11th June, 2026

1. Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001.

2. Manager – Listing
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051.

Sub.: Annual Report of Kansai Nerolac Paints Limited for the financial year 2025-26 along with the Notice of the 106th Annual General Meeting.

Ref.:
1. **Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**
2. **BSE Scrip Code - 500165, NSE Symbol - KANSAINER**

Dear Sirs,

In terms of the provisions of Regulation 30 and Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Annual Report of Kansai Nerolac Paints Limited for the financial year 2025-26 ("Annual Report") along with the Notice of the 106th Annual General Meeting ("AGM") is enclosed herewith.

The Annual Report contains the information to be given and disclosures required to be made in terms of Regulation 34(2) and 34(3) of the SEBI Listing Regulations.

We wish to inform you that the AGM will be held on Thursday, 9th July, 2026 at 11 a.m. (IST), through Video Conferencing / Other Audio Visual Means.

In compliance with the Circular No. 03/2025 dated 22nd September, 2025 read with Circular No. 14/2020 dated 8th April, 2020 and all other relevant Circulars issued by the Ministry of Corporate Affairs ("MCA") and relevant provisions of the Companies Act, 2013 and Securities and Exchange Board of India SEBI Listing Regulations, the AGM will be held without the physical presence of Shareholders at a common venue.

The Annual Report along with the Notice of the 106th AGM is being sent by e-mail, to all the Shareholders whose e-mail IDs are registered with the Registrar and Transfer Agents ("RTA") of the Company / Depository Participant(s) in accordance with the relevant Circulars. Further, in terms of Regulation 36(1)(b) of the SEBI Listing Regulations, physical communication containing the weblink and the exact path where complete details of the Annual Report for FY 2025-26 is available, is being sent to those Shareholders who have not registered their e-mail address with the RTA of the Company / Depository Participant(s). The format of the letter is also enclosed herewith.

The Annual Report together with the Notice of the AGM is being dispatched to the Shareholders, today.

The same is also available on the website of the Company at www.nerolac.com.

The agenda items proposed to be taken up at the AGM are as mentioned below:

Sr. No.	Agenda proposed to be taken up	Resolution to be passed
	Ordinary Business:	
1.	Adoption of audited financial statements (including the consolidated financial statements) of the Company for the year ended 31st March, 2026 and the Reports of the Board of Directors and the Auditors thereon.	Ordinary Resolution
2.	Declaration of dividend of ₹ 2.50 (250%) per Equity Share of the nominal value of ₹ 1 each for the year ended 31st March, 2026.	Ordinary Resolution
3.	Appointment of a Director in place of Mr. Takashi Tomioka, Non-Executive Director (holding Director Identification Number 08736654), who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary Resolution
	Special Business :	
4.	Ratification of remuneration of the Cost Auditor, D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611), for the financial year ending 31st March, 2027, as recommended by the Audit Committee and approved by the Board of Directors.	Ordinary Resolution

Please take the above submission on record.

For **KANSAI NEROLAC PAINTS LIMITED**

G T GOVINDARAJAN Digitally signed by G T GOVINDARAJAN
Date: 2026.06.11 19:28:06 +05'30'

G. T. GOVINDARAJAN
COMPANY SECRETARY

Encl.: As above

NEROLAC

WHERE YOUR PASSION TAKES COLOUR

Kansai Nerolac Paints Limited

106th Annual Report 2026

This year, with our theme 'Where Your Passion Takes Colour,' we reaffirm our commitment to creating a space where talent thrives and passion is nurtured. Our Employee Value Proposition acts as a core anchor, aligning our business strategy, organisational culture, talent development, and operational initiatives.

At Kansai Nerolac Paints Ltd., passion goes beyond mere emotion; it is a motivating force that drives high performance, a constant desire for growth, and a pursuit of large-scale innovation. We believe the best ideas originate from those who take initiative, challenge boundaries, and own their results. Here, effort is appreciated, and ambitious goals are encouraged. When you bring your energy, ideas, and determination to Nerolac, your passion expands beyond inward expression to take shape, colour, and impact. Together, we are building an organisation where individual motivation is visible, ideas flourish vibrantly, and every contribution leaves a lasting impression. Thus, embodying a workplace...

WHERE YOUR PASSION TAKES COLOUR

CORPORATE INFORMATION

Board of Directors

(As on the date of the Board's Report, 6th May, 2026)

Mr. Bhaskar Bhat
Chairman and Non-Executive Independent Director

Ms. Sonia Singh
Non-Executive Independent Director

Mr. Takashi Tomioka
Non-Executive Director

Mr. Pravin D. Chaudhari
Managing Director

Mr. Uday S. Bhansali
Non-Executive Independent Director

Mr. Gen Yokota
Non-Executive Director

Directors who have retired since the 105th Annual Report

Mr. Hitoshi Nishibayashi
(Retired as Non-Executive Director on 30th June, 2025)

Mr. Hirokazu Kotera
(Executive Director up to 31st March, 2026)

Chief Financial Officer
Mr. Yash Ahuja

Company Secretary
Mr. G. T. Govindarajan

Bankers
Axis Bank Limited

HDFC Bank Limited

ICICI Bank Limited

Standard Chartered Bank

Statutory Auditors

S R B C & CO LLP, Mumbai

Registered Office

28th Floor, A-wing, Marathon Futurex, N. M. Joshi Marg,
Lower Parel, Mumbai - 400 013, Maharashtra

Telephone No.

+9122-4060 2500, +9122-4060 2501

Corporate Website

www.nerolac.com

Investor Relations Email

investor@nerolac.com

Corporate Identity Number (CIN)

L24202MH1920PLC000825

About the Report

REPORTING PERIOD, SCOPE AND BOUNDARY

This report presents the financial and non-financial information of Kansai Nerolac Paints Limited (hereafter referred to as 'KNPL' or 'the Company') and its subsidiaries for the period from 1st April, 2025, to 31st March, 2026.

