustainable growth. In financial year 2025–26, this commitment was tested and strengthened in an environment shaped by heightened regulatory expectations, increasing climate-related risks, and growing stakeholder scrutiny.

Against this backdrop, we made steady progress across our key Environment, Social & Governance ("ESG") priorities and deepened the integration of sustainability into how we make decisions. At the same time, we sharpened our medium-term and long-term ESG targets, supported by stronger governance frameworks, structured monitoring, and active oversight by the Board of Directors and its Committees.

ESG is not a parallel agenda for us it is embedded in how we operate and create value. This enables us to respond with discipline to emerging risks while being equally prepared to capture new opportunities responsibly. Our focus remains on execution, with clear accountability and ongoing evaluation of performance against the commitments we have set.
This Business Responsibility and Sustainability Report (BRSR) sets out our approach and performance across material ESG themes for FY 2025–26, in line with Securities & Exchange Board of India ("SEBI") requirements and relevant global frameworks. As we move forward, we will continue to strengthen execution, deepen transparency, and improve outcomes in a manner that creates sustainable, inclusive, and long-term value for all stakeholders.

**Amit Syngle**
Managing Director & CEO

The Reasonable/Limited Assurance Report is annexed to this Integrated Annual Report on page no. 571.

## Section A: General Disclosures

### I. Details of the listed entity

| Sr. No. | Particulars | Response |
|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Listed Entity | **L24220MH1945PLC004598** |
| 2. | Name of the Listed Entity | **Asian Paints Limited** |
| 3. | Year of incorporation | **1945** |
| 4. | Registered office address | **6A & 6B, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India** |
| 5. | Corporate address | **Same as mentioned in point no. (4)** |
| 6. | E-mail | **investor.relations@asianpaints.com** |
| 7. | Telephone | **(022) 62181000** |
| 8. | Website | **www.asianpaints.com** |
| 9. | Financial year for which reporting is being done | **1st April 2025 to 31st March 2026** |
| 10. | Name of the Stock Exchange(s) where shares are listed | **BSE Limited (BSE)<br>National Stock Exchange of India Limited (NSE)** |
| 11. | Paid-up Capital | **₹ 95,91,97,790** |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | **Name : R J Jeyamurugan<br>Designation : CFO, Company Secretary & Compliance Officer<br>Tel.No. : (022) 62181188<br>E-mail : investor.relations@asianpaints.com** |
| 13. | Reporting boundary – [Are the disclosures taken together] | **The disclosures in this report are made on standalone basis for Asian Paints Limited ("the Company") and includes all locations where we have operational control. As Asian Paints (Polymers) Private Limited ("AP Polymers"), wholly owned subsidiary of the Company has amalgamated with the Company effective 31st March 2026, the reporting for the current year includes details relating to AP Polymers with effect from 1st April 2025.** |
| 14. | Name of assessment or assurance provider | **Deloitte Haskins & Sells LLP, Chartered Accountants (Firm registration no: 117366W/W-100018)** |
| 15. | Type of assessment or assurance obtained | **Reasonable assurance has been obtained for indicators covered under BRSR core and reasonable/ limited assurance for select additional indicators as marked under each indicator.** |

## II. Products/Services

### 16. Details of business activities (accounting for 90% of the turnover):

| Sr. No. | Description of main activity | Description of business activity | % of turnover of the entity |
|---|---|---|---|
| 1. | Sale of products | Manufacture/Purchase and sale of wide range of paints (Chemical and Chemical Products) | 94.7% |

### 17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

| Sr. No. | Product/Service | NIC Code | % of total turnover contributed |
|---|---|---|---|
| 1. | Manufacture of paints, varnishes, enamels, and thinners | 202 | 94.7% |

*As per National Industrial Classification–Ministry of Statistics and Programme Implementation.

## III. Operations

### 18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 13 | 252* | 265 |
| International^ | - | - | - |

* Includes warehouses, distribution centres and testing facilities.

^ The international operations are carried out the Company through its subsidiary companies and are outside the reporting boundary of this report.

Further, the aforementioned information excludes :

- 24 Beautiful Home Academies where Corporate Social Responsibilities (CSR) activities are carried out.
- Outside processing centres where the Company has tie-ups for manufacturing and purchase of certain products but does not have operational control.

### 19. Markets served by the entity:

#### a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States) | 28 |
| National (No. of Union Territories) | 8 |
| International (No. of Countries) ^ | 13^ |

^The International operations are carried out by the Company through its subsidiary companies and are outside the reporting boundary of this report.

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of the total turnover of the Company is 0.3%.

#### c. A brief on types of customers

The Company is engaged in the manufacturing, trading, and sale of the paints and coatings, wallcoverings, adhesives, tools, kitchen solutions, and related home décor products including rugs, furnishings, tiles, furniture, bath fittings, and sanitaryware. The Company also offers services such as end-to-end design to execution solutions, residential painting services, and interior design services. The Company serves customers across multiple segments including homeowners, large projects, dealers, corporates, architects, interior designers, contractors, and influencers through a multi channel distribution network comprising wholesalers, distributors, retail outlets, and e-commerce platforms.

## IV. Employees

### 20. Details as at the end of financial year:

#### a. Employees and workers (including differently abled):

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| **EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 9,440 | 8,440 | 89.4 | 1,000 | 10.6 |
| 2. | Other than Permanent (E) | 7,191 | 6,579 | 91.5 | 612 | 8.5 |
| 3. | **Total employees (D+E)** | 16,631 | 15,019 | 90.3 | 1,612 | 9.7 |
| **WORKERS** | | | | | | |
| 4. | Permanent (F) | 1,722 | 1,714 | 99.5 | 8 | 0.5 |
| 5. | Other than Permanent (G) | 15,007 | 14,586 | 97.2 | 421 | 2.8 |
| 6. | **Total workers (F+G)** | 16,729 | 16,300 | 97.4 | 429 | 2.6 |

**Note:** Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

#### b. Differently abled employees and workers:

| Sr. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| **DIFFERENTLY ABLED EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 56 | 51 | 91.1 | 5 | 8.9 |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| 3. | **Total differently abled employees (D+E)** | 56 | 51 | 91.1 | 5 | 8.9 |
| **DIFFERENTLY ABLED WORKERS** | | | | | | |
| 4. | Permanent (F) | 5 | 5 | 100 | - | - |
| 5. | Other than Permanent (G) | 18 | 18 | 100 | - | - |
| 6. | **Total differently abled workers (F+G)** | 23 | 23 | 100 | - | - |

**Note**: Limited assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

### 21. Participation/Inclusion/Representation of women:

| Particulars | Total (A) | No. and percentage of women | |
|---|---|---|---|
| | | No. (B) | % (B/A) |
| Board of Directors ("BoD") | 12 | 3 | 25 |
| Key Management Personnel ("KMP") | 2 | - | - |

**Notes:**

1. KMPs are the Managing Director & CEO and CFO & Company Secretary.
2. The above details of BoD and KMP are as on 31st March 2026.
3. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

## 22. Turnover rate (%) for permanent employees and workers:

| Particulars | FY 2025-26 (Turnover rate in current FY) | | | FY 2024-25 (Turnover rate in previous FY) | | | FY 2023-24 (Turnover rate in year prior to the previous FY) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | **20.4** | **28.2** | **21.2** | 22.8 | 22.8 | 22.8 | 22.1 | 18.5 | 21.7 |
| Permanent Workers | **2.3** | **-** | **2.3** | 2.5 | - | 2.5 | 2.2 | - | 2.2 |

**Note:** Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

# V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 23. (a) Names of holding/subsidiary/associate companies/joint ventures:

| Sr. No. | Name of the holding/subsidiary/associate companies/joint ventures | Indicate whether holding/subsidiary/ associate/joint venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| **A.** | **Subsidiaries of Asian Paints Limited** | | | |
| 1. | Asian Paints (Nepal) Private Limited | Subsidiary | 52.71 | |
| 2. | Asian Paints International Private Limited | Subsidiary | 100 | |
| 3. | Asian Paints Industrial Coatings Limited | Subsidiary | 100 | |
| 4. | Weatherseal Fenestration Private Limited | Subsidiary | 51 | |
| 5. | Asian White Cement Holding Limited (Note 3) | Subsidiary | 60 | |
| 6. | Obgenix Software Private Limited | Subsidiary | 100 | |
| 7. | Harind Chemicals and Pharmaceuticals Private Limited | Subsidiary | 51 | |
| **B.** | **Subsidiaries of Asian Paints International Private Limited (APIPL)** | | | |
| 8. | Enterprise Paints Limited | Subsidiary | 100 | |
| 9. | Universal Paints Limited | Subsidiary | 100 | |
| 10. | Kadisco Paint and Adhesive Industry Share Company | Subsidiary | 51 | **Standalone Note 1** |
| 11. | Asian Paints (South Pacific) Pte Limited | Subsidiary | 54.07 | |
| 12. | Asian Paints (S.I) Limited | Subsidiary | 75 | |
| 13. | Asian Paints (Bangladesh) Limited | Subsidiary | 95.09 | |
| 14. | Asian Paints (Middle East) SPC | Subsidiary | 100 | |
| 15. | SCIB Chemicals S.A.E. | Subsidiary | 85.6 | |
| 16. | Samoa Paints Limited | Subsidiary | 80 | |
| 17. | Asian Paints (Vanuatu) Limited | Subsidiary | 60 | |
| 18. | Causeway Paints Lanka (Pvt) Ltd | Subsidiary | 99.98 | |
| 19. | Asian Paints Doha Trading W.L.L. | Subsidiary | 100 | |
| **C.** | **Subsidiary of Enterprise Paints Limited** | | | |
| 20 | Nirvana Investments Limited | Subsidiary | 100 | |
| **D.** | **Subsidiary of Nirvana Investments Limited** | | | |
| 21. | Berger Paints Emirates LLC | Subsidiary | 100 | |
| **E.** | **Subsidiary of Universal Paints Limited** | | | |
| 22. | Berger Paints Bahrain W.L.L. | Subsidiary | 100 | |
| **F.** | **Subsidiary of Asian White Cement Holding Limited** | | | |
| 23. | Asian White Inc. FZE | Subsidiary | 60 | |
| **G.** | **Subsidiary of Harind Chemicals and Pharmaceuticals Private Limited** | | | |
| 24. | Nova Surface-Care Centre Private Limited | Subsidiary | 51 | **Standalone Note 1** |
| **H.** | **Joint Ventures of Asian Paints Limited** | | | |
| 25. | PPG Asian Paints Private Limited | Joint Venture | 50 | |
| 26. | Asian Paints PPG Private Limited | Joint Venture | 50 | |
| **I.** | **Subsidiary of PPG Asian Paints Private Limited** | | | |
| 27. | Revocoat India Private Limited | Associate | 50 | |
| 28. | PPG Asian Paints Lanka Private Limited (Note 4) | Associate | 50 | |

**Notes:**

1. The disclosures are presented on Standalone basis for the Company. The Company endeavours to promote adoption of appropriate Environment, Social and Governance practices across the Group companies. However, the companies referred to above do not participate in reporting of Business Responsibility initiatives of the Company and are therefore, not covered herein.
2. Asian Paints (Polymers) Private Limited was amalgamated with Asian Paints Limited effective 31st March 2026.
3. Asian Paints Limited's stake in Asian White Cement Holding Limited (AWCHL) reduced from 70% to 60% due to the issuance of sweat equity shares by AWCHL to another shareholder.
4. PPG Asian Paints Lanka Private Limited is under liquidation.

# VI. CSR Details

## 24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes, as per Section 135 of the Companies Act, 2013, provisions of CSR are applicable to the Company. A brief on the CSR vision of the Company and the activities undertaken has been detailed in the Synergising Relationship section and Annual report on CSR Activities section forming part of this Integrated Annual Report.

**(ii) Turnover (in ₹):** 38,763.8 Crores

**(iii) Net worth (in ₹):** 20,848.8 Crores

**Note:** The turnover represents gross sale of goods and services in accordance with the definition of "Turnover" as prescribed under Section 2(91) of the Companies Act, 2013.

*This space has been intentionally left blank*

## VII. Transparency and Disclosures Compliances

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| **Communities** | Yes, Grievance Redressal Mechanism link - http://asianpaints.ethicspoint.com/ Grievances for all the CSR activities undertaken by the Company can also be communicated to the respective Plant heads and/or through email on csr@asianpaints.com. The Company also has many informal channels for engaging with communities. | **-** | **-** | **-** | - | - | - |
| **Investors (other than shareholders)** | Yes, Grievance Redressal Mechanism link - https://www.asianpaints.com/IGRPolicy.html | **-** | **-** | **-** | | | - |
| **Shareholders** | Yes, Grievance Redressal Mechanism link - https://www.asianpaints.com/IGRPolicy.html Additionally, shareholders can lodge complaints by emailing at investor.relations@asianpaints.com , or on the SEBI Complaints Redressal (SCORES) platform, or to the RTA who are principally responsible for managing the shares related affairs by raising the request online through website of RTA, the link for which is https://web.in.mpms.mufg.com/helpdesk/Service_Request.html | **104** | **5** | **Refer Notes 2 & 3** | 80 | 4 | Refer Notes 2 & 3 |
| **Employees and workers** | Yes, Grievance Redressal Mechanism link - https://asianpaints.ethicspoint.com/ | **51** | **5** | **-** | 40 | 7 | - |
| **Customers** | Yes, the customers can lodge complaints through following channels:<br>1. Grievance Redressal Mechanism - https://asianpaints.ethicspoint.com/<br>2. Lodge complaints by emailing at customercare@asianpaints.com and/or calling on Toll free No. 18002095678. | **28,929** | **1,350** | **Refer Notes 1 & 3** | 29,022 | 1,636 | Refer Notes 1 & 3 |
| **Value Chain Partner** | Yes, Grievance Redressal Mechanism link - http://asianpaints.ethicspoint.com/ | **21** | **3** | **-** | 6 | 2 | - |
| **Others** | Yes, Grievance Redressal Mechanism link - http://asianpaints.ethicspoint.com/ | **3** | **-** | **Refer Note 4** | 10 | 5 | Refer Note 4 |

**Notes:**

1. The customer complaints pending at the close of the year, *inter alia*, are on account of (i) re-opening/non-closure of complaints to the satisfaction of the customers (ii) pending customer acknowledgment for closure (iii) resolution in progress and (iv) complaints registered during the last week of March 2026.
2. The shareholder complaints pending at the close of the year, *inter alia*, are on account of (i) resolution in process and (ii) closure of complaints pending at the end of regulatory authorities.
3. Number of complaints reported above represent agreed complaints.
4. Complaints reported under Others are the anonymous complaints received by the Company through the whistle blower mechanism.
5. Limited assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

### 26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Refer Managing Risks section under Management Discussion & Analysis section forming part of this Integrated Annual Report on page no. 64 for overview of the entity's material responsible business conduct issues and other required information.

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## Section B: Management and Process Disclosures

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| 1. a. Whether your entity's policy policies cover each principle and its core elements of the NGRBC's (Yes/No) | Yes | | | | | | | | |
| b. Has the policy been approved by the Board? (Yes/No) | Yes* | | | | | | | | |
| c. Web Link of the Policies, if available | Refer Note 1 | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures (Yes/No) | Yes | | | | | | | | |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes, Code of Conduct for Business Partners, Whistle Blower Policy, Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace extends to value chain partners | | | | | | | | |
| 4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | **P1** Organisation for Economic Co-operation and Development (OECD), Principle of Corporate Governance, Corporate Governance Voluntary Guidelines, 2009, United Nations General Compact ("UNGC"), United Nations Sustainable Development Goal ("UN SDGs"). ISO 9001, ISO 14001, ISO 45001, GRI standards. | | | | | | | | |
| | **P2** ISO 9001, ISO 14001, ISO 14040, ISO 45001, GRI standards, National Guidelines on Responsible Business Conduct ("NGRBC") | | | | | | | | |
| | **P3** Universal Declaration on Human Rights of the United Nations, British Safety Council, ISO 9001, International Labour Organisation Declaration on Fundamental Principle and Right at Work, UNGC, NGRBC, UN SDGs. | | | | | | | | |
| | **P4** ISO 9001, ISO 14001, GRI standards, NGRBC | | | | | | | | |
| | **P5** Universal Declaration on Human Rights of the United Nations, GRI standards, ISO 9001, International Labour Organisation Declaration on Fundamental Principle and Right at Work, NGRBC, UN SDGs | | | | | | | | |
| | **P6** ISO 9001, ISO 14001, Indian Green Building Council, GRI standards, UN SDGs, NGRBC | | | | | | | | |
| | **P7** Universal Declaration on Human Rights of the United Nations, GRI standards, ISO 9001, UN SDGs, NGRBC, UNGC | | | | | | | | |
| | **P8** CSR disclosures pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, GRI standards, ISO 9001, UN SDGs, NGRBC | | | | | | | | |
| | **P9** Task Force on Climate-Related Financial Disclosures (TCFD) Framework, ISO 9001, ISO 14001, ISO 27001, GRI standards, UN SDGs, NGRBC | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | The Company has established defined targets towards its ESG commitments covering key themes such as environmental stewardship, workplace well-being, ethical conduct, governance, and sustainable value chain practices. The Company monitors performance against these commitments on an ongoing basis.<br><br>The Company has set specific targets to be achieved by FY 2030 in the following areas:<br>• Energy Conservation<br>• Product Stewardship<br>• Water Neutrality<br>• Nature Positive<br>• Customer Celebrations<br>• Community Ownership<br>• Water Stewardship<br>• Energising, Equitable & Inclusive Workplace<br>• Safe Workplace<br>• World Class Governance<br>• Sustainable Supply Chain Management<br><br>For detailed performance metrics and progress, please refer to the ESG performance snapshot forming part of this Integrated Annual Report page no.8. | | | | | | | | |

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | The Company constantly monitors the performance towards ESG commitment. The performance against the set targets has been published in the ESG performance snapshot forming part of this Integrated Annual Report on page no. 8. | | | | | | | | |
| **Governance, leadership and oversight** | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements. | Mr. Amit Syngle, Managing Director & CEO of the Company is the Director responsible for the business responsibility report. For the statement, refer the Managing Director & CEO statement at the beginning of this report on page no. 311. | | | | | | | | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). | The Board of Directors ("the Board") oversees the Company's Business Responsibility and Sustainability framework, including ESG commitments, and has delegated monitoring of ESG initiatives and targets to the Stakeholders Relationship Committee ("SRC").<br>The composition of SRC is:<br>• Gopichand Katragadda – Chairman<br>• Nehal Vakil – Member<br>• Ashish Choksi – Member<br><br>Further details are provided in the Report on Corporate Governance page no. 255. The Board periodically reviews ESG and sustainability matters.<br><br>The Risk Management Committee has also established a framework to identify and assess risks, including those related to ESG. | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/ No). If yes, provide details. | The Board of Directors of the Company are responsible for decision making on sustainability. The SRC is responsible for providing direction to the management on ESG strategy and monitoring the progress and performance on its medium-term and long-term ESG commitments and targets. Read more about the SRC including its composition, terms of reference, etc. in the Report on Corporate Governance forming part of this Integrated Annual Report on page no. 255. Further, the Board periodically discusses ESG/Sustainability matters in its meetings.<br>Also, the Risk Management Committee has formulated a detailed framework for identification of internal and external risks specifically faced by the Company, including ESG related risks. | | | | | | | | |

* The Advocacy Policy has been approved by the Managing Director & CEO of the Company.

**10. Details of review of NGRBCs by the Company:**

| Subject for review | Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | The Managing Director & CEO reviews the performance of the systems and processes in place for NGRBC related principles. The Audit Committee reviews the performance and grievance redressal mechanisms as per the Code of Conduct of the Company. | | | | | | | | | Ongoing basis | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | The Company complies with all the applicable statutory requirements and rectifies, non-compliance, if any. This is reviewed by the Audit Committee. | | | | | | | | | Quarterly and as & when required as per statutory requirements. | | | | | | | | | |
| 11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | As a part of the oversight of the internal financial controls in the Company, the Management and Audit Committee reviews the adherence to the stated policies in the Company. The Internal Audit function assists the Audit Committee with the above. Further, independent assessment/ evaluation is carried out periodically by external agencies for certain policies. | | | | | | | | | | | | | | | | | | |

**Note 1:**

| Principle | Applicable policies | Link for policies |
|---|---|---|
| **Principle 1: Businesses should conduct and govern themselves with Integrity, and in a manner that is Ethical, Transparent and Accountable** | 1. Code of Conduct for Employees<br>2. Code of Conduct to Regulate, Monitor and Report Trading by Designated Person<br>3. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information<br>4. Policy on dealing with and materiality of Related Party Transactions<br>5. Whistle Blower Policy<br>6. Code of Conduct for Business Partners<br>7. Advocacy Policy<br>8. Code of Conduct for Board and Senior Management Personnel<br>9. Anti-Bribery and Anti-Corruption Position Statement<br>10. Tax Governance Position Statement | https://www.asianpaints.com/CodesandPolicies.html<br>https://www.asianpaints.com/PositionStatement.html |
| **Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe** | 1. Health and Safety Policy<br>2. Environment Policy<br>3. Information Security Policy<br>4. Net Zero Carbon Emission Position Statement<br>5. Sustainable Supply Chain Position Statement | https://www.asianpaints.com/EnvironmentPolicy.html<br>https://www.asianpaints.com/HealthandSafetyPolicy.html<br>https://www.asianpaints.com/CodesandPolicies.html<br>https://www.asianpaints.com/PositionStatement.html |
| **Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.** | 1. Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace<br>2. Code of Conduct for Employees<br>3. Code of Conduct for Business Partners<br>4. Policy on Equal Opportunity and Non- Discrimination<br>5. Environment Policy<br>6. Health and Safety Policy<br>7. Human Rights Position Statement | https://www.asianpaints.com/more/investors/investors-landing-page.html?q=codes-and-policies<br>https://www.asianpaints.com/EqualOpporunityPolicy.html<br>https://www.asianpaints.com/PositionStatement.html |
| **Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders** | 1. Corporate Social Responsibility Policy<br>2. Customer Policy<br>3. Code of Conduct for Employees<br>4. Code of Conduct for Business Partners<br>5. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information<br>6. Dividend Distribution Policy<br>7. Advocacy Policy | https://www.asianpaints.com/CodesandPolicies.html<br>https://www.asianpaints.com/CustomerPolicy.html<br>https://www.asianpaints.com/AdvocacyPolicy.html |
| **Principle 5: Businesses should respect and promote human rights** | 1. Code of Conduct for Employees<br>2. Code of Conduct for Business Partners<br>3. Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace<br>4. Policy on Equal Opportunity and Non-discrimination<br>5. Nomination and Remuneration Policy<br>6. Human Rights Position Statement | https://www.asianpaints.com/CodesandPolicies.html<br>https://www.asianpaints.com/EqualOpporunityPolicy.html<br>https://www.asianpaints.com/PositionStatement.html |
| **Principle 6: Businesses should respect and make efforts to protect and restore the environment** | 1. Environment Policy<br>2. Health and Safety Policy<br>3. Net Zero Carbon Emission Position Statement<br>4. Sustainable Supply Chain Position Statement<br>5. Biodiversity & No Deforestation Position Statement | https://www.asianpaints.com/EnvironmentPolicy.html<br>https://www.asianpaints.com/HealthandSafetyPolicy.html<br>https://www.asianpaints.com/PositionStatement.html |
| **Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent** | 1. Advocacy Policy | https://www.asianpaints.com/AdvocacyPolicy.html |
| **Principle 8: Businesses should promote inclusive growth and equitable development** | 1. Corporate Social Responsibility Policy<br>2. Policy on Equal Opportunity and Non-discrimination<br>3. Fair Competition Policy (Note 1) | https://www.asianpaints.com/CodesandPolicies.html |
| **Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner** | 1. Customer Policy<br>2. Information Security Policy<br>3. Fair Competition Policy (Note 1) | https://www.asianpaints.com/CustomerPolicy.html<br>https://www.asianpaints.com/CodesandPolicies.html |

**Note: 1.** The Fair Competition Policy is hosted on the Company's intranet portal. Principle of fair competition is also embedded in the Code of Conduct, and relevant stakeholders are adequately sensitised on this requirement.

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

| Disclosure | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/ human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

## Section C : Principle wise Performance Disclosure

**Principle 1** : Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

### Essential Indicators

**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors ("BoD") | 6 sessions | Regulatory compliance requirements and updates, cyber security, risk management, ESG performance and Business overview & strategy. | 100 |
| Key Managerial Personnel ("KMP") | 6 sessions | | 100 |
| Employees other than BoD and KMPs | 9,271 unique employees attended 1,174 Instructor Led Training (ILT) & 2,112 Online Training (OLT) sessions | Values-based capability building programme, Code of Conduct for Employees, POSH, Well-being (financial, physical and mental), Safety linked sessions, Sensitisation of compliances under Code of Conduct to regulate, monitor, and report trading by Designated Persons and fair-trade practices, Sessions on soft skill enhancement and function specific knowledge sessions, sessions on cyber security. | 98.2 |
| Workers | 205 sessions | Health & Safety related trainings, Wellness sessions and sessions on skill upgradation. | 100 |

**Notes:**

1. The Company conducts regular training programmes on health and safety to minimise workplace accidents without focusing upon the numbers of hours spent in training.
2. Training on skill upgradation includes both soft skill and functional skills. Such trainings are imparted by individual functions basis the need for their department and are not specially tracked.
3. The numbers are reported for all the employees & workers who were on the rolls of the Company at the end of the year.
4. Limited assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

**2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format:**

| | Monetary | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (in ₹) | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Penalty/Fine | | | | | |
| Settlement | | | NIL | | |
| Compounding fee | | | | | |

| | Non-Monetary | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (in ₹) | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | | | | | |
| Punishment | | | NIL | | |

**Note:** Materiality threshold as specified in Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been applied for the purpose of this disclosure.

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Not Applicable

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company's Code of Conduct for Employees and Code of Conduct for Business Partners include provisions relating to anti-corruption and anti-bribery, and apply to all employees of the Company, its subsidiaries and associate companies. The Company has also published a position statement on anti-corruption and anti-bribery on its website (https://www.asianpaints.com/PositionStatement.html).

The Company is committed to the highest standards of ethical conduct and fair business practices, supported by systems and controls, designed to detect, deter and prevent bribery and corruption. The Company maintains zero tolerance for corruption, including giving or offering, directly or indirectly through third parties, any undue advantage ("bribe") to the public officials or business partners to obtain or retain business or secure any improper advantage.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Directors | - | - |
| KMPs | - | - |
| Employees | - | - |
| Workers | - | - |

**6. Details of complaints with regard to conflict of interest:**

| | FY 2025-26 | | FY 2024-25 | |
|---|---|---|---|---|
| | Number | Brief details of the complaint | Number | Brief details of the complaint |
| Number of Complaints received in relation to issues of Conflict of Interest of the Directors | - | - | - | - |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | - | - | - | - |

**Note:** Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

**8. Number of days of accounts payables [(Accounts payable *365)/Cost of goods/services procured] in the following format:**

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Number of days of accounts payables | 71 | 66 |

**Notes:**

1. Average trade payable and net purchases of raw material, packaging material and stock in trade has been considered in the computation of days of accounts payable.
2. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

## 9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans & advances and investments, with related parties, in the following format:

| Parameters | Metrics | | FY 2025-26 | FY 2024-25 |
|---|---|---|---|---|
| Concentration of Purchases[1] | a. | Purchases from trading houses as % of total purchases | **11.6%** | 12.1% |
| | b. | Number of trading houses where purchases are made from | **1,439** | 1,509 |
| | c. | Purchases from top 10 trading houses as % of total purchases from trading houses | **52.8%** | 60.3% |
| Concentration of Sales[2] | a. | Sales to dealer/distributors as % of total sales | **99.0%** | 99.0% |
| | b. | Number of dealers/distributors to whom sales are made | **72,873** | 75,793 |
| | c. | Sales to top 10 dealers/distributors as % of total sales to dealers/ distributors | **0.9%** | 0.9% |
| Share of RPTs in | a. | Purchases (Purchases with related parties/Total purchases) | **2.9%** | 2.6% |
| | b. | Sales (Sales to related parties/Total sales) | **0.1%** | 0.1% |
| | c. | Loans & advances (Loans & advances given to related parties/Total loans & advances) | **Nil** | Nil |
| | d. | Investments (Investments in related parties/Total investments made) | **16.4%** | 34.1% |

**Notes:**

1. Purchases pertains to raw material, packing materials, stock in trade, spares and capital expenditure.
2. Gross sales has been considered for calculation of the indicator.
3. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

### Leadership Indicators

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

The Company is committed to conducting its business in an ethical, fair, legally, socially and environmentally responsible manner. Business Partners are an integral part of the Company's ecosystem, and the Company encourages them to act as responsible corporate citizens. The Company has in place a documented Code of Conduct for Business Partners ("Code") to reinforce its commitments towards business integrity, human rights, labour practices, environment stewardship, etc.

During the reporting year, 3,264 existing vendors acknowledged and accepted the Code, representing over 92% of the Company's raw material and packaging suppliers by value. The Code is available at https://www.asianpaints.com/CodeofConductforBusinessPartners.html. Further, all the agreements/contracts/purchase orders entered into by the Company with the business partners includes confirmation on adherence to the above-mentioned aspects.

The Company has a supply chain sustainability programme *"Samaveta"* to institutionalize collaboration on sustainability by establishing the ESG baseline & maturity, identifying areas of possible collaboration. One of the initiatives is Samaveta Academy which focuses on capacity building on fundamental ESG aspects in our value chain. Details of the awareness programs held under the Samaveta Academy:

| Total number of awareness programmes held | Topics/principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| 5 | Basics of ESG, Process Safety Management, Life Cycle Assessment, Corporate Governance and Corporate Social Responsibility | 12 |

Additionally, the Company undertakes a continuous engagement and awareness programmes with value chain partners such as contractors at the factory and warehouse locations, on ESG aspects covered in these principles.

**2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, the Company has in place a Code of Conduct for Board of Directors and Senior Management Personnel ("Code"), which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company and annual declaration on adherence to the Code is obtained from the Board of Directors. The Code is available on the Company's website at https://www.asianpaints.com/CodesandPolicies.html

The Company receives an annual declaration and changes, if any, from time to time, from its Board of Directors and Senior Management Personnel on their concern and interest in other entities, and ensures requisite approvals, as required under the applicable laws, are obtained prior to entering into transactions with such entities. Further, the Directors abstain from participating in discussion and voting on agenda items at the Board/Committee meetings in which they are interested or deemed to be interested.

## PRINCIPLE 2 : Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

**1. Percentage of Research & Development ("R&D") and capital expenditure ("Capex") investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| Particulars | Current Financial Year | Previous Financial Year | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | **2.0%** | 2.0% | The Company has an in-house Research & Technology (R&T) facility, where experts and scientists work on various innovations/technologies, including developing pathways for bringing on more sustainable and environment friendly products. These initiatives includes low Volatile Organic Compound (VOC) paints, and efforts towards reducing/eliminating lead and heavy metals, etc. The Company has spent ₹ 121.7 Crores and ₹122.8 Crores (only operating cost) on R&T expenses, during FY 2025-26 and FY 2024-25, respectively. These include expenses on multiple projects embodying several benefits including environmental and social benefits, however, separately identifying such costs is not feasible. The reported percentage of R&D includes only separately identifiable expenses, and excludes employee cost and other direct expenses of R&T. |
| Capex | **5.6%** | 1.4% | The capital expenditure includes investments in renewable energy, installation of environment monitoring systems, energy efficient equipment, waste reduction & treatment infrastructure and automation of labour intensive activities among others. |

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company has established robust procedures to ensure sustainable sourcing practices during supplier onboarding as well as on-going engagements with existing suppliers through *"Samaveta"* program.

Sustainability parameters are seamlessly integrated into the Company's broader supply chain strategy, anchored by the Code of Conduct for Business Partners ("Code"). Vendor selection and onboarding processes include an evaluation of compliance with applicable environmental regulations, such as possession of valid consents and other statutory authorizations, presence of an environmental policy and management system and adherence to key human rights principles. The Company conducts ESG assessments through Self-Declaration Forms ("SDFs"), public ESG disclosures, site visits or virtual evaluations, and targeted capacity building workshops for suppliers. A detailed update on the *"Samaveta"* program is available in the "Sustainable Operations" section of this Integrated Annual Report on page 118.

During the reporting year, 3,264 existing vendors acknowledged and accepted the Code, representing over 92% of the Company's raw material and packaging suppliers by value.

**b. If yes, what percentage of inputs were sourced sustainably?**

Over 88% of the raw material & packaging procurement by value is from suppliers certified and compliant with recognized social and environmental standards, including certifications such as SA 8000, ISO 14001 (Environmental Management System), OHSAS 18001/ISO 45001 (Occupational Health and Safety), EcoVadis (Bronze rating or higher), and relevant sustainability labels such as Rainforest Alliance, Rugmark, and RSPO.

In addition, through *Samaveta* program, the Company has evaluated over 89% of raw material and packaging suppliers (by value) based on their responses to SDFs or public disclosures. Further, 28% of suppliers by value were assessed through detailed onsite or virtual evaluations, ensuring a deeper understanding of their ESG performance and on-ground practices.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Paint, by its very nature, is a product that is fully consumed at the point of application, leaving limited residual waste at the consumer end. For dead, damaged, and defective materials, the Company has a detailed Standard Operating Procedure ("SOP") for the safe handling, collection, and environmentally responsible disposal.

1. **Plastics (including packaging):** Plastic constitutes the majority of the Company's packaging material. The Company is committed to addressing post-consumer plastic waste through a structured Extended Producer Responsibility (EPR) framework, in line with the Plastic Waste Management Rules, 2016 ("PWM Rules"). This includes the systematic collection, recycling, and disposal of plastic packaging waste in partnership with authorized agencies, thereby ensuring end-to-end traceability and regulatory compliance.
2. **E-waste:** The Company provides electrical and electronic equipment in the form of painting tools and appliances through its modular kitchens, wardrobes and fitted furniture business. In compliance with E-Wastes (Management) Rules, 2022, ("E-waste Rules"), the Company has implemented an EPR-compliant e-waste management system, ensuring responsible collection, channelization, and end-of-life processing of such products through certified recyclers.
3. **Hazardous Waste:** No significant waste, other than packaging and tools, remains after application of paints. However, hazardous waste generated in operations is handled and disposed as per Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.
4. **Other:** No significant waste, other than packaging and tools, remains after application of paints. However, other non-hazardous wastes generated in operations is channelized to authorised recycler.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, the Company is subject to Extended Producer Responsibility (EPR) obligations under the Plastic Waste Management Rules, 2016 and the E-Waste (Management) Rules, 2022. In FY 2025-26, the Company fulfilled its EPR commitments by collecting and responsibly channelizing over 8,900 metric tonnes of flexible and multilayer plastic and 72,000 metric tonnes of rigid plastic waste. Such collection and responsible channelization were carried out across 25 states. Further, the Company has fulfilled e-waste EPR obligation of 220 metric tonnes for FY 2025-26, as stipulated by the Central Pollution Control Board (CPCB).

## Leadership Indicators

**1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

The Company adopts a life cycle approach to evaluate the environmental impacts of its product across the entire value chain from raw material sourcing, manufacturing to distribution, product use, and end-of-life management. This enables systematic identification of opportunities to reduce environmental footprints, improve resource efficiency, and develop Sustainably Advantaged Products that create long-term value for stakeholders.

Life Cycle Assessments (LCAs) are embedded into the product design process, particularly for all new premium and luxury category water-based paints and are conducted by trained in-house scientists at the Research & Technology Centre. These assessments support informed decision-making by quantifying environmental impacts across key categories.

In FY 2023-24, the Company had conducted third-party LCAs in accordance with ISO 14040 standards for 53 products, covering interior and exterior paints, wood finishes, waterproofing solutions, colorants, and adhesives. The assessments evaluated key impact categories including abiotic depletion (elements and fossil), acidification potential, eutrophication potential, global warming potential (GWP 100 years, including and excluding biogenic carbon), ozone depletion potential, photochemical ozone creation potential, primary energy demand, blue water consumption, ecotoxicity, and human toxicity (cancer and non-cancer). The outcomes of these third-party LCAs were subsequently reviewed by an independent external reviewer.

The details provided in the below table is based on this third-party LCAs undertaken in FY 2023–24.

| NIC Code | Name of Product/Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective/ Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|---|---|---|---|---|---|
| 202 | Interior and exterior paints, wood finishes, waterproofing solutions, colorants, and adhesives | 63% | Cradle to grave | Yes | No |

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

There are no significant social or environmental concerns or risks arising from the production or disposal of the Company's products and services. However, based on insights from Life Cycle Assessments (LCAs), the Company continues to address identified environmental hotspots through targeted interventions. Key initiatives include:

**A. Scope 3 emission:** Recognising that a substantial share of emissions lies in Scope 3, the Company has undertaken multiple initiatives:

- **Formulation and process innovation:** Improvements in product formulations and manufacturing processes have reduced emissions linked to raw materials, a key Scope 3 contributor. During the year, the Company realised a reduction of 49,125 $tCO_2e$.
- **Multimodal transportation:** Adoption of multimodal logistics and cleaner fuel-based transport solutions has enabled reduction in outbound logistics emissions while optimising freight efficiency. These initiatives helped to reduce more than, 5600+ $tCO_2e$ of Green House Gas ("GHG") emissions from logistics footprint during the year.

**B. Water Footprint:** The Company has implemented comprehensive water stewardship measures across operations and beyond:

- Water conservation and efficiency improvements within manufacturing facilities
- Rainwater harvesting and reuse in processes
- Community-level water recharge and conservation initiatives

These efforts have enabled the Company to replenish 589% of its freshwater consumption during the year, while reducing specific non-process water consumption by 54% since FY 2013-14.

**C. Sustainably Advantaged Products:**

The Company focuses on developing products that deliver superior sustainability performance compared to conventional alternatives, including:

- **High durability products:** Designed for extended lifespan and reduced maintenance, thereby minimising lifecycle resource consumption and waste generation. Continuous R&D, product testing, and shelf-life enhancement initiatives support this objective.

- **Low VOC products:** Ongoing improvements in formulations have enabled the development of low-VOC coatings that enhance indoor air quality while maintaining performance. Products certified under Green Seal and the Company's Green Assure standard meet stringent VOC criteria.

  Further, details on these initiatives are provided in the Sustainable Operations section of this Integrated Annual Report.

| Name of Product/Service | Description of the risk/concern | Action Taken |
|---|---|---|
| - | - | - |

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2025-26 | FY 2024-25 |
| Recycled Content in Plastic Packaging Procured | **36.8%** | 29.9% |
| Wash Water reuse in process | **6.5%** | 6.4% |

**Note**: Resonable assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

| | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | Re-used | Recycled | Disposed | Re-used | Recycled | Disposed |
| Plastics (including packaging)* | - | ~73,500 | ~7,600 | - | 72,000 | 7,800 |
| E-waste | - | 220 | - | - | 264 | - |
| Hazardous waste | - | - | - | - | - | - |
| Other waste | - | - | - | - | - | - |

**Note:** At the time of reporting, the Company is in the process of traceability assessment to ascertain the quantity of plastic channelized for recycling and safe disposal. The breakup provided in the table is a conservative estimate for recycling based on the assessment done so far.

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| Plastic Waste as part of Extended Producers Responsibility | 100% of total plastic packaging material (rigid, flexible & MLP) as per the Plastic Waste Management Rules, 2016 and subsequent amendments. |
| E-waste as part of Extended Producers Responsibility | As per the provisions of the E-Waste (Management) Rules, 2022 and subsequent amendments, the % of material reclaimed is determined based on the lifecycle of the products, and is therefore assessed individually rather than as a cumulative %. |

## PRINCIPLE 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains

### Essential Indicators

**1. a. Details of measures for the well-being of employees:**

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 8,440 | 8,440 | 100 | 8,440 | 100 | - | - | 8,420 | 99.8 | 8,440 | 100 |
| Female | 1,000 | 1,000 | 100 | 1,000 | 100 | 1,000 | 100 | - | - | 1,000 | 100 |
| **Total** | 9,440 | 9,440 | 100 | 9,440 | 100 | 1,000 | 10.6 | 8,420 | 89.2 | 9,440 | 100 |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 6,579 | 6,579 | 100 | 6,579 | 100 | - | - | - | - | - | - |
| Female | 612 | 612 | 100 | 612 | 100 | 612 | 100 | - | - | - | - |
| **Total** | 7,191 | 7,191 | 100 | 7,191 | 100 | 612 | 8.5 | - | - | - | - |

**Notes:**

1. Vendors are required to adhere to the statutory compliances as per applicable laws and rules thereunder.
2. Day care facilities are provided at locations after evaluating operational and safety considerations. Where such facilities are unavailable, day care expenses are reimbursed to employees and workers in line with legal requirements and the Company policy.

**b. Details of measures for the well-being of workers:**

| Category | Total (A) | % of workers covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | 1,714 | 1,714 | 100 | 1,714 | 100 | - | - | 1,714 | 100 | 1,714 | 100 |
| Female | 8 | 8 | 100 | 8 | 100 | 8 | 100 | - | - | 8 | 100 |
| **Total** | 1,722 | 1,722 | 100 | 1,722 | 100 | 8 | 0.5 | 1,714 | 99.5 | 1,722 | 100 |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | 14,586 | 14,586 | 100 | 14,586 | 100 | - | - | - | - | 3,231 | 22.2 |
| Female | 421 | 421 | 100 | 421 | 100 | 421 | 100 | - | - | 155 | 36.8 |
| **Total** | 15,007 | 15,007 | 100 | 15,007 | 100 | 421 | 2.8 | - | - | 3,386 | 22.6 |

**Notes:**

1. Vendors are required to adhere to the statutory compliances as per applicable laws and rules thereunder.
2. Daycare facilities are provided at locations after evaluating operational and safety considerations. Where such facilities are unavailable, daycare expenses are reimbursed to employees and workers in line with legal requirements and the Company policy.

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Cost incurred on well-being measures as a % of total revenue of the company | **0.2%** | 0.2% |

**Notes:**

1. The values reported for financial year 2024-25 have been restated as certain expenses are excluded from well-being cost to align with the industry standards.
2. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

## 2. Details of retirement benefits:

| | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees[1] | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.)[2] | No. of employees covered as a % of total employees[1] | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.)[2] |
| PF | **100** | **100** | **N.A.** | 100 | 100 | N.A. |
| Gratuity | **100** | **100** | **N.A.** | 100 | 100 | N.A. |
| ESI | **100** | **100** | **Yes** | 100 | 100 | Yes |

**Notes:**

1. Eligible as per statute.
2. The Provident fund and Gratuity contribution are deposited with the Company's Trust Funds.
3. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

## 3. Accessibility of workplaces

**Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

The Company has Policy on Equal Opportunity and Non-Discrimination, basis which the Company takes proactive measures to build systems and processes to ensure:

1. That appropriate infrastructural facilities and amenities are provided to employees and workers with disabilities to enable them to discharge their duties safely and effectively in the establishment.
2. The facilities are in compliance with the Harmonised Guidelines and Space Standards for Barrier Free Built Environment for Persons with Disability and Elderly Persons (as amended from time to time), issued by the Ministry of Urban Development, Government of India.
3. Accessible environment and assistive devices as required are made available.

Accordingly, all employees/workers with disability are provided resources necessary for their smooth functioning and create an inclusive environment.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has in place a Policy on Equal Opportunity and Non-Discrimination which is available on the Company's website at https://www.asianpaints.com/policyonequalopportunityandnondiscrimination.html.

The Company's Equal Opportunity Policy is committed to fostering an inclusive, equitable, and supportive workplace. The policy ensures:

- equal opportunities for employees from diverse backgrounds to contribute and perform without barriers.
- a fair and impartial selection process, free from any form of discrimination.
- strict confidentiality in handling personal information, including gender identity, disability status, and other sensitive data.
- a conducive work environment equipped with appropriate infrastructure to enable all employees to fulfill their roles effectively.
- regular awareness campaigns and sensitization programs aimed at promoting inclusion and diversity.
- a robust grievance redressal mechanism to address concerns and uphold employee rights.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 87.1% | 100% | 98.6% |
| Female | 100% | 87.1% | 100% | NA |
| **Total** | **100%** | **87.1%** | **100%** | **98.6%** |

**Note:** Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| **Permanent Workers** | Yes. Grievances received from workers are duly recorded in the appropriate registers at the plant premises. Grievances can also be raised at http://asianpaints.ethicspoint.com, through our toll free no 000-800-100-1622, emailing at whistle.blower@asianpaints.com and/or by way of a letter addressed to the Ethics Committee at the Registered Office of the Company. |
| **Other than Permanent Workers** | |
| **Permanent Employees** | Yes. Employees can raise grievances with their reporting managers and/ or with HR business partner. Grievances can also be raised at http://asianpaints.ethicspoint.com/, through our toll free no 000-800-100-1622, email at whistle.blower@asianpaints.com and/or by way of a letter addressed to the Ethics Committee at the Registered Office of the Company. |
| **Other than Permanent Employee** | |

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| **Total Permanent Employees** | **9,440** | **168** | **1.8** | **9,396** | **162** | **1.7** |
| Male | **8,440** | **161** | **1.9** | 8,371 | 157 | 1.9 |
| Female | **1,000** | **7** | **0.7** | 1,025 | 5 | 0.5 |
| **Total Permanent Workers** | **1,722** | **1,521** | **88.3** | **1,715** | **1,537** | **89.6** |
| Male | **1,714** | **1,521** | **88.7** | 1,708 | 1,537 | 90.0 |
| Female | **8** | **-** | **-** | 7 | - | - |

**Note:** Limited assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

*This space has been intentionally left blank*

## 8. Details of training given to employees and workers:

| Category | FY 2025-26 | | | | | FY 2024-25 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures* | | On Skill upgradation | | Total (D) | On Health and safety measures* | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Employees** | | | | | | | | | | |
| Male | 8,440 | 1,152 | 13.6 | 8,302 | 98.4 | 8,371 | 1,439 | 17.2 | 7,295 | 87.1 |
| Female | 1,000 | 114 | 11.4 | 966 | 96.6 | 1,025 | 96 | 9.4 | 858 | 83.7 |
| **Total** | **9,440** | **1,266** | **13.4** | **9,268** | **98.2** | **9,396** | **1,535** | **16.3** | **8,153** | **86.8** |
| **Workers** | | | | | | | | | | |
| Male | 1,714 | 1,714 | 100 | **Refer note 2** | | 1,708 | 1,708 | 100 | **Refer note 2** | |
| Female | 8 | 8 | 100 | | | 7 | 7 | 100 | | |
| **Total** | **1,722** | **1,722** | **100** | | | **1,715** | **1,715** | **100** | | |

**Notes:**

1 The Company provides regular trainings on health and safety to minimise workplace accidents without focusing upon the numbers of hours spent in training.

2. Trainings on skill upgradation includes both soft skill and functional skills. Such trainings are imparted by individual functions basis the need for their department and are not specifically tracked.

3. The number are reported for all the employees and workers who were on the rolls of the Company as on 31st March 2026.

4. Limited assurance has been carried out by Deloitte Haskins & Sells LLP for health and safety trainings given to employees and workers and skill upgradation training given to employees.

## 9. Details of performance and career development reviews of employees and worker:

| Category | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| **Permanent Employees** | | | | | | |
| Male | **8,440** | **8,440** | **100** | 8,371 | 8,371 | 100 |
| Female | **1,000** | **1,000** | **100** | 1,025 | 1,025 | 100 |
| **Total** | **9,440** | **9,440** | **100** | **9,396** | **9,396** | **100** |
| **Permanent Workers** | | | | | | |
| Male | **1,714** | **1,714** | **100** | 1,708 | 1,708 | 100 |
| Female | **8** | **8** | **100** | 7 | 7 | 100 |
| **Total** | **1,722** | **1,722** | **100** | **1,715** | **1,715** | **100** |

**Note:** All the employees and workers are eligible to receive performance and career development reviews.

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?

Yes. In accordance with the Environment, Health and Safety Policy of the Company, Occupational Health and Safety Management System has been implemented at all inhouse manufacturing facilities and Research & Technology Centre. Further, all other locations also comply with the applicable statutory requirement pertaining to health and safety. The Company's health and safety management system is based on ISO 45001, the International Standard for Occupational Health and Safety.

All 8 decorative paints manufacturing plants are **Five Star Certified** by BSC (British Safety Council).

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has in place Environment, Health and Safety Policy. The health and safety guidelines are applicable to all operating locations of the Company and lay down required parameters to be followed at all locations. Some of the key processes for identifying work-related hazards and assessing risks on a routine and non-routine basis are given below:

i. Hazard Identification and Risk Assessment ("HIRA") is used for routine and non-routine activities.

ii. Hazard and Operability Study ("HAZOP"), Qualitative Risk Assessment ("QRA") and Bowtie analysis, are being used for identifying hazard related to chemical processes.

iii. Chemical Risk Assessment is used for identifying health hazards during handling of chemicals.

iv. Manual Material Handling Assessment Chart ("MAC") tool is used to identify hazards during manual material handling activities.

v. Fire Risk Assessment is done for handling fire related risks.

vi. Work place monitoring by laboratories accredited by National Accreditation Board for Testing and Calibration Laboratories or approved by the Ministry of Environment, Forest and Climate Change.

### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Yes, employees and workers have defined processes to report work-related hazards and to remove themselves from such risks. At manufacturing locations, unsafe acts, unsafe conditions and near-misses are reported through a digital platform and safety registers maintained for contract workers. Reported hazards are reviewed and actioned through Department Safety Committees, supported by the Apex Safety Committee at the plant level. A formal stoppage-of-work process is in place to enable workers to remove themselves from unsafe situations. At non-manufacturing locations, work-related hazards are reported to the respective location heads for appropriate action.

### d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, all employees/workers are covered under the Company's health insurance and personal accident policy.

## 11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category* | FY 2025-26 | FY 2024-25 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | **0.28** | 0.10 |
| | Workers | **0.42** | 0.54 |
| Total recordable work-related injuries | Employees | **15** | 17 |
| | Workers | **34** | 33 |
| No. of fatalities | Employees | **-** | - |
| | Workers | **-** | - |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | **1[3]** | - |
| | Workers | **1** | 1 |

**Notes:**

1. The lost time injury details for manufacturing locations and R&T Centre, is as per the criteria defined in Factories Act, 1948. For non-manufacturing locations, where the said Act is not applicable, incident involving man-days lost of two days or more have been considered.

2. There are no incidents resulting in permanent disabilities during the year under review.

3. 1 employee work-related injury reported as a recordable case in financial year 2024–25 was subsequently reclassified as a high-consequence injury in financial year 2025–26; accordingly, it has been disclosed under high-consequence injuries in the current year.

4. In the current year, LTIFR for employees and workers is calculated taking their respective manhours as denominators. Accordingly, the comparative values have been restated.

5. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

*Governance and Organisational Priority*

The Company recognises employee health and safety as a fundamental organisational priority and a critical element of its governance framework. Matters relating to occupational health and safety are taken up as the first agenda item in Board meetings, where performance, key risks and ongoing initiatives are reviewed. This ensures focused oversight at the highest level and integration of safety considerations into strategic and operational decision-making.

*Safety Philosophy and Framework*

The Company continues to uphold a strong "Safety First" philosophy, with structured systems in place to identify work-related hazards, report unsafe conditions and enable employees and workers to remove themselves from such risks without fear of reprisal. In line with its Environment Policy and Health & Safety Policy, the Company has implemented the *Vyansamadhanam* programme covering Workplace Safety, Process Safety, Behaviour-Based Safety and Road Safety across all manufacturing locations and offices.

*Safety by Design and Engineering Controls*

Safety considerations are embedded at the design stage through adherence to applicable statutory requirements and relevant Indian and international standards. The Company invests in technology and engineering controls, including automation, machine guarding, safety interlocks and alarm systems, to minimise manual intervention and maintain operations within safe limits. Facilities incorporate measures to reduce man-machine and man-vehicle interaction risks, supported by structured traffic management systems and fire protection infrastructure aligned with established standards.

*Hazard Identification and Risk Management*

The Company undertakes systematic hazard identification and risk assessment through studies such as Hazard Identification and Risk Assessment, Hazard and Operability Study, Quantitative Risk Assessments and workplace monitoring assessments. A structured Permit-to-Work system governs activities, while Lockout-Tagout procedures ensure safe isolation during maintenance. Periodic inspections and defined tracking mechanisms ensure timely closure of identified actions, and critical equipment is maintained at prescribed intervals.

*Training, Medical Surveillance and PPE*

Employees and workers undergo regular training on hazard identification, emergency response, first aid, firefighting and safe handling practices, supported by Behaviour-Based Safety initiatives. Medical surveillance, including pre-employment and periodic examinations, is conducted to monitor occupational health risks. Personal Protective Equipment requirements are defined through activity-based assessments and implemented in line with applicable standards.

*Safety Management Systems and Worker Participation*

The Health and Safety Management System is aligned with ISO 45001 and the British Safety Council Five Star Integrated Audit framework and applies across manufacturing plants, research facilities and associated operations. Safety Committees facilitate participation, and employees and workers are encouraged to report unsafe conditions and near-misses. A formal Stop Work policy enables withdrawal from unsafe situations until risks are addressed.

*Incident Investigation and Continuous Improvement*

Work-related incidents are investigated using established methodologies such as Define, Measure, Analyze, Improve, Control (DMAIC), 5-Why analysis and fishbone analysis to identify root causes. Corrective and preventive actions are implemented and monitored to closure, supporting continuous improvement in safety performance. Through these measures, the Company maintains a structured and governance-driven approach to occupational health and safety.

**13. Number of Complaints on the following made by employees and workers:**

| | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | - | - | - | - | - | - |
| Health & Safety | - | - | - | - | - | - |

The Company encourages employees and workers to highlight any issues noticed towards working conditions and Health & Safety concerns at all its locations. The employees can lodge complaints on the internal portal of the Company as well. Throughout the year, the employees have raised many such queries/concerns on the portal which have been largely addressed by the Company. Such complaints are more in nature of flagging of possible need of repairs or availability of proper working conditions which are regular in nature and addressed as and when raised.

**14. Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100 |
| Working conditions | 100 |

**Note:** % is based on cases which were due for an assessment either basis regulatory requirements and/or basis the Company's internal guidelines.

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

The Company continuously monitors and assesses its health and safety practices and working conditions. Investigation is conducted in case any incident is reported using various methodology to identify the root cause. The investigation team presents corrective and preventive measures which is reviewed at various levels by the local management and central teams. Such corrective actions are then deployed horizontally across locations.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/No) (B) Workers (Yes/No).**

Yes, the Company provides life insurance or compensatory package to the employees or workers.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. –**

The Company has a robust mechanism to ensure that all statutory dues have been deducted and deposited by the value chain partners. As per the business agreements/contracts and purchase orders, all vendors are obliged to make necessary statutory payments timely. The Company regularly verifies the payment made by vendors to various government authorities towards statutory payments internally or through third party audits. With such reviews, the Company internally rates the vendors on their compliance status. The Company issues notices or penalises them or ceases business dealing with defaulting vendors depending on the number of defaults.

3. **Provide the number of employees/workers having suffered high consequence work-related injury/ill- health /fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| Particulars | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2025-26 | FY 2024-25 | FY 2025-26 | FY 2024-25 |
| Employees | 1* | - | - | - |
| Workers | 1 | 1 | 1 | 1 |

*1 employee work-related injury reported as a recordable case in financial year 2024–25 was subsequently reclassified as a high-consequence injury in financial year 2025–26; accordingly, it has been disclosed under high-consequence injuries in the current year. The employee is yet to resume work.

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

Yes, the Company has instituted a transition assistance program across cadres right from junior level to senior management, to provide guidance to new promotees to discharge their duties more effectively and develop their functional and behaviour skill sets. Each program is uniquely designed depending on the cadre and required developmental needs. The program also allows individuals to nominate themselves for one on one and group coaching programs which helps them in addressing any specific transitional need. In case of retirement, the Company conducts knowledge and experience sharing sessions to benefit from the insights. The Company engages with them to assist them in financial planning needs, if any.

5. **Details on assessment of value chain partners:**

The Company has in place a Code of Conduct for Business Partners, which sets out expectations for maintaining a safe and healthy workplace for employees and contractors. Business Partners must be compliant with local and national laws and regulations on Occupational Health and Safety, and have the required permits, licenses and permissions granted by local and national authorities. The Company's sustainable supply chain programme - *Samaveta* comprises of supplier assessments on the basis of self-declarations as well as site assessments on ESG aspects including health and safety practices as well as working conditions. Site assessments are undertaken through third-party expert agencies.

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | As a part of the Company's sustainable supply chain programme "Samaveta",89% of raw material and packaging suppliers by spend were assessed using self-declaration and information available in public domain. Further, 28% of suppliers by spend were assessed through third-party site assessments. |
| Working conditions | |

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners -**

Not Applicable

## **PRINCIPLE 4:** Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Refer Stakeholder engagement section forming part of this Integrated Annual Report on page no.86.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Refer Stakeholder engagement section forming part of this Integrated Annual Report on page no. 86.

### Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Stakeholder engagement is a crucial process that contributes to growth ambitions. Refer Stakeholder engagement section forming part of this Integrated Annual Report on page no. 86 covers the process for consultation between stakeholders and the Board.

The Company reports annually on the progress of its ESG targets to keep stakeholders informed of ongoing initiatives. The comprehensive reporting approach demonstrates an unwavering dedication to provide stakeholders a transparent and holistic view of the Company's performance and progress toward achieving ESG commitments.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, the Company in consultation with the stakeholders have identified material environmental and social topics. Material topics were shortlisted and prioritised based on their impact on the stakeholders and the business. The details on the same have been provided in the Stakeholder engagement section and Materiality section forming part of this Integrated Annual Report on page no. 86 & 91 respectively.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company identifies the need of communities, including vulnerable and marginalised groups and accordingly implements various programs through Corporate Social Responsibility ("CSR") initiatives. These initiatives undertaken by the Company under the thrust areas of CSR after assessing the need of the communities including the vulnerable/ marginalised stakeholder groups and other members of the community. The Company has undertaken nutrition projects for children, adolescents, pregnant and lactating women and organised Eye Care programme for school students. Further, the Beautiful Homes Academies work on imparting skill education and enhancing productivity of the people in paint application/plumbing/carpenter training etc. and strives to make an impact on their lives by bringing positive economic, professional and interpersonal & intrapersonal impact. For more information, please refer the Synergising Relationships section of this Integrated Annual Report on page no. 134 onward.

## **PRINCIPLE 5** Businesses should respect and promote human rights

### Essential Indicators

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of Employees/ workers covered (B) | % (B/A) | Total (C) | No. of Employees/ workers covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | **9,440** | **8,837** | **93.6** | 9,396 | 7,290 | 77.6 |
| Other than permanent | **7,191** | **Refer note No. 2** | | 7,881 | Refer note No. 2 | |
| **Total Employees** | **16,631** | | | **17,277** | | |
| **Workers** | | | | | | |
| Permanent | **1,722** | **Refer note No. 2** | | 1,715 | Refer note No. 2 | |
| Other than permanent | **15,007** | | | 14,609 | | |
| **Total Workers** | **16,729** | | | **16,324** | | |

**Notes:**

1. The trainings on human rights and other policies are a part of the Code of Conduct and other various awareness programmes. The Company has deployed an e-learning module on the Code of Conduct for training of the employees.
2. Several discussions are held with all employees and workers to create awareness around human rights and the Company's Code of Conduct. In addition to HR led sessions and e-module, all employees and workers (including new joinees) are trained/made aware of the Code of Conduct by their functional team leads. Such sessions are currently not tracked. Further, the Code of Conduct is available on the Company's website and intranet portal. Employees are expected to read and understand this Code, uphold these standards in their day-to-day activities, and comply with all applicable laws; rules and regulations; and all applicable policies and procedures adopted by the Company.
3. Limited assurance has been carried out by Deloitte Haskins & Sells LLP for human rights trainings given to permanent employees.

**2. Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2025-26 | | | | | FY 2024-25 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to minimum wage | | More than Minimum wage | | Total (D) | Equal to minimum wage | | More than Minimum wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | **8,440** | **-** | **-** | **8,440** | **100** | 8,371 | - | - | 8,371 | 100 |
| Female | **1,000** | **-** | **-** | **1,000** | **100** | 1,025 | - | - | 1,025 | 100 |
| **Other than Permanent** | | | | | | | | | | |
| Male | **6,579** | **-** | **-** | **6,579** | **100** | 7,158 | - | - | 7,158 | 100 |
| Female | **612** | **-** | **-** | **612** | **100** | 723 | - | - | 723 | 100 |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | **1,714** | **-** | **-** | **1,714** | **100** | 1,708 | - | - | 1,708 | 100 |
| Female | **8** | **-** | **-** | **8** | **100** | 7 | - | - | 7 | 100 |
| **Other than Permanent** | | | | | | | | | | |
| Male | **14,586** | **1,912** | **13.1** | **12,674** | **86.9** | 14,166 | 2,294 | 16.2 | 11,872 | 83.8 |
| Female | **421** | **48** | **11.4** | **373** | **88.6** | 443 | 64 | 14.4 | 379 | 85.6 |

**Note:** Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

**3. Details of remuneration**

**a. Median remuneration/wages:**

| Particulars | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/wages of respective category | Number | Median remuneration/ salary/wages of respective category |
| Board of Directors (BoD)* | **9** | **80,00,000** | **3** | **67,00,000** |
| Key Managerial Personnel (KMP)*^ | **2** | **23,65,49,840** | **-** | **-** |
| Employees other than BoD and KMP | **8,438** | **11,66,320** | **1,000** | **11,72,920** |
| Workers | **1,714** | **5,82,572** | **8** | **2,24,000** |

*Includes Managing Director & CEO
^Key Managerial Personnel are the Managing Director & CEO and CFO & Company Secretary

**Notes:**

1. Include details of Directors and KMP as on 31st March 2026.
2. Median remuneration is calculated for active employees and workers as on 31st March 2026, based on their full year remuneration/ wage.
3. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Gross wages paid to females as % of total wages | **7.7%** | 7.9% |

**Notes:**

1. Gross wages paid are disclosed for permanent & other than permanent female employees and workers, in line with the industry standard on reporting of BRSR.
2. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, Ms. Savitha Shivsankar, the Chief Human Resources Officer of the Company, is responsible for addressing any human rights issues caused or contributed to by the business. Further, these cases are presented to the Audit Committee along with the status and its resolutions on a quarterly basis.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company is committed to provide a safe and conducive work environment to all of its employees and workers. Transparency and openness are organisational values and are practised across all levels. Employees are encouraged to raise concerns with their reporting managers or the members of the Senior Management. Employees can reach out independently to the Human Resource function if they so choose to. The Company has an open-door approach, wherein any employee irrespective of hierarchy has access to the senior management. In addition, the Code of Conduct for Employees and the Whistle Blower Policy provide channels for reporting any kind of suspected or actual misconduct in the organisation including grievances related to human rights issues, in an anonymous manner.

Refer to the Company's position statement on Human Rights at https://www.asianpaints.com/PositionStatement.html.

**6. Number of Complaints on the following made by employees and workers:**

| Particulars | FY 2025-26 | | | FY 2024-25 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 3 | - | - | 7 | - | - |
| Discrimination at workplace | 5 | - | Refer note 1 | - | - | - |
| Child Labour | - | - | - | - | - | - |
| Forced Labour/Involuntary Labour | - | - | - | - | - | - |
| Wages | - | - | - | - | - | - |
| Other human rights related issues | 5 | - | Refer note 1 | - | - | - |

**Notes:**
1. Complaints reported pertain to those received through whistle blower mechanism
2. Limited assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 3 | 7 |
| Complaints on POSH as a % of female employees/workers [(1)] | 0.3 | 0.7 |
| Complaints on POSH upheld | 3 | 6 |

**Note:**
1. The calculation is based on average of female employees and workers as on 31st March 2025 & 31st March 2026 respectively.
2. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

The Company believes in the principle of natural justice and ensures full confidentiality of complainant is maintained during and after resolution of complaint. Such complaints are usually handled by senior members in the organisation. These members are trained on aspects like how such complaints must be handled, the rights of complainants, and manner of dealing with complaints and respondents, sensitivity and judgement to be applied on such matters.

The members handling such complaints maintain full confidentiality to protect the complainant during as well as after closure of complaints. The complainant is protected against any adverse action not limited to harassment, unfair termination of employment, demotion, suspension and biased behaviour.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, all critical human rights requirements are part of business agreements, purchase orders and contracts with suppliers. Further the Code of Conduct for Business Partners is applicable to all the suppliers and service providers according to which suppliers are expected to respect human rights and avoid causing/contributing to human rights infringements through their business actions.

**10. Assessments for the year**

| Parameters | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100% |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others- please specify | |

**11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.:**
Not Applicable

## Leadership Indicators

**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.**

During the reporting period, no business processes have been modified or introduced for addressing human rights grievances/complaints.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

The Company is committed to protecting and respecting Human Rights and remedying rights violations in case they are identified; for example, issues relating to human trafficking, forced labour, child labour, freedom of association, right to collective bargaining, equal remuneration and discrimination. The Company works towards providing equal employment opportunity, ensuring distributive, procedural, and interactional fairness, creating a harassment- free, safe environment and respecting fundamental rights. As an equal opportunity employer, no discrimination is tolerated on any aspect. Refer to the Company's Human Right Position Statement on our website at https://www.asianpaints.com/PositionStatement.html.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Differently abled visitors at Offices & Plants are given access to required facilities. The Company is taking appropriate measures to build systems and processes to ensure that provisions are made for an accessible environment & assistive devices as required.

**4. Details on assessment of value chain partners:**

| | % of value chain partners (by value of business with such partners) that were assessed |
|---|---|
| Sexual Harassment | As a part of the Company's sustainable supply chain programme "*Samaveta*", 89% of raw material & packaging suppliers by spend were assessed using self-declaration & information available in public domain. Further, 28% of suppliers by spend were assessed through third-party site assessments. |
| Discrimination at workplace | |
| Child labour | |
| Forced Labour/ Involuntary Labour | |
| Wages | |
| Others- please specify | |

In accordance with the Company's policy on Code of Conduct for Business Partners, all business partners must treat all employees with respect and dignity and exhibit zero tolerance towards unacceptable sexual harassment, workplace discrimination and must not engage in child labour, Forced Labour/Involuntary Labour, etc. They must provide safe and healthy workplace for their employees and contractors.

They must have the required permits, licenses and permissions granted by local and national authorities.

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**
Not Applicable

## **PRINCIPLE 6 :** Businesses should respect and make efforts to protect and restore the environment

1. For the purpose of calculation of revenue adjusted Purchasing Power Parity ("PPP"), conversion factor 20.34/USD as per International Monetary Fund ("IMF") website has been considered.
2. Since Asian Paints has multiple businesses wherein physical output is reported in different units of measurement, data for intensity in terms of physical output is reported only for paints and chemicals businesses which accounts for more than 95% of total output.

### Essential Indicators

**1. Details of total energy consumption (in Joules or multiples) and energy intensity:**

| Parameter | FY 2025-26 (in GJ) | FY 2024-25 (in GJ) |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | **2,30,101** | 2,26,199 |
| Total fuel consumption (B) | **1,237** | 803 |
| Energy consumption sources (C) | **-** | - |
| **Total energy consumed from renewable sources (A+B+C)** | **2,31,338** | **2,27,002** |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | **2,71,976** | 2,53,923 |
| Total fuel consumption (E) | **9,10,523** | 10,32,540 |
| Energy consumption sources (F) | **17,083** | 12,251 |
| **Total energy consumed from non- renewable sources (D+E+F)** | **11,99,582** | **12,98,714** |
| **Total energy consumed (A+B+C+D+E+F)** | **14,30,920** | **15,25,716** |
| **Energy intensity per rupee of turnover** (Total energy consumed / Revenue from operations) | **46.5** GJ/ ₹ Crore | 51.6 GJ/ ₹ Crore |
| **Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total energy consumed / Revenue from operations adjusted for PPP) | **945.9** GJ/ $ Crore | 1,066.6 GJ/ $ Crore |
| **Energy intensity in terms of physical Output** | **1.09 GJ/KL** | 1.18 GJ/KL |

**Notes:**

1. Total diesel consumption for the leased assets has been calculated by considering the total amount spent on the purchase of diesel by average of diesel prices at four metropolitan cities (Chennai, Kolkata, Delhi and Mumbai).
2. Electricity consumption at leased offices/warehouses is included under non-renewable electricity consumption.
3. The Net Calorific Value ("NCV") used for converting energy to GJ for all fuels is sourced from Inter Governmental Panel on Climate Change ("IPCC") guidelines (Chapter 1).
4. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No). If yes, disclose whether targets set under the PAT Scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any**

Not applicable, as the Company is not an energy-intensive industry as outlined under the PAT Scheme of the Government of India.

**3. Provide details of the following disclosures related to water, in the following format**

| Parameter | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | **-** | - |
| (ii) Groundwater | **61,513** | 67,915 |
| (iii) Third party water | **12,93,654** | 12,84,292 |
| (iv) Seawater/desalinated water | **-** | - |
| (v) Others (Rain water) | **1,27,799** | 75,459 |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | **14,82,966** | **14,27,666** |
| **Total volume of water consumption (in kilolitres)** | **14,46,886** | **13,93,555** |
| **Water intensity per rupee of turnover (Total water consumption/Revenue from operations)** | **47.0 KL/₹ Crore** | 47.2 KL/₹ Crore |
| **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption/Revenue from operations adjusted for PPP) | **956.5 KL/$ Crore** | 974.2 KL/$ Crore |
| **Water intensity in terms of physical output** | **1.10 KL/KL** | 1.08KL/KL |

**Notes**:

1. All our manufacturing units have zero liquid discharge i.e., water withdrawn is completely consumed within the units. .
2. For leased premises, basis the Central Ground Water Authority (CGWA) 2016 document, "Estimation of water requirement for drinking and domestic use", water withdrawal is estimated as 45 Litres per head per working day and consumption is estimated as 25 Litres per head per working day. The estimated Water withdrawal has been considered from third-party sources. Accordingly, last year's details have also been updated.
3. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

**4. Provide the following details related to water discharged :**

| Parameter | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | **-** | - |
| **(i) To Surface water** | **-** | **-** |
| - No treatment | **-** | **-** |
| - With treatment – please specify level of treatment | **-** | **-** |
| **(ii) To Groundwater** | **-** | **-** |
| - No treatment | **-** | **-** |
| - With treatment – please specify level of treatment | **-** | **-** |
| **(iii) To Seawater** | **-** | **-** |
| - No treatment | **-** | **-** |
| - With treatment – please specify level of treatment | **-** | **-** |
| **(iv) Sent to third-parties** | **-** | - |
| - No treatment | **890** | 6,094 |
| - With treatment – primary /secondary treatment | **6,080** | 566 |
| **(v) Others** | **-** | |
| - No treatment | **29,110** | 27,450 |
| - With treatment – please specify level of treatment | **-** | - |
| **Total water discharged (in kilolitres)** | **36,080** | **34,110** |

**Notes:**

1. For leased premises, basis the Central Ground Water Authority (CGWA) 2016 document, "Estimation of water requirement for drinking and domestic use", total water discharged is estimated as 20 litres per head per working day and has been considered in Others with no treatment. Accordingly, last year's details have also been updated.
2. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, all manufacturing plants of the Company have implemented Zero Liquid Discharge (ZLD) systems.

The Company recognises water as a critical resource and has established comprehensive measures across its operations to optimise water consumption and minimise wastewater generation. These include process optimisation, water-efficient technologies, and increased reuse and recycling of water within manufacturing operations. Wastewater generated at plants is treated and fully recovered, with treated water being reused within the process, ensuring no discharge outside plant boundaries.

Further details on water management, including ZLD implementation and broader water stewardship initiatives, are provided in the Sustainable Operations section under Water Neutrality of this Integrated Annual Report on page No. 124.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter | Please specify unit | FY 2025-26 | FY 2024-25 |
|---|---|---|---|
| NOx | Metric Tonnes | **49.1** | 45.8 |
| SOx | Metric Tonnes | **7.1** | 10.8 |
| Particulate matter (PM) | Metric Tonnes | **11.3** | 15.1 |
| Persistent organic pollutants (POP) | - | **-** | - |
| Volatile organic compounds (VOC) | PPM | **5.7** | 5.2 |
| Hazardous air pollutants (HAP) | - | **-** | - |

**Note:** Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter | Unit | FY 2025-26 | FY 2024-25 |
|---|---|---|---|
| Total Scope 1 emissions (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | **79,686** | 90,125 |
| Total Scope 2 emissions (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | **55,660** | 52,727 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | $tCO_2e$/₹ Crore | **4.4** | 4.8 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | $tCO_2e$/$ Crore | **89.5** | 99.9 |
| **Total Scope 1 and Scope 2 emission intensity in terms of physical output** | Kg $CO_2e$/KL | **102.6** | **109.7** |

**Notes:**

1. The emission factors used for converting energy to $tCO_2e$ for fuels and steam are from IPCC guidelines. For electricity, latest database of Central Electricity Authority ("CEA") has been used.
2. The fugitive scope 1 emission due to refrigerant leakages in air conditioning units has been estimated and included in the table for both the years.
3. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on above indicator

**8. Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.**

Yes. The Company has undertaken multiple initiatives to reduce Greenhouse Gas (GHG) emissions, with a focus on energy efficiency and renewable energy as key levers for Scope 1 and Scope 2 decarbonisation.

**Energy Efficiency:** Energy management is a core element of the Company's operations, with ongoing implementation of energy efficiency projects across facilities. These initiatives have contributed to a 24.7% reduction in specific electricity consumption at decorative paints plants since FY 2013–14. Further details are provided in the Sustainable Operations section of this Integrated Annual Report on page no. 116 onwards.

**Renewable Electricity:** The Company continues to scale up renewable energy adoption through investments in on-site and off-site capacity. As of FY 2025-26, the Company has an installed capacity of 27.6 MW of solar and 24.3 MW of wind energy, including an addition of 3 MWp solar capacity during the year. Renewable sources accounted for 56.5% of total electricity consumption during the year.

**9. Provide details related to waste management by the entity, in the following format:**

| Parameter | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste (A) | **2,488.8** | 2,418.8 |
| E-waste (B) | **14.1** | 14.9 |
| Bio-medical waste (C) | **0.8** | 0.8 |
| Construction and demolition waste (D) | **17,905.8**[4] | 2,907.7 |
| Battery waste (E) | **90.9** | 64.8 |
| Radioactive waste (F) | **-** | - |
| Other Hazardous waste. Please specify, if any. (G) | **4,038.3** | 2,282.5 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | **9,058.3** | 11,800.9 |
| **Total (A+B+C+D+E+F+G+H)** | **33,597.0** | **19,490.4** |
| Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) | **1.1 MT/ ₹ Crore** | 0.7 MT/ ₹ Crore |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP) | **22.2 MT/ $ Crore** | 13.6 MT/ $ Crore |
| Waste intensity in terms of physical output | **25.0 Kg/KL** | 14.7 Kg/KL |

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

| Category of waste | | |
|---|---|---|
| (i) Recycled | **30,355.3** | 17,745.5 |
| (ii) Re-used | **187.6** | 493.9 |
| (iii) Other recovery operations | **2,342.5** | 512.3 |
| **Total** | **32,885.4** | **18,751.7** |

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

| Category of waste | | |
|---|---|---|
| (i) Incineration | **267.7** | 395.3 |
| (ii) Landfilling | **442.9** | 343.3 |
| (iii) Other disposal operations | **-** | - |
| **Total** | **710.6** | **738.6** |

**Notes:**

1. The above details provide waste disposal at manufacturing locations and owned offices. For leased offices/warehouses located across the country, due to the type of the setup, the nature of the waste is non-hazardous and is estimated not to be material.
2. Other hazardous waste includes waste categorized under Hazardous & other Waste (Management & Transboundary Movement) Rules, 2016 such as sludge, process wastes, distillation residues, etc. and disposal of which is through Pollution Control Board authorized/ licensed vendors in line with the Consent to Operate ("CTO")/Hazardous Waste Authorization ("HW Authorization") conditions. The weight for sludge from effluent treatment plant has been represented in dry basis. This is calculated basis Non-Volatile Matter (NVM) present in the sludge which generally ranges from 20% - 25%.
3. Other non-hazardous waste primarily include metal, wooden and paper waste.
4. Increase in construction and demolition waste during the year is attributable to demolition of the old Head Office building.
5. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP.

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company follows a structured waste management approach based on the waste hierarchy-prioritising reduction, reuse, recycling, and safe disposal. Continuous process optimisation enables minimisation of waste generation. Where feasible, waste is reused or recycled within operations (e.g., reuse of wash water, solvent recovery, and conversion into economy-grade products), with only residual waste disposed of through environmentally sound methods.

The Company has achieved a significant reduction in waste intensity, with specific hazardous and non-hazardous waste disposal reduced by 70% and 54%, respectively, since the FY 2013-14 baseline. Hazardous waste is managed in accordance with regulatory requirements, while non-hazardous waste is channelised to authorised recyclers.

To reduce the use of hazardous and toxic chemicals, the Company has embedded safety and environmental considerations into its product development processes. Digital screening tools at the Research & Technology Centre enable identification and exclusion of potentially hazardous raw materials at the design stage. Further details are provided in the Sustainable Operations section of this Integrated Annual Report on page no. 120 onwards.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

| Sr. No. | Location of operations/offices | Type of Operations | Whether the conditions of environmental approval / clearance are being complied with? (Yes/No) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| - | - | - | - |

**Note:** The production facilities of the Company are situated in industrial parks or other approved regions. None of the Company's offices or plants are located near any sensitive or environmentally protected areas. Hence, the Company's offices and manufacturing facilities do not require the related environmental approvals.

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Environment Impact Assessment Notification, 2006 (EIA) mandates the Company to undertake a study for establishment or expansion of an integrated paint manufacturing plant or synthetic organic chemicals manufacturing plant. No EIA study was undertaken during the year.

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant weblink |
|---|---|---|---|---|---|
| | | | NA | | |

**13. Is the entity compliant with the applicable environmental law/regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Yes/No). If not, provide details of all such non-compliances, in the following format:**

Yes. The Company is compliant with all applicable laws and regulations.

| Sr. No. | Specify the law/regulation /guidelines which was not complied with | Provide details of the non- compliance | Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| | | | Nil | |

## Leadership Indicators

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

**(i) Name of the area:** Patancheru and Cuddalore

**(ii) Nature of operations:** Decorative paint and speciality chemical manufacturing units.

**(iii) Water withdrawal, consumption and discharge in the following format:**

| Parameter | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| Surface Waters | | |
| Ground Water | **4,058** | 5,229 |
| Third Party water | **2,45,296** | 2,32,439 |
| Seawater/desalinated water | **-** | - |
| Others | **77** | 215 |
| **Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)** | **2,49,431** | **2,37,883** |
| **Total volume of water consumption (in kilolitres)** | **2,49,431** | **2,37,883** |
| **Water intensity per rupee of turnover (Water consumed/Revenue from operations)** | **8.1 KL/₹ Crore** | 8.0 KL/₹ Crore |
| **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)** | **164.9 KL/$ Crore** | 166.3 KL/$ Crore |
| Water intensity in terms of physical output (KL/KL) | **0.19 KL/KL** | 0.18 KL/KL |
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| **(i) To surface water** | | |
| - No treatment | **-** | - |
| - With treatment – please specify level of treatment | **-** | - |
| **(ii) To Groundwater** | | |
| - No treatment | **-** | - |
| - With treatment – please specify level of treatment | **-** | - |
| **(iii) To seawater** | | |
| - No treatment | **-** | - |
| - With treatment – please specify level of treatment | **-** | - |
| **(iv) Sent to third-parties** | | |
| - No treatment | **-** | - |
| - With treatment – please specify level of treatment | **-** | - |
| **(v) Others** | | |
| - No treatment | **-** | - |
| - With treatment – please specify level of treatment | **-** | - |
| **Total water discharged (in kilolitres)** | **-** | **-** |

**Note:** Cuddalore block has been classified as water-stressed; the values in the table for both years have been updated accordingly considering our chemicals unit located in Cuddalore.

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter | Unit | FY 2025-26 | FY 2024-25 |
|---|---|---|---|
| Total Scope 3 emissions (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | **31.5 lakhs** | 32.2 lakhs |
| Total Scope 3 emissions per rupee of turnover | Metric tonnes of $CO_2$ equivalent per ₹ Crore | **102.4** | 109.1 |

**Note:** Limited assurance has been carried out for absolute Scope 3 emissions as part of GRI indicators by Deloitte Haskins & Sells LLP.

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable.

The Company's operations are located within designated industrial areas and are not in proximity to ecologically sensitive zones; accordingly, there are no significant direct or indirect biodiversity impacts.

Nevertheless, the Company undertakes biodiversity and conservation initiatives as part of its sustainability agenda. Further details are provided in the Sustainable Operations section forming part of this Integrated Annual Report on page no. 133 onwards.

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives, as per the following format:**

| Sr. No. | Initiative undertaken | Details of the initiative *(Weblink, if any, may be provided along-with summary)* | Outcome of the initiative |
|---|---|---|---|
| 1. | Emission reduction through formulations and process innovations. | Please refer Product Stewardship under Sustainable Operations section forming part of this Integrated Annual Report. | Avoidance of 49,125 metric tonnes of $CO_2e$ in the FY 2025-26 |
| 2. | Use of recycled content in plastic packaging | Please refer Nature Positive under Sustainable Operations section forming part of this Integrated Annual Report. | 25,323 tonnes of recycled content in plastic packaging in FY 2025-26 |
| 3. | Water replenishment and conservation outside factory premises | Please refer Water Neutrality under Sustainable Operations section forming part of this Integrated Annual Report | In FY 2025-26, we replenished 589% of the total fresh water that we use in our manufacturing sites |
| 4. | Multi-modal outbound logistics – Sea & multi-modal | Please refer Climate Change under Sustainable Operations section forming part of this Integrated Annual Report. | Avoided more than 5,600 $tCO_2e$ in FY 2025-26 |
| 5. | Zero Liquid Discharge (ZLD) | Please refer Nature Positive under Sustainable Operations section forming part of this Integrated Annual Report. | Zero Discharge from all manufacturing units |
| 6. | Wash Water Reuse | Please refer Nature Positive under Sustainable Operations section forming part of this Integrated Annual Report. | 41,367 KL of wash water reused in product in FY 2025-26 |
| 7. | Economy Grade Paint | Please refer Nature Positive under Sustainable Operations section forming part of this Integrated Annual Report. | Segregation, reprocessing, and production of 2,087 MT economy grade paint in FY 2025-26 |
| 8. | Solvent Recovery | Please refer Nature Positive under Sustainable Operations section forming part of this Integrated Annual Report. | 236 MT of waste solvent recovered and reused in FY 2025-26 |

**Note:** For more Company and plant-specific initiatives, please refer to the Sustainable Operations section of this Integrated Annual Report on page no. 112 onwards.

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/weblink.**

Yes. The Business Continuity Plan (BCP) aims at ensuring that operations can continue during and after facing disruptions. It encompasses several critical areas, including supply chain continuity planning, which focuses on maintaining the flow of goods by identifying alternative suppliers and logistics strategies; information continuity planning, which safeguards data and IT systems through backups and cyber security measures; and customer continuity planning, which ensures communication and service delivery to clients remain uninterrupted, preserving customer trust and satisfaction.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

The Company has in place sustainability programs which serve as a tool to mitigate and tackle the issues that arise from its value chain partners. For details of mitigation plans, refer the Manufacturing & Innovation section, Sustainable Operations section and Managing Risks under Management Discussion & Analysis section forming part of this Integrated Annual Report.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:**

The Company has evaluated 89% of its raw material and packaging material suppliers (by value) based on responses received through Self-Declaration Forms (SDFs) and ESG disclosures. Further, 28% of suppliers (by value) were assessed through detailed onsite or virtual evaluations, ensuring a deeper understanding of their ESG performance and operational practices.

**8. How many Green Credits have been generated or procured**

**a. By the listed entity** - Nil

**b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners** - Nil

## **PRINCIPLE 7** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

**1. a. Number of affiliations with trade and industry chambers/associations.**

The Company is affiliated with 7 (seven) trade and industry chambers/associations.

**b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

| Sr. No. | Name of the trade and industry chambers/associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1. | The Confederation of Indian Industry (CII) | National |
| 2. | Federation of Indian Chambers of Commerce & Industry (FICCI) | National |
| 3. | The Associated Chambers of Commerce and Industry of India (ASSOCHAM) | National |
| 4. | Indian Paint Association (IPA) | National |
| 5. | Advertising Standard Council of India (ASCI) | National |
| 6. | Indian Society of Advertisers (ISA) | National |
| 7. | Media Research Users Council India (MRUC India) | National |

**2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| - | - | - |

**Note:**

1. The Company is a party to proceedings before the Competition Commission of India and in a separate matter before the appellate forum in relation to certain allegations under the Competition Act, 2002. The Company continues to cooperate with the authorities and provide necessary information in respect of the investigation which is ongoing and separately continues to strongly defend its position in the appeal which is also an ongoing matter.

## Leadership indicators

**1. Details of public policy positions advocated by the entity:**

| Sr. No. | Public Policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of review by Board (Annually/Half yearly/Quarterly/ Others – please specify) | Weblink , if available |
|---|---|---|---|---|---|
| 1. | Plastic waste management through Extended Producer Responsibility and environmental clearance issues. | The Company represents itself in key business associations and/or directly at the government forums in a responsible and transparent manner. The issues taken up are generally related to ease of doing business and only authorised representatives of the Company can interact with these institutions. | No, the information is generally not available in the public domain. These representations are directly made via e-mails or letters, either directly or through the industry chambers /associations. | Advocacy policy will be reviewed once in 3 years. | https://www.asianpaints.com/AdvocacyPolicy.html |
| 2. | Engagement with Government on 'Ease of Doing Business' initiatives on harmonizing State and Central laws and compliances. | | | | |
| 3. | Recommendation and inputs provided on various policy issues pertaining to import of raw materials at Ministry of Industry and Commerce & Chemical and Petrochemicals. | | | | |
| 4. | Recommendations given on sustainable and inclusive growth of manufacturing sector in India. Provided inputs for making manufacturing more competitive in India. | | | | |
| 5. | Provided inputs for amending standards for paints proposed by the Bureau of Indian Standards | | | | |

# PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

## Essential Indicators

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**
Not Applicable

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**
Not Applicable

**3. Describe the mechanisms to receive and redress grievances of the community.**

The Company actively engages with the community in the identified areas of contribution in the thrust areas for carrying out the Corporate Social Responsibility initiatives. Within the area of work, the employees of the Company work with the communities to understand the impact of the ongoing projects on the intended beneficiaries. These interactions provide the people with ample opportunities to gauge and address community concerns. Based on these interactions, no specific grievances from the community have been reported as on date.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Directly sourced from MSMEs/small producers | **33.6%** | 28.1% |
| Directly from within India | **84.5%** | 88.2% |

**Note:** Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost:**

| Location | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Rural | **22.0%** | 20.5% |
| Semi-urban | **6.1%** | 6.4% |
| Urban | **21.7%** | 20.1% |
| Metropolitan | **50.2%** | 53.0% |

**Notes:**
1. Places categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan.
2. Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

## Leadership Indicators

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**
Not Applicable

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| Sr. No. | State | Aspirational District | Amount spent (In ₹ Crores) |
|---|---|---|---|
| 1. | Gujarat | Narmada | 0.96 |

**3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

The Company prefers suppliers in local community for sourcing of input material, barring speciality chemicals which are procured from buyers who may not be available in local vicinity.

**b) From which marginalized/vulnerable groups do you procure?**

Refer point 4 of principle 8 above.

**c) What percentage of total procurement (by value) does it constitute?**

Refer point 4 of principle 8 above.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

| Sr. No. | Intellectual Property based on traditional knowledge | Owned/Acquired (Yes/No) | Benefit shared (Yes/No) | Basis of calculating benefit share |
|---|---|---|---|---|
| - | - | - | - | - |

The Company owns various Intellectual Property based on traditional knowledge. However, no benefit is derived or shared with any party.

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:**
Not Applicable

**6. Details of beneficiaries of CSR Projects:**

| Sr. No. | CSR Projects | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1. | Health & Hygiene | 2,59,000+ | 56 |
| 2. | Enhancing Vocational Skills | 9,45,000+ | Beautiful Homes Academies work on imparting skill education and enhancing productivity of the people in paint application/plumbing/carpenter training etc. |

**Note:** Limited assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

## **PRINCIPLE 9** Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company treats customer complaints with utmost importance and believes that it needs to be agile, transparent, and solution-oriented to resolve them efficiently and satisfactorily. The Company ensures to keep the customer informed throughout the entire process of complaint resolution and focus on resolving retail customer complaints within five working days, which includes calling the customer within four hours, connecting with the customer within two days, and providing the final resolution to the customer. These timelines are relevant to the décor category's customer/applicator/trade expectations. The Company also maintains multiple points of communication with the customer, that is through SMS/Email/WhatsApp, to keep the customer informed of all actions taken on the complaint. Below is the link where all channels of communication are given: https://www.asianpaints.com/contact-us.html.

**2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about:**

| | As a % to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | 100 |
| Safe and responsible usage | 100 |
| Recycling and/or safe disposal | 100 |

**3. Number of consumer complaints in respect of the following:**

| Particulars | FY 2025-26 | | Remarks | FY 2024-25 | | Remarks |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | | | | | | |
| Advertising | | | | | | |
| Cyber-security | | | | | | |
| Delivery of essential services | | | NIL | | | |
| Restrictive Trade Practices | | | | | | |
| Unfair Trade Practices | | | | | | |
| Other | **28,929** | **1,350** | **Refer note 1&2** | 29,022 | 1,636 | Refer note 1&2 |

**Notes:**

1. The customer complaints pending at the close of the year, *inter alia*, are on account of (i) re-opening/non-closure of complaints to the satisfaction of the customers (ii) pending customer acknowledgment for closure (iii) resolution in progress and (iv) complaints registered during last week of March 2026.
2. Number of complaints reported above represent agreed complaints.
3. Limited assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator.

**4. Details of instances of product recalls on account of safety issues:**

| Particulars | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | NIL | |
| Forced recalls | | |

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a weblink of the policy.**

Yes, the Company has a policy on cyber security and risk related to data privacy, which is available on the Company's website at https://www.asianpaints.com/CodesandPolicies.html.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

Not Applicable

**7. Provide the following information relating to data breaches:**

a. Number of instances of data breaches: Nil

b. Percentage of data breaches involving personally identifiable information of customers: Nil

c. Impact, if any, of the data breaches: Not applicable

**Note:** Reasonable assurance has been carried out by Deloitte Haskins & Sells LLP on the above indicator

### Leadership Indicators

**1. Channels/platforms where information on products and services of the entity can be accessed -(provide weblink, if available).**

The platforms used for the information are the Company's website, Integrated Annual Report, social media platforms and media advertisement/publications. Information relating to all the products and services provided by the Company are available on the Company's website at https://www.asianpaints.com.

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company publishes artwork and shade card for all the products detailing relevant content which also includes instructions for safe usage to be referred while using our products. The same is also available on the Company's website. Further, in meets with the painters and contractors, they are made aware about safe usage of products.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**
Not Applicable

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity, or the entity as a whole? (Yes/No)**

Yes, the Company ensures that all the information as required to be displayed on the product labels as per the applicable rules and regulations are properly displayed. Further, product information is available in the Product Information Sheet that is shared with the dealers of the Company and on the website of the Company.

The Company regards customer delight as the final testimony to its success in the market and it carries out annual customer experience surveys for all its products and services and measures customer satisfaction with the Net Promoter Score (NPS). The NPS method measures the percentage of customers who would promote the products and services to other customers and covers most of the customer interaction points, including retail experiences, project sites, bath fittings, safe painting services etc. The Company has Customer Centricity department which carries out regular consumer survey/consumer satisfaction trends analysis regularly.

# Independent Auditor's Report

To The Members of Asian Paints Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of Asian Paints Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2026 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Auditor's Response |
|---|---|
| **Revenue recognition (Refer note 1.4(e) and 22A of the Standalone Financial Statements)** | |
| Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year. | Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, testing of cut-offs and performing analytical review procedures. |

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report and Business responsibility report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.
- Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

# Independent Auditor's Report (Contd.)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer note 32 to the standalone financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

      v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

      The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

      As stated in Note 12(b) to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

      vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No. 046930
UDIN: 26046930RFDSAF5275

Place: Mumbai
Date: May 29, 2026

# Annexure "A" to the Independent Auditor's Report

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of Asian Paints Limited ("the Company") as at March 31, 2026 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

## Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's Management and Board of Directors is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

## Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No. 046930
UDIN: 26046930RFDSAF5275

Place: Mumbai
Date: May 29, 2026

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# Annexure "B" to the Independent Auditor's Report

## (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification to cover all the items of Property, plant and equipment in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment and capital work-in-progress were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than those that have been taken on lease) disclosed in the financial statements included in property, plant equipment are held in the name of the Company as at March 31, 2026. In respect of immovable properties that have been taken on lease and disclosed in the financial statements as right-of- use asset as at March 31, 2026, the lease agreements are duly executed in favour of the Company, except for the following:

| Description of immovable properties taken on lease | Gross carrying value as at 31st March 2026 (₹ in crores) | Net carrying value as at 31st March 2026 (₹ in crores) | Held in name of | Whether promoter, director or their relative or employee | Period held since | Reason for not being held in name of Company |
|---|---|---|---|---|---|---|
| Leasehold land at Dahej | 71.68 | 69.64 | Asian Paints (Polymers) Private Limited | No | April 1, 2025 | The title of asset transferred pursuant to the scheme of amalgamation is in the process of being transferred in the name of the Company. |
| Building at Dahej | 0.89 | 0.64 | | | August 1, 2025 | |

(d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) (a) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence sub-clauses 3(iii) (a), (c), (d), (e), (f) under clause (iii) of the Order are not applicable.

(b) The investments made, during the year are, prima facie, not prejudicial to the Company's interest.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2026, for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:

| Name of Statute | Nature of Dues | Forum where dispute is pending | Period to which the Amount Relates | Amount involved (₹ in crores) | Amount Unpaid (₹ in crores) |
|---|---|---|---|---|---|
| Income Tax | IT Matters under dispute | High Court | A.Y. 2007-08 | 0.09 | 0.09 |
| | | CIT (A) | A.Y. 2011-12 to 2023-24 | 161.52 | 72.84 |
| | | Assessing Officer | A.Y. 2006-07, A.Y. 2009-10 and A.Y. 2010-11 | 1.06 | 0.24 |
| | | **Total** | | **162.67** | **73.17** |
| Sales tax | Assessment Dues | Assessing Authority | F.Y. 1997-98, F.Y. 2004-05 to F.Y. 2017-18 | 20.18 | 19.74 |
| | | First Appellate level | F.Y. 1997-98 F.Y. 2001-02 to F.Y. 2008-09, F.Y. 2010-11 to F.Y. 2017-18 | 105.41 | 99.06 |
| | | Second Appellate level | F.Y. 1998-99, F.Y. 2000-01 to F.Y. 2003-05, F.Y. 2013-14 | 0.59 | 0.27 |
| | | Tribunal | F.Y. 1991-92, F.Y. 1993-94, F.Y. 1996-97, F.Y. 1998-99 to F.Y. 1999-00, F.Y. 2001-02 to F.Y. 2002-03, F.Y. 2005-06 to F.Y. 2008-09, F.Y. 2010-11 to F.Y. 2011-12, F.Y. 2013-14, F.Y. 2016-17, F.Y. 2017-18 | 7.97 | 5.77 |
| | | High Court | F.Y. 2000-01 to F.Y. 2003-04, F.Y. 2005-06, F.Y. 2007-08 to F.Y. 2010-11, F.Y. 2012-13 to F.Y. 2017-18 | 5.78 | 4.65 |
| | | | **Total** | **139.93** | **129.49** |
| Central Excise Act, 1944 Finance Act, 1994 and Customs Act 1962 | Assessment dues | Adjudicating Authority | F.Y. 2019-20 and 2020-21 | 1.38 | 0.00 |
| | | First Appellate | F.Y. 1986-87, F.Y. 1996-97, F.Y. 2012-13, F.Y. 2016-17 and F.Y. 2025-26 | 8.25 | 1.58 |
| | | Second Appellate | F.Y. 2010-11 and F.Y. 2020-21 | 0.10 | 0.00 |
| | | Tribunal | F.Y. 2005-06 to F.Y. 2018-19 | 11.07 | 9.12 |
| | | | **Total** | **20.80** | **10.70** |

# Annexure "B" to the Independent Auditor's Report (Contd.)

| Name of Statute | Nature of Dues | Forum where dispute is pending | Period to which the Amount Relates | Amount involved (₹ in crores) | Amount Unpaid (₹ in crores) |
|---|---|---|---|---|---|
| Goods and Service Tax Act, 2017 | Assessment dues | First Appellate | F.Y. 2017-18 to F.Y. 2024-25 | 63.19 | 58.16 |
| | | Tribunal | FY 2017-18 and 2024-25 | 8.28 | 7.61 |
| | | | **Total** | **71.47** | **65.77** |
| Employee Provident Fund Act | PF contribution | High Court | F.Y. 2006-07 to F.Y. 2007-08, F.Y. 2017-18 | 0.46 | 0.46 |
| | | Commissioner | F.Y. 2017-18 | 1.18 | 0.47 |
| Municipal Corporation Act | Property Tax | Municipal Corporation | F.Y. 2013-14 | 0.34 | - |
| | Octroi | Municipal Corporation | F.Y. 2012-13 and F.Y. 2013-14 | 0.68 | - |
| Employee State Insurance Act | ESI Contributions | Ministry of Labour & Employment | F.Y. 2018-19 to F.Y. 2021-22 | 0.35 | 0.32 |
| The Building and Construction Workers (Regulation of Employment and Conditions of Service), Act 1996 | Labour Cess on Plant and Machinery | Joint Commissioner of Labour | F.Y. 2018-19 | 8.73 | 8.23 |
| | | | **Total** | **11.74** | **9.48** |
| | | | **Grand Total** | **406.61** | **288.61** |

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, ***prima facie***, not been utilised during the year for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debenture (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable to Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration, the whistle blower complaints received by the Company during the year (and up to the date of this report) and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2026.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) and (d) of the Order are not appliable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No 046930
UDIN: 26046930RFDSAF5275

Place: Mumbai
Date: May 29, 2026

# Balance Sheet

as at 31st March 2026

(₹ in Crores)

| Particulars | Notes | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 2A | **6,040.18** | 6,285.40 |
| Right-of-Use Asset | 2B | **1,583.44** | 1,582.69 |
| Capital work-in-progress | 3 | **1,754.12** | 871.70 |
| Goodwill | 4A | **47.27** | 47.27 |
| Other Intangible Assets | 4B | **71.36** | 85.78 |
| Investments in Subsidiaries and Associates | 5 | **1,229.76** | 1,258.53 |
| Financial Assets | | | |
| Investments | 5 | **119.32** | 871.31 |
| Trade Receivables | 10 | **5.36** | 7.35 |
| Other Financial Assets | 6 | **1,523.85** | 858.99 |
| Income Tax Assets (Net) | 7 | **208.06** | 184.44 |
| Other Non-Current Assets | 8 | **245.31** | 280.08 |
| | | **12,828.03** | **12,333.54** |
| **Current Assets** | | | |
| Inventories | 9 | **4,824.74** | 5,848.23 |
| Financial Assets | | | |
| Investments | 5 | **6,161.08** | 3,166.33 |
| Trade Receivables | 10 | **3,227.71** | 3,197.55 |
| Cash and Cash Equivalents | 11A | **395.38** | 178.41 |
| Other Balances with Banks | 11B | **50.96** | 26.09 |
| Other Financial Assets | 6 | **1,921.33** | 1,264.39 |
| Other Current Assets | 8 | **675.03** | 660.94 |
| | | **17,256.23** | **14,341.94** |
| **TOTAL ASSETS** | | **30,084.26** | **26,675.48** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 12 | **95.92** | 95.92 |
| Other Equity | 13 | **20,685.64** | 18,891.83 |
| | | **20,781.56** | **18,987.75** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 14 | **848.94** | 37.25 |
| Lease Liabilities | 15 | **908.29** | 900.80 |
| Other Financial Liabilities | 16 | **80.81** | 41.47 |
| Provisions | 17 | **198.06** | 191.13 |
| Deferred Tax Liabilities (Net) | 18C | **223.07** | 237.23 |
| Other Non-current Liabilities | 19 | **37.65** | 45.56 |
| | | **2,296.82** | **1,453.44** |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 14 | **340.73** | 2.15 |
| Lease Liabilities | 15 | **271.00** | 258.62 |
| Trade Payables | | | |
| Total Outstanding dues of Micro Enterprises and Small Enterprises | 20 | **216.67** | 180.13 |
| Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 20 | **2,897.81** | 2,943.56 |
| Other Financial Liabilities | 16 | **2,579.52** | 2,321.22 |
| Other Current liabilities | 19 | **365.63** | 382.06 |
| Provisions | 17 | **186.97** | 51.26 |
| Income Tax Liabilities (Net) | 21 | **147.55** | 95.29 |
| | | **7,005.88** | **6,234.29** |
| **TOTAL EQUITY AND LIABILITIES** | | **30,084.26** | **26,675.48** |
| **Material accounting policies and key accounting estimates and judgements** | 1 | | |
| **See accompanying notes to the Standalone Financial Statements** | 2-43 | | |

As per our report of even date attached

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No. : 046930

Mumbai
29th May 2026

**R Seshasayee**
Chairman
DIN : 00047985

**Milind Sarwate**
Chairman of Audit Committee
DIN : 00109854

Mumbai
29th May 2026

**Amit Syngle**
Managing Director & CEO
DIN : 07232566

**R J Jeyamurugan**
CFO & Company Secretary

# Statement of Profit and Loss

for the year ended 31st March 2026

(₹ in Crores)

| Particulars | Notes | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| **REVENUE FROM OPERATIONS** | | | |
| Revenue from Sale of Products | 22A | **30,621.70** | 29,270.69 |
| Revenue from Sale of Services | 22A | **58.54** | 150.42 |
| Other Operating Revenue | 22A | **89.24** | 131.54 |
| Other Income | 23 | **932.66** | 770.31 |
| **Total Income (I)** | | **31,702.14** | **30,322.96** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 24A | **12,670.79** | 13,238.32 |
| Purchases of Stock-in-Trade | 24B | **3,799.84** | 3,733.99 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 24C | **597.09** | (180.47) |
| Employee Benefits Expense | 25 | **2,176.68** | 2,013.58 |
| Other Expenses | 26 | **5,344.61** | 5,190.69 |
| **Total Expenses (II)** | | **24,589.01** | **23,996.11** |
| **EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)** | | **7,113.13** | **6,326.85** |
| Finance Costs | 27 | **127.35** | 143.77 |
| Depreciation and Amortisation Expense | 28 | **1,085.65** | 901.85 |
| **PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX** | | **5,900.13** | **5,281.23** |
| Exceptional Items | 40 | **166.53** | 379.63 |
| **PROFIT BEFORE TAX** | | **5,733.60** | **4,901.60** |
| Tax Expense | 18 | | |
| Current Tax | | **1,419.31** | 1,319.06 |
| Short /(Excess) tax provision for earlier years | | **23.21** | (11.14) |
| Deferred Tax | | **46.91** | 5.61 |
| **Total tax expense** | | **1,489.43** | **1,313.53** |
| **PROFIT AFTER TAX** | | **4,244.17** | **3,588.07** |
| **OTHER COMPREHENSIVE INCOME (OCI)** | | | |
| **A.** Items that will not be reclassified to Profit or Loss | | | |
| (i) (a) Remeasurement of the defined benefit plans | | **(23.18)** | 0.47 |
| (b) Income tax benefit/(expense) on remeasurement of defined benefit plans | | **5.83** | (0.12) |
| (ii) (a) Net fair value (loss)/gain on investments in equity instruments through OCI | | **(22.59)** | 273.30 |
| (b) Income tax benefit/(expense) on net fair value gain on investments in equity instruments through OCI | | **3.97** | (42.86) |
| **B.** Items that will be reclassified to Profit or Loss | | | |
| (i) (a) Net fair value (loss)/gain on investments in debt instruments through OCI | | **(18.99)** | 3.67 |
| (b) Income tax benefit/(expense) on net fair value gain on investments in debt instruments through OCI | | **2.72** | (0.96) |
| (ii) (a) Net gain on cash flow hedges | | **8.44** | - |
| (b) Income tax expense on net gain on cash flow hedges | | **(2.12)** | - |
| **Total Other Comprehensive Income (A+B)** | | **(45.92)** | **233.50** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **4,198.25** | **3,821.57** |
| Earnings per equity share (Face value of ₹ 1 each) | 31 | | |
| Basic (in ₹) | | **44.27** | **37.43** |
| Diluted (in ₹) | | **44.27** | **37.42** |
| **Material accounting policies and key accounting estimates and judgements** | 1 | | |
| **See accompanying notes to the Standalone Financial Statements** | 2-43 | | |

As per our report of even date attached

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No. : 046930

Mumbai
29th May 2026

**R Seshasayee**
Chairman
DIN : 00047985

**Milind Sarwate**
Chairman of Audit Committee
DIN : 00109854

Mumbai
29th May 2026

**Amit Syngle**
Managing Director & CEO
DIN : 07232566

**R J Jeyamurugan**
CFO & Company Secretary

# Statement of Changes in Equity

for the year ended 31st March 2026

(₹ in Crores)

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Balance at the beginning of the reporting year (Refer note 12(a))** | **95.92** | 95.92 |
| Changes in Equity Share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period (Refer note 12(a)) | **95.92** | 95.92 |
| Changes in Equity Share capital during the year | - | - |
| **Balance at the end of the reporting year (Refer note 12(a))** | **95.92** | **95.92** |

## B) Other Equity

(₹ in Crores)

| Particulars | Reserves and Surplus | | | | | Items of Other Comprehensive Income (OCI) | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | General Reserve | Retained Earnings | Remeasurement of defined benefit plans | Debt instruments through OCI | Equity instruments through OCI | Cash Flow Hedge Reserve | |
| **Balance as at 1st April, 2024** | 10.09 | 0.50 | 4,167.92 | 13,852.07 | (23.30) | 11.30 | 235.12 | - | 18,192.74 |
| Changes on account of amalgamation (Refer note 36) | - | - | - | 1.08 | - | - | - | - | 1.08 |
| **Restated balance as at 1st April, 2024 (A)** | 10.09 | 0.50 | 4,167.92 | 13,853.15 | (23.30) | 11.30 | 235.12 | - | 18,193.82 |
| **Changes during the year :** | | | | | | | | | |
| Profit for the year | - | - | - | 3,588.07 | - | - | - | - | 3,588.07 |
| Items of OCI for the year, net of tax | | | | | | | | | |
| Remeasurement of the defined benefit plans | - | - | - | - | 0.35 | - | - | - | 0.35 |
| Net fair value gain on investments in equity instruments through OCI | - | - | - | - | - | - | 230.44 | - | 230.44 |
| Net fair value gain on investments in debt instruments through OCI | - | - | - | - | - | 2.71 | - | - | 2.71 |
| **Total Comprehensive Income for the year 2024-25 (B)** | **-** | **-** | **-** | **3,588.07** | **0.35** | **2.71** | **230.44** | **-** | **3,821.57** |
| Dividends (Refer note 12(b)) | - | - | - | (3,107.91) | - | - | - | - | (3,107.91) |
| Share based payment expenses | - | - | - | - | - | - | - | - | - |
| Net Income of ESOP Trust for the year | - | - | - | 21.25 | - | - | - | - | 21.25 |
| Purchase of Treasury shares by ESOP trust during the year | - | - | - | - | - | - | - | - | - |
| ESOP exercised during the year | - | - | - | (12.67) | 8.58 | - | - | - | (4.09) |
| **Total (C)** | **-** | **-** | **-** | **(3,120.33)** | **8.58** | **-** | **-** | **-** | **(3,111.75)** |
| **Balance as at 31st March, 2025 (D) = (A+B+C)** | **10.09** | **0.50** | **4,167.92** | **14,320.89** | **(14.37)** | **14.01** | **465.56** | **-** | **18,903.60** |
| **Changes during the year :** | | | | | | | | | |
| Profit for the year | - | - | - | 5,733.60 | - | - | - | - | 5,733.60 |
| Items of OCI for the year, net of tax | | | | | | | | | |
| Remeasurement of the defined benefit plans | - | - | - | - | (17.35) | - | - | - | (17.35) |
| Net fair value loss on investments in equity instruments through OCI | - | - | - | - | - | - | (18.62) | - | (18.62) |
| Net fair value loss on investments in debt instruments through OCI | - | - | - | - | - | (16.27) | - | - | (16.27) |
| Net gain on cash flow hedges | - | - | - | - | - | - | - | 6.32 | 6.32 |
| **Total Comprehensive Income for the year 2025-26 (E)** | **-** | **-** | **-** | **5,733.60** | **(17.35)** | **(16.27)** | **(18.62)** | **6.32** | **5,697.68** |
| Dividends (Refer note 12(b)) | - | - | - | (2,402.87) | - | - | - | - | (2,402.87) |
| Share based payment expenses | - | - | - | - | 29.35 | - | - | - | 29.35 |
| Net Income of ESOP Trust for the year | - | - | - | - | - | - | - | - | - |
| Purchase of Treasury shares by ESOP trust during the year | - | - | - | - | - | - | - | - | - |
| ESOP exercised during the year | - | - | - | (48.63) | 1.03 | - | - | - | (47.60) |
| Transfer to Retained Earning from Equity instruments through OCI on sale of equity shares of Akzo Nobel India Limited (Refer note 5) | - | - | - | 396.24 | - | - | (396.24) | - | - |
| **Total (F)** | **-** | **-** | **-** | **(2,054.26)** | **30.38** | **-** | **(396.24)** | **-** | **(2,420.12)** |
| **Balance as at 31st March, 2026 (D+E+F)** | **10.09** | **0.50** | **4,167.92** | **17,000.23** | **(1.34)** | **(2.26)** | **50.70** | **6.32** | **21,231.16** |
| **Material accounting policies and key accounting estimates and judgements (Refer note 1)** | | | | | | | | | |
| **See accompanying notes to the Standalone Financial Statements (Refer note 2-43)** | | | | | | | | | |

For and on behalf of the Board of Directors of **Asian Paints Limited**
**CIN : L24220MH1945PLC004598**

**R Seshasayee**
Chairman
DIN : 00047985

**Amit Syngle**
Managing Director & CEO
DIN : 07232566

**Milind Sarwate**
Chairman of Audit Committee
DIN : 00109854

**R J Jeyamurugan**
CFO & Company Secretary

Mumbai
29th May 2026

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No. : 046930

Mumbai
29th May 2026

# Statement of Cash Flows

for the year ended 31st March, 2026

(₹ in Crores)

| Particulars | | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| **(A)** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | **Profit before tax** | **5,733.60** | **4,901.60** |
| | Adjustments for : | | |
| | Depreciation and amortisation expense | **1,085.65** | 901.85 |
| | Interest income | **(162.51)** | (155.35) |
| | Dividend income | **(132.57)** | (146.24) |
| | Finance costs | **127.35** | 143.77 |
| | (Reversal)/Allowance for expected credit losses on receivables (trade and others) and advances (net) | **(16.54)** | 244.30 |
| | Bad debts written off | **119.61** | 1.78 |
| | Deferred income arising from government grants | **(4.08)** | (4.69) |
| | Net unrealised foreign exchange loss/(gain) | **8.38** | (9.96) |
| | Net loss/(gain) on disposal of property, plant and equipment and other intangible assets | **4.17** | (2.91) |
| | Net gain on modification/ termination of leases | **(5.35)** | (1.90) |
| | Net gain arising on financial assets measured at fair value through profit or loss (FVTPL) | **(281.43)** | (179.09) |
| | Share based payment expenses (net) | **27.24** | 18.23 |
| | Net fair valuation (gain)/loss on derivatives | **(9.40)** | 164.52 |
| | Impairment loss on non-current investments - subsidiaries | **105.97** | 201.84 |
| | Allowance/(Reversal) for expected credit loss on government grants | **70.17** | (1.78) |
| | **Operating Profit before working capital changes** | **6,670.26** | **6,075.97** |
| | Adjustments for : | | |
| | (Increase)/Decrease in trade receivables | **(139.42)** | 259.27 |
| | (Increase) in financial assets | **(55.39)** | (0.75) |
| | Decrease/(Increase) in inventories | **1,023.49** | (692.64) |
| | (Increase) in other assets | **(73.99)** | (43.78) |
| | Increase/(Decrease) in trade payables | **375.45** | (318.24) |
| | Increase in other financial liabilities | **327.15** | 148.76 |
| | Increase in other liabilities and provisions | **97.94** | 3.87 |
| | **Cash generated from Operating activities** | **8,225.49** | **5,432.46** |
| | Income Tax paid (net of refund) | **(1,464.55)** | (1,308.44) |
| | **Net Cash generated from Operating activities** | **6,760.94** | **4,124.02** |
| **(B)** | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | Purchase of property, plant and equipment and other intangible assets | **(1,177.99)** | (1,467.19) |
| | Sale of property, plant and equipment | **2.10** | 8.16 |
| | Payment for acquiring right-of-use assets | **(18.40)** | (18.92) |
| | Investment in subsidiary and associate companies | **(209.89)** | (197.94) |
| | Purchase of non-current investments - others | **-** | (0.50) |
| | Sale of non-current investments | **923.36** | - |
| | Purchase of term deposits | **(2,190.58)** | (877.96) |
| | Proceeds from maturity of term deposits | **926.25** | 1,150.98 |
| | Sale of current investments (net) | **280.49** | 389.43 |
| | Interest received | **135.57** | 127.70 |
| | Dividend received from subsidiary and associate companies | **136.84** | 119.20 |
| | Dividend received from others | **2.13** | 20.64 |
| | **Net Cash used in Investing activities** | **(1,190.12)** | **(746.40)** |

# Statement of Cash Flows (Contd.)

for the year ended 31st March, 2026

(₹ in Crores)

| Particulars | | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| **(C)** | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Repayment of long term borrowings | **(1.96)** | (17.86) |
| | Proceeds from long term borrowings | **803.90** | - |
| | Proceeds/(Repayment) from short term borrowings (net) | **340.73** | (39.00) |
| | Acceptances (net) | **(419.89)** | 194.74 |
| | Repayment of principal portion of lease liabilities | **(285.35)** | (267.05) |
| | Finance costs (including interest on lease liabilities) paid | **(148.14)** | (141.68) |
| | (Purchase) of treasury shares by ESOP Trust / Proceeds from ESOP Trust (net) | **(30.92)** | (36.92) |
| | Dividend paid | **(2,402.87)** | (3,107.91) |
| | **Net Cash used in Financing activities** | **(2,144.50)** | **(3,415.68)** |
| | | | |
| **(D)** | **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]** | **3,426.32** | (38.06) |
| | Add: Cash and cash equivalents as at 1st April | **3,130.14** | 3,168.20 |
| | **Cash and cash equivalents as at 31st March** | **6,556.46** | **3,130.14** |

**Notes :**

(a) The above Standalone Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(₹ in Crores)

| Particulars | | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **(b)** | **Cash and Cash Equivalents comprise of :** | | |
| | Cash on hand | **0.00** | 0.00 |
| | Balances with Banks : | | |
| | - Current Accounts | **18.41** | 45.95 |
| | - Cash Credit Accounts | **0.72** | 5.95 |
| | - Deposits with original maturity of less than 3 months | **294.21** | 82.02 |
| | Cheques, draft on hand | **82.04** | 44.49 |
| | **Cash and cash equivalents (Refer note 11A)** | **395.38** | **178.41** |
| | Add : Investments in Liquid Mutual Funds (Refer note 5(II)(B)(a)) | **6,161.08** | 2,951.92 |
| | Less: Loan repayable on demand - Overdraft Account | **-** | (0.19) |
| | **Cash and cash equivalents in Standalone Statement of Cash Flows** | **6,556.46** | **3,130.14** |



# Statement of Cash Flows (Contd.)

for the year ended 31st March, 2026

## (c) Changes in liabilities arising from financing activities

(₹ in Crores)

| Particulars | As at 01.04.2025 | Cash Flows | Other changes in cash and cash equivalents | Non-cash changes | | | As at 31.03.2026 |
|---|---|---|---|---|---|---|---|
| | | | | Net movement | Fair value changes | Effect of Changes in foreign exchange rates | |
| Borrowings (Refer note 14) | 39.40 | 1,142.67 | (0.19) | (1.27) | 3.62 | 5.44 | **1,189.67** |
| Lease Liabilities (Refer note 15) | 1,159.42 | (285.35) | - | 305.22 | - | - | **1,179.29** |
| Other Liabilities (Refer note 19) | 34.48 | - | - | 1.27 | (4.08) | - | **31.67** |

(₹ in Crores)

| Particulars | As at 01.04.2024 | Cash Flows | Other changes in cash and cash equivalents | Non-cash changes | | | As at 31.03.2025 |
|---|---|---|---|---|---|---|---|
| | | | | Net movement | Fair value changes | Effect of Changes in foreign exchange rates | |
| Borrowings (Refer note 14) | 152.85 | (56.86) | (60.22) | - | 3.63 | - | 39.40 |
| Lease Liabilities (Refer note 15) | 1,127.38 | (267.05) | - | 299.09 | - | - | 1,159.42 |
| Other Liabilities (Refer note 19) | 39.17 | - | - | - | (4.69) | - | 34.48 |

**Material accounting policies and key accounting estimates and judgements (Refer note 1)**

**See accompanying notes to the Standalone Financial Statements (Refer note 2-43)**

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No. : 046930

Mumbai
29th May 2026

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

**R Seshasayee**
Chairman
DIN : 00047985

**Amit Syngle**
Managing Director & CEO
DIN : 07232566

**Milind Sarwate**
Chairman of Audit Committee
DIN : 00109854

**R J Jeyamurugan**
CFO & Company Secretary

Mumbai
29th May 2026

# Notes to the Standalone Financial Statements

for the year ended 31st March 2026

## Company Background

Asian Paints Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1913. The registered office of the Company is located at 6A & 6B, Shantinagar, Santacruz East, Mumbai, India.

The Company is engaged in the business of manufacturing, selling and distribution of paints, coatings, products related to home décor, bath fittings, kitchen, wardrobe and providing related services.

## 1. Material Accounting Policies and Key accounting estimates and judgements

### Material Accounting Policies:

### 1.1. Basis of preparation of Financial Statement

These Financial Statements are the separate Financial Statements of the Company (also called **Standalone Financial Statements**) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Financial Statements.

The Financial Statements are presented in Indian Rupees (which is also the functional currency of the Company) and is rounded off to the nearest crores except otherwise indicated. Amounts less than ₹ 50,000 have been presented as "0.00"

### 1.2. Application of New Accounting Pronouncements

The Company has applied following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 with effect from 1st April, 2025:

a. Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures: The amendment requires disclosure of the effects of supplier finance arrangements on the Company's liabilities, cash flows and exposure to liquidity risk. The Company has assessed the impact of such arrangements on the financial statements and has provided requisite disclosures in accordance with the amendments. These amendments do not have any other impact on the financial statements.

b. Ind AS 1 – Presentation of Financial Statements: The amendments primarily impacts classification of liabilities. In accordance with the amendments, the requirement of classification of liabilities as non-current based on the existence of a right to defer settlement for at least 12 months after the reporting date has been revised to require that such right must exist, with substance, at the end of the reporting period. The amendments also require assessment of compliance with covenants for the purpose of classification of liabilities, along with enhanced disclosures. The Company has assessed the impact of these amendments and has applied the revised requirements for classification of liabilities as current or non current including compliance with covenants, where applicable. These amendments do not have any other impact on the financial statements.

### 1.3. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realised/settled in the Company's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is held primarily for the purpose of trading;

iv. the asset/liability is expected to be realised/settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. in the case of a liability, the Company does not have the right at the end of reporting period to defer its settlement for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

### 1.4. Summary of Material accounting policies

#### a) Business combinations

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value except deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and Recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at the acquisition date and includes the fair value of any contingent consideration. Contingent consideration (earn out) is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Company after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The transaction costs, other than costs relating to the issue of equity or debt securities in connection with a business combination are expensed as incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

#### b) Property, plant and equipment

***Measurement at recognition:***

An item of property, plant and equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of PPE are carried at their cost less accumulated depreciation and accumulated impairment losses, if any. Item of PPE which reflects significant cost and has different useful life from the remaining part of PPE is recognised as a separate component.

The cost of an item of PPE comprises of its purchase price net of discounts, if any including import duties and other non-refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses like plans, designs, and drawings of buildings or plant and machinery, borrowing cost on qualifying assets, directly attributable to new manufacturing facility during its construction period are capitalised under the relevant head of PPE if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

The Company had elected to consider the carrying value of all its PPE appearing in the Financial Statement and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April, 2015.

***Capital work in progress and Capital advances:***

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

***Depreciation:***

Depreciation on each part of an item / component of PPE is provided on pro-rata basis using the Straight-Line Method based on the expected useful life of the asset and is charged to the Statement of Profit and Loss account as per the requirement of Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The estimated useful life of items of PPE is mentioned below:

| | Years |
|---|---|
| Factory Buildings | 30 |
| Buildings (other than factory buildings) | 60 |
| Plant and Equipment (including continuous process plants)* | 10-20 |
| Scientific research equipment* | 4-20 |
| Furniture and Fixtures | 8 |
| Office Equipment | 5 |
| Vehicles* | 5 |
| Information Technology Hardware* | 4 |

Freehold land is not depreciated. Leasehold improvements are amortised over the period of the lease.

*The useful life assessed by the Management is different than those indicated in Schedule II of the Companies Act, 2013.

The useful lives, residual values of each part of an item of PPE and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

***Derecognition:***

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PPE is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and loss when the item is derecognised.

## c) Goodwill and Other Intangible assets

Goodwill acquired in a business combination is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, in accordance with Ind AS 103.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are expensed in the Statement of Profit and Loss as incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

The Company had elected to consider the carrying value of all its intangible assets appearing in the Financial Statement and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April, 2015.

***Amortisation:***

Intangible Assets with finite lives are amortised on a Straight Line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

| | Years |
|---|---|
| Purchase cost, user license fees and consultancy fees for Computer Software (including those used for scientific research) | 4 |
| Acquired Trademark | 5 |

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Goodwill and certain trademark acquired separately have indefinite useful life and are not subjected to amortisation. These are tested for impairment annually and whenever there is an indication that the asset may be impaired.

***Derecognition:***

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

## d) Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (CGUs) that are expected to benefit from the combination.

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses, on assets other than goodwill are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## e) Revenue

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. It is measured at transaction price (net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

***Sale of products:***

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

***Rendering of services:***

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company uses output method for measurement of revenue from décor services / painting and related services and royalty income as it is based on milestone reached or units delivered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Company.

Advance from customers is recognised under other liabilities and released to revenue on satisfaction of performance obligation.

## f) Government grants and subsidies

***Recognition and Measurement:***

The Company recognises grant as income when there is a reasonable assurance that the Company will comply with all necessary conditions

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

attached to them and the grant will be received in accordance with Ind AS 20, Accounting for government grants and disclosure of government assistance.

The Company is entitled to certain non-refundable subsidies from government in respect of manufacturing units located in specified regions which are measured at amounts receivable from the government.

The Company has received refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received.

Income from such benefits is recognised on a systematic basis over the period in which the related costs that are intended to be compensated by such grants are recognised.

***Presentation:***

Income from the above grants and subsidies are presented under Revenue from Operations.

## g) Inventory

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

Cost of inventory is determined on a weighted average basis. Cost of inventory comprises all costs of purchase, non-refundable duties and taxes, cost of conversion including an appropriate share of fixed and variable production overheads and all other costs incurred in bringing the inventory to their present location and condition.

The Company considers factors like estimated shelf life, product discontinuances and ageing of inventory in determining the provision for slow moving, obsolete and other non-saleable inventory and adjusts the inventory provisions to reflect the recoverable value of inventory.

## h) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

***Financial assets***

**Initial recognition and measurement:**

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or Loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

**Subsequent measurement:**

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

**i. Financial assets measured at amortised cost**

A financial asset is measured at the amortised cost if both the following conditions are met:

a. The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer note 29 for further details). Such financial assets are subsequently measured at amortised cost using the effective interest method. The effect of the amortisation under effective interest method is recognised as interest income over the relevant period of the financial asset under other income in the Statement of Profit and Loss. The amortised cost of a financial asset is also adjusted for loss allowance, if any.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if both of the following conditions are met:

a. The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

This category applies to certain investments in debt instruments (Refer note 29 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer note 29 for further details). The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in OCI. However, the Company recognises dividend income from such instruments in the Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

**iii. Financial assets measured at fair value through profit or loss (FVTPL)**

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies (Refer note 29 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Statement of Profit and Loss.

***Derecognition:***

**i.** A financial asset is derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

In cases where Company has neither transferred nor retained substantially all of the risks and

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rewards of the financial asset, but retains control of the financial asset, the Company continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

***Impairment of financial assets:***

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortised cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as (ii) and (iii) above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance.

However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

***Financial Liabilities***

**Initial recognition and measurement:**

The Company recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or Loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

**Subsequent measurement:**

All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method (Refer note 29 for further details). The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortisation under effective interest method is recognised as interest expense under finance cost in the Statement of Profit and Loss.

**Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

**Offsetting of financial assets and financial liabilities:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet wherever there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## i) Derivative financial instruments

The Company uses derivative financial instruments, such as forward exchange contracts, currency options contracts and coupon only swaps to hedge its exposure to foreign exchange and interest rate risks relating to foreign currency denominated financial liabilities measured at amortised cost. The Company does not enter into derivative contracts for speculative purposes.

The Company formally establishes a hedge relationship between such derivative instruments ('hedging instrument') and recognised financial liabilities ('hedged item'), wherever the Company applies hedge accounting, through a formal documentation at the inception of the hedge relationship in line with the Company's risk management objective and strategy. The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, Financial Instruments.

***Fair value hedge:***

**Recognition and measurement:**

The Company enters into forward exchange contracts to hedge its foreign exchange risks with the objective of hedging fair value movement of underlying hedged items and thus applies fair value hedge accounting.

Hedging instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognised in the Statement of Profit and Loss. Hedging instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognised financial liability) is initially recognised at fair value on the date of entering into contractual obligation and is subsequently measured at amortised cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognised in the Statement of Profit and Loss.

**Derecognition:**

On Derecognition of the hedged item, the unamortised fair value of the hedging instrument adjusted to the hedged item, is recognised in the Statement of Profit and Loss.

***Cash flow hedge:***

**Recognition and measurement:**

The Company enters into currency options and coupon only swaps to hedge cash flows associated with floating interest rate external currency borrowing. The Company designates such derivative instruments as cash flow hedges in accordance with Ind AS 109, where the hedging relationship meets the qualifying criteria and is formally designated and documented at inception.

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Derivative instruments designated as cash flow hedges are initially recognised at fair value and are subsequently remeasured at fair value at each reporting date.

The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges is recognised in Other Comprehensive Income and accumulated in the cash flow hedge reserve. The ineffective portion of changes in fair value, if any, is recognised immediately in the Statement of Profit and Loss

Amounts accumulated in the cash flow hedge reserve are reclassified to the Statement of Profit and Loss in the period or periods during which the hedged item affects profit or loss.

**Derecognition:**

Cash flow hedge accounting is discontinued when the hedging instrument expires or is terminated, when the hedge no longer meets the qualifying criteria, or when the forecast transaction is no longer expected to occur.

**Other derivative Instruments:**

The Company also enters into forward contracts to purchase an additional stake in equity capital in some of its investments in subsidiary companies. Such derivatives are recognised in its Balance Sheet when the Company becomes party to contractual provisions of the instrument. These derivatives are initially recognised at fair value when the contract is entered. Such forward contracts are remeasured at fair value at the end of each reporting period and changes are recognised in Statement of Profit and Loss.

## j) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy that categorises into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the Financial Statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

## k) Investment in subsidiary and associate Companies

The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost includes cash consideration paid on initial recognition, adjusted for embedded derivative and estimated contingent consideration (earn out), if any. The details of such investments are given in Note 5. Impairment policy applicable on such investments is explained in note 1.4(d) above.

Contingent consideration (earn out) is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.

## l) Foreign Currency Translation

***Initial Recognition:***

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

***Measurement of foreign currency items at reporting date:***

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of foreign exchange translations and settlements during the year are recognised in the Statement of Profit and Loss in the period in which they arise except for the difference which are considered as borrowing costs incurred for qualifying asset as explained in Note (u) of this policy

a. Exchange differences arising from foreign currency borrowings relating to the acquisition or construction of qualifying assets are treated as an adjustment to borrowing costs and are capitalised as part of the cost of such assets, to the extent they are regarded as an adjustment to interest costs and

b. Exchange differences on transactions entered to hedge certain foreign currency risks.

## m) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

***Current tax:***

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under Income Tax Act, 1961. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

***Deferred tax:***

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statement and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax assets and liabilities are generally recognised for all deductible and taxable temporary differences respectively. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit or does not give rise to equal taxable and deductible temporary differences, deferred tax assets or liabilities are not recognised. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised. Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

***Uncertain tax positions:***

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company reflects the effect of uncertainty for each uncertain tax treatment by using one of two methods, the expected value method (the sum of the probability - weighted amounts in a range of possible outcomes) or the most likely amount (single most likely amount

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method in a range of possible outcomes), depending on which is expected to better predict the resolution of the uncertainty. The Company applies consistent judgements and estimates if an uncertain tax treatment affects both the current and the deferred tax.

***Presentation of current and deferred tax:***

Current and deferred tax are recognised as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognised in Other Comprehensive Income.

The Company offsets tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## n) Provisions and Contingencies

The Company recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources will be required and the amount of outflow can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources or the amount of such outflow cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

## o) Measurement of EBITDA

The Company has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the period. The Company measures EBITDA based on profit/(loss) from continuing operations.

## p) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.

## q) Employee Benefits

***Short Term Employee Benefits:***

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period the employee renders the related service.

***Post-Employment Benefits:***

**I. Defined contribution plans:**

Defined contribution plans are employee state insurance schemes and Government administered pension fund scheme for all applicable employees.

**Recognition and measurement of defined contribution plans:**

The Company recognise contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

**II. Defined benefit plans:**

**i) Provident fund scheme:**

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

**ii) Gratuity scheme:**

The Company operates a defined benefit gratuity plan for employees. The contribution is paid to a separate entity (a fund) or to a financial institution, towards meeting the Gratuity obligations.

**iii) Pension Scheme:**

The Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions as approved by the Board of Directors.

**iv) Post-Retirement Medical benefit plan:**

The Company operates a post-retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

**Recognition and measurement of defined benefit plans:**

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognised in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognised representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognised in the Statement of Profit and loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/ (asset) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary; however the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

**Other Long Term Employee Benefits:**

Entitlements to deferred incentives, annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognised in the Statement of Profit and Loss (including actuarial gain and loss).

## r) Employee Share based Payments

The Company operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (employee stock option reserve). At the end of each reporting period, the Company revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of profit and Loss such that cumulative expense reflects the revision estimate, with a corresponding adjustments to the employee stock option reserve.

Market based vesting conditions are reflected in the grant date fair value of the options and are not subsequently adjusted based on actual outcomes of such conditions. The expense is recognised

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irrespective of whether the market based vesting conditions are ultimately satisfied, provided the service conditions are fulfilled.

The Company recovers the expenses incurred on behalf of its subsidiary for the stock options granted to the employees of the subsidiaries. The said recovery is netted off from the Employee benefits expense.

**s) Treasury shares**

The Company has created an ESOP Trust (Asian Paints Employees Stock Ownership Trust) which acts as a vehicle to execute its ESOP plan. The ESOP trust is considered as an extension of the Company and the shares held by the ESOP trust are treated as Treasury shares. The ESOP Trust purchases Company's share from secondary market for issuance to the employees on exercise of the granted stock options. These shares are recognised at cost and is disclosed separately as reduction from Other Equity as treasury shares. No gain or loss is recognised in the Statement of Profit and Loss on purchase, sale, issuance, or cancellation of treasury shares.

**t) Lease accounting**

***Assets taken on lease:***

The Company mainly has lease arrangements for land and building for offices, warehouse spaces, retail stores, vehicles and others.

The Company assesses whether a contract is or contains a lease, at inception of a contract in accordance with Ind AS 116. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term or useful life of the underlying asset if the Company expects to exercise a purchase option in the lease. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, generally discounted using an incremental borrowing rate specific to the Company, term and currency of the contract.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Statement of Profit and Loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

***Short-term leases and leases of low-value assets***

The Company has elected not to recognise ROU assets and lease liabilities for short term leases as well as low value assets and recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**u) Borrowing Cost**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost and hedging costs incurred pertaining to such borrowings.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised, if any. Such borrowing cost is net off any interest income earned on temporary investment of borrowing amount pending expenditure on qualifying assets. All other borrowing costs are expensed in the period in which they occur.

**v) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

**w) Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Financial Statement. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

**x) Earnings Per Share (EPS)**

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders of the Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

Diluted Earnings per share is calculated by dividing net profit attributable to the equity shareholders of the Company with the weighted average number of shares outstanding during the financial year, adjusted for effects of diluting potential equity shares towards ESOP plan.

**y) Exceptional items:**

An ordinary item of income or expense which by its size, nature, occurrence or incidence requires a disclosure in order to improve understanding of the performance of the Company is treated as an exceptional item in the Statement of Profit and Loss account.

## 1.5. Key accounting estimates and judgements

The preparation of the Company's Financial Statement requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

**Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

***a) Income taxes***

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (Refer note 18).

***b) Business combinations and intangible assets***

Business combinations are accounted for using IND AS 103, Business Combinations. IND AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

***c) Property, plant and equipment***

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets

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are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes or a change in market demand of the product or service output of the asset, manufacturers warranties and maintenance support, etc.

### d) *Impairment of Goodwill and Other Intangible Assets with Indefinite Life*

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins.

Cash flow projections take into account past experience and represent management's best estimate about future developments.

### e) *Defined Benefit Obligation*

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 34, 'Employee benefits'.

### f) *Share-based payment transactions*

The fair value of employee stock options is measured using the Black-Scholes model and Monte Carlo Method. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds). Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 34(3).

### g) *Fair value measurement of financial instruments*

When the fair values of financials assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

### h) *Right-of-use assets and lease liability*

The Company has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

## Note 2A : Property, Plant and Equipment

(₹ in Crores)

| | Gross carrying value | | | | Depreciation/Amortisation | | | | Net carrying value |
|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2025 | Additions during the year | Deductions/ Adjustments | As at 31.03.2026 | As at 01.04.2025 | Additions during the year | Deductions/ Adjustments | As at 31.03.2026 | As at 31.03.2026 |
| Land^ | 371.75 | - | - | 371.75 | - | - | - | - | 371.75 |
| Buildings | 2,162.93 | 117.12 | 17.52 | 2,262.53 | 434.70 | 71.03 | 17.50 | 488.23 | 1,774.30 |
| Plant and Equipment | 6,917.91 | 299.99 | 117.77 | 7,100.13 | 3,102.36 | 581.50 | 112.32 | 3,571.54 | 3,528.59 |
| Scientific Research : | | | | | | | | | |
| Buildings | 71.28 | - | - | 71.28 | 23.25 | 2.74 | - | 25.99 | 45.29 |
| Equipment | 83.07 | 3.13 | 0.99 | 85.21 | 65.81 | 5.03 | 0.95 | 69.89 | 15.32 |
| Leasehold Improvements | 0.31 | - | 0.27 | 0.04 | 0.18 | 0.02 | 0.18 | 0.02 | 0.02 |
| Furniture and Fixtures | 173.72 | 13.26 | 5.52 | 181.46 | 87.03 | 18.17 | 5.09 | 100.11 | 81.35 |
| Vehicles | 3.26 | - | 0.01 | 3.25 | 3.06 | 0.04 | 0.01 | 3.09 | 0.16 |
| Office Equipment | 135.77 | 21.12 | 5.20 | 151.69 | 79.17 | 17.75 | 5.04 | 91.88 | 59.81 |
| Leasehold Improvements | 89.14 | 40.07 | 0.01 | 129.20 | 11.01 | 16.81 | 0.00 | 27.82 | 101.38 |
| Information Technology Hardware | 269.44 | 8.57 | 5.07 | 272.94 | 186.61 | 29.13 | 5.01 | 210.73 | 62.21 |
| **Total** | **10,278.58** | **503.26** | **152.36** | **10,629.48** | **3,993.18** | **742.22** | **146.10** | **4,589.30** | **6,040.18** |

(₹ in Crores)

| | Gross carrying value | | | | Depreciation/Amortisation | | | | Net carrying value |
|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2024 | Additions during the year | Deductions/ Adjustment | As at 31.03.2025 | As at 01.04.2024 | Additions during the year | Deductions/ Adjustments | As at 31.03.2025 | As at 31.03.2025 |
| Land^ | 356.81 | 14.94 | - | 371.75 | - | - | - | - | 371.75 |
| Buildings | 1,523.35 | 653.11 | 13.53 | 2,162.93 | 387.72 | 59.83 | 12.85 | 434.70 | 1,728.23 |
| Plant and Equipment | 4,806.56 | 2,127.40 | 16.05 | 6,917.91 | 2,670.76 | 444.91 | 13.31 | 3,102.36 | 3,815.55 |
| Scientific Research : | | | | | | | | | |
| Buildings | 71.28 | - | - | 71.28 | 20.51 | 2.74 | - | 23.25 | 48.03 |
| Equipment | 80.13 | 2.94 | - | 83.07 | 60.36 | 5.45 | - | 65.81 | 17.26 |
| Leasehold Improvements | 0.31 | - | - | 0.31 | 0.15 | 0.03 | - | 0.18 | 0.13 |
| Furniture and Fixtures | 145.67 | 33.77 | 5.72 | 173.72 | 74.70 | 16.50 | 4.17 | 87.03 | 86.69 |
| Vehicles | 3.06 | 0.20 | - | 3.26 | 2.90 | 0.16 | - | 3.06 | 0.20 |
| Office Equipment | 103.23 | 39.23 | 6.69 | 135.77 | 73.22 | 12.40 | 6.45 | 79.17 | 56.60 |
| Leasehold Improvements | 9.75 | 79.39 | - | 89.14 | 9.17 | 1.84 | - | 11.01 | 78.13 |
| Information Technology Hardware | 208.30 | 73.07 | 11.93 | 269.44 | 178.60 | 19.93 | 11.92 | 186.61 | 82.83 |
| **Total** | **7,308.45** | **3,024.05** | **53.92** | **10,278.58** | **3,478.09** | **563.79** | **48.70** | **3,993.18** | **6,285.40** |

Title deeds of all immovable properties are in the name of the Company. The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 32(b).

^Includes leasehold land of ₹ 4.56 crores which is not being amortised as the Company has an option to convert it into freehold on payment of a nominal amount.

## Note 2B : Right-of-Use Assets

(₹ in Crores)

| Movement in net carrying amount | Year 2025-26 | | | | | Year 2024-25 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Leasehold Land | Building | Vehicles | Plant and Equipment | Total | Leasehold Land | Building | Vehicles | Plant and Equipment | Total |
| **Balance as at 1st April** | **512.98** | **1,069.15** | **0.49** | **0.07** | **1,582.69** | 548.24 | 1,061.77 | 0.69 | 0.10 | 1,610.80 |
| Additions | **5.40** | **359.33** | **0.58** | **-** | **365.31** | - | 340.92 | 0.16 | - | 341.08 |
| Depreciation | **6.79** | **321.12** | **0.30** | **0.01** | **328.22** | 6.80 | 312.38 | 0.32 | 0.03 | 319.53 |
| Deletions/ Adjustments | **-** | **36.19** | **0.09** | **0.06** | **36.34** | 28.46 | 21.16 | 0.04 | - | 49.66 |
| **Balance as at 31st March** | **511.59** | **1,071.17** | **0.68** | **-** | **1,583.44** | **512.98** | **1,069.15** | **0.49** | **0.07** | **1,582.69** |

For additions and movement in lease liabilities Refer note 15. The amount of contractual commitments for the Right of Use Assets is disclosed in Note 32(b).

All lease agreements are duly executed in favour of the Company except the ones as detailed below:

| Description of item of property | Gross carrying value as at 31st March 2026 | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the company |
|---|---|---|---|---|
| Leasehold Land | 71.68 | No | 01.04.2025* | The title of assets transferred pursuant to the scheme of amalgamation are in the process of being transferred in the name of the Company. |
| Leasehold Building | 0.89 | No | 01.08.2025 | |

*For Immovable properties acquired pursuant to amalgamation with the company, have been considered with effect from the merger effect given.

As at 31st March, 2026, ₹ 70.28 crores (Previous year- Nil) was hypothecated as security for borrowings.

## Note 3 : Capital Work-In-Progress

### Capital Work-In-Progress (CWIP) ageing schedule

(₹ in Crores)

| CWIP | Amount in CWIP for a period of | | | | As at 31.03.2026 |
|---|---|---|---|---|---|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 1,166.08 | 454.68 | 83.91 | 49.45 | **1,754.12** |
| Projects temporarily suspended | - | - | - | - | **-** |

(₹ in Crores)

| CWIP | Amount in CWIP for a period of | | | | As at 31.03.2025 |
|---|---|---|---|---|---|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 649.51 | 136.66 | 48.88 | 36.65 | **871.70** |
| Projects temporarily suspended | - | - | - | - | - |

As at 31st March 2026, ₹ 1,446.56 crores (Previous year- Nil) was hypothecated as security for borrowings.

### CWIP assets where completion is overdue and/or cost has exceeded its original plan

(₹ in Crores)

| CWIP | To be completed in | | | | As at 31.03.2026 |
|---|---|---|---|---|---|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Manufacturing facility for Vinyl Acetate Ethylene Emulsion (VAE) and Vinyl Acetate Monomer (VAM) | 676.16 | - | 770.40 | - | **1,446.56** |
| Asian Paints Headquarter Building | - | 40.90 | - | - | **40.90** |
| Manufacturing facility at Ankleshwar Plant - 2 | - | - | - | 11.49 | **11.49** |

There were no CWIP assets where completion was overdue against original planned timelines or where estimated cost exceeds its original value as on 31st March, 2025.

## Note 4 : Intangible Assets (Acquired Separately)

(₹ in Crores)

| | Gross carrying value | | | | Amortisation | | | | Net carrying value |
|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2025 | Additions during the year | Deductions / Adjustments | As at 31.03.2026 | As at 01.04.2025 | Additions during the year | Deductions / Adjustments | As at 31.03.2026 | As at 31.03.2026 |
| **A. GOODWILL** | | | | | | | | | |
| Goodwill (Refer note (A) below) | 47.27 | - | - | **47.27** | - | - | - | **-** | **47.27** |
| **Total (A)** | **47.27** | **-** | **-** | **47.27** | **-** | **-** | **-** | **-** | **47.27** |
| **B. OTHER INTANGIBLE ASSETS** | | | | | | | | | |
| Trademark | 6.39 | - | - | **6.39** | 5.32 | 1.07 | - | **6.39** | **-** |
| Computer Software | 234.64 | 5.58 | 1.10 | **239.12** | 195.37 | 18.85 | 1.10 | **213.12** | **26.00** |
| Brand ^ (Refer note (A) below) | 45.28 | - | - | **45.28** | - | - | - | **-** | **45.28** |
| Scientific Research : | | | | | | | | | |
| Computer Software | 0.51 | - | 0.01 | **0.50** | 0.35 | 0.08 | 0.01 | **0.42** | **0.08** |
| **Total (B)** | **286.82** | **5.58** | **1.11** | **291.29** | **201.04** | **20.00** | **1.11** | **219.93** | **71.36** |
| **Total (A+B)** | **334.09** | **5.58** | **1.11** | **338.56** | **201.04** | **20.00** | **1.11** | **219.93** | **118.63** |

(₹ in Crores)

| | Gross carrying value | | | | Amortisation | | | | Net carrying value |
|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2024 | Additions during the year | Deductions / Adjustments | As at 31.03.2025 | As at 01.04.2024 | Additions during the year | Deductions / Adjustments | As at 31.03.2025 | As at 31.03.2025 |
| **A. GOODWILL** | | | | | | | | | |
| Goodwill (Refer note (A) below) | 47.27 | - | - | 47.27 | - | - | - | - | 47.27 |
| **Total (A)** | **47.27** | **-** | **-** | **47.27** | **-** | **-** | **-** | **-** | **47.27** |
| **B. OTHER INTANGIBLE ASSETS** | | | | | | | | | |
| Trademark | 6.39 | - | - | 6.39 | 4.23 | 1.09 | - | 5.32 | 1.07 |
| Computer Software | 224.24 | 23.97 | 13.57 | 234.64 | 186.30 | 22.63 | 13.56 | 195.37 | 39.27 |
| Brand ^ (Refer note (A) below) | 45.28 | - | - | 45.28 | - | - | - | - | 45.28 |
| Scientific Research : | | | | | | | | | |
| Computer Software | 0.51 | - | - | 0.51 | 0.27 | 0.08 | - | 0.35 | 0.16 |
| **Total (B)** | **276.42** | **23.97** | **13.57** | **286.82** | **190.80** | **23.80** | **13.56** | **201.04** | **85.78** |
| **Total (A+B)** | **323.69** | **23.97** | **13.57** | **334.09** | **190.80** | **23.80** | **13.56** | **201.04** | **133.05** |

The amount of contractual commitments for the acquisition of intangible assets is disclosed in Note 32(b).

^ Brand comprises of brands acquired pursuant to acquisition of subsidiaries. These have indefinite useful life as the registration of these brands can be renewed indefinitely and management assessed that they will continue to generate future cash flows for Company indefinitely. Accordingly, the same is not amortised and is tested for impairment annually.

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 4 : Intangible Assets (Acquired Separately) (Contd.)

**Note:**

### (A) Goodwill and Intangible Assets (with indefinite useful life)

Goodwill/Brand is allocated to the following cash generating unit ("CGU") for impairment testing purpose-

(₹ in Crores)

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Goodwill allocated to CGU of Bath Fittings Business | **35.36** | 35.36 |
| Goodwill allocated to CGU of Kitchen and components business | **11.91** | 11.91 |
| Sleek Brand allocated to CGU of Kitchen and components business | **28.75** | 28.75 |
| Weatherseal Brand allocated to the CGU of windows and doors business | **16.53** | 16.53 |

The recoverable amount of all the CGUs for impairment testing are determined as per their value in use, which uses cash flow projections based on financial budgets approved by the Management covering a five years period (Previous year - five to six years). The Company believes this to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows.