APPROACH TO REPORTING

This report adopts an integrated reporting approach, covering capitals beyond financial, including natural, intellectual, manufactured, social & relationship and human capital. It reflects how these capitals are interlinked within the Company's business model to create value for stakeholders while managing risks and material issues. The Report also brings together the Company's operating context, strategies, associated risks and future prospects. Governance-related information is included to show how the Company safeguards stakeholder interests. Both qualitative and quantitative information are presented to support informed engagement with the Company.

REPORTING PRINCIPLES

The financial and statutory information in this report complies with the Companies Act, 2013, the Indian Accounting Standards and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The non-financial information is prepared in accordance with the Global Reporting Initiative (GRI) Standards, using calculation methodologies aligned with globally accepted standards, and is presented in a concise and comparable manner. Assumptions, exclusions and restatements have been disclosed wherever applicable. This report has been prepared in accordance with the framework published by the International Integrated Reporting Council (IIRC).

APPROACH TO MATERIALITY

This report addresses material issues identified through stakeholder engagement, considering their impact on the value-creation process and the Company's approach to addressing them through measurable targets. This helps stakeholders make informed decisions about their engagement with the Company.

ASSURANCE

M/s. Aneja Assurance Private Limited has provided limited assurance over selected non-financial disclosures in KNPL's report, in alignment with the GRI Standards. The assurance was conducted in accordance with the requirements of the International Federation of Accountants (IFAC) and the International Standard on Assurance Engagements (ISAE) 3000.

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FINANCIAL STATEMENTS

For more details, please visit:
www.nerolac.com

Click on any title in 'Contents' to navigate to the corresponding section. Click on ≡ to go to Contents Page.

Message from the Managing Director

At KNPL, we remain firmly committed to our 'People, **Planet, and Profit' philosophy, supported by the strategic management of our six capitals: Natural, Human, Manufactured,** Financial, Intellectual, and **Social & Relationship. Together, these capitals guide our approach to sustainable long-**term value creation.

Dear Shareholders,

I am pleased to present the 106th Annual Report of Kansai Nerolac Paints Limited, showcasing our continued commitment to consistency, quality, and sustainable growth.

Economic and Business Scenario

FY 2025-26 was marked by a dynamic operating environment. The Decorative segment faced near-term headwinds owing to geopolitical developments, an extended monsoon, and a shorter festive cycle. However, demand trends improved progressively in the second half of the year. Rural demand remained stable, while urban demand showed signs of gradual recovery.

On the industrial side, the automotive sector maintained strong momentum. This was driven by structural factors such as improved affordability and steady demand across segments. Performance coatings also delivered growth, aided by continued investments in infrastructure.

The Nerolac Story – Our Strength

With a legacy spanning over a century, we take immense pride in building a diverse and resilient portfolio that serves a wide spectrum of customers across the decorative and industrial coatings ecosystem. Guided by our enduring philosophy of Beauty and Protection, our solutions are designed to enhance living spaces through architectural paints, wood coatings, and construction chemicals, while also protecting surfaces across automobiles, consumer durables, transportation infrastructure and personal accessories. This breadth of presence reflects the breadth of our capabilities and our deep integration into everyday life. It reinforces our belief that there is, indeed, **a little bit of Nerolac in everyone's life.**

Organisational Philosophy: People

At KNPL, we remain firmly committed to our 'People, Planet, and Profit' philosophy, supported by the strategic management of our six capitals: Natural, Human, Manufactured, Financial, Intellectual, and Social & Relationship. Together, these capitals guide our approach to sustainable long-term value creation.

Our people continue to be at the heart of this journey, with their talent, commitment and ownership serving as the cornerstone of our progress. During the year, we introduced our Employee Value Proposition, 'Where Your Passion Takes Colour,' reflecting our belief that the passion of our workforce is central to everything we do. Through this proposition, we aim to foster a positive environment that encourages growth, ownership, continuous learning and open communication across the organisation.

To strengthen this further, we engaged with our employees through multiple surveys, leadership interactions and open dialogues. We also conducted the Willis Towers Watson (WTW) Employee Engagement Survey this year and received an engagement score of 94%. In addition, we continued to foster employee engagement through our Life@Nerolac platform and our regular employee well-being sessions.

"During the year, we introduced our Employee Value Proposition, 'Where Your Passion Takes Colour,' reflecting our belief that the passion of our workforce is central to everything we do."

3.2%
Growth in Revenue

1.2%
Growth in EBITDA

Through these collective efforts, we aim to cultivate a resilient and future-ready workforce that drives operational excellence and creates sustainable long-term value for all stakeholders.

Performance Overview

During the year, the Company sustained its growth momentum. For the year ended 31st March 2026, our topline grew by 3.2% and EBITDA increased by 1.2%, while PBT before exceptional items was lower by 0.9%. Furthermore, the Board recommended a dividend of 250%.

During the year, our Decorative business experienced strong growth in the Project, Construction Chemical, Waterproofing, and Premium Wood Coating segments. We also expanded our retail presence. Strategic initiatives such as Paint as a Service and increased collaboration with painters, architects, and interior designers improved our engagement, boosting efficiency and market reach.

In the Automotive Coating segment, we continued to maintain our leadership position and recorded strong growth during the year with good growth across all sub-segments. The Auto Refinish segment also witnessed good growth.

In the Performance Coating segment, the Powder Coating segment witnessed decent growth supported by steady demand from Auto Ancillary, Electrical Appliances, and Furniture segment. The Liquid Coating segment also witnessed strong performance during the year, with all sub-segments making positive contributions.

During the year, we took various actions to improve profitability. This involved judicious cost control efforts, collaborative efforts with value chain partners, and a continuous emphasis on increasing the saliency of our premium products.

Our Strategic Positioning

We maintain a distinctive position through a well-balanced and diversified portfolio, with a strong presence in both decorative and industrial segments. This balance improves our capacity to manage demand cycles and supports sustained long-term growth. Our strategic focus continues to centre on premiumisation, customer engagement, technology leverage, and operational efficiency.