As at 31st March 2026 and 31st March 2025, the above mentioned goodwill and brands were not impaired.

**Key Assumptions used for value in use calculations are as follows :**

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Compounded average net sales growth rate for five year period (Previous year - five to six year period) | **13.2% - 42.7%** | 15.6% - 42.7% |
| Growth rate used for extrapolation of cash flow projections beyond the projection period | **4% - 5%** | 4% - 5% |
| Discount rate | **12.8% - 19.9%** | 13.0% - 19.9% |

The management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

**Discount rate -** The management estimates discount rates using post-tax rates that reflect current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital.

**Growth rate -** The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on demand condition. The weighted average growth rates used are consistent with industry reports.

## Note 5 : Investments

| | Face value (₹) | As at 31.03.2026 Nos. | As at 31.03.2026 ₹ in Crores | As at 31.03.2025 Nos. | As at 31.03.2025 ₹ in Crores |
|---|---|---|---|---|---|
| **I. NON-CURRENT INVESTMENTS** | | | | | |
| **A. Investments in Equity Instruments** | | | | | |
| **(a) Unquoted equity shares** | | | | | |
| **(i) Subsidiaries (measured at cost, Refer note 1.4(h))** | | | | | |
| Asian Paints Industrial Coatings Limited | 10 | **3,04,50,000** | **30.45** | 3,04,50,000 | 30.45 |
| Asian Paints International Private Limited | | **47,57,75,387** | **904.38** | 47,57,75,387 | 904.38 |
| Asian Paints (Nepal) Private Limited | NPR 10 | **32,54,310** | **0.12** | 32,54,310 | 0.12 |
| Asian Paints PPG Private Limited | 10 | **52,43,961** | **30.47** | 52,43,961 | 30.47 |
| Weatherseal Fenestration Private Limited | 10 | **10,409** | **20.69** | 10,409 | 20.69 |
| Less : Impairment loss (Refer note 40) | | | **(12.96)** | | (12.96) |
| | | | **7.73** | | **7.73** |
| Asian White Cement Holding Limited | AED 10 | **50,79,375** | **116.60** | 41,79,000 | 94.73 |
| Harind Chemicals & Pharmaceuticals Private Limited | 10 | **1,02,000** | **26.18** | 1,02,000 | 26.18 |
| Obgenix Software Private Limited | 10 | **4,01,000** | **327.25** | 2,40,600 | 271.92 |
| Less : Impairment loss (Refer note 40) | | | **(294.85)** | | (188.88) |
| | | | **32.40** | | **83.04** |
| | | | **1,148.33** | | **1,177.10** |
| **(ii) Associate (measured at cost, Refer note 1.4(h))** | | | | | |
| PPG Asian Paints Private Limited | 10 | **2,85,18,112** | **81.43** | 2,85,18,112 | 81.43 |
| | | | **81.43** | | **81.43** |
| **Investments in subsidiaries and associate companies (i + ii)** | | | **1,229.76** | | **1,258.53** |
| **(iii) Other equity shares measured at FVTPL** | | | | | |
| Pattancheru Enviro-tech Limited | 10 | **12,900** | **0.01** | 12,900 | 0.01 |
| Cuddalore SIPCOT Common Utilities Limited | 100 | **2,830** | **0.03** | 2,830 | 0.03 |
| Narmada Clean Tech Limited | 10 | **4,97,833** | **0.49** | 4,97,833 | 0.49 |
| SKH Metals Limited | 10 | **62,500** | **0.50** | 62,500 | 0.50 |
| Amplus RJ Solar Private Limited | 10 | **8,50,000** | **0.85** | 8,50,000 | 0.85 |
| BEIL Infrastructure Limited | 10 | **5,600** | **0.01** | 5,600 | 0.01 |
| Paints and Coatings Skill Council | 25,000 | **20** | **0.05** | 10 | 0.03 |
| Saraswat Co-operative Bank [₹ 25,000/- (As at 31st March, 2025 - ₹ 25,000)] | 10 | **2,500** | **0.00** | 2,500 | 0.00 |
| | | | **1.94** | | **1.92** |
| **Total Investment in Unquoted equity shares** | | | **1,231.70** | | **1,260.45** |
| **(b) Quoted equity shares measured at FVTOCI** | | | | | |
| Akzo Nobel India Limited$ | 10 | **-** | **-** | 20,10,626 | 723.43 |
| HDFC Bank Limited* | 1 | **15,62,400** | **114.31** | 7,81,200 | 142.82 |
| Apcotex Industries Limited | 2 | **34,180** | **1.07** | 34,180 | 1.14 |
| **Total Investment in Quoted equity shares** | | | **115.38** | | **867.39** |
| **Total Investments in Equity Instruments other than Investments in subsidiaries and associate companies (a(iii) + b)** | **A** | | **117.32** | | **869.31** |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 5 : Investments (Contd.)

| | | Face value (₹) | As at 31.03.2026 | | As at 31.03.2025 | |
|---|---|---|---|---|---|---|
| | | | Nos. | ₹ in Crores | Nos. | ₹ in Crores |
| **B.** | **Investments in Unquoted Government securities measured at amortised cost** | **B** | | | | |
| | National Savings & Defence Certificates [₹ 39,500/- (As at 31st March, 2025 - ₹ 39,500)] | | - | **0.00** | - | 0.00 |
| **C.** | **Investments in Debentures or Bonds measured at FVTOCI** | | | | | |
| | **(a) Unquoted Debentures or Bonds** | | | | | |
| | **Redeemable and Non-Convertible** | | | | | |
| | 5.25% Bond of Indian Railway Finance Corporation Limited - Series VII 54EC | 10,000 | **500** | **0.50** | 500 | 0.50 |
| | 5.00% Bond of Rural Electrification Corporation Limited - Series XVI 54EC 31AG27 | 10,000 | **500** | **0.50** | 500 | 0.50 |
| | 5.00% Bond of Rural Electrification Corporation Limited - Series XVI 54EC 31MY27 | 10,000 | **500** | **0.50** | 500 | 0.50 |
| | 5.25% Bond of Power Finance Corporation Limited - Series VIII | 10,000 | **500** | **0.50** | 500 | 0.50 |
| | **Total Investments in Debentures or Bonds (a)** | **C** | | **2.00** | | **2.00** |
| | **Total Non-Current Investments (A+B+C)** | | | **119.32** | | **871.31** |
| | Aggregate amount of quoted investments - At cost | | | **0.13** | | 41.43 |
| | Aggregate amount of quoted investments - At market value | | | **115.38** | | 867.39 |
| | Aggregate amount of unquoted investments | | | **1,233.71** | | 1,262.45 |
| | Aggregate amount of impairment in value of unquoted investments | | | **307.81** | | 201.84 |

[$] During the year 20,10,626 shares were sold at net cash consideration of ₹ 729.42 crores and at a gain of ₹ 637.45 crores (net of tax of ₹ 50.67 crores) as a normal business transaction.

[*] During the year, HDFC Bank Limited issued bonus equity shares in the ratio of 1:1.

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## Note 5 : Investments (Contd.)

| | | Face value (₹) | As at 31.03.2026 | | As at 31.03.2025 | |
|---|---|---|---|---|---|---|
| | | | Nos. | ₹ in Crores | Nos. | ₹ in Crores |
| **II.** | **CURRENT INVESTMENTS** | | | | | |
| | **A. Investments in Debentures or Bonds measured at FVTOCI** | | | | | |
| | **(a) Quoted Debentures or Bonds** | | | | | |
| | **Redeemable and Non-Convertible** | | | | | |
| | Zero Coupon Debentures of LIC Housing Finance Limited - Tranche 416 | 10,00,000 | - | - | 450 | 54.48 |
| | Zero Coupon Debentures of Kotak Mahindra Investments Limited - Series III 29JN26 | 10,00,000 | - | - | 600 | 56.41 |
| | Zero Coupon Debentures of HDB Financial Services Limited - Series 2022 A/0(ZC)/186_Option 1 | 10,00,000 | - | - | 450 | 54.48 |
| | 7.14% Bond of National Highway Authority of India - Series IA | 1,000 | - | - | 1,42,849 | 14.46 |
| | 7.11% Bond of Power Finance Corporation Limited - Series 1A | 1,000 | - | - | 51,341 | 5.18 |
| | 7.11% Bond of National Thermal Power Corporation Limited - Series 1A | 1,000 | - | - | 62,457 | 6.30 |
| | 7.07% Bond of Indian Railway Finance Corporation Limited - Series 102nd | 1,000 | - | - | 2,26,500 | 22.60 |
| | | | | - | | **213.91** |
| | **(b) Unquoted Debentures or Bonds** | | | | | |
| | **Redeemable and Non-Convertible** | | | | | |
| | 5.00% Bond of Indian Railway Finance Corporation Limited - Series IV | 10,000 | - | - | 500 | 0.50 |
| | | | | - | | **0.50** |
| | **Total Investments in Debentures or Bonds (a + b)** | **A** | | - | | **214.41** |
| **B.** | **Investments in Quoted Mutual Funds measured at FVTPL** | | | | | |
| | **(a) Investments in Liquid Mutual Funds** | | | | | |
| | UTI Liquid Fund (Formerly UTI Liquid Cash Plan) - Direct Plan | 1,000 | **9,07,632** | **409.97** | 6,55,358 | 278.61 |
| | Other Mutual Funds | | | **5,751.11** | | 2,673.31 |
| | **Total Investments in Mutual Funds - Quoted** | **B** | | **6,161.08** | | **2,951.92** |
| | **Total Current Investments (A+B)** | | | **6,161.08** | | **3,166.33** |
| | Aggregate amount of quoted investments - At cost | | | **5,750.55** | | 2,887.69 |
| | Aggregate amount of quoted investments - At market value | | | **6,161.08** | | 3,165.83 |
| | Aggregate amount of unquoted investments | | | **-** | | **0.50** |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 6 : Other Financial Assets*

(₹ in Crores)

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **Unsecured & considered good** | | | | |
| Security deposits | **115.21** | 75.60 | **14.26** | 11.39 |
| Dividend receivable from subsidiary companies | **-** | - | **-** | 6.40 |
| Royalty receivable from subsidiary and associate companies | **-** | - | **81.13** | 77.46 |
| Due from subsidiary companies | **-** | - | **27.50** | 31.01 |
| Due from associate companies | **-** | - | **2.96** | 3.91 |
| Subsidy receivable from State Governments (net) ^ | **233.61** | 324.19 | **172.77** | 176.46 |
| Term deposits held as margin money against bank guarantee and other commitments | **0.40** | 0.33 | **-** | - |
| Term deposits with more than 12 months of original maturity | **1,153.20** | 455.72 | **1,278.28** | 710.60 |
| Interest accrued on investments in debentures or bonds measured at FVTOCI | **-** | - | **0.07** | 20.14 |
| Quantity discount receivable | **-** | - | **316.06** | 216.58 |
| Foreign currency forward exchange contract (net) | **-** | - | **10.50** | - |
| Retention monies receivable from Customers | **2.59** | 3.15 | **0.44** | 0.59 |
| Derivative Asset towards External Commercial Borrowing (Refer note 29(B)(i)) | **18.84** | - | **-** | - |
| Derivative Asset towards further stake acquisition in Subsidiary Company | **-** | - | **15.91** | 4.61 |
| Other receivables | **-** | - | **1.45** | 5.24 |
| **Subtotal (A)** | **1,523.85** | **858.99** | **1,921.33** | **1,264.39** |
| **Unsecured & considered doubtful** | | | | |
| Royalty receivable from subsidiary and associate companies | **-** | - | **5.22** | 12.67 |
| Due from subsidiary companies | **-** | - | **2.64** | 5.11 |
| | **-** | **-** | **7.86** | **17.78** |
| Less : Allowance for expected credit losses | **-** | - | **(7.86)** | (17.78) |
| **Subtotal (B)** | **-** | **-** | **-** | **-** |
| **Total (A+B)** | **1,523.85** | **858.99** | **1,921.33** | **1,264.39** |

* Refer note 29(C) for information about credit risk of other financial assets.

^ Current and Non Current portion of subsidy receivable from state governments is net of allowance for expected credit loss amounting to ₹ 3.45 crores (Previous Year - ₹ 6.68 crores) and ₹ 80.19 crores (Previous Year - ₹ 7.11 crores) respectively [Refer note 29(C)(2)].

## Note 7 : Income Tax Assets (Net)

(₹ in Crores)

| | Non-Current | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| Advance payment of Income Tax (net) | **208.06** | 184.44 |
| **Total** | **208.06** | **184.44** |

## Note 8 : Other Assets

(₹ in Crores)

| | | Non-Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **(a)** | **Capital advances** | **66.57** | 161.23 | **-** | - |
| **(b)** | **Advances other than capital advances** | | | | |
| i) | Advances/claims recoverable in cash or in kind | **49.38** | 48.53 | **237.37** | 246.43 |
| ii) | Balances with government authorities | **126.19** | 55.53 | **417.09** | 362.04 |
| iii) | Advances to employees | **3.17** | 5.71 | **19.09** | 14.43 |
| iv) | Duty credit entitlement | **-** | - | **1.48** | 2.96 |
| | | **178.74** | **109.77** | **675.03** | **625.86** |
| **(c)** | **Other receivables** | **-** | 9.08 | **-** | 31.06 |
| **(d)** | **Contract assets (net)** | **-** | - | **-** | 4.02 |
| **Total** | | **245.31** | **280.08** | **675.03** | **660.94** |

No advances are due from directors or other officers of the Company or from firms or private companies in which any director is a partner, a director or a member, or any of them either severally or jointly with any other person.

## Note 9 : Inventories (At Lower of Cost and Net Realisable Value)

(₹ in Crores)

| | | Current | |
|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 |
| (a) | Raw materials | **1,527.00** | 1,878.19 |
| | Raw materials-in-transit | **439.75** | 494.63 |
| | | **1,966.75** | **2,372.82** |
| (b) | Packing materials | **75.23** | 68.36 |
| (c) | Work-in-progress | **181.05** | 190.23 |
| (d) | Finished goods | **1,307.85** | 2,187.20 |
| (e) | Stock-in-trade (acquired for trading) | **1,143.79** | 869.20 |
| | Stock-in-trade (acquired for trading)-in-transit | **57.78** | 40.93 |
| | | **1,201.57** | **910.13** |
| (f) | Stores, spares and consumables | **92.15** | 118.74 |
| | Stores, spares and consumables-in-transit | **0.14** | 0.75 |
| | | **92.29** | **119.49** |
| **Total** | | **4,824.74** | **5,848.23** |

The cost of inventories recognised as an expense during the year is disclosed in Note 24 and Note 26. It includes expense of ₹ 59.77 crores (Previous year reversal ₹ 11.31 crores) towards write down of inventory.

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 10 : Trade Receivables

(₹ in Crores)

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **Trade receivables - Unsecured** | | | | |
| (a) Considered good | **5.36** | 7.35 | **3,242.88** | 3,294.14 |
| (b) Credit impaired | **-** | - | **423.01** | 352.34 |
| | **5.36** | **7.35** | **3,665.89** | **3,646.48** |
| Less : Allowance for expected credit loss (includes credit impaired) (Refer note 29(C)(2)) | **-** | - | **(438.18)** | (448.93) |
| **Total** | **5.36** | **7.35** | **3,227.71** | **3,197.55** |

There are no outstanding trade receivables from any directors or other officers of the Company or any of them either severally or jointly with any other person. For details of trade receivables from firms or private companies in which any director is a partner, a director or a member, subsidiary and associate companies, Refer note 37.

### Trade Receivables ageing schedule

(₹ in Crores)

| | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | | As at 31.03.2026 |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade receivables - Unsecured** | | | | | | | | |
| (a) Undisputed, considered good | 1.56 | 2,935.88 | 275.88 | 34.92 | - | - | - | **3,248.24** |
| (b) Undisputed, credit impaired | - | 5.54 | 2.45 | 32.05 | 133.90 | 76.80 | 34.98 | **285.72** |
| (c) Disputed, considered good | - | - | - | - | - | - | - | **-** |
| (d) Disputed, credit impaired | - | 1.40 | 3.90 | 7.63 | 80.82 | 25.38 | 18.16 | **137.29** |
| | **1.56** | **2,942.82** | **282.23** | **74.60** | **214.72** | **102.18** | **53.14** | **3,671.25** |
| Less : Allowance for expected credit loss (includes credit impaired) | | | | | | | | **(438.18)** |
| **Total** | | | | | | | | **3,233.07** |

(₹ in Crores)

| | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | | As at 31.03.2025 |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade receivables - Unsecured** | | | | | | | | |
| (a) Undisputed, considered good | 4.50 | 2,589.62 | 567.21 | 140.16 | - | - | - | 3,301.49 |
| (b) Undisputed, credit impaired | - | 1.35 | 3.72 | 39.23 | 139.46 | 65.77 | 77.24 | 326.77 |
| (c) Disputed, considered good | - | - | - | - | - | - | - | - |
| (d) Disputed, credit impaired | - | 0.21 | 0.91 | 5.35 | 3.74 | 2.86 | 12.50 | 25.57 |
| | **4.50** | **2,591.18** | **571.84** | **184.74** | **143.20** | **68.63** | **89.74** | **3,653.83** |
| Less : Allowance for expected credit loss (includes credit impaired) | | | | | | | | (448.93) |
| **Total** | | | | | | | | **3,204.90** |

## Note 11 : Cash and Bank Balances

(₹ in Crores)

| | Current | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| **(A) Cash and Cash Equivalents** | | |
| (i) Balances with Banks | | |
| (a) Current Accounts | **18.41** | 45.95 |
| (b) Cash Credit Accounts^ | **0.72** | 5.95 |
| (c) Deposits with original maturity of less than 3 months | **294.21** | 82.02 |
| (ii) Cheques, drafts on hand | **82.04** | 44.49 |
| (iii) Cash on hand | **0.00** | 0.00 |
| **Total** | **395.38** | **178.41** |
| **(B) Other Balances with Banks** | | |
| (i) Term deposits with original maturity of more than 3 month but less than 12 months | **24.21** | - |
| (ii) Unpaid dividend and sales proceeds of Fractional Bonus Shares account * | **26.75** | 26.09 |
| **Total** | **50.96** | **26.09** |

^ The Company has unsecured line of borrowings which carry an interest rate of 8.90% p.a (Previous year - 9.00% p.a). The Company has not used borrowings for purpose other than specified purpose of the borrowing.

* The Company can utilise these balances only towards settlement of unclaimed dividend and fractional bonus shares.

## Note 12 : Equity Share Capital

(₹ in Crores)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Authorised** | | |
| 13,99,50,00,000 Equity Shares of face value of ₹ 1 each* (Previous year - 99,50,00,000 Equity Shares) | **1,399.50** | 99.50 |
| 50,000 11% Redeemable Cumulative Preference shares of face value of ₹ 100 each | **0.50** | 0.50 |
| | **1,400.00** | **100.00** |
| **Issued, Subscribed and Paid up capital** | | |
| 95,91,97,790 Equity Shares of face value of ₹ 1 each fully paid | **95.92** | 95.92 |
| | **95.92** | **95.92** |

*During the year, the authorised share capital of the Company increased by ₹ 1,300 crores on account of giving effect to the Scheme of Amalgamation of Asian Paints (Polymers) Private Limited ("APPPL") and the Company with effect from 31st March 2026 (Refer note 36).

### a) Reconciliation of shares outstanding at the beginning and at the end of the year

| Fully paid Equity Shares | As at 31.03.2026 | | As at 31.03.2025 | |
|---|---|---|---|---|
| | No. of Equity Shares | ₹ in Crores | No. of Equity Shares | ₹ in Crores |
| **Balance at the beginning of the reporting year** | **95,91,97,790** | **95.92** | 95,91,97,790 | 95.92 |
| Changes in Equity Share capital due to prior period errors | **-** | **-** | - | - |
| **Restated balance at the beginning of the current reporting period** | **95,91,97,790** | **95.92** | 95,91,97,790 | 95.92 |
| Changes in Equity Share capital during the year | **-** | **-** | - | - |
| **Balance at the end of the reporting year** | **95,91,97,790** | **95.92** | **95,91,97,790** | **95.92** |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 12 : Equity Share Capital (Contd.)

### b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a face value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(₹ in Crores)

| Particulars | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Dividend paid during the year** | | |
| Final dividend [₹ 20.55 (Previous year - ₹ 28.15) per equity share of face value of ₹ 1 each] | **1,971.21** | 2,700.20 |
| Interim dividend [₹4.50 (Previous year - ₹ 4.25) per equity share of face value of ₹ 1 each] | **431.66** | 407.71 |
| | **2,402.87** | **3,107.91** |

Proposed dividend for FY 2025-26 is ₹ 23.00 per equity share of face value of ₹ 1 each amounting to ₹ 2,206.15 crores (Previous year - ₹ 20.55 per equity share of face value of ₹ 1 each), subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability. If approved, the total dividend (interim and final dividend) for the financial year 2025-26 will be ₹ 27.50 (Rupees Twenty Seven and Fifty paise) per equity share of the face value of ₹ 1 each (₹ 24.80 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year).

As per the Companies Act 2013, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c) Details of Shareholders holding more than 5% equity shares in the Company @

| Name of the Shareholders | As at 31.03.2026 | | As at 31.03.2025 | |
|---|---|---|---|---|
| | No. of Equity Shares | % of Total Shares | No. of Equity Shares | % of Total Shares |
| **Fully paid Equity Shares of face value of ₹ 1 each held by:** | | | | |
| 1. Life Insurance Corporation of India | **7,78,22,006** | **8.11%** | 7,94,75,946 | 8.29% |
| 2. Sattva Holding and Trading Private Limited | **5,47,89,183** | **5.71%** | 5,47,89,183 | 5.71% |
| 3. Smiti Holding and Trading Company Private Limited | **5,14,42,638** | **5.36%** | 5,17,67,638 | 5.40% |
| 4. SBI Mutual Fund | **4,98,85,007** | **5.20%** | 1,45,04,965 | 1.51% |

@ As per the records of the Company, including its register of members.

## Note 12 : Equity Share Capital (Contd.)

### d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year

| Promoter Name | As at 31.03.2026 | | As at 31.03.2025 | | % change during the year |
|---|---|---|---|---|---|
| | No. of Equity Shares | % of Total Shares | No. of Equity Shares | % of Total Shares | |
| Sattva Holding And Trading Private Limited | **5,47,89,183** | **5.71%** | 5,47,89,183 | 5.71% | 0.00% |
| Smiti Holding And Trading Company Private Limited | **5,14,42,638** | **5.36%** | 5,17,67,638 | 5.40% | -0.63% |
| Geetanjali Trading And Investments Private Limited | **4,57,06,140** | **4.77%** | 4,57,06,140 | 4.77% | 0.00% |
| Elcid Investments Limited | **2,83,13,860** | **2.95%** | 2,83,13,860 | 2.95% | 0.00% |
| Shubhit Holdings Private Limited (Formerly known as Gujarat Organics Pvt Ltd) | **2,31,50,730** | **2.41%** | 2,31,50,730 | 2.41% | 0.00% |
| Sudhanava Investments And Trading Company Private Limited | **1,90,01,760** | **1.98%** | 1,90,01,760 | 1.98% | 0.00% |
| Rupen Investment & Industries Private Limited | **1,88,49,825** | **1.97%** | 1,88,49,825 | 1.97% | 0.00% |
| Satyadharma Investments And Trading Company Private Ltd. | **1,83,34,280** | **1.91%** | 1,83,34,280 | 1.91% | 0.00% |
| Castle Investment & Industries Private Limited | **1,54,57,470** | **1.61%** | 1,54,57,470 | 1.61% | 0.00% |
| Lyon Investment & Industries Private Limited | **1,43,42,060** | **1.50%** | 1,43,42,060 | 1.50% | 0.00% |
| Dipika Amar Vakil | **1,27,61,340** | **1.33%** | 1,27,61,340 | 1.33% | 0.00% |
| Jaldhar Investments And Trading Company Private Limited | **1,24,28,250** | **1.30%** | 1,24,28,250 | 1.30% | 0.00% |
| Late Abhay Arvind Vakil | **1,24,18,060** | **1.29%** | 1,24,18,060 | 1.29% | 0.00% |
| Tru Trading And Investments Pvt Limited | **1,21,76,500** | **1.27%** | 1,21,76,500 | 1.27% | 0.00% |
| Nehal Trading And Investments Private Limited | **1,11,02,530** | **1.16%** | 1,11,02,530 | 1.16% | 0.00% |
| Asteroids Trading And Investments Private Limited | **1,08,18,530** | **1.13%** | 1,08,18,530 | 1.13% | 0.00% |
| Jalaj Trading & Investment Company Private Limited | **1,07,76,697** | **1.12%** | 1,07,76,697 | 1.12% | 0.00% |
| Unnati Trading And Investments Private Limited | **1,04,72,600** | **1.09%** | 1,04,72,600 | 1.09% | 0.00% |
| Doli Trading And Investments Private Limited | **93,63,440** | **0.98%** | 93,63,440 | 0.98% | 0.00% |
| Centaurus Trading And Investments Pvt Ltd | **74,08,940** | **0.77%** | 74,08,940 | 0.77% | 0.00% |
| Vivek Abhay Vakil | **68,12,369** | **0.71%** | 68,12,369 | 0.71% | 0.00% |
| Suptaswar Investments And Trading Company Limited | **65,58,310** | **0.68%** | 65,58,310 | 0.68% | 0.00% |
| Bhairavi Abhay Vakil | **60,64,322** | **0.63%** | 60,64,322 | 0.63% | 0.00% |
| Lambodar Investments And Trading Company Limited | **60,15,130** | **0.63%** | 60,15,130 | 0.63% | 0.00% |
| Murahar Investments And Trading Company Limited | **57,43,670** | **0.60%** | 57,43,670 | 0.60% | 0.00% |
| Nehal Abhay Vakil | **57,38,489** | **0.60%** | 57,38,489 | 0.60% | 0.00% |
| Hiren Holdings Private Limited | **39,50,310** | **0.41%** | 39,50,310 | 0.41% | 0.00% |
| Satyen Ashwin Gandhi | **37,25,954** | **0.39%** | 37,25,954 | 0.39% | 0.00% |
| Hiren Ashwin Gandhi | **37,06,265** | **0.39%** | 37,06,265 | 0.39% | 0.00% |
| Malav A Dani | **36,50,176** | **0.38%** | 36,50,176 | 0.38% | 0.00% |
| Upnishad Holdings Private Limited | **40,98,430** | **0.43%** | 37,73,430 | 0.39% | 8.61% |
| Hasit A Dani | **31,50,800** | **0.33%** | 31,50,800 | 0.33% | 0.00% |
| Vakil HUF (Varun Amar Vakil) | **31,03,290** | **0.32%** | 31,03,290 | 0.32% | 0.00% |
| Vishal Shailesh Choksi | **33,80,865** | **0.35%** | 29,51,220 | 0.31% | 14.56% |
| Late Shailesh Chimanlal Choksi | **-** | **0.00%** | 25,91,210 | 0.27% | -100.00% |
| Amrita Amar Vakil | **25,66,680** | **0.27%** | 25,66,680 | 0.27% | 0.00% |
| Manish Mahendra Choksi | **23,81,040** | **0.25%** | 23,81,040 | 0.25% | 0.00% |
| Varun Amar Vakil | **22,30,590** | **0.23%** | 22,30,590 | 0.23% | 0.00% |
| Prafullika Shailesh Choksi | **38,74,480** | **0.40%** | 21,42,560 | 0.22% | 80.83% |
| Amar Arvind Vakil HUF (Varun Amar Vakil) | **21,12,190** | **0.22%** | 21,12,190 | 0.22% | 0.00% |
| ELF Trading and Chemical Manufacturing Private Limited | **21,08,160** | **0.22%** | 21,08,160 | 0.22% | 0.00% |
| Abhay Arvind Vakil HUF (Vivek Abhay Vakil) | **20,76,820** | **0.22%** | 20,76,820 | 0.22% | 0.00% |
| Jigish Shailesh Choksi | **24,24,825** | **0.25%** | 19,95,180 | 0.21% | 21.53% |
| Rupal Anant Bhat | **19,23,770** | **0.20%** | 19,23,770 | 0.20% | 0.00% |
| Shailesh Chimanlal Choksi HUF (Shailesh Chimanlal Choksi) | **17,49,690** | **0.18%** | 17,49,690 | 0.18% | 0.00% |
| Mahendra Chimanlal Choksi | **16,56,380** | **0.17%** | 16,56,380 | 0.17% | 0.00% |
| Jalaj A Dani | **16,00,200** | **0.17%** | 16,00,200 | 0.17% | 0.00% |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 12 : Equity Share Capital (Contd.)

d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year (Contd.)

| Promoter Name | As at 31.03.2026 | | As at 31.03.2025 | | % change during the year |
|---|---|---|---|---|---|
| | No. of Equity Shares | % of Total Shares | No. of Equity Shares | % of Total Shares | |
| Ina Ashwin Dani | **14,51,792** | **0.15%** | 14,51,792 | 0.15% | 0.00% |
| Late Asha Subhash Gujarathi | **14,23,400** | **0.15%** | 14,23,400 | 0.15% | 0.00% |
| Rita Mahendra Choksi | **9,80,000** | **0.10%** | 9,80,000 | 0.10% | 0.00% |
| Rayirth Holding And Trading Company Private Limited | **9,65,910** | **0.10%** | 9,65,910 | 0.10% | 0.00% |
| Rupen Ashwin Choksi | **9,28,607** | **0.10%** | 9,28,607 | 0.10% | 0.00% |
| Ashish Ashwin Choksi | **8,80,840** | **0.09%** | 8,80,840 | 0.09% | 0.00% |
| Urvashi Ashwin Choksi | **8,38,110** | **0.09%** | 8,38,110 | 0.09% | 0.00% |
| ACC AP TRUST | **7,85,700** | **0.08%** | 7,85,700 | 0.08% | 0.00% |
| Rhea Amit Sethi | **7,02,000** | **0.07%** | 7,02,000 | 0.07% | 0.00% |
| Mahendra Chimanlal Choksi HUF (Mahendra Chimanlal Choksi) | **5,39,800** | **0.06%** | 5,39,800 | 0.06% | 0.00% |
| Ami Manish Choksi | **4,72,200** | **0.05%** | 4,72,200 | 0.05% | 0.00% |
| Vita Jalaj Dani | **4,35,260** | **0.05%** | 4,35,260 | 0.05% | 0.00% |
| Ishwara Hasit Dani | **4,10,710** | **0.04%** | 4,10,710 | 0.04% | 0.00% |
| Hasit Ashwin Dani HUF (Hasit Ashwin Dani) | **3,92,666** | **0.04%** | 3,92,666 | 0.04% | 0.00% |
| Jalaj A Dani Huf (Jalaj Ashwin Dani) | **3,44,666** | **0.04%** | 3,44,666 | 0.04% | 0.00% |
| Richa Manish Choksi | **1,80,450** | **0.02%** | 1,80,450 | 0.02% | 0.00% |
| Mudit Jalaj Dani | **1,59,800** | **0.02%** | 1,59,800 | 0.02% | 0.00% |
| Late Amar Arvind Vakil | **1,58,770** | **0.02%** | 1,58,770 | 0.02% | 0.00% |
| Smiti Jalaj Dani | **1,39,110** | **0.01%** | 1,39,110 | 0.01% | 0.00% |
| Binita Ashish Choksi | **1,31,700** | **0.01%** | 1,31,700 | 0.01% | 0.00% |
| Anay Rupen Choksi | **1,30,500** | **0.01%** | 1,30,500 | 0.01% | 0.00% |
| Aashay Ashish Choksi | **1,25,380** | **0.01%** | 1,25,380 | 0.01% | 0.00% |
| Vikatmev Containers Ltd | **1,11,600** | **0.01%** | 1,11,600 | 0.01% | 0.00% |
| Nysha Rupen Choksi (Minor) | **1,02,750** | **0.01%** | 1,02,750 | 0.01% | 0.00% |
| Druhi Ashish Choksi | **1,00,000** | **0.01%** | 1,00,000 | 0.01% | 0.00% |
| Ashwin Ramanlal Gandhi | **91,860** | **0.01%** | 91,860 | 0.01% | 0.00% |
| Meghna Satyen Gandhi | **75,000** | **0.01%** | 75,000 | 0.01% | 0.00% |
| Vaibhavi Hiren Gandhi | **75,000** | **0.01%** | 75,000 | 0.01% | 0.00% |
| Shubhlakshmi Hasit Dani | **59,529** | **0.01%** | 59,529 | 0.01% | 0.00% |
| Late Chandanben Chhotalal Shah | **20,000** | **0.00%** | 20,000 | 0.00% | 0.00% |
| Dani Finlease Private Limited | **10,930** | **0.00%** | 10,930 | 0.00% | 0.00% |
| Nyra Varun Vakil (Minor) | **10,000** | **0.00%** | 10,000 | 0.00% | 0.00% |
| Master Hrishav Varun Vakil (Minor) | **10,000** | **0.00%** | 10,000 | 0.00% | 0.00% |
| Ragini Varun Vakil | **10,000** | **0.00%** | 10,000 | 0.00% | 0.00% |
| Manish Mahendra Choksi HUF (Manish Mahendra Choksi) | **7,500** | **0.00%** | 7,500 | 0.00% | 0.00% |
| Ashish Ashwin Choksi HUF (Ashish Ashwin Choksi) | **5,620** | **0.00%** | 5,620 | 0.00% | 0.00% |
| **Total** | **50,47,85,198** | | **50,47,85,198** | | |

## Note 12 : Equity Share Capital (Contd.)

e) Reconciliation of Treasury shares outstanding at the beginning and at the end of the year

| Treasury shares | As at 31.03.2026 | | As at 31.03.2025 | |
|---|---|---|---|---|
| | No. of Equity Shares | ₹ in Crores | No. of Equity Shares | ₹ in Crores |
| **Balance at the beginning of the year** | **4,54,666** | **134.73** | 3,55,575 | 110.19 |
| Add : Purchased during the year | **2,09,299** | **48.63** | 1,74,336 | 50.08 |
| Less : Excercised during the year | **1,10,470** | **37.10** | 75,245 | 25.54 |
| **Balance at the end of the year** | **5,53,495** | **146.26** | **4,54,666** | **134.73** |

In accordance with Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"), the ESOP Trust (Asian Paints Employees Stock Ownership Trust) purchased equity shares of the Company from secondary market. The net outstanding shares held by the ESOP Trust are disclosed as Treasury Shares (Refer note 34(3)).

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# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 13 : Other Equity

(₹ in Crores)

| | Reserves and Surplus | | | | | Items of Other Comprehensive Income (OCI) | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | General Reserve | Retained Earnings | Remeasurement of defined benefit plans | Debt instruments through OCI | Equity instruments through OCI | Cash Flow Hedge Reserve | | |
| **Balance as at 1st April, 2024** | **10.09** | **0.50** | **4,167.92** | **13,852.07** | **(23.30)** | **11.30** | **235.12** | **-** | **18,192.74** |
| Changes on account of amalgamation (Refer note 36) | - | - | - | 1.08 | - | - | - | - | 1.08 |
| **Restated balance as at 1st April, 2024 (A)** | **10.09** | **0.50** | **4,167.92** | **13,853.15** | **(23.30)** | **11.30** | **235.12** | **-** | **18,193.82** |
| **Changes during the year :** | | | | | | | | | |
| Profit for the year | - | - | - | 3,588.07 | - | - | - | - | 3,588.07 |
| Items of OCI for the year, net of tax | | | | | | | | | |
| Remeasurement of the defined benefit plans | - | - | - | - | 0.35 | - | - | - | 0.35 |
| Net fair value loss on investments in equity instruments through OCI | - | - | - | - | - | - | 230.44 | - | 230.44 |
| Net fair value loss on investments in debt instruments through OCI | - | - | - | - | - | 2.71 | - | - | 2.71 |
| **Total Comprehensive Income for the year 2024-25 (B)** | **-** | **-** | **-** | **3,588.07** | **0.35** | **2.71** | **230.44** | **-** | **3,821.57** |
| Dividends (Refer note 12(b)) | - | - | - | (3,107.91) | - | - | - | - | (3,107.91) |
| Share based payment expenses | - | - | - | - | - | - | - | - | - |
| Net Income of ESOP Trust for the year | - | - | - | - | - | - | - | - | - |
| Purchase of Treasury shares by ESOP trust during the year | - | - | - | - | - | - | - | - | - |
| ESOP exercised during the year | - | - | - | (0.80) | - | - | - | - | - |
| **Total (C)** | **-** | **-** | **-** | **(3,108.71)** | **-** | **-** | **-** | **-** | **(3,123.56)** |
| **Balance as at 31st March, 2025 (D) = (A+B+C)** | **10.09** | **0.50** | **4,167.92** | **14,332.51** | **(22.95)** | **14.01** | **465.56** | **-** | **18,891.83** |
| **Changes during the year :** | | | | | | | | | |
| Profit for the year | - | - | - | 4,244.17 | - | - | - | - | 4,244.17 |
| Items of OCI for the year, net of tax | | | | | | | | | |
| Remeasurement of the defined benefit plans | - | - | - | - | (17.35) | - | - | - | (17.35) |
| Net fair value loss on investments in equity instruments through OCI | - | - | - | - | - | - | (18.62) | - | (18.62) |
| Net fair value loss on investments in debt instruments through OCI | - | - | - | - | - | (16.27) | - | - | (16.27) |
| Net gain on cash flow hedges | - | - | - | - | - | - | - | 6.32 | 6.32 |
| **Total Comprehensive Income for the year 2025-26 (E)** | **-** | **-** | **-** | **4,244.17** | **(17.35)** | **(16.27)** | **(18.62)** | **6.32** | **4,198.25** |
| Dividends (Refer note 12(b)) | - | - | - | (2,402.87) | - | - | - | - | (2,402.87) |
| Share based payment expenses | - | - | - | - | - | - | - | - | - |
| Net Income of ESOP Trust for the year | - | - | - | - | - | - | - | - | - |
| Purchase of Treasury shares by ESOP trust during the year | - | - | - | - | - | - | - | - | - |
| ESOP exercised during the year | - | - | - | - | - | - | - | - | - |
| Transfer to Retained Earning from Equity instruments through OCI on sale of equity shares of Akzo Nobel India Limited (Refer note 5) | - | - | - | 396.24 | - | - | (396.24) | - | - |
| **Total (F)** | **-** | **-** | **-** | **(2,006.63)** | **-** | **-** | **(396.24)** | **-** | **(2,404.44)** |
| **Balance as at 31st March, 2026 (D+E+F)** | **10.09** | **0.50** | **4,167.92** | **16,570.05** | **(40.30)** | **(2.26)** | **50.70** | **6.32** | **20,685.64** |

## Note 13 : Other Equity (Contd.)

### Description of nature and purpose of each reserve :

**Capital Reserve -**

a. Capital reserve of ₹ 5000/- credited on merger of ' Pentasia Chemicals Ltd ' with the Company, pursuant to scheme of Rehabilitation-cum-Merger sanctioned by Board of Industrial and Financial Reconstruction in the financial year 1995-96.

b. Capital Reserve of ₹ 44.38 crores credited on merger of Asian Paints (International) Limited, Mauritius, wholly owned subsidiary of the Company, with the Company as per the order passed by the National Company Law Tribunal.

c. Capital reserve of ₹ 34.29 crores debited on account of merger of Sleek International Private Limited and Maxbhumi Developer Limited, wholly owned subsidiaries of the Company, with the Company as per the order passed by the National Company Law Tribunal.

**Capital Redemption Reserve -** This reserve was created for redemption of preference shares in the financial year 1989-90. The preference shares were redeemed in the financial year 1990-91.

**General Reserve -** General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Retained earnings -** This represents surplus of profit and loss account.

**Remeasurement of defined benefit plans -** This represents the cumulative gains and losses arising on the remeasurement of defined benefit plans in accordance with Ind AS 19 that have been recognised in other comprehensive income.

**Share based payment reserve -** This represents the fair value of the stock options granted by the Company under the 2021 Plan accumulated over the vesting period. The reserve will be utilized on exercise of the options.

**Treasury shares -** This represents cost incurred by the Company to purchase its own equity shares from secondary market through the Company's ESOP trust for issuing the shares to the eligible employees on exercise of stock options granted under the 2021 Plan.

**Trust Reserve -** This represents net income of the ESOP trust.

**Debt instruments through OCI -** This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at FVTOCI that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off and impairment losses on such instruments.

**Equity instruments through OCI -** This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at FVTOCI, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

**Cash Flow Hedge Reserve -** This represents cumulative effective portion of cashflow hedges wherever the Company applies cash flow hedge accounting. The amount recognised in the other comprehensive income is net of amounts reclassified to profit or loss to the extent of ineffective portion and when the hedged transaction affects the profit and loss.

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 14 : Borrowings*

(₹ in Crores)

| | | Maturity Date | Terms of Repayment | Interest Rate Current Year / (Previous Year) | Non-Current | | Current | |
|---|---|---|---|---|---|---|---|---|
| | | | | | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **I.** | **Non-Current Borrowings** | | | | | | | |
| | **Secured** | | | | | | | |
| **(i)** | **Term Loans from Government** | | | | | | | |
| | Deferred payment liabilities : | | | | | | | |
| | Loan from State of Haryana[1] | April 2027 to March 2031 | One time payment at the end of the term of each drawdown | **NA** | **6.44** | 3.04 | **-** | 1.96 |
| | Loan from State of Karnataka[2] | March 2034 | One time payment at the end of the term | **NA** | **37.08** | 34.21 | **-** | - |
| | | | | | **43.52** | **37.25** | **-** | **1.96** |
| **(ii)** | **Term Loans - from banks or financial institutions** | | | | | | | |
| | External Commercial Borrowing from Sumitomo Mitsui Banking Corporation[3] | June 2030 to December 2030 | One time payment at the end of the term of each drawdown | JPY TONAR+ 0.90% / (NA) | **741.42** | - | **-** | - |
| | Loan from State Bank of India[3] | March 2029 to December 2035 | Equal Quarterly Instalments | 3-Month T-Bill + 1.40% / (NA) | **64.00** | - | **-** | - |
| | **Current maturities of Long term borrowings** | | | | **805.42** | - | **-** | - |
| | Secured | | | | **-** | - | **-** | (1.96) |
| **Total** | | | | | **848.94** | **37.25** | **-** | **-** |

Interest free borrowings received from state governments are recognised at fair value using prevailing market interest rate for equivalent borrowing. The difference between the gross proceeds and fair value of the borrowing is the benefit derived from the interest free borrowing and is treated as government grant and recognised as deferred income (Refer note 19).

[1] The Company is eligible to avail interest free borrowing in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April 2010. As on 31st March 2026, the Company has received total interest free borrowing of ₹ 44.97 crores for the period from April 2010 to March 2016. As on 31st March 2026, the Company has repaid borrowing of ₹ 37.01 crores (Previous year - ₹ 35.06 crores). This borrowing is repayable after a period of 5 years from the date of receipt of interest free borrowing. For the year ended 31st March 2016 partial sanction was received and for 31st March 2017, the Company is awaiting sanction from the Haryana Government.

[2] The Company is eligible to avail interest free borrowing for a period of 11 years in respect of 100% of Net SGST (upto the value of investment made in Fixed Asset) paid on the sale of goods within the state of Karnataka and produced at Mysuru plant beginning from 28th September 2018. The borrowing is repayable after a period of 11 years from the date of receipt of borrowing. As on 31st March 2026, the Company has received total interest free borrowing of ₹ 70.62 crores (Previous year - ₹ 70.62 crores) for the period from September 2018 to March 2020.

The above interest free borrowings represented in note 1 and 2 are secured by way of bank guarantee.

[3] Secured against *pari-passu* charge on moveable and immovable property, plant and equipment related to specific project.

## Note 14 : Borrowings* (Contd.)

(₹ in Crores)

| | | Maturity Date | Terms of Repayment | Interest Rate Current Year / (Previous Year) | Current | |
|---|---|---|---|---|---|---|
| | | | | | As at 31.03.2026 | As at 31.03.2025 |
| **II.** | **Current Borrowings** | | | | | |
| | **Unsecured** | | | | | |
| | **(i) Loan repayable on demand - Cash Credit / Overdraft Accounts** | | | | | |
| | - Overdraft from ICICI Bank, India | | Repayable on demand | NA / (7.50%) | **-** | 0.15 |
| | - Overdraft from Citibank, India | | Repayable on demand | NA / (7.50%) | **-** | 0.04 |
| | **(ii) Supplier Finance Arrangements** | | | | **-** | **0.19** |
| | - From State Bank of India | April 2026 to June 2026 | For a term of 90 Days | 3 Month T-bill + 0.50% / (NA) | **308.62** | - |
| | - From HSBC Bank | April 2026 to June 2026 | For a term of 90 Days | 3 Month T-bill + 0.95% / (NA) | **32.11** | - |
| | | | | | **340.73** | **-** |
| **Current maturities of Long term borrowings** | | | | | | |
| Secured | | | | | **-** | 1.96 |
| **Total** | | | | | **340.73** | **2.15** |

* No default in terms of repayment of principal and interest during the year.

### The aggregate maturities of borrowings, based on contractual maturities

(₹ in Crores)

| | Less than 1 year | Between 1 - 5 years | More than 5 years | Total | Carrying Value |
|---|---|---|---|---|---|
| **As at 31st March, 2026** | | | | | |
| Borrowings | **340.73** | **806.51** | **77.48** | **1,224.72** | **1,189.67** |
| **As at 31st March, 2025** | | | | | |
| Borrowings | 2.15 | 3.62 | 70.62 | **76.39** | **39.40** |

## Note 15 : Lease Liabilities

(₹ in Crores)

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **Lease liabilities** | **908.29** | 900.80 | **271.00** | 258.62 |
| **Total** | **908.29** | **900.80** | **271.00** | **258.62** |

### The aggregate maturities of lease liabilities, based on contractual undiscounted cash flows are as follows :

(₹ in Crores)

| | Less than 1 year | Between 1 - 5 years | More than 5 years | Total | Carrying Value |
|---|---|---|---|---|---|
| **As at 31st March, 2026** | | | | | |
| Lease Liabilities | **352.40** | **865.52** | **335.73** | **1,553.65** | **1,179.29** |
| **As at 31st March, 2025** | | | | | |
| Lease Liabilities | 340.45 | 833.79 | 372.75 | **1,546.99** | **1,159.42** |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 15 : Lease Liabilities (Contd.)

(₹ in Crores)

| Movement in lease liabilities | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Balance as at 1st April** | **1,159.42** | **1,127.38** |
| Additions | **344.37** | 319.96 |
| Deletions | **39.15** | 20.87 |
| Finance cost | **94.63** | 93.38 |
| Repayment (including interest on lease liabilities) | **379.98** | 360.43 |
| **Balance as at 31st March** | **1,179.29** | **1,159.42** |

### Amounts with respect to leases recognised in the Statement of Profit & Loss and Statement of Cash Flows

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Amounts recognised in Statement of Profit and Loss** | | |
| Interest on lease liabilities (Refer note 27)* | **93.08** | 91.84 |
| Depreciation of Right-of-Use Assets (Refer note 28)* | **323.43** | 314.26 |
| Expenses relating to short-term leases and leases of low-value assets | **61.94** | 56.09 |
| Variable lease payments | **131.66** | 121.29 |
| Net (gain) on modification or termination of leases (Refer note 23) | **(5.35)** | (1.90) |
| **Amounts recognised in Statement of Cash Flows** | | |
| **In Financing activity** | | |
| Repayment of lease liabilities | **285.35** | 267.05 |
| Interest paid on lease liabilities | **94.63** | 93.38 |
| **In Operating activity** | | |
| Variable lease payments | **130.75** | 122.20 |
| | **510.73** | **482.63** |

Note - For additions and movement in right-of-use assets, Refer note 2B.

*Net of ₹ 6.34 crores (Previous year- ₹ 6.81 crores) recognised in CWIP in the course of construction.

## Note 16 : Other Financial Liabilities

(₹ in Crores)

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **(a) Investor Education and Protection Fund*** | | | | |
| Unpaid/Unclaimed dividend | **-** | - | **26.75** | 26.09 |
| **(b) Others (Refer note 33)** | | | | |
| Retention monies | **65.06** | 32.47 | **33.22** | 43.78 |
| Deposits Received (including Trade Deposits) | **4.39** | 2.00 | **-** | - |
| Payable towards capital expenditure | **-** | - | **192.08** | 115.93 |
| Payable towards services received | **-** | - | **807.69** | 790.87 |
| Payable towards stores, spares and consumables | **-** | - | **18.65** | 16.23 |
| Payable to employees [including due to Managing Director - ₹ 15.40 crores (as at 31st March, 2025 - Nil] | **-** | - | **321.06** | 206.04 |
| Payable towards other expenses [including ₹ 6.47 crores due to Non-Executive Directors (as at 31st March 2025 - ₹ 4.66 crores)] | **-** | - | **1,180.07** | 978.20 |
| Derivative liability towards further stake acquisition in subsidiary companies | **8.90** | 7.00 | **-** | 132.67 |
| Derivative Liability towards External Commercial Borrowing (Refer note 29(B)) | **2.46** | - | **-** | - |
| Foreign currency forward exchange contract (net) | **-** | - | **-** | 11.41 |
| | **80.81** | **41.47** | **2,552.77** | **2,295.13** |
| **Total** | **80.81** | **41.47** | **2,579.52** | **2,321.22** |

***Investor Education and Protection Fund ('IEPF') -** As at 31st March, 2026 and 31st March, 2025, there is no amount due and outstanding to be transferred to the IEPF by the Company. Unpaid/ Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

## Note 17 : Provisions

(₹ in Crores)

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **(a) Provision for Employee Benefits (Refer note 34)** | | | | |
| Provision for Compensated absences | **195.96** | 188.67 | **33.83** | 25.55 |
| Provision for Gratuity | **-** | - | **40.86** | 3.15 |
| Provision for Pension | **0.96** | 1.06 | **0.10** | 0.14 |
| Provision for Provident Fund | **-** | - | **14.35** | - |
| Provision for Post retirement medical and other benefits | **1.14** | 1.40 | **6.51** | 7.00 |
| | **198.06** | **191.13** | **95.65** | **35.84** |
| **(b) Others** | | | | |
| Provision for Indirect Taxes | **-** | - | **91.32** | 13.17 |
| Provision for Warranties | **-** | - | **-** | 2.25 |
| | **-** | **-** | **91.32** | **15.42** |
| **Total** | **198.06** | **191.13** | **186.97** | **51.26** |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 17 : Provisions (Contd.)

Disclosure relating to movement in other provisions is as follows :

(₹ in Crores)

| | Provision for Indirect Taxes** | | Provision for Warranties | |
|---|---|---|---|---|
| | Year 2025-26 | Year 2024-25 | Year 2025-26 | Year 2024-25 |
| **Balance as at 1st April** | **13.17** | 12.03 | **2.25** | 2.01 |
| Additions/Adjustments | **79.64** | 4.71 | **-** | 0.31 |
| Utilizations | **(1.49)** | (0.54) | **-** | (0.07) |
| Reversals | **-** | (3.03) | **(2.25)** | - |
| **Balance as at 31st March** | **91.32** | **13.17** | **-** | **2.25** |

**Provisions for Indirect taxes includes provision for matters towards Excise, VAT, GST and custom duty disputed at various appellate levels.

These provisions represent estimates made for probable claims arising out of litigations/disputes pending with authorities . The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Company is not able to reasonably ascertain the timing of the outflow. The Company does not expect any reimbursements in respect of these provisions..

## Note 18 : Income Taxes

A. The Major Components of Income Tax Expense for the year are as under :

(₹ in Crores)

| | | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| **(i)** | **Income tax recognised in Profit or Loss** | | |
| | **Current tax expense :** | | |
| | In respect of current year | **1,419.31** | 1,319.06 |
| | In respect of short/(excess) tax provision for earlier years | **23.21** | (11.14) |
| | **Deferred tax benefit :** | | |
| | In respect of current year | **46.91** | 5.61 |
| | **Total** | **1,489.43** | **1,313.53** |
| | | | |
| **(ii)** | **Income tax recognised in OCI** | | |
| | **Current tax expense :** | | |
| | Income tax expense on sale of investments in equity instruments through OCI | **50.67** | - |
| | **Deferred tax :** | | |
| | Income tax (benefit)/expense on remeasurement of defined benefit plans | **(5.83)** | 0.12 |
| | Income tax (benefit)/expense on net fair value gain on investments in equity instruments through OCI | **(54.64)** | 42.86 |
| | Income tax (benefit)/expense on net fair value gain on investments in debt instruments through OCI | **(2.72)** | 0.96 |
| | Income tax expense on net gain on cash flow hedges | **2.12** | - |
| | **Total** | **(10.40)** | **43.94** |

## Note 18 : Income Taxes (Contd.)

B. Reconciliation of Tax Expense and Effective Tax Rate :

| | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|
| | ₹ in crores | Rate | ₹ in crores | Rate |
| **Profit before tax (After exceptional items)** | **5,733.60** | | 4,901.60 | |
| Income tax expense calculated at corporate tax rate | **1,443.03** | **25.17%** | 1,233.63 | 25.17% |
| **Tax effect of :** | | | | |
| Non-deductible expenses | **79.22** | **1.38%** | 125.31 | 2.56% |
| Income taxed at special rates | **(2.24)** | **(0.04%)** | (5.13) | (0.10%) |
| Income exempted from tax | **(30.61)** | **(0.53%)** | (36.09) | (0.74%) |
| Others | **(23.18)** | **(0.40%)** | 6.95 | 0.14% |
| **Total** | **1,466.22** | **25.57%** | **1,324.67** | **27.03%** |
| Short/(Excess) tax provision for earlier years | **23.21** | **0.40%** | (11.14) | (0.23%) |
| **Tax expense as per Statement of Profit and Loss** | **1,489.43** | **25.98%** | **1,313.53** | **26.80%** |

The tax rate used for reconciliation above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under Indian tax law.

C. The Major Components of Deferred Tax (Liabilities)/Assets Arising on Account of Timing Differences are as Follows :

**As at 31st March, 2026**

(₹ in Crores)

| | Balance Sheet | Profit and loss | OCI | Balance Sheet |
|---|---|---|---|---|
| | 01.04.2025 | 2025-26 | 2025-26 | 31.03.2026 |
| Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961 | (254.28) | **(2.86)** | **-** | **(257.14)** |
| Provision for expense allowed for tax purpose on payment basis (Net) | 53.84 | **0.91** | **-** | **54.75** |
| Provision for expected credit losses and fair valuation of subsidy receivable from state governments | 19.38 | **10.88** | **-** | **30.26** |
| Allowance for expected credit losses on Trade Receivables | 24.78 | **(20.49)** | **-** | **4.29** |
| Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI | (2.71) | **-** | **2.72** | **0.01** |
| Remeasurement of the defined benefit plans through OCI | 7.73 | **-** | **5.83** | **13.56** |
| Difference in carrying value and tax base of investments measured at FVTPL | (64.54) | **(39.14)** | **-** | **(103.68)** |
| Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI | (57.99) | **-** | **54.64** | **(3.35)** |
| Difference in Right-of-use asset and lease liabilities | 36.56 | **3.79** | **-** | **40.35** |
| Income tax expense on net gain on cash flow hedges | - | **-** | **(2.12)** | **(2.12)** |
| **Deferred tax (expense)/benefit** | | **(46.91)** | **61.07** | |
| **Net Deferred tax liabilities** | **(237.23)** | | | **(223.07)** |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 18 : Income Taxes (Contd.)

C. The Major Components of Deferred Tax (Liabilities)/Assets Arising on Account of Timing Differences are as Follows (Contd.) :

**As at 31st March, 2025**

(₹ in Crores)

| | Balance Sheet | Profit and loss | OCI | Balance Sheet |
|---|---|---|---|---|
| | 01.04.2024 | 2024-25 | 2024-25 | 31.03.2025 |
| Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961. | (219.16) | (35.12) | - | (254.28) |
| Provision for expense allowed for tax purpose on payment basis (Net) | 34.34 | 19.50 | - | 53.84 |
| Provision for expected credit losses and fair valuation of subsidy receivable from state governments | 18.35 | 1.03 | - | 19.38 |
| Allowance for expected credit losses for trade receivables | - | 24.78 | - | 24.78 |
| Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI | (1.74) | - | (0.97) | (2.71) |
| Remeasurement of the defined benefit plans through OCI | 7.85 | - | (0.12) | 7.73 |
| Difference in carrying value and tax base of investments measured at FVTPL | (42.79) | (21.75) | - | (64.54) |
| Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI | (15.13) | - | (42.86) | (57.99) |
| Difference in Right-of-use asset and lease liabilities | 30.60 | 5.96 | - | 36.56 |
| **Deferred tax (expense)/benefit** | **-** | **(5.60)** | **(43.95)** | **-** |
| **Net Deferred tax liabilities** | **(187.68)** | **-** | **-** | **(237.23)** |

## Note 19 : Other Liabilities

(₹ in Crores)

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **(a) Revenue received in advance** | | | | |
| Advance received from customers (Refer note 22C(iv)) | **-** | - | **66.98** | 147.40 |
| **(b) Others** | | | | |
| Statutory dues payable | **-** | - | **287.95** | 219.94 |
| Deferred income arising from government grant (Refer note 14) | **27.43** | 30.42 | **4.24** | 4.06 |
| Others (Deferred revenue arising from sale of services, etc.) | **10.22** | 15.14 | **6.46** | 10.66 |
| | **37.65** | **45.56** | **298.65** | **234.66** |
| **Total** | **37.65** | **45.56** | **365.63** | **382.06** |

## Note 20 : Trade Payables

(₹ in Crores)

| | Current | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| **Trade Payables*** | | |
| Total Outstanding dues of Micro Enterprises and Small Enterprises (MSME) (Refer note 33) | **216.67** | 180.13 |
| Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | **2,897.81** | 2,943.56 |
| **Total** | **3,114.48** | **3,123.69** |

*Includes acceptances where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days - as on 31st March, 2026 - Nil (Previous year - ₹ 419.90 crores).

(₹ in Crores)

| | Not Due | Outstanding for following periods from due date of payment | | | | As at 31.03.2026 |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 -3 years | More than 3 years | |
| **Trade Payables** | | | | | | |
| MSME | **211.25** | **5.42** | **-** | **-** | **-** | **216.67** |
| Other than MSME | **2,804.98** | **92.83** | **-** | **-** | **-** | **2,897.81** |
| Disputed Dues - MSME | **-** | **-** | **-** | **-** | **-** | **-** |
| Disputed Dues - Other than MSME | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **3,016.23** | **98.25** | **-** | **-** | **-** | **3,114.48** |

(₹ in Crores)

| | Not Due | Outstanding for following periods from due date of payment | | | | As at 31.03.2025 |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 -3 years | More than 3 years | |
| **Trade Payables** | | | | | | |
| MSME | 175.28 | 4.85 | - | - | - | 180.13 |
| Other than MSME | 2,872.57 | 70.99 | - | - | - | 2,943.56 |
| Disputed Dues - MSME | - | - | - | - | - | - |
| Disputed Dues - Other than MSME | - | - | - | - | - | - |
| **Total** | **3,047.85** | **75.84** | **-** | **-** | **-** | **3,123.69** |

## Note 21 : Income Tax Liabilities (Net)

(₹ in Crores)

| | Current | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| Provision for Income Tax (net) | **147.55** | 95.29 |
| **Total** | **147.55** | **95.29** |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 22A : Revenue From Operations

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Revenue from sale of products | **30,621.70** | 29,270.69 |
| Revenue from sale of services | **58.54** | 150.42 |
| Other operating revenue (including government grants) | **89.24** | 131.54 |
| **Total** | **30,769.48** | **29,552.65** |

## Note 22B : Revenue from Contracts with Customers

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **A. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON NATURE OF PRODUCT OR SERVICES** | | |
| **Revenue from sale of products** | | |
| Paints, décor and related products | **30,621.70** | 29,270.69 |
| **Revenue from sale of services** | | |
| Painting, décor and related services | **58.54** | 150.42 |
| **Other operating revenues** | | |
| Processing and service income | **60.27** | 50.40 |
| Scrap sales | **26.31** | 30.23 |
| **Other Income** | | |
| Royalty received from subsidiary and associate companies (Refer note 23(c)) | **107.75** | 97.88 |
| **Total** | **30,874.57** | **29,599.62** |
| **B. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON GEOGRAPHY** | | |
| Home market | **30,657.23** | 29,428.35 |
| Exports | **217.34** | 171.27 |
| **Total** | **30,874.57** | **29,599.62** |

## Note 22C : Reconciliation of Gross Revenue with the Revenue from Contracts with Customers

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Gross Revenue | **38,958.15** | 36,526.44 |
| Less : Discounts/Rebates/Credits/Incentives | **8,083.58** | 6,926.82 |
| **Net Revenue recognised from Contracts with Customers** | **30,874.57** | **29,599.62** |

(i) The amounts receivable from customers become due after expiry of credit period which on an average is upto 45 days. There is no significant financing component in any transaction with the customers.

(ii) The Company provides agreed upon performance warranty for selected range of products and services. The amount of liability towards such warranty is immaterial.

(iii) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration and sale of service contracts are measured as per output method.

(iv) The Company has recognised revenue of ₹ 117.87 crores (Previous Year - ₹ 130.48 crores) from the amounts included under advance received from customers at the beginning of the year.

## Note 23 : Other Income

(₹ in Crores)

| | | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| **(a)** | **Interest Income** | | |
| | Investments in debt instruments measured at FVTOCI | **8.54** | 28.01 |
| | Other financial assets carried at amortised cost | **153.97** | 127.34 |
| | | **162.51** | **155.35** |
| **(b)** | **Dividend Income** | | |
| | Dividends from quoted equity investments measured at FVTOCI* | **2.13** | 20.64 |
| | Dividends from subsidiary and associate companies (Refer note 37) | **130.44** | 125.60 |
| | | **132.57** | **146.24** |
| **(c)** | **Other non-operating income** | | |
| | Insurance claims received | **1.51** | 1.23 |
| | Royalty received from subsidiary and associate companies (Refer note 37) | **107.75** | 97.88 |
| | Net gain arising on financial assets measured at FVTPL^ | **281.43** | 179.09 |
| | Reversal of provision for expected credit loss on government grants | **2.10** | 1.78 |
| | Others ** | **239.44** | 162.89 |
| | | **632.23** | **442.87** |
| **(d)** | **Other gains and losses** | | |
| | Net gain on foreign exchange transactions | **-** | 21.04 |
| | Net gain on disposal of property, plant and equipment and other intangible assets | **-** | 2.91 |
| | Net gain on modification/ termination of leases | **5.35** | 1.90 |
| | | **5.35** | **25.85** |
| **Total** | | **932.66** | **770.31** |

* Relates to investments held at the end of reporting period.

^ Includes gain on sale of financial assets measured at FVTPL for ₹ 31.19 crores (Previous year - ₹ 33.54 crores).

** Includes fair valuation gain on derivatives towards acquisition of further stake in subsidiary companies amounting to ₹ 9.40 crores (Previous year - ₹ 13.27 crores).

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 24A : Cost of Materials Consumed

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Raw Materials Consumed** | | |
| Opening Stock (including goods-in-transit) | **2,372.82** | 1,860.62 |
| Add : Purchases | **10,368.82** | 11,866.06 |
| | **12,741.64** | **13,726.68** |
| Less : Closing Stock (including goods-in-transit) | **1,966.75** | 2,372.82 |
| | **10,774.89** | **11,353.86** |
| **Packing Materials Consumed** | | |
| Opening Stock | **68.36** | 76.62 |
| Add : Purchases | **1,902.77** | 1,876.20 |
| | **1,971.13** | **1,952.82** |
| Less : Closing Stock | **75.23** | 68.36 |
| | **1,895.90** | **1,884.46** |
| **Total Cost of Materials Consumed** | **12,670.79** | **13,238.32** |
| | | |
| **Note 24B : Purchases of Stock-in-Trade** | **3,799.84** | **3,733.99** |
| | | |
| **Note 24C : Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress** | | |
| **Stock at the beginning of the year** | | |
| Finished Goods | **2,187.20** | 2,073.32 |
| Work-in-Progress | **190.23** | 167.47 |
| Stock-in-trade- acquired for trading (including goods-in-transit) | **910.13** | 866.30 |
| **Total** | **3,287.56** | **3,107.09** |
| **Stock at the end of the year** | | |
| Finished Goods | **1,307.85** | 2,187.20 |
| Work-in-Progress | **181.05** | 190.23 |
| Stock-in-trade- acquired for trading (including goods-in-transit) | **1,201.57** | 910.13 |
| **Total** | **2,690.47** | **3,287.56** |
| **Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress** | **597.09** | **(180.47)** |

## Note 25 : Employee Benefits Expense

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Salaries and wages | **1,915.45** | 1,782.91 |
| Contribution to provident and other funds (Refer note 34(1) and 34(2)) | **112.24** | 83.01 |
| Staff welfare expenses | **121.75** | 129.43 |
| Share based payment expenses (net) (Refer note 34(3)) | **27.24** | 18.23 |
| **Total** | **2,176.68** | **2,013.58** |

## Note 26 : Other Expenses

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Consumption of stores, spares and consumables | **104.07** | 66.51 |
| Power and fuel | **144.70** | 132.73 |
| Processing charges* | **181.00** | 173.53 |
| Repairs and maintenance : | | |
| Buildings | **13.13** | 20.18 |
| Machinery | **55.53** | 60.43 |
| Other assets | **86.03** | 95.32 |
| | **154.69** | **175.93** |
| Rates and taxes | **19.70** | 16.59 |
| Corporate social responsibility expenses (Refer note 39) | **114.65** | 108.75 |
| Commission to Non Executive Directors | **6.47** | 4.66 |
| Directors' sitting fees | **2.19** | 2.56 |
| Auditors' Remuneration (Refer note below) | **3.26** | 2.85 |
| Net loss on foreign currency transaction | **3.87** | - |
| Freight and handling charges | **2,165.36** | 2,079.07 |
| Advertisement and Sales Promotion expenses | **1,272.86** | 1,143.40 |
| Bad debts written off | **119.61** | 1.78 |
| Allowance for expected credit losses on receivables (trade and others) and advances (Net) | **(16.54)** | 244.30 |
| Insurance | **30.78** | 22.64 |
| Travelling expenses | **210.98** | 231.01 |
| Net loss on disposal of property, plant and equipment and other intangible assets | **4.17** | - |
| Miscellaneous expenses | **822.79** | 784.38 |
| **Total** | **5,344.61** | **5,190.69** |

*Includes variable lease payments (Refer note 15).

No donation has been made by the Company to any political party or any other organizations linked to any political party (GRI 415 - Public Policy).

**Note : Auditors' Remuneration (excluding GST)**

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Statutory audit fee | **2.20** | 1.92 |
| Taxation matters | **0.17** | 0.20 |
| Certification fees and other services | **0.74** | 0.61 |
| For reimbursement of expenses | **0.15** | 0.12 |
| **Total** | **3.26** | **2.85** |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 27 : Finance Costs

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Interest on bank borrowings^ | **0.02** | 8.65 |
| Interest on bill discounting | **18.80** | 31.56 |
| Interest on loan from State Governments | **3.19** | 3.63 |
| Interest on lease liabilities* | **93.08** | 91.84 |
| Other interest expense | **1.11** | 7.59 |
| Interest on income tax | **11.15** | 0.50 |
| **Total** | **127.35** | **143.77** |

^ Net of ₹ 22.85 crores (Previous Year - Nil) recognised in CWIP in the course of construction.

*Net of ₹ 1.55 crores (Previous Year - ₹ 1.54 crores) recognised in CWIP in the course of construction.

## Note 28 : Depreciation And Amortisation Expense

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Depreciation of Property, Plant and Equipment (Refer note 2A) | **742.22** | 563.79 |
| Depreciation of Right-of-Use Assets (Refer note 2B)* | **323.43** | 314.26 |
| Amortisation of Other Intangible Assets (Refer note 4B) | **20.00** | 23.80 |
| **Total** | **1,085.65** | **901.85** |

*Net of ₹ 4.79 crores (Previous Year - ₹ 5.27 crores) recognised in CWIP in the course of construction.

## Note 29(A) : Category-Wise Classification of Financial Instruments

(₹ in Crores)

| Financial Assets/ Financial Liabilities | Refer note | Non-Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **Financial assets measured at FVTPL** | | | | | |
| **Designated upon initial Recognition** | | | | | |
| Investments in unquoted equity shares | 5(I)(A)(a)(iii) | **1.94** | 1.92 | **-** | - |
| **Mandatory** | | | | | |
| Investments in quoted mutual funds | 5(II)(B) | **-** | - | **6,161.08** | 2,951.92 |
| Foreign currency forward exchange contract (net) | 6 | **-** | - | **10.50** | - |
| Derivative asset towards further stake acquisition in subsidiary companies | 6 | **-** | - | **15.91** | 4.61 |
| | | **1.94** | **1.92** | **6,187.49** | **2,956.53** |
| **Financial assets measured at FVTOCI** | | | | | |
| **Designated upon initial Recognition** | | | | | |
| Investments in quoted equity shares* | 5(I)(A)(b) | **115.38** | 867.39 | **-** | - |
| Investments in unquoted debentures or bonds | 5(I)(C)(a) & 5(II)(A)(b) | **2.00** | 2.00 | **-** | 0.50 |
| Investments in quoted debentures or bonds | 5(II)(A)(a) | **-** | - | **-** | **213.91** |
| | | **117.38** | **869.39** | **-** | **214.41** |

## Note 29(A) : Category-Wise Classification of Financial Instruments (Contd.)

(₹ in Crores)

| Financial Assets/ Financial Liabilities | Refer note | Non-Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **Financial assets measured at amortised cost** | | | | | |
| Investments in unquoted government securities | 5(I)(B) | **0.00** | 0.00 | **-** | - |
| Security deposits | 6 | **115.21** | 75.60 | **14.26** | 11.39 |
| Royalty receivable from subsidiary and associate companies | 6 | **-** | - | **81.13** | 77.46 |
| Due from subsidiary companies | 6 | **-** | - | **27.50** | 31.01 |
| Due from associate companies | 6 | **-** | - | **2.96** | 3.91 |
| Dividend receivable from subsidiary companies | 6 | **-** | - | **-** | 6.40 |
| Subsidy receivable from state governments (net) | 6 | **233.61** | 324.19 | **172.77** | 176.46 |
| Term deposits held as margin money against bank guarantee and other commitments | 6 | **0.40** | 0.33 | **-** | - |
| Term deposits with more than 12 months original maturity | 6 | **1,153.20** | 455.72 | **1,278.28** | 710.60 |
| Interest accrued on investments in debentures or bonds measured at FVTOCI | 6 | **-** | - | **0.07** | 20.14 |
| Quantity discount receivable | 6 | **-** | - | **316.06** | 216.58 |
| Retention monies receivable from Customers | 6 | **2.59** | 3.15 | **0.44** | 0.59 |
| Other receivables | 6 | **-** | - | **1.45** | 5.24 |
| Trade Receivables | 10 | **5.36** | 7.35 | **3,227.71** | 3,197.55 |
| Cash and Cash Equivalents | 11(A) | **-** | - | **395.38** | 178.41 |
| Other Bank Balances | 11(B) | **-** | - | **50.96** | 26.09 |
| | | **1,510.37** | **866.34** | **5,568.97** | **4,661.83** |
| **Derivatives designated as hedging instruments** | | | | | |
| Derivative Asset towards External Commercial Borrowing | 6 | **18.84** | - | **-** | - |
| | | **18.84** | - | **-** | - |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 29(A) : Category-Wise Classification of Financial Instruments (Contd.)

**Financial Assets and Financial Liabilities in the Balance Sheet are as follows:**

(₹ in Crores)

| Financial Assets/ Financial Liabilities | Refer note | Non-Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **Financial liabilities measured at FVTPL** | | | | | |
| **Mandatory** | | | | | |
| Derivative liability towards further stake acquisition in subsidiary companies | 16 | **8.90** | 7.00 | **-** | 132.67 |
| Foreign currency forward exchange contract (net) | 16 | **-** | - | **-** | 11.41 |
| | | **8.90** | **7.00** | **-** | **144.08** |
| **Financial liabilities measured at amortised cost** | | | | | |
| Loan from State of Haryana | 14 | **6.44** | 3.04 | **-** | 1.96 |
| Loan from State of Karnataka | 14 | **37.08** | 34.21 | **-** | - |
| Loan repayable on demand from banks | 14 | **-** | - | **-** | 0.19 |
| External Commercial Borrowing from Sumitomo Mitsui Banking Corporation | 14 | **741.42** | - | **-** | - |
| Loan from State Bank of India | 14 | **64.00** | - | **-** | - |
| Supplier Finance Arrangement | 14 | **-** | - | **340.73** | - |
| Lease Liabilities | 15 | **908.29** | 900.80 | **271.00** | 258.62 |
| Unpaid/ Unclaimed dividend | 16 | **-** | - | **26.75** | 26.09 |
| Retention monies | 16 | **65.06** | 32.47 | **33.22** | 43.78 |
| Deposits Received (including Trade Deposits) | 16 | **4.39** | 2.00 | **-** | - |
| Payable towards capital expenditure | 16 | **-** | - | **192.08** | 115.93 |
| Payable towards services received | 16 | **-** | - | **807.69** | 790.87 |
| Payable towards stores, spares and consumables | 16 | **-** | - | **18.65** | 16.23 |
| Payable to employees | 16 | **-** | - | **321.06** | 206.04 |
| Payable towards other expenses | 16 | **-** | - | **1,180.07** | 978.20 |
| Trade payables | 20 | **-** | - | **3,114.48** | 3,123.69 |
| | | **1,826.68** | **972.52** | **6,305.73** | **5,561.60** |
| **Derivatives designated as hedging instruments** | | | | | |
| Derivative Liability towards External Commercial Borrowing | 16 | **2.46** | **-** | **-** | - |
| | | **2.46** | **-** | **-** | **-** |

* Investments in these equity instruments are not held for trading. Upon application of Ind AS 109 - Financial Instruments, the Company has chosen to measure these investments in equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains or losses relating to these investments in the Statement of Profit and Loss may not be indicative of the performance of the Company..

## Note 29(A) : Category-Wise Classification of Financial Instruments (Contd.)

Income, Expenses, Gains or Losses recognised on Financial Instruments in the Statement of Profit and Loss are as follows:

(₹ in Crores)

| Income, (Expenses), Gains or (losses) on Financial Instruments | Refer note | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| **Financial assets measured at FVTPL** | | | |
| **Mandatory** | | | |
| Fair value gain on quoted mutual funds | 23 | **281.43** | 179.09 |
| Fair value gain/(loss) on derivative assets towards acquisition of further stake in subsidiary companies (net) | 23 & 40 | **4.40** | (1.66) |
| | | **285.83** | **177.43** |
| **Financial assets measured at amortised cost** | | | |
| Interest income | 23 | **153.97** | 127.31 |
| Allowance for expected credit loss on government grants (net) | 23 & 26 | **(70.17)** | 1.78 |
| Allowance for expected credit lossess on receivables (trade and others) and advances (net) | 26 | **16.54** | (244.30) |
| | | **100.34** | **(115.21)** |
| **Financial assets measured at FVTOCI** | | | |
| **Designated upon initial Recognition** | | | |
| Interest income on investments in debt instruments | 23 | **8.54** | 28.01 |
| Dividend income from quoted equity investments | 23 | **2.13** | 20.64 |
| Net fair value (loss)/gain on investments in debt instruments | | **(18.99)** | 3.67 |
| Net fair value (loss)/gain on investments in equity instruments | | **(22.59)** | 273.30 |
| | | **(30.91)** | **325.62** |
| **Financial liabilities measured at FVTPL** | | | |
| **Mandatory** | | | |
| Fair value gain/(loss) on Derivative liability towards further stake acquisition in subsidiary companies (net) | 23 & 40 | **5.00** | (162.86) |
| | | **5.00** | **(162.86)** |
| **Financial liabilities measured at amortised cost** | | | |
| Interest expense on lease liabilities | 27 | **(93.08)** | (91.84) |
| Interest expense on bank borrowings | 27 | **(0.02)** | (8.65) |
| Interest on bill discounting and loan from State Governments | 27 | **(21.99)** | (35.19) |
| | | **(115.09)** | **(135.68)** |
| **Derivatives designated as hedging instruments** | | | |
| Net Gain on Derivative towards External Commercial Borrowing Recognised in OCI | | **8.44** | - |
| Net (Loss) / Gain on foreign currency transactions of Financial Liabilities and Financial Asset | 26 & 23 | **(3.87)** | 21.04 |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 29(B) : Fair Value Measurements

(i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities :

### As at 31st March, 2026

(₹ in Crores)

| Financial assets/ Financial liabilities | Fair value | Fair value hierarchy | | |
|---|---|---|---|---|
| | As at 31.03.2026 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Financial assets measured at FVTOCI** | | | | |
| Investments in quoted equity shares (Refer note 5(I)(A)(b)) | **115.38** | **115.38** | **-** | **-** |
| Investments in unquoted debentures or bonds (Refer note 5(I)(C)(a)) & 5(II)(A)(b)) | **2.00** | **-** | **2.00** | **-** |
| **Financial assets measured at FVTPL** | | | | |
| Investments in quoted mutual funds (Refer note 5(II)(B)) | **6,161.08** | **6,161.08** | **-** | **-** |
| Foreign currency forward exchange contract (net) (Refer note 6) | **10.50** | **-** | **10.50** | **-** |
| Investments in unquoted equity shares (Refer note 5(I)(A)(a)(iii)) | **1.94** | **-** | **-** | **1.94** |
| Derivative asset towards further stake acquisition in subsidiary companies (Refer note 6) | **15.91** | **-** | **-** | **15.91** |
| **Financial liabilities measured at FVTPL** | | | | |
| Derivative liability towards further stake acquisition in subsidiary companies (Refer note 16) | **8.90** | **-** | **-** | **8.90** |
| **Derivatives designated as hedging instruments** | | | | |
| Derivative Asset towards External Commercial Borrowing (Refer note 6) | **18.84** | **-** | **18.84** | **-** |
| Derivative Liability towards External Commercial Borrowing (Refer note 16) | **2.46** | **-** | **2.46** | **-** |

### As at 31st March, 2025

(₹ in Crores)

| Financial assets/ Financial liabilities | Fair value | Fair value hierarchy | | |
|---|---|---|---|---|
| | As at 31.03.2025 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Financial assets measured at FVTOCI** | | | | |
| Investments in quoted equity shares (Refer note 5(I)(A)(b)) | 867.39 | 867.39 | - | - |
| Investments in quoted debentures or bonds (Refer note 5(II)(A)(a)) | 213.91 | - | 213.91 | - |
| Investments in unquoted debentures or bonds (Refer note 5(I)(C)(a)) & 5(II)(A)(b)) | 2.50 | - | 2.50 | - |
| **Financial assets measured at FVTPL** | | | | |
| Investments in quoted mutual funds (Refer note 5(II)(B)) | 2,951.92 | 2,951.92 | - | - |
| Investments in unquoted equity shares (Refer note 5(I)(A)(a)(iii)) | 1.92 | - | - | 1.92 |
| Derivative asset towards further stake acquisition in subsidiary companies (Refer note 6) | 4.61 | - | - | 4.61 |
| **Financial liabilities measured at FVTPL** | | | | |
| Foreign currency forward exchange contract (net) (Refer note 16) | 11.41 | - | 11.41 | - |
| Derivative liability towards further stake acquisition in subsidiary companies (Refer note 16) | 139.67 | - | - | 139.67 |

## Note 29(B) : Fair Value Measurements (Contd.)

**(ii) Financial Instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**(iii) Level 2 - Fair value hierarchy** - The financial instruments are fair valued using various market observable inputs. Inputs used to measure fair value of bonds and debentures include estimated cash flows, movement in yield. Inputs used to measure fair value of derivatives include credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity etc.

**(iv)** There were no transfers between Level 1 and Level 2 in the current year and previous year.

**(v) Significant Techniques and Unobservable Inputs Used for Level 3 Fair Valuation Measurement**

| As at 31st March, 2026 | Valuation techniques | Significant Unobservable Inputs | Sensitivity of input to fair value measurement | |
|---|---|---|---|---|
| | | | Increase of volatility by 5% | Decrease of volatility by 5% |
| Fair Value of Derivatives asset/liability for further acquisition in subsidiaries (Weatherseal Fenestration Private Limited & Harind Chemicals and Pharmaceuticals Private Limited) | Monte Carlo Simulation | Forecast EBITDA | Net increase in derivative by ₹ 0.18 crores | Net decrease in derivative by ₹ 0.18 crores |
| | | Equity Value | Net increase in derivative by ₹ 0.34 crores | Net decrease in derivative by ₹ 0.34 crores |
| | | | **Increase of WACC by 1%** | **Decrease of WACC by 1%** |
| | | Weighted Average Cost of Capital (WACC) | Net increase in derivative by ₹ 4.64 crores | Net decrease in derivative by ₹ 5.54 crores |

| As at 31st March, 2025 | Valuation techniques | Significant Unobservable Inputs | Sensitivity of input to fair value measurement | |
|---|---|---|---|---|
| | | | Increase of volatility by 5% | Decrease of volatility by 5% |
| Fair Value of Derivatives asset/liability for further acquisition in subsidiaries (Weatherseal Fenestration Private Limited, Harind Chemicals and Pharmaceuticals Private Limited and Obgenix Software Private Limited) | Monte Carlo Simulation | Forecast EBITDA | Net increase in derivative by ₹ 0.14 crores | Net decrease in derivative by ₹ 0.14 crores |
| | | Equity Value | Net increase in derivative by ₹ 0.10 crores | Net decrease in derivative by ₹ 0.10 crores |
| | | | **Increase of WACC by 1%** | **Decrease of WACC by 1%** |
| | | Weighted Average Cost of Capital (WACC) | Net increase in derivative by ₹ 15.94 crores | Net increase in derivative by ₹ 19.35 crores |

As at 31st March, 2025, fair value of further stake acquisition of 40% in Obgenix Software Private Limited is computed basis actual Revenue and EBITDA in accordance with the Share Purchase Agreement.

**(vi) Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below :**

(₹ in Crores)

| Movement in Level 3 valuations | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Balance as at 1st April** | **(133.14)** | 31.38 |
| Additions during the year | **0.03** | - |
| Settled/Payments during the year | **132.67** | - |
| Fair value gain/(loss) recorded in Standalone Statement of Profit and Loss | **9.40** | (164.52) |
| **Balance as at 31st March** | **8.96** | **(133.14)** |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 29(B) : Fair Value Measurements (Contd.)

### (vii) Movement of cash flow hedging reserve

(₹ in Crores)

| Movement | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Balance as at 1st April** | **-** | - |
| Amount Recognised in Other Comprehensive Income | **9.67** | - |
| Hedge ineffectiveness recognised in Standalone Statement of Profit and Loss | **-** | - |
| Amount Reclassified to Standalone Statement of Profit and Loss during the year | **(3.35)** | - |
| **Balance as at 31st March** | **6.32** | **-** |

There are no instruments for which hedge accounting is discontinued

## Note 29(C) : Financial Risk Management - Objectives and Policies

The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Risk Management Committee and approved by the Board, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

### 1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

#### a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate.

The Company has taken Cross Currency Interest Rate Swap in order to hedge floating interest rate risk exposure related to its JPY denominated external commercial borrowing. The interest rate changes in line with change in compounded TONA rates. The Company economically hedges the risk of volatility in floating interest rate on JPY External Commercial Borrowings with an Cross Currency Interest Rate Swap (Interest Rate Swap) with matched terms and matched JPY notional. The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross Currency Interest Rate Swap is identical to the hedged risk component. To test the hedge effectiveness, the Company uses dollar offset method, where the change in the value of the swap and the JPY cashflow is calculated by giving a shock to the spot rate as on the valuation date. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. There is no impact on effectiveness of its hedges.

## Note 29(C) : Financial Risk Management - Objectives and Policies (Contd.)

### 1) Market Risk (Contd.)

#### a) Interest Rate Risk (Contd.)

The Exposure of Company's financial assets and liabilities to interest rate risk is as follows :

**As at 31st March, 2026**

(₹ in Crores)

| | As at 31.03.2026 | Floating rate | Fixed rate | Non- interest bearing |
|---|---|---|---|---|
| Financial assets | **13,404.99** | **22.00** | **3,216.85** | **10,166.14** |
| Financial liabilities | **8,143.77** | **805.42** | **1,563.54** | **5,774.81** |

**As at 31st March, 2025**

(₹ in Crores)

| | As at 31.03.2025 | Floating rate | Fixed rate | Non- interest bearing |
|---|---|---|---|---|
| Financial assets | 9,570.42 | 18.78 | 2,027.33 | 7,524.31 |
| Financial liabilities | 6,685.20 | 0.19 | 1,198.63 | 5,486.38 |

The following table details the nominal amounts of Cross Currency Interest Rate Swap contracts to hedge fluctuations in interest rates on borrowing outstanding at the year-end:

**As at 31st March, 2026**

| | Number of contracts | Nominal value (FC in Crores) | Indian Rupee Equivalent (₹ in Crores) | Average Hedge Rate |
|---|---|---|---|---|
| Cross Currency Interest Rate Swap | **3** | **JPY 1260** | **744.73** | **2.41%** |

#### b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company has a foreign exchange risk management policy which is approved by the Board to hedge cash flows up to a specific tenure using forward exchange contracts and options in order to hedge exchange rate risk. As per the policy, the Company enters into forward exchange contracts for crystalised foreign exchange and firm commitment exposure falling due in next 90 days and into a call spread option to hedge foreign exchange risk exposure related to JPY denominated external commercial borrowing. The Company does not enter into any derivative instruments for trading or speculative purposes.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Call Spread Option match the terms external commercial borrowing (i.e., notional amount, maturity and payment dates). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Call Spread Option is identical to the hedged risk component. To test the hedge effectiveness, the Company uses dollar offset method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. There is no impact on effectiveness of its hedges.

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 29(C) : Financial Risk Management - Objectives and Policies (Contd.)

### 1) Market Risk (Contd.)

#### b) Foreign Currency Risk (Contd.)

The carrying amounts of the Company's foreign currency denominated monetary items are as follows :

(in millions FC)

| Currency | Liabilities | | Assets | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| USD | **103.64** | 99.52 | **13.53** | 13.41 |
| EUR | **10.43** | 12.36 | **2.93** | 1.18 |
| SGD | **-** | 0.22 | **2.50** | 2.11 |
| GBP | **0.17** | 0.29 | **0.19** | 0.18 |
| SEK | **0.34** | 0.20 | **-** | - |
| JPY | **12,545.24** | 113.08 | **-** | 281.43 |
| Others | **5.75** | 0.76 | **656.58** | 8,031.83 |

(₹ in Crores)

| Currency | Liabilities | | Assets | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| USD | **982.90** | 863.48 | **128.30** | 114.60 |
| EUR | **112.85** | 114.54 | **31.67** | 10.93 |
| SGD | **-** | 1.43 | **18.30** | 13.44 |
| GBP | **2.06** | 3.22 | **2.38** | 2.02 |
| SEK | **0.34** | 0.17 | **-** | - |
| JPY | **741.49** | 6.43 | **-** | 16.01 |
| Others | **7.93** | 1.02 | **49.85** | 42.60 |
| **Total** | **1,847.57** | **990.29** | **230.50** | **199.60** |

The above table represents total exposure of the Company towards foreign exchange denominated monetary items.

Out of the above, the details of exposures hedged using various derivative contracts are given below :

| USD Currency Hedge | Number of Contracts | Buy Amount (In USD Million) | Indian Rupee Equivalent (₹ in Crores) | Avg Hedge Rate |
|---|---|---|---|---|
| Forward contract to buy USD - As at 31.03.2026 | **55** | **45.52** | **421.96** | **92.70** |
| Forward contract to buy USD - As at 31.03.2025 | 39 | 67.41 | 589.00 | 87.38 |

| JPY Currency Hedge | Number of Contracts | Transaction Amount (In JPY Million) | Indian Rupee Equivalent (₹ in Crores) | Avg Hedge Rate |
|---|---|---|---|---|
| Call Put Option to buy JPY - As at 31.03.2026 | **3** | **12,600.00** | **739.26** | **0.5867** |
| Call Put Option to sell JPY - As at 31.03.2026 | **3** | **12,600.00** | **945.00** | **0.750** |

Additionally, the Cross Currency Interest Rate Swap entered into by the Company hedge its exposure to foreign currency risk as well, thereby eliminating risk of variability in cash flows arising from movements in foreign exchange rates.

The Company is mainly exposed to changes in USD and EUR. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and EUR as against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

## Note 29(C) : Financial Risk Management - Objectives and Policies (Contd.)

### 1) Market Risk (Contd.)

#### b) Foreign Currency Risk (Contd.)

(₹ in Crores)

| Change in USD Rate | Effect on profit after tax | | Effect on total equity | |
|---|---|---|---|---|
| | Year 2025-26 | Year 2024-25 | Year 2025-26 | Year 2024-25 |
| +5% | **(16.01)** | (5.85) | **(16.01)** | (5.85) |
| -5% | **16.01** | 5.85 | **16.01** | 5.85 |

(₹ in Crores)

| Change in EUR Rate | Effect on profit after tax | | Effect on total equity | |
|---|---|---|---|---|
| | Year 2025-26 | Year 2024-25 | Year 2025-26 | Year 2024-25 |
| +5% | **(3.00)** | (3.79) | **(3.00)** | (3.79) |
| -5% | **3.00** | 3.79 | **3.00** | 3.79 |

#### c) Other Price Risk

##### i) Equity / Investment Risk

Equity / Investment risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Equity / Investment risk arises from financial assets such as investments in equity instruments and bonds. The Company is exposed to Equity risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March 2026, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹115.38 crores (Previous year - ₹ 867.39 crores). The details of such investments in equity instruments are given in Note 5(I)(A)(b).

The Company is also exposed to Investment risk arising from investments in bonds and debentures recognised at FVTOCI. As at 31st March 2026, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 2.00 crores (Previous year - ₹ 216.41 crores). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds and debentures are given in Note 5(I)(C) & 5(II)(A).

The Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below :

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March 2026, Other Comprehensive Income for the year ended 31st March 2026 would increase by ₹ 9.89 crores (Previous year - ₹ 74.33 crores) and decrease by ₹ 9.89 crores (Previous year - ₹ 74.33 crores) respectively with a corresponding increase/decrease in Total Equity of the Company as at 31st March 2026. 10% represents management's assessment of reasonably possible change in equity prices.

##### (ii) Commodity rate risk

Material cost is the largest cost component for the Company, thus exposing it to the risk of price fluctuations based on the supply and demand conditions of those materials. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company has put in place a mix of long-term and short-term mitigation plans. During the year ended 31st March 2026 and 31st March 2025, the Company had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 29(C) : Financial Risk Management - Objectives and Policies (Contd.)

### 2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks and other receivables. The Company's exposure to credit risk is disclosed in note 5 (except equity shares, bonds and debentures) 6, 10, 11A and 11B.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit risk arising from investment in mutual funds, derivative financial instruments, term deposits and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The average credit period is upto 45 days on sales of products. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix followed is given below.

| Net Outstanding > 365 days | % Collection to gross outstanding in current year | Credit loss allowance |
|---|---|---|
| Yes | < 25% | Yes, to the extent of lifetime expected credit losses outstanding as at reporting date. |
| Yes | > 25% | Yes, to the extent of lifetime expected credit losses pertaining to balances outstanding for more than one year. |

Additional allowance is made where default rate changes as per the performance of the receivables.

(₹ in Crores)

| Movement in expected credit loss allowance on trade receivables | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Balance as at 1st April** | **448.93** | **215.86** |
| Loss allowance measured at lifetime expected credit losses | **108.86** | 234.85 |
| Write-offs during the year | **(119.61)** | (1.78) |
| **Balance as at 31st March** | **438.18** | **448.93** |

In accordance with Ind AS 109 – Financial Instruments, the Company has re-assessed expected timing of cash flow towards subsidy receivable from the State Governments. Additionally, any amount outstanding beyond the expected due date is fully provided for. The Company is confident about the ultimate realisation of entire due from the State governments. There is no credit risk attached to these receivables.



Note 29(C) : Financial Risk Management - Objectives and Policies (Contd.)

### 2) Credit Risk (Contd.)

(₹ in Crores)

| Movement in expected credit loss allowance on subsidy receivable from the State Governments | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Balance as at 1st April** | **13.47** | 15.25 |
| Additions | **72.27** | - |
| Unwinding of interest resulting in reversal of expected credit losses | **(2.10)** | (1.78) |
| **Balance as at 31st March** | **83.64** | **13.47** |

### 3) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The Company has entered into supplier finance arrangements to manage its working capital and liquidity risk categorised as follows:

a. Some suppliers enter into arrangements with Banks to get early payment. As per the supplier's instruction, the Company makes payment to the Banks on due date of invoice. The credit period offered by these suppliers is in line with the general credit period from similar suppliers (generally in the range of 15 to 150 days). These arrangement continue to hold characteristics of trade payables and are disclosed as such.

b. The Company, in case of certain suppliers, enjoys extended credit period by using its credit line after the due date of the invoice. The interest cost in such case is borne by the Company and is disclosed as finance cost. Since these are in nature of working capital loan/ short term loan, such amounts are disclosed as borrowings (Refer note 15). These amounts are recognised as trade payables till they are due to the supplier and thereafter are disclosed as borrowings during the extended credit period from the Bank. Such suppliers offer credit period of 30 to 90 days, which by way of borrowings gets further extended to 120 to 180 days.

Below table summarises the liabilities forming part of Supplier Finance Arrangements disclosed under trade payables:

(₹ in Crores)

| As at 31.03.2026 | Trade Payables (Refer note 20) |
|---|---|
| Carrying amount of liabilities that are part of supplier finance arrangement | **269.38** |
| - for which suppliers have already received the payment from finance provider | **52.93** |

The Company has applied transitional relief and accordingly comparative information, wherever applicable, for the above disclosures is not presented in the first year of adoption of the amendment.

The Company believes that its liquidity position (₹ 9,014.60 crores as at 31st March 2026 (Previous Year- ₹ 4,533.55 crores)), anticipated future internally generated funds from operations, and its fully available revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business.

However, if liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements.

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 29(C) : Financial Risk Management - Objectives and Policies (Contd.)

### 3) Liquidity Risk (Contd.)

The liquidity position of the Company mentioned above, includes :

i) Cash and cash equivalents and Other Balances with Banks (excluding earmarked balances)

ii) Current/ Non-Current term deposits as disclosed in Other Financial Assets

iii) Investments in debentures or bonds (including interest accrued on the same) and mutual funds

The Company's liquidity management process as monitored by the Management, includes-

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met;
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows;
- Maintaining diversified credit lines.

The table below analyses financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Crores)

| | Less than 1 year | Between 1 - 5 years | More than 5 years | Total | Carrying Value |
|---|---|---|---|---|---|
| **As at 31st March, 2026** | | | | | |
| Borrowings (Refer note 14) | **340.73** | **806.51** | **77.48** | **1,224.72** | **1,189.67** |
| Lease Liabilities (Refer note 15) | **352.40** | **865.52** | **335.73** | **1,553.65** | **1,179.29** |
| Other financial liabilities (Refer note 16) | **2,579.52** | **80.81** | **-** | **2,660.33** | **2,660.33** |
| Trade Payables (Refer note 20) | **3,114.48** | **-** | **-** | **3,114.48** | **3,114.48** |
| **As at 31st March, 2025** | | | | | |
| Borrowings (Refer note 14) | 2.15 | 3.62 | 70.62 | **76.39** | **39.40** |
| Lease Liabilities (Refer note 15) | 340.45 | 833.79 | 372.75 | **1,546.99** | **1,159.42** |
| Other financial liabilities (Refer note 16) | 2,321.22 | 41.47 | - | **2,362.69** | **2,362.69** |
| Trade Payables (Refer note 20) | 3,123.69 | - | - | **3,123.69** | **3,123.69** |

## Note 29(D) : Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The capital structure of the Company consist of debt as disclosed in Note 14 and equity comprising of issued capital, reserves and surplus as presented in the Statement of Change of Equity. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

## Note 30 : Key Financial Ratios

| Sr. No. | Ratios | Numerator | Denominator | FY 2025-26 | FY 2024-25 | % Variance |
|---|---|---|---|---|---|---|
| 1 | Current ratio | Current Assets | Current Liabilities | **2.46** | 2.30 | 7.07% |
| 2 | Debt-equity ratio* | Total Debt (Borrowings) | Total Equity | **0.059** | 0.004 | 1410.45% |
| 3 | Debt service coverage ratio^ | Earning available for debt service @ | Finance Costs (excluding cost pertaining to lease liabilities) + Repayment of borrowings | **138.98** | 60.50 | 129.71% |
| 4 | Return on Equity | Profits after tax | Average Total Equity | **21.34%** | 19.25% | 10.87% |
| 5 | Inventory turnover ratio | Cost of goods sold | Average Inventory | **3.20** | 3.05 | 4.79% |
| 6 | Trade receivables turnover ratio | Revenue from Sale of Products and Services | Average Trade receivables | **9.53** | 8.52 | 11.84% |
| 7 | Trade payables turnover ratio | Net Purchases of raw material, packing material and stock-in-trade | Average Trade payables | **5.15** | 5.48 | -5.96% |
| 8 | Net capital turnover ratio | Revenue from Operations | Working Capital (Current Assets - Current Liabilities) | **3.00** | 3.65 | -17.65% |
| 9 | Net profit ratio | Profit after tax | Revenue from Operations | **13.79%** | 12.14% | 13.61% |
| 10 | Return on capital employed | Profit before interest (excluding interest on lease liabilities), exceptional items and tax | Average Capital Employed [Total Equity + Total Debt (Borrowings)] | **28.90%** | 28.41% | 1.73% |
| 11 | Return on investment | Income during the year | Time weighted average of investment | | | |
| a. | Return on Mutual Funds | | | **6.24%** | 7.70% | -19.01% |
| b. | Return on Fixed Deposits | | | **7.03%** | 7.35% | -4.32% |
| c. | Return on Bonds | | | **7.92%** | 8.77% | -9.69% |
| d. | Return on quoted equity investment & | | | **-6.21%** | 50.32% | -112.34% |

*Borrowings availed during the year for financing of capital expenditure and working capital has led to increase in debt equity ratio.

^Higher profits lead to improved debt service coverage ratio.

& Impact of market dynamics

@ Earning available for Debt Service: Profit after tax + Depreciation and Amortisation Expense (excluding depreciation on Right of Use Assets) + Finance costs (excluding interest on lease liabilities) - Net gain on sale of property, plant and equipment - Net gain on modification/ termination of leases.

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 31 : Earnings Per Share

| | Year 2025-2026 | Year 2024-2025 |
|---|---|---|
| Basic earnings per share in rupees (face value – ₹1 per share) (In ₹) | **44.27** | **37.43** |
| Diluted earnings per share in rupees (face value – ₹1 per share) (In ₹) | **44.27** | **37.42** |
| **Profit used as Numerator** | | |
| Profit after tax as per Statement of Profit and Loss (₹ in crores) | **4,244.17** | 3,588.07 |
| **Weighted Average Number of Shares used as Denominator** | | |
| Basic EPS | **95,86,16,565** | 95,87,21,421 |
| Diluted EPS | **95,87,91,026** | 95,88,73,609 |
| **Reconciliation of Weighted Average Number of Shares Outstanding** | | |
| Number of equity shares outstanding during the year | **95,91,97,790** | 95,91,97,790 |
| **Less :** Weighted average shares held by ESOP trust as treasury shares | **(5,81,225)** | (4,76,369) |
| Weighted average number of equity shares outstanding during the year used for computing Basic EPS | **95,86,16,565** | **95,87,21,421** |
| **Add :** Options granted to employees* | **1,74,461** | 1,52,188 |
| Weighted average number of equity shares outstanding during the year used for computing Diluted EPS | **95,87,91,026** | **95,88,73,609** |

*Represents the dilutive impact of Employee Stock Option Plan.

## Note 32 : Contingent Liabilities and Commitments

### a. Contingent Liabilities

(₹ in Crores)

| | | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **A.** | **Claims against the Company not acknowledged as debts^** | | |
| i. | Tax matters in dispute under appeal | | |
| - | Income Tax | **156.62** | 112.99 |
| - | Value Added Tax, Goods & Service Tax, Sales Tax, Entry Tax, Octroi & Trade Tax | **207.13** | 208.89 |
| - | Excise, Service Tax & Customs | **16.51** | 15.63 |
| ii. | Labour related disputes | **19.88** | 22.79 |
| iii. | Others (includes disputes on matters pertaining to rent deposits, electricity, consumer cases, etc) | **20.24** | 23.67 |
| **B.** | **Other monies for which the Company is Contingently Liable*** | **68.36** | 59.64 |
| **C.** | During the year, one of the competitors of the Company had filed a complaint with the Competition Commission of India (CCI) alleging that the Company is hindering its entry in the decorative paints market through the abuse of the Company's dominant position. The CCI had passed a prima facie order dated 1st July 2025 directing the Director General (DG) to conduct an investigation against the Company under the provisions of the Competition Act, 2002. The Company has filed its responses from time to time with respect to the information sought by the DG.<br>Based on the present status and the Company's assessment of the proceedings, the Company believes that it has a reasonable basis to defend its position in this matter. Considering the early stage of the investigation and inherent uncertainties associated with such proceedings, it is not possible to estimate the likelihood of potential financial impact, if any. | - | - |
| **Total** | | **488.74** | **443.61** |

^The above claims are pending before various Appellate Authorities. The management, including its advisors, expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial statements.
It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities. The Company does not expect any reimbursements in respect of the contingent liabilities.

*Towards custom duty and IGST for capital goods imported under Manufacturing & Other operation in Warehouse Regulation (MOOWR) scheme against which the Company has executed a bond which is three times of the custom duty calculated at the time of import. The amount and timing of liability towards such custom duty and IGST will crystalize at the time of filing of ex-bond bill of entry at the time of removal of goods from the bonded warehouse.

## Note 32 : Contingent Liabilities and Commitments (Contd.)

### b. Commitments

(₹ in Crores)

| | | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **A.** | **Estimated amount of contracts remaining to be executed on capital account and not provided for** | | |
| i. | Towards Property, Plant and Equipment | **705.95** | 968.49 |
| ii. | Towards Intangible Assets | **16.91** | 4.75 |
| iii. | Towards Right-to-use assets[&] | **652.90** | 652.90 |
| **B.** | **Letters of Credit and Bank guarantees issued by bankers towards procurement of goods and services and outstanding as at year end** | **92.71** | 62.63 |

[&]Represents estimated undiscounted amount of lease liability towards lease agreement with future commencement date.

## Note 33 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are provided to the extent the Company has received intimation from the "Suppliers" regarding their status thereunder.

(₹ in Crores)

| | | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| (i) | Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year. | | |
| | Principal amount due to micro and small enterprise* | **564.38** | 493.13 |
| | Interest due on above | **-** | - |
| (ii) | Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period | **-** | - |
| (iii) | Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | **-** | - |
| (iv) | The amount of interest accrued and remaining unpaid at the end of each accounting year | **-** | - |
| (v) | Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises | **-** | - |

*Includes ₹ 347.71 crores (Previous year - ₹ 313.00 crores) payable towards other financial liabilities.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 34 : Employee Benefits

### (1) Post-employment benefits* :

#### (a) Defined benefit gratuity plan (Funded)

The Company has defined benefit gratuity plan for its employees, wherein contribution are made to a separately administered fund. The plan is governed by the Code on Social Security, 2020. There is no separate contribution by the employee in the fund. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India.

Each year, the Board of Trustees and the Company review the level of funding in the Trust. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company (employer) contributes to the fund based on the results of this annual review and ensures that the trust is adequately funded. Generally, it aims to have a portfolio mix of sovereign debt instruments, debt instruments of Corporates and equity instruments. The Company aims to keep annual contributions relatively stable at a level such that no significant plan deficits (based on valuation performed) will arise.

As the plan assets include significant investments in quoted debt and equity instruments, the Company is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

Fair value of the Company's own transferable financial instruments held as plan assets : NIL

#### (b) Defined benefit pension plan (Unfunded)

The Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the board of directors.

#### (c) Defined benefit post-retirement medical benefit plan (Unfunded)

The Company operates a defined post retirement medical benefit plan for certain specified employees and payable upon the employee satisfying certain conditions.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| **Investment Risk** | These Plans invest in long term debt instruments such as Government securities and highly rated corporate bonds. The valuation of such long term debt instrument is inversely proportionate to the interest rate movements. There is risk of volatility in asset values due to market fluctuations and impairment of assets due to credit losses. |
| **Interest Risk** | The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa. |
| **Longevity Risk** | The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| **Salary Risk** | The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability. |

*GRI 201-3 - Defined benefit plan obligations and other retirement plans.

## Note 34 : Employee Benefits (Contd.)

### (1) Post-employment benefits : (Contd.)

The following tables summarise the components of defined benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(₹ in Crores)

| | | Gratuity (Funded Plan) | | Pension (Unfunded Plan) | | Post-Retirement Medical (Unfunded Plan) | |
|---|---|---|---|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| A | **Opening defined benefit obligation** | **305.88** | 274.83 | **1.20** | 1.30 | **0.88** | 0.85 |
| | Current service cost | **29.82** | 23.56 | **0.01** | 0.03 | **-** | - |
| | Interest cost | **22.45** | 19.43 | **0.08** | 0.09 | **0.05** | 0.06 |
| | Past Service Cost | **66.23** | - | **-** | - | **-** | - |
| | (Gain) on Curtailments/Settlements | **-** | - | **-** | - | **-** | - |
| | **Amount included in Statement of Profit and Loss** | **118.50** | **42.99** | **0.09** | **0.12** | **0.05** | **0.06** |
| | **Remeasurement (Gains)/Losses** | | | | | | |
| | Actuarial gain from changes in financial assumptions | **(17.21)** | 8.83 | **(0.03)** | (0.03) | **(0.01)** | 0.03 |
| | Actuarial loss from changes in demographic assumptions | **-** | 0.29 | **-** | - | **-** | - |
| | Experience adjustment loss/(Gains) | **14.58** | (0.45) | **(0.05)** | (0.05) | **(0.30)** | 0.01 |
| | **Amount included in Other Comprehensive Income** | **(2.63)** | **8.67** | **(0.08)** | **(0.08)** | **(0.31)** | **0.04** |
| | Inter-Company Transfer | **0.39** | (0.67) | **-** | - | **-** | - |
| | Benefits paid | **(23.19)** | (19.94) | **(0.15)** | (0.14) | **(0.05)** | (0.07) |
| | **Closing defined benefit obligation** | **398.95** | **305.88** | **1.06** | **1.20** | **0.57** | **0.88** |
| B | **Opening fair value of plan assets** | **302.72** | 273.83 | **-** | - | **-** | - |
| | Return on plan assets | **21.27** | 19.41 | **-** | - | **-** | - |
| | **Amount included in Statement of Profit and Loss** | **21.27** | **19.41** | **-** | - | **-** | - |
| | Actuarial (loss)/ gain | **(11.90)** | 5.51 | **-** | - | **-** | - |
| | **Amount included in Other Comprehensive Income** | **(11.90)** | **5.51** | **-** | - | **-** | - |
| | Contributions by employer | **69.19** | 23.91 | **-** | - | **-** | - |
| | Benefits paid | **(23.19)** | (19.94) | **-** | - | **-** | - |
| | **Closing fair value of plan assets** | **358.09** | **302.72** | **-** | **-** | **-** | **-** |
| C | **Amounts recognised in the Balance Sheet** | | | | | | |
| | Closing defined benefit obligation | **398.95** | 305.88 | **1.06** | 1.20 | **0.57** | 0.88 |
| | Closing fair value of plan assets | **358.09** | 302.73 | **-** | - | **-** | - |
| | **Net Liability Recognised in the Balance Sheet** | **40.86** | **3.15** | **1.06** | **1.20** | **0.57** | **0.88** |
| D | **Expense/(Income) recognised in :** | | | | | | |
| | **Statement of Profit and Loss** | **97.23** | 23.58 | **0.09** | 0.12 | **0.05** | 0.06 |
| | **Statement of Other Comprehensive Income** | **9.27** | 3.15 | **(0.08)** | (0.08) | **(0.31)** | 0.04 |
| E | **Weighted average duration of defined benefit obligation** | **9.29** | **10.90** | **5.66** | **10.90** | **5.60** | **10.90** |
| F | **Maturity profile of defined benefit obligation** | | | | | | |
| | Within the next 12 months | **54.78** | 33.35 | **0.10** | 0.14 | **0.07** | 0.08 |
| | Between 1 and 5 years | **126.03** | 87.74 | **0.42** | 0.43 | **0.24** | 0.29 |
| | Between 5 and 10 years | **122.87** | 175.52 | **0.56** | 0.62 | **0.20** | 0.31 |
| | 10 years onwards | **624.69** | 349.79 | **0.61** | 0.43 | **0.39** | 0.88 |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 34 : Employee Benefits (Contd.)

### (1) Post-employment benefits : (Contd.)

**The major categories of plan assets of the fair value of the total plan assets are as follows :**

(₹ in Crores)

| | Gratuity (Funded Plan) | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| **Quoted** | | |
| Government of India securities (Central and State) | **164.04** | 142.13 |
| High quality corporate bonds (including Public Sector Bonds) | **132.24** | 105.45 |
| Equity shares, Equity mutual funds and ETF | **46.84** | 41.20 |
| **Total (A)** | **343.12** | **288.78** |
| **Unquoted** | | |
| Cash Balance | **1.42** | 1.69 |
| Others | **13.55** | 12.25 |
| **Total (B)** | **14.97** | **13.94** |
| **Total (A+B)** | **358.09** | **302.72** |

#### (a) Financial Assumptions

| | Gratuity (Funded Plan) | | Pension (Unfunded Plan) | | Post-Retirement Medical (Unfunded Plan) | |
|---|---|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| Discount Rate | **7.15%** | 6.70% | **7.15%** | 6.70% | **7.15%** | 6.70% |
| Salary Escalation Rate | **All Grades- 8%** | All Grades- 8% | **-** | - | **-** | - |

#### (b) Demographic Assumptions

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Employee Turnover | **Upto 34yrs - 10.30%, 35-44 yrs - 4.90%, Above 44yrs -1.80%** | Upto 34yrs - 10.30%, 35-44 yrs - 4.90%, Above 44yrs - 1.80% |
| Mortality Rate | **IALM ( 2012-2014) Ultimate** | IALM ( 2012-2014) Ultimate |
| Retirement Age | **58 Years** | 58 Years |

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

## Note 34 : Employee Benefits (Contd.)

### (1) Post-employment benefits : (Contd.)

(₹ in Crores)

| | Gratuity (Funded Plan) | | Pension (Unfunded Plan) | | Post-Retirement Medical (Unfunded Plan) | |
|---|---|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| Defined Benefit Obligation - Discount Rate + 100 basis points | **(34.15)** | (22.82) | **(0.07)** | (0.07) | **(0.06)** | (0.06) |
| Defined Benefit Obligation - Discount Rate - 100 basis points | **40.03** | 26.46 | **0.07** | 0.07 | **0.07** | 0.07 |
| Defined Benefit Obligation – Salary Escalation Rate + 100 basis points | **26.80** | 20.39 | **-** | - | **-** | - |
| Defined Benefit Obligation - Salary Escalation Rate - 100 basis points | **(26.67)** | (19.41) | **-** | - | **-** | - |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

The Company expects to make a contribution of ₹ 70.25 crores (Previous year - ₹ 28.79 crores) to the defined benefit plans during the next financial year for Gratuity trust.

#### (d) Provident Fund

The Provident Fund assets and liabilities are managed by 'Asian Paints Office Provident Fund' and 'Asian Paints Factory Employees Provident Fund' in line with The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below.

Participation by all employees in provident funds plans is mandatory. Contribution to Provident Fund is made @ 12% of wages (computed in accordance with the prevalent regulations) by the employee. Similarly, the Company also contributes to the Provident Fund specified percentage of salary as per the prevalent regulations. Employees have the option to voluntarily contribute a higher amount.

The Company contributed ₹ 32.67 crores (Previous Year - ₹ 29.17 crores) towards Asian Paints Office Provident Fund and ₹ 17.12 crores (Previous Year - ₹ 15.37 crores) towards Asian Paints Factory Employees Provident Fund during the year ended 31st March, 2026.

The details of the Asian Paints Office Provident Fund and plan assets position are given below :

(₹ in Crores)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Present value of benefit obligation at period end (a) | **632.53** | 579.36 |
| Plan assets at period end, at fair value, restricted to present value of benefit obligation (b) | **624.88** | 579.36 |
| **Deficit considered in OCI (a-b)** | **7.65** | **-** |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 34 : Employee Benefits (Contd.)

### (1) Post-employment benefits : (Contd.)

The details of the Asian Paints Factory Employees Provident Fund and plan assets position are given below :

(₹ in Crores)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Present value of benefit obligation at period end (a) | **452.28** | 418.24 |
| Plan assets at period end, at fair value, restricted to present value of benefit obligation (b) | **445.58** | 418.24 |
| **Deficit considered in OCI (a-b)** | **6.70** | **-** |

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM) :

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Discounting Rate | **7.15%** | 6.70% |
| Expected Guaranteed interest rate | **8.25%*** | 8.25%* |

*Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2025-26 and the same is used for valuation purpose. The Trust had provisionally declared interest rate of 8.25% for FY 2025-26.

### (2) Other Long term employee benefits :

**Annual Leave and Sick Leave assumptions**

The liability towards compensated absences (annual leave and sick leave) for the year ended 31st March, 2026 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 15.57 crores (Previous Year- increased by ₹ 28.63 crores).

**(a) Financial Assumptions**

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Discount Rate | **7.15%** | 6.70% |
| Salary Escalation Rate | **All Grades-8%** | All Grades-8% |

**(b) Demographic Assumptions**

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Mortality | **IALM (2012-14) Ultimate** | IALM (2012-14) Ultimate |
| Employee Turnover | **Upto 34yrs - 10.30%, 35-44 yrs - 4.90%, Above 44yrs-1.80%** | Upto 34 yrs - 10.30%, 35-44 yrs - 4.90%, Above 44 yrs - 1.80% |
| Leave Availment Ratio | **5%** | 5% |

### (3) Employee share based payment plans

During the year ended 31st March 2021, the Company implemented Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"). The plan was approved by the shareholders in the Company's 75th AGM held on 29th June 2021. The 2021 Plan enables grant of stock options to the eligible employees of the Company and its subsidiaries not exceeding 25,00,000 Shares, which is 0.26 % of the paid up equity share capital of the Company as on 12th May 2021. Further, the stock options to any single employee under the Plan shall not exceed 5,00,000 Shares of the Company during the tenure of the Plan, subject to compliance with Applicable Law.



## Note 34 : Employee Benefits (Contd.)

### (3) Employee share based payment plans (Contd.)

The process for determining the eligibility of employees for the grant of stock options under the 2021 Plan shall be determined by the Nomination and Remuneration Committee (Administrator of the 2021 Plan) in consultation with Managing Director & CEO and based on employee's grade, performance rating and such other criteria as may be considered appropriate.

The employees shall be entitled to receive one equity share of the Company on exercise of each stock option, subject to performance of the employees and continuation of employment over the vesting period. The options granted under 2021 Plan have a maximum vesting period of 4 years. The options granted are based on the performance of the employees during the year of the grant and their continuing to remain in service over the next 3 years. During the year, the Managing Director & CEO is granted options based on market linked and non-market linked performance conditions along with service condition.

The exercise price for stock options granted are at a discount of 50% to the Reference Share Price (the average of the daily high and low of the volume weighted average prices of the Shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made) of the shares of the Company as defined under 2021 Plan.

The Administrator approved secondary purchase of shares equivalent to the options granted in August 2021 through Asian Paints Employees Stock Ownership Trust ("ESOP Trust" or "Trust") which is shown as treasury shares in the statement of changes in equity.

**(a) Details of stock options granted :**

| | Grant Date | Vesting Date | Options outstanding at the beginning of the year 2025-26 | Options granted during the year 2025-26 | Options exercised during the year 2025-26 | Options forfeited during the year 2025-26 | Options lapsed during the year 2025-26 | Options outstanding at the end of the year 2025-26 | Exercisable at period end 2025-26 | Weighted Average remaining contractual life (years) |
|---|---|---|---|---|---|---|---|---|---|---|
| Grant 1 | 16th August 2021 | 31st March 2024 | **4,320** | **-** | **3,840** | **-** | **480** | **-** | **-** | **-** |
| Grant 2 | 16th August 2021 | 31st March 2025 and 1st April 2025 | **92,834** | **-** | **91,914** | **-** | **920** | **-** | **-** | **-** |
| Grant 3 | 10th February 2022 | 1st April 2025 | **3,693** | **-** | **3,665** | **-** | **28** | **-** | **-** | **-** |
| Grant 4 | 6th June 2022 | 31st March 2026 and 1st April 2026 | **1,23,059** | **-** | **1,584** | **-** | **8,744** | **1,12,731** | **30,996** | **1** |
| Grant 5 | 8th September 2022 | 1st April 2026 | **5,485** | **-** | **-** | **-** | **304** | **5,181** | **-** | **1** |
| Grant 6 | 19th January 2023 | 1st April 2026 | **396** | **-** | **-** | **-** | **-** | **396** | **-** | **1** |
| Grant 7 | 31st March 2023 | 1st April 2026 | **672** | **-** | **-** | **-** | **-** | **672** | **-** | **1** |
| Grant 8 | 27th April 2024 | 1st April 2027 | **1,81,781** | **-** | **1,696** | **-** | **7,562** | **1,72,523** | **-** | **2** |
| Grant 9 | 29th April 2025 | 1st April 2028 | **-** | **1,48,505** | **-** | | **8,399** | **1,40,106** | **-** | **3** |
| Grant 10-Trache 1 | 29th April 2025 | 30th June 2026 or date of AGM for FY 25-26, whichever is later | **-** | **50,781** | **-** | | **4,670** | **46,111** | **-** | **2.25** |
| Grant 10-Trache 2 | 29th April 2025 | 30th June 2027 or date of AGM for FY 26-27, whichever is later | **-** | **50,211** | **-** | | **4,596** | **45,615** | **-** | **3.25** |
| Grant 10-Trache 3 | 29th April 2025 | 30th June 2028 or date of AGM for FY 27-28, whichever is later | **-** | **48,887** | **-** | | **4,459** | **44,428** | **-** | **4.25** |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 34 : Employee Benefits (Contd.)

### (3) Employee share based payment plans (Contd.)

| | Grant Date | Vesting Date | Options outstanding at the beginning of the year 2024-25 | Options granted during the year 2024-25 | Options exercised during the year 2024-25 | Options forfeited during the year 2024-25 | Options lapsed during the year 2024-25 | Options outstanding at the end of the year 2024-25 | Exercisable at period end 2024-25 | Weighted Average remaining contractual life (years) |
|---|---|---|---|---|---|---|---|---|---|---|
| Grant 1 | 16th August 2021 | 31st March 2024 | 94,208 | - | 89,769 | 119 | - | 4,320 | 3,840 | 0.5 |
| Grant 2 | 16th August 2021 | 31st March 2025 and 1st April 2025 | 1,03,244 | - | 3,990 | - | 6,420 | 92,834 | 20,470 | 1 |
| Grant 3 | 10th February 2022 | 1st April 2025 | 3,850 | - | 73 | - | 84 | 3,693 | - | 1 |
| Grant 4 | 6th June 2022 | 31st March 2026 and 1st April 2026 | 1,31,083 | - | 1,121 | - | 6,903 | 1,23,059 | - | 2 |
| Grant 5 | 8th September 2022 | 1st April 2026 | 5,968 | - | - | - | 483 | 5,485 | - | 2 |
| Grant 6 | 19th January 2023 | 1st April 2026 | 584 | - | - | - | 188 | 396 | - | 2 |
| Grant 7 | 31st March 2023 | 1st April 2026 | 830 | - | - | - | 158 | 672 | - | 2 |
| Grant 8 | 27th April 2024 | 1st April 2027 | - | 1,90,744 | - | - | 8,963 | 1,81,781 | - | 3 |

Weighted average exercise price for respective option series towards all the movement including opening and closing outstanding options is same as exercise price on grant date.

**(b) Fair Value of stock options granted :**

Fair Value of stock options was calculated using the Black Scholes Model (for non-market linked vesting condition). The key assumptions used for calculating the option fair value are as below:

| | Grant Date | Risk free interest rate | Expected life | Expected volatility | Dividend Yield | Fair Value at Grant Date (₹) | Market price at the time of grant of the option (₹) | Exercise price |
|---|---|---|---|---|---|---|---|---|
| | | Zero Coupon Sovereign Bond Interest Rate equivalent for option life | Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period | Based on daily volatility for period equivalent for option life | Dividend yield is calculated as dividend paid in last FY divided by current share price | | | 50% of Reference Share Price |
| Grant 1 | 16th August 2021 | 5.07% | 3.12 years | 34.67% | 0.60% | 1,685.13 | 2,987.55 | 1,518.70 |
| Grant 2 | 16th August 2021 | 5.50% | 4.12 years | 32.17% | 0.60% | 1,752.87 | 2,987.55 | 1,518.70 |
| Grant 3 | 10th February 2022 | 5.57% | 3.63 years | 33.93% | 0.55% | 1,884.83 | 3,228.35 | 1,632.53 |
| Grant 4 | 6th June 2022 | 7.17% | 4.32 years | 33.76% | 0.66% | 1,768.00 | 2,886.90 | 1,478.00 |
| Grant 5 | 8th September 2022 | 7.08% | 4.06 years | 34.71% | 0.56% | 2,098.00 | 3,400.35 | 1,706.00 |
| Grant 6 | 19th January 2023 | 7.22% | 3.69 years | 34.75% | 0.65% | 1,769.00 | 2,945.25 | 1,505.00 |
| Grant 7 | 31st March 2023 | 7.28% | 3.50 years | 34.59% | 0.69% | 1,649.00 | 2,770.50 | 1,412.00 |
| Grant 8 | 27th April 2024 | 7.21% | 3.42 years | 28.36% | 0.93% | 1,652.00 | 2,844.15 | 1,433.00 |
| Grant 9 | 29th April 2025 | 6.05% | 3.42 years | 26.37% | 1.04% | 1,409.00 | 2,451.10 | 1,188.00 |
| Grant 10 -Tranche 1 | 29th April 2025 | 5.99% | 2.17 years | 23.28% | 1.04% | 1,354.00 | 2,451.00 | 1,188.00 |
| Grant 10 -Tranche 2 | 29th April 2025 | 6.04% | 3.17 years | 26.02% | 1.04% | 1,398.00 | 2,451.00 | 1,188.00 |
| Grant 10 -Tranche 3 | 29th April 2025 | 6.09% | 4.17 years | 27.35% | 1.04% | 1,441.00 | 2,451.00 | 1,188.00 |

## Note 34 : Employee Benefits (Contd.)

### (3) Employee share based payment plans (Contd.)

**(c)** For Grant 10, Fair Value of Share Options (market linked vesting conditions) was calculated using the Monte Carlo simulations model. The key assumptions used for calculating the option fair value are as below:

| | Grant Date | Risk free interest rate | Expected life | Expected volatility | | Fair Value at Grant Date (₹) | Market price at the time of grant of the option (₹) | Exercise price |
|---|---|---|---|---|---|---|---|---|
| | | Zero Coupon Sovereign Bond Interest Rate equivalent for option life | Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period | Based on daily volatility of Company for period equivalent for option life | Based on daily volatility of NIFTY 50 for period equivalent for option life | | | 50% of Reference Share Price |
| Grant 10 - Tranche 1 | 29th April 2025 | 5.96% | 2.17 years | 26.57 % | 18.11 % | 851.00 | 2,451.00 | 1,188.00 |
| Grant 10 - Tranche 2 | | 5.99 % | 3.17 years | 23.29 % | 15.33 % | 829.00 | 2,451.00 | 1,188.00 |
| Grant 10 - Tranche 3 | | 6.11 % | 4.17 years | 24.89 % | 15.85 % | 846.00 | 2,451.00 | 1,188.00 |

During the year, the Company has recognised an expense of ₹ 27.24 crores (Previous Year - ₹ 18.23 crores). This is net of recoveries from subsidiaries of ₹ 2.11 crores (Previous Year - ₹3.02 crores).

## Note 35(A) : Disclosure as per Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations

There are no loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties as at 31st March 2026 and 31st March 2025.

## Note 35(B) : Disclosure As Per Section 186 of The Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows :

(i) Details of Investments made are given in Note 5.

(ii) There are no guarantees issued or loans given by the Company as at 31st March 2026 and 31st March 2025.

## Note 36 : Amalgamation of Asian Paints Polymer Private Limited

The Hon'ble National Company Law Tribunal, Mumbai ('NCLT') approved the Scheme of Amalgamation ('the Scheme') of Asian Paints (Polymers) Private Limited (APPPL), wholly owned subsidiary of the Company with the Company vide order dated 10th March 2026. The Scheme came into effect from 31st March 2026 with the appointed date of 1st April 2025. The comparative periods have been restated in accordance with Ind AS 103 - Business Combinations.

| | (₹ in Crores) |
|---|---|
| **Balance as on 1st April 2025** | **APPPL** |
| Right-of-Use Asset | 80.08 |
| Capital work-in-progress | 79.05 |
| Other Financial Assets - Current | 10.55 |
| Income Tax Liabilities (Net) | (0.59) |
| Other Assets - Non-current and Current | 136.79 |
| Other Financial Liabilities - Non-current and Current | (4.80) |
| **Total Net Assets Acquired** | **301.08** |
| Other equity acquired | 1.08 |
| Investments in APPPL by the Company | 300.00 |

The Scheme has no material impact on the Statement of Profit or Loss of the Company for the current year and previous year.

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 37 : Related Party Transactions

### Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below :

a) **Associates :**

1) PPG Asian Paints Private Limited

Wholly owned subsidiaries of PPG Asian Paints Private Limited :

a) Revocoat India Private Limited

b) PPG Asian Paints Lanka Private Limited *

b) **Subsidiaries : (where control exists)**

**Direct Subsidiaries :**

| Name of the Company | Country of Incorporation | % of Holding | |
|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 |
| Asian Paints Industrial Coatings Limited | India | **100.00** | 100.00 |
| Asian Paints International Private Limited (APIPL) | Singapore | **100.00** | 100.00 |
| Asian White Cement Holding Limited** | U.A.E | **60.00** | 70.00 |
| Obgenix Software Private Limited*** | India | **100.00** | 60.00 |
| Asian Paints (Nepal) Private Limited | Nepal | **52.71** | 52.71 |
| Weatherseal Fenestration Private Limited | India | **51.00** | 51.00 |
| Harind Chemicals and Pharmaceuticals Private Limited | India | **51.00** | 51.00 |
| Asian Paints PPG Private Limited | India | **50.00** | 50.00 |

* The Company has ceased its business operations and the Company is under liquidation.

** On 16th January 2026, Asian White Cement Holding Limited issued sweat equity shares on non-cash basis to one of its other shareholders pursuant to the Joint Venture agreement entered into by the Company. Consequently, stake of the Company was diluted by 10%.

*** On 27th June 2025, the Company accquired further 40% equity share capital of Obgenix Software Private Limited. Accordingly, Obgenix Software Private Limited became a wholly owned subsidiary of the Company

**Indirect Subsidiaries :**

*i) Subsidiaries of Asian Paints International Private Limited, Singapore*

| Name of the Company | Country of Incorporation | % of Holding | |
|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 |
| Enterprise Paints Limited | Isle of Man, U.K. | **100.00** | 100.00 |
| Universal Paints Limited | Isle of Man, U.K. | **100.00** | 100.00 |
| Asian Paints (Middle East) SPC | Sultanate of Oman | **100.00** | 100.00 |
| Asian Paints Doha Trading W.L.L | Qatar | **100.00** | 100.00 |
| Causeway Paints Lanka (Pvt) Ltd | Sri Lanka | **99.98** | 99.98 |
| Asian Paints (Bangladesh) Limited | Bangladesh | **95.09** | 95.09 |
| SCIB Chemicals S.A.E.^^ | Egypt | **85.60** | 85.60 |
| Samoa Paints Limited | Samoa | **80.00** | 80.00 |
| Asian Paints (S.I) Limited | Solomon Islands | **75.00** | 75.00 |
| Asian Paints (Vanuatu) Limited | Republic of Vanuatu | **60.00** | 60.00 |
| Kadisco Paint and Adhesive Industry Share Company | Ethiopia | **51.00** | 51.00 |
| Asian Paints (South Pacific) Pte Limited | Republic of Fiji | **54.07** | 54.07 |
| PT Asian Paints Indonesia ^^^ | Indonesia | **-** | - |
| PT Asian Paints Color Indonesia ^^^ | Indonesia | **-** | - |
| A P International Doha Trading W.L.L ** | Qatar | **-** | - |

^^^ Asian Paints International Private Limited, Singapore ('APIPL'), subsidiary of the Company divested in PT Asian Paints Indonesia ('PTAPI') & PT Asian Paints Color Indonesia ('PTAPCI'). The said transaction was concluded on 20th March 2025."

** The Company has been voluntarily liquidated on 26th November 2024.

^^ On 26th May 2024, APIPL completed a buyout of 24.3% stake of certain other shareholders in SCIB Chemicals S.A.E., Egypt, subsidiary of APIPL.

## Note 37 : Related Party Transactions (Contd.)

### Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below (Contd.) :

b) Subsidiaries : (where control exists) (Contd.)

*ii) Subsidiary of Enterprise Paints Limited :*

| Name of the Company | Country of Incorporation | % of Holding | |
|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 |
| Nirvana Investments Limited | Isle of Man, U.K. | **100.00** | 100.00 |

*iii) Subsidiary of Nirvana Investments Limited :*

| Name of the Company | Country of Incorporation | % of Holding | |
|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 |
| Berger Paints Emirates LLC | U.A.E | **100.00** | 100.00 |

*iv) Subsidiary of Universal Paints Limited :*

| Name of the Company | Country of Incorporation | % of Holding | |
|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 |
| Berger Paints Bahrain W.L.L. | Bahrain | **100.00** | 100.00 |

*v) Subsidiary of Asian White Cement Holding Limited :*

| Name of the Company | Country of Incorporation | % of Holding | |
|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 |
| Asian White Inc. FZE | U.A.E | **100.00** | 100.00 |

*vi) Subsidiary of Harind Chemicals and Pharmaceuticals Private Limited :*

| Name of the Company | Country of Incorporation | % of Holding | |
|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 |
| Nova Surface-Care Centre Private Limited | India | **100.00** | 100.00 |

c) **Key Managerial Personnel :**

| Name | Designation |
|---|---|
| Amit Syngle | Managing Director & CEO |
| R J Jeyamurugan | CFO & Company Secretary |

| Non-Executive Directors | |
|---|---|
| R Seshasayee (Chairman) | Nehal Vakil |
| Manish Choksi (Vice Chairman) | Ireena Vittal |
| Malav Dani | Soumitra Bhattacharya |
| Amrita Vakil | Gopichand Katragadda (w.e.f 1st April, 2024) |
| Jigish Choksi (upto 31st March, 2025) | Varun Berry (w.e.f 23rd October, 2024) |
| Milind Sarwate | Ashish Choksi (w.e.f 1st April, 2025) |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 37 : Related Party Transactions (Contd.)

**Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below (Contd.) :**

**d) Names of Close Family Members of Key Managerial Personnel (apart from those who are in employment of the Company) where transactions have taken place during the year :**

| | |
|---|---|
| ACC AP Trust | Manjiri Milind Oak |
| Ami Manish Choksi | Prafullika Shailesh Choksi |
| Ashish Ashwin Choksi $ | Ragini Varun Vakil |
| Bhairavi Abhay Vakil | Rhea Amit Sethi |
| Binita Ashish Choksi | Richa Manish Choksi |
| Dipika Amar Vakil | Rita Mahendra Choksi |
| Druhi Ashish Choksi | Ruma Chandra |
| Hasit Ashwin Dani $ | Rupal Anant Bhat |
| Ina Ashwin Dani | Rupen Ashwin Choksi |
| Jalaj Ashwin Dani $ | Shalinie Syngle |
| Jigish Shailesh Choksi | Seema S Katragadda |
| Late. Abhay Arvind Vakil | Urvashi Ashwin Choksi |
| Late. Amar Arvind Vakil | Vishal Shailesh Choksi |
| Late. Shailesh Chimanlal Choksi $ | Vivek Abhay Vakil $ |
| Mahendra Chimanlal Choksi $ | |
| Manish Mahendra Choksi $ | |

$ includes HUF of which he is the karta

**e) Close family members of Key Managerial Personnel who are under the employment of the Company and with whom transactions have taken place during the year :**

Varun Vakil ++
Aashay Choksi

++ includes HUF of which he is the karta

**f) Entities where Key Managerial Personnel / Close family members of Key Managerial Personnel have control/ significant influence and where transactions have taken place or balance is outstanding during the year :**

| | | |
|---|---|---|
| Addverb Technologies Ltd. | Hydra Trading Pvt. Ltd. | Rupen Investment and Industries Pvt. Ltd. |
| Ankleshwar Industrial Development Society | Jalaj Trading And Investment Company Pvt. Ltd. | Sattva Holding and Trading Pvt. Ltd. |
| AR Interact | Jaldhar Investments And Trading Company Pvt. Ltd | Satyadharma Investments And Trading Company Pvt. Ltd. |
| Asteroids Trading And Investments Pvt. Ltd | Lambodar Investments And Trading Company Ltd. | Shubhit Holdings Pvt. Ltd. (previously known as Gujarat Organics Pvt. Ltd.) |
| Ball Bearing And Machinery Corporation * | Lyon Investment and Industries Pvt. Ltd. | Stack Pack Ltd. |
| Castle Investment & Industries Pvt. Ltd. | Murahar Investments And Trading Company Ltd. | Smiti Holding And Trading Company Pvt. Ltd. |
| Centaurus Trading And Investments Pvt. Ltd. | Navbharat Packaging Industries Pvt. Ltd. | Sudhanva Investments And Trading Company Pvt. Ltd. |
| Dani Finlease Pvt. Ltd. | Nehal Trading and Investments Pvt. Ltd. | Suptaswar Investments And Trading Company Ltd. |
| Doli Trading and Investments Pvt. Ltd. | Paladin Paints And Chemicals Pvt. Ltd. ^ | Tru Trading And Investments Pvt. Ltd. |
| Elcid Investments Ltd. | Piramal Swasthya Management and Research Institute | Upnishad Trustee Advisory Services Pvt. Ltd. |
| ELF Trading And Chemical Manufacturing Pvt. Ltd. | Rayirth Holding And Trading Company Pvt. Ltd. | Unnati Trading And Investments Pvt. Ltd. |
| Geetanjali Trading and Investments Pvt. Ltd. | Resins and Plastics Ltd. | Vikatmev Containers Ltd. |
| Hitech Corporation Ltd. | Riash Renewable Materials Pvt. Ltd. ^^ | |
| Indian Foundation For Quality Management | Ricinash Renewable Materials Pvt. Ltd. | |

^ Represents Outstanding balance from previous years
^^ Transactions upto 31st March 2025.
* w.e.f. 8th February 2026

## Note 37 : Related Party Transactions (Contd.)

**Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below (Contd.) :**

**g) Other entities where significant influence exists :**

**i) Post employment-benefit plan entity :**

Asian Paints (I) Limited Employees' Gratuity Fund

**ii) Other :**

Asian Paints Office Provident Fund (Employee benefit plan)

Asian Paints Factory Employees' Provident Fund (Employee benefit plan)

Asian Paints Management Cadres' Superannuation Scheme (Employee benefit plan)

**Terms and conditions of transactions with related parties :**

1. The Company has been entering into transactions with related parties for its business purposes. The process followed for entering into transactions with related party is same as followed for unrelated party. Vendors are selected competitively having regard to strict adherence to quality, timely servicing and cost advantage. Further related party vendors provide additional advantages in terms of :
   (a) Supplying products primarily to the Company,
   (b) Advanced and innovative technology,
   (c) Customization of products to suit the Company's specific requirements, and
   (d) Enhancement of the Company's purchase cycle and assurance of just in time supply with resultant benefits - notably on working capital.
2. The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.
3. The assessment of receivables is undertaken in each financial year through examining the financial position of related parties, the market and regulatory environment in which related parties operate and is in accordance with the accounting policy of the Company.

**Compensation to key managerial personnel of the Company :**

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Short-term employee benefits** | **40.95** | 23.34 |
| Post-employment benefits | **-** | - |
| Other long-term benefits | **-** | - |
| Termination benefits | **-** | - |
| Share-based payments* | **3.95** | 0.40 |
| **Total compensation paid to key managerial personnel** | **44.90** | **23.74** |

** Includes remuneration (sitting fees and commission) paid to Non-executive directors amounting to ₹ 8.66 crores (Year 2024-25: ₹ 7.22 crores)
*Represents perquisite value of ESOPs exercised in accordance with the Employee Stock option approved plan.

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 37 : Related Party Transactions (Contd.)

### Details of transactions with and balances outstanding of associate companies :

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| PPG Asian Paints Private Limited | Revenue from Sale of Products | **0.94** | **0.00** | 2.19 | 0.34 |
| | Revenue from Sale of Services | **0.25** | **-** | - | (0.03) |
| | Purchase of Goods | **0.23** | **0.17** | 1.05 | 0.14 |
| | Processing Income | **(0.37)** | **0.02** | 1.14 | 0.21 |
| | Royalty Income | **3.44** | **0.40** | 3.42 | 0.32 |
| | Other Non Operating Income | **5.24** | **0.59** | 4.49 | 0.94 |
| | Reimbursement of Expenses Received | **6.28** | **2.41** | 4.66 | 2.74 |
| | Reimbursement of Expenses Paid | **0.68** | **0.07** | 0.86 | 0.02 |
| | Sale of Assets | **-** | **-** | 0.00 | 0.00 |
| | Dividend received | **115.50** | **-** | 115.50 | - |
| Revocoat India Private Limited | Other Non Operating Income | **0.08** | **0.01** | 0.11 | 0.02 |
| | Reimbursement of Expenses Received | **0.05** | **0.01** | 0.12 | 0.02 |

### Details of transactions with and balances outstanding of subsidiary companies :

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| Asian Paints PPG Private Limited | Revenue from Sale of Products | **9.14** | **2.56** | 10.06 | 2.25 |
| | Purchase of Goods | **0.97** | **0.15** | 7.77 | 0.66 |
| | Processing Income | **42.34** | **5.27** | 39.19 | 4.48 |
| | Royalty Income | **23.43** | **6.31** | 22.72 | 6.69 |
| | Other Non Operating Income | **7.12** | **0.63** | 6.46 | 0.67 |
| | Services Received | **0.16** | **0.13** | 0.44 | 0.04 |
| | Reimbursement of Expenses Received | **4.63** | **1.97** | 3.07 | 1.09 |
| | Reimbursement of Expenses Paid | **0.22** | **0.10** | 0.34 | 0.04 |
| Asian Paints Industrial Coatings Limited | Other Non Operating Income | **0.15** | **0.04** | 0.04 | 0.04 |
| | Reimbursement of Expenses Received | **0.90** | **0.77** | 1.06 | 0.80 |
| | Reimbursement of Expenses Paid | **2.73** | **0.23** | 2.27 | 0.79 |
| Weatherseal Fenestration Private Limited | Purchase of Goods | **0.40** | **0.00** | 11.61 | (0.11) |
| | Royalty Income | **0.80** | **0.54** | 0.54 | 0.11 |
| | Other Non Operating Income | **0.85** | **(0.00)** | 1.72 | 0.81 |
| | Reimbursement of Expenses Received | **11.25** | **1.26** | 5.09 | 1.33 |
| Obgenix Software Private Limited* | Purchase of Goods | **15.52** | **(2.50)** | 22.29 | 0.40 |
| | Royalty Income | **0.24** | **0.16** | 0.30 | 0.11 |
| | Other Non Operating Income | **1.44** | **0.07** | 1.05 | 0.49 |
| | Reimbursement of Expenses Received | **11.74** | **1.57** | 10.13 | 6.54 |
| | Reimbursement of Expenses Paid | **0.22** | **0.18** | - | - |



## Note 37 : Related Party Transactions (Contd.)

### Details of transactions with and balances outstanding of subsidiary companies (Contd.) :

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| Harind Chemicals and Pharmaceutical Private Limited | Purchase of Goods | **20.48** | **3.52** | 10.54 | 1.71 |
| | Other Non Operating Income | **0.24** | **0.03** | 0.13 | 0.04 |
| | Reimbursement of Expenses Received | **0.45** | **(0.01)** | 0.38 | 0.02 |
| | Services Received | **0.01** | **-** | - | - |
| | Dividend received | **1.53** | **-** | 3.70 | - |
| Nova Surface Care Centre Private Limited | Services Received | **0.00** | **-** | 0.01 | - |
| Asian Paints (Bangladesh) Limited | Revenue from sale of products | **5.92** | **2.04** | 9.20 | 3.44 |
| | Royalty Income | **12.57** | **12.57** | 11.08 | 11.08 |
| | Other Non Operating Income | **0.01** | **(0.00)** | 0.02 | 0.02 |
| | Reimbursement of Expenses Received | **0.19** | **0.19** | 0.25 | 0.34 |
| | Reimbursement of Expenses Paid | **0.22** | **0.01** | 0.17 | 0.32 |
| Asian Paints (Middle East) SPC | Revenue from sale of products | **1.26** | **0.28** | 0.99 | 0.39 |
| | Royalty Income | **7.30** | **7.30** | 7.08 | 7.08 |
| | Other Non Operating Income | **-** | **(0.00)** | 0.00 | (0.00) |
| | Reimbursement of Expenses Received | **0.32** | **0.21** | 0.29 | 0.16 |
| | Reimbursement of Expenses Paid | **0.05** | **-** | 0.26 | - |
| Asian Paints (Nepal) Private Limited | Revenue from sale of products | **10.88** | **2.17** | 10.67 | 3.50 |
| | Royalty Income | **12.79** | **9.47** | 11.11 | 18.24 |
| | Other Non Operating Income | **0.38** | **0.43** | 0.51 | 0.53 |
| | Reimbursement of Expenses Received | **0.66** | **1.63** | 2.95 | 2.94 |
| | Reimbursement of Expenses Paid | **0.19** | **-** | 0.08 | 0.08 |
| | Issue of Materials as free sample | **0.00** | **-** | 0.02 | - |
| | Dividend Received | **13.41** | **-** | 6.40 | 6.40 |
| Asian Paints (S.I) Limited | Royalty Income | **-** | **-** | 0.40 | 0.22 |
| Asian Paints (South Pacific) Pte Limited | Revenue from sale of products | **0.22** | **-** | 0.22 | - |
| | Royalty Income | **4.03** | **2.10** | 2.86 | 1.45 |
| | Other Non Operating Income | **0.01** | **(0.00)** | 0.01 | (0.00) |
| | Reimbursement of Expenses Received | **0.12** | **0.05** | 0.13 | 0.02 |
| | Reimbursement of Expenses Paid | **0.01** | **-** | - | - |
| Asian Paints (Vanuatu) Limited | Royalty Income | **-** | **-** | 0.16 | 0.07 |
| Asian Paints International Private Limited | Royalty Income | **18.27** | **18.30** | 13.44 | 13.44 |
| | Other Non Operating Income | **4.01** | **1.47** | 3.79 | 1.74 |
| | Services Received | **-** | **-** | - | - |
| | Reimbursement of Expenses Received | **10.61** | **8.88** | 6.62 | 6.13 |
| | Reimbursement of Expenses Paid | **0.12** | **0.05** | 0.03 | - |
| | Sitting Fees Received (from subsidiaries for nominee directors) | **0.50** | **0.50** | 0.43 | 0.43 |
| | Equity Infusion | **-** | **-** | 197.94 | - |

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 37 : Related Party Transactions (Contd.)

### Details of transactions with and balances outstanding of subsidiary companies (Contd.):

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| Berger Paints Bahrain W.L.L. | Revenue from sale of products | **0.27** | **0.07** | 0.33 | 0.19 |
| | Other Non Operating Income | **0.00** | **-** | 0.00 | - |
| | Reimbursement of Expenses Received | **0.12** | **0.04** | 0.12 | 0.03 |
| | Reimbursement of Expenses Paid | **-** | **-** | 0.02 | - |
| Berger Paints Emirates LLC | Revenue from sale of products | **4.91** | **3.08** | 1.83 | 0.86 |
| | Other Non Operating Income | **0.28** | **0.14** | 0.07 | 0.07 |
| | Services Received | **2.27** | **1.10** | 2.97 | 0.52 |
| | Reimbursement of Expenses Received | **2.98** | **1.57** | 2.83 | 1.84 |
| | Reimbursement of Expenses Paid | **0.36** | **0.15** | 0.31 | 0.13 |
| Causeway Paints Lanka (Pvt) Ltd. | Revenue from sale of products | **5.36** | **1.21** | 5.95 | 1.01 |
| | Royalty Income | **12.69** | **12.71** | 8.66 | 8.66 |
| | Other Non Operating Income | **0.05** | **0.04** | 0.01 | (0.00) |
| | Services Received | **0.31** | **-** | 1.19 | 0.22 |
| | Reimbursement of Expenses Received | **0.53** | **0.37** | 0.72 | 0.44 |
| | Reimbursement of Expenses Paid | **0.51** | **0.04** | 0.01 | - |
| Kadisco Paint and Adhesive Industry Share Company | Revenue from sale of products | **0.13** | **-** | 0.01 | - |
| | Royalty Income | **5.21** | **-** | 9.03 | - |
| | Other Non Operating Income | **0.23** | **-** | 0.07 | - |
| | Reimbursement of Expenses Received | **0.68** | **-** | 0.96 | - |
| | Reimbursement of Expenses Paid | **0.01** | **0.17** | (0.15) | 0.17 |
| PT Asian Paints Indonesia* | Revenue from sale of products | **-** | **-** | 0.19 | - |
| | Royalty Income | **-** | **-** | 1.39 | - |
| | Other non operating income | **-** | **-** | - | - |
| | Reimbursement of Expenses Received | **-** | **-** | 0.75 | - |
| | Reimbursement of Expenses Paid | **-** | **-** | 0.11 | |
| | Purchase of Goods | **-** | **-** | 0.02 | - |
| Samoa Paints Limited | Royalty Income | **-** | **-** | 0.26 | 0.55 |
| SCIB Chemicals S.A.E. | Royalty Income | **11.27** | **11.27** | 9.54 | 9.44 |
| | Other Non Operating Income | **0.02** | **-** | 0.01 | - |
| | Reimbursement of Expenses Received | **0.74** | **0.25** | 0.54 | 0.24 |
| | Reimbursement of Expenses Paid | **0.09** | **-** | 0.04 | 0.02 |
| Asian White Inc. FZE | Purchase of Goods | **25.31** | **11.57** | - | - |
| | Other Non Operating Income | **0.08** | **(0.01)** | 0.04 | 0.04 |
| | Reimbursement of Expenses Received | **(0.00)** | **(0.03)** | 0.09 | 0.06 |
| | Reimbursement of Expenses Paid | **-** | **-** | 0.00 | - |



## Note 37 : Related Party Transactions (Contd.)

### Details of transactions with and balances outstanding of subsidiary companies (Contd.):

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| Asian White Cement Holding Limited | Other Non Operating Income | **0.02** | **0.00** | - | - |
| | Reimbursement of Expenses Received | **0.63** | **0.23** | 0.28 | 0.20 |
| | Reimbursement of Expenses Paid | **0.07** | **0.06** | 0.12 | 0.12 |
| | Services Received | **1.03** | **0.63** | 0.96 | 0.60 |
| | Equity Infusion | **21.86** | **-** | - | - |
| Asian Paints Doha Trading W.L.L | Reimbursement of Expenses Received | **0.02** | **0.02** | 0.01 | 0.01 |

* Refer note 37(b)

During the year ended 31st March, 2026, the Company has recognised a reversal of ₹ 9.88 crores in respect of provision for doubtful receivables due from its subsidiaries and associates in the Statement of Profit and Loss (Previous year - provision recognised of ₹ 10.79 crores). As at 31st March, 2026, the provision for doubtful receivables from its subsidiaries and associates stands at ₹ 7.90 crores (Previous year - ₹ 17.78 crores). The Company has recovered ₹ 7.39 crores during the year against provision for doubtful receivables provided in earlier years (Previous year - ₹ Nil).