Leveraging Global Strengths: Kansai Paint Group Advantage

As an integral part of the Kansai Paint Group, the Company derives immense benefit from global operations, cutting-edge innovations, and deep talent capabilities.

Under the Group-wide 'ONE KANSAI' initiative, cross-border collaboration is accelerating at a pace, enabling faster deployment of global technologies, better knowledge sharing, and stronger cost competitiveness, driving growth and competitiveness.

Strategy

At KNPL, our strategy is anchored in innovation, quality, and customer-centric growth, enabling us to strengthen our portfolio, enhance capabilities, and respond proactively to evolving market needs while driving sustainable value creation.

In the Decorative segment, we expanded our differentiated offerings and launched over 15 new products during the year. Secondary sales growth was driven by increased engagement with painters through the Pragati Loyalty Programme, training sessions, and outreach activities. We also boosted our influencer relationships via the Illuminati Programme and industry participation, while improving retail visibility with more than 150 Nerolac NxtGen Shoppes, 250 Shop-in-Shop units, and over 250 Paint Zone touchpoints.

Project Business continued its expansion through wider geographic reach, offering specialised products, and increasing engagement with contractors. Notable projects include the Jharkhand High Court and Raipur Vidhan Sabha.

In Construction Chemicals and Waterproofing, we developed targeted solutions to address various needs, whereas in Wood Coatings, we focused on premiumisation backed by our collaboration with ICRO.

In Industrial segments, we developed advanced, sustainable coating solutions that enhance efficiency and resource use. Our Automotive division provided technologically advanced products that meet evolving standards, while Auto Refinish expanded its footprint in premium A-class body shops. Performance Coatings concentrated on high-tech solutions across major industrial and infrastructure sectors.

Through these initiatives, KNPL continues to reinforce its leadership through differentiated offerings, technological excellence, and strong customer partnerships.

"Under the Group-wide 'ONE KANSAI' initiative, cross-border collaboration is accelerating at a pace. This is enabling faster deployment of global technologies, better knowledge sharing, and stronger cost competitiveness, driving growth and competitiveness."

Technology

At KNPL, we actively utilise our robust in-house R&D capabilities, supported by a state-of-the-art R&D centre in Navi Mumbai and satellite centres at our plants. We also harness the technological strengths of Kansai Paint Co., Ltd., Japan, and its group companies to maintain a competitive edge built on over a century of global experience. This close collaboration allows for the seamless integration of best practices worldwide, enhancing our innovation efforts and helping us deliver unique value while strengthening customer engagement in the coatings industry.

Vendor Management: Sustainable Supply Chain

At KNPL, we understand that strong supplier partnerships are crucial for sustainable value creation. We are committed to fostering collaborative, future-ready growth. During the year, we enhanced our value chain sustainability programme by conducting workshops to raise awareness of our Supplier Code of Conduct, BRSR principles, and broader ESG practices. Additionally, we performed ESG self-assessments of our suppliers, focusing on key areas such as environmental management, social practices, human rights, and health and safety, further strengthening responsible practices across the value chain.

Creating Digital Assets

We continue to strengthen our digital capabilities as a key enabler of operational efficiency, decision making through technology-led solutions and integrated platforms. Digitally enabled tools support seamless engagement with stakeholders, including painters, dealers, architects, designers, and our sales teams, while generating valuable insights.

During the year, we completed the transition to SAP S/4HANA, enhancing scalability and establishing a strong digital foundation. Alongside these initiatives, we maintained a strong focus on cybersecurity to safeguard digital assets, protect stakeholder data, and ensure business continuity, as we continue to build a future-ready organisation.

Purpose-Led Inclusive Growth

At KNPL, we are dedicated to making a positive impact by emphasising environmental stewardship, social responsibility, and effective governance. Our ESG approach is centred on five key material areas: Decarbonisation, Resource Use, Quality of Life, Diversity, and Governance. These guide our initiatives to integrate sustainability into our core operations and foster long-term value creation.

In recognition of our efforts towards sustainability, we engage in various ESG assessments. This financial year, we were rated in the 'B' Category for both Climate Change and Water Security in the CDP 2025 cycle. We also ranked in the top 12 percentile in the S&P Global Corporate Sustainability Assessment (CSA) 2025 within the chemical industry. Additionally, we maintained our Bronze Medal for the third year in the EcoVadis assessment, placing us in the top 18% of companies assessed by EcoVadis.

Subsidiaries

During the year, our international subsidiary in Nepal continued to report positive performance, while our subsidiary in Bangladesh continued to face challenges. Furthermore, during the year, we divested our stake in the Sri Lanka Subsidiary, which had faced multiple challenges on account of macroeconomic situation prevailing there. Our domestic subsidiary Nerofix Private Limited performed well and witnessed strong topline growth.

Building Future Capabilities for a Better Tomorrow

During the year, we improved our manufacturing capabilities by expanding water-based capacity at Jainpur Plant and increasing CED capacity at Sayakha Plant. We also invested in digital systems for predictive maintenance and quality control. Sustainability was integrated into our operations through lower specific power usage, water conservation efforts, and increased use of renewable energy sources such as solar and wind.

Outlook and Way Forward

The Indian paints and coatings sector maintains a positive outlook, driven by infrastructure investments, increasing urbanisation, consistent automobile demand, and a rising consumer preference for premium products. Although geopolitical events will continue to affect crude oil prices, currency fluctuations, and the global supply chain, the industry is well-positioned to manage these challenges and achieve steady, sustainable growth.

As we look ahead, we remain committed to building on our legacy with agility, innovation and responsibility, strengthening our ability to create sustainable value for our customers, communities, and stakeholders.

Pravin Chaudhari
Managing Director

Key Highlights

ESG

EcoVadis Bronze Medal 2026

Recognised for our commitment to sustainability, we have been awarded the EcoVadis Bronze Medal for the third consecutive year, placing us among the top 18% of assessed companies globally

Carbon Disclosure Project (CDP) 2025 Cycle

Rated in 'B' Category in both Climate Change and Water Security, highlighting commitment towards awareness, management, leadership and disclosures of ESG practices

S&P Global Corporate Sustainability Assessment (CSA) 2025

Ranked in the top 12 percentile within the chemicals industry for demonstrating strong performance in environmental, social, and governance practices

CRISIL ESG Rating

Rated in the 'Strong' category, highlighting our robust ESG framework and commitment to sustainability

Brand Building

- **Nerolac Jingle Campaign:** Brought back our iconic jingle in a new commercial during the festive season; it was promoted with an extensive 360-degree media campaign
- **Recognition of Media Campaigns:** The Mahakumbh 'Dukaan it Yourself' Campaign saw us win 26 awards in the reporting year, including Golden Award of Switzerland, Goafest, Kyoorius, and the Dragons of Asia
- **Social Media Campaigns:** Collaborated with 1,000+ social media influencers to promote our campaigns and leveraged multiple social media platforms such as Instagram, Facebook, and LinkedIn, among others

Projects

Geographical Expansion

Present in **80+** Towns

- **Engagement and Capability Building**: Conducted engagement meets and project sales conferences for alignment with strategic objectives and cross-functional collaboration
- **Strengthened Product Line**: Expanded the Super Series to meet evolving project needs

Influencer Initiatives

- **AID Engagement:** Engaged with 12,000+ architects through the 'Illuminati' programme, present in 45+ cities - scaling up subsequently
- **Painter Network:** Trained over 1 Lakh painters in paint application through classroom and hands-on sessions

Awards and Recognition

- Received the **Best Raw Material Supplier** Award from Toyota Kirloskar Motors Private Limited
- Won **Excellence Award in Paint Category** from Honda Motorcycle and Scooter India
- Honoured with the **Best Supplier Award** by TAFE for its outstanding delivery performance
- Received the Platinum Award at the Indian Manufacturing Excellence Award for our Jainpur plant

Human Resources

- **Employee Value Proposition:** Rolled out our employee value proposition, '**Where Your Passion Takes Colour**', reflecting our belief that our people's passion is at the heart of everything we do

Consumer Services

- **Nerolac Colour My Space Application:** Enhanced functionality to enable customers to visualise their walls in 2,100+ shades along with other features such as Paint Budget Calculator, and Colour Picker, among others
- **Increased Digital Presence:** Listed 6,000+ dealers on Google My Business, enabling enhanced accessibility and customer engagement
- **Nerolac Paint Plus Zones:** 250+ touchpoints reached through Nerolac Paint Plus Zones

NEROLAC NXTGEN PAINTING SERVICES

Present in **250+** Cities

Performance Highlights

Financial Highlights

Revenue from Operations
(₹ in Crores)

2025-26	7,739.23
2024-25	7,496.71

3.2
Change in %

EBITDA
(%)

2025-26	12.7
2024-25	13.0

30
Change in Base Points

PAT*
(₹ in Crores)

2025-26	619.85
2024-25	1,021.24

39.3
Change in %

* Including exceptional items

Non-financial Highlights

Capacity
(Million litres)

2025-26	691.60
2024-25	664.28

4.1
Change in %

R&D Expenses
(₹ in Crores)

2025-26	54.32
2024-25	51.86

4.7
Change in %

CSR Spend
(₹ in Crores)

2025-26	15.60
2024-25	13.51

15.5
Change in %

Electricity Consumption from Renewable Sources
(Manufacturing Facilities) (%)

2025-26	47.6
2024-25	39.1

850
Change in Base Points

Energy Consumption through Renewable Sources
(Organisation Wide – Manufacturing Facilities, R&D, Depots, Offices) (%)

2025-26	46.5
2024-25	45.2

130
Change in Base Points

Total Emissions (Scope 1 + Scope 2)
(KNPL and its Subsidiaries) ($MTCO_2e$)

2025-26	43,945
2018-19 (Baseline)	58,241

24.5
Change in % from Baseline

Scope 3 Emissions Intensity – Categories Under SBTi Target Boundary
(KNPL and its Subsidiaries) ($MTCO_2e$/ KL of FG)

2025-26	0.89
2018-19 (Baseline)	0.99

9.5
Change in % from Baseline

Specific Water Consumption
(Manufacturing Facilities) (KL/KL of FG)

2025-26	1.05
2024-25	1.06

0.9
Change in %

Water Replenishment
(Organisation Wide – Manufacturing Facilities, R&D, Depots, Offices) (%)

2025-26	125
2024-25	126

Water Positive
Maintained Status

Corporate Profile

Kansai Nerolac Paints Limited ('KNPL', 'the Company' or 'We'), a subsidiary of Kansai Paint Co., Ltd., Japan, is one of India's leading players in the paint industry. Focused on delivering advanced coating solutions, we consistently meet the evolving needs of our customers. As a future-focused company, rooted in innovation, we stand for quality and manufacturing excellence, making us a preferred choice for a growing and ever-evolving customer base.

MISSION

We leverage superior technology to contribute to our customers and society, in a sustainable manner, with innovative Products and Services, through a competent workforce built on a culture of Customer Focus, Integrity and Respect for our stakeholders.

VISION

We design Solutions that Protect, Inspire and Touch Lives every day.

PURPOSE

Create an environment for a healthy and beautiful future.

BRAND PROMISE

Renew Life

BRAND EXPRESSION

PAINT+

Core Values
icare!

ORGANISATIONAL VALUES

Integrity

We build strong trust with all stakeholders, by doing the right thing and by taking decisions that enhance the reputation of the organisation in society.

Customer Focus

We continuously strive to understand and exceed customer expectations.

Accountability

We encourage organisation members to take responsibility for their own actions and decisions, show commitment to all stakeholders and accomplish work in an appropriate and efficient manner.