During the year ended 31st March 2026, the Company has written off an amount of ₹ 0.75 crore against doubtful receivables (Previous year - ₹ 24,840).

The Company has issued letters of awareness to banks/ financial institutions with respect to loans taken by certain international subsidiary companies. No guarantee has been given or provided to any related party.

Additionally, the Company has issued letter to the Board of Obgenix Software Private Limited & Weatherseal Fenestration Private Limited informing its commitment to provide support to the subsidiary to meet its obligations, as and when they fall due, subject to an overall cap.

*This space has been intentionally left blank*

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 37 : Related Party Transactions (Contd.)

### Details of transactions with and balances outstanding of Key Managerial Personnel / Close Family Member of Key Managerial Personnel :

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| Amit Syngle | Remuneration ^ | **31.24** | **15.40** | 11.20 | - |
| | Dividend paid | **0.04** | **-** | 0.00 | - |
| R J Jeyamurugan | Remuneration ^^ | **5.00** | **-** | 5.32 | - |
| | Dividend paid | **0.00** | **-** | 0.00 | - |
| R Seshasayee | Remuneration | **1.37** | **1.10** | 0.86 | 0.50 |
| | Dividend paid | **0.00** | **-** | 0.00 | - |
| Manish Choksi | Remuneration | **0.80** | **0.56** | 0.79 | 0.46 |
| | Dividend paid | **5.98** | **-** | 7.74 | - |
| Malav Dani | Remuneration | **0.70** | **0.54** | 0.66 | 0.44 |
| | Dividend paid | **9.14** | **-** | 11.83 | - |
| Amrita Vakil | Remuneration | **0.67** | **0.51** | 0.64 | 0.42 |
| | Dividend paid | **6.43** | **-** | 8.32 | - |
| Jigish Choksi | Remuneration | **-** | **-** | 0.56 | 0.42 |
| | Dividend paid $ | **5.00** | **-** | 6.46 | - |
| Milind Sarwate | Remuneration | **0.80** | **0.59** | 0.73 | 0.48 |
| | Dividend paid | **0.00** | **-** | 0.00 | - |
| Nehal Vakil | Remuneration | **0.65** | **0.51** | 0.57 | 0.42 |
| | Dividend paid | **14.37** | **-** | 18.59 | - |
| Ireena Vittal | Remuneration | **0.73** | **0.54** | 0.67 | 0.44 |
| Soumitra Bhattacharya | Remuneration | **0.90** | **0.56** | 0.88 | 0.46 |
| Gopichand Katragadda | Remuneration | **0.72** | **0.54** | 0.61 | 0.44 |
| Varun Berry | Remuneration | **0.67** | **0.51** | 0.25 | 0.18 |
| | Dividend paid | **0.00** | **-** | 0.00 | - |
| Ashish Choksi | Remuneration | **0.65** | **0.51** | - | - |
| | Dividend paid & | **2.22** | **-** | - | - |
| Varun Vakil (Close Family Members of KMP) | Remuneration | **1.15** | **-** | 1.17 | - |
| | Dividend paid | **18.65** | **-** | 24.13 | - |
| Aashay Choksi (Close Family Members of KMP) | Remuneration | **0.21** | **-** | - | - |
| | Dividend paid % | **0.31** | **-** | - | - |
| Rupal Anant Bhat (Close Family Members of KMP) | Revenue from sale of products & services | **-** | **-** | 0.20 | - |
| | Dividend paid @ | **4.82** | **-** | 6.23 | - |
| Others * | | | | | |
| - Close Family members of KMP | Dividend paid | **136.67** | **-** | 198.32 | - |
| - Other Promoter Group | | **50.12** | **-** | 46.56 | - |

^ Remuneration does not include :
Stock options (Year 2025-26 - ₹ 14.12 crores, Year 2024-25 - NIL) which will be subject to vesting conditions in accordance with the approved Employee Stock option plan.

^^ Remuneration does not include :
Stock options (Year 2025-26 - ₹ 0.61 crores, Year 2024-25 - ₹ 0.61 crores) which will be subject to vesting conditions in accordance with the approved Employee Stock option plan

% Mr. Aashay Choksi, being a close family member of Key Managerial Personnel, is a related party of the Company and became an employee of the Company during the year, to whom remuneration was paid. Accordingly, dividend paid to him during the current year is disclosed separately. Dividend paid in the previous year was included under "Others", as he was not employed by the Company during that period and the amount was less than 10% of the total dividend paid to related parties.

$ Mr. Jigish Choksi resigned as a Director of the Company on 31st March 2025. Accordingly, dividend paid to him during the current year is disclosed solely for the purpose of comparability with the previous year.

& Mr. Ashish Choksi was appointed as a Director of the Company on 1st April 2025. Accordingly, dividend paid to him during the current year is disclosed separately. Dividend paid in the previous year was included under "Others", as he did not hold any directorship during that period and the amount was less than 10% of the total dividend paid to related parties.

@ No related party transactions were undertaken during the current year with Ms. Rupal Anant Bhat. Accordingly, dividend is disclosed in the current year solely for comparability purposes.

* Dividend paid has been shown under others, which is less than 10% of overall dividend paid to related parties.

## Note 37 : Related Party Transactions (Contd.)

### Details of transactions with and balances outstanding of Entities Controlled/ Significantly Influenced by Key Managerial Personnel / Close Family Members of Key Managerial Personnel :

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| AR Interact | Issue of gift vouchers under marketing Schemes | **0.01** | **-** | - | (0.00) |
| Addverb Technologies Ltd. | Services Received | **0.02** | **0.03** | 0.01 | 0.03 |
| Ankleshwar Industrial Development Society | Corporate Social Responsibility Expenses | **0.01** | **-** | 0.04 | - |
| | Services Received | **0.06** | **0.00** | 0.15 | (0.01) |
| ELF Trading And Chemical Manufacturing Pvt. Ltd. | Revenue from sale of products & services | **-** | **-** | - | 0.02 |
| | Dividend paid % | **5.28** | **-** | 6.83 | - |
| Hitech Corporation Ltd. | Purchase of goods & services | **437.74** | **105.96** | 428.58 | 106.96 |
| | Reimbursement of expenses received | **0.00** | **-** | - | - |
| Navbharat Packaging Industries Pvt. Ltd. | Purchase of goods | **4.23** | **0.41** | 4.85 | 0.27 |
| Paladin Paints And Chemicals Pvt. Ltd. | Purchase of goods | **-** | **(0.00)** | - | (0.00) |
| Piramal Swasthya Management and Research Institute | Corporate Social Responsibility Expenses | **2.59** | **-** | 2.76 | - |
| Resins and Plastics Ltd. | Purchase of goods | **5.22** | **1.24** | 7.29 | 0.56 |
| Ricinash Renewable Materials Pvt. Ltd. | Purchase of goods | **7.23** | **0.89** | 13.19 | 0.09 |
| Stack Pack Ltd. | Purchase of goods | **16.80** | **1.30** | 13.81 | 2.23 |
| Vikatmev Containers Ltd. | Purchase of goods | **15.24** | **2.40** | 16.20 | 1.44 |
| | Dividend paid | **0.28** | **-** | 0.36 | - |
| Riash Renewable Materials Pvt. Ltd. | Revenue from sale of products & services | **-** | **-** | 1.67 | - |
| Sattva Holding and Trading Pvt. Ltd. | Dividend paid | **137.25** | **-** | 177.52 | - |
| Smiti Holding And Trading Company Pvt. Ltd. | Dividend paid | **129.68** | **-** | 167.73 | - |
| Hydra Trading Pvt. Ltd. | Revenue from sale of products & services | **(0.00)** | **-** | 0.08 | (0.01) |
| Indian Foundation For Quality Management | Subscription Fees | **0.06** | **(0.00)** | - | - |
| Ball Bearing And Machinery Corporation | Purchase of goods | **0.01** | **0.02** | - | - |
| Other entities controlled/significantly influenced by ** | | | | | |
| - KMP/Close Family Members of KMP | Dividend paid | **630.82** | **-** | 794.89 | - |
| - Other Promoter Group | | **107.46** | **-** | 160.01 | - |

% No related party transactions were undertaken during the current year with ELF Trading And Chemical Manufacturing Pvt. Ltd. Accordingly, dividend is disclosed in the current year solely for comparability purposes.

** Dividend paid has been shown under others, which is less than 10% of overall dividend paid to related parties.

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 37 : Related Party Transactions (Contd.)

### Details of transactions with and balances outstanding for Other Entities where significant infuence exist :

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| Asian Paints (I) Limited Employees' Gratuity Fund * | Contributions during the year | **69.19** | **-** | 23.00 | - |
| Asian Paints Office Provident Fund** | Contributions during the year (includes Employees' share and contribution) | **90.78** | **7.46** | 79.44 | 6.86 |
| Asian Paints Factory Employees' Provident Fund** | Contributions during the year (includes Employees' share and contribution) | **54.54** | **5.53** | 49.26 | 4.14 |

*The above does not include the amount that the Company pays to the employees on behalf of Trust which is subsequently reimbursed by the Trust.

** In addition to the above, the company has received NIL (Previous year - ₹ 1.98 crores) from Asian Paints Office Provident Fund and NIL (Previous year - ₹ 1.61 crores) from Asian Paints Factory Employees' Provident Fund towards reimbursement of interim distribution from IL&FS Financial Services Limited Bonds.

All the amounts reported in Note 37 are inclusive of GST wherever applicable.

## Note 38 : Segment Reporting

The Company is primarily engaged in the business of 'Paints and Home Decor'. There is no separate reportable segment as per Ind AS 108 - Operating Segments.

## Note 39 : Corporate Social Responsibility Expenses

A. Gross amount required to be spent by the Company during the year 2025-26 - ₹ 114.65 crores (Previous Year - ₹ 108.75 crores)

B. Amount spent during the year on :

(₹ in Crores)

| | Year 2025-26 | | | Year 2024-25 | | |
|---|---|---|---|---|---|---|
| | In cash* | Yet to be paid in cash | Total | In cash* | Yet to be paid in cash | Total |
| i Construction/Acquisition of any assets | **-** | **-** | **-** | - | - | - |
| ii Purposes other than (i) above | **108.35** | **6.28** | **114.63** | 102.06 | 6.75 | 108.81 |
| | **108.35** | **6.28** | **114.63** | **102.06** | **6.75** | **108.81** |
| C. Related party transactions in relation to Corporate Social Responsibility : | | | **2.61** | | | 2.80 |
| D. Provision movement during the year : | | | **-** | | | - |
| E. Amount earmarked for ongoing project: | | | **-** | | | **-** |

* Represents actual outflow during the year

There is no unspent amount at the end of the year to be deposited in specified fund of Schedule VII under section 135(5) of the Companies Act, 2013.

### F. Details of excess amount spent

(₹ in Crores)

| Details of excess amount spent | Opening Balance | Amount required to be spent during the year | Amount spent during the year | Closing Balance |
|---|---|---|---|---|
| FY 2025-26 | **0.51** | **114.65** | **114.63** | **0.49** |
| FY 2024-25 | 0.45 | 108.75 | 108.81 | 0.51 |

## Note 39 : Corporate Social Responsibility Expenses (Contd.)

### G. Nature of CSR activities undertaken by the Company

The CSR initiatives of the Company aim towards inclusive development of the communities and at the same time ensure environmental protection through a range of structured interventions in the areas of :

(i) creating employability & enhancing the dignity of the painter/ carpenter/ plumber community

(ii) focus on water conservation, replenishment and recharge

(iii) enabling access to quality primary health care services

(iv) disaster relief measures.

## Note 40 : Exceptional Item

(₹ in Crores)

| | | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| 1. | Impairment loss on investment in subsidiary companies (Refer note (a)) | **105.97** | 201.84 |
| 2. | Fair valuation loss on derivative contracts for future stake purchases in subsidiary companies (Refer note (b)) | **-** | 177.79 |
| 3. | Impact of new labour codes (Refer note (c)) | **60.56** | - |
| | | **166.53** | **379.63** |

a) The Company has made an assessment of the recoverable value of investment in its subsidiaries taking into account the past business performance, prevailing business conditions and revised expectations of the future performance.

i. The recoverable value of investment in Obgenix Software Private Limited is the value in use determined as per discounted cash flow method. The discount rate used is 15.4% (Previous year - 15.1%). Accordingly, an impairment provision of ₹ 105.97 crores (Previous year - ₹ 188.88 crores) was Recognised in the Statement of Profit and Loss.

ii. In the previous year, the recoverable value of investment in Weatherseal Fenestration Private Limited reflected the value in use determined as per discounted cash flow method. The discount rate used was 19.9%. Accordingly, an impairment provision of ₹ 12.96 crores was Recognised in the Statement of Profit and Loss in the year ended 31st March 2025.

b) In the year ended 31st March 2025, the Company had, Recognised fair valuation loss on derivative contract for future stake purchase in White teak and Weatherseal of ₹ 167.76 crores and ₹ 10.03 crores respectively in the Statement of Profit and Loss.

c) The Government of India notified the provisions of the four new Labour Codes ("Labour Codes") on 21st November 2025, thereby consolidating twenty-nine existing labour laws into a comprehensive and unified framework. Among other changes, the Labour Codes provide a unified definition of "wages" to be applied across various employee benefit computations. In accordance with Ind AS 19 - Employee Benefits, the Company has recognised one-time expense of ₹ 60.56 crores towards increase in the gratuity liability by ₹ 50.26 crores and increase in the liability towards compensated absences by ₹ 10.30 crores.

# Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 41 : Additional Regulatory Information Required By Schedule III To The Companies Act, 2013

(i) Details of struck off companies with whom the Company has transaction during the year or outstanding balance as on Balance Sheet date :

(₹ in Crores)

| Name of Struck off Company | Nature of transactions with struck off Company | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| K.A.S. Housing Private Limited [1] | Receivables | - | 0.01 |
| Citi Square Modular Industries Private Limited [1] | Receivables | - | 0.09 |
| D.R. Retails Private Limited [1] | Receivables | - | 0.01 |
| Tirupati Suppliers Private Limited [1] | Receivables | - | 0.25 |
| B.F. Fashions Private Limited | Receivables | **0.19** | 0.12 |
| Vanshika Tours And Travels Private Limited [1] | Payables | **(0.01)** | (0.01) |
| Khatushyam Engineers Private Limited [1] | Payables | - | (0.01) |
| Swarna Homes Private Limited | Payables | - | 0.04 |
| Empyrean Consultant Private Limited | Unclaimed Dividend | **0.01** | 0.01 |
| Fairgrowth Financial Services Limited | Unclaimed Dividend | **0.01** | 0.01 |
| Fairgrowth Investments Limited | Unclaimed Dividend | **0.00** | 0.00 |
| Fairtrade Securities Limited | Unclaimed Dividend | **0.00** | 0.00 |
| Kinnari Investments Private Limited | Unclaimed Dividend | **0.01** | 0.01 |
| Mulraj Holdings & Finance Private Limited [1] | Unclaimed Dividend | - | 0.00 |
| Unicon Fincap Private Limited | Unclaimed Dividend | **0.00** | 0.00 |

[1] There were no new transactions with these companies during the year.

Below struck off companies are shareholders holding equity shares of the Company as on balance sheet date :

| Name of Struck off Company | Nature of transactions with struck off Company |
|---|---|
| Shanti Credit And Holdings Private Limited | Shares held by struck off Company |
| Unicon Fincap Private Limited | Shares held by struck off Company |
| Siddha Papers Private Limited | Shares held by struck off Company |
| Fairgrowth Investments Limited | Shares held by struck off Company |
| Fairgrowth Financial Services Limited | Shares held by struck off Company |
| Empyrean Consultant Private Limited | Shares held by struck off Company |
| GAT Enterprises Private Limited | Shares held by struck off Company |
| Fairtrade Securities Limited | Shares held by struck off Company |

None of the above mentioned struck off companies are related party of the Company.

## Note 41 : Additional Regulatory Information Required By Schedule III To The Companies Act, 2013 (Contd.)

**(ii)** The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(iii)** The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

**(iv)** The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

**(v) Utilisation of borrowed funds and share premium**

**I** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

**II** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries

**(vi)** There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

**(vii)** The Company has not traded or invested in crypto currency or virtual currency during the year.

**(viii)** The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

## Note 42 :

During the financial year 2019-20, one of the competitors of the Company had filed a complaint with the CCI alleging that the Company is hindering its entry in the decorative paints market through the abuse of the Company's dominant position. The CCI, following a detailed investigation, had passed a favourable order on 8th September, 2022 dismissing the allegations made by the competitor. The competitor has now filed an appeal against CCI's order before the National Company Law Appellate Tribunal. The said appeal is pending in the NCLAT.

## Note 43 :

The Financial Statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 29th May 2026.

# Independent Auditor's Report

To The Members of Asian Paints Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of Asian Paints Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which includes the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and associates referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, and their consolidated profit, their consolidated total comprehensive income, their Consolidated Cash Flows and their Consolidated Changes in Equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Auditor's Response |
|---|---|
| **Revenue recognition – the Parent (Refer note 1.4 (e) and 23A of the Consolidated Financial Statements)** | |
| Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year. | Our audit procedures with regard to revenue recognition, included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, testing of cut-offs and performing analytical review procedures. |
| **Impairment of goodwill in Consolidated Financial Statements (Refer note 1.4 (d) and Note 4A of the Consolidated Financial Statements)** | |
| The Consolidated Financial Statements reflect goodwill on acquisition / consolidation of ₹ 219.08 crores. Goodwill is tested annually for impairment.<br><br>The Parent and the relevant subsidiaries have estimated the recoverable amount of the Cash Generating Unit (CGU) to which the goodwill is allocable based on Value in Use (ViU).<br><br>The determination of recoverable amount of goodwill based on value in use, involves significant estimates and judgement in determining the assumptions such as Revenue growth, operating margins, and in determining the valuation assumptions relating to discount rates and long-term growth rate applied to estimated future cash flows. | Our audit procedures to the extent the goodwill is recognised in the Standalone Financial Statements of the Parent included as follows :<br><br>We tested the design, implementation and operating effectiveness of controls over Goodwill impairment review, including those over forecast of future cash flows and the selection of the discount rate and long term growth rate.<br><br>We evaluated management's ability to accurately forecast future cashflows by comparing actual results to management's historical forecasts.<br><br>We evaluated the reasonableness of future forecast by comparing the forecast to historical financial performance, internal communication to management and Board of Directors. |
| **Key Audit Matter** | **Auditor's Response** |
| These assumptions are sensitive to reasonable possible changes including economic uncertainties and therefore considered as a key audit matter.<br><br>The key assumptions applied in the impairment reviews are described in note 4A of the Consolidated Financial Statements. | With the assistance of fair value specialists, we evaluated the reasonableness of discount rate and long-term growth rate.<br><br>We also assessed the sensitivity of the recoverable amount to the changes in the key assumptions used.<br><br>To the extent, goodwill relates to the subsidiaries, component auditor has tested the Value in Use calculations for compliance with generally accepted methodologies, evaluated reasonableness of management's estimates of key assumptions (discount rates, growth rates and operating margins) based on historical performance, their knowledge of the CGUs' operations and environment and general economic forecasts, and performed sensitivity analyses to assess the impact of reasonably possible changes in estimates on the recoverable amount of the CGUs. We reviewed the work performed by the component auditors and sought information and explanations from the component auditors, as considered, necessary. |

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report and Business responsibility report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.
- Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

# Independent Auditor's Report (Contd.)

## Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

We did not audit the financial statements / consolidated financial information of 19 subsidiaries, whose financial statements / consolidated financial information reflect total assets of ₹ 3,803.23 crores as at 31st March 2026, total revenues of ₹ 3,384.32 crores and net cash outflows amounting to ₹ 15.69 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 3.60 crores for the year ended 31st March 2026, as considered in the Consolidated Financial Statements, in respect of 2 associates, whose financial statements / consolidated financial information have not been audited by us. These financial statements / Consolidated Financial Statements / consolidated financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements / consolidated financial information of the subsidiaries and associates referred to in the Other Matters section above we report, to the extent applicable that :

   a). We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   b). In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Group and its associates including relevant records so far as it appears from our examination of those books, and the reports of the other auditors.

   c). The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies, associate companies incorporated in India is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11

# Independent Auditor's Report (Contd.)

of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer note 32 to the Consolidated Financial Statements.

ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

iv) (a) The respective Managements of the Parent, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries, and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds have been received by the Parent or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Parent and its associate during the year and until the date of this report is in accordance with section 123 of the Act, as applicable.

The Board of Directors of the Parent (as stated in Note 14) and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable have proposed final dividend for the year which is subject to the approval of the members of the Parent and such associate at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks and based on the other auditor's reports of its subsidiaries and its associates incorporated in India whose financial statements have been audited under the Act, the Parent, its subsidiaries and its associates incorporated in India have used accounting software systems for maintaining their respective books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent, have not come across any instance of the audit trail feature being tampered with. Additionally, where the audit trail (edit log) facility was enabled and operated in the previous year, the audit trail has been preserved by the Parent and above referred subsidiary companies and associate companies incorporated in India as per the statutory requirements for record retention.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. : 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No. 046930
UDIN : 26046930FGARMK6475

Place : Mumbai
Date : May 29, 2026

# Annexure "A" to the Independent Auditor's Report

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as at and for the year ended March 31, 2026, we have audited the internal financial controls with reference to Consolidated Financial Statements of Asian Paints Limited (hereinafter referred to as "the Company" or "Parent") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

## Management's and Board of Directors' Responsibility for Internal Financial Controls

The respective Company's management and Board of Directors of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal control with reference to Consolidated Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India.

## Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to one Associate Company, which is a Company incorporated in India, is based solely on the corresponding report of the auditor of such Company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. : 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No. 046930
UDIN : 26046930FGARMK6475

Place : Mumbai
Date : May 29, 2026

# Consolidated Balance Sheet

as at 31st March 2026

(₹ in Crores)

| Particulars | Notes | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 2A | **7,146.23** | 6,787.62 |
| Right-of-Use Assets | 2B | **2,018.77** | 1,843.72 |
| Capital work-in-progress | 3 | **1,848.67** | 1,254.49 |
| Goodwill | 4A | **219.08** | 219.58 |
| Other Intangible Assets | 4B | **256.20** | 369.18 |
| Investments in Associates | 5 | **656.09** | 608.00 |
| Financial Assets | | | |
| Investments | 5 | **119.82** | 871.79 |
| Trade Receivables | 6 | **5.36** | 8.71 |
| Loans | 7 | **1.57** | - |
| Other Financial Assets | 8 | **1,537.79** | 877.84 |
| Deferred Tax Assets (Net) | 10C | **15.74** | 16.12 |
| Income Tax Assets (Net) | 11 | **248.62** | 221.62 |
| Other Non-Current Assets | 12 | **275.91** | 301.02 |
| | | **14,349.85** | **13,379.69** |
| **Current Assets** | | | |
| Inventories | 13 | **5,743.69** | 6,719.27 |
| Financial Assets | | | |
| Investments | 5 | **6,285.83** | 3,244.96 |
| Trade Receivables | 6 | **4,461.80** | 4,313.65 |
| Cash and Cash Equivalents | 9A | **672.83** | 445.28 |
| Other Balances with Banks | 9B | **400.85** | 336.70 |
| Loans | 7 | **0.46** | - |
| Other Financial Assets | 8 | **1,822.67** | 1,158.11 |
| Other Current Assets | 12 | **796.51** | 773.71 |
| | | **20,184.64** | **16,991.68** |
| **TOTAL ASSETS** | | **34,534.49** | **30,371.37** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 14 | **95.92** | 95.92 |
| Other Equity | 15 | **21,275.67** | 19,303.89 |
| **Equity attributable to owners of the Company** | | **21,371.59** | **19,399.81** |
| Non-Controlling Interests | 15 | **643.39** | 659.24 |
| | | **22,014.98** | **20,059.05** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 16 | **1,247.17** | 259.62 |
| Lease Liabilities | 17 | **1,306.94** | 1,123.30 |
| Other Financial Liabilities | 18 | **113.66** | 79.93 |
| Provisions | 20 | **273.80** | 257.78 |
| Deferred Tax Liabilities (Net) | 10C | **403.26** | 404.91 |
| Other Non-Current Liabilities | 21 | **37.65** | 45.55 |
| | | **3,382.48** | **2,171.09** |



# Consolidated Balance Sheet (Contd.)

as at 31st March 2026

(₹ in Crores)

| Particulars | Notes | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 16 | **1,046.09** | 604.13 |
| Lease Liabilities | 17 | **328.73** | 303.24 |
| Trade Payables | | | |
| Total Outstanding dues of Micro Enterprises and Small Enterprises | 19 | **258.56** | 208.58 |
| Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 19 | **3,604.48** | 3,639.42 |
| Other Financial Liabilities | 18 | **3,044.72** | 2,742.04 |
| Other Current Liabilities | 21 | **457.86** | 450.58 |
| Provisions | 20 | **216.58** | 67.15 |
| Income Tax Liabilities (Net) | 22 | **180.01** | 126.09 |
| | | **9,137.03** | **8,141.23** |
| **TOTAL EQUITY AND LIABILITIES** | | **34,534.49** | **30,371.37** |
| **Material accounting policies and key accounting estimates and judgements** | 1 | | |
| **See accompanying notes to the Consolidated Financial Statements** | 2-44 | | |

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No. : 046930

Mumbai
29th May 2026

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

**R Seshasayee**
Chairman
DIN : 00047985

**Milind Sarwate**
Chairman of Audit Committee
DIN : 00109854

Mumbai
29th May 2026

**Amit Syngle**
Managing Director & CEO
DIN : 07232566

**R J Jeyamurugan**
CFO & Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended 31st March 2026

(₹ in Crores)

| Particulars | Notes | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| **REVENUE FROM OPERATIONS** | | | |
| Revenue from Sale of Products | 23A | **35,416.25** | 33,626.82 |
| Revenue from Sale of Services | 23A | **100.12** | 170.54 |
| Other Operating Revenue | 23A | **67.17** | 108.26 |
| Other Income | 24 | **723.80** | 572.61 |
| **Total Income (I)** | | **36,307.34** | **34,478.23** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 25A | **15,384.05** | 15,793.92 |
| Purchases of Stock-in-Trade | 25B | **4,014.05** | 3,926.86 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 25C | **603.68** | (205.00) |
| Employee Benefits Expense | 26 | **2,799.59** | 2,597.23 |
| Other Expenses | 27 | **6,086.25** | 5,786.40 |
| **Total Expenses (II)** | | **28,887.62** | **27,899.41** |
| **EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)** | | **7,419.72** | **6,578.82** |
| Finance Costs | 28 | **195.41** | 227.02 |
| Depreciation and Amortisation Expense | 29 | **1,228.85** | 1,026.34 |
| **PROFIT BEFORE SHARE OF PROFIT IN ASSOCIATES, EXCEPTIONAL ITEMS AND TAX** | | **5,995.46** | **5,325.46** |
| Share of profit in Associates | 37 | **165.59** | 140.71 |
| **PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX** | | **6,161.05** | **5,466.17** |
| Exceptional Items | 40 | **157.61** | 363.10 |
| **PROFIT BEFORE TAX** | | **6,003.44** | **5,103.07** |
| Tax Expense | 10 | | |
| Current Tax | | **1,523.02** | 1,388.98 |
| Short/(Excess) tax provision for earlier years | | **27.05** | (13.39) |
| Deferred Tax | | **58.68** | 17.77 |
| **Total tax expense** | | **1,608.75** | **1,393.36** |
| **PROFIT AFTER TAX** | | **4,394.69** | **3,709.71** |
| **OTHER COMPREHENSIVE INCOME (OCI)** | | | |
| A. Items that will not be reclassified to Profit or Loss | | | |
| (i) (a) Remeasurement of the defined benefit plans | | **(24.94)** | (2.43) |
| (b) Income tax benefit on remeasurement of defined benefit plans | | **6.17** | 0.16 |
| (ii) (a) Net fair value (loss)/gain on investments in equity instruments through OCI | | **(22.59)** | 273.30 |
| (b) Income tax benefit/(expense) on net fair value gain on investment in equity instruments through OCI | | **3.97** | (42.86) |
| (iii) Share of OCI in Associates | | **(2.77)** | (0.43) |
| B. Items that will be reclassified to Profit or Loss | | | |
| (i) (a) Net fair value (loss)/gain on investment in debt instruments through OCI | | **(18.99)** | 3.67 |
| (b) Income tax benefit/(expense) on net fair value gain on investment in debt instruments through OCI | | **2.72** | (0.96) |
| (ii) (a) Net gain on cash flow hedges | | **8.44** | - |
| (b) Income tax expense on net gain on cash flow hedges | | **(2.12)** | - |
| (iii) Exchange difference arising on translation of foreign operations | | **22.67** | (115.95) |
| (iv) Share of OCI in Associates | | **0.08** | 0.06 |
| **Total Other Comprehensive Income (A+B)** | | **(27.36)** | **114.56** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **4,367.33** | **3,824.27** |

# Consolidated Statement of Profit and Loss (Contd.)

for the year ended 31st March 2026

(₹ in Crores)

| Particulars | Notes | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| **PROFIT FOR THE YEAR ATTRIBUTABLE TO :** | | | |
| - Owners of the Company | | **4,325.35** | 3,667.23 |
| - Non-Controlling interest | | **69.34** | 42.48 |
| | | **4,394.69** | **3,709.71** |
| **OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO :** | | | |
| - Owners of the Company | | **(33.83)** | 153.25 |
| - Non-Controlling interest | | **6.47** | (38.69) |
| | | **(27.36)** | **114.56** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO :** | | | |
| - Owners of the Company | | **4,291.52** | 3,820.48 |
| - Non-Controlling interest | | **75.81** | 3.79 |
| | | **4,367.33** | **3,824.27** |
| Earnings per equity share (Face value of ₹ 1 each) | 31 | | |
| Basic (in ₹) | | **45.12** | 38.25 |
| Diluted (in ₹) | | **45.11** | 38.25 |
| **Material accounting policies and key accounting estimates and judgements** | 1 | | |
| **See accompanying notes to the Consolidated Financial Statements** | 2-44 | | |

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No. : 046930

Mumbai
29th May 2026

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

**R Seshasayee**
Chairman
DIN : 00047985

**Milind Sarwate**
Chairman of Audit Committee
DIN : 00109854

**Amit Syngle**
Managing Director & CEO
DIN : 07232566

**R J Jeyamurugan**
CFO & Company Secretary

Mumbai
29th May 2026

# Consolidated Statement of Changes in Equity

for the year ended 31st March 2026

## A) Equity Share Capital

(₹ in Crores)

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Balance at the beginning of the reporting year (Refer note 14(a))** | **95.92** | 95.92 |
| Changes in Equity Share capital due to prior period errors | **-** | - |
| Restated balance at the beginning of the current reporting period (Refer note 14(a)) | **95.92** | 95.92 |
| Changes in Equity Share capital during the year | **-** | |
| **Balance at the end of the reporting year (Refer note 14(a))** | **95.92** | **95.92** |

## B) Other Equity

(₹ in Crores)

| Particulars | Attributable to owners of the Company | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Reserves and Surplus | | | | | | | | | | | | Items of Other Comprehensive Income (OCI) | | | | | Total attributable to owners of the Company | Non-Controlling Interests | Total |
| | Capital Reserve on Consolidation | Capital Reserve | Capital Redemption Reserve | Statutory Reserves | General Reserve | Retained earnings | Remeasurement of the defined benefit plans | Other Reserves | Share of other reserves in Associates | Share based Payment Reserve | Treasury Shares | Trust reserve | Debt instruments through OCI | Foreign Currency Translation Reserve | Equity instruments through OCI | Share of OCI in Associates | Cash Flow Hedge Reserve | | | |
| **Balance as at 1st April 2024 (A)** | **39.16** | **7.06** | **5.37** | **15.44** | **4,715.75** | **14,037.88** | **(19.25)** | **3.03** | **1.12** | **48.26** | **(110.19)** | **0.97** | **11.29** | **(356.61)** | **235.12** | **(2.02)** | **-** | **18,632.38** | **695.38** | **19,327.76** |
| **Changes during the year :** | | | | | | | | | | | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | 3,667.23 | - | - | - | - | - | - | - | - | - | - | - | 3,667.23 | 42.48 | 3,709.71 |
| Items of OCI for the year, net of tax | | | | | | | | | | | | | | | | | | | | |
| Exchange differences on translating the financial statements of foreign operations | - | - | - | - | - | - | - | - | - | - | - | - | - | (77.33) | - | - | - | (77.33) | (38.62) | (115.95) |
| Remeasurement of the defined benefit plans | - | - | - | - | - | - | (2.20) | - | - | - | - | - | - | - | - | - | - | (2.20) | (0.07) | (2.27) |
| Net fair value gain on investments in equity instruments through OCI | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 230.44 | - | - | 230.44 | - | 230.44 |
| Net fair value gain on investments in debt instruments through OCI | - | - | - | - | - | - | - | - | - | - | - | - | 2.71 | - | - | - | - | 2.71 | - | 2.71 |
| Share of OCI in Associates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (0.37) | - | (0.37) | - | (0.37) |
| **Total Comprehensive Income for the year 2024-25 (B)** | **-** | **-** | **-** | **-** | **-** | **3,667.23** | **(2.20)** | **-** | **-** | **-** | **-** | **-** | **2.71** | **(77.33)** | **230.44** | **(0.37)** | **-** | **3,820.48** | **3.79** | **3,824.27** |
| Dividends (Refer note 14(b)) | - | - | - | - | - | (3,107.91) | - | - | - | - | - | - | - | - | - | - | - | (3,107.91) | (30.71) | (3,138.62) |
| Effect of stake acquired from non-controlling interest | - | - | - | - | - | - | - | (25.43) | - | - | - | - | - | - | - | - | - | (25.43) | (9.22) | (34.65) |
| Equity/other changes in Associates | - | - | - | - | - | - | - | - | 0.02 | - | - | - | - | - | - | - | - | 0.02 | - | 0.02 |
| Share based payment expenses | - | - | - | - | - | - | - | - | - | 21.25 | - | - | - | - | - | - | - | 21.25 | - | 21.25 |
| Net Income of ESOP Trust for the year | - | - | - | - | - | - | - | - | - | - | - | 1.11 | - | - | - | - | - | 1.11 | - | 1.11 |
| Purchase of Treasury shares by ESOP trust during the year | - | - | - | - | - | - | - | - | - | - | (50.08) | - | - | - | - | - | - | (50.08) | - | (50.08) |
| ESOP exercised during the year | - | - | - | - | - | (0.80) | - | - | - | (12.67) | 25.54 | - | - | - | - | - | - | 12.07 | - | 12.07 |
| **Total (C)** | **-** | **-** | **-** | **-** | **-** | **(3,108.71)** | **-** | **(25.43)** | **0.02** | **8.58** | **(24.54)** | **1.11** | **-** | **-** | **-** | **-** | **-** | **(3,148.97)** | **(39.93)** | **(3,188.90)** |
| **Balance as at 31st March 2025 (D) = (A+B+C)** | **39.16** | **7.06** | **5.37** | **15.44** | **4,715.75** | **14,596.40** | **(21.45)** | **(22.40)** | **1.14** | **56.84** | **(134.73)** | **2.08** | **14.00** | **(433.94)** | **465.56** | **(2.39)** | **-** | **19,303.89** | **659.24** | **19,963.13** |



(₹ in Crores)

| Particulars | Attributable to owners of the Company | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Reserves and Surplus | | | | | | | | | | | | Items of Other Comprehensive Income (OCI) | | | | | Total attributable to owners of the Company | Non-Controlling Interests | Total |
| | Capital Reserve on Consolidation | Capital Reserve | Capital Redemption Reserve | Statutory Reserves | General Reserve | Retained earnings | Remeasurement of the defined benefit plans | Other Reserves | Share of other reserves in Associates | Share based Payment Reserve | Treasury Shares | Trust reserve | Debt instruments through OCI | Foreign Currency Translation Reserve | Equity instruments through OCI | Share of OCI in Associates | Cash Flow Hedge Reserve | | | |
| **Changes during the year :** | | | | | | | | | | | | | | | | | | | | |
| **Profit for the year** | - | - | - | - | - | 4,325.35 | - | - | - | - | - | - | - | - | - | - | - | 4,325.35 | 69.34 | 4,394.69 |
| Items of OCI for the year, net of tax | | | | | | | | | | | | | | | | | | | | |
| Exchange differences on translating the financial statements of foreign operations | - | - | - | - | - | - | - | - | - | - | - | - | - | 16.29 | - | - | - | 16.29 | 6.38 | 22.67 |
| Remeasurement of the defined benefit plans | - | - | - | - | - | - | (18.86) | - | - | - | - | - | - | - | - | - | - | (18.86) | 0.09 | (18.77) |
| Net fair value loss on investment in equity instruments through OCI | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (18.62) | - | - | (18.62) | - | (18.62) |
| Net fair value loss on investment in debt instruments through OCI | - | - | - | - | - | - | - | - | - | - | - | - | (16.27) | - | - | - | - | (16.27) | - | (16.27) |
| Net gain on cash flow hedges | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6.32 | 6.32 | - | 6.32 |
| Share of OCI in Associates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (2.69) | - | (2.69) | - | (2.69) |
| **Total Comprehensive Income for the year 2025-26 (E)** | **-** | **-** | **-** | **-** | **-** | **4,325.35** | **(18.86)** | **-** | **-** | **-** | **-** | **-** | **(16.27)** | **16.29** | **(18.62)** | **(2.69)** | **6.32** | **4,291.52** | **75.81** | **4,367.33** |
| Dividends (Refer note 14(b)) | - | - | - | - | - | (2,402.87) | - | - | - | - | - | - | - | - | - | - | - | (2,402.87) | (22.48) | (2,425.35) |
| Amount infused by non-controlling shareholders in subsidiary | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 9.37 | 9.37 |
| Effects of stake acquired from non-controlling interest | - | - | - | - | - | 188.00 | - | (107.97) | - | - | - | - | - | - | - | - | - | 80.03 | (80.03) | - |
| Equity/other changes in Associates | - | - | - | - | - | - | - | - | 0.69 | - | - | - | - | - | - | - | - | 0.69 | - | 0.69 |
| Share based payment expenses | - | - | - | - | - | - | - | - | - | 29.35 | - | - | - | - | - | - | - | 29.35 | - | 29.35 |
| Sweat Equity Shares | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.46 | 5.46 |
| Effects of stake dilution in subsidiary | - | - | - | - | - | - | - | 3.98 | - | - | - | - | - | - | - | - | - | 3.98 | (3.98) | - |
| Net Income of ESOP Trust for the year | - | - | - | - | - | - | - | - | - | - | - | 1.03 | - | - | - | - | - | 1.03 | - | 1.03 |
| Purchase of Treasury shares by ESOP trust during the year | - | - | - | - | - | - | - | - | - | - | (48.63) | - | - | - | - | - | - | (48.63) | - | (48.63) |
| ESOP exercised during the year | - | - | - | - | - | - | - | - | - | (20.42) | 37.10 | - | - | - | - | - | - | 16.68 | - | 16.68 |
| Transfer to Retained Earning from Equity instruments through OCI on sale of equity shares of Akzo Nobel India Limited (Refer note 5) | - | - | - | - | - | 396.24 | - | - | - | - | - | - | - | - | (396.24) | - | - | - | - | - |
| **Total (F)** | **-** | **-** | **-** | **-** | **-** | **(1,818.63)** | **-** | **(103.99)** | **0.69** | **8.93** | **(11.53)** | **1.03** | **-** | **-** | **(396.24)** | **-** | **-** | **(2,319.74)** | **(91.66)** | **(2,411.40)** |
| Balance as at 31st March 2026 (D+E+F) | **39.16** | **7.06** | **5.37** | **15.44** | **4,715.75** | **17,103.12** | **(40.31)** | **(126.39)** | **1.83** | **65.77** | **(146.26)** | **3.11** | **(2.27)** | **(417.65)** | **50.70** | **(5.08)** | **6.32** | **21,275.67** | **643.39** | **21,919.06** |
| **Material accounting policies and key accounting estimates and judgements (Refer note 1)** | | | | | | | | | | | | | | | | | | | | |
| **See accompanying notes to the Consolidated Financial Statements (Refer note 2-44)** | | | | | | | | | | | | | | | | | | | | |

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No. : 046930

Mumbai
29th May 2026

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

**R Seshasayee**
Chairman
DIN : 00047985

**Amit Syngle**
Managing Director & CEO
DIN : 07232566

**Milind Sarwate**
Chairman of Audit Committee
DIN : 00109854

**R J Jeyamurugan**
CFO & Company Secretary

Mumbai
29th May 2026

# Consolidated Statement of Cash Flows

for the year ended 31st March 2026

(₹ in Crores)

| Particulars | | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| **(A)** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | **Profit before tax** | **6,003.44** | **5,103.07** |
| | Adjustments for : | | |
| | Depreciation and amortisation expense | **1,228.85** | 1,026.34 |
| | Interest income | **(180.93)** | (179.84) |
| | Dividend income | **(2.13)** | (20.64) |
| | Finance costs | **195.41** | 227.02 |
| | Allowance for expected credit losses on receivables (trade & others) and advances (net) | **5.70** | 245.18 |
| | Bad debts written off | **121.95** | 6.06 |
| | Deferred income arising from government grant | **(4.08)** | (4.69) |
| | Net unrealised foreign exchange loss/(gain) | **2.94** | (11.06) |
| | Net loss/(gain) on disposal of property, plant and equipment and other intangible assets | **3.81** | (3.37) |
| | Net gain on modification/termination of leases | **(6.87)** | (2.07) |
| | Net gain arising on financial assets measured at fair value through profit or loss (FVTPL) | **(286.50)** | (182.43) |
| | Share based payment expenses | **29.35** | 21.25 |
| | Share of profit in Associates | **(165.59)** | (140.71) |
| | Loss on disposal of subsidiaries | **-** | 83.71 |
| | Fair valuation loss/(gain) on gross obligation towards further stake acquisition | **19.96** | (18.29) |
| | Impairment loss on Goodwill and Intangible assets | **93.87** | 223.25 |
| | Allowance/(Reversal) for expected credit loss on government grants | **70.17** | (1.78) |
| | Effect of exchange rates on translation of operating cashflows | **56.93** | 18.66 |
| | **Operating Profit before working capital changes** | **7,186.28** | **6,389.66** |
| | Adjustments for : | | |
| | (Increase)/Decrease in trade receivables | **(274.01)** | 281.80 |
| | (Increase)/Decrease in financial assets | **(65.31)** | 6.71 |
| | Decrease/(Increase) in inventories | **975.58** | (805.34) |
| | (Increase)/Decrease in other assets | **(86.10)** | 1.71 |
| | Increase/(Decrease) in trade payables | **396.07** | (160.41) |
| | Increase in other financial liabilities | **386.79** | 82.56 |
| | Increase in other liabilities and provisions | **142.70** | 22.79 |
| | **Cash generated from Operating activities** | **8,662.00** | **5,819.48** |
| | Income Tax paid (net of refund) | **(1,573.82)** | (1,395.52) |
| | **Net Cash generated from Operating activities** | **7,088.18** | **4,423.96** |
| **(B)** | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | Purchase of property, plant and equipment and other intangible assets | **(1,467.02)** | (1,805.32) |
| | Sale of property, plant and equipment | **3.20** | 10.10 |
| | Payment for acquiring right-of-use assets | **(20.30)** | (24.75) |
| | Purchase of non-current investments | **(0.10)** | (0.92) |
| | Sale of non-current investments | **923.36** | - |
| | Sale of current investments (net) | **274.03** | 420.65 |
| | (Purchase of)/Proceeds from term deposits (net) | **(1,316.03)** | 196.80 |
| | Proceeds from disposal of subsidiaries (net) | **-** | 38.29 |
| | Loan given to third party | **(2.03)** | - |
| | Interest received | **153.19** | 154.89 |
| | Dividend received from Associate | **115.50** | 115.50 |
| | Dividend received from others | **2.13** | 20.64 |
| | **Net Cash used in Investing activities** | **(1,334.07)** | **(874.12)** |

# Consolidated Statement of Cash Flows (Contd.)

for the year ended 31st March 2026

(₹ in Crores)

| Particulars | | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| **(C)** | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Proceeds from long term borrowings | **993.41** | 219.84 |
| | Repayment of long term borrowings | **(32.43)** | (21.16) |
| | Proceeds from / (Repayment of) short term borrowings (net) | **285.44** | (406.41) |
| | Acceptances (net) | **(419.89)** | 194.74 |
| | Amount infused by non-controlling shareholders in subsidiary | **9.37** | - |
| | Stake acquired from non-controlling interest | **(188.00)** | (34.65) |
| | Repayment of principal portion of lease liabilities | **(339.78)** | (324.62) |
| | Finance costs (including interest on lease liabilities) paid | **(228.33)** | (203.19) |
| | (Purchase) of treasury shares by ESOP Trust/Proceeds from ESOP Trust (net) | **(30.92)** | (36.92) |
| | Dividend paid (including dividend paid to non-controlling shareholders) | **(2,425.38)** | (3,140.21) |
| | **Net Cash used in Financing activities** | **(2,376.51)** | **(3,752.58)** |
| **(D)** | **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]** | **3,377.60** | **(202.74)** |
| | Add : Cash and cash equivalents as at 1st April | **3,357.42** | 3,626.95 |
| | Net effect of exchange gain/(loss) on cash and cash equivalents | **5.84** | (66.79) |
| | **Cash and cash equivalents as at 31st March** | **6,740.86** | **3,357.42** |

**Notes :**

**(a)** The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(₹ in Crores)

| Particulars | | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **(b)** | **Cash and Cash Equivalents comprises of :** | | |
| | Cash on hand | **0.25** | 1.00 |
| | Balances with Banks : | | |
| | - Current Accounts | **270.23** | 260.32 |
| | - Cash Credit Accounts | **15.10** | 33.75 |
| | - Deposits with original maturity of less than 3 months | **301.97** | 99.49 |
| | Cheques, drafts on hand | **85.28** | 50.72 |
| | **Cash and cash equivalents (Refer note 9A)** | **672.83** | **445.28** |
| | Add : Investments in Liquid Mutual Funds (Refer note 5(II)(C)(a)) | **6,273.64** | 3,030.34 |
| | Less : Loan repayable on demand - Cash Credit / Overdraft Accounts (Refer note 16) | **(205.61)** | (118.20) |
| | **Cash and cash equivalents in Consolidated Statement of Cash Flows** | **6,740.86** | **3,357.42** |

# Consolidated Statement of Cash Flows (Contd.)

for the year ended 31st March 2026

**(c) Changes in liabilities arising from financing activities**

(₹ in Crores)

| Particulars | As at 31.03.2025 | Cash Flows | Disposal of subsidiary | Other changes in cash and cash equivalents | Non-cash changes | | | As at 31.03.2026 |
|---|---|---|---|---|---|---|---|---|
| | | | | | Net movement | Fair value changes | Effect of Changes in foreign exchange rates | |
| Borrowings (Refer note 16) | 863.75 | 1,246.42 | - | 82.09 | (1.27) | 3.62 | 98.65 | **2,293.26** |
| Lease Liabilities (Refer note 17) | 1,426.54 | (339.78) | - | - | 526.83 | - | 22.08 | **1,635.67** |
| Other liabilities (Refer note 21) | 34.48 | - | - | - | 1.27 | (4.08) | - | **31.67** |

(₹ in Crores)

| Particulars | As at 31.03.2024 | Cash Flows | Disposal of subsidiary | Other changes in cash and cash equivalents | Non-cash changes | | | As at 31.03.2025 |
|---|---|---|---|---|---|---|---|---|
| | | | | | Net movement | Fair value changes | Effect of Changes in foreign exchange rates | |
| Borrowings (Refer note 16) | 1,107.14 | (207.73) | - | (41.91) | - | 4.51 | 1.74 | **863.75** |
| Lease Liabilities (Refer note 17) | 1,367.24 | (324.62) | (0.02) | - | 382.98 | - | 0.96 | **1,426.54** |
| Other liabilities (Refer note 21) | 39.18 | - | - | - | - | (4.70) | - | **34.48** |

**Material accounting policies and key accounting estimates and judgements (Refer note 1)**

**See accompanying notes to the Consolidated Financial Statements (Refer note 2-44)**

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N : 117366W/W-100018

**Rupen K. Bhatt**
Partner
Membership No. : 046930

Mumbai
29th May 2026

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

**R Seshasayee**
Chairman
DIN : 00047985

**Amit Syngle**
Managing Director & CEO
DIN : 07232566

**Milind Sarwate**
Chairman of Audit Committee
DIN : 00109854

**R J Jeyamurugan**
CFO & Company Secretary

Mumbai
29th May 2026



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2026

## Group's Background

The Consolidated Financial Statements comprise financial statements of Asian Paints Limited ('the Parent' or 'the Parent Company') and its subsidiaries (collectively, 'the Group') and includes share of profit of the Associates for the year ended 31st March 2026.

The Parent is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1913. The registered office of the Parent is located at 6A & 6B, Shantinagar, Santacruz East, Mumbai, India.

The Group is engaged in the business of manufacturing, selling and distribution of paints, coatings, products related to home décor, bath fittings, modular kitchen & accessories, decorative lighting, uPVC doors & windows and providing related services.

## 1. Material Accounting Policies and Key accounting estimates and judgements

Material Accounting Policies :

### 1.1. Basis of preparation of Consolidated Financial Statements

These financial statements are the Consolidated Financial Statements of the Group (also called Consolidated Financial Statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Consolidated Financial Statements.

The Consolidated Financial Statements are presented in Indian Rupees (which is also the functional currency of the Parent Company) and is rounded off to the nearest crores except otherwise indicated. Amounts less than ₹ 50,000 have been presented as "0.00".

### 1.2. Application of New Accounting Pronouncements

The Group has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 with effect from 1st April 2025 :

a. Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments : Disclosures : The amendment requires disclosure of the effects of supplier finance arrangements on the Group's liabilities, cash flows and exposure to liquidity risk. The Group has assessed the impact of such arrangements on the Consolidated Financial Statements and has provided requisite disclosures in accordance with the amendments. These amendments do no have any other impact on the Consolidated Financial Statements.

b. Ind AS 1 – Presentation of Financial Statements : The amendments primarily impacts classification of liabilities. In accordance with the amendments, the requirement of classification of a liability as non-current based on the existence of a right to defer settlement for at least 12 months after the reporting date has been revised to require that such right must exist, with substance, at the end of the reporting period. The amendments also require assessment of compliance with covenants for the purpose of classification of liabilities, along with enhanced disclosures. The Group has assessed the impact of these amendments and has applied the revised requirements for classification of liabilities as current or non-current including compliance with covenants, where applicable. These amendments do not have any other impact on the Consolidated Financial Statements.

c. Ind AS 12 – Income Taxes : The amendment requires disclosure of Pillar Two Income taxes arising pursuant to the introduction of model rules for global minimum tax published by the Organisation for Economic Co-operation and Development ('OECD'). The Group has adopted the requirements pertaining to recognition and disclosure of current and deferred taxes related to income taxes arising on applying the model rules issued by OECD. There is immaterial impact of the amendment on the Consolidated Financial Statements.

### 1.3. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions :

i. the asset/liability is expected to be realised/settled in the Group's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is held primarily for the purpose of trading;

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

iv. the asset/liability is expected to be realised/settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. the liability wherein the Group does not have the right at the end of reporting period to defer its settlement for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

## 1.4. Summary of Material accounting policies

### a) Business combinations

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value except deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at the acquisition date and includes the fair value of any contingent consideration. Contingent consideration (earn out) is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the Consolidated Statement of Profit and Loss.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Group after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The transaction costs, other than costs relating to the issue of equity or debt securities in connection with a business combination are expensed as incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

### b) Property, plant and equipment

***Measurement at recognition :***

An item of property, plant and equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of PPE are carried at their cost less accumulated depreciation and accumulated impairment losses, if any. Item of PPE which reflects significant cost and has different useful life from the remaining part of PPE is recognised as a separate component.

The cost of an item of PPE comprises of its purchase price net of discounts, if any including import duties and other non-refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses like plans, designs, and drawings of buildings or plant and machinery, borrowing cost on qualifying assets, directly attributable to new manufacturing facility during its construction period are capitalised under the relevant head of PPE if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Consolidated Statement of Profit and Loss as and when incurred.

The Group had elected to consider the carrying value of all its PPE appearing in the Consolidated Financial Statements and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1st April 2015.

***Capital work in progress and Capital advances :***

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

***Depreciation :***

Depreciation on each part of an item / component of PPE is provided on pro-rata basis using the Straight-Line Method based on the expected useful life of the asset and is charged to the Consolidated Statement of Profit and Loss account as per the requirement of Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The estimated useful life of items of PPE is mentioned below :

| | Years |
|---|---|
| Factory Buildings | 30 – 60 |
| Buildings (other than factory buildings) | 30 – 61 |
| Plant and Equipment (including continuous process plants)* | 4-21 |
| Scientific research equipment* | 8 |
| Furniture and Fixtures | 5-10 |
| Office Equipment | 4-8 |
| Vehicles* | 4-8 |
| Tinting Systems | 9 |

Freehold land is not depreciated. Leasehold improvements are amortised over the period of the lease.

*The useful life assessed by the Management is different than those indicated in Schedule II of the Companies Act, 2013.

The useful lives, residual values of each part of an item of PPE and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

***Derecognition :***

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PPE is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Consolidated Statement of Profit and Loss when the item is derecognised.

### c) Goodwill and Other Intangible assets

Goodwill acquired in a business combination is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, in accordance with Ind AS 103.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are expensed in the Consolidated Statement of Profit and Loss as incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

The Group had elected to consider the carrying value of all its intangible assets appearing in the Consolidated Financial Statements and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1st April 2015.

***Amortisation :***

Intangible Assets with finite lives are amortised on a Straight Line basis over the estimated useful

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

economic life. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and loss. The estimated useful life of intangible assets is mentioned below :

| | Years |
|---|---|
| Purchase cost, user license fees and consultancy fees for Computer Software (including those used for scientific research) | 4 |
| Acquired Trademark | 5 |
| Others include acquired Dealers network and Non–Compete Fees | 5-20 |

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Goodwill and certain trademark acquired separately have indefinite useful life and are not subjected to amortisation. These are tested for impairment annually and whenever there is an indication that the asset may be impaired.

***Derecognition :***

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

## d) Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units ('CGU's) that are expected to benefit from the combination.

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, pertaining to CGU is first allocated to reduce the carrying amount of goodwill followed by the other assets of the CGU, pro rata based on the carrying amount of each asset forming part of the CGU.

Impairment losses, if any, are recognised in the Consolidated Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses, on assets other than goodwill are reversed in the Consolidated Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## e) Revenue

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services. It is measured at transaction price (net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

***Sale of products :***

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

***Rendering of services :***

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Group uses output method for measurement of revenue from décor services / painting and related services and royalty income as it is based on milestone reached or units delivered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Group.

Advance from customers is recognised under other liabilities and released to revenue on satisfaction of performance obligation.

## f) Government grants and subsidies

***Recognition and Measurement :***

The Group recognises grant as income when there is a reasonable assurance that the Group will comply with all necessary conditions attached to them and the grant will be received in accordance with Ind AS 20, Accounting for government grants and disclosure of government assistance.

The Parent Company is entitled to certain non-refundable subsidies from government in respect of manufacturing units located in specified regions which are measured at amounts receivable from the government.

The Parent Company has received refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received.

Income from such benefits is recognised on a systematic basis over the period in which the related costs that are intended to be compensated by such grants are recognised.

***Presentation :***

Income from the above grants and subsidies are presented under Revenue from Operations.

## g) Inventory

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

Cost of inventory is determined on a weighted average basis. Cost of inventory comprises all costs of purchase, non-refundable duties and taxes, cost of conversion including an appropriate share of fixed and variable production overheads and all other costs incurred in bringing the inventory to their present location and condition.

The Group considers factors like estimated shelf life, product discontinuances and ageing of inventory in determining the provision for slow moving, obsolete and other non-saleable inventory and adjusts the inventory provisions to reflect the recoverable value of inventory.

## h) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

***Financial assets***

**Initial recognition and measurement :**

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

(FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Consolidated Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

**Subsequent measurement :**

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria :

i. The Group's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories :

**i. Financial assets measured at amortised cost**

A financial asset is measured at the amortised cost if both the following conditions are met :

a. The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group (Refer note 30 for further details). Such financial assets are subsequently measured at amortised cost using the effective interest method. The effect of the amortisation under effective interest method is recognised as interest income over the relevant period of the financial asset under other income in the Consolidated Statement of Profit and loss. The amortised cost of a financial asset is also adjusted for loss allowance, if any.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

**A financial asset is measured at FVTOCI if both of the following conditions are met :**

a. The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

This category applies to certain investments in debt instruments (Refer note 30 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income and impairment losses and its reversals in the Consolidated Statement of Profit and loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to Consolidated Statement of Profit and loss.

Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer note 30 for further details). The Group has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in OCI. However, the Group recognises dividend income from such instruments in the Consolidated Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Group and the amount can be measured reliably.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to Consolidated Statement of Profit and loss. However, the Group may transfer such cumulative gain or loss into retained earnings within equity.

**iii. Financial assets measured at fair value through profit or loss (FVTPL)**

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in subsidiary and associate companies (Refer note 30 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Consolidated Statement of Profit and loss.

***Derecognition :***

i. A financial asset is derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Consolidated Statement of Profit and loss.

***Impairment of financial assets :***

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following :

i. Trade receivables

ii. Financial assets measured at amortised cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as (ii) and (iii) above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance.

However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and loss.

***Financial Liabilities***

**Initial recognition and measurement :**

The Group recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Consolidated Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

**Subsequent measurement :**

All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest method (Refer note 30 for further details). The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortisation under effective interest method is recognised as interest expense under finance cost in the Consolidated Statement of Profit and loss.

**Derecognition :**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Consolidated Statement of Profit and loss.

**Offsetting of financial assets and financial liabilities :**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet wherever there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## i) Derivative financial instruments

The Group uses derivative financial instruments, such as forward exchange contracts, currency options contracts and interest rate swaps to hedge its exposure to foreign exchange and interest rate risks relating to foreign currency denominated financial liabilities measured at amortised cost. The Group does not enter into derivative contracts for speculative purposes.

The Group formally establishes a hedge relationship between such derivative contracts ('hedging instrument') and recognised financial liabilities ('hedged item'), wherever the Group applies hedge accounting, through a formal documentation at the inception of the hedge relationship in line with the Group's risk management objective and strategy. The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, Financial Instruments.

The hedge relationships so designated are accounted for in accordance with the accounting principles prescribed under Ind AS 109, Financial Instruments.

***Fair value hedge :***

**Recognition and measurement :**

The Group enters into forward exchange contracts to hedge its foreign exchange risks with the objective to hedge fair value movement of underlying hedged items and thus applies fair value hedge accounting.

Hedging instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognised in the Consolidated Statement of Profit and loss. Hedging instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognised financial liability) is initially recognised at fair value on the date of entering into contractual obligation and is subsequently measured at amortised cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognised in the Consolidated Statement of Profit and loss.

**Derecognition :**

On Derecognition of the hedged item, the unamortised fair value of the hedging instrument adjusted to the hedged item, is recognised in the Statement of Profit and Loss.

***Cash flow hedge :***

**Recognition and measurement :**

The Group enters into currency options and coupon only swaps to hedge cash flows associated with floating interest rate external currency borrowing. The Group designates such derivative instruments as cash flow hedges in accordance with Ind AS 109, where the hedging relationship meets the qualifying criteria and is formally designated and documented at inception.

Derivative instruments designated as cash flow hedges are initially recognised at fair value and are subsequently remeasured at fair value at each reporting date.

The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges is recognised in Other Comprehensive Income and accumulated in the cash flow hedge reserve. The ineffective portion of changes in fair value, if any, is recognised immediately in the Consolidated Statement of Profit and Loss.

Amounts accumulated in the cash flow hedge reserve are reclassified to the Consolidated Statement of Profit and Loss in the period or periods during which the hedged item affects profit or loss.

**Derecognition :**

Cash flow hedge accounting is discontinued when the hedging instrument expires or is terminated, when the hedge no longer meets the qualifying criteria, or when the forecast transaction is no longer expected to occur.

***Other derivatives Instruments :***

The Group also enters into forward contracts to purchase an additional stake in equity capital in some of its investments in subsidiary

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

companies. Such derivatives are recognised in the Balance Sheet when the Group becomes party to contractual provisions of the instrument. These forward contracts are initially recognised at fair value when the contract is entered. Such forward contracts are remeasured at fair value at the end of each reporting period and changes are recognised in Consolidated Statement of Profit and loss.

## j) Fair Value

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy that categorises into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the Consolidated Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period and discloses the same.

## k) Foreign Currency Translation

### *Initial Recognition :*

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

### *Measurement of foreign currency items at reporting date :*

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of foreign exchange translations and settlements during the year are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise except for the difference which are considered as borrowing costs incurred for qualifying asset as explained in Note (t) of this policy

a. Exchange differences arising from foreign currency borrowings relating to the acquisition or construction of qualifying assets are treated as an adjustment to borrowing costs and are capitalised as part of the cost of such assets, to the extent they are regarded as an adjustment to interest costs and

b. Exchange differences on transactions entered to hedge certain foreign currency risks.

### *Translation of financial statements of foreign entities*

On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of Profit and Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after adoption of Ind AS 103, Business Combination, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of adoption of Ind AS 103, Business Combination, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

## l) Income Taxes

Tax expense is the aggregate amount included in the determination of consolidated profit or loss for the period in respect of current tax and deferred tax.

### *Current tax :*

Current tax is the amount of income taxes payable in respect of taxable profit for a period. It includes Pillar Two Income Taxes arising out of implementation of the Pillar Two Model rules published by the Organisation for Economic Co-operation and Development (OECD).

Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with the applicable tax laws. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

### *Deferred tax :*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit in accordance with the applicable tax laws.

Deferred tax assets and liabilities are generally recognised for all deductible and taxable temporary differences respectively. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit or does not give rise to equal taxable and deductible temporary differences, deferred tax assets or liabilities are not recognised. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised. The Group has elected to apply the exception for recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two Income Taxes.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized.

The Group recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent it has a sufficient taxable temporary difference or there is convincing evidence that sufficient taxable profits will be available.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

***Uncertain tax positions :***

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group reflects the effect of uncertainty for each uncertain tax treatment by using one of two methods, the expected value method (the sum of the probability - weighted amounts in a range of possible outcomes) or the most likely amount (single most likely amount method in a range of possible outcomes), depending on which is expected to better predict the resolution of the uncertainty. The Group applies consistent judgements and estimates if an uncertain tax treatment affects both the current and the deferred tax.

***Presentation of current and deferred tax :***

Current and deferred tax are recognised as income or an expense in the Consolidated Statement of Profit and loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognised in Other Comprehensive Income.

The Group offsets tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## m) Provisions and Contingencies

The Group recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources will be required and the amount of outflow can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources or the amount of such outflow cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

## n) Measurement of EBITDA

The Group has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Consolidated Statement of Profit and Loss for the period. The Group measures EBITDA based on consolidated profit/(loss) from continuing operations.

## o) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Consolidated Statement of Cash Flows comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Group's cash management.

## p) Employee Benefits

***Short Term Employee Benefits :***

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period the employee renders the related service.

***Post-Employment Benefits :***

**I. Defined contribution plans :**

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the Consolidated Statement of Profit and Loss in the financial year to which they relate. The Parent Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees. A few Indian Subsidiaries also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

**Recognition and measurement of defined contribution plans :**

The Group recognises contribution payable to a defined contribution plan as an expense in the Consolidated Statement of Profit and Loss when the employees render services. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

**II. Defined benefit plans :**

**i) Provident fund scheme :**

The Parent Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Parent Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Parent Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

**ii) Gratuity scheme :**

The Parent Company, its Indian subsidiaries and some of its foreign subsidiaries operate a gratuity scheme for employees. The contribution is paid to a separate entity (a fund) or to a financial institution, towards meeting the Gratuity obligations.

**iii) Pension and Leaving Indemnity Scheme :**

The Parent Company and some of its foreign subsidiaries operate a pension and leaving indemnity plan for certain specified employees and is payable upon the employee satisfying certain conditions as approved by the Board of Directors.

**iv) Post-Retirement Medical benefit plan :**

The Parent Company and some of its foreign subsidiaries operate a post-retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

**Recognition and measurement of defined benefit plans :**

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognised in the Consolidated Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognised representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/(asset) are recognised in the Consolidated Statement of Profit and loss. Remeasurements of the net defined benefit liability/(asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Consolidated Statement of Profit and Loss in the subsequent periods.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

The Group presents the above liability/ (asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however in case of the Parent entity of the Group, entire liability towards gratuity is considered as current as the Parent entity will contribute this amount to the gratuity fund within the next twelve months.

**Other Long Term Employee Benefits :**

Entitlements to deferred incentives, annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Group determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognised in the Consolidated Statement of Profit and Loss (including actuarial gain and loss).

## q) Share based Payments

The Parent Company operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Parent Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (employee stock option reserve). At the end of each reporting period, the Parent Company revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss such that cumulative expense reflects the revision estimate, with a corresponding adjustments to the employee stock option reserve.

Market-based vesting conditions are reflected in the grant date fair value of the options and are not subsequently adjusted based on actual outcomes of such conditions. The expense is recognised irrespective of whether the market-based vesting conditions are ultimately satisfied, provided the service conditions are fulfilled.

One of the subsidiaries of the Group has entered into an agreement wherein the consideration for services taken will be paid through an equity-settled share-based arrangement upon achievement of the agreed milestones. Such equity-settled share-based payment is measured as per the fair value of the equity instruments granted as the fair value of service received cannot be measured reliably. The fair value of equity settled share based payment is recognised as capital work in progress as the same is related to property, plant and equipment along with a corresponding increase in the equity (Share based Payment Reserve).

## r) Treasury shares

The Group has created an ESOP Trust (Asian Paints Employees Stock Ownership Trust) which acts as a vehicle to execute its ESOP plan. The ESOP trust is considered as an extension of the Parent Company and the shares held by the ESOP trust are treated as Treasury shares. The ESOP Trust purchases Parent Company's share from secondary market for issuance to the employees on exercise of the granted stock options. These shares are recognised at cost and is disclosed separately as reduction from Other Equity as treasury shares. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on purchase, sale, issuance, or cancellation of treasury shares.

## s) Lease accounting Assets taken on lease

The Group mainly has lease arrangements for land and building for offices, warehouse spaces, retail stores, vehicles and others.

The Group assesses whether a contract is or contains a lease, at inception of a contract in accordance with Ind AS 116. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Group has substantially all the economic benefits from the use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term or useful life of the underlying asset if the Group expects to exercise a purchase option in the lease. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, generally discounted using an incremental borrowing rate specific to the Group, term and currency of the contract.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Consolidated Statement of Profit and Loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise ROU assets and lease liabilities for short term leases as well as low value assets and recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## t) Borrowing Cost

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost and hedging costs incurred pertaining to such borrowings.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised, if any. Such borrowing cost is net off any interest income earned on temporary investment of borrowing pending expenditure on qualifying assets. All other borrowing costs are expensed in the period in which they occur.

## u) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

## v) Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Consolidated Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

## w) Investment in associate companies

An associate is an entity over which the Group has significant influence as defined under Ind AS 28, Investments in Associates and Joint Ventures.

The Group's investments in its associate is accounted for using the equity method. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The financial statements of the associate are prepared for the same reporting period as the

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit in an associate' in the Consolidated Statement of Profit and loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in Consolidated Statement of Profit and loss.

### x) Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent Company and its subsidiaries.

The Parent Company consolidates all the entities where control exists as per Ind AS 110, Consolidated Financial Statements from the date control commences until the date control ceases. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including :

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Parent Company's voting rights and potential voting rights,
- The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary. Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31st March.

The Consolidated Financial Statements of the Group have been combined on a line-by-line basis, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profits. Unrealised losses resulting from intra-group transactions are not eliminated unless cost cannot be recovered. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Consolidated Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount at which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Group.

The payments related to forward contracts entered/ options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognised at the estimated present value of gross obligations. Such forward contracts/ options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognised.

### y) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders of the Parent Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

Diluted Earnings per share is calculated by dividing net profit attributable to the equity shareholders of the Parent Company with the weighted average number of shares outstanding during the financial year, adjusted for effects of diluting potential equity shares towards ESOP plan.

### z) Exceptional items :

An ordinary item of income or expense which by its size, nature, occurrence or incidence requires a disclosure in order to improve understanding of the performance of the Group is treated as an exceptional item in the Consolidated Statement of Profit and loss.

## 1.5. Key accounting estimates and judgements

The preparation of the Consolidated Financial Statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

### Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below :

#### *a) Income taxes*

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions (Refer note 10).

#### *b) Business combinations and intangible assets*

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

#### *c) Property, plant and equipment*

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes or a change in market demand of the product or service output of the asset, manufacturers warranties and maintenance support, etc.

#### *d) Impairment of goodwill and other Intangible assets with indefinite life*

Goodwill and other intangible assets with indefinite useful life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins.

Cash flow projections take into account past experience and represent management's best estimate about future developments.

### e) *Defined Benefit Obligation*

The costs of providing pensions and other post-employment benefits are charged to the Consolidated Statement of Profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 33, 'Employee benefits'.

### f) *Share-based payment transactions*

The fair value of employee stock options is measured using the Black-Scholes model and Monte Carlo Model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds). Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 33(3).