Respect

We respect diversity and embrace cultural and individual characteristics of organisation members, customers and communities by showing empathy and understanding the viewpoints of distinct beliefs, philosophies and cultures. We encourage and foster an environment of learning, teamwork and cooperation that enables the development of all organisation members.

Entrepreneurial Mindset

We facilitate the emergence of entrepreneurial ideas that have a long-term perspective, originality in thinking and practicality of execution, taking responsibility to see these ideas through, with ownership at all times. We shall continue contributing to People and Society by providing sustainable value to all stakeholders.

Innovation

We pioneer innovation by engaging our collective wisdom and knowledge to create new value propositions and continuously strive to generate original and novel solutions for products, services and work processes. We experiment in different and ground-breaking ways to deal with value-creation opportunities and challenges, through a deep understanding of the issue at hand.

Our Product Portfolio

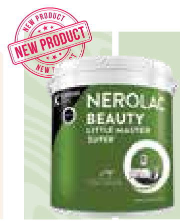
Decorative (New Launches)

Beauty Gold Washable+

(Interior Coatings)

Beauty Smooth Super

(Interior Coatings)



Beauty Little Master Super

(Interior Coatings)

Excel Everlast 20

(Exterior Coatings)

Excel Everlast 14

(Exterior Coatings)

Excel Mica Marble Stretch & Sheen WOW

(Exterior Coatings)

Excel Sheen

(Exterior Coatings)

Economy Exterior Primer Super

(Primers)

Economy Interior Primer Super

(Primers)

Nerolac Perma NoDamp Super

(Construction Chemicals)

Nerolac Perma R Poxy 2K

(Construction Chemicals)

Nerolac Perma R Poxy 3K

(Construction Chemicals)

Nerolac Perma Tile Adhesive Diamond+

(Construction Chemicals)

Nerolac Perma Tile Adhesive Platinum+

(Construction Chemicals)

Nerolac Perma Tile Adhesive Platinum

(Construction Chemicals)

Nerolac Perma NoDamp Gold

(Construction Chemicals)

Nerolac Perma NoHeat

(Construction Chemicals)

Soldier Rain Raksha

(Construction Chemicals)

Nerolac Wonderwood RTU – O-Series

(Wood Coating)

Decorative

Interior Coatings


Impressions Kashmir


Impressions Kashmir Hi-Sheen


Impressions Kashmir Matt


Impressions Sheen


Impressions HD


Impression Ultra HD


Beauty Gold Washable NXT


Beauty Gold


Beauty Smooth WOW White


Beauty Sheen


Beauty Smooth


Beauty Smooth NXT


Beauty Little Master Sheen


Beauty Little Master


Neu Latex Interior White

Designer Range


Impressions Ideaz


Impressions Metallics Finish


Impressions Glitter

Kansai Select - Texture Range

Positano

Bluhm

Nylum

Arabesque

Shikisai

Tracce

Exterior Coatings

Excel Everlast 12

Excel Top Guard

Excel Total

Excel Total PU Floor Coat

Excel Mica Marble Stretch & Sheen NXT

Excel Mica Marble Stretch & Sheen

Excel Mica Marble

Excel WOW

Excel NXT

Excel No Dust

Excel

Suraksha Sheen

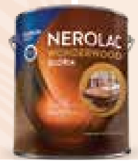
Suraksha Plus WOW

Suraksha Plus NXT

Suraksha Acrylic

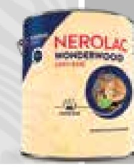
Wood Coatings

Wonderwood Gloria NXT



Wonderwood Gloria

Italian 2K PU



Wonderwood 2KPU Interior & Exterior

Nerolac ICRO

Wonderwood 1KPU

Wonderwood Clear Acrylic Lacquer

Wonderwood Mel'Mine

Wonderwood NC Sanding Sealer

Wonderwood 111 Thinner

Gloria Wood Filler

Wonderwood Wood Stains

Nerolac TermiProtect

Primers

Water-based Primers

Excel Alkali Primer

Premium Exterior Primer NXT

Exterior Primer

Premium Primer NXT

Premium Primer

Economy Exterior Primer

Suraksha Primer

Popular Primer

Ready Mix

Solvent-based primer

Zinc Yellow Primer

Premium Red Oxide Primer

Premium Interior Primer ST

Popular Primer

Popular Red Oxide Primer

Enamels

Satin

PU Enamel 10 in 1

Synthetic

Waterproofing

Nerolac Perma Damp Lock

Nerolac Perma NoDamp+

Nerolac Perma NoDamp

Nerolac Perma Damp Protect Interior

Nerolac Perma Damp Protect Exterior

Nerolac Perma Super 2K

Nerolac Perma Rapid Set

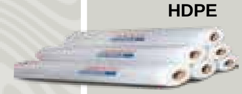
Nerolac Perma Waterproof Putty

Nerolac Perma Tile Adhesive

Nerolac Perma Crystal Seal

Nerolac Perma Crystalline

Nerolac Perma Neroshield HDPE



Nerolac Perma Nerotorch

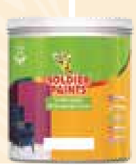
Adhesives

Nerofix Gold

Nerofix Aqua Smart

Nerofix Smart

Soldier



Soldier Super Sheen Interior Emulsion

Soldier Interior Emulsion

Soldier Popular Exterior Emulsion

Soldier Popular Interior Emulsion

Industrial (New Launches)

Automotive

4-Wheelers

Advanced High-Gloss Clear Coat System: Developed for passenger vehicles, offering a superior wet-look finish, enhanced aesthetics, and improved line workability in 3C2B and 3C1B application systems

1K Common Conductive Primer for Plastic Substrates: Developed to deliver excellent adhesion and conductivity across multiple plastic substrates, including PP, ABS, and Nylon, enabling improved coating performance and greater process flexibility

High-Performance 2K PU Clear Coat: Developed to provide improved gloss, superior aesthetics, and enhanced durability for exterior plastic applications

Other Product Developments: Additional coatings were developed to improve adhesion, enable specialised finishes, and enhance application efficiency in line with evolving automotive design and performance requirements

Commercial Vehicles

High-Solids Matt Black Coating: Formulated with improved Xenon resistance, delivering enhanced durability and colour stability for agricultural equipment applications

Low-Bake Epoxy CED Black: Introduced to enable energy-efficient curing by reducing baking conditions from 160°C to 140°C for 10 minutes while maintaining coating performance and protection standards

Transparent Adhesion Promoter for Plastics: Developed as a clear primer for coloured PP-EPDM substrates, improving adhesion performance and surface reliability in plastic component applications

2-Wheelers

Advanced Matt Aqua Metallic Coating: Developed to prevent voltage leakage and bell tripping through polymer-coated metallic pigments, ensuring enhanced process stability over conventional metallic pigments

Multi-Travel Metallic Effect Colour: Introduced using innovative pigment technology to create vivid chromatic transitions across hues, enhancing premium visual appeal

Low-Bake Metallic Paint System for EV Frames: Developed for electric motorcycle frames, enabling lower curing temperatures (130°C for 10 minutes versus the conventional 140°C for 20 minutes) while delivering excellent chemical resistance, E30 compliance, high weatherability, and premium finish

Other Product Innovations: Additional solutions were developed to improve application efficiency, durability, and aesthetic performance, further strengthening the portfolio while addressing evolving customer and regulatory requirements

Performance Coating

Liquid Coating

Water-based Anti-Carbonation

Developed to protect concrete substrates against carbonation, with the system adopted for large-scale infrastructure applications

High-Temperature Under-Insulation Pipe Coating

Introduced to meet refinery requirements, this advanced coating offers heat resistance up to 650°C along with high corrosion protection for insulated piping systems

Protective Coating System for Infrastructure Steel Structures

A high-performance siloxane-based coating system developed for steel structures in urban rail infrastructure projects

Powder Coating

Anti-Freeze Thermoplastic Coating for Refrigeration Applications

Developed using polyethylene-based technology to provide effective freeze protection and durability for refrigerator and deep-freezer components

High Scratch-resistance Furniture Coatings

Specially designed matt white and matt black coatings developed to deliver superior scratch resistance and enhanced surface durability for furniture applications

Hybrid Powder Coating for Air-Conditioning Applications

A glossy epoxy-polyester hybrid coating introduced to provide excellent aesthetics and strong corrosion resistance, supporting enhanced durability requirements in the AC market

Auto Refinish

Innovative High-Productivity Clear Coat: Developed using in-house resin technology, this product delivers a superior surface finish and higher productivity, further strengthening the portfolio

Industrial Portfolio

Automotive

Applications in Industries

Serving a wide automotive spectrum, including passenger vehicles, commercial vehicles, tractors, 2-wheelers, 3-wheelers, wheels, and auto ancillaries.

Key Offerings

- Cathodic Electro Deposition (CED) and Acrylic Cathodic Electro Deposition (ACED) Primers
- 3-Coat 1-Bake System
- Medium Solid & Thermo Setting Acrylic (TSA)
- Polyester Amino Finishes
- Metallic Monocoats
- High-Mar Resistant Clear Coats
- Super Durable Monocoats
- Heat-Resistant Paints
- Interior Coatings for Vehicles
- Polyurethane (PU) Coatings for Metals and Plastics

Performance Coatings – Liquid

(General Industrial + High Performance Coating)

Applications in Industries

Catering to a wide spectrum, including petroleum, metal, chemicals and fertilisers, infrastructure, cement, railways, pipes, precoated steel, bridges, drums and barrels, cylinders, electricals, helmets, pre-engineered buildings and construction equipment.

Key Offerings

- Polyurethane (PU) Primer and Topcoats
- Chlorinated Rubber Coatings
- Epoxy Coating
- Alkyd Primer and Topcoat
- Zinc Rich Coatings
- Heat-resistant Coatings
- Floor Coatings
- Pipe Coatings
- Coil Coatings
- Polysiloxane
- Fluoropolymer Coatings
- IPNet Coatings
- DTM Coatings
- Monocoat Metallic Coating

Powder Coatings

Applications in Industries

Widely used across white goods, including refrigerators, washing machines, and air conditioners, as well as lighting, electrical systems, auto parts, architectural frameworks, steel rebars, and pipes, among others.

Key Offerings

- Epoxy Polyester Powder, Epoxy Powder and Pure Polyester Polyurethane
- Heat-Resistant Powder
- Rebar Coatings and Pipe Coating Powders
- Super Durable Powders and Bonded Metallic Powders
- High-Performance Anti-Corrosion Powder System

Auto Refinish

Applications in Industries

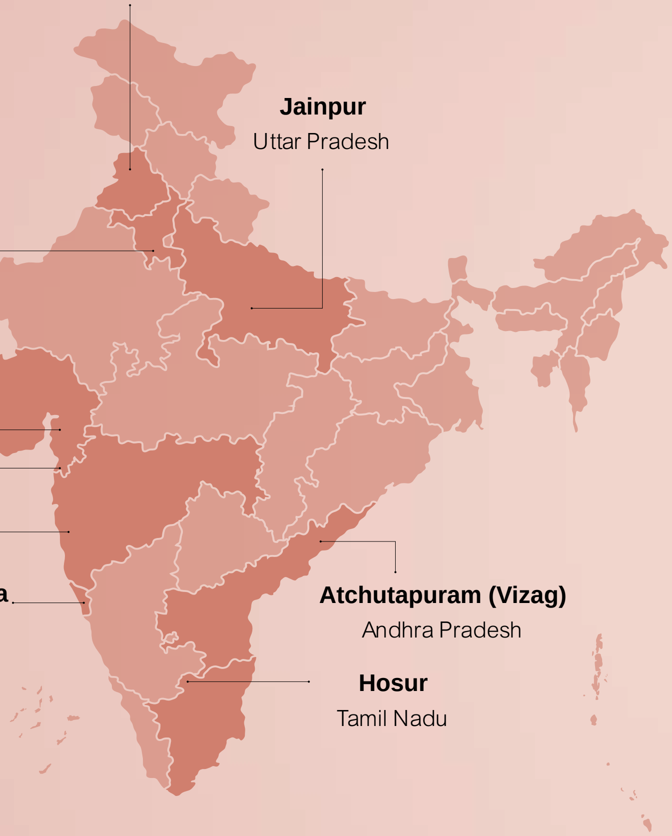
Tailored for aftermarket refinishing and touch-up applications across passenger cars, commercial vehicles, 2 and 3-wheelers, bus bodies, auto components, and furniture.