### g) *Fair value measurement of financial instruments*

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

### h) *Right-of-use assets and lease liability*

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

## Note 2A : Property, Plant and Equipment

(₹ in Crores)

| | Gross carrying value | | | | | | Depreciation/Amortisation | | | | | | Net carrying value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2025 | Translation Difference | Additions/ Adjustments | Deductions / Adjustments | Disposal of Subsidiaries # | As at 31.03.2026 | As at 01.04.2025 | Translation Difference | Additions Adjustments | Deductions / Adjustments | Disposal of Subsidiaries # | As at 31.03.2026 | As at 31.03.2026 |
| Land^ | 398.17 | 0.43 | - | 0.33 | - | 398.27 | - | - | - | - | - | - | 398.27 |
| Buildings | 2,452.46 | 33.57 | 307.39 | 17.81 | - | 2,775.61 | 490.69 | 3.90 | 82.58 | 17.63 | - | 559.54 | 2,216.07 |
| Plant and Equipment | 7,575.81 | 46.13 | 713.24 | 125.54 | - | 8,209.64 | 3,481.59 | 13.43 | 649.23 | 119.90 | - | 4,024.35 | 4,185.29 |
| Scientific Research : | | | | | | | | | | | | | |
| Buildings | 71.39 | - | - | - | - | 71.39 | 23.29 | - | 2.75 | - | - | 26.04 | 45.35 |
| Equipment | 84.89 | - | 3.16 | 0.99 | - | 87.06 | 66.46 | - | 5.22 | 0.95 | - | 70.73 | 16.33 |
| Leasehold Improvements | 0.31 | - | - | 0.27 | - | 0.04 | 0.18 | - | 0.02 | 0.18 | - | 0.02 | 0.02 |
| Furniture and Fixtures | 203.33 | 2.17 | 16.10 | 5.84 | - | 215.76 | 106.58 | 1.64 | 20.99 | 5.33 | - | 123.88 | 91.88 |
| Vehicles | 25.56 | 0.66 | 1.19 | 0.49 | - | 26.92 | 21.07 | 0.75 | 1.29 | 0.49 | - | 22.62 | 4.30 |
| Office Equipment | 169.05 | 1.95 | 28.37 | 6.75 | - | 192.62 | 101.62 | 1.32 | 22.06 | 6.53 | - | 118.47 | 74.15 |
| Leasehold improvements | 119.92 | 0.07 | 41.56 | 8.47 | - | 153.08 | 22.09 | 0.02 | 25.06 | 8.47 | - | 38.70 | 114.38 |
| Assets Given on Operating Lease : Tinting systems | 2.09 | 0.08 | - | 0.01 | - | 2.16 | 1.79 | 0.07 | 0.12 | 0.01 | - | 1.97 | 0.19 |
| **Total** | **11,102.98** | **85.06** | **1,111.01** | **166.50** | **-** | **12,132.55** | **4,315.36** | **21.13** | **809.32** | **159.49** | **-** | **4,986.32** | **7,146.23** |

(₹ in Crores)

| | Gross carrying value | | | | | | Depreciation/Amortisation | | | | | | Net carrying value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2024 | Translation Difference | Additions/ Adjustments | Deductions / Adjustments | Disposal of Subsidiaries # | As at 31.03.2025 | As at 01.04.2024 | Translation Difference | Additions Adjustments | Deductions / Adjustments | Disposal of Subsidiaries # | As at 31.03.2025 | As at 31.03.2025 |
| Land^ | 444.57 | 0.10 | 14.94 | - | 61.44 | 398.17 | - | - | - | - | - | - | 398.17 |
| Buildings | 1,854.21 | (13.10) | 658.90 | 14.00 | 33.55 | 2,452.46 | 444.25 | (3.64) | 69.30 | 11.99 | 7.23 | 490.69 | 1,961.77 |
| Plant and Equipment | 5,421.51 | (11.28) | 2,247.74 | 24.06 | 58.10 | 7,575.81 | 3,044.54 | (4.98) | 495.20 | 23.56 | 29.61 | 3,481.59 | 4,094.22 |
| Scientific Research : | | | | | | | | | | | | | |
| Buildings | 71.39 | - | - | - | - | 71.39 | 20.55 | - | 2.74 | - | - | 23.29 | 48.10 |
| Equipment | 81.81 | - | 3.08 | - | - | 84.89 | 60.81 | - | 5.65 | - | - | 66.46 | 18.43 |
| Leasehold Improvements | 0.31 | - | - | - | - | 0.31 | 0.15 | - | 0.03 | - | - | 0.18 | 0.13 |
| Furniture and Fixtures | 175.17 | (0.23) | 36.44 | 7.11 | 0.94 | 203.33 | 93.86 | (0.12) | 19.50 | 5.75 | 0.91 | 106.58 | 96.75 |
| Vehicles | 27.11 | (3.31) | 1.93 | 0.17 | - | 25.56 | 21.44 | (1.79) | 1.59 | 0.17 | - | 21.07 | 4.49 |
| Office Equipment | 144.70 | (1.01) | 44.24 | 12.27 | 6.61 | 169.05 | 100.53 | (0.58) | 16.79 | 9.45 | 5.67 | 101.62 | 67.43 |
| Leasehold improvements | 27.44 | 0.01 | 92.90 | 0.43 | - | 119.92 | 16.43 | 0.01 | 6.10 | 0.45 | - | 22.09 | 97.83 |
| Assets Given on Operating Lease : Tinting systems | 3.68 | 0.11 | - | 1.70 | - | 2.09 | 3.14 | 0.10 | 0.18 | 1.63 | - | 1.79 | 0.30 |
| **Total** | **8,251.90** | **(28.71)** | **3,100.17** | **59.74** | **160.64** | **11,102.98** | **3,805.70** | **(11.00)** | **617.08** | **53.00** | **43.42** | **4,315.36** | **6,787.62** |

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 32 (b).

^ Includes leasehold land of ₹ 4.56 crores in Parent Company which is not being amortised as the Parent Company has an option to convert it into freehold on payment of a nominal amount.

As at 31st March 2026, ₹ 771.43 crores (Previous year - ₹ 174.10 crores) was hypothecated as security for borrowings.

#Refer note 42 (d)

## Note 2B : Right-of-Use Assets

(₹ in Crores)

| Movement in net carrying amount | Year 2025-26 | | | | | | Year 2024-25 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Leasehold Land | Buildings | Plant and Equipment | Office Equipment | Vehicles | Total | Leasehold Land | Buildings | Plant and Equipment | Office Equipment | Vehicles | Total |
| **Balance as at 1st April** | **636.92** | **1,198.29** | **0.07** | **0.01** | **8.43** | **1,843.72** | **670.45** | **1,177.20** | **0.10** | **0.02** | **8.50** | **1,856.27** |
| Additions | **174.38** | **418.33** | **-** | **0.06** | **15.12** | **607.89** | 17.84 | 416.99 | - | - | 4.85 | 439.68 |
| Depreciation | **17.90** | **377.11** | **0.01** | **0.01** | **5.51** | **400.54** | 15.23 | 365.34 | 0.03 | 0.01 | 4.88 | 385.49 |
| Deletions / Adjustments | **4.68** | **47.66** | **0.06** | **-** | **1.49** | **53.89** | 30.00 | 28.20 | - | - | 0.14 | 58.34 |
| Disposal of Subsidiaries # | **-** | **-** | **-** | **-** | **-** | **-** | - | 0.17 | - | - | 0.02 | 0.19 |
| Translation difference | **17.09** | **3.43** | **-** | **-** | **1.07** | **21.59** | (6.14) | (2.19) | - | - | 0.12 | (8.21) |
| **Balance as at 31st March** | **805.81** | **1,195.28** | **-** | **0.06** | **17.62** | **2,018.77** | **636.92** | **1,198.29** | **0.07** | **0.01** | **8.43** | **1,843.72** |

For additions and movement in lease liabilities, Refer note 17. The amount of contractual commitments for the Right-of-Use Assets is disclosed in Note 32(b).

As at 31st March 2026, ₹ 70.28 crores (Previous year- Nil) was hypothecated as security for borrowings.

# Refer note 42 (d)

## Note 3 : Capital Work-in-Progress

### Capital Work-In-Progress (CWIP) ageing schedule

(₹ in Crores)

| CWIP | Amount in CWIP for a period of | | | | As at 31.03.2026 |
|---|---|---|---|---|---|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 1,253.83 | 460.70 | 84.60 | 49.54 | **1,848.67** |
| Projects temporarily suspended | - | - | - | - | **-** |

(₹ in Crores)

| CWIP | Amount in CWIP for a period of | | | | As at 31.03.2025 |
|---|---|---|---|---|---|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 998.21 | 170.74 | 48.89 | 36.65 | 1,254.49 |
| Projects temporarily suspended | - | - | - | - | - |

As at 31st March 2026, ₹ 1,446.56 crores (Previous year- ₹ 374.39 crores) was hypothecated as security for borrowings.

### CWIP assets where completion is overdue and/or cost has exceeded its original plan

(₹ in Crores)

| CWIP | To be completed in | | | | As at 31.03.2026 |
|---|---|---|---|---|---|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Manufacturing facility for Vinyl Acetate Ethylene Emulsion (VAE) and Vinyl Acetate Monomer (VAM) | 676.16 | - | 770.40 | - | **1,446.56** |
| Asian Paints Headquarter Building | - | 40.90 | - | - | **40.90** |
| Manufacturing facility at Ankleshwar Plant - 2 | - | - | - | 11.49 | **11.49** |

There were no CWIP assets where completion was overdue against original planned timelines or where estimated cost exceeds its original value as on 31st March 2025.

## Note 4 : Intangible Assets

(₹ in Crores)

| | Gross carrying value | | | | | | Amortisation | | | | | | Impairment | | | | | | Net carrying value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2025 | Translation Difference | Additions Adjustments | Deductions / Adjustments | Disposal of Subsidiaries # | As at 31.03.2026 | As at 01.04.2025 | Translation Difference | Additions/ Adjustments | Deductions / Adjustments | Disposal of Subsidiaries # | As at 31.03.2026 | As at 01.04.2025 | Translation Difference | Additions/ Adjustments* | Deductions / Adjustments | Disposal of Subsidiaries # | As at 31.03.2026 | As at 31.03.2026 |
| **4A. GOODWILL (Refer note 1 below)** | | | | | | | | | | | | | | | | | | | |
| Goodwill on Consolidation | 454.52 | 5.30 | - | - | - | **459.82** | - | - | - | - | - | **-** | 282.22 | 5.80 | - | - | - | **288.02** | **171.80** |
| Goodwill acquired separately | 47.28 | - | - | - | - | **47.28** | - | - | - | - | - | **-** | - | - | - | - | - | **-** | **47.28** |
| **Total (4A)** | **501.80** | **5.30** | **-** | **-** | **-** | **507.10** | **-** | **-** | **-** | **-** | **-** | **-** | **282.22** | **5.80** | **-** | **-** | **-** | **288.02** | **219.08** |
| **4B. OTHER INTANGIBLE ASSETS (acquired separately)** | | | | | | | | | | | | | | | | | | | |
| Brand (Refer note 2 below) | 318.38 | 0.73 | - | - | - | **319.11** | - | - | - | - | - | **-** | 36.45 | - | 93.87 | - | - | **130.32** | **188.79** |
| Trademark | 6.39 | - | - | - | - | **6.39** | 5.32 | - | 1.07 | - | - | **6.39** | - | - | - | - | - | **-** | **-** |
| Computer Software | 248.77 | 0.80 | 5.86 | 1.44 | - | **253.99** | 207.04 | 0.68 | 20.03 | 1.44 | - | **226.31** | - | - | - | - | - | **-** | **27.68** |
| Others | 76.14 | 1.95 | - | - | - | **78.09** | 31.85 | 0.73 | 5.86 | - | - | **38.44** | - | - | - | - | - | **-** | **39.65** |
| Scientific Research : | | | | | | | | | | | | | | | | | | | |
| Computer Software | 0.51 | - | - | 0.01 | - | **0.50** | 0.35 | - | 0.08 | 0.01 | - | **0.42** | - | - | - | - | - | **-** | **0.08** |
| **Total (4B)** | **650.19** | **3.48** | **5.86** | **1.45** | **-** | **658.08** | **244.56** | **1.41** | **27.04** | **1.45** | **-** | **271.56** | **36.45** | **-** | **93.87** | **-** | **-** | **130.32** | **256.20** |
| **Total (4A+4B)** | **1,151.99** | **8.78** | **5.86** | **1.45** | **-** | **1,165.18** | **244.56** | **1.41** | **27.04** | **1.45** | **-** | **271.56** | **318.67** | **5.80** | **93.87** | **-** | **-** | **418.34** | **475.28** |

(₹ in Crores)

| | Gross carrying value | | | | | | Amortisation | | | | | | Impairment | | | | | | Net carrying value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2024 | Translation Difference | Additions Adjustments | Deductions / Adjustments | Disposal of Subsidiaries # | As at 31.03.2025 | As at 01.04.2024 | Translation Difference | Additions/ Adjustments | Deductions / Adjustments | Disposal of Subsidiaries # | As at 31.03.2025 | As at 01.04.2024 | Translation Difference | Additions/ Adjustments* | Deductions / Adjustments | Disposal of Subsidiaries # | As at 31.03.2025 | As at 31.03.2025 |
| **4A. GOODWILL (Refer note 1 below)** | | | | | | | | | | | | | | | | | | | |
| Goodwill on Consolidation | 465.78 | (11.26) | - | - | - | 454.52 | - | - | - | - | - | - | 93.87 | 1.55 | 186.80 | - | - | 282.22 | 172.30 |
| Goodwill acquired separately | 47.28 | - | - | - | - | 47.28 | - | - | - | - | - | - | - | - | - | - | - | - | 47.28 |
| **Total (4A)** | **513.06** | **(11.26)** | **-** | **-** | **-** | **501.80** | **-** | **-** | **-** | **-** | **-** | **-** | **93.87** | **1.55** | **186.80** | **-** | **-** | **282.22** | **219.58** |
| **4B. OTHER INTANGIBLE ASSETS (acquired separately)** | | | | | | | | | | | | | | | | | | | |
| Brand (Refer note 2 below) | 330.85 | (12.47) | - | - | - | 318.38 | - | - | - | - | - | - | - | - | 36.45 | - | - | 36.45 | 281.93 |
| Trademark | 6.39 | - | - | - | - | 6.39 | 4.23 | - | 1.09 | - | - | 5.32 | - | - | - | - | - | - | 1.07 |
| Computer Software | 238.47 | (0.35) | 25.16 | 13.57 | 0.94 | 248.77 | 197.67 | (0.22) | 23.96 | 13.57 | 0.80 | 207.04 | - | - | - | - | - | - | 41.73 |
| Others | 77.96 | (1.82) | - | - | - | 76.14 | 27.06 | (1.16) | 5.95 | - | - | 31.85 | - | - | - | - | - | - | 44.29 |
| Scientific Research: | | | | | | | | | | | | | | | | | | | |
| Computer Software | 0.51 | - | - | - | - | 0.51 | 0.26 | - | 0.09 | - | - | 0.35 | - | - | - | - | - | - | 0.16 |
| **Total (4B)** | **654.18** | **(14.64)** | **25.16** | **13.57** | **0.94** | **650.19** | **229.22** | **(1.38)** | **31.09** | **13.57** | **0.80** | **244.56** | **-** | **-** | **36.45** | **-** | **-** | **36.45** | **369.18** |
| **Total (4A+4B)** | **1,167.24** | **(25.90)** | **25.16** | **13.57** | **0.94** | **1,151.99** | **229.22** | **(1.38)** | **31.09** | **13.57** | **0.80** | **244.56** | **93.87** | **1.55** | **223.25** | **-** | **-** | **318.67** | **588.76** |

The amount of contractual commitments for the acquisition of intangible assets is disclosed in Note 32 (b).

* Refer note 2 below.

# Refer note 42 (d).

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 4 : Intangible Assets (Contd.)

### 1. Goodwill :

. 'Goodwill' acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows :

(₹ in Crores)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Goodwill on Consolidation** | | |
| Berger Paints Emirates LLC | **3.67** | 3.22 |
| Kadisco Paint and Adhesive Industry Share Company | **11.70** | 13.00 |
| Asian Paints (Vanuatu) Limited | **1.21** | 1.09 |
| Asian Paints (South Pacific) Pte Limited | **2.48** | 2.23 |
| SCIB Chemicals, S.A.E. | **15.87** | 14.31 |
| Causeway Paints Lanka (Pvt) Ltd (Refer note 40) | **32.08** | 33.66 |
| Asian Paints International Private Limited | **75.83** | 75.83 |
| Weatherseal Fenestration Private Limited | **11.09** | 11.09 |
| Harind Chemicals and Pharmaceuticals Private Limited | **17.87** | 17.87 |
| **Goodwill acquired separately** | | |
| Asian Paints Limited (Bath Fittings Business) | **35.36** | 35.36 |
| Asian Paints Limited (Kitchen and Components Business) | **11.92** | 11.92 |
| **Total** | **219.08** | **219.58** |

**Impairment Assessment of Goodwill/Intangibles (with indefinite useful life) :**

The recoverable amounts of all the CGUs are determined as per value-in-use calculations which uses cashflow projections based on the financial budgets approved by the management covering a five to seven years period (Previous year : five to eight years). The Group believes this to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows.

**Key Assumptions used for value in use are as follows :**

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Period considered for cash flow projections by management under Value-in-use method | **5 years to 7 years** | 5 years to 8 years |
| Compounded average net sales growth rate (CAGR) | **3.3% - 42.7%** | 4.9% - 42.7% |
| Terminal Growth Rate | **2.0% - 9.4%** | 2.0% - 13.3% |
| Discount Rate | **10.9% - 28.2%** | 11.4% - 34.9% |

Taking into account the business performance, prevailing business conditions and revised expectations of the future performance, the Group has recognised impairment loss of ₹ 93.87 crores in respect of Intangibles (Refer note 1) recognised on acquisition of Obgenix Software Private Limited. The carrying value (Parent share) of the CGU is ₹ 14.00 crores (includes intangibles with indefinite useful life of ₹ 85.38 crores) and recoverable amount is ₹ 34.70 crores determined based on its value-in-use.

The same has been disclosed as an exceptional item in Note 40.

## Note 4 : Intangible Assets (Contd.)

### 1. Goodwill (Contd.) :

As at 31st March 2026, changes to each of the key assumptions will lead to additional impairment as follows :

| Intangibles on Consolidation | Assumption | Current Assumption | Change in Assumption | Additional impairment (₹ in Crores) |
|---|---|---|---|---|
| Obgenix Software Private Limited | Discount rate | 15.4% | 1% increase | 17.90 |
| Obgenix Software Private Limited | Compounded average net sales growth rate (CAGR) | 17.1% | 1% decrease | 34.30 |

For other CGUs, management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

**Discount rates -** Management estimates discount rates using post-tax rates that reflect current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and its operating segments and is derived from its weighted average cost of capital (WACC).

**Growth rates -** The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on demand condition. The weighted average growth rates used are consistent with industry reports.

### 2. Brand :

'Brand' includes brands acquired pursuant to acquisition of subsidiaries. These have indefinite useful life as the registration of these brands can be renewed indefinitely and management assessed that they will continue to generate future cash flows for the Group indefinitely. Accordingly, the same is not amortised and is tested for impairment annually (Refer note 1). The breakup of Brand is as follows :

(₹ in Crores)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| 'WhiteTeak' Brand (Refer note 1) | **85.38** | 179.25 |
| 'Weatherseal' Brand | **16.53** | 16.53 |
| 'Causeway' Brand | **47.36** | 45.40 |
| 'Kadisco' Brand | **10.77** | 12.00 |
| 'Sleek' Brand | **28.75** | 28.75 |
| **Total** | **188.79** | **281.93** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 5 : Investments

| | Face value (₹) | As at 31.03.2026 Nos. | As at 31.03.2026 ₹ in Crores | As at 31.03.2025 Nos. | As at 31.03.2025 ₹ in Crores |
|---|---|---|---|---|---|
| **I. NON-CURRENT INVESTMENTS** | | | | | |
| **A. Investments in Equity Instruments** | | | | | |
| **(a) Quoted equity shares measured at FVTOCI** | | | | | |
| Akzo Nobel India Limited$ | 10 | - | - | 20,10,626 | 723.43 |
| HDFC Bank Limited* | 1 | **15,62,400** | **114.31** | 7,81,200 | 142.82 |
| Apcotex Industries Limited | 2 | **34,180** | **1.07** | 34,180 | 1.14 |
| **Total Investment in Quoted equity shares** | | | **115.38** | | **867.39** |
| **(b) Unquoted equity shares** | | | | | |
| **(i) Associate Companies (accounted as per equity method, Refer note 37)** | | | | | |
| PPG Asian Paints Private Limited | 10 | **2,85,18,112** | **656.09** | 2,85,18,112 | 608.00 |
| | | | **656.09** | | **608.00** |
| **(ii) Other equity shares measured at FVTPL** | | | | | |
| Pattancheru Enviro-tech Limited | 10 | **12,900** | **0.01** | 12,900 | 0.01 |
| Cuddalore SIPCOT Common Utilities Limited | 100 | **2,830** | **0.03** | 2,830 | 0.03 |
| Narmada Clean Tech Limited | 10 | **4,97,833** | **0.49** | 4,97,833 | 0.49 |
| SKH Metals Limited | 10 | **62,500** | **0.50** | 62,500 | 0.50 |
| Amplus RJ Solar Private Limited | 10 | **8,50,000** | **0.85** | 8,50,000 | 0.85 |
| BEIL Infrastructure Limited | 10 | **5,600** | **0.01** | 5,600 | 0.01 |
| Paints and Coatings Skill Council | 25,000 | **20** | **0.05** | 10 | 0.03 |
| Saraswat Co-operative Bank [₹ 25,000/- (As at 31st March 2025 - ₹ 25,000)] | 10 | **2,500** | **0.00** | 2,500 | 0.00 |
| | | | **1.94** | | **1.92** |
| **Total Investment in Unquoted equity shares (i+ii)** | | | **658.03** | | **609.92** |
| **Total Investments in Equity Instruments (a+b)** | **A** | | **773.41** | | **1,477.31** |
| **B. Investments in Unquoted Government securities measured at amortised cost** | | | | | |
| National Savings & Defence Certificates [₹ 39,500/- (As at 31st March 2025 - ₹ 39,500)] | **B** | | **0.00** | | 0.00 |
| **C. Investments in Debentures or Bonds** | | | | | |
| **a) Investments in Unquoted Debentures or Bonds measured at amortised cost** | | | | | |
| 7.50% Ethiopian Renaissance Dam Bond | | **13** | **0.50** | 12 | 0.48 |
| **Total Investment in Unquoted Debentures or Bonds** | | | **0.50** | | **0.48** |
| **b) Investments in Unquoted Debentures or Bonds measured at FVTOCI** | | | | | |
| **Redeemable and Non-Convertible** | | | | | |
| 5.25% Bond of Indian Railway Finance Corporation Limited - Series VII 54EC | 10,000 | **500** | **0.50** | 500 | 0.50 |
| 5.00% Bond of Rural Electrification Corporation Limited - Series XVI 54EC 31AG27 | 10,000 | **500** | **0.50** | 500 | 0.50 |
| 5.00% Bond of Rural Electrification Corporation Limited - Series XVI 54EC 31MY27 | 10,000 | **500** | **0.50** | 500 | 0.50 |
| 5.25% Bond of Power Finance Corporation Limited - Series VIII | 10,000 | **500** | **0.50** | 500 | 0.50 |
| | | | **2.00** | | **2.00** |
| **Total Investments in Debentures or Bonds (a + b)** | **C** | | **2.50** | | **2.48** |
| **Total Non-Current Investments (A+B+C)** | | | **775.91** | | **1,479.79** |
| **Total Investments in Associate Companies** | | | **656.09** | | **608.00** |
| **Total Investments in Other entities** | | | **119.82** | | **871.79** |
| Aggregate amount of quoted investments - At cost | | | **0.13** | | 41.43 |
| Aggregate amount of quoted investments - At market value | | | **115.37** | | 867.39 |
| Aggregate amount of unquoted investments | | | **660.54** | | 612.40 |

$ During the year 20,10,626 shares were sold at net cash consideration of ₹ 729.42 crores and at a gain of ₹ 637.45 crores (net of tax of ₹ 50.67 crores) as a normal business transaction.

* During the year, HDFC Bank Limited issued bonus equity shares in the ratio of 1:1

## Note 5 : Investments (Contd.)

| | Face value (₹) | As at 31.03.2026 Nos. | As at 31.03.2026 ₹ in Crores | As at 31.03.2025 Nos. | As at 31.03.2025 ₹ in Crores |
|---|---|---|---|---|---|
| **II. CURRENT INVESTMENTS** | | | | | |
| **A. Investment in Government securities measured at amortised cost** | | | | | |
| (a) Investments in quoted Government securities (with original maturity of more than 3 months) | | **6** | **12.11** | - | - |
| **Total Investment in Government securities measured at amortised cost** | **A** | | **12.11** | | **-** |
| **B. Investments in Debentures or Bonds** | | | | | |
| **(a) Investments in Unquoted Debentures or Bonds measured at amortised cost** | | | | | |
| 8.00% Ethiopian Renaissance Dam Bond | | **-** | **-** | 2 | 0.21 |
| 7.50% Ethiopian Renaissance Dam Bond | | **2** | **0.08** | - | - |
| **Total Investments in Debentures or Bonds measured at amortised cost** | | | **0.08** | | **0.21** |
| **(b) Investments in Debentures or Bonds measured at FVTOCI** | | | | | |
| **(i) Quoted Debentures or Bonds** | | | | | |
| **Redeemable and Non-Convertible** | | | | | |
| Zero Coupon Debentures of LIC Housing Finance Limited - Tranche 416 | 10,00,000 | **-** | **-** | 450 | 54.48 |
| Zero Coupon Debentures of Kotak Mahindra Investments Limited - Series III 29JN26 | 10,00,000 | **-** | **-** | 600 | 56.41 |
| Zero Coupon Debentures of HDB Financial Services Limited - Series 2022 A/0(ZC)/186_ Option 1 | 10,00,000 | **-** | **-** | 450 | 54.48 |
| 7.14% Bond of National Highway Authority of India - Series IA | 1,000 | **-** | **-** | 1,42,849 | 14.46 |
| 7.11% Bond of Power Finance Corporation Limited - Series 1A | 1,000 | **-** | **-** | 51,341 | 5.18 |
| 7.11% Bond of National Thermal Power Corporation Limited - Series 1A | 1,000 | **-** | **-** | 62,457 | 6.30 |
| 7.07% Bond of Indian Railway Finance Corporation Limited - Series 102nd | 1,000 | **-** | **-** | 2,26,500 | 22.60 |
| | | | **-** | | **213.91** |
| **(ii) Unquoted Debentures or Bonds** | | | | | |
| **Redeemable and Non-Convertible** | | | | | |
| 5.00% Bond of Indian Railway Finance Corporation Limited - Series IV | 10,000 | **-** | **-** | 500 | 0.50 |
| | | | **-** | | **0.50** |
| **Total Investments in Debentures or Bonds measured at FVTOCI (i + ii)** | | | **-** | | **214.41** |
| **Total Investments in Debentures or Bonds (a + b)** | **B** | | **0.08** | | **214.62** |
| **C. Investments in Quoted Mutual Funds measured at FVTPL** | | | | | |
| **(a) Investments in Liquid Mutual Funds** | | | | | |
| UTI Liquid Fund (Formerly UTI Liquid Cash Plan) - Direct Plan | | **9,41,614** | **425.33** | 6,68,185 | 284.06 |
| UTI Money Market Fund - Regular Growth Plan | | **10,728** | **3.46** | 10,728 | 3.24 |
| Other Mutual Funds | | **-** | **5,844.85** | - | 2,743.04 |
| | | | **6,273.64** | | **3,030.34** |
| **Total Investments in Quoted Mutual Funds measured at FVTPL** | **C** | | **6,273.64** | | **3,030.34** |
| **Total Current Investments (A+B+C)** | | | **6,285.83** | | **3,244.96** |
| **Aggregate amount of quoted investments - At cost** | | | **5,870.88** | | 2,962.18 |
| **Aggregate amount of quoted investments - At market value** | | | **6,285.75** | | 3,244.27 |
| **Aggregate amount of unquoted investments** | | | **0.08** | | 0.71 |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 6 : Trade Receivables

(₹ in Crores)

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **Trade receivables** | | | | |
| (a) Secured, considered good | - | - | 0.42 | 0.12 |
| (b) Unsecured, considered good* | 5.36 | 8.71 | 4,476.85 | 4,410.12 |
| (c) Unsecured, credit impaired | - | - | 664.57 | 566.00 |
| | 5.36 | 8.71 | 5,141.84 | 4,976.24 |
| Less : Allowance for expected credit loss (includes credit impaired) (Refer note 30(C)(2)) | - | - | (680.04) | (662.59) |
| **Total** | 5.36 | 8.71 | 4,461.80 | 4,313.65 |

* Trade Receivables includes dues from associate (Refer note 34)

As at 31st March 2026 , ₹ 67.38 crores (Previous year - ₹ 63.22 crores) was hypothecated as security for borrowings.

### Trade Receivables ageing schedule

(₹ in Crores)

| | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | | As at 31.03.2026 |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade receivables** | | | | | | | | |
| (a) Undisputed, considered good | 1.56 | 3,784.63 | 641.14 | 55.30 | - | - | - | 4,482.63 |
| (b) Undisputed, credit impaired | - | 5.54 | 2.93 | 52.40 | 158.63 | 93.86 | 162.84 | 476.20 |
| (c) Disputed, considered good | - | - | - | - | - | - | - | - |
| (d) Disputed, credit impaired | - | 1.40 | 3.91 | 9.60 | 88.42 | 32.53 | 52.51 | 188.37 |
| | 1.56 | 3,791.57 | 647.98 | 117.30 | 247.05 | 126.39 | 215.35 | 5,147.20 |
| Less : Allowance for expected credit loss (includes credit impaired) | | | | | | | | (680.04) |
| **Total** | | | | | | | | 4,467.16 |

(₹ in Crores)

| | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | | As at 31.03.2025 |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade receivables** | | | | | | | | |
| (a) Undisputed, considered good | 4.50 | 3,293.60 | 953.18 | 166.89 | 0.46 | 0.22 | 0.10 | 4,418.95 |
| (b) Undisputed, credit impaired | - | 1.35 | 5.17 | 52.63 | 173.50 | 116.64 | 149.42 | 498.71 |
| (c) Disputed, considered good | - | - | - | - | - | - | - | - |
| (d) Disputed, credit impaired | - | 0.21 | 0.94 | 7.67 | 7.90 | 8.91 | 41.66 | 67.29 |
| | 4.50 | 3,295.16 | 959.29 | 227.19 | 181.86 | 125.77 | 191.18 | 4,984.95 |
| Less : Allowance for expected credit loss (includes credit impaired) | | | | | | | | (662.59) |
| **Total** | | | | | | | | 4,322.36 |

## Note 7 : Loans

(₹ in Crores)

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **Secured, considered good** | | | | |
| Loan to third party | 1.57 | - | 0.46 | - |
| **Total** | 1.57 | - | 0.46 | - |

## Note 8 : Other Financial Assets*

(₹ in Crores)

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **Unsecured & considered good** | | | | |
| Security deposits (net) | 126.45 | 88.24 | 20.51 | 14.88 |
| Royalty receivable | - | - | 0.49 | 0.40 |
| Due from Associate Companies (Refer note 34) | - | - | 2.96 | 3.91 |
| Subsidy receivable from Governments (net)^ | 233.61 | 325.99 | 172.77 | 176.46 |
| Term deposits held as margin money against bank guarantee and other commitments | 0.51 | 0.68 | 4.19 | 2.82 |
| Term deposits with more than 12 months of original maturity^^ | 1,153.20 | 458.13 | 1,285.45 | 713.38 |
| Interest accrued on investments in debentures or bonds measured at FVTOCI | - | - | 0.07 | 20.14 |
| Quantity discount receivable | 0.19 | - | 321.38 | 220.81 |
| Foreign currency forward exchange contract (net) | - | - | 11.47 | - |
| Retention monies receivable from Customers | 4.14 | 4.80 | 0.53 | 0.59 |
| Derivative Asset towards External Commercial Borrowing (Refer note 30(b)) | 18.84 | - | - | - |
| Other receivables (net) | 0.85 | - | 2.85 | 4.72 |
| **Total** | 1,537.79 | 877.84 | 1,822.67 | 1,158.11 |

* Refer note 30(C) for information about credit risk of other financial assets.

^ Current and Non-Current portion of subsidy receivable from state governments is net of allowance for expected credit loss amounting to ₹ 3.45 crores (Previous Year - ₹ 6.68 crores) and ₹ 80.19 crores (Previous Year - ₹ 7.11 crores) respectively. (Refer note 30(C)(2)).

^^ Fixed deposits in one of the subsidiary amounting to ₹ 1.81 crores (Previous Year - ₹ 3.97 crores) have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 9 : Cash and Bank Balances

(₹ in Crores)

| | | Current | |
|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 |
| **(A)** | **Cash and Cash Equivalents** | | |
| (i) | Balances with Banks | | |
| (a) | Current Accounts | **270.23** | 260.32 |
| (b) | Cash Credit Accounts[&] | **15.10** | 33.75 |
| (c) | Deposits with original maturity of less than 3 months^ | **301.97** | 99.49 |
| (ii) | Cheques, drafts on hand | **85.28** | 50.72 |
| (iii) | Cash on hand | **0.25** | 1.00 |
| **Total** | | **672.83** | **445.28** |
| **(B)** | **Other Balances with Banks** | | |
| (i) | Term deposits with original maturity of more than 3 months but less than 12 months | **357.53** | 288.55 |
| (ii) | Unpaid dividend and sales proceeds of Fractional Bonus Shares account* | **40.76** | 40.07 |
| (iii) | Earmarked balances with banks | **2.56** | 8.08 |
| **Total** | | **400.85** | **336.70** |

[&] The borrowings carry an interest rate of 8.40% p.a. - 8.90% p.a (Previous year - 9.00% p.a. - 9.40% p.a.).
Borrowings in certain subsidiaries is secured by hypothecation of building, plant and machinery, inventories, trade receivables, and other current assets.

^ Fixed deposits in one of the subsidiary have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary - as on 31st March 2026 - Nil (Previous Year - ₹ 0.63 crores).

*The Group can utilise these balances only towards settlement of unclaimed dividend and fractional bonus shares.

## Note 10 : Income Taxes

### A. The Major Components of Income Tax Expense for the year are as under :

(₹ in Crores)

| | | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| **(i)** | **Income tax recognised in Profit or Loss** | | |
| | **Current tax expense :** | | |
| | In respect of current year | **1,523.02** | 1,388.98 |
| | In respect of short/(excess) tax provision for earlier years | **27.05** | (13.39) |
| | **Deferred tax expense :** | | |
| | In respect of current year | **58.68** | 17.77 |
| | **Total** | **1,608.75** | **1,393.36** |
| | | | |
| **(ii)** | **Income tax recognised in OCI** | | |
| | **Current tax :** | | |
| | Income Tax expense on sale of investments in equity instruments through OCI | **50.67** | - |
| | **Deferred tax :** | | |
| | Income tax (benefit) on remeasurements of the defined benefit plans | **(6.17)** | (0.16) |
| | Income tax (benefit)/expense on net fair value gain on investments in equity instruments through OCI | **(54.64)** | 42.86 |
| | Income tax (benefit)/expense on net fair value gain on investments in debt instruments through OCI | **(2.72)** | 0.96 |
| | Income tax expense on net gain on cash flow hedges | **2.12** | - |
| | **Total** | **(10.74)** | **43.66** |

## Note 10 : Income Taxes (Contd.)

### B. Reconciliation of Tax Expense and Effective Tax Rate :

The reconciliation between the statutory income tax rate applicable to the Group and the effective income tax rate of the Group and the resultant tax expense is as follows :

| | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|
| | ₹ in Crores | Rate | ₹ in Crores | Rate |
| **Profit before Share of Profit in Associates (after exceptional items)** | **5,837.85** | | **4,962.36** | |
| Income tax expense calculated at corporate tax rate | **1,469.27** | **25.17%** | 1,248.93 | 25.17% |
| **Tax effect of :** | | | | |
| Non-deductible expenses | **93.01** | **1.59%** | 144.96 | 2.92% |
| Incentive tax credits | **(1.25)** | **-0.02%** | (0.58) | -0.01% |
| Income taxed at special rates | **(0.93)** | **-0.02%** | (3.62) | -0.07% |
| Income exempted from tax | **(1.27)** | **-0.02%** | (6.09) | -0.12% |
| Different tax rates in the components | **(10.03)** | **-0.17%** | (8.77) | -0.18% |
| Deferred tax on undistributed profits (including effect of change in tax rate) | **9.01** | **0.15%** | 5.83 | 0.12% |
| Deferred tax asset not recognised | **32.58** | **0.56%** | 18.26 | 0.37% |
| Others | **(8.69)** | **-0.15%** | 7.83 | 0.16% |
| **Total** | **1,581.70** | **27.09%** | **1,406.75** | **28.35%** |
| Short/(Excess) tax provision for earlier years | **27.05** | **0.46%** | (13.39) | -0.27% |
| **Tax expense as per Consolidated Statement of Profit and Loss** | **1,608.75** | **27.56%** | **1,393.36** | **28.08%** |

The tax rate used for reconciliation above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under Indian tax law.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 10 : Income Taxes (Contd.)

C. The major components of Deferred Tax (Liabilities)/Assets arising on account of timing differences are as follows :

**As at 31st March 2026**

(₹ in Crores)

| | Balance Sheet | | Profit and loss | OCI | Balance Sheet | |
|---|---|---|---|---|---|---|
| | Deferred Tax Liabilities - Net | Deferred Tax Assets - Net | | | Deferred Tax Liabilities -Net | Deferred Tax Assets - Net |
| | 01.04.2025 | 01.04.2025 | 2025-26 | 2025-26 | 31.03.2026 | 31.03.2026 |
| Difference between written down value/ capital work in progress of fixed assets as per the books of accounts and income tax | (296.44) | (4.68) | **(0.40)** | **-** | **(301.15)** | **(1.73)** |
| Provision for expense allowed for tax purpose on payment basis (net) | 54.45 | 2.71 | **1.32** | **-** | **55.32** | **3.16** |
| Provision for expected credit losses and fair valuation of subsidy receivable from state governments | 19.38 | - | **10.88** | **-** | **30.26** | **-** |
| Allowance for expected credit losses on trade receivables | 24.78 | - | **(20.49)** | **-** | **4.29** | **-** |
| Remeasurement of the defined benefit plans | 10.92 | 1.45 | **0.23** | **6.17** | **17.64** | **1.17** |
| Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI | (2.71) | - | **-** | **2.72** | **0.01** | **-** |
| Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI | (58.58) | (0.14) | **0.73** | **54.64** | **(3.35)** | **-** |
| Difference in carrying value and tax base of investments measured at FVTPL | (64.54) | - | **(40.09)** | **-** | **(104.37)** | **(0.25)** |
| Business losses carried forward under Income Tax | - | - | **0.38** | **-** | **-** | **0.41** |
| Undistributed profits of subsidiaries/ associates | (141.74) | - | **(8.56)** | **-** | **(150.75)** | **-** |
| Difference in Right-of-use asset and lease liabilities | 36.39 | 12.63 | **2.60** | **-** | **40.46** | **11.01** |
| Income tax expense on net gain on cash flow hedges | - | - | **-** | **(2.12)** | **(2.12)** | **-** |
| Others | 13.18 | 4.15 | **(5.28)** | **-** | **10.50** | **1.97** |
| **Deferred tax (expense)/benefit** | | | **(58.68)** | **61.41** | | |
| Currency translation loss and other adjustments | - | - | **-** | **(1.46)** | **-** | **-** |
| **Net Deferred tax (liabilities)/assets** | **(404.91)** | **16.12** | | | **(403.26)** | **15.74** |



## Note 10 : Income Taxes (Contd.)

C. The major components of Deferred Tax (Liabilities)/Assets arising on account of timing differences are as follows (Contd.) :

**As at 31st March 2025**

(₹ in Crores)

| | Balance Sheet | | Profit and loss | OCI | Balance Sheet | |
|---|---|---|---|---|---|---|
| | Deferred Tax Liabilities -Net | Deferred Tax Assets - Net | | | Deferred Tax Liabilities -Net | Deferred Tax Assets - Net |
| | 01.04.2024 | 01.04.2024 | 2024-25 | 2024-25 | 31.03.2025 | 31.03.2025 |
| Difference between written down value/ capital work in progress of fixed assets as per the books of accounts and income tax | (266.09) | (2.15) | (38.50) | - | (296.44) | (4.68) |
| Provision for expense allowed for tax purpose on payment basis (net) | 34.89 | 2.26 | 19.97 | 0.03 | 54.45 | 2.71 |
| Provision for expected credit losses and fair valuation of subsidy receivable from state governments | 18.35 | - | 1.03 | - | 19.38 | - |
| Allowance for expected credit losses on trade receivables | - | - | 24.78 | - | 24.78 | - |
| Remeasurement of the defined benefit plans | 10.66 | 1.60 | 0.33 | 0.13 | 10.92 | 1.45 |
| Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI | (1.74) | - | (0.01) | (0.96) | (2.71) | - |
| Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI | (15.44) | (0.10) | (0.40) | (42.86) | (58.58) | (0.14) |
| Difference in carrying value and tax base of investments measured at FVTPL | (42.72) | - | (21.75) | - | (64.54) | - |
| Business losses carried forward under Income Tax | 0.82 | 0.10 | (0.91) | - | - | - |
| Undistributed profits of subsidiaries/ associates | (134.24) | - | (7.43) | - | (141.74) | - |
| Difference in Right-of-use asset and lease liabilities | 30.51 | 15.11 | 3.41 | - | 36.39 | 12.63 |
| Others | 12.83 | 6.50 | 1.71 | - | 13.18 | 4.15 |
| **Deferred tax expense** | | | **(17.77)** | **(43.66)** | | |
| Currency translation gain and other adjustments | - | - | - | 1.48 | - | - |
| **Net Deferred tax (liabilities)/assets** | **(352.17)** | **23.32** | | | **(404.91)** | **16.12** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 10 : Income Taxes (Contd.)

D. The Group has the following unused tax losses which arose on incurrence of capital losses and business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet.

**As at 31st March 2026**

(₹ in Crores)

| Financial Year | Category | 31.03.2026 | Expiry Date |
|---|---|---|---|
| 2011-2012 | Depreciation | **0.16** | NA |
| 2012-2013 | Depreciation | **0.47** | NA |
| 2013-2014 | Depreciation | **0.37** | NA |
| 2014-2015 | Depreciation | **0.33** | NA |
| 2015-2016 | Depreciation | **0.28** | NA |
| 2016-2017 | Depreciation | **0.24** | NA |
| 2017-2018 | Business loss | **0.80** | 31st March 2026 |
| 2017-2018 | Depreciation | **0.21** | NA |
| 2018-2019 | Depreciation | **0.19** | NA |
| 2018-2019 | Business loss | **0.06** | 31st March 2027 |
| 2022-2023 | Business loss | **1.93** | 31st March 2031 |
| 2022-2023 | Depreciation | **3.55** | NA |
| 2023-2024 | Business loss | **0.41** | 31st March 2032 |
| 2023-2024 | Business loss | **7.77** | 31st March 2032 |
| 2023-2024 | Depreciation | **3.13** | NA |
| 2024-2025 | Business loss | **24.40** | 31st March 2033 |
| 2024-2025 | Depreciation | **3.08** | NA |
| 2024-2025 | Business loss | **32.26** | 31st March 2033 |
| 2024-2025 | Depreciation | **3.51** | NA |
| 2024-2025 | Business loss | **0.13** | 31st March 2033 |
| 2025-2026 | Business loss | **21.15** | 31st March 2034 |
| 2025-2026 | Depreciation | **2.57** | NA |
| 2025-2026 | Business loss | **0.04** | 31st March 2034 |
| 2025-2026 | Depreciation | **0.07** | NA |
| 2025-2026 | Business loss | **43.85** | 31st March 2034 |
| 2025-2026 | Depreciation | **3.39** | NA |



## Note 10 : Income Taxes (Contd.)

D. The Group has the following unused tax losses which arose on incurrence of capital losses and business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet (Contd.).

**As at 31st March 2025**

(₹ in Crores)

| Financial Year | Category | 31.03.2025 | Expiry Date |
|---|---|---|---|
| 2011-2012 | Depreciation | 0.16 | NA |
| 2012-2013 | Depreciation | 0.47 | NA |
| 2013-2014 | Depreciation | 0.37 | NA |
| 2014-2015 | Depreciation | 0.33 | NA |
| 2015-2016 | Depreciation | 0.28 | NA |
| 2016-2017 | Business loss | 1.30 | 31st March 2025 |
| 2016-2017 | Depreciation | 0.24 | NA |
| 2017-2018 | Business loss | 0.80 | 31st March 2026 |
| 2017-2018 | Depreciation | 0.21 | NA |
| 2018-2019 | Depreciation | 0.19 | NA |
| 2018-2019 | Business loss | 0.06 | 31st March 2027 |
| 2022-2023 | Business loss | 1.93 | 31st March 2031 |
| 2022-2023 | Depreciation | 3.55 | NA |
| 2023-2024 | Business loss | 0.41 | 31st March 2032 |
| 2023-2024 | Business loss | 7.77 | 31st March 2032 |
| 2023-2024 | Depreciation | 3.13 | NA |
| 2024-2025 | Business loss | 27.80 | 31st March 2033 |
| 2024-2025 | Depreciation | 2.99 | NA |
| 2024-2025 | Business loss | 32.29 | 31st March 2033 |
| 2024-2025 | Depreciation | 3.55 | NA |

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is ₹ 902.31 crores (Previous year - ₹ 756.39 crores). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding Company and it has no intention to distribute the earnings of the subsidiaries.

## E. Pillar Two Income Taxes

The Organisation for Economic Co-operation and Development ('OECD') has published the model rules for global minimum tax (Pillar Two legislation). As per the provisions of Pillar Two legislation, the Group's Ultimate parent entity ('UPE') has consolidated revenues exceeding the threshold prescribed under the OECD framework. Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions where the Group operates. Based on the current assessment, the Group does not expect a material financial impact from the application of the Pillar Two legislation on its Consolidated Financial Statements.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 11 : Income Tax Assets (Net)

(₹ in Crores)

| | Non Current | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| Advance payment of Income Tax (net) | **248.62** | 221.62 |
| **Total** | **248.62** | **221.62** |

## Note 12 : Other Assets

(₹ in Crores)

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **(a) Capital advances** | **86.11** | 174.52 | **-** | - |
| **(b) Advances other than capital advances** | | | | |
| i) Advances/claims recoverable in cash or in kind | **51.33** | 52.97 | **316.97** | 312.03 |
| ii) Balances with government authorities | **133.72** | 56.88 | **452.14** | 401.21 |
| iii) Advances to employees | **4.75** | 7.57 | **23.50** | 18.29 |
| iv) Duty credit entitlement | **-** | - | **2.74** | 4.02 |
| | **189.80** | **117.42** | **795.35** | **735.55** |
| **(c) Other receivables** | **-** | 9.08 | **0.73** | 32.05 |
| **(d) Contract assets (net)** | **-** | - | **0.01** | 6.11 |
| **(e) Employee benefits assets (Refer note 33)** | **-** | - | **0.42** | - |
| **Total** | **275.91** | **301.02** | **796.51** | **773.71** |

## Note 13 : Inventories (At lower of cost and net realisable value)

(₹ in Crores)

| | Current | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| (a) Raw materials | **1,940.60** | 2,238.83 |
| Raw materials-in-transit | **549.23** | 609.42 |
| | **2,489.83** | **2,848.25** |
| (b) Packing materials | **101.72** | 91.61 |
| (c) Work-in-progress | **200.61** | 207.48 |
| (d) Finished goods | **1,585.82** | 2,468.96 |
| (e) Stock-in-trade (acquired for trading) | **1,198.28** | 932.65 |
| Stock-in-trade (acquired for trading) in-transit | **68.91** | 48.21 |
| | **1,267.19** | **980.86** |
| (f) Stores, spares and consumables | **98.38** | 121.36 |
| Stores, spares and consumables-in-transit | **0.14** | 0.75 |
| | **98.52** | **122.11** |
| **Total** | **5,743.69** | **6,719.27** |

The cost of inventories recognised as an expense during the year is disclosed in Note 25. It includes net expense of ₹ 57.68 crores (Previous year - ₹ 13.35 crores) towards write down of inventory.

As at 31st March 2026, ₹ 256.07 crores (Previous year - ₹ 207.37 crores) was hypothecated as security for Borrowings.

## Note 14 : Equity Share Capital

(₹ in Crores)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Authorised** | | |
| 13,99,50,00,000 (Previous year - 99,50,00,000) Equity Shares of face value of ₹ 1 each* | **1,399.50** | 99.50 |
| 50,000 11% Redeemable Cumulative Preference shares of face value of ₹ 100 each | **0.50** | 0.50 |
| | **1,400.00** | **100.00** |
| **Issued, Subscribed and Paid up capital** | | |
| 95,91,97,790 Equity Shares of face value of ₹ 1 each fully paid | **95.92** | 95.92 |
| | **95.92** | **95.92** |

* During the year, the authorised share capital of the Parent Company increased by ₹ 1,300 crores on account of giving effect to the Scheme of Amalgamation of Asian Paints (Polymers) Private Limited ("APPPL") and the Company with effect from 31st March 2026.

### a) Reconciliation of shares outstanding at the beginning and at the end of the year

| Fully paid Equity Shares | As at 31.03.2026 | | As at 31.03.2025 | |
|---|---|---|---|---|
| | No. of Equity Shares | ₹ in Crores | No. of Equity Shares | ₹ in Crores |
| **Balance at the beginning of the reporting year** | **95,91,97,790** | **95.92** | 95,91,97,790 | 95.92 |
| Changes in Equity Share capital due to prior period errors | **-** | **-** | - | - |
| Restated balance at the beginning of the current reporting period | **95,91,97,790** | **95.92** | 95,91,97,790 | 95.92 |
| Changes in Equity Share capital during the year | **-** | **-** | - | - |
| **Balance at the end of the reporting year** | **95,91,97,790** | **95.92** | **95,91,97,790** | **95.92** |

### b) Terms/rights attached to equity shares

The Parent Company has only one class of shares referred to as equity shares having a face value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

The Parent Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(₹ in Crores)

| Particulars | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Dividend paid during the year** | | |
| Final dividend [₹ 20.55 (Previous year - ₹ 28.15) per equity share of face value of ₹ 1 each ] | **1,971.21** | 2,700.20 |
| Interim dividend [₹ 4.50 (Previous year - ₹ 4.25) per equity share of face value of ₹ 1 each] | **431.66** | 407.71 |
| | **2,402.87** | **3,107.91** |

Proposed dividend for FY 2025-26 is ₹ 23.00 per equity share of face value of ₹ 1 each amounting to ₹ 2206.15 crores (Previous year - ₹ 20.55 per equity share of face value of ₹ 1 each), subject to approval at the ensuing Annual General Meeting of the Parent Company and hence is not recognised as a liability. If approved, the total dividend (interim and final dividend) for the financial year 2025-26 will be ₹ 27.50 (Rupees Twenty Seven and Paisa Fifty only) per equity share of the face value of ₹ 1 each (₹ 24.80 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year)

As per the Companies Act 2013, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts in the event of liquidation of the Parent Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 14 : Equity Share Capital (Contd.)

### c) Details of Shareholders holding more than 5% equity shares in the Parent Company@

| Name of the Shareholders | As at 31.03.2026 | | As at 31.03.2025 | |
|---|---|---|---|---|
| | No. of Equity Shares | % of Total shares | No. of Equity Shares | % of Total shares |
| **Fully paid Equity Shares of face value of ₹ 1 each held by :** | | | | |
| 1. Life Insurance Corporation of India | **7,78,22,006** | **8.11%** | 7,94,75,946 | 8.29% |
| 2. Sattva Holding and Trading Private Limited | **5,47,89,183** | **5.71%** | 5,47,89,183 | 5.71% |
| 3. Smiti Holding and Trading Company Private Limited | **5,14,42,638** | **5.36%** | 5,17,67,638 | 5.40% |
| 4. SBI Mutual Fund | **4,98,85,007** | **5.20%** | 1,45,04,965 | 1.51% |

@ As per the records of the Parent Company, including its register of members.

### d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year.

Refer note 12 (d) of Standalone Financial Statements for disclosure on shares held by promoters of the Parent Company..

### e) Reconciliation of Treasury shares outstanding at the beginning and at the end of the year

| Treasury shares | As at 31.03.2026 | | As at 31.03.2025 | |
|---|---|---|---|---|
| | No. of Equity Shares | ₹ in Crores | No. of Equity Shares | ₹ in Crores |
| **Balance at the beginning of the year** | **4,54,666** | **134.73** | 3,55,575 | 110.19 |
| Add : Purchased during the year | **2,09,299** | **48.63** | 1,74,336 | 50.03 |
| Less : Exercised/Sold during the year | **1,10,470** | **37.10** | 75,245 | 25.49 |
| **Balance at the end of the year** | **5,53,495** | **146.26** | **4,54,666** | **134.73** |

In accordance with Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"), the ESOP Trust (Asian Paints Employees Stock Ownership Trust) purchased equity shares of the Parent Company from secondary market. The net outstanding shares held by the ESOP Trust are disclosed as Treasury Shares (Refer note 33(3)).

## Note 15 : Other Equity

(₹ in Crores)

| | Attributable to owners of the Company | | | |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 15 : Other Equity (Contd.)

(₹ in Crores)

| | Attributable to owners of the Company | | |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 15 : Other Equity (Contd.)

### 1. Description of nature and purpose of each reserve (Contd.)

**Treasury shares -**This represents cost incurred by the Parent Company to purchase its own equity shares from secondary market through the Parent Company's ESOP trust for issuing the shares to the eligible employees on exercise of stock options granted under the 2021 Plan.

**Trust Reserve -** This represents net income of ESOP Trust.

**Debt instruments through OCI -**This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at FVTOCI that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off and for impairment losses on such instruments.

**Foreign Currency Translation Reserve -** Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

**Equity instruments through OCI -** This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at FVTOCI, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

**Share of OCI in Associate -** This reserve represents the share of OCI recognised in the books of PPGAP, Associate Company of the Group.

**Cash Flow Hedge Reserve -** This represents cumulative effective portion of cashflow hedges wherever the Parent Company applies cash flow hedge accounting. The amount recognised in the other comprehensive income is net of amounts reclassified to profit or loss to the extent of ineffective portion and when the hedged transaction affects the profit and loss.

2. The Group doesn't have any material subsidiary warranting a disclosure in respect of individual subsidiaries.

## Note 16 : Borrowings^

(₹ in Crores)

| | | Maturity Date | Terms of Repayment | Interest Rate Current Year / (Previous Year) | Non-Current | | Current | |
|---|---|---|---|---|---|---|---|---|
| | | | | | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **I. NON-CURRENT BORROWINGS** | | | | | | | | |
| **Secured** | | | | | | | | |
| **(i) Term Loans from Government** | | | | | | | | |
| **Deferred payment liabilities :** | | | | | | | | |
| - | Loan from State of Haryana[1] | Apr-27 to Mar-31 | One time payment at the end of the term of each drawdown | NA | **6.44** | 3.04 | **-** | 1.96 |
| - | Loan from State of Karnataka[2] | Mar-34 | One time payment at the end of the term | NA | **37.08** | 34.21 | **-** | - |
| | | | | | **43.52** | **37.25** | **-** | **1.96** |
| **(ii) Term Loans - From banks** | | | | | | | | |
| - | Loan from Standard Chartered Bank, Bangladesh[3] | Aug-27 | Equal Quarterly Instalments | NA / (T-Bill + 2.76%) | **-** | 7.12 | **-** | 4.74 |
| - | Loan from Hongkong and Shanghai Banking Corporation Limited (HSBC), India[4] | Jul-26 to Jan-28 | Equal Quarterly Instalments | NA / (T- Bill + 2.15%) | **-** | 7.80 | **-** | 9.20 |
| - | Loan from HSBC, Middle East[5] | Jun-26 to Mar-32 | Equal Quarterly Instalments | EIBOR + 1.40% / (EIBOR + 1.40%) | **199.82** | 101.72 | **10.52** | - |
| - | Loan from HSBC, Hong Kong[5] | Jun-26 to Mar-32 | Equal Quarterly Instalments | SOFR+1.40% / (SOFR+1.40%) | **159.77** | 102.48 | **8.41** | - |
| - | Loan form ICICI Bank, India[6] | Dec-25 to Mar-29 | Equal Quarterly Instalments (Pending instalments - 8) | REPO + 2.40% / (REPO + 2.60%) | **3.00** | 3.25 | **2.00** | - |
| - | Loan form ICICI Bank, India[6] | Jun-27 to Dec-29 | Equal Quarterly Instalments | REPO + 2.85% / (NA) | **0.50** | - | **-** | - |
| - | Loan form ICICI Bank, India[7] | Nov-26 to Jul-29 | Equal Quarterly Instalments | REPO + 2.80% / (NA) | **35.14** | - | **4.38** | - |
| - | External Commercial Borrowing from Sumitomo Mitsui Banking Corporation[8] | Jun-30 to Dec-30 | One time payment at the end of the term of each drawdown | JPY TONAR+ 0.90% / (NA) | **741.42** | - | **-** | - |
| - | Loan from State Bank of India[8] | Mar-29 to Jun-35 | Equal quaterly instalments | T-Bill + 1.40% / (NA) | **64.00** | - | **-** | - |
| | | | | | **1,203.65** | **222.37** | **25.31** | **13.94** |
| **Current maturities of Long term borrowings** | | | | | | | | |
| Secured | | | | | **-** | - | **(25.31)** | (15.90) |
| Unsecured | | | | | **-** | - | **-** | - |
| **Total** | | | | | **1,247.17** | **259.62** | **-** | **-** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 16 : Borrowings^ (Contd.)

**Notes :**

Interest free borrowings are recognised at fair value using prevailing market interest rate for equivalent borrowing. The difference between the gross proceeds and fair value of the borrowing is the benefit derived from the interest free borrowing and is treated as government grant and recognised as deferred income (Refer note 21).

[1] The Parent Company is eligible to avail interest free borrowing in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April 2010. As on 31st March 2026, the Parent Company has received total interest free borrowing of ₹ 44.97 crores for the period from April 2010 to March 2016. As on 31st March 2026, the Parent Company has repaid borrowing of ₹ 37.01 crores (Previous year - ₹ 35.06 crores). This borrowing is repayable after a period of 5 years from the date of receipt of interest free borrowing. For the year ended 31st March 2016 we have received partial sanction and for 31st March 2017, the Parent Company is awaiting sanction from the Haryana Government.

[2] The Parent Company is eligible to avail interest free borrowing for a period of 11 years in respect of 100% of Net SGST (upto the value of investment made in Fixed Asset) paid on the sale of goods within the state of Karnataka and produced at Mysuru plant beginning from 28th September 2018. The borrowing is repayable after a period of 11 years from the date of receipt of borrowing. As on 31st March 2026, the Parent Company has received total interest free borrowing of ₹ 70.62 crores (Previous Year - ₹ 70.62 crores) for the period from September 2018 to March 2020.
The above interest free borrowings represented in note 1 and 2 are secured by way of a bank guarantee issued by the Parent Company

[3] Secured against first priority *pari-passu* floating charge over trade receivables, inventories and property, plant and equipment of Asian Paints (Bangladesh) Limited.

[4] Secured against first priority *pari-passu* charge on present and future inventories and trade receivables of Obgenix Software Private Limited.

[5] Secured against first *pari-passu* charge over trade receivables, inventories and property plant and equipment of Asian White Inc. FZE

[6] Secured against first *pari-passu* charge on movable fixed assets and current assets of Weatherseal Fenestration Private Limited.

[7] Secured against first *pari-passu* charge on movable fixed assets and current assets of Obgenix Software Private Limited.

[8] Secured against *pari-passu* charge on moveable and immovable property, plant and equipment related to specific project of the Parent Company

^ No default in terms of repayment of principal and interest within the Group.

(₹ in Crores)

| | Maturity Date | Terms of Repayment | Interest Rate Current Year / (Previous Year) | Current | |
|---|---|---|---|---|---|
| | | | | As at 31.03.2026 | As at 31.03.2025 |
| **II. CURRENT BORROWINGS** | | | | | |
| **Secured** | | | | | |
| **(i) Term Loans - From banks** | | | | | |
| - Loan from Dutch-Bangla Bank Limited, Bangladesh[1] | Jun-26 to Sep-26 | For a term of 180 days | 9.75% / (10.50%) | **46.19** | 16.83 |
| - Loan from Standard Chartered Bank, Bangladesh[2] | Apr-26 | For a term 90 days | 9.25% / (11.00%) | **30.79** | 14.01 |
| - Loan from Citi Bank N.A., Bangladesh[1] | Jun-26 | For a term 365 days | 9.50% / (13.50%) | **15.40** | 14.01 |
| | | | | **92.38** | **44.85** |
| **(ii) Loan repayable on demand - Cash Credit / Overdraft Accounts** | | | | | |
| - Overdraft from HSBC, Bangladesh[3] | | Repayable on demand | 12.00% / (11.00%) | **0.58** | 12.10 |
| - Overdraft from HSBC, Middle East[8] | | Repayable on demand | EIBOR+1.10% / (NA) | **66.13** | - |
| - Overdraft from HSBC, India[5] | | Repayable on demand | NA / (T-Bill + 2.05%) | **-** | 37.69 |
| - Overdraft from ICICI Bank, India[5] | | Repayable on demand | REPO + 2.25% / (NA) | **79.27** | - |
| - Overdraft from Commercial Bank of Ethiopia[6] | | Repayable on demand | 15.00% / (14.00%) | **5.55** | 3.34 |
| - Overdraft from Standard Chartered Bank, Bangladesh[2] | | Repayable on demand | 12.00% / (11.00%) | **2.29** | 11.94 |
| - Overdraft from ICICI Bank, India[7] | | Repayable on demand | REPO + 2.10% / (NA) | **42.13** | - |
| - Overdraft from Dutch-Bangla Bank Limited, Bangladesh[1] | | Repayable on demand | 9.75% / (10.50%) | **8.54** | 18.87 |
| | | | | **204.49** | **83.94** |



## Note 16 : Borrowings^ (Contd.)

(₹ in Crores)

| | Maturity Date | Terms of Repayment | Interest Rate Current Year / (Previous Year) | Current | |
|---|---|---|---|---|---|
| | | | | As at 31.03.2026 | As at 31.03.2025 |
| **(iii) Supplier finance arrangement** | | | | | |
| - Loan from Standard Chartered Bank, Bangladesh[2] | Apr-26 to May-26 | For a term of 30 days to 180 days | SOFR + 3.50% / (SOFR + 3.50%) | **4.10** | 13.96 |
| - Loan from HSBC, Bangladesh[3] | Apr-25 | For a term of 60 days to 90 days | NA / (SOFR + 3.25%) | **-** | 0.73 |
| - Loan from Citibank N.A., Bangladesh[1] | Apr-25 to Jun-25 | For a term of 365 days | NA / (SOFR + 3.50%) | **-** | 1.28 |
| - Loan from HSBC, UAE[4] | Apr-26 to Jul-26 | For a term of 120 days | EIBOR+1.50% / (EIBOR + 1.75% ) | **17.25** | 3.84 |
| - Loan from Commercial Bank of Ceylon, Bangladesh[3] | Apr-26 | For a term of 30 days to 180 days | SOFR+3.50% / (NA) | **0.91** | - |
| - Loan from HSBC, Middle East[8] | Apr-26 | For a term of 60 days | SOFR+0.80% / (NA) | **11.70** | - |
| | | | | **33.96** | **19.81** |
| **Unsecured** | | | | | |
| **(i) Term loans - from banks or financial institutions** | | | | | |
| - Loan from HSBC, India | Oct-25 | For a term of 180 days | NA / (T-Bill + 3.15%) | **-** | 4.00 |
| - Loan from HSBC, Singapore | Apr-26 | For a term of 90 days | SORA + 0.40% / (SORA + 0.40%) | **184.01** | 191.05 |
| - Loan from Standard Chartered Bank, Singapore | Apr-26 to Jun-26 | For a term of 90 days | SOFR + 0.60% or SORA + 0.40% / (SORA + 0.60%) | **117.11** | 33.75 |
| - Loan from Citibank N.A., Singapore | Apr-26 to Sep-26 | For a term of 90 days to 365 days | SOFR + 0.60% or SORA + 0.50% / (SOFR + 0.60% or SORA + 0.50%) | **28.29** | 155.88 |
| - Loan from HSBC, Egypt | Apr-25 to Jun-25 | For a term of 90 days | NA / (CBE rate + 1.00%) | **-** | 2.64 |
| - Loan from HSBC, Egypt | May-26 | For a term of 90 days | 15.00% / (15.00%) | **5.36** | 5.30 |
| - Loan from National Bank of Kuwait, Egypt | Jul-26 | For a term of 120 days | 15.00% / (15.00%) | **3.56** | 6.75 |
| - Loan from HSBC, Egypt | May-26 to Jun-26 | For a term of 120 days | SOFR +1.25% / (NA) | **9.77** | - |
| | | | | **348.10** | **405.37** |
| **(ii) Loan repayable on demand - Cash Credit / Overdraft Accounts** | | | | | |
| - Overdraft from Bank of America, India | | Repayable on demand | NA / (8.50%) | **-** | 34.07 |
| - Overdraft from ICICI Bank, India | | Repayable on demand | NA / (7.50%) | **-** | 0.15 |
| - Overdraft from Citibank, India | | Repayable on demand | NA / (7.50%) | **-** | 0.04 |
| - Overdraft from HSBC, Qatar | | Repayable on demand | QMR + 2.50% / (NA) | **1.12** | - |
| | | | | **1.12** | **34.26** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 16 : Borrowings^ (Contd.)

(₹ in Crores)

| | Maturity Date | Terms of Repayment | Interest Rate Current Year / (Previous Year) | Current | |
|---|---|---|---|---|---|
| | | | | As at 31.03.2026 | As at 31.03.2025 |
| **(iii) Supplier Finance arrangements** | | | | | |
| - Loan from State Bank of India | Apr-26 to Jun-26 | For a term of 90 Days | T-Bill + 0.50% / (NA) | **308.62** | **-** |
| - Loan from HSBC, India | Apr-26 to Jun-26 | For a term of 90 Days | T-Bill + 0.95% / (NA) | **32.11** | **-** |
| | | | | **340.73** | **-** |
| **Current maturities of Long term borrowings** | | | | | |
| Secured | | | | **25.31** | 15.90 |
| Unsecured | | | | **-** | - |
| **Total** | | | | **1,046.09** | **604.13** |

**Notes :**

[1] Secured against all the fixed and floating assets of Asian Paints (Bangladesh) Limited.

[2] Secured by first priority *pari-passu* floating charge over trade receivables, inventories and property, plant and equipment of Asian Paints (Bangladesh) Limited.

[3] Secured by first priority *pari-passu* floating charge by way of hypothecation over trade receivables and inventories of Asian Paints (Bangladesh) Limited.

[4] Secured against charge over inventories of Berger Paints Emirates Ltd Co (L.L.C).

[5] Secured against first *pari-passu* charge on present and future inventory and trade receivables of Obgenix Software Private Limited.

[6] Secured against property, plant and equipment of Kadisco Paints and Adhesive Industry Share Company.

[7] Secured against first *pari-passu* charge on present and future inventory and trade receivables of Weatherseal Fenestration Private Limited.

[8] Secured against first *pari-passu* charge over trade receivables, inventories and property plant and equipment of Asian White Inc. FZE.

^ No default in terms of repayment of principal and interest within the Group.

### The aggregate maturities of borrowings, based on contractual maturities -

(₹ in Crores)

| | Less than 1 year | Between 1 - 5 years | More than 5 years | Total | Carrying Value |
|---|---|---|---|---|---|
| **As at 31st March 2026** | | | | | |
| Borrowings | 1,046.09 | 1,144.81 | 137.41 | **2,328.31** | **2,293.26** |
| **As at 31st March 2025** | | | | | |
| Borrowings | 604.13 | 157.93 | 138.69 | **900.75** | **863.75** |

## Note 17 : Lease Liabilities

(₹ in Crores)

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| Lease liabilities | **1,306.94** | 1,123.30 | **328.73** | 303.24 |
| **Total** | **1,306.94** | **1,123.30** | **328.73** | **303.24** |

### The aggregate maturities of lease liabilities, based on contractual undiscounted cash flows are as follows :

(₹ in Crores)

| | Less than 1 year | Between 1 - 5 years | More than 5 years | Total | Carrying Value |
|---|---|---|---|---|---|
| **As at 31st March 2026** | | | | | |
| Lease Liabilities | 424.93 | 1,043.56 | 1,225.33 | **2,693.82** | **1,635.67** |
| **As at 31st March 2025** | | | | | |
| Lease Liabilities | 402.85 | 978.57 | 584.96 | **1,966.38** | **1,426.54** |

(₹ in Crores)

| Movement in lease liabilities | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Balance as at 1st April** | **1,426.54** | **1,367.24** |
| Additions | **585.07** | 409.33 |
| Deletions | **58.24** | 26.35 |
| Disposal of Subsidiaries (Refer note 42 (d)) | **-** | 0.02 |
| Finance cost | **119.32** | 113.23 |
| Repayment (Including interest on lease liabilities) | **459.10** | 437.85 |
| Translation Difference | **22.08** | 0.96 |
| **Balance as at 31st March** | **1,635.67** | **1,426.54** |

### Amounts with respect to leases recognised in the Consolidated Statement of Profit & Loss and Consolidated Statement of Cash Flows

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Amounts recognised in Consolidated Statement of Profit and Loss** | | |
| Interest on lease liabilities (Refer note 28)* | **111.26** | 108.45 |
| Depreciation of Right-of-Use assets (Refer note 29)* | **392.49** | 378.17 |
| Expenses relating to short-term leases and leases of low-value assets (Refer note 27) | **67.34** | 58.49 |
| Variable lease payments (Refer note 27) | **146.71** | 137.95 |
| Net gain on modification or termination of leases (Refer note 24) | **(6.87)** | (2.07) |
| **Amounts recognised in Consolidated Statement of Cash Flows** | | |
| **In Financing activity** | | |
| Repayment of lease liabilities | **339.78** | 324.62 |
| Interest paid on lease liabilities | **119.32** | 113.23 |
| **In Operating activity** | | |
| Variable lease payments | **147.11** | 148.33 |
| **Total** | **606.21** | **586.18** |

**Note :** For additions and movement in right-of-use assets Refer note 2B.

*Net of ₹ 16.11 crores (Previous year- ₹ 12.10 crores) recognised in CWIP in the course of construction.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 18 : Other Financial Liabilities

(₹ in Crores)

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **(a) Investor Education and Protection Fund*** | | | | |
| Unpaid/ Unclaimed dividend | - | - | **26.75** | 26.09 |
| **(b) Others** | | | | |
| Retention monies | **65.06** | 32.47 | **55.94** | 43.92 |
| Deposits Received (including Trade Deposits) | **4.39** | 2.70 | **0.39** | 0.04 |
| Payable towards capital expenditure | - | - | **213.34** | 146.63 |
| Payable towards services received | - | - | **921.06** | 867.81 |
| Payable towards stores, spares and consumables | - | - | **19.36** | 16.87 |
| Payable to employees [including due to Managing Director - ₹ 15.40 crores (as at 31st March 2025 - Nil)] | - | - | **372.69** | 252.09 |
| Payable towards other expenses [including ₹ 6.47 crores due to Non-Executive Directors (as at 31st March 2025 - ₹ 4.66 crores)] | - | - | **1,400.26** | 1,179.74 |
| Gross obligation towards further stake acquisition in subsidiary companies (Refer note 42(a)) | **41.75** | 44.76 | **34.93** | 197.00 |
| Derivative Liability towards External Commercial Borrowing (Refer note 30(b)) | **2.46** | - | - | - |
| Foreign currency forward exchange contract (net) | - | - | - | 11.41 |
| Others | - | - | - | 0.44 |
| | **113.66** | **79.93** | **3,017.97** | **2,715.95** |
| **Total** | **113.66** | **79.93** | **3,044.72** | **2,742.04** |

*** Investor Education and Protection Fund ('IEPF')** - As at 31st March 2026 and 31st March 2025, there is no amount due and outstanding to be transferred to the IEPF by the Parent Company. Unpaid/Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

## Note 19 : Trade Payables

(₹ in Crores)

| | Current | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| **Trade Payables*** | | |
| Total Outstanding dues of Micro Enterprises and Small Enterprises (MSME) | **258.56** | 208.58 |
| Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | **3,604.48** | 3,639.42 |
| **Total** | **3,863.04** | **3,848.00** |

* Includes acceptances where operational suppliers of goods and services are initially paid by banks while the Parent Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days - as on 31st March 2026 - Nil (Previous year - ₹ 419.90 crores).

## Note 19 : Trade Payables (Contd.)

### Trade Payables ageing schedule

(₹ in Crores)

| | Not Due | Outstanding for following periods from due date of payment | | | | As at 31.03.2026 |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 -3 years | More than 3 years | |
| **Trade Payables** | | | | | | |
| MSME | 240.46 | 17.70 | 0.37 | 0.02 | 0.01 | **258.56** |
| Other than MSME | 3,414.75 | 189.44 | 0.17 | 0.09 | 0.03 | **3,604.48** |
| Disputed Dues - MSME | - | - | - | - | - | **-** |
| Disputed Dues - Other than MSME | - | - | - | - | - | **-** |
| **Total** | **3,655.21** | **207.14** | **0.54** | **0.11** | **0.04** | **3,863.04** |

(₹ in Crores)

| | Not Due | Outstanding for following periods from due date of payment | | | | As at 31.03.2025 |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 -3 years | More than 3 years | |
| **Trade Payables** | | | | | | |
| MSME | 196.68 | 11.86 | 0.03 | 0.01 | - | 208.58 |
| Other than MSME | 3,444.04 | 195.18 | 0.17 | 0.01 | 0.02 | 3,639.42 |
| Disputed Dues - MSME | - | - | - | - | - | **-** |
| Disputed Dues - Other than MSME | - | - | - | - | - | **-** |
| **Total** | **3,640.72** | **207.04** | **0.20** | **0.02** | **0.02** | **3,848.00** |

## Note 20 : Provisions

(₹ in Crores)

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **(a) Provision for Employee Benefits (Refer note 33)** | | | | |
| Provision for Compensated absences | **223.76** | 212.91 | **41.97** | 31.86 |
| Provision for Gratuity | **-** | 0.57 | **41.97** | 4.08 |
| Provision for Provident Fund | **-** | - | **14.35** | - |
| Provision for Pension, Leaving Indemnity, Medical Plan and Others (unfunded) | **48.90** | 42.90 | **11.49** | 5.97 |
| Provision for Post retirement medical and other benefits | **1.14** | 1.40 | **6.51** | 7.00 |
| | **273.80** | **257.78** | **116.29** | **48.91** |
| **(b) Others** | | | | |
| Provision for Indirect Taxes | **-** | - | **100.29** | 15.99 |
| Provision for Warranties | **-** | - | **-** | 2.25 |
| **Total** | **273.80** | **257.78** | **216.58** | **67.15** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 20 : Provisions (Contd.)

Disclosure relating to movement in other provisions is as follows :

(₹ in Crores)

| | Provision for Indirect Taxes^ | | Provision for Warranties | |
|---|---|---|---|---|
| | Year 2025-26 | Year 2024-25 | Year 2025-26 | Year 2024-25 |
| **Balance as at 1st April** | **15.99** | **14.84** | **2.25** | **2.01** |
| Additions/Adjustments | **85.83** | 4.75 | **-** | 0.31 |
| Utilisations | **(1.49)** | (0.54) | **-** | (0.07) |
| Reversals | **-** | (3.06) | **(2.25)** | - |
| Translation Difference | **(0.04)** | 0.00 | **-** | - |
| **Balance as at 31st March** | **100.29** | **15.99** | **-** | **2.25** |

^ Provisions for Indirect taxes includes provision for matters towards excise, sales tax, VAT, customs, GST disputed at various appellate levels.

These provisions represent estimates made for probable claims arising out of litigations/disputes pending with authorities. The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Group is not able to reasonably ascertain the timing of the outflow. The Group does not expect any reimbursements in respect of these provisions.

## Note 21 : Other Liabilities

(₹ in Crores)

| | Non-Current | | Current | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **(a) Revenue received in advance** | | | | |
| Advance received from customers (Refer note 23 C(iv)) | **-** | - | **107.47** | 173.34 |
| **(b) Others** | | | | |
| Statutory dues payable | **-** | - | **339.10** | 261.83 |
| Deferred income arising from government grant (Refer note 16) | **27.43** | 30.42 | **4.24** | 4.06 |
| Others (Deferred revenue arising from sale of services, etc.) | **10.22** | 15.13 | **7.05** | 10.78 |
| Other advances | **-** | - | **-** | 0.57 |
| | **37.65** | **45.55** | **350.39** | **277.24** |
| **Total** | **37.65** | **45.55** | **457.86** | **450.58** |

## Note 22 : Income Tax Liabilities (Net)

(₹ in Crores)

| | Current | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| Provision for Income Tax (net) | **180.01** | 126.09 |
| **Total** | **180.01** | **126.09** |

## Note 23A : Revenue From Operations

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Revenue from sale of products | **35,416.25** | 33,626.82 |
| Revenue from sale of services | **100.12** | 170.54 |
| Other operating revenue (including government grant) | **67.17** | 108.26 |
| **Total** | **35,583.54** | **33,905.62** |

## Note 23B : Revenue from Contracts with Customers

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **A. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON NATURE OF PRODUCT OR SERVICES** | | |
| **Revenue From Sale of Products** | | |
| Paints, décor and related products | **35,416.25** | 33,626.82 |
| **Revenue from Sale of Services** | | |
| Painting, décor and related services | **100.12** | 170.54 |
| **Other operating revenue** | | |
| Processing and service income | **24.53** | 17.81 |
| Scrap sales | **34.85** | 36.43 |
| Others | **1.44** | 3.12 |
| **Other Income** | | |
| Royalty received | | |
| - From Associate Companies (Refer note 34) | **2.90** | 2.88 |
| - From Others | **0.35** | 0.34 |
| **Total** | **35,580.44** | **33,857.94** |
| **B. Revenue from Contracts with Customers Disaggregated Based on Geography** | | |
| Home market | **35,309.77** | 33,616.69 |
| Exports | **270.67** | 241.25 |
| **Total** | **35,580.44** | **33,857.94** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 23C : Reconciliation of Gross Revenue with the Revenue from Contracts with Customers

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Gross Revenue | **44,743.74** | 41,888.66 |
| Less : Discounts/Rebates/Credits/Incentives | **9,163.30** | 8,030.72 |
| **Net Revenue recognised from Contracts with Customers** | **35,580.44** | **33,857.94** |

i) The amounts receivable from customers become due after expiry of credit period which is maximum 180 days. There is no significant financing component in any transaction with the customers.

ii) The Group provides agreed upon performance warranty for selected range of products and services. The amount of liability towards such warranty is immaterial.

iii) The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration and sale of service contracts are measured as per output method.

iv) The Group has recognised revenue of ₹ 136.03 crores (Previous year - ₹ 135.56 crores) from the amounts included under advance received from customer at the beginning of the year.

## Note 24 : Other Income

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **(a) Interest Income** | | |
| Investments in debt instruments measured at FVTOCI | **8.54** | 28.01 |
| Other financial assets carried at amortised cost | **172.39** | 151.83 |
| | **180.93** | **179.84** |
| **(b) Dividends from quoted equity investments measured at FVTOCI*** | **2.13** | 20.64 |
| **(c) Other non-operating income** | | |
| Insurance claims received | **4.66** | 3.59 |
| Royalty received | | |
| - From associate companies (Refer note 34) | **2.90** | 2.88 |
| - From Others | **0.35** | 0.34 |
| | **3.25** | **3.22** |
| Net gain arising on financial assets measured at FVTPL^ | **286.50** | 182.43 |
| Reversal of provision for expected credit loss on government grants | **2.10** | 1.78 |
| Others& | **237.36** | 158.89 |
| | **533.87** | **349.91** |
| **(d) Other gains and losses** | | |
| Net gain on foreign currency transactions (Other than considered as finance cost) | **-** | 16.78 |
| Net gain on disposal of property, plant and equipment and other intangible assets | **-** | 3.37 |
| Net gain on modification/ termination of leases | **6.87** | 2.07 |
| | **6.87** | **22.22** |
| **Total** | **723.80** | **572.61** |

*Relates to investments held at the end of reporting period

^ Includes gain on sale of financial assets measured at FVTPL for ₹ 35.34 crores (Previous year- ₹ 39.98 crores).

& Previous year includes fair valuation gain on gross obligation towards further stake acquisition in subsidiary companies amounting to ₹ 18.29 crores.

## Note 25A : Cost of Materials Consumed

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Raw Materials Consumed** | | |
| Opening Stock (including goods-in-transit) | **2,848.25** | 2,246.78 |
| Add : Purchases | **12,769.54** | 14,212.11 |
| | **15,617.79** | **16,458.89** |
| Less : Closing Stock (including goods-in-transit) | **2,489.83** | 2,848.25 |
| | **13,127.96** | **13,610.64** |
| Less : Pursuant to disposal (Refer note 42(d)) | **-** | 32.99 |
| | **13,127.96** | **13,577.65** |
| **Packing Materials Consumed** | | |
| Opening Stock | **91.61** | 102.11 |
| Add : Purchases | **2,266.20** | 2,210.17 |
| | **2,357.81** | **2,312.28** |
| Less : Closing Stock | **101.72** | 91.61 |
| | **2,256.09** | **2,220.67** |
| Less : Pursuant to disposal (Refer note 42(d)) | **-** | 4.40 |
| | **2,256.09** | **2,216.27** |
| **Total Cost of Materials Consumed** | **15,384.05** | **15,793.92** |

## Note 25B : Purchases of Stock-in-Trade

| | | |
|---|---|---|
| | **4,014.05** | **3,926.86** |

## Note 25C : Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

| | | |
|---|---|---|
| **Stock at the beginning of the year** | | |
| Finished Goods | **2,468.96** | 2,337.14 |
| Work-in-Progress | **207.48** | 184.07 |
| Stock-in-trade-acquired for trading (including goods-in-transit) | **980.86** | 939.45 |
| | **3,657.30** | **3,460.66** |
| Less : Pursuant to disposal (Refer note 42(d)) | **-** | 8.36 |
| **Total** | **3,657.30** | **3,452.30** |
| **Stock at the end of the year** | | |
| Finished Goods | **1,585.82** | 2,468.96 |
| Work-in-Progress | **200.61** | 207.48 |
| Stock-in-trade-acquired for trading (including goods-in-transit) | **1,267.19** | 980.86 |
| **Total** | **3,053.62** | **3,657.30** |
| **Changes In Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress** | **603.68** | **(205.00)** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 26 : Employee Benefits Expense

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Salaries and wages | **2,441.64** | 2,281.94 |
| Contribution to provident and other funds (Refer note 33(1) and 33(2)) | **145.67** | 112.43 |
| Staff welfare expenses | **182.93** | 181.61 |
| Share based payment expenses (Refer note 33(3)) | **29.35** | 21.25 |
| **Total** | **2,799.59** | **2,597.23** |

## Note 27 : Other Expenses

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Consumption of stores, spares and consumables | **117.71** | 76.58 |
| Power and fuel | **167.10** | 148.58 |
| Processing charges | **220.15** | 201.38 |
| Repairs and maintenance : | | |
| Buildings | **15.70** | 22.68 |
| Machinery | **63.71** | 67.66 |
| Other assets | **93.75** | 102.83 |
| | **173.16** | **193.17** |
| Rates and taxes | **37.55** | 31.61 |
| Corporate social responsibility expenses | **117.35** | 111.02 |
| Commission to Non Executive Directors | **6.47** | 4.66 |
| Directors' sitting fees | **3.67** | 3.89 |
| Auditors' Remuneration | **7.14** | 6.94 |
| Net loss on foreign currency transactions (Other than considered as finance cost) | **12.26** | - |
| Net loss on disposal of property, plant and equipment and other intangible assets | **3.81** | - |
| Freight and handling charges | **2,360.06** | 2,242.02 |
| Advertisement and Sales Promotion expenses | **1,422.20** | 1,296.97 |
| Bad debts written off | **121.95** | 6.06 |
| Allowance for expected credit losses on receivables (trade and others) and advances (net) | **5.70** | 245.18 |
| Insurance | **37.93** | 30.98 |
| Travelling expenses | **247.19** | 266.42 |
| Miscellaneous expenses* | **1,024.85** | 920.94 |
| **Total** | **6,086.25** | **5,786.40** |

**Note :** Other expenses include variable lease payments (Refer note 17).

* Includes fair valuation loss on gross obligation towards further stake acquisition in subsidiary companies amounting to ₹ 19.96 crores (Previous Year - NIL).

## Note 28 : Finance Costs

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Interest on bank borrowings* | **45.40** | 60.65 |
| Interest on bill discounting | **18.80** | 31.56 |
| Interest on loan from State Governments | **3.19** | 3.63 |
| Interest on lease liabilities ^ | **111.26** | 108.45 |
| Other interest expense | **4.56** | 22.00 |
| Interest on income tax | **12.20** | 0.73 |
| **Total** | **195.41** | **227.02** |

*Net of ₹ 31.44 crores (Previous Year - NIL) recognised in CWIP in the course of construction.

^Net of ₹ 8.06 crores (Previous Year - ₹ 4.78 crores) recognised in CWIP in the course of construction.

## Note 29 : Depreciation And Amortisation Expense

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Depreciation of Property, Plant and Equipment (Refer note 2A) | **809.32** | 617.08 |
| Depreciation of Right-of-Use assets (net) (Refer note 2B)* | **392.49** | 378.17 |
| Amortisation of Other Intangible assets (Refer note 4B) | **27.04** | 31.09 |
| **Total** | **1,228.85** | **1,026.34** |

* Net of ₹ 8.05 crores (Previous year - ₹ 7.32 crores) recognised in CWIP in the course of construction.

## Note 30 (A) : Category-Wise Classification of Financial Instruments

Financial Assets and Financial Liabilities in the Consolidated Balance Sheet are as follows :

(₹ in Crores)

| Financial Assets/ Financial Liabilities | Refer note | Non-Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **Financial assets measured at FVTPL** | | | | | |
| **Designated upon initial recognition** | | | | | |
| Investments in unquoted equity shares | 5(I)(A)(b)(ii) | **1.94** | 1.92 | **-** | - |
| **Mandatory** | | | | | |
| Investments in quoted mutual funds | 5(II)(C)(a) | **-** | - | **6,273.64** | 3,030.34 |
| Foreign currency forward exchange contract (net) | 8 | **-** | - | **11.47** | - |
| | | **1.94** | **1.92** | **6,285.11** | **3,030.34** |
| **Financial assets measured at FVTOCI** | | | | | |
| **Designated upon initial recognition** | | | | | |
| Investments in quoted equity shares* | 5(I)(A)(a) | **115.38** | 867.39 | **-** | - |
| Investments in unquoted debentures or bonds | 5(I)(C)(b) & 5(II)(B)(b)(ii) | **2.00** | 2.00 | **-** | 0.50 |
| Investments in quoted debentures or bonds | 5(II)(B)(b)(i) | **-** | - | **-** | 213.91 |
| | | **117.38** | **869.39** | **-** | **214.41** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 30 (A) : Category-Wise Classification of Financial Instruments (Contd.)

Financial Assets and Financial Liabilities in the Consolidated Balance Sheet are as follows: (Contd.)

(₹ in Crores)

| Financial Assets/ Financial Liabilities | Refer note | Non-Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **Financial assets measured at amortised cost** | | | | | |
| Investments in unquoted government securities | 5(I)(B) | **0.00** | 0.00 | **-** | - |
| Investments in quoted government securities | 5(II)(A) | **-** | - | **12.11** | - |
| Investments in unquoted debentures or bonds | 5(I)(C)(a) & 5(II)(B)(a) | **0.50** | 0.48 | **0.08** | 0.21 |
| Trade receivables | 6 | **5.36** | 8.71 | **4,461.80** | 4,313.65 |
| Loan to third party | 7 | **1.57** | - | **0.46** | - |
| Security deposits | 8 | **126.45** | 88.24 | **20.51** | 14.88 |
| Royalty receivable | 8 | **-** | - | **0.49** | 0.40 |
| Due from Associate Companies | 8 | **-** | - | **2.96** | 3.91 |
| Subsidy receivable from Governments (net) | 8 | **233.61** | 325.99 | **172.77** | 176.46 |
| Term deposits held as margin money against bank guarantee and other commitments | 8 | **0.51** | 0.68 | **4.19** | 2.82 |
| Term deposits with more than 12 months of original maturity | 8 | **1,153.20** | 458.13 | **1,285.45** | 713.38 |
| Interest accrued on investments in debentures or bonds measured at FVTOCI | 8 | **-** | - | **0.07** | 20.14 |
| Quantity discount receivable | 8 | **0.19** | - | **321.38** | 220.81 |
| Retention monies receivable from Customers | 8 | **4.14** | 4.80 | **0.53** | 0.59 |
| Other receivables | 8 | **0.85** | - | **2.85** | 4.72 |
| Cash and Cash Equivalents | 9(A) | **-** | - | **672.83** | 445.28 |
| Other Balances with Banks | 9(B) | **-** | - | **400.85** | 336.70 |
| | | **1,526.38** | **887.03** | **7,359.33** | **6,253.95** |
| **Derivatives designated as hedging instruments** | | | | | |
| Derivative Asset towards External Commercial Borrowing | 8 | **18.84** | - | **-** | - |
| | | **18.84** | **-** | **-** | **-** |
| **Financial liabilities measured at FVTPL** | | | | | |
| **Mandatory** | | | | | |
| Gross obligation towards further stake acquisition in subsidiary companies | 18 | **41.75** | 44.76 | **34.93** | 197.00 |
| Foreign currency forward exchange contract (net) | 18 | **-** | - | **-** | 11.41 |
| | | **41.75** | **44.76** | **34.93** | **208.41** |



## Note 30 (A) : Category-Wise Classification of Financial Instruments (Contd.)

Financial Assets and Financial Liabilities in the Consolidated Balance Sheet are as follows: (Contd.)

(₹ in Crores)

| Financial Assets/ Financial Liabilities | Refer note | Non-Current | | Current | |
|---|---|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| **Financial liabilities measured at amortised cost** | | | | | |
| Term Loans from Government | 16 | **43.52** | 37.25 | **-** | 1.96 |
| Term loans - from banks | 16 | **1,203.65** | 222.37 | **465.79** | 464.16 |
| Loan repayable on demand - Cash Credit / Overdraft Accounts | 16 | **-** | - | **205.61** | 118.20 |
| Supplier Finance Arrangements | 16 | **-** | - | **374.69** | 19.81 |
| Lease Liabilities | 17 | **1,306.94** | 1,123.30 | **328.73** | 303.24 |
| Unpaid/Unclaimed dividend | 18 | **-** | - | **26.75** | 26.09 |
| Retention monies | 18 | **65.06** | 32.47 | **55.94** | 43.92 |
| Deposits Received (including Trade Deposits) | 18 | **4.39** | 2.70 | **0.39** | 0.04 |
| Payable towards capital expenditure | 18 | **-** | - | **213.34** | 146.63 |
| Payable towards services received | 18 | **-** | - | **921.06** | 867.81 |
| Payable towards stores, spares and consumables | 18 | **-** | - | **19.36** | 16.87 |
| Payable to employees | 18 | **-** | - | **372.69** | 252.09 |
| Payable towards other expenses | 18 | **-** | - | **1,400.26** | 1,179.74 |
| Others | 18 | **-** | - | **-** | 0.44 |
| Trade payables | 19 | **-** | - | **3,863.04** | 3,848.00 |
| | | **2,623.56** | **1,418.09** | **8,247.65** | **7,289.00** |
| **Derivatives designated as hedging instruments** | | | | | |
| Derivative Liability towards External Commercial Borrowing | 18 | **2.46** | - | **-** | - |
| | | **2.46** | **-** | **-** | **-** |

* Investments in these equity instruments are not held for trading. Upon application of Ind AS 109 - Financial Instruments, the Group has chosen to measure these investments in equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains or losses relating to these investments in the Consolidated Statement of Profit and Loss may not be indicative of the performance of the Group.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 30 (A) : Category-Wise Classification of Financial Instruments (Contd.)

Income, Expenses, Gains or Losses recognised on Financial Instruments in the Consolidated Statement of Profit and Loss are as follows :

(₹ in Crores)

| Income, (Expenses), Gains or (losses) on Financial Instruments | Refer note | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| **Financial assets measured at FVTPL** | | | |
| **Mandatory** | | | |
| Fair value gain on quoted mutual funds | 24 | **286.50** | 182.43 |
| | | **286.50** | **182.43** |
| **Financial assets measured at amortised cost** | | | |
| Interest income | 24 | **172.39** | 151.83 |
| Allowance for expected credit loss on government grants (net) | 24 & 27 | **(70.17)** | 1.78 |
| Allowance for expected credit losses on receivables (trade and others) and advances (net) | 27 | **(5.70)** | (245.18) |
| | | **96.52** | **(91.57)** |
| **Financial assets measured at FVTOCI** | | | |
| **Designated upon initial recognition** | | | |
| Interest income on Investments in debt instrument | 24 | **8.54** | 28.01 |
| Dividend income from quoted equity investments | 24 | **2.13** | 20.64 |
| Net fair value (loss)/gain on investments in debt instruments | | **(18.99)** | 3.67 |
| Net fair value (loss)/gain on investments in equity instruments | | **(22.59)** | 273.30 |
| | | **(30.91)** | **325.62** |
| **Financial liabilities measured at FVTPL** | | | |
| **Mandatory** | | | |
| Fair value (loss)/gain on Gross obligation towards further stake acquisition in subsidiary companies | 27 & 24 | **(19.96)** | 18.29 |
| | | **(19.96)** | **18.29** |
| **Financial liabilities measured at amortised cost** | | | |
| Interest on lease liabilities | 28 | **(111.26)** | (108.45) |
| Interest expense on bank borrowings | 28 | **(45.40)** | (60.65) |
| Interest on bill discounting and loan from State Governments | 28 | **(21.99)** | (35.19) |
| | | **(178.65)** | **(204.29)** |
| **Derivatives designated as hedging instruments** | | | |
| Net Gain on Derivative towards External Commercial Borrowing recognised in OCI | | **8.44** | - |
| Net loss on foreign currency transactions of Financial Liabilities and Financial Assets | 27, 24, & 40 | **(12.26)** | (39.36) |

## Note 30 (B) : Fair Value Measurements

(i) The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities :

### As at 31st March 2026

(₹ in Crores)

| Financial assets/ financial liabilities | Fair value | Fair value hierarchy | | |
|---|---|---|---|---|
| | As at 31.03.2026 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Financial assets measured at FVTOCI** | | | | |
| Investments in quoted equity shares (Refer note 5(I)(A)(a)) | **115.38** | **115.38** | **-** | **-** |
| Investments in unquoted debentures or bonds (Refer note 5(I)(C)(b) & 5(II)(B)(b)(ii)) | **2.00** | **-** | **2.00** | **-** |
| **Financial assets measured at FVTPL** | | | | |
| Investments in quoted mutual funds (Refer note 5(II)(C)(a)) | **6,273.64** | **6,273.64** | **-** | **-** |
| Foreign currency forward exchange contract (net) (Refer note 8) | **11.47** | **-** | **11.47** | **-** |
| Investments in unquoted equity shares (Refer note 5(I)(A)(b)(ii)) | **1.94** | **-** | **-** | **1.94** |
| **Financial liabilities measured at FVTPL** | | | | |
| Gross obligation towards further acquisition in subsidiary companies (Refer note 18) | **76.68** | **-** | **-** | **76.68** |
| **Derivatives designated as hedging instruments** | | | | |
| Derivative Asset towards External Commercial Borrowing (Refer note 8) | **18.84** | **-** | **18.84** | **-** |
| Derivative Liability towards External Commercial Borrowing (Refer note 18) | **2.46** | **-** | **2.46** | **-** |

### As at 31st March 2025

(₹ in Crores)

| Financial assets/ financial liabilities | Fair value | Fair value hierarchy | | |
|---|---|---|---|---|
| | As at 31.03.2025 | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Financial assets measured at FVTOCI** | | | | |
| Investments in quoted equity shares (Refer note 5(I)(A)(a)) | 867.39 | 867.39 | - | - |
| Investments in quoted debentures or bonds (Refer note 5(II)(B)(b)(i)) | 213.91 | - | 213.91 | - |
| Investments in unquoted debentures or bonds (Refer note 5(I)(C)(b) & 5(II)(B)(b)(ii)) | 2.50 | - | 2.50 | - |
| **Financial assets measured at FVTPL** | | | | |
| Investments in quoted mutual funds (Refer note 5(II)(C)(a)) | 3,030.34 | 3,030.34 | - | - |
| Investments in unquoted equity shares (Refer note 5(I)(A)(b)(ii)) | 1.92 | - | - | 1.92 |
| **Financial liabilities measured at FVTPL** | | | | |
| Gross obligation towards further acquisition in Subsidiary Company (Refer note 18) | 241.76 | - | - | 241.76 |
| Foreign currency forward exchange contract (net) (Refer note 18) | 11.41 | **-** | 11.41 | **-** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 30 (B) : Fair Value Measurements (Contd.)

### (ii) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Consolidated Financial Statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

### (iii) Investments in debentures or bonds measured at FVTOCI

The debentures or bonds are fair valued using various market observable inputs.

### (iv) Level 2 - Fair value hierarchy

The financial instruments are fair valued using various market observable inputs. Inputs used to measure fair value of bonds and debentures include estimated cash flows, movement in yield. Inputs used to measure fair value of derivatives include credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity etc.

### (v) There were no transfers between Level 1 and Level 2 in the current year and previous year.

### (vi) Significant Techniques and Unobservable Inputs Used for Level 3 Fair Valuation Measurement

| As at 31st March 2026 | Valuation techniques | Significant Unobservable Inputs | Sensitivity of input to fair value measurement | |
|---|---|---|---|---|
| | | | Increase of volatility by 5% | Decrease of volatility by 5% |
| Fair Value of gross obligation towards further stake acquisition in subsidiaries (Weatherseal Fenestration Private Limited and Harind Chemicals and Pharmaceuticals Private Limited) | Monte Carlo Simulation | Forecast EBITDA | **Net increase in liability by ₹ 0.15 crores** | **Net decrease in liability by ₹ 0.15 crores** |

| As at 31st March 2025 | Valuation techniques | Significant Unobservable Inputs | Sensitivity of input to fair value measurement | |
|---|---|---|---|---|
| | | | Increase of volatility by 5% | Decrease of volatility by 5% |
| Fair Value of gross obligation towards further stake acquisition in subsidiaries (Weatherseal Fenestration Private Limited, Harind Chemicals and Pharmaceuticals Private Limited and Obgenix Software Private Limited) | Monte Carlo Simulation | Forecast EBITDA | Net increase in liability by ₹ 0.02 crores | Net decrease in liability by ₹ 0.02 crores |

### (vii) Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below :

(₹ in Crores)

| Movements in Level 3 valuations | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Balance as at 1st April** | **(239.84)** | **(242.71)** |
| Additions | **(2.94)** | (15.42) |
| Settled / Payments during the year | **188.00** | - |
| Fair value gain recorded in Consolidated Statement of Profit and Loss | **(19.96)** | 18.29 |
| **Balance as at 31st March** | **(74.74)** | **(239.84)** |

## Note 30 (B) : Fair Value Measurements (Contd.)

### (viii) Movement of Cash Flow hedging reserve

(₹ in Crores)

| Movement | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Balance as at 1st April** | **-** | - |
| Amount recognised in Other Comprehensive Income | **9.67** | - |
| Hedge ineffectiveness recognised in Consolidated Statement of Profit and Loss | **-** | - |
| Amount Reclassified to Consolidated Statement of Profit and Loss during the year | **(3.35)** | - |
| **Balance as at 31st March** | **6.32** | **-** |

There are no instruments for which hedge accounting is discontinued.

## Note 30 (C) : Financial Risk Management - Objectives and Policies

The Group's financial assets comprise mainly of investments, loans, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables.

The Group is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Group formulated by the Risk Management Committee and approved by the Board, states the Group's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Group's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

The following disclosures summarize the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analyses has been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Group.

### 1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks : interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

#### a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Parent Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate.

The Parent Company has taken Cross Currency Interest Rate Swap in order to hedge floating interest rate risk exposure related to its JPY denominated external commercial borrowing. The interest rate changes in line with change in compounded TONA rates. The Parent Company economically hedges the risk of volatility in floating interest rate on JPY External Commercial Borrowings with an Cross Currency Interest Rate Swap (Interest Rate Swap) with matched terms and matched JPY notional. The Parent Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross Currency Interest Rate Swap is identical to the hedged risk component. To test the hedge effectiveness, the Parent Company uses dollar offset method, where the change in the value of the swap and the JPY cashflow is calculated by giving a shock to the spot rate as on the valuation date. The Parent Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. There is no impact on effectiveness of its hedges.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 30 (C) : Financial Risk Management - Objectives and Policies (Contd.)

### 1) Market Risk (Contd.)

#### a) Interest Rate Risk (Contd.)

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit before tax for the year ended 31st March 2026 would decrease/increase by ₹ 5.67 crores (Previous Year- ₹ 4.93 crores).

The Exposure of Group's financial assets and liabilities to interest rate risk is as follows :

**As at 31st March 2026**

(₹ in Crores)

| | As at 31.03.2026 | Floating rate | Fixed rate | Non- interest bearing |
|---|---|---|---|---|
| Financial assets | **15,308.98** | **22.00** | **3,665.28** | **11,621.70** |
| Financial liabilities | **10,950.35** | **1,781.31** | **2,147.62** | **7,021.42** |

**As at 31st March 2025**

(₹ in Crores)

| | As at 31.03.2025 | Floating rate | Fixed rate | Non- interest bearing |
|---|---|---|---|---|
| Financial assets | **11,257.04** | 19.40 | 2,380.52 | 8,857.12 |
| Financial liabilities | **8,960.26** | 733.45 | 1,556.84 | 6,669.97 |

The following table details the nominal amounts of Cross Currency Interest Rate Swap contracts to hedge fluctuations in interest rates on borrowing outstanding at the year-end.

**As at 31st March 2026**

| | Number of contracts | Nominal value (FC in Crores) | Indian Rupee Equivalent (₹ in Crores) | Average Hedge Rate |
|---|---|---|---|---|
| Cross Currency Interest Rate Swap | **3** | **JPY 1260** | **744.73** | **2.41%** |

#### b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Parent Company and a certain Indian subsidiary has a foreign exchange risk management policy which is approved by the Board to hedge cash flows up to a specific tenure using forward exchange contracts and options in order to hedge exchange rate risk. As per the policy, forward exchange contracts are entered for crystalised foreign exchange and firm commitment exposure falling due in next 90 days and into a call spread option (in case of Parent Company) to hedge foreign exchange risk exposure related to JPY denominated external commercial borrowing. The Group does not enter into any derivative instruments for trading or speculative purposes.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Call Spread Option match the terms external commercial borrowing (i.e., notional amount, maturity and payment dates). The Parent Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Call Spread Option is identical to the hedged risk component. To test the hedge effectiveness, the Parent Company uses dollar offset method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk. The Parent Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. There is no impact on effectiveness of its hedges.



Note 30 (C) : Financial Risk Management - Objectives and Policies (Contd.)

1) Market Risk (Contd.)

#### b) Foreign Currency Risk (Contd.)

The Group's foreign currency denominated monetary items are as follows :

(in Millions FC)

| Currency | Liabilities | | Assets | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| USD | **156.24** | 145.08 | **30.66** | 31.79 |
| EUR | **11.69** | 13.79 | **3.08** | 1.27 |
| SGD | **0.07** | 0.36 | **2.52** | 2.11 |
| GBP | **0.20** | 0.30 | **0.22** | 0.19 |
| SEK | **0.34** | 0.20 | **-** | - |
| JPY | **12,594.48** | 113.08 | **-** | 281.43 |
| AED | **6.35** | 8.67 | **22.86** | 20.50 |
| BDT | **-** | - | **620.73** | 596.49 |

(₹ in Crores)

| Currency | Liabilities | | Assets | |
|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| USD | **1,481.80** | 1,240.18 | **290.82** | 271.77 |
| EUR | **126.28** | 127.70 | **33.24** | 11.78 |
| SGD | **0.52** | 2.31 | **18.30** | 13.44 |
| GBP | **2.46** | 3.29 | **2.67** | 2.11 |
| SEK | **0.34** | 0.17 | **-** | - |
| JPY | **742.07** | 6.43 | **-** | 16.01 |
| AED | **16.16** | 20.17 | **58.19** | 47.71 |
| BDT | **-** | - | **47.78** | 41.79 |
| Others | **48.48** | 15.78 | **45.95** | 38.70 |
| **Total** | **2,418.11** | **1,416.03** | **496.95** | **443.31** |

The above table represents total exposure of the Group towards foreign exchange denominated monetary items.

Out of the above, details of exposures hedged using forward exchange contracts are given below :

| Currency | Number of Contracts | Buy Amount (In USD Million) | Indian Rupee Equivalent (₹ in Crores) | Avg Hedge Rate |
|---|---|---|---|---|
| Forward contract to buy USD - **As at 31.03.2026** | **94** | **49.03** | **454.17** | **92.63** |
| Forward contract to buy USD - As at 31.03.2025 | 39 | 67.41 | 589.00 | 87.38 |

| JPY Currency Hedge | Number of Contracts | Transaction Amount (In JPY Million) | Indian Rupee Equivalent (₹ in Crores) | Avg Hedge Rate |
|---|---|---|---|---|
| Call Put option to buy JPY - **As at 31.03.2026** | **3** | **12,600.00** | **739.26** | **0.5867** |
| Call Put option to sell JPY - **As at 31.03.2026** | **3** | **12,600.00** | **945.00** | **0.7500** |

Additionally, the Cross Currency Interest Rate Swap entered into by the Parent Company to hedge its exposure to foreign currency risk as well, thereby eliminating risk of variability in cash flows arising from movements in foreign exchange rates.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 30 (C) : Financial Risk Management - Objectives and Policies (Contd.)

### 1) Market Risk (Contd.)

#### b) Foreign Currency Risk (Contd.)

The Group is mainly exposed to changes in USD and EUR. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and EUR against INR, with all other variables and currencies held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in Crores)

| Change in USD Rate | Effect on profit after tax | | Effect on total equity | |
|---|---|---|---|---|
| | Year 2025-26 | Year 2024-25 | Year 2025-26 | Year 2024-25 |
| +5% | **(33.14)** | (16.83) | **(33.14)** | (16.83) |
| -5% | **33.14** | 16.83 | **33.14** | 16.83 |

(₹ in Crores)

| Change in EUR Rate | Effect on profit after tax | | Effect on total equity | |
|---|---|---|---|---|
| | Year 2025-26 | Year 2024-25 | Year 2025-26 | Year 2024-25 |
| +5% | **(3.55)** | (4.41) | **(3.55)** | (4.41) |
| -5% | **3.55** | 4.41 | **3.55** | 4.41 |

#### c) Other Price Risk

##### i) Equity/Investment Risk

Equity/Investment risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Equity/Investment risk arises from financial assets such as investments in equity instruments and bonds. The Parent Company is exposed to equity risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March 2026, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 115.38 crores (Previous year - ₹ 867.39 crores). The details of such investments in equity instruments are given in Note 5 (I)(A)(a).

The Parent Company is also exposed to Investment risk arising from investments in bonds and debentures recognised at FVTOCI. As at 31st March 2026, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 2.00 crores (Previous year - ₹ 216.41 crores). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds and debentures are given in Note 5(I)(C)(b) & 5(II)(B)(b)(ii).

The Parent Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below :

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March 2026, Other Comprehensive Income for the year ended 31st March 2026 would increase by ₹ 9.89 crores (Previous year - ₹ 74.33 crores) and decrease by ₹ 9.89 crores (Previous year - ₹ 74.33 crores) respectively with a corresponding increase/decrease in Total Equity of the Parent Company as at 31st March 2026. 10% represents management's assessment of reasonably possible change in equity prices.



## Note 30 (C) : Financial Risk Management - Objectives and Policies (Contd.)

### 1) Market Risk (Contd.)

#### c) Other Price Risk (Contd.)

##### ii) Commodity rate risk

Material cost is the largest cost component for the Group, thus exposing it to the risk of price fluctions based on the supply and demand conditions of those materials. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Group has put in place a mix of long-term and short-term mitigation plans. During the year ended 31st March 2026 and 31st March 2025, the Group had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

### 2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, loans to third parties, investment in mutual funds, derivative financial instruments, other balances with banks and other receivables. The Group's exposure to credit risk is disclosed in note 5 (except equity shares, bonds and debentures), 6,7, 8, 9A and 9B.

The Group has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit risk arising from investment in mutual funds, derivative financial instruments, term deposits and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The average credit period on sales of products and services is a maximum of 180 days. Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables.

For trade receivables, as a practical expedient, the Parent Company and certain subsidiaries computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix followed is given below.

| Net Outstanding > 365 days | % Collection to gross outstanding in current year | Credit loss allowance |
|---|---|---|
| **Yes** | **< 25%** | Yes, to the extent of lifetime expected credit losses outstanding as at reporting date. |
| **Yes** | **> 25%** | Yes, to the extent of lifetime expected credit losses pertaining to balances outstanding for more than one year. |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 30 (C) : Financial Risk Management - Objectives and Policies (Contd.)

### 2) Credit Risk (Contd.)

Additional allowance is made where default rate changes as per the performance of the receivables.

(₹ in Crores)

| Movement in expected credit loss allowance on trade receivables | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Balance as at 1st April** | **662.59** | **422.17** |
| Less : Disposal of Subsidiaries | **-** | 5.23 |
| Add : Loss allowance measured at lifetime expected credit losses | **17.45** | 245.65 |
| **Balance as at 31st March** | **680.04** | **662.59** |

In accordance with Ind AS 109 – Financial Instruments, the Parent Company has re-assessed expected timing of cashflow towards subsidy receivable from the State Governments. Additionally, any amount outstanding beyond the expected due date is fully provided for. The Parent Company is confident about the ultimate realisation of the dues from the State governments. There is no credit risk attached to these receivables.

(₹ in Crores)

| Movement in expected credit loss allowance on subsidy receivable from the State Governments | Year 2025-26 | Year 2024-25 |
|---|---|---|
| **Balance as at 1st April** | **13.47** | **15.25** |
| Additions | **72.27** | - |
| Unwinding of interest resulting in reversal of expected credit losses | **(2.10)** | (1.78) |
| **Balance as at 31st March** | **83.64** | **13.47** |

### 3) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The Group has entered into supplier finance arrangements to manage its working capital and liquidity risk categorised as follows :

a. Some suppliers enter into arrangements with Banks to get early payment. As per the supplier's instruction, the Group makes payment to the Banks on due date of invoice. The credit period offered by these suppliers is in line with the general credit period from similar suppliers (generally in the range of 15 to 150 days). These arrangement continue to hold characteristics of trade payables and are disclosed as such.

b. The Group, in case of certain suppliers, enjoys extended credit period by using its credit line after the due date of the invoice. The interest cost in such case is borne by the Group and is disclosed as finance cost. Since these are in nature of working capital loan/ short term loan, such amounts are disclosed as borrowings (Refer note 16). These amounts are recognised as trade payables till they are due to the supplier and thereafter are disclosed as borrowings during the extended credit period from the Bank. Such suppliers offer credit period of 30 to 120 days, which by way of borrowings gets further extended to 60 to 240 days.



## Note 30 (C) : Financial Risk Management - Objectives and Policies (Contd.)

### 3) Liquidity Risk (Contd.)

Below table summarises the liabilities forming part of Supplier Finance Arrangements disclosed under trade/ other payables :

(₹ in Crores)

| As at 31.03.2026 | Trade Payables (Refer note 19) |
|---|---|
| Carrying amount of liabilities that are part of supplier finance arrangement | **298.21** |
| - for which suppliers have already received the payment from Financial Institutions | **81.76** |

The Company has applied transitional relief and accordingly comparative information, wherever applicable, for the above disclosures is not presented in the first year of adoption of the amendment.

The Group believes that its liquidity position (₹ 9,762.11 crores as at 31st March 2026 (Previous Year- ₹ 5,176.43 crores)), anticipated future internally generated funds from operations, and its fully available revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Group believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements.

The liquidity position of the Group mentioned above, includes :

i) Cash and cash equivalents and Other Balances with Banks (excluding earmarked balances).

ii) Current/ Non-Current term deposits as disclosed in Other Financial Assets.

iii) Investments in debentures or bonds (including interest accrued on the same) and mutual funds.

The Group's liquidity management process as monitored by management, includes-

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met;
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows;
- Maintaining diversified credit lines.

The table below analyses financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Crores)

| | Less than 1 year | Between 1 - 5 years | More than 5 years | Total | Carrying Value |
|---|---|---|---|---|---|
| **As at 31st March 2026** | | | | | |
| Borrowings (Refer note 16) | 1,046.09 | 1,144.81 | 137.41 | **2,328.31** | **2,293.26** |
| Lease Liabilities (Refer note 17) | 424.93 | 1,043.56 | 1,225.33 | **2,693.82** | **1,635.67** |
| Other financial liabilities (Refer note 18) | 3,044.72 | 113.66 | - | **3,158.38** | **3,158.38** |
| Trade Payables (Refer note 19) | 3,863.04 | - | - | **3,863.04** | **3,863.04** |

(₹ in Crores)

| | Less than 1 year | Between 1 - 5 years | More than 5 years | Total | Carrying Value |
|---|---|---|---|---|---|
| **As at 31st March 2025** | | | | | |
| Borrowings (Refer note 16) | 604.13 | 157.93 | 138.69 | **900.75** | **863.75** |
| Lease Liabilities (Refer note 17) | 402.85 | 978.57 | 584.96 | **1,966.38** | **1,426.54** |
| Other financial liabilities (Refer note 18) | 2,742.04 | 79.93 | - | **2,821.97** | **2,821.97** |
| Trade Payables (Refer note 19) | 3,848.00 | - | - | **3,848.00** | **3,848.00** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 30 (D) : Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 16 and equity attributable to owners of the Parent Company, comprising issued capital, reserves and accumulated profits as presented in the Consolidated Statements of changes in Equity.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

## Note 31 : Earnings Per Share

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Basic earnings per share in rupees (face value – ₹1 per share) (in ₹) | **45.12** | **38.25** |
| Diluted earnings per share in rupees (face value – ₹1 per share) (in ₹) | **45.11** | **38.25** |
| **Profit used as Numerator** | | |
| Profit after tax attributable to owners of the Parent Company as per Consolidated Statement of Profit and Loss (₹ in crores) | **4,325.35** | 3,667.23 |
| **Weighted Average Number of Shares used as Denominator** | | |
| Basic EPS | **95,86,16,565** | 95,87,21,421 |
| Diluted EPS | **95,87,91,026** | 95,88,73,609 |
| **Reconciliation of Weighted Average Number of Shares Outstanding** | | |
| Number of equity shares outstanding during the year | **95,91,97,790** | 95,91,97,790 |
| **Less :** Weighted average shares held by ESOP trust as treasury shares | **(5,81,225)** | (4,76,369) |
| Weighted average number of equity shares outstanding during the year used for computing Basic EPS | **95,86,16,565** | **95,87,21,421** |
| **Add :** Options granted to employees* | **1,74,461** | 1,52,188 |
| Weighted average number of equity shares outstanding during the year used for computing Diluted EPS | **95,87,91,026** | **95,88,73,609** |

*Represents the dilutive impact of Employee Stock Option Plan.

## Note 32 : Contingent Liabilities and Commitments

### a. Contingent Liabilities :

(₹ in Crores)

| | | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **A** | **Performance Bonds and Immigration Bonds given by Subsidiaries** | **3.54** | 4.19 |
| **B** | **Claims against the Group not acknowledged as debts^** | | |
| | i. Tax matters in dispute under appeal | | |
| | - Income Tax | **214.31** | 136.16 |
| | - Value Added Tax, Goods & Service Tax, Sales Tax, Entry Tax, Octroi & Trade Tax | **220.74** | 219.56 |
| | - Excise, Service Tax & Customs | **17.90** | 15.63 |
| | ii. Labour related disputes | **19.88** | 22.79 |
| | iii. Others (includes disputes on matters pertaining to rent deposits, electricity, consumer cases, etc.) | **20.24** | 23.67 |
| **C** | **Other monies for which the Group is Contingently Liable*** | **68.36** | 59.64 |
| **D** | During the year, one of the competitors of the Parent Company had filed a complaint with the Competition Commission of India ('CCI') alleging that the Parent Company is hindering its entry in the decorative paints market through the abuse of the Parent Company's dominant position. The CCI had passed a *prima facie* order dated 1st July 2025 directing the Director General ('DG') to conduct an investigation against the Parent Company under the provisions of the Competition Act, 2002. The Parent Company has filed its responses from time to time with respect to the information sought by the DG. Based on the present status and the Parent Company's assessment of the proceedings, the Parent Company believes that it has a reasonable basis to defend its position in this matter. Considering the early stage of the investigation and inherent uncertainties associated with such proceedings, it is not possible to estimate the likelihood of potential financial impact, if any. | **-** | - |
| **Total** | | **564.97** | **481.64** |

^The above claims are pending before various Appellate Authorities. The management, including its advisors, expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's Financial Statements.

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/authorities. The Group does not expect any reimbursements in respect of the contingent liabilities.

*Towards custom duty and IGST for capital goods imported under Manufacturing & Other operation in Warehouse Regulation (MOOWR) scheme against which the Parent Company has executed a bond which is three times of the custom duty calculated at the time of import. The amount and timing of liability towards such custom duty and IGST will crystalise at the time of filing of ex-bond bill of entry at the time of removal of goods from the bonded warehouse.

### b. Commitments :

(₹ in Crores)

| | | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **A** | **Estimated amount of contracts remaining to be executed on capital account and not provided for** | | |
| | i. Towards Property, Plant and Equipment | **840.50** | 1,127.09 |
| | ii. Towards Intangible Assets | **16.91** | 4.75 |
| | iii. Towards Right-to-use assets& | **652.90** | 652.90 |
| **B.** | **Letters of Credit and Bank guarantees issued by bankers and outstanding as at year end** | **214.33** | 157.71 |

&Represents estimated undiscounted amount of lease liability towards lease agreement with future commencement date.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 33 : Employee Benefits

### 1 Post-employment benefits :

The Group has the following post-employment benefit plans :

**a) Defined benefit gratuity plan**

The Parent Company and Indian subsidiaries operate defined benefit gratuity plan for its employees, wherein contribution are made to a separately administered fund. The plan is governed by the Code on Social Security, 2020. There is no separate contribution by the employee in the fund. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. In case of Indian subsidiaries, the fund is managed by Life Insurance Corporation (LIC) and every year the required contribution amount is paid to LIC.

Each year, the Board of Trustees and the Parent Company/certain Indian subsidiaries review the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Parent Company/certain Indian subsidiaries (employer) contributes to the fund based on the results of this annual review and ensures that the trust is adequately funded. Generally, it aims to have a portfolio mix of sovereign debt instruments, debt instruments of Corporates and equity instruments. The Parent Company aims to keep annual contributions relatively stable at a level such that no significant plan deficits (based on valuation performed) will arise.

As the plan assets include significant investments in quoted debt and equity instruments, the Parent Company/certain Indian subsidiaries are exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

The International subsidiaries operate an unfunded gratuity scheme; provision in respect of which is made annually covering all its permanent eligible employees and workers who have completed stipulated years of their service with the respective subsidiaries.

Fair value of the Parent Company's/certain Indian subsidiaries own transferable financial instruments held as plan assets : ₹ 0.42 crores (Previous year - NIL)

**b) Defined benefit pension plan (Unfunded)**

The Parent Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

**c) Defined benefit post-retirement medical benefit plan (Unfunded)**

The Parent Company operates a defined post-retirement medical benefit plan for certain specified employees and payable upon the employee satisfying certain conditions.

**d) Leaving Indemnity plan**

Certain overseas subsidiaries provide Leaving Indemnity plan benefits based on last drawn basic salary at the time of separation in accordance with the local labour laws. These defined benefit plans are unfunded.

## Note 33 : Employee Benefits (Contd.)

### 1 Post-employment benefits (Contd.) :

Aforesaid post-employment benefit plans typically expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| **Investment Risk** | These Plans invest in long term debt instruments such as Government securities and highly rated corporate bonds. The valuation of such long term debt instruments is inversely proportionate to the interest rate movements. There is risk of volatility in asset values due to market fluctuations and impairment of assets due to credit losses. |
| **Interest Risk** | The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa. |
| **Longevity Risk** | The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| **Salary Risk** | The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability. |

The following tables summarise the components of net defined benefit expense recognised in the Consolidated Statement of Profit and Loss/OCI and the funded status and amounts recognised in the Consolidated Balance Sheet for the respective plans :

(₹ in Crores)

| | | Gratuity (Funded Plan) | | Pension (Unfunded Plan) | | Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan) | |
|---|---|---|---|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| A | **Opening defined benefit obligation** | **316.68** | **284.74** | **1.20** | **1.30** | **47.95** | **43.06** |
| | Obligation on disposal of subsidiaries | **-** | - | **-** | - | **-** | (1.78) |
| | Current service cost | **30.90** | 24.35 | **0.01** | 0.03 | **6.16** | 5.24 |
| | Interest cost | **23.19** | 20.12 | **0.08** | 0.09 | **3.37** | 3.17 |
| | Past service cost | **68.07** | - | **-** | - | **2.39** | (0.65) |
| | **Amount included in Consolidated Statement of Profit and Loss** | **122.16** | **44.47** | **0.09** | **0.12** | **11.92** | **7.76** |
| | **Remeasurement Losses/(Gains)** | | | | | | |
| | Actuarial (Gain)/Loss from changes in financial assumptions | **(17.38)** | 9.02 | **(0.03)** | (0.03) | **(1.24)** | 1.41 |
| | Actuarial Loss from changes in demographic assumptions | **-** | - | **-** | - | **0.45** | 0.05 |
| | Experience adjustment Loss/(Gain) | **15.26** | (0.40) | **(0.05)** | (0.05) | **2.24** | 1.46 |
| | **Amount included in Other Comprehensive Income** | **(2.12)** | **8.62** | **(0.08)** | **(0.08)** | **1.45** | **2.92** |
| | Inter-Company Transfer | **0.09** | (0.64) | **-** | - | **-** | - |
| | Benefits paid | **(23.61)** | (20.51) | **(0.15)** | (0.14) | **(6.20)** | (3.55) |
| | Exchange Difference on Foreign Plans | **-** | - | **-** | - | **3.92** | (0.46) |
| | **Closing defined benefit obligation** | **413.20** | **316.68** | **1.06** | **1.20** | **59.04** | **47.95** |
| B | **Opening fair value of plan assets** | **312.03** | **279.89** | **-** | **-** | **-** | **-** |
| | Return on plan assets | **21.87** | 19.84 | **-** | - | **-** | - |
| | **Amount included in Consolidated Statement of Profit and Loss** | **21.87** | **19.84** | **-** | **-** | **-** | **-** |
| | Actuarial (Loss)/Gain | **(11.39)** | 5.45 | **-** | - | **-** | - |
| | **Amount included in Other Comprehensive Income** | **(11.39)** | **5.45** | **-** | **-** | **-** | **-** |
| | Contributions by employer | **72.74** | 27.37 | **-** | - | **-** | - |
| | Benefits paid | **(23.60)** | (20.52) | **-** | - | **-** | - |
| | **Closing fair value of plan assets** | **371.65** | **312.03** | **-** | **-** | **-** | **-** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 33 : Employee Benefits (Contd.)

### 1) Post-employment benefits (Contd.) :

(₹ in Crores)

| | | Gratuity (Funded Plan) | | Pension (Unfunded Plan) | | Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan) | |
|---|---|---|---|---|---|---|---|
| | | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| C | **Amounts Recognised in the Balance Sheet** | | | | | | |
| | Closing defined benefit obligation | **413.20** | 316.68 | **1.06** | 1.20 | **59.04** | 47.95 |
| | Closing fair value of plan assets | **371.65** | 312.03 | **-** | - | **-** | - |
| | **Net Liability Recognised in the Balance Sheet** | **41.55** | **4.65** | **1.06** | **1.20** | **59.04** | **47.95** |
| D | **Expense/(Income) recognised in :** | | | | | | |
| | **Consolidated Statement of Profit and Loss** | **100.29** | **24.63** | **0.09** | **0.12** | **11.92** | **7.76** |
| | **Statement of Other Comprehensive Income** | **9.27** | **3.17** | **(0.08)** | **(0.08)** | **1.45** | **2.92** |
| E | **Weighted average duration of defined benefit obligation** | **3.98 to 9.37** | **5.20 to 11.08** | **5.66** | **10.90** | **5.6 to 15.67** | **7.37 to 16.08** |
| F | **Maturity profile of defined benefit obligation** | | | | | | |
| | Within the next 12 months | **57.68** | 34.99 | **0.10** | 0.14 | **10.94** | 5.46 |
| | Between 1 and 5 years | **134.18** | 93.81 | **0.42** | 0.43 | **28.14** | 21.21 |
| | Between 5 and 10 years | **126.58** | 179.26 | **0.56** | 0.62 | **23.63** | 23.05 |
| | 10 years onwards | **632.57** | 354.77 | **0.61** | 0.43 | **44.00** | 124.07 |

**The major categories of plan assets of the fair value of the total plan assets are as follows :**

(₹ in Crores)

| | Gratuity (Funded Plan) | |
|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 |
| **Quoted** | | |
| Government of India securities (Central and State) | **164.04** | 142.13 |
| High quality corporate bonds (including Public Sector Bonds) | **132.24** | 105.45 |
| Equity shares, Equity mutual funds and ETF | **46.84** | 41.20 |
| **Total (A)** | **343.12** | **288.78** |
| **Unquoted** | | |
| Cash Balance | **1.42** | 1.69 |
| Others | **27.11** | 21.56 |
| **Total (B)** | **28.53** | **23.25** |
| **Total (A+B)** | **371.65** | **312.03** |



## Note 33 : Employee Benefits (Contd.)

### 1) Post-employment benefits (Contd.) :

The principal assumptions used in determining gratuity, pension and post-employment medical benefit obligations for the Group plans are shown below :

**(i) Financial Assumptions**

| | Gratuity (Funded Plan) | | Pension (Unfunded Plan) | | Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan) | |
|---|---|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| Discount Rate | **6.65% to 7.15%** | 6.47% to 6.72% | **7.15%** | 6.70% | **4.05% to 10.70%** | 4.77% to 10.91% |
| Salary Escalation Rate | **All Grades-8%** | All Grades-8% for first year 7% thereafter | **-** | - | **4.00% to 15.00%** | 4.00% to 15.00% |

**(ii) Demographic Assumptions**

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Employee Turnover | **1.80% to 20.00%** | 1.00% to 20.00% |
| Mortality Rate | **IALM (2012-14) Ultimate** | IALM (2012-14) Ultimate |
| Retirement Age | **58 to 60 Years** | 58 to 60 Years |

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Crores)

| | Gratuity (Funded Plan) | | Pension (Unfunded Plan) | | Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)* | |
|---|---|---|---|---|---|---|
| | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 | As at 31.03.2026 | As at 31.03.2025 |
| Defined Benefit Obligation - Discount Rate + 100 basis points | **(34.86)** | (23.34) | **(0.07)** | (0.07) | **(0.31)** | (0.24) |
| Defined Benefit Obligation - Discount Rate - 100 basis points | **40.83** | 27.04 | **0.07** | 0.07 | **0.36** | 0.27 |
| Defined Benefit Obligation - Salary Escalation Rate + 100 basis points | **27.56** | 20.92 | **-** | - | **0.23** | 0.15 |
| Defined Benefit Obligation - Salary Escalation Rate - 100 basis points | **(27.36)** | (19.91) | **-** | - | **(0.21)** | (0.15) |

* Sensitivity analysis does not include impact of overseas subsidiaries as the same is not material

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 33 : Employee Benefits (Contd.)

### 1) Post-employment benefits (Contd.) :

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Consolidated Balance Sheet.

The Group expects to make a contribution of ₹ 72.36 crores (Previous year- ₹ 31.04 crores) to the defined benefit plans during the next financial years.

#### e) Provident Fund

The provident fund assets and liabilities of the Parent Company is managed by its provident fund trusts. The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Parent Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below.

Participation by all employees in provident funds plans is mandatory. Contribution to Provident Fund is made @ 12% of wages (computed in accordance with the prevalent regulations) by the employee. Similarly, the Parent Company also contributes to the Provident Fund specified percentage of salary as per the prevalent regulations. Employees have the option to voluntarily contribute a higher amount.

The details of benefit obligation and plan assets of the provident funds is as given below :

(₹ in Crores)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Present value of benefit obligation at period end (a) | **1,084.81** | 997.60 |
| Plan assets at period end, at fair value, restricted to present value of benefit obligation (b) | **1,070.46** | 997.60 |
| **Deficit considered in OCI (a-b)** | **14.35** | **-** |

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM) :

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Discounting Rate | **7.15%** | 6.70% |
| Expected Guaranteed interest rate | **8.25%*** | 8.25% |

* Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2025-26 and the same is used for valuation purpose. The Trust has provisionally declared interest rate of 8.25% for FY 2025-26.

## Note 33 : Employee Benefits (Contd.)

### 2) Other long term employee benefits :

**Annual Leave and Sick Leave assumptions**

The liability towards compensated absences (annual leave and sick leave) for the year ended 31st March 2026 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 20.96 crores (Previous Year - ₹ 32.95 crores)

#### (a) Financial Assumptions

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Discount Rate | **4.05% to 20.46%** | 4.77% to 21.88% |
| Salary Escalation Rate | **4.00% to 17.00%** | 4.00% to 15.00% |

#### (b) Demographic Assumptions

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Mortality Rate | **IALM (2012-14) Ultimate** | IALM (2012-14) Ultimate |
| Employee Turnover | **1.80% to 20.00%** | 1.00% to 20.00% |
| Leave Availment Ratio | **1.00% to 5.00%** | 1.00% to 5.00% |

### 3) Employee share based payment plans :

During the year ended 31st March 2021, the Group implemented Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"). The plan was approved by the shareholders in the Parent Company's 75th AGM held on 29th June 2021. The 2021 Plan enables grant of stock options to the eligible employees of the Parent Company and its subsidiaries not exceeding 25,00,000 Shares, which is 0.26 % of the paid up equity share capital of the Parent Company as on 12th May 2021. Further, the stock options to any single employee under the Plan shall not exceed 5,00,000 Shares of the Parent Company during the tenure of the Plan, subject to compliance with Applicable Law.

The process for determining the eligibility of employees for the grant of stock options under the 2021 Plan shall be determined by the Nomination and Remuneration Committee (Administrator of the 2021 Plan) in consultation with Managing Director & CEO and based on employee's grade, performance rating and such other criteria as may be considered appropriate. The employees shall be entitled to receive one equity share of the Parent Company on exercise of each stock option, subject to performance of the employees and continuation of employment over the vesting period. The options granted under 2021 Plan have a maximum vesting period of 4 years. The options granted are based on the performance of the employees during the year of the grant and their continuing to remain in service over the next 3 years. During the year, the Managing Director & CEO is granted options based on market linked and non-market linked performance conditions along with service condition.

The exercise price for stock options granted are at a discount of 50% to the Reference Share Price (the average of the daily high and low of the volume weighted average prices of the Shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made) of the shares of the Parent Company as defined under 2021 Plan.

The Administrator approved secondary purchase of shares equivalent to the options granted in August 2021 through Asian Paints Employees Stock Ownership Trust ("ESOP Trust" or "Trust") which is shown as treasury shares in the Consolidated Statement of Changes in Equity.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 33 : Employee Benefits (Contd.)

### 3) Employee share based payment plans (Contd.) :

**(a) Details of stock options granted :**

| | Grant Date | Vesting Date | Options outstanding at the beginning of the year 2025-26 | Options granted during the year 2025-26 | Options exercised during the year 2025-26 | Options forfeited during the year 2025-26 | Options lapsed during the year 2025-26 | Options outstanding at the end of the year 2025-26 | Exercisable as at 2025-26 | Weighted Average remaining contractual life (years) |
|---|---|---|---|---|---|---|---|---|---|---|
| Grant 1 | 16th August 2021 | 31st March 2024 | **4,320** | **-** | **3,840** | **-** | **480** | **-** | **-** | **-** |
| Grant 2 | 16th August 2021 | 31st March 2025 and 1st April 2025 | **92,834** | **-** | **91,914** | **-** | **920** | **-** | **-** | **-** |
| Grant 3 | 10th February 2022 | 1st April 2025 | **3,693** | **-** | **3,665** | **-** | **28** | **-** | **-** | **-** |
| Grant 4 | 6th June 2022 | 31st March 2026 and 1st April 2026 | **1,23,059** | **-** | **1,584** | **-** | **8,744** | **1,12,731** | **30,996** | **1** |
| Grant 5 | 8th September 2022 | 1st April 2026 | **5,485** | **-** | **-** | **-** | **304** | **5,181** | **-** | **1** |
| Grant 6 | 19th January 2023 | 1st April 2026 | **396** | **-** | **-** | **-** | **-** | **396** | **-** | **1** |
| Grant 7 | 31st March 2023 | 1st April 2026 | **672** | **-** | **-** | **-** | **-** | **672** | **-** | **1** |
| Grant 8 | 27th April 2024 | 1st April 2027 | **1,81,781** | **-** | **1,696** | **-** | **7,562** | **1,72,523** | **-** | **2** |
| Grant 9 | 29th April 2025 | 1st April 2028 | **-** | **1,48,505** | **-** | **-** | **8,399** | **1,40,106** | **-** | **3** |
| Grant 10-Tranche 1 | 29th April 2025 | 30th June 2026 or date of AGM for FY 25-26, whichever is later | **-** | **50,781** | **-** | **-** | **4,670** | **46,111** | **-** | **2.25** |
| Grant 10-Tranche 2 | 29th April 2025 | 30th June 2027 or date of AGM for FY 26-27, whichever is later | **-** | **50,211** | **-** | **-** | **4,596** | **45,615** | **-** | **3.25** |
| Grant 10-Tranche 3 | 29th April 2025 | 30th June 2028 or date of AGM for FY 27-28, whichever is later | **-** | **48,887** | **-** | **-** | **4,459** | **44,428** | **-** | **4.25** |



## Note 33 : Employee Benefits (Contd.)

### 3) Employee share based payment plans (Contd.) :

**(a) Details of stock options granted (Contd.) :**

| | Grant Date | Vesting Date | Options outstanding at the beginning of the year 2024-25 | Options granted during the year 2024-25 | Options exercised during the year 2024-25 | Options forfeited during the year 2024-25 | Options lapsed during the year 2024-25 | Options outstanding at the end of the year 2024-25 | Exercisable at period end 2024-25 | Weighted Average remaining contractual life (years) |
|---|---|---|---|---|---|---|---|---|---|---|
| Grant 1 | 16th August 2021 | 31st March 2024 | 94,208 | - | 89,769 | 119 | - | 4,320 | 3,840 | 0.5 |
| Grant 2 | 16th August 2021 | 31st March 2025 and 1st April 2025 | 1,03,244 | - | 3,990 | - | 6,420 | 92,834 | 20,470 | 1 |
| Grant 3 | 10th February 2022 | 1st April 2025 | 3,850 | - | 73 | - | 84 | 3,693 | - | 1 |
| Grant 4 | 6th June 2022 | 31st March 2026 and 1st April 2026 | 1,31,083 | - | 1,121 | - | 6,903 | 1,23,059 | - | 2 |
| Grant 5 | 8th September 2022 | 1st April 2026 | 5,968 | - | - | - | 483 | 5,485 | - | 2 |
| Grant 6 | 19th January 2023 | 1st April 2026 | 584 | - | - | - | 188 | 396 | - | 2 |
| Grant 7 | 31st March 2023 | 1st April 2026 | 830 | - | - | - | 158 | 672 | - | 2 |
| Grant 8 | 27th April 2024 | 1st April 2027 | - | 1,90,744 | - | - | 8,963 | 1,81,781 | - | 3 |

Weighted average exercise price for respective option series towards all the movement including opening and closing outstanding options is same as exercise price on grant date.

**b) Fair Value of Share Options granted :**

Fair Value of stock options was calculated using the Black Scholes Model (for non-market linked vesting condition). The key assumptions used for calculating the option fair value are as below :

| | Grant Date | Risk free interest rate | Expected life | Expected volatility | Dividend Yield | Fair Value at Grant Date (₹) | Market price at the time of grant of the option (₹) | Exercise price |
|---|---|---|---|---|---|---|---|---|
| | | Zero Coupon Sovereign Bond Interest Rate equivalent for option life | Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period | Based on daily volatility for period equivalent for option life | Dividend yield is calculated as dividend paid in last FY divided by current share price | | | 50% of Reference Share Price |
| Grant 1 | 16th August 2021 | 5.07% | 3.12 years | 34.67% | 0.60% | 1,685.13 | 2,987.55 | 1,518.70 |
| Grant 2 | 16th August 2021 | 5.50% | 4.12 years | 32.17% | 0.60% | 1,752.87 | 2,987.55 | 1,518.70 |
| Grant 3 | 10th February 2022 | 5.57% | 3.63 years | 33.93% | 0.55% | 1,884.83 | 3,228.35 | 1,632.53 |
| Grant 4 | 6th June 2022 | 7.17% | 4.32 years | 33.76% | 0.66% | 1,768.00 | 2,886.90 | 1,478.00 |
| Grant 5 | 8th September 2022 | 7.08% | 4.06 years | 34.71% | 0.56% | 2,098.00 | 3,400.35 | 1,706.00 |
| Grant 6 | 19th January 2023 | 7.22% | 3.69 years | 34.75% | 0.65% | 1,769.00 | 2,945.25 | 1,505.00 |
| Grant 7 | 31st March 2023 | 7.28% | 3.50 years | 34.59% | 0.69% | 1,649.00 | 2,770.50 | 1,412.00 |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 33 : Employee Benefits (Contd.)

3) Employee share based payment plans (Contd.) :

**b) Fair Value of Share Options granted (Contd.) :**

| | Grant Date | Risk free interest rate | Expected life | Expected volatility | Dividend Yield | Fair Value at Grant Date (₹) | Market price at the time of grant of the option (₹) | Exercise price |
|---|---|---|---|---|---|---|---|---|
| | | Zero Coupon Sovereign Bond Interest Rate equivalent for option life | Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period | Based on daily volatility for period equivalent for option life | Dividend yield is calculated as dividend paid in last FY divided by current share price | | | 50% of Reference Share Price |
| Grant 8 | 27th April 2024 | 7.21% | 3.42 years | 28.36% | 0.93% | 1,652.00 | 2,844.15 | 1,433.00 |
| Grant 9 | 29th April 2025 | 6.05% | 3.42 years | 26.37% | 1.04% | 1,409.00 | 2,451.10 | 1,188.00 |
| Grant 10 -Tranche 1 | 29th April 2025 | 5.99% | 2.17 years | 23.28% | 1.04% | 1,354.00 | 2,451.00 | 1,188.00 |
| Grant 10 -Tranche 2 | 29th April 2025 | 6.04% | 3.17 years | 26.02% | 1.04% | 1,398.00 | 2,451.00 | 1,188.00 |
| Grant 10 -Tranche 3 | 29th April 2025 | 6.09% | 4.17 years | 27.35% | 1.04% | 1,441.00 | 2,451.00 | 1,188.00 |

**(c)** For Grant 10, Fair Value of Share Options (market linked vesting conditions) was calculated using the Monte Carlo simulations model. The key assumptions used for calculating the option fair value are as below :

| | Grant Date | Risk free interest rate | Expected life | Expected volatility | | Fair Value at Grant Date (₹) | Market price at the time of grant of the option (₹) | Exercise price |
|---|---|---|---|---|---|---|---|---|
| | | Zero Coupon Sovereign Bond Interest Rate equivalent for option life | Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period | Based on daily volatility of Company for period equivalent for option life | Based on daily volatility of NIFTY 50 for period equivalent for option life | | | 50% of Reference Share Price |
| Grant 10 - Tranche 1 | 29th April 2025 | 5.96% | 2.17 years | 26.57% | 18.11% | 851.00 | 2,451.00 | 1,188.00 |
| Grant 10 - Tranche 2 | | 5.99 % | 3.17 years | 23.29% | 15.33% | 829.00 | 2,451.00 | 1,188.00 |
| Grant 10 - Tranche 3 | | 6.11% | 4.17 years | 24.89% | 15.85% | 846.00 | 2,451.00 | 1,188.00 |

During the year, the Group has recognised an expense of ₹ 29.35 crores (Previous year - ₹ 21.25 crores).

## Note 34 : Related Party Transactions

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below :

**a) Associates :**

**1) PPG Asian Paints Private Limited**

Wholly owned subsidiaries of PPG Asian Paints Private Limited :

a) Revocoat India Private Limited

b) PPG Asian Paints Lanka Private Limited *

* The Company has ceased its business operations and the Company is under liquidation.

**b) Key Managerial Personnel :**

| Name | Designation |
|---|---|
| Amit Syngle | Managing Director & CEO |
| R J Jeyamurugan | CFO & Company Secretary |

| Non-Executive Directors | |
|---|---|
| R Seshasayee (Chairman) | Nehal Vakil |
| Manish Choksi (Vice Chairman) | Ireena Vittal |
| Malav Dani | Soumitra Bhattacharya |
| Amrita Vakil | Gopichand Katragadda (w.e.f 1st April 2024) |
| Jigish Choksi (upto 31st March 2025) | Varun Berry (w.e.f 23rd October 2024) |
| Milind Sarwate | Ashish Choksi (w.e.f 1st April 2025) |

**c) Names of Close Family Members of Key Managerial Personnel (apart from those who are in employment of the Parent Company) where transactions have taken place during the year :**

| | |
|---|---|
| ACC AP Trust | Manjiri Milind Oak |
| Ami Manish Choksi | Prafullika Shailesh Choksi |
| Ashish Ashwin Choksi $ | Ragini Varun Vakil |
| Bhairavi Abhay Vakil | Rhea Amit Sethi |
| Binita Ashish Choksi | Richa Manish Choksi |
| Dipika Amar Vakil | Rita Mahendra Choksi |
| Druhi Ashish Choksi | Ruma Chandra |
| Hasit Ashwin Dani $ | Rupal Anant Bhat |
| Ina Ashwin Dani | Rupen Ashwin Choksi |
| Jalaj Ashwin Dani $ | Shalinie Syngle |
| Jigish Shailesh Choksi | Seema S Katragadda |
| Late. Abhay Arvind Vakil | Urvashi Ashwin Choksi |
| Late. Amar Arvind Vakil | Vishal Shailesh Choksi |
| Late. Shailesh Chimanlal Choksi $ | Vivek Abhay Vakil $ |
| Mahendra Chimanlal Choksi $ | |
| Manish Mahendra Choksi $ | |

$ Includes HUF of which he is the karta

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 34 : Related Party Transactions (Contd.)

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below (Contd.) :

**d) Close family members of Key Managerial Personnel who are under the employment of the Parent Company and with whom transactions have taken place during the year :**

Varun Vakil ++

Aashay Choksi

++ includes HUF of which he is the karta

**e) Entities where Key Managerial Personnel / Close family members of Key Managerial Personnel have control/ significant influence and where transactions have taken place or balance is outstanding during the year :**

| | | |
|---|---|---|
| Addverb Technologies Ltd. | Indian Foundation For Quality Management | Ricinash Renewable Materials Pvt. Ltd. |
| Ankleshwar Industrial Development Society | Hydra Trading Pvt. Ltd. | Rupen Investment and Industries Pvt. Ltd. |
| AR Interact | Jalaj Trading And Investment Company Pvt. Ltd. | Sattva Holding and Trading Pvt. Ltd. |
| Asteroids Trading And Investments Pvt. Ltd. | Jaldhar Investments And Trading Company Pvt. Ltd. | Satyadharma Investments And Trading Company Pvt Ltd. |
| Ball Bearing And Machinery Corporation * | Lambodar Investments And Trading Company Ltd. | Shubhit Holdings Pvt Ltd. (previously known as Gujarat Organics Pvt. Ltd.) |
| Castle Investment & Industries Pvt. Ltd. | Lyon Investment and Industries Pvt. Ltd. | Stack Pack Ltd. |
| Centaurus Trading And Investments Pvt. Ltd. | Murahar Investments And Trading Company Ltd. | Smiti Holding And Trading Company Pvt. Ltd. |
| Dani Finlease Pvt. Ltd. | Navbharat Packaging Industries Pvt. Ltd. | Sudhanva Investments And Trading Company Pvt. Ltd. |
| Doli Trading and Investments Pvt. Ltd. | Nehal Trading and Investments Pvt. Ltd. | Suptaswar Investments And Trading Company Ltd. |
| Elcid Investments Ltd. | Paladin Paints And Chemicals Pvt. Ltd. | Tru Trading And Investments Pvt. Ltd. |
| ELF Trading And Chemical Manufacturing Pvt. Ltd. | Piramal Swasthya Management and Research Institute | Upnishad Trustee Advisory Services Pvt. Ltd. |
| Geetanjali Trading and Investments Pvt. Ltd. | Rayirth Holding And Trading Company Pvt. Ltd. | Unnati Trading And Investments Pvt. Ltd. |
| Hitech Corporation Ltd. | Resins and Plastics Ltd. | Vikatmev Containers Ltd. |
| Hitech Specialities Solutions Ltd. | Riash Renewable Materials Pvt. Ltd. ^^ | |

^^ Transactions upto 31st March 2025.

* w.e.f. 8th February 2026

**f) Other entities where significant influence exists :**

**i) Post employment-benefit plan entity :**

Asian Paints (I) Limited Employees' Gratuity Fund

Asian Paints Industrial Coatings Limited Employees' Gratuity Fund

**ii) Other :**

Asian Paints Office Provident Fund (Employee benefit plan)

Asian Paints Factory Employees' Provident Fund (Employee benefit plan)

Asian Paints Management Cadres' Superannuation Scheme (Employee benefit plan)

## Note 34 : Related Party Transactions (Contd.)

**Terms and conditions of transactions with related parties :**

1. The Group has been entering into transactions with related parties for its business purposes. The process followed for entering into transactions with related party is same as followed for unrelated party. Vendors are selected competitively having regard to strict adherence to quality, timely servicing and cost advantage. Further related party vendors provide additional advantages in terms of :
   (a) Supplying products primarily to the Group,
   (b) Advanced and innovative technology,
   (c) Customisation of products to suit the Group's specific requirements, and
   (d) Enhancement of the Group's purchase cycle and assurance of just in time supply with resultant benefits - notably on working capital.
2. The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.
3. The assessment of receivables is undertaken in each financial year through examining the financial position of related parties, the market and regulatory environment in which related parties operate and is in accordance with the accounting policy of the Group.

**Compensation to key managerial personnel of the Parent Company :**

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Short-term employee benefits** | **40.95** | 23.34 |
| Post-employment benefits | **-** | - |
| Other long-term benefits | **-** | - |
| Termination benefits | **-** | - |
| Share-based payments* | **3.95** | 0.40 |
| **Total compensation paid to key managerial personnel** | **44.90** | **23.74** |

** Includes remuneration (sitting fees and commission) paid to Non-executive directors amounting to ₹ 8.66 crores (Previous year- ₹ 7.22 crores)

* Represents perquisite value of ESOPs exercised in accordance with the approved Employee Stock option plan.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 34 : Related Party Transactions (Contd.)