Key Offerings

- Polyurethane Paints – Retan PG Eco, Cardea, Nerokan, and Perfect Match
- Nitrocellulose (NC) and NC Acrylic – NAP
- Modified Hybrid Alkyd-based – Nova Plus
- Putty-NC, Polyester and Body Fillers

Our Operational Footprint

Our manufacturing facilities are strategically located across India to serve OEM clients and a broad customer base, strengthening our competitive edge and our position in the market.



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.

Network at a Glance

Mumbai
Head Office

9
Manufacturing Plants

Navi Mumbai
Centralised R&D Centre

5
Satellite R&D Units (2 at Lote and 1 each at Hosur, Bawal and Sayakha)

112
Depots across India

8
Regional Distribution Centres (RDCs)

Marquee Projects FY 2025-26

A carefully curated portfolio of landmark projects across infrastructure, institutional and public spaces, reflects the scale and diversity of our engagements.

Project Highlights

Chenab Bridge, Jammu & Kashmir
(World's Highest Railway Bridge)

Anji Khad Bridge, Jammu & Kashmir

Jharkhand High Court

Vidhan Sabha, Raipur

Our Strategy and Future Orientation

Decorative Business

Premiumisation through New Products

- Launch differentiated, unique products
- Facilitate growth in the premium segment, while sustaining and growing in the economy and popular segments

Influencer Strategy: Painters, Architects and Interior Designers

- Enhance NxtGen painting services
- Expand reach, nurture deeper connections and offer loyalty programmes for painters
- Engage with architects and interior designers

New Businesses: Construction Chemicals, Wood Coating, and Adhesives

- Offer a comprehensive product range
- Improve distribution network
- Increase contractor participation

Project Business

- Expand geographical reach
- Develop a pipeline of project sites
- Increase contractor reach
- Develop a separate range of products

Branding and Digital Presence

- Develop equity through differentiated product campaigns
- Increase digital presence
- Leverage Japanese connect and the Nerolac jingle

Retail Experience

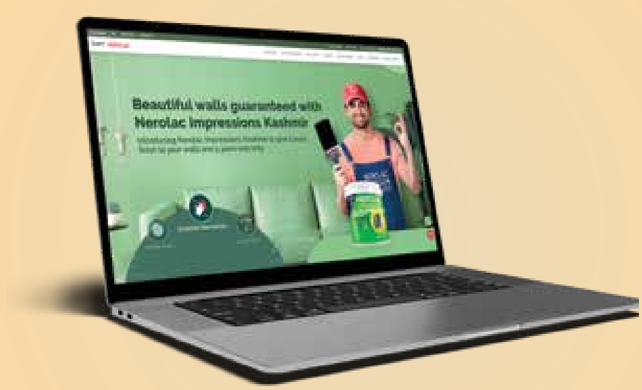
- Provide superior retail experience
- Expand the NxtGen Shoppe network
- Increase Shop-in-Shop network
- Increase number of touchpoints through Nerolac Paint Zones

Industrial Business

- Provide unique and sustainable solutions as per customer needs
- Use high-end technology
- Promote premiumisation
- Strengthen presence in new product segments
- Obtain new approvals
- Expand network
- Collaborate across Kansai group for technological developments

Sustainability

- Promote sustainability by focusing on decarbonisation, efficient resource use, improving quality of life and fostering diversity
- Uphold the highest standards of governance, compliance and risk management practices
- Collaborate with value chain partners to promote the sustainability agenda



Building Organisational Capability

- Enhance digital thrust
- Foster a people-centric approach, prioritising employee well-being and capability building
- Work as 'One Kansai' by collaborating across the group, driving innovation, and building a shared sense of success
- Create an ecosystem of trust, ownership, ambition and growth through our Employee Value Proposition 'Where Your Passion Takes Colour'
- Deliver quality products and solutions driven by state-of-the-art R&D and advanced manufacturing capabilities

Our Value Creation Model

Input

Financial Capital

Total Borrowings (₹ Crores)	Nil
Total Equity (₹ Crores)	80.87
Retained Earnings (₹ Crores)	6,614.90
Capital Expenditure (₹ Crores)	230.39

Manufactured Capital

Number of Plants	9
Property, Plant and Equipment (₹ Crores)	2,026.00
Material Cost (₹ Crores)*	4,904.69

*Excluding changes in inventory

Intellectual Capital

Spend on R&D (including Capex) (₹ Crores)	54.32
Number of Innovation and Technical Sessions held across Forums	97
Royalty (₹ Crores)	35.23

Natural Capital

Total Energy Consumption (GJ) (within Organisation)	5,35,445
Renewable Energy (GJ)	2,49,112
Rainwater Used in Process (KL)	22,979
Specific Water Consumption (KL/KL of FG) (Manufacturing Facilities)	1.05
Number of Trees Planted	22,000+

Human Capital

Number of Permanent Employees and Workers	3,804
Man-hours of Safety Training Conducted	1,09,970

Social & Relationship Capital

Number of Raw Material Suppliers	500+
Number of Suppliers Audited	21
CSR Spend (₹ Crores)	15.60