### Details of transactions with and balances outstanding of Associate companies :

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| PPG Asian Paints Private Limited | Revenue from Sale of Products | **10.73** | **2.54** | 8.05 | 1.74 |
| | Revenue from Sale of Services | **0.25** | **-** | - | (0.03) |
| | Purchase of Goods | **5.10** | **1.57** | 5.77 | 1.32 |
| | Processing Income | **0.49** | **0.12** | 1.80 | 0.28 |
| | Royalty Income | **3.44** | **0.40** | 3.42 | 0.32 |
| | Other Non Operating Income | **5.24** | **0.59** | 4.49 | 0.94 |
| | Reimbursement of Expenses Received | **6.89** | **2.41** | 4.66 | 2.74 |
| | Reimbursement of Expenses Paid | **0.83** | **0.07** | 1.06 | 0.02 |
| | Sale of Assets | **-** | **-** | 0.00 | 0.00 |
| | Dividend received | **115.50** | **-** | 115.50 | - |
| Revocoat India Private Limited | Other Non Operating Income | **0.08** | **0.01** | 0.11 | 0.02 |
| | Reimbursement of Expenses Received | **0.05** | **0.01** | 0.12 | 0.02 |

### Details of transactions with and balances outstanding of Key Managerial Personnel / Close Family Member of Key Managerial Personnel :

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| Amit Syngle | Remuneration ^ | **31.24** | **15.40** | 11.20 | - |
| | Dividend paid | **0.04** | **-** | 0.00 | - |
| R J Jeyamurugan | Remuneration ^^ | **5.00** | **-** | 5.32 | - |
| | Dividend paid | **0.00** | **-** | 0.00 | - |
| R Seshasayee | Remuneration | **1.37** | **1.10** | 0.86 | 0.50 |
| | Dividend paid | **0.00** | **-** | 0.00 | - |
| Manish Choksi | Remuneration | **0.80** | **0.56** | 0.79 | 0.46 |
| | Dividend paid | **5.98** | **-** | 7.74 | - |
| | Revenue from Sale of Products | **-** | **-** | 0.00 | - |
| Malav Dani | Remuneration | **0.70** | **0.54** | 0.66 | 0.44 |
| | Dividend paid | **9.14** | **-** | 11.83 | - |
| Amrita Vakil | Remuneration | **0.67** | **0.51** | 0.64 | 0.42 |
| | Dividend paid | **6.43** | **-** | 8.32 | - |
| Jigish Choksi | Remuneration | **-** | **-** | 0.56 | 0.42 |
| | Dividend paid $ | **5.00** | **-** | 6.46 | - |
| Milind Sarwate | Remuneration | **0.80** | **0.59** | 0.73 | 0.48 |
| | Dividend paid | **0.00** | **-** | 0.00 | - |



## Note 34 : Related Party Transactions (Contd.)

### Details of transactions with and balances outstanding of Key Managerial Personnel / Close Family Member of Key Managerial Personnel (Contd.) :

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| Nehal Vakil | Remuneration | **0.65** | **0.51** | 0.57 | 0.42 |
| | Dividend paid | **14.37** | **-** | 18.59 | - |
| Ireena Vittal | Remuneration | **0.73** | **0.54** | 0.67 | 0.44 |
| Soumitra Bhattacharya | Remuneration | **0.90** | **0.56** | 0.88 | 0.46 |
| Gopichand Katragadda | Remuneration | **0.72** | **0.54** | 0.61 | 0.44 |
| Varun Berry | Remuneration | **0.67** | **0.51** | 0.25 | 0.18 |
| | Dividend paid | **0.00** | **-** | 0.00 | - |
| Ashish Choksi | Remuneration | **0.65** | **0.51** | - | - |
| | Dividend paid & | **2.22** | **-** | - | - |
| Varun Vakil (Close Family Members of KMP) | Remuneration | **1.15** | **-** | 1.17 | - |
| | Dividend paid | **18.65** | **-** | 24.13 | - |
| Aashay Choksi (Close Family Members of KMP) | Remuneration | **0.21** | **-** | - | - |
| | Dividend paid % | **0.31** | **-** | - | - |
| Rupal Anant Bhat | Revenue from sale of products & services | **-** | **-** | 0.20 | - |
| | Dividend paid @ | **4.82** | **-** | 6.23 | - |
| Others * | | | | | |
| - Close Family members of KMP | Dividend paid | **136.67** | **-** | 198.32 | - |
| - Other Promoter Group | | **50.12** | **-** | 46.56 | - |

^ Remuneration does not include :
Stock options (Year 2025-26 - ₹ 14.12 crores, Year 2024-25 - NIL) which will be subject to vesting conditions in accordance with the approved Employee Stock Option plan.

^^ Remuneration does not include :
Stock options (Year 2025-26 - ₹ 0.61 crores, Year 2024-25 - ₹ 0.61 crores) which will be subject to vesting conditions in accordance with the approved Employee Stock Option plan.

% Mr. Aashay Choksi, being a close family member of Key Managerial Personnel, is a related party of the Parent Company and became an employee of the Parent Company during the year, to whom remuneration was paid. Accordingly, dividend paid to him during the current year is disclosed separately. Dividend paid in the previous year was included under "Others", as he was not employed by the Parent Company during that period and the amount was less than 10% of the total dividend paid to related parties.

$ Mr. Jigish Choksi resigned as a Director of the Parent Company on 31st March 2025. Accordingly, dividend paid to him during the current year is disclosed solely for the purpose of comparability with the previous year.

& Mr. Ashish Choksi was appointed as a Director of the Parent Company on 1st April 2025. Accordingly, dividend paid to him during the current year is disclosed separately. Dividend paid in the previous year was included under "Others", as he did not hold any directorship during that period and the amount was less than 10% of the total dividend paid to related parties.

@ No related party transactions were undertaken during the current year with Ms. Rupal Anant Bhat. Accordingly, dividend is disclosed in the current year solely for comparability purposes.

* Dividend paid to Close Family Members of Key Managerial Personnel has been shown under others, which are less than 10% of overall dividend paid to Related parties. Additionally dividend paid to Other Promoter Group members amounted to ₹ 50.12 crores in FY 2025–26 (FY 2024-25: ₹ 46.56 crores).

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 34 : Related Party Transactions (Contd.)

### Details of transactions with and balances outstanding of Entities Controlled/ significantly influenced by Key Managerial Personnel / Close Family Members of Key Managerial Personnel :

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| AR Interact | Issue of gift vouchers under marketing Schemes | **0.01** | **-** | - | (0.00) |
| Addverb Technologies Ltd. | Services Received | **0.56** | **0.20** | 0.01 | 0.03 |
| | Revenue from sale of products & services | **-** | **-** | 0.17 | 0.07 |
| Ankleshwar Industrial Development Society | Corporate Social Responsibility Expenses | **0.01** | **-** | 0.04 | - |
| | Services Received | **0.06** | **0.00** | 0.15 | (0.01) |
| ELF Trading And Chemical Manufacturing Pvt. Ltd. | Revenue from sale of products & services | **-** | **-** | - | 0.02 |
| | Dividend paid % | **5.28** | **-** | 6.83 | - |
| Hitech Corporation Ltd. | Purchase of goods & services | **438.13** | **106.13** | 428.86 | 106.99 |
| | Reimbursement of expenses received | **0.00** | **-** | - | - |
| Hitech Specialities Solutions Ltd. | Purchase of goods | **0.03** | **0.01** | 0.02 | - |
| Hydra Trading Pvt. Ltd. | Revenue from sale of products & services | **(0.00)** | **-** | 0.08 | (0.01) |
| Navbharat Packaging Industries Pvt. Ltd. | Purchase of goods | **4.23** | **0.41** | 4.85 | 0.27 |
| Paladin Paints And Chemicals Pvt. Ltd. | Purchase of goods | **2.02** | **0.22** | 2.60 | 0.06 |
| Piramal Swasthya Management and Research Institute | Corporate Social Responsibility Expenses | **2.59** | **-** | 2.76 | - |
| Resins and Plastics Ltd. | Purchase of goods | **67.30** | **16.31** | 61.18 | 16.65 |
| | Revenue from sale of products | **-** | **-** | 0.08 | - |
| Ricinash Renewable Materials Pvt. Ltd. | Purchase of goods | **7.23** | **0.89** | 13.19 | 0.09 |
| Stack Pack Ltd. | Purchase of goods | **16.80** | **1.30** | 13.81 | 2.23 |
| Vikatmev Containers Ltd. | Purchase of goods | **15.24** | **2.40** | 16.20 | 1.44 |
| | Dividend paid | **0.28** | **-** | 0.36 | - |
| Riash Renewable Materials Pvt. Ltd. | Revenue from sale of products & services | **-** | **-** | 1.67 | - |
| Sattva Holding and Trading Pvt. Ltd. | Dividend paid | **137.25** | **-** | 177.52 | - |
| Smiti Holding and Trading Company Pvt. Ltd. | Dividend paid | **129.68** | **-** | 167.73 | - |
| Indian Foundation For Quality Management | Subscription Fees | **0.06** | **(0.00)** | - | - |
| Ball Bearing And Machinery Corporation | Purchase of goods | **0.01** | **0.02** | - | - |
| Other entities controlled/significantly influenced by ** | Dividend paid | | | | |
| - KMP/Close Family Members of KMP | | **630.82** | **-** | 794.89 | - |
| - Other Promoter Group | | **107.46** | **-** | 160.01 | - |

% No related party transactions were undertaken during the current year with ELF Trading And Chemical Manufacturing Pvt. Ltd. Accordingly, dividend is disclosed in the current year solely for comparability purposes.

** Dividend paid has been shown under others, which is less than 10% of overall dividend paid to related parties.

## Note 34 : Related Party Transactions (Contd.)

### Details of transactions with and balances outstanding for other entities where significant influence exist :

(₹ in Crores)

| Name of the related party | Nature of transaction | Year 2025-26 | | Year 2024-25 | |
|---|---|---|---|---|---|
| | | Transaction value | Outstanding amount | Transaction value | Outstanding amount |
| Asian Paints (I) Limited Employees' Gratuity Fund * | Contributions during the year | **69.19** | **-** | 23.00 | - |
| Asian Paints Industrial Coatings Limited Employees' Gratuity Fund * | Contributions during the year (includes Employees' share and contribution) | **0.30** | **-** | 0.93 | - |
| Asian Paints Office Provident Fund** | Contributions during the year (includes Employees' share and contribution) | **90.78** | **7.46** | 79.44 | 6.86 |
| Asian Paints Factory Employees' Provident Fund ** | Contributions during the year (includes Employees' share and contribution) | **54.54** | **5.53** | 49.26 | 4.14 |

* The above does not include the amount that the Group pays to the employees on behalf of Trust which is subsequently reimbursed by the Trust.

** In addition to the above, the Parent Company has received NIL (Previous year - ₹ 1.98 crores) from Asian Paints Office Provident Fund and NIL (Previous year - 1.61 crores) from Asian Paints Factory Employees' Provident Fund towards reimbursement of interim distribution from IL&FS Financial Services Limited Bond.

All the amounts reported in Note 34 are inclusive of GST wherever applicable.

## Note 35 : Lease Receivables

### I) Assets given on operating lease

a) A subsidiary had provided tinting systems to its dealers on an operating lease basis. The lease term was four years. The lease rentals were payable monthly by the dealers. A refundable security deposit was collected at the time of signing the agreement.

b) During the year there are no tinting machines having future minimum lease rentals receivable as per the lease agreements.

c) The initial direct cost relating to acquisition of tinting system is capitalised.

d) The information on gross amount of leased assets and accumulated depreciation is given in Note 2A.

### II) Assets given on finance lease

a) Certain subsidiaries have given few of its tinting machines on finance lease which effectively transfers all risks and benefits incidental to the ownership.

b) The total gross investment in these leases and the present value of minimum lease payment receivable as on 31st March 2026 and 31st March 2025 is as under :

(₹ in Crores)

| | As at 31.03.2026 | | | As at 31.03.2025 | | |
|---|---|---|---|---|---|---|
| | Gross investments in lease | Unearned finance income | Present value receivables | Gross investments in lease | Unearned finance income | Present value receivables |
| Not later than 1 year | **1.30** | **0.16** | **1.14** | 0.31 | 0.04 | 0.27 |
| Later than 1 year and not later than 5 years | **1.11** | **0.09** | **1.02** | - | - | - |
| Later than 5 years | **-** | **-** | **-** | - | - | - |
| **Total** | **2.41** | **0.25** | **2.16** | **0.31** | **0.04** | **0.27** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 36 : Segment Reporting

The Group is primarily engaged in the business of 'Paints and Home Decor'. There is no separate reportable segment as per Ind AS 108 - Operating Segments.

## Note 37 : Investment in Associate Companies

### a) PPG Asian Paints Private Limited

The Group has 50% interest in PPG Asian Paints Private Limited, which is involved in the manufacture of original equipment manufacturer coatings. PPG Asian Paints Private Limited is a private entity that is not listed on any public exchange. The Group's interest in PPG Asian Paints Private Limited is accounted for using the equity method in the Consolidated Financial Statements. The following table illustrates the summarised financial information of the Group's investment in PPG Asian Paints Private Limited :

(₹ in Crores)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Current Assets | **1,371.33** | 1,232.79 |
| Non-current Assets | **477.95** | 481.18 |
| Current Liabilities | **(490.13)** | (455.98) |
| Non-current Liabilities | **(46.97)** | (41.99) |
| **Equity** | **1,312.18** | **1,216.00** |
| **Proportion of the Group's ownership interest** | **50%** | **50%** |
| **Carrying amount of the Group's interest*** | **656.09** | **608.00** |
| Dividend received during the year | **115.50** | 115.50 |

* Includes share of capital reserve and other reserves in Associate Company amounting to ₹ 0.69 crores (Previous year : ₹ 0.02 crores) (Refer note 15)

(₹ in Crores)

| | Year 2025-26 | Year 2024-25 |
|---|---|---|
| Total Income | **2,495.13** | 2,165.45 |
| Cost of raw material and components consumed | **(1,445.06)** | (1,266.68) |
| Depreciation & amortisation | **(44.34)** | (40.40) |
| Finance cost | **(2.69)** | (2.26) |
| Employee benefit | **(202.54)** | (182.56) |
| Other expenses | **(349.86)** | (298.33) |
| **Profit before exceptional items and tax** | **450.64** | **375.22** |
| Exceptional Items | **(1.55)** | - |
| **Profit before tax** | **449.09** | **375.22** |
| Income tax expense | **(117.90)** | (93.80) |
| **Profit for the year** | **331.19** | **281.42** |
| Other comprehensive income | **(5.38)** | (0.74) |
| **Total comprehensive income for the year** | **325.81** | **280.68** |
| **Group's share of profit for the year** | **165.59** | **140.71** |
| **Group's share of Other Comprehensive Income for the year** | **(2.69)** | **(0.37)** |
| **Group's Total Comprehensive Income for the year** | **162.90** | **140.34** |

## Note 37 : Investment in Associate Companies (Contd.)

### a) PPG Asian Paints Private Limited (Contd.)

**The Associate had the following contingent liabilities and capital commitments :**

**a. Contingent Liabilities**

(₹ in Crores)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Claims against the Company not acknowledged as debts** | | |
| **i. Tax matters in dispute under appeal** | | |
| - Income Tax | **167.66** | 150.83 |
| - Value Added Tax, Central Sales Tax and GST | **7.42** | 13.70 |
| **Total** | **175.08** | **164.53** |

**b. Capital Commitments :**

(₹ in Crores)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Estimated amount of contracts remaining to be executed on capital account and not provided for** | | |
| i. Towards Property, Plant and Equipment | **9.34** | 4.86 |

## Note 38 : Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013 :

(₹ in Crores)

| Name of the Company | Net Assets (Total Assets minus Total Liabilities) | | Share in Profit or Loss | | OCI | | TCI | |
|---|---|---|---|---|---|---|---|---|
| | Year 2025-26 | | Year 2025-26 | | Year 2025-26 | | Year 2025-26 | |
| | As % of Consolidated net assets | Net Assets | As % of Consolidated profit or loss | Profit/ (Loss) | As % of Consolidated OCI | OCI | As % of Consolidated TCI | TCI |
| **Parent Company** | | | | | | | | |
| Asian Paints Limited | **94.40** | **20,781.56** | **96.6** | **4,244.17** | **167.8** | **(45.92)** | **96.1** | **4,198.25** |
| **Indian Subsidiaries** | | | | | | | | |
| **Direct Subsidiaries** | | | | | | | | |
| Asian Paints Industrial Coatings Limited | **0.3** | **55.29** | **0.1** | **2.62** | **-** | **-** | **0.1** | **2.62** |
| Asian Paints PPG Private Limited | **1.2** | **259.05** | **0.9** | **39.14** | **-** | **-** | **0.9** | **39.14** |
| Weatherseal Fenestration Private Limited | **(0.1)** | **(25.07)** | **(0.3)** | **(11.85)** | **(0.2)** | **0.05** | **(0.3)** | **(11.80)** |
| Obgenix Software Private Limited* | **(0.3)** | **(73.28)** | **(1.3)** | **(55.59)** | **(1.4)** | **0.38** | **(1.3)** | **(55.21)** |
| Harind Chemicals and Pharmaceuticals Private Limited* | **0.1** | **13.94** | **0.1** | **5.86** | **(0.1)** | **0.02** | **0.1** | **5.88** |
| **Indirect Subsidiaries** | | | | | | | | |
| Nova Surface-Care Centre Private Limited* | **0.0** | **0.16** | **(0.0)** | **(0.08)** | **-** | **-** | **(0.0)** | **(0.08)** |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 38 : Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013 (Contd.) :

(₹ in Crores)

| Name of the Company | Net Assets (Total Assets minus Total Liabilities) | | Share in Profit or Loss | | OCI | | TCI | |
|---|---|---|---|---|---|---|---|---|
| | Year 2025-26 | | Year 2025-26 | | Year 2025-26 | | Year 2025-26 | |
| | As % of Consolidated net assets | Net Assets | As % of Consolidated profit or loss | Profit/ (Loss) | As % of Consolidated OCI | OCI | As % of Consolidated TCI | TCI |
| **Foreign Subsidiaries** | | | | | | | | |
| **Direct Subsidiaries** | | | | | | | | |
| Asian Paints (Nepal) Private Limited | 1.1 | 247.31 | 0.7 | 30.37 | - | - | 0.7 | 30.37 |
| Asian Paints International Private Limited | 2.6 | 567.00 | 2.1 | 91.32 | - | - | 2.1 | 91.32 |
| Asian White Cement Holding Limited | 0.6 | 128.21 | (0.0) | (0.40) | 0.1 | (0.03) | (0.0) | (0.43) |
| **Indirect Subsidiaries** | | | | | | | | |
| Samoa Paints Limited | 0.0 | 3.02 | (0.0) | (0.90) | - | - | (0.0) | (0.90) |
| Asian Paints (South Pacific) Pte Limited | 0.2 | 49.48 | 0.2 | 9.44 | - | - | 0.2 | 9.44 |
| Asian Paints (S.I) Limited | 0.0 | 4.15 | 0.1 | 3.98 | - | - | 0.1 | 3.98 |
| Asian Paints (Vanuatu) Limited | 0.0 | 2.62 | 0.0 | 0.47 | - | - | 0.0 | 0.47 |
| Asian Paints (Middle East) SPC | 0.8 | 174.06 | 1.0 | 44.63 | 1.0 | (0.27) | 1.0 | 44.36 |
| Asian Paints (Bangladesh) Limited | 0.3 | 63.70 | (0.3) | (12.24) | 2.0 | (0.55) | (0.3) | (12.79) |
| SCIB Chemicals S.A.E. | 0.2 | 50.40 | 0.3 | 15.31 | - | - | 0.4 | 15.31 |
| Berger Paints Bahrain W.L.L. | 0.2 | 46.05 | 0.3 | 11.55 | (0.1) | 0.03 | 0.3 | 11.58 |
| Berger Paints Emirates LLC | 0.4 | 93.84 | 0.5 | 21.32 | 1.4 | (0.37) | 0.5 | 20.95 |
| Nirvana Investments Limited | 0.0 | 1.67 | - | - | - | - | - | - |
| Enterprise Paints Limited | (0.1) | (17.80) | - | - | - | - | - | - |
| Universal Paints Limited | 0.1 | 26.62 | 0.3 | 14.00 | - | - | 0.3 | 14.00 |
| Kadisco Paint and Adhesive Industry Share Company | 0.1 | 28.51 | 0.3 | 12.53 | (0.2) | 0.06 | 0.3 | 12.59 |
| Causeway Paints Lanka (Pvt.) Ltd. | 1.0 | 225.43 | 0.9 | 40.56 | 3.1 | (0.84) | 0.9 | 39.72 |
| Asian White Inc. FZE | 0.4 | 91.63 | (0.6) | (28.44) | - | - | (0.7) | (28.44) |
| Asian Paints Doha Trading W.L.L | (0.0) | (2.00) | (0.1) | (3.93) | (0.0) | 0.01 | (0.1) | (3.92) |
| **Minority Interests in all subsidiaries** | 2.9 | 643.39 | 1.6 | 69.34 | (23.6) | 6.47 | 1.7 | 75.81 |
| **Associate** | | | | | | | | |
| **Indian** | | | | | | | | |
| PPG Asian Paints Private Limited (Consolidated) | 3.0 | 656.09 | 3.8 | 165.59 | 9.8 | (2.69) | 3.7 | 162.90 |
| Consolidation adjustments and Foreign Currency Translation Reserve (FCTR) | (9.4) | (2,080.05) | (7.1) | (314.08) | (59.5) | 16.29 | (6.8) | (297.79) |
| **Total** | **100.0** | **22,014.98** | **100.0** | **4,394.69** | **100.0** | **(27.36)** | **100.0** | **4,367.33** |

* Refer note 42

**Note :** The above figures are before eliminating intragroup transactions and intragroup balances as at 31st March 2026. Total of intragroup adjustments (including Foreign Currency Translation Reserve) is shown as separate line item.



## Note 38 : Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013 (Contd.) :

(₹ in Crores)

| Name of the Company | Net Assets (Total Assets minus Total Liabilities) | | Share in Profit or Loss | | OCI | | TCI | |
|---|---|---|---|---|---|---|---|---|
| | Year 2024-25 | | Year 2024-25 | | Year 2024-25 | | Year 2024-25 | |
| | As % of Consolidated net assets | Net Assets | As % of Consolidated profit or loss | Profit/ (Loss) | As % of Consolidated OCI | OCI | As % of Consolidated TCI | TCI |
| **Parent Company** | | | | | | | | |
| Asian Paints Limited | 94.7 | 18,987.75 | 96.7 | 3,588.07 | 203.8 | 233.50 | 99.9 | 3,821.57 |
| **Indian Subsidiaries** | | | | | | | | |
| **Direct Subsidiaries** | | | | | | | | |
| Asian Paints Industrial Coatings Limited | 0.3 | 52.68 | 0.1 | 2.40 | 0.1 | 0.09 | 0.1 | 2.49 |
| Asian Paints PPG Private Limited | 1.1 | 219.90 | 1.0 | 37.63 | (0.0) | (0.05) | 1.0 | 37.58 |
| Weatherseal Fenestration Private Limited | (0.1) | (13.27) | (0.3) | (11.82) | 0.0 | 0.03 | (0.3) | (11.79) |
| Obgenix Software Private Limited* | (0.1) | (10.84) | (0.7) | (27.06) | 0.1 | 0.14 | (0.7) | (26.92) |
| Harind Chemicals and Pharmaceuticals Private Limited | 0.0 | 9.60 | 0.1 | 4.15 | (0.0) | (0.02) | 0.1 | 4.13 |
| **Indirect Subsidiaries** | | | | | | | | |
| Nova Surface-Care Centre Private Limited | 0.0 | 0.25 | (0.0) | (0.03) | - | - | (0.0) | (0.03) |
| **Foreign Subsidiaries** | | | | | | | | |
| **Direct Subsidiaries** | | | | | | | | |
| Asian Paints (Nepal) Private Limited | 1.2 | 233.86 | 0.6 | 21.67 | - | - | 0.6 | 21.67 |
| Asian Paints International Private Limited | 2.1 | 411.59 | 0.3 | 11.18 | - | - | 0.3 | 11.18 |
| Asian White Cement Holding Limited | 0.6 | 112.68 | (0.0) | (0.33) | - | - | (0.0) | (0.33) |
| **Indirect Subsidiaries** | | | | | | | | |
| Samoa Paints Limited | 0.0 | 4.04 | 0.0 | 0.81 | - | - | 0.0 | 0.81 |
| Asian Paints (South Pacific) Pte Limited | 0.2 | 41.87 | 0.2 | 7.81 | - | - | 0.2 | 7.81 |
| Asian Paints (S.I) Limited | 0.0 | 3.99 | 0.1 | 2.36 | - | - | 0.1 | 2.36 |
| Asian Paints (Vanuatu) Limited | 0.0 | 3.22 | 0.0 | 0.05 | - | - | 0.0 | 0.05 |
| Asian Paints (Middle East) SPC | 0.9 | 178.47 | 1.3 | 50.04 | 0.2 | 0.24 | 1.3 | 50.28 |
| Asian Paints (Bangladesh) Limited | 0.4 | 70.41 | (0.5) | (19.21) | (0.8) | (0.96) | (0.5) | (20.17) |
| SCIB Chemicals S.A.E. | 0.2 | 38.34 | 0.2 | 7.83 | - | - | 0.2 | 7.83 |
| Berger Paints Bahrain W.L.L. | 0.2 | 44.55 | 0.2 | 7.51 | 0.3 | 0.40 | 0.2 | 7.91 |
| Berger Paints Emirates LLC | 0.3 | 65.14 | 0.5 | 18.03 | (1.6) | (1.80) | 0.4 | 16.23 |
| Nirvana Investments Limited | 0.0 | 1.47 | - | - | - | - | - | - |
| Enterprise Paints Limited | (0.1) | (15.89) | - | - | - | - | - | - |
| Universal Paints Limited | 0.1 | 23.61 | 0.3 | 9.57 | - | - | 0.3 | 9.57 |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 38 : Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013 (Contd.) :

(₹ in Crores)

| Name of the Company | Net Assets (Total Assets minus Total Liabilities) | | Share in Profit or Loss | | OCI | | TCI | |
|---|---|---|---|---|---|---|---|---|
| | Year 2024-25 | | Year 2024-25 | | Year 2024-25 | | Year 2024-25 | |
| | As % of Consolidated net assets | Net Assets | As % of Consolidated profit or loss | Profit/ (Loss) | As % of Consolidated OCI | OCI | As % of Consolidated TCI | TCI |
| **Indirect Subsidiaries (Contd.)** | | | | | | | | |
| Kadisco Paint and Adhesive Industry Share Company | 0.1 | 22.17 | 0.2 | 6.02 | (0.1) | (0.07) | 0.2 | 5.95 |
| PT Asian Paints Indonesia* | - | - | (1.3) | (47.34) | - | - | (1.2) | (47.34) |
| PT Asian Paints Color Indonesia* | - | - | (0.0) | (0.22) | - | - | (0.0) | (0.22) |
| Causeway Paints Lanka (Pvt.) Ltd. | 1.0 | 204.23 | 0.3 | 9.26 | (0.5) | (0.58) | 0.2 | 8.68 |
| White Inc. FZE | 0.5 | 103.84 | (0.1) | (4.86) | - | - | (0.1) | (4.86) |
| Asian Paints Doha Trading W.L.L | 0.0 | 1.97 | 0.0 | 0.50 | - | - | 0.0 | 0.50 |
| **Minority Interests in all subsidiaries** | 3.3 | 659.24 | 1.1 | 42.48 | (33.8) | (38.69) | 0.1 | 3.79 |
| **Associate** | | | | | | | | |
| **Indian** | | | | | | | | |
| PPG Asian Paints Private Limited (Consolidated) | 3.0 | 608.00 | 3.8 | 140.71 | (0.3) | (0.37) | 3.7 | 140.34 |
| Consolidation adjustments and Foreign Currency Translation Reserve (FCTR) | (10.0) | (2,003.84) | (4.0) | (147.50) | (67.5) | (77.30) | (5.9) | (224.80) |
| **Total** | **100.0** | **20,059.05** | **100.0** | **3,709.70** | **100.0** | **114.56** | **100.0** | **3,824.27** |

* Refer note 42

**Note :** The above figures are before eliminating intragroup transactions and intragroup balances as at 31st March 2025. Total of intragroup adjustments (including Foreign Currency Translation Reserve) is shown as separate line item.

## Note 39 : Details of Subsidiaries and Associates

### A) Subsidiaries:

The subsidiary companies considered in the Consolidated Financial Statements are :

#### i) Direct Subsidiaries

| Name of the Company | Country of Incorporation | % of Holding as at 31.03.2026 | % of Holding as at 31.03.2025 | Accounting period |
|---|---|---|---|---|
| Asian Paints (Nepal) Private Limited | Nepal | **52.71** | 52.71 | 14th Mar 2025 -14th Mar 2026 |
| Asian Paints International Private Limited (APIPL) | Singapore | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |
| Asian Paints Industrial Coatings Limited | India | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |
| Asian Paints PPG Private Limited | India | **50.00** | 50.00 | 1st Apr 2025 - 31st Mar 2026 |
| Weatherseal Fenestration Private Limited | India | **51.00** | 51.00 | 1st Apr 2025 - 31st Mar 2026 |
| Obgenix Software Private Limited (Refer No. 42 (a)) | India | **100.00** | 60.00 | 1st Apr 2025 - 31st Mar 2026 |
| Asian White Cement Holding Limited (AWCHL) * | U.A.E. | **60.00** | 70.00 | 1st Apr 2025 - 31st Mar 2026 |
| Harind Chemicals and Pharmaceuticals Private Limited | India | **51.00** | 51.00 | 1st Apr 2025 - 31st Mar 2026 |

* On 16th January 2026, AWCHL issued sweat equity shares on non-cash basis to one of its minority shareholders pursuant to the Joint Venture agreement entered into by the Parent Company. Consequently, stake of the Parent Company was diluted by 10%.

### A) Subsidiaries (Contd.) :

#### ii) Indirect Subsidiaries

**a) Subsidiaries of Asian Paints (International) Private Limited**

| Name of the Company | Country of Incorporation | % of Holding as at 31.03.2026 | % of Holding as at 31.03.2025 | Accounting period |
|---|---|---|---|---|
| Enterprise Paints Limited | Isle of Man, U.K. | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |
| Universal Paints Limited | Isle of Man, U.K. | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |
| Kadisco Paint and Adhesive Industry Share Company | Ethiopia | **51.00** | 51.00 | 1st Apr 2025 - 31st Mar 2026 |
| Asian Paints (S.I) Limited | Solomon Islands | **75.00** | 75.00 | 1st Apr 2025 - 31st Mar 2026 |
| Asian Paints (Bangladesh) Limited | Bangladesh | **95.09** | 95.09 | 1st Apr 2025 - 31st Mar 2026 |
| Asian Paints (Middle East) SPC | Sultanate of Oman | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |
| SCIB Chemicals S.A.E.* | Egypt | **85.60** | 85.60 | 1st Apr 2025 - 31st Mar 2026 |
| Samoa Paints Limited | Samoa | **80.00** | 80.00 | 1st Apr 2025 - 31st Mar 2026 |
| Asian Paints (Vanuatu) Limited | Republic of Vanuatu | **60.00** | 60.00 | 1st Apr 2025 - 31st Mar 2026 |
| Causeway Paints Lanka (Pvt.) Ltd. | Sri Lanka | **99.98** | 99.98 | 1st Apr 2025 - 31st Mar 2026 |
| Asian Paints Doha Trading W.L.L. | Qatar | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |

* On 26th May 2024, Asian Paints International Private Limited (APIPL) completed a buyout of 24.30% stake of certain minority shareholders in SCIB Chemicals S.A.E., Egypt, subsidiary of APIPL.

APIPL, subsidiary of the Parent Company divested its stake in wholly owned subsidiaries, PT Asian Paints Indonesia ('PTAPI') & PT Asian Paints Color Indonesia ('PTAPCI'). The said transaction was concluded on 20th March 2025.

A P International Doha Trading W.L.L has been voluntarily liquidated on 26th November 2024.

**b) Subsidiary of Enterprise Paints Limited**

| Name of the Company | Country of Incorporation | % of Holding as at 31.03.2026 | % of Holding as at 31.03.2025 | Accounting period |
|---|---|---|---|---|
| Nirvana Investments Limited | Isle of Man, U.K. | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |

**c) Subsidiary of Nirvana Investments Limited**

| Name of the Company | Country of Incorporation | % of Holding as at 31.03.2026 | % of Holding as at 31.03.2025 | Accounting period |
|---|---|---|---|---|
| Berger Paints Emirates LLC | U.A.E. | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 39 : Details of Subsidiaries and Associates (Contd.)

A) Subsidiaries (Contd.) :

ii) Indirect Subsidiaries (Contd.)

**d) Subsidiary of Universal Paints Limited :**

| Name of the Company | Country of Incorporation | % of Holding as at 31.03.2026 | % of Holding as at 31.03.2025 | Accounting period |
|---|---|---|---|---|
| Berger Paints Bahrain W.L.L. | Bahrain | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |

**e) Subsidiary of Asian White Cement Holding Limited :**

| Name of the Company | Country of Incorporation | % of Holding as at 31.03.2026 | % of Holding as at 31.03.2025 | Accounting period |
|---|---|---|---|---|
| Asian White Inc. FZE | U.A.E. | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |

**f) Subsidiary of Harind Chemicals and Pharmaceuticals Private Limited :**

| Name of the Company | Country of Incorporation | % of Holding as at 31.03.2026 | % of Holding as at 31.03.2025 | Accounting period |
|---|---|---|---|---|
| Nova Surface-Care Centre Private Limited | India | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |

B) Associates :

| Name of the Company | Country of Incorporation | % of Holding as at 31.03.2026 | % of Holding as at 31.03.2025 | Accounting period |
|---|---|---|---|---|
| PPG Asian Paints Private Limited | India | **50.00** | 50.00 | 1st Apr 2025 - 31st Mar 2026 |
| **Subsidiaries of PPG Asian Paints Private Limited:** | | | | |
| Revocoat India Private Limited | India | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |
| PPG Asian Paints Lanka Private Limited * | Sri Lanka | **100.00** | 100.00 | 1st Apr 2025 - 31st Mar 2026 |

* The Company is under the process of liquidation

## Note 40 : Exceptional Items

(₹ in Crores)

| | | Year 2025-26 | Year 2024-25 |
|---|---|---|---|
| 1. | Impairment loss on Intangibles in Obgenix Software Private Limited (Previous year - Impairment loss on Goodwill on consolidation and Intangibles in Obgenix Software Private Limited) ^ | **93.87** | 201.78 |
| 2. | Impact of new labour codes* | **63.74** | - |
| 3. | Exchange loss on devaluation of Ethiopian Currency | **-** | 56.14 |
| 4. | Impairment loss on Goodwill on consolidation in Causeway Paints Lanka (Pvt.) Limited | **-** | 21.47 |
| 5. | Loss on disposal of subsidiaries - PT Asian Paints Indonesia & PT Asian Paints Color Indonesia | **-** | 83.71 |
| **Total** | | **157.61** | **363.10** |

^ Refer note 4B

* The Government of India notified the provisions of the four new Labour Codes ("Labour Codes") on 21st November 2025, thereby consolidating twenty-nine existing labour laws into a comprehensive and unified framework. Among other changes, the Labour Codes provide a unified definition of "wages" to be applied across various employee benefit computations. In accordance with Ind AS 19 - Employee Benefits, the Group has recognised one-time expense of ₹ 63.74 crores towards increase in the gratuity liability by ₹ 52.88 crores and increase in the liability towards compensated absences by ₹ 10.86 crores.

## Note 41 :

During the financial year 2019-20, one of the competitors of the Parent Company had filed a complaint with the CCI alleging that the Parent Company is hindering its entry in the decorative paints market through the abuse of the Parent Company's dominant position. The CCI, following a detailed investigation, had passed a favourable order on 8th September 2022 dismissing the allegations made by the competitor. The competitor has now filed an appeal against CCI's order before the National Company Law Appellate Tribunal. The said appeal is pending in the NCLAT.

## Note 42 : Mergers, Acquisitions and Incorporations

### (a) Acquisition of stake in Obgenix Software Private Limited (White teak)

On 27th June 2025 in accordance with the Share Purchase agreement and other definitive documents, balance 40% of the equity share capital of White teak was acquired. Accordingly, gross obligation of ₹ 188.00 crores towards further stake acquisition along with Non-Controlling interest of ₹ 80.03 crores was derecognised (Refer note 15). Consequently, White teak is now a wholly owned subsidiary of the Parent Company.

### (b) Amalgamation of Asian Paints (Polymers) Private Limited ('AP Polymers')

The Hon'ble National Company Law Tribunal, Mumbai ('NCLT'), vide its order dated 10th March 2026, approved the scheme of Amalgamation ('the Scheme') of AP Polymers, a wholly owned subsidiary of the Parent Company, with the Parent Company. The Scheme became effective on 31st March 2026, with an appointed date of 1st April 2025. The Scheme has no impact on the Consolidated Financial Results.

### (c) Stake Dilution in Asian White Cement Holdings Limited ('AWCHL')

On 16th January 2026, AWCHL, a subsidiary of the Parent Company, issued and allotted 12,08,891 sweat equity shares on a non-cash basis to one of its other shareholders pursuant to the Joint Venture Agreement. Consequently the Parent Company's shareholding in AWCHL reduced from 70% to 60% (Refer note 15). The aforesaid allotment represented 16.66% of the pre-issue paid-up share capital of AWCHL.

### (d) Divestment of PT Asian Paints Indonesia ('PTAPI') and PT Asian Paints Color Indonesia ('PTAPCI')

On 14th February 2025, Asian Paints International Private Limited (APIPL), Singapore, a wholly-owned subsidiary of the Parent Company entered into a Share Purchase Agreement with Berger Paints Singapore Pte Limited, Singapore, subsidiary of Omega Property Investments Pty Ltd., Australia, for sale of 100% stake held in PTAPI and PTAPCI, wholly owned subsidiaries of APIPL.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## Note 43 : Additional Regulatory Information Required by Schedule III to the Companies Act, 2013

(i) Details of struck off companies with whom the Group has transaction during the year or outstanding balance as on Balance Sheet date :

(₹ in Crores)

| Name of the Entity | Name of Struck off Company | Nature of transactions with struck-off Company | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|---|
| Asian Paints Limited | K.A.S. Housing Private Limited[1] | Receivables | - | 0.01 |
| Asian Paints Limited | Citi Square Modular Industries Private Limited[1] | Receivables | - | 0.09 |
| Asian Paints Limited | D.R. Retails Private Limited[1] | Receivables | - | 0.01 |
| Asian Paints Limited | Tirupati Suppliers Private Limited[1] | Receivables | - | 0.25 |
| Asian Paints Limited | B.F. Fashions Private Limited | Receivables | **0.19** | 0.12 |
| Asian Paints Limited | Vanshika Tours And Travels Private Limited[1] | Payables | **(0.01)** | (0.01) |
| Asian Paints Limited | Khatushyam Engineers Private Limited[1] | Payables | - | (0.01) |
| Asian Paints Limited | Swarna Homes Private Limited | Payables | - | 0.04 |
| Asian Paints Limited | Empyrean Consultant Private Limited | Unclaimed Dividend | **0.01** | 0.01 |
| Asian Paints Limited | Fairgrowth Financial Services Limited | Unclaimed Dividend | **0.01** | 0.01 |
| Asian Paints Limited | Fairgrowth Investments Limited | Unclaimed Dividend | **0.00** | 0.00 |
| Asian Paints Limited | Fairtrade Securities Limited | Unclaimed Dividend | **0.00** | 0.00 |
| Asian Paints Limited | Kinnari Investments Private Limited | Unclaimed Dividend | **0.01** | 0.01 |
| Asian Paints Limited | Mulraj Holdings & Finance Private Limited[1] | Unclaimed Dividend | - | 0.00 |
| Asian Paints Limited | Unicon Fincap Private Limited | Unclaimed Dividend | **0.00** | 0.00 |
| Asian Paints PPG Private Limited | Shree Gurukrupa Minerals Private Limited | Receivables | - | 0.01 |
| Asian Paints PPG Private Limited | Surface Care Technologist Private Limited[2] | Receivables | **0.21** | 0.21 |
| Asian Paints PPG Private Limited | Ssangyong Engineering & Construction Co | Payables | - | (0.01) |

[1] There were no new transactions with these companies during the year.

[2] The Parent Company has made provision for doubtful debts for the balances.

### Below struck off companies are equity shareholders of the Parent Company as on the Balance Sheet date

| Name of Struck off Company | Nature of transactions with struck-off Company |
|---|---|
| Shanti Credit And Holdings Pvt. Ltd. | Shares held by struck off Company |
| Unicon Fincap Private Ltd. | Shares held by struck off Company |
| Siddha Papers Pvt. Ltd. | Shares held by struck off Company |
| Fairgrowth Investments Ltd. | Shares held by struck off Company |
| Fairgrowth Financial Services Ltd. | Shares held by struck off Company |
| Empyrean Consultant Pvt. Ltd. | Shares held by struck off Company |
| Gat Enterprises Private Limited | Shares held by struck off Company |
| Fairtrade Securities Ltd. | Shares held by struck off Company |

None of the above mentioned struck off companies are related party of the Group.

## Note 43 : Additional Regulatory Information Required by Schedule III to the Companies Act, 2013 (Contd.)

(ii) The Parent and Indian subsidiaries do not have any benami property held in its name. No proceedings have been initiated on or are pending against the Parent and Indian subsidiaries for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iii) The Parent and Indian Subsidiaries have not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iv) The Parent and Indian Subsidiaries have complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(v) Utilisation of borrowed funds and share premium

I The Parent and Indian Subsidiaries have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

II The Parent and Indian Subsidiaries have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Parent and Indian Subsidiaries shall :

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vi) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(vii) The Group has not traded or invested in crypto currency or virtual currency during the year.

(viii) The Parent and Indian Subsidiaries do not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

(ix) Indian Subsidiaries have working capital facilities sanctioned by bank on the basis of security of current assets, inventories and trade receivables. Quarterly statements of current assets filed by the Indian subsidiaries with bank are in agreement with the books of accounts. The Group has not used borrowings for purpose other than specified purpose of the borrowing.

## Note 44 :

The Consolidated Financial Statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 29th May 2026.

# Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

## FORM AOC-I : Statement containing salient features of the Financial Statements of Subsidiaries and Joint Ventures (Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### PART "A" : SUBSIDIARIES

All figures except exchange rates in ₹ Crores

| Sl No. | Name of the Subsidiary | Reporting Currency | Exchange Rate | Date since when subsidiary was acquired / incorporated | Reporting period | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments^ | Turnover | PBT | Tax provision | PAT * | Dividends For the year | % of Share holding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Asian Paints (Bangladesh) Limited | BDT | 0.77 | 04-Oct-00 | Apr 25 to Mar 26 | 142.24 | (75.25) | 375.48 | 308.49 | - | 433.12 | (3.90) | (9.84) | (13.74) | - | 95.09 |
| 2 | Asian Paints (Middle East) SPC | OMR | 242.94 | 13-Oct-97 | Apr 25 to Mar 26 | 27.26 | 146.80 | 311.21 | 137.15 | - | 370.76 | 55.61 | (8.35) | 47.26 | 68.14 | 100.00 |
| 3 | Asian Paints (Nepal) Private Limited | NPR | 0.62 | 31-May-83 | 14 Mar 25 to 14 Mar 26 | 3.80 | 465.39 | 639.80 | 170.61 | - | 391.35 | 71.15 | (14.33) | 56.82 | 25.11 | 52.71 |
| 4 | Asian Paints (S.I) Limited | SBD | 11.59 | 10-Nov-83 | Apr 25 to Mar 26 | 0.73 | 4.80 | 7.32 | 1.79 | - | 16.73 | 5.75 | 0.08 | 5.83 | 6.43 | 75.00 |
| 5 | Asian Paints (South Pacific) Pte Limited | FJD | 41.05 | 18-Oct-76 | Apr 25 to Mar 26 | 5.89 | 85.62 | 120.02 | 28.51 | - | 141.19 | 24.39 | (5.56) | 18.83 | 15.60 | 54.07 |
| 6 | Asian Paints (Vanuatu) Limited | VUV | 0.77 | 06-Aug-92 | Apr 25 to Mar 26 | 2.37 | 1.99 | 6.01 | 1.65 | - | 6.41 | 0.84 | - | 0.84 | 2.59 | 60.00 |
| 7 | Asian Paints Industrial Coatings Limited | INR | 1.00 | 01-Oct-01 | Apr 25 to Mar 26 | 30.45 | 24.84 | 62.83 | 7.54 | 38.83 | 24.80 | 3.49 | (0.87) | 2.62 | - | 100.00 |
| 8 | Asian Paints International Private Limited | SGD | 72.73 | 01-Nov-02 | Apr 25 to Mar 26 | 1,326.89 | (759.89) | 944.12 | 377.12 | - | - | 102.92 | (5.99) | 96.93 | - | 100.00 |
| 9 | Berger Paints Bahrain W.L.L. | BHD | 247.84 | 01-Nov-02 | Apr 25 to Mar 26 | 10.36 | 35.69 | 82.37 | 36.32 | - | 142.60 | 13.66 | (1.43) | 12.23 | 14.87 | 100.00 |
| 10 | Berger Paints Emirates LLC | AED | 25.46 | 01-Nov-02 | Apr 25 to Mar 26 | 45.31 | 91.29 | 632.53 | 495.93 | - | 740.25 | 25.31 | (2.74) | 22.57 | - | 100.00 |
| 11 | Kadisco Paint and Adhesive Industry Share Company | ETB | 0.61 | 09-Feb-15 | Apr 25 to Mar 26 | 28.68 | 27.23 | 122.50 | 66.59 | 0.49 | 206.36 | 35.33 | (11.21) | 24.12 | 7.42 | 51.00 |
| 12 | Enterprise Paints Limited | GBP | 123.71 | 01-Nov-02 | Apr 25 to Mar 26 | 1.80 | (19.60) | 0.01 | 17.81 | - | - | - | - | - | - | 100.00 |
| 13 | Nirvana Investments Limited | GBP | 123.71 | 01-Nov-02 | Apr 25 to Mar 26 | 0.00 | 0.96 | 0.96 | - | - | - | - | - | - | - | 100.00 |
| 14 | Samoa Paints Limited | WST | 33.48 | 29-Aug-03 | Apr 25 to Mar 26 | 0.30 | 3.47 | 5.96 | 2.19 | - | 6.08 | (1.66) | 0.45 | (1.21) | 0.75 | 80.00 |
| 15 | SCIB Chemicals S.A.E. | EGP | 1.79 | 17-Dec-02 | Apr 25 to Mar 26 | 3.23 | 55.65 | 209.10 | 150.22 | 12.11 | 385.82 | 24.75 | (6.29) | 18.46 | 7.17 | 85.604 |
| 16 | Universal Paints Limited | GBP | 123.71 | 01-Nov-02 | Apr 25 to Mar 26 | 5.31 | 17.45 | 22.76 | - | - | - | 14.63 | - | 14.63 | 14.63 | 100.00 |
| 17 | Causeway Paints Lanka (Pvt) Limited | LKR | 0.30 | 03-Apr-17 | Apr 25 to Mar 26 | 62.60 | 162.87 | 394.18 | 168.71 | - | 632.97 | 60.34 | (18.30) | 42.04 | 28.82 | 99.98 |
| 18 | Weatherseal Fenestration Private Limited | INR | 1.00 | 14-Jun-22 | Apr 25 to Mar 26 | 0.02 | (49.18) | 40.84 | 90.00 | - | 75.00 | (23.24) | - | (23.24) | - | 51.00 |
| 19 | Asian Paints Doha Trading W.L.L | QAR | 25.70 | 05-Nov-23 | Apr 25 to Mar 26 | 2.57 | (4.57) | 21.89 | 23.89 | - | 41.07 | (4.15) | (0.02) | (4.17) | - | 100.00 |
| 20 | Harind Chemicals & Pharmaceuticals Private Limited | INR | 1.00 | 14-Feb-24 | Apr 25 to Mar 26 | 0.20 | 27.13 | 36.09 | 8.76 | 1.11 | 46.45 | 15.52 | (4.03) | 11.49 | 7.25 | 51.00 |
| 21 | Nova Surface-Care Centre Private Limited | INR | 1.00 | 14-Feb-24 | Apr 25 to Mar 26 | 6.18 | (5.86) | 0.40 | 0.08 | - | 0.05 | 0.16 | - | 0.16 | - | 51.00 |
| 22 | Asian White Cement Holding Limited [1] | AED | 25.46 | 02-May-23 | Apr 25 to Mar 26 | 215.51 | (1.83) | 215.34 | 1.66 | - | - | (0.64) | - | (0.64) | - | 60.00 |
| 23 | Asian White Inc. FZE | AED | 25.46 | 26-Jun-23 | Apr 25 to Mar 26 | 191.03 | (38.31) | 724.68 | 571.96 | - | 34.45 | (45.24) | - | (45.24) | - | 60.00 |
| 24 | Obgenix Software Private Limited [2] | INR | 1.00 | 23-Jun-23 | Apr 25 to Mar 26 | 0.40 | (73.69) | 119.00 | 192.29 | - | 99.24 | (55.59) | - | (55.59) | - | 100.00 |

1. Names of subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year - NIL

## FORM AOC-I : Statement containing salient features of the Financial Statements of Subsidiaries and Joint Ventures (Contd.)

### PART "A" : SUBSIDIARIES (Contd.)

**Notes:**

1. On 16th January 2026, Asian White Cement Holdings Limited ('AWCHL') issued and allotted sweat equity shares on a non-cash basis to one of its other shareholders. Consequently the Parent Company's shareholding in AWCHL reduced from 70% to 60%.
2. On 27th June 2025, the Parent Company has acquired balance 40% stake of the equity share capital of Obgenix Software Private Limited.
3. Asian Paints (Polymers) Private Limited has merged with the Parent Company with effect from 31st March 2026 with appointed date as 01st April 2025.
4. Figures reported above are for full reporting period.

^ Investments other than in subsidiary companies.

0.00 represents amounts less than ₹ 50,000/-.

* PAT does not include Other Comprehensive Income.

**Note :** Indian rupees equivalent of the foreign currency translated at the exchange rate as at 31st March 2026.

### Part "B" : Joint Ventures

| Sl. No. | Name of Joint Ventures | Asian Paints PPG Private Limited | PPG Asian Paints Private Limited (Consolidated) |
|---|---|---|---|
| 1. | Latest audited Balance Sheet Date | 31st March 2026 | 31st March 2026 |
| 2. | Shares of Joint Ventures held by the Company as at year end (number of shares) | 5,243,961 | 28,518,112 |
| | Amount of Investment in Joint Venture | ₹ 30.47 Crores | ₹ 81.43 Crores |
| | Extent of Holding % | 50% | 50% |
| 3. | Description of how there is significant influence | Not Applicable | Not Applicable |
| 4. | Reason why the joint venture is not consolidated | Consolidated | Consolidated |
| 5. | Networth attributable to Shareholding as per latest audited Balance Sheet | ₹ 259.05 Crores | ₹ 656.09 Crores |
| 6. | Profit for the year | | |
| | i. Considered in Consolidation | ₹ 78.29 Crores | ₹ 165.59 Crores |
| | ii. Not Considered in Consolidation | NIL | ₹ 165.59 Crores |

**Notes:**

1. Names of joint ventures which are yet to commence operations - NIL
2. Names of joint ventures which have been liquidated or sold during the year - NIL

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

**R Seshasayee**
Chairman
DIN : 00047985

**Amit Syngle**
Managing Director & CEO
DIN : 07232566

**Milind Sarwate**
Chairman of Audit Committee
DIN : 00109854

**R J Jeyamurugan**
CFO & Company Secretary

Mumbai
29th May 2026

# GRI Index

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| 401-3 | Parental leave | Synergising relationships, BRSR | Diversity and inclusion, P3 | 171, 331 |
| **GRI 405: Diversity and Equal Opportunity 2016** | | | | |
| 3-3 | Management of material topics | Materiality | Materiality | 91-97 |
| 405-1 | Diversity of governance bodies and employees | Synergising relationships, Report on Corporate Governance, BRSR | Employee Snapshot, Composition of Board, Section A | 163, 256-257, 313 |
| 405-2 | Ratio of basic salary and remuneration of women to men | BRSR | P5 | 338, 339 |
| **GRI 406: Non-discrimination 2016** | | | | |
| 406-1 | Incidents of discrimination and corrective actions taken | BRSR | P5 | 338 |
| **Community Engagement** | | | | |
| **GRI 203: Indirect Economic Impacts 2016** | | | | |
| 203-1 | Infrastructure investments and services supported | Synergising relationships | Community ownership, Water stewardship | 152, 153 |
| **GRI 413: Local Communities 2016** | | | | |
| 3-3 | Management of material topics | Materiality | Materiality | 91-97 |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Synergising relationships, BRSR | Community Ownership, Water stewardship, P6, P7, P8 | 152, 153, 346, 349, 350 |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | BRSR | P8 | 350 |
| **Business Ethics and Corporate Governance** | | | | |
| **GRI 205: Anti-corruption 2016** | | | | |
| 3-3 | Management of material topics | Materiality | Materiality | 91-97 |
| 205-1 | Operations assessed for risks related to corruption | BRSR | P1 | 322 |
| 205-2 | Communication and training about anti-corruption policies and procedures | BRSR | P1, P5 | 322, 338 |
| 205-3 | Confirmed incidents of corruption and actions taken | Governance, BRSR | Culture of Integrity, P1 | 187, 323 |
| **GRI 206: Anti-competitive Behaviour 2016** | | | | |
| 3-3 | Management of material topics | Materiality | Materiality | 91-97 |
| 206-1 | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | BRSR | P7 | 349 |
| **GRI 207: Tax 2019** | | | | |
| 207-1 | Approach to tax | BRSR | Section B | 318 |
| 207-2 | Tax governance, control, and risk management | Governance, BRSR | Compliance, Section B | 189, 318 |
| 207-3 | Stakeholder engagement and management of concerns related to tax | Stakeholder engagement, BRSR | Government and regulatory bodies, Section B | 90, 318 |
| 207-4 | Country-by-country reporting | BRSR | Section B | 318 |
| **GRI 415: Public Policy 2016** | | | | |
| 415-1 | Political contributions | BRSR, Standalone Financial Statement | P7, Other expenses | 349, 413 |
| **Consumer Health and Safety** | | | | |
| **GRI 416: Customer Health and Safety 2016** | | | | |
| 3-3 | Management of material topics | Materiality | Materiality | 91-97 |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | BRSR | P9 | 352 |
| **GRI 201: Economic Performance 2016** | | | | |
| 201-1 | Direct economic value generated and distributed | Management Discussion and Analysis | Economic value creation | 61 |
| 201-3 | Defined benefit plan obligations and other retirement plans | BRSR, Standalone Financial Statement | P3, Employee benefits | 330, 430-437 |
| 201-4 | Financial assistance received from government | Management Discussion and Analysis | Economic value creation | 61 |
| **GRI 101: Biodiversity 2024** | | | | |
| 101-4 | Identification of biodiversity impacts | Sustainable operations, BRSR | Biodiversity, P6 | 133, 346, 348 |
| 101-5 | Locations with biodiversity impacts | BRSR | P6 | 346, 348 |

# TCFD Index

| Recommended disclosures | Reference sections in report | Synopsis |
|---|---|---|
| **Governance** | | |
| a) Describe the board's oversight of climate-related risks and opportunities.<br>b) Describe management's role in assessing and managing climate-related risks and opportunities. | Governance -> ESG governance (pg. 186) | Risk Management Committee and Stakeholders Relationship Committee of the Board are entrusted with the responsibility to support the Board in ESG oversight. The Company's One Link team, led by the Managing Director and CEO, is tasked with implementing the ESG objectives of the Company, including climate change mitigation and adaptation. |
| **Strategy** | | |
| a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term. | Sustainable operations -> Climate change -> Climate change adaptation (pg 119)<br>Sustainable operations -> Climate change -> Climate change mitigation (pg 115) | In FY 2022-23, we have undertaken a climate risk assessment, in line with TCFD recommendations, and our Climate change mitigation and adaptation strategy is guided by TCFD recommendations. |
| b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. | | |
| c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | | |
| **Risk Management** | | |
| a) Describe the organization's processes for identifying and assessing climate-related risks. | a) Sustainable operations -> Climate change -> Climate change adaptation (pg 119) | We have a robust and resilient risk management framework as per ISO 31000, which is guided by Risk Management Committee of the Board. Outcomes of climate risk assessment have been integrated with our risk management processes. |
| b) Describe the organization's processes for managing climate-related risks. | b) Sustainable operations -> Climate change -> Climate change mitigation (pg 114) | |
| c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | c) Management discussion and analysis -> Managing risks (pg 64) | |
| **Metric & Targets** | | |
| a) Disclose the metric used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | ESG performance snapshot -> Environment: Sustainable operations (pg 08)<br>Sustainable operations -> Climate change mitigation (pg 115) / Product Stewardshjp (pg 120) / Water Neutrality (pg 124) / Nature Positive (pg 128) | We have set ESG targets extending through 2030. As part of this effort, we are committed to reducing Scope 1 and Scope 2 emission intensity by 80% by 2030. We have also outlined key enablers to address Scope 3 emissions throughout our value chain. |
| b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | | |
| c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | | |

# Assurance Report

## Independent Practitioner's Assurance Report on Identified Sustainability Information in Asian Paints Limited's Integrated Annual Report

To the Board of Directors

of ASIAN PAINTS LIMITED

1. We have undertaken to perform assurance engagement, for ASIAN PAINTS LIMITED (the "Company") vide our engagement letter dated January 22, 2026, in respect of the agreed Sustainability Information listed below (the "Identified Sustainability Information") in accordance with the criteria stated in paragraph 3 below. This Sustainability Information is included within the Integrated Annual Report (the "IAR") and the Business Responsibility and Sustainability Report (the "BRSR") included within IAR, (together "the Reports") of the Company for the year ended March 31, 2026. This engagement was conducted by our multidisciplinary team including assurance practitioners, environment engineers and specialists.

### 2. Identified Sustainability Information

Our scope of reasonable and limited assurance consists of the Sustainability Information listed in Appendix I and Appendix II respectively to our report. The reporting boundary of the Reports is as below:

- In case of BRSR, it is disclosed in Question 13 of Section A: General Disclosure of the BRSR with exceptions disclosed by way of note under respective questions of the BRSR, where applicable; and
- In case of Identified Sustainability Information other than in BRSR, it is disclosed in 'About the report' section of the IAR with exception disclosed by way of note under respective disclosure, where applicable.

Our assurance engagement was with respect to the year ended March 31, 2026, information only and we have not performed any procedures with respect to any other elements included in the Reports and, therefore, do not express any opinion/conclusion thereon.

### 3. Criteria

The Criteria used by the Company to prepare the Identified Sustainability Information is as under:

- Regulation 34(2)(f) of the Securities and Exchange Board of India (the "SEBI") (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended;
- Business Responsibility and Sustainability Reporting Requirements for listed entities per Master Circular No. SEBI Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026;
- With reference to GRI Sustainability Reporting Standards, issued by the Global Reporting Initiative (GRI) referred to as (the "GRI Standards"); and
- The criteria defined internally by the management of the Company (the "Management defined Criteria") to prepare the Identified Sustainability Information as set out under Appendix II (Part C).

### 4. Management's Responsibility

The Company's management is responsible for selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation of the Reports and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

### 5. Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between companies.

## 6. Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") and the SEBI Master Circular and its clarifications thereto and have the required competencies and experience to conduct this assurance engagement.

We apply Standard on Quality Control ("SQC") 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## 7. Our Responsibility

Our responsibility is to express a reasonable assurance opinion and limited assurance conclusion on the Identified Sustainability Information listed in Appendix I and Appendix II respectively based on the procedures we have performed and evidence we have obtained.

We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information", and Standard on Assurance Engagements (SAE) 3410 Assurance Engagements on Greenhouse Gas Statements (together the "Standards"), both issued by the Sustainability Reporting Standards Board (the "SRSB") of the ICAI.

These standards require that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information listed in Appendix I and included in the Reports are prepared, in all material respects, in accordance with the Criteria; and obtain limited assurance about whether the Identified Sustainability Information listed in Appendix II and included in the Reports is free from material misstatement.

As part of both reasonable and limited assurance engagement in accordance with the Standards, we exercise professional judgment and maintain professional skepticism throughout the engagement.

### Reasonable Assurance

A reasonable assurance engagement involves identifying and assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures;
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and/or measurements of the Identified Sustainability Information;
- Made inquiries of Company's management, including the Environment, Health and Safety (EHS) team, the compliance team, the human resource team, the finance team amongst others and those with the responsibility for preparation of the Reports;
- Obtained an understanding and performed an evaluation of the design of the key systems, processes and controls for recording, processing and reporting on the Identified Sustainability Information at the corporate office and at other plants/offices on a sample basis. This included evaluating the design of those controls relevant to the engagement and determining whether they have been implemented by performing procedures in addition to inquiry of the personnel responsible for the Identified Sustainability Information;
- Based on the above understanding and the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing and extent of further procedures;
- Tested the key assumptions, emission factors and methodologies used for calculation of GHG emissions;
- Tested the Company's process for collating the sustainability information through agreeing or reconciling the Identified Sustainability Information with the underlying records on a sample basis; and
- Tested the consolidation for various plants and offices on sample basis under the reporting boundary for ensuring the completeness and accuracy of data being reported.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

### Limited Assurance

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information as listed in Appendix II, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents and evaluating the appropriateness of reporting policies and agreeing with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures;
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and/or measurements of the Identified Sustainability Information;
- Made inquiries of Company's management, including the Environment, Health & Safety (EHS) team, the compliance team, the human resource team, the finance team amongst others and those with the responsibility for preparation of the Reports;
- Obtained an understanding of the key systems, processes and controls for recording, processing and reporting on the Identified Sustainability Information at the corporate office and at plants on a sample basis. Our procedures did not include evaluating the suitability of design, obtaining evidence about their implementation or testing operating effectiveness of particular control activities;
- Reviewed the key assumptions, emission factors and methodologies used for calculation of GHG emissions;
- Based on the above understanding and the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing, and extent of further procedures;
- Reviewed the IROs considered in double materiality assessment against ESRS Application Requirement -16, peer benchmarking, and media and industry analysis; and
- Reviewed the Company's process for collating the sustainability information through agreeing or reconciling the Identified Sustainability Information with the underlying records on a sample basis.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

## 8 Exclusions

Our assurance scope excludes the following and therefore we do not express opinion/conclusion on:

- Operations of the Company other than those within the Boundary covered in the Identified Sustainability Information listed in Appendix I and Appendix II;

- Aspects of the Reports and the data/information (qualitative or quantitative) other than the Identified Sustainability Information;
- Data and information outside the defined reporting period i.e. the financial year ended March 31, 2026; and
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.

## 9. Other information

The Company's management is responsible for the other information. The Other information comprises the information included within the BRSR and IAR, other than Identified Sustainability Information and our independent assurance report dated June 8, 2026, thereon.

Our reasonable and limited assurance opinion on the Identified Sustainability Information does not cover the other information and we do not express any form of assurance thereon.

In connection with our assurance engagement of the Identified Sustainability Information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Identified Sustainability Information or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 10. Reasonable Assurance Opinion and Limited Assurance Conclusion

### Reasonable Assurance Opinion

Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Information for the year ended March 31, 2026, listed in Appendix I and presented in the Reports are prepared in all material respects, in accordance with the Criteria as stated in paragraph 3 above.

### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information for the year ended March 31, 2026, listed in Appendix II and presented in the Reports are not prepared, in all material respects, in accordance with the Criteria as stated in paragraph 3 above.

## 11. Restriction on use

Our Assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on Company's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our Assurance report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

**Pratiq Shah**
Partner
Membership No. 111850
UDIN: 26111850ALLJPX5806

Place: Mumbai
Date: June 8, 2026

# Appendix I

## Identified Sustainability Information subject to Reasonable Assurance

## The boundary for assurance is on standalone basis.

### Part A: BRSR Core Indicators

| Sr. No | Reporting Standard Reference | Description of Indicator |
|---|---|---|
| | | **Section C - Principle (P)- Essential Indicator [E]** |
| 1 | P-1 [E], Question 8 | Number of days of accounts payables:<br>((Accounts payable *365) / Cost of goods/services procured) |
| 2 | P-1 [E], Question 9 | Open-ness of business:<br>Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties. |
| 3 | P-3 [E], Question 1(c) | Spending on measures towards well-being of employees and workers (including permanent and other than permanent) |
| 4 | P-3 [E], Question 11 | Details of safety related incidents:<br>- Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) (employees and workers)<br>- Total recordable work-related injuries (employees and workers)<br>- No. of fatalities (employees and workers)<br>- High consequence work-related injury or ill-health (excluding fatalities) (employees and workers) |
| 5 | P-5 [E], Question 3(b) | Gross wages paid to females as % of total wages paid by the entity |
| 6 | P-5 [E], Question 7 | Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:<br>- Total Complaints reported under Sexual Harassment of on Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)<br>- Complaints on POSH as a % of female employees/workers<br>- Complaints on POSH upheld |
| 7 | | Details of total energy consumption (in Joules or multiples) and energy intensity:<br>- Total energy consumed.<br>- Total energy consumption from renewable sources (% of energy consumed from renewable sources) |
| 8 | P-6 [E], Question 1 | Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) |
| 9 | | Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) |
| 10 | | Energy intensity in terms of physical output |
| 11 | P-6 [E], Question 3 | Disclosures related to water withdrawal and consumption:<br>Water withdrawal by source (in kilolitres)<br>i. Surface water,<br>ii. Groundwater,<br>iii. Third-Party Water,<br>iv. Seawater/desalinated water,<br>v. Others<br>Total volume of water withdrawal (in kilolitres)<br>Total volume water consumption (in kilolitres) |
| 12 | | Water intensity per rupee of turnover (Total water consumption / Revenue from operations) |
| 13 | | Water intensity per rupee of turnover adjusted for PPP (Total water consumption / Revenue from operations adjusted for PPP) |
| 14 | | Water intensity in terms of physical output |
| 15 | P-6 [E], Question 4 | Water Discharge by destination and level of treatment (in kilolitres) |

| Sr. No | Reporting Standard Reference | Description of Indicator |
|---|---|---|
| 16 | P-6 [E], Question 7 | Greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:<br>Total Scope 1 emissions (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available |
| 17 | | Total Scope 2 emissions (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) |
| 18 | | Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations) |
| 19 | | Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP) |
| 20 | | Total Scope 1 and Scope 2 emission intensity in terms of physical output |
| 21 | P-6 [E], Question 9 | Details related to waste management by the entity:<br>- Total waste generated: Plastic waste, E-waste, Construction demolition waste, Biomedical waste, Battery waste, radioactive waste, Other Hazardous waste and Non-hazardous waste. |
| 22 | | Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) |
| 23 | | Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) |
| 24 | | Waste intensity in terms of physical output |
| 25 | | Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) |
| 26 | | Each category of waste generated; total waste disposed by nature of disposal method (in metric tonnes) |
| 27 | P-8 [E], Question 4 | Percentage of input material (inputs to total inputs by value) sourced from suppliers:<br>- Directly sourced from MSMEs/ small producers<br>- Directly from within India |
| 28 | P-8 [E], Question 5 | Job creation in smaller towns:<br>Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) |
| 29 | P-9 [E], Question 7 | Information relating to data breaches:<br>- Number of instances of data breaches<br>- Percentage of data breaches involving personally identifiable information of customers<br>- Impact, if any, of the data breaches |

## Part B: BRSR Indicators (other than BRSR Core)

| Sr. No | Reporting Standard Reference | Description of Indicator |
|---|---|---|
| | | **Principle (P)- Essential Indicator [E], Leadership Indicator [L]** |
| 1 | Section A, Question 20 (a) | Total employees and workers (permanent and other than permanent) |
| 2 | Section A, Question 21 | Participation/Inclusion/Representation of Women |
| 3 | Section A, Question 22 | Turnover rate for Permanent Employees and Workers |
| 4 | P-1 [E], Question 6 | Number of complaints regarding conflict of interest (Directors and Key Managerial Personnel) |
| 5 | P-2 [L], Question 3 | Percentage of recycled or reused input material to total material (by value) used in production |
| 6 | P-3 [E], Question 2 | Details of retirement benefits of Employees and Workers |
| 7 | P-3 [E], Question 5 | Employees and workers who were eligible for and utilized parental leave, and their return-to-work and retention rates |
| 8 | P-5 [E], Question 2 | Details of minimum wages paid to employees and workers |
| 9 | P-5 [E], Question 3a | Details of remuneration/salary/wages |
| 10 | P-6 [E], Question 6 | Air emissions: Sox, Nox, Particulate Matter, VOC |

## Part C: GRI Indicators

| Sr. No | GRI Standard Reference | Description of Indicator |
|---|---|---|
| 1 | 301-2 | Recycled input materials used |
| 2 | 302-1 | Energy consumption within the organisation |
| 3 | 302-3 | Energy intensity |
| 4 | 303-3 | Water withdrawal |
| 5 | 303-4 | Water discharge |
| 6 | 303-5 | Water consumption |
| 7 | 305-1 | Direct (Scope 1) GHG emissions |
| 8 | 305-2 | Energy indirect (Scope 2) GHG emissions |
| 9 | 305-4 | GHG emissions intensity |
| 10 | 305-5 | Reduction of GHG emissions |
| 11 | 305-7 | Nitrogen oxides (Nox), sulfur oxides (Sox), and other significant air emissions |
| 12 | 306-3 | Waste generated |
| 13 | 306-4 | Waste diverted from disposal |
| 14 | 306-5 | Waste directed to disposal |
| 15 | 401-1 | New employee hires and employee turnover |
| 16 | 401-3 | Parental leave |
| 17 | 405-1 | Diversity of governance bodies and employees |
| 18 | 403-9 | Work-related Injuries |

**Appendix II**

## Identified Sustainability Information subject to Limited Assurance

**The boundary for assurance is on standalone basis.**

### Part A: BRSR Indicators

| Sr. No | Reporting Standard Reference | Description of Indicator |
|---|---|---|
| | | **Principle (P)- Essential Indicator [E], Leadership Indicator [L]** |
| 1 | Section A, Question 20b | Total differently abled employees and workers (permanent and other than permanent) |
| 2 | Section A, Question 25 | Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct |
| 3 | P-1 [E], Question 1 | Percentage coverage by training and awareness programmes on any of the principles during the financial year |
| 4 | P-3 [E], Question 7 | Membership of employees and workers in association(s) or unions recognized by the listed entity |
| 5 | P-3 [E], Question 8 | Details of training given to employees and workers on Health and Safety and Skill Upgradation (Refer Note 1) |
| 6 | P-5 [E], Question 1 | Number and percentage of employees and workers who have been provided training on human rights issues and policies of the entity (Refer Note 2) |
| 7 | P-5 [E], Question 6 | Number of complaints on "Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/ Involuntary Labour, Wages and Other human rights related issues" made by employees and workers |
| 8 | P-6 [L], Question 2 | Scope 3 Emissions (specific categories) |
| 9 | P-9 [E], Question 3 | Number of consumer complaints in respect of Data Privacy, Advertising, Cyber-Security, Delivery of essential services, Restrictive Trade Practices, Unfair Trade Practices |

**NOTES:**

1. P-3 [E], Question 8: Health and safety trainings given to Permanent Employees and Workers and for Skill upgradation training given to Permanent Employees is assured.
2. P-5 [E], Question 1: Human rights trainings given to Permanent Employees is assured.

### Part B: GRI Indicators

| Sr. No | GRI Indicators | Description of Indicator |
|---|---|---|
| 1 | 205-3 | Confirmed incidents of corruption and actions taken |
| 2 | 302-4 | Reduction of energy consumption |
| 3 | 305-3 | Other indirect (Scope 3) GHG emissions |
| 4 | 406-1 | Incidents of discrimination and corrective actions taken |
| 5 | 413-1 | Operations with local community engagement, impact assessments, and development programs |
| 6 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data |

### Part C: Internally Defined Management Criteria Indicators

| Sr. No | Item Description | Management defined Criteria |
|---|---|---|
| 1 | Double Materiality Assessment | Double Materiality Assessment conducted as at a particular date, as per defined management criteria, which has been drawn with reference to the methodology recommended by the European Sustainability Reporting standards (the "ESRS"): ESRS 1 General Requirements and the Implementation Guidance (the "IG") issued by the European Financial Reporting Advisory Group (the "EFRAG"): EFRAG IG 1-Materiality Assessment Implementation Guidance.<br>**Key steps include:**<br>1. Mapping the Business, Value Chain & Stakeholder Ecosystem<br>2. Identification of Impact, Risks, and Opportunities (the "IROs")<br>3. Assessment of Materiality<br>4. Determination of Final Material Topics |

## NOTES

## NOTES





Pg: 08 and 11
**Project:** Donate a Wall Kochi
**Artist:** Zero
**Location:** Ernakulam
**Year:** 2021

Pg: 09 and 10
**Project:** St+art Patna
**Artist:** Alaniz
**Location:** Patna
**Year:** 2019

Pg: 151
**Project:** Lodhi Art Festival
**Artist:** Svabhu Kohli & Ram Sangchoju
**Location:** Delhi
**Year:** 2026

Pg: 151
**Project:** St+art Care 3rd Edition
**Artist:** Anikesa Dhing
**Location:** Vadodara
**Year:** 2025

Pg: 151
**Project:** Colour Corridor, St+art Kolkata
**Artist:** Sayan Mukherjiee
**Location:** Kolkata
**Year:** 2026

Pg: 171
**Project:** Pride Month Mural
**Artist:** Aravani Art Project
**Location:** Navi Mumbai
**Year:** 2025

Pg: Back cover
**Project:** Lodhi Art Festival
**Artist:** JuMu
**Location:** Delhi
**Year:** 2026



asianpaints

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