Value Creation Process

Our Manufacturing Process

Premixing

Grinding

Thinning

Tinting

Filling

Key Enablers

- ICE Culture
- Effective Risk Management
- Technology Robustness
- Customer Services and Experience
- Commitment to ESG
- Governance Beyond Compliance
- Digitalisation

Creating Lasting Value for all Stakeholders

- Business Partners
- Shareholders and Investors
- Employees
- Customers
- Suppliers
- Community
- Influencers
- Government and Regulatory Bodies

Output and Outcomes

Financial Capital

Market Capitalisation (₹ Crores) (As of 31st March, 2026)	13,509
Revenue Generated from Operations (₹ Crores)	7,739.23
EBITDA (₹ Crores)	986.22
PAT (₹ Crores)	619.85
Operating Cash Flow (₹ Crores)	885.35
Free Cash Flow (₹ Crores)	673.46
Dividend Paid (₹ Crores)	303.18
Tax Paid (₹ Crore)	218.42

Manufactured Capital

Increase in Plant Capacity (Million Litres)	27.32

Intellectual Capital

Number of Patents Filed	3
New Products Launched	85+

Natural Capital

GHG Emissions (MTCO$_2$e) (Scope 1 + Scope 2, Including Biogenic Emissions)	43,945
Hazardous Waste Generated (% of Finished Goods)	0.24
Recycled/Reused Water (KL)	1,48,617
Plastic Recycled under EPR - PWM (Plastic Waste Management) (MT)	11,700

Zero Liquid Discharge at Major Facilities

Human Capital

Revenue per Permanent Employee (₹ Crores)	2.03
WTW Engagement Survey Score*	94%

(*Conducted once every two years)

Social & Relationship Capital

Number of New Raw Material Suppliers Added	6
Percentage of Local Sourcing	77
Number of Lives Touched through CSR Initiatives	1,00,000+

Staying Engaged with Our Stakeholders

Delivering Long-term Sustainable Success

At KNPL, we recognise that regular and constructive engagement with stakeholders is essential to building long-term trust and value. Our stakeholders, including business partners, shareholders and investors, employees, customers, suppliers, communities, influencers, and government and regulatory bodies, are active participants in our journey, each shaping our sustainability and strategic direction in their own way.

Our engagement approach is structured and inclusive, designed to understand expectations, identify emerging trends and risks, and feed relevant insights directly into our decision making. Transparent communication and timely exchange of information keep us responsive to stakeholder concerns and accountable across the value chain.

Open dialogue and honest feedback are what allow us to continuously improve, deliver better outcomes, and ensure stakeholder perspectives shape not just what we do, but how we grow.

- Business Partner
- Shareholders and Investors
- Customers
- Employees
- Suppliers
- Community
- Influencer
- Government Regulatory Bodies

Stakeholder Group

Internal Stakeholder | External Stakeholder | Yes | No

Business Partner

Stakeholder Importance	Stakeholder Category	Whether Identified as Vulnerable and Marginalised Group
Our parent company, Kansai Paint Co., Ltd., Japan, provides technological expertise and supports product development.	Internal	No

Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement, including Key Topics and Concerns Raised during such Engagement
Emails	Continuous/Ongoing	Strategy, Business Plans, Performance Status, and Key Initiatives
Board Meetings	Quarterly	
Audits	Continuous/Ongoing	Internal Control Systems
Conferences, Knowledge Sharing Conclaves Meetings	Need Basis	Market Strategy, Knowledge and Best Practices Sharing, and Benchmarking R&D and Manufacturing Assistance

Shareholders and Investors

Stakeholder Importance	Stakeholder Category	Whether Identified as Vulnerable and Marginalised Group
They provide capital for business growth and help strengthen business credibility.	Internal	No

Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement, including Key Topics and Concerns Raised during such Engagement
Investor/Analyst Meets	Quarterly	Quarterly and Annual Results, Key Developments & Initiatives, and Q&A
Annual Report	Annual	
Annual General Meeting	Annual	Corporate Information and Announcements
Media Updates and Press Releases	Quarterly/Need Basis	
Website	Continuous/Ongoing	

Internal Stakeholder | External Stakeholder | Yes | No

Suppliers

Stakeholder Importance
They play a crucial role in our value chain, enabling us to scale operational efficiency and exceed customer demands.

Stakeholder Category: External

Whether Identified as Vulnerable and Marginalised Group: No

Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement, including Key Topics and Concerns Raised during such Engagement
Emails	Continuous/Ongoing	Procurement-related Transactions and Discussions Material Roadmap Quality Roadmap
Meetings	Continuous/Ongoing	
Supplier Portal	Continuous/Ongoing	Transaction Interface on Various Supplier-Related Information
Supplier Audits	Continuous/Ongoing	Supplier Qualification
Vendor Development Programmes	Continuous/Ongoing	Quality Enhancement, ESG, Localisation, Capability and Competency Enhancement
Vendor Performance/Rating	Continuous/Ongoing	Supplier Performance Management
Vendor Conference	Continuous/Ongoing	Vendor Interaction with Management

Customers

Stakeholder Importance
Our success and sustained business growth hinge on meeting customer expectations within the prevailing business environment.

Stakeholder Category: External

Whether Identified as Vulnerable and Marginalised Group: No

Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement, including Key Topics and Concerns Raised during such Engagement
Emails	Continuous/Ongoing	New Innovations, Sustainability
Meetings	Continuous/Ongoing	
Customer Satisfaction Survey	Annual	Assess performance and identify area of Improvement
TV Commercials and Social Media Platforms	Continuous/Ongoing	Company and Product and Service Information/ Advertisements, and Awareness Campaigns
Website	Continuous/Ongoing	Corporate Information, Product & Services Information, Technical and Safety Literature
Digital Apps	Continuous/Ongoing	Customer Interaction
Customer Service Helpline	Continuous/Ongoing	Customer Complaints

Internal Stakeholder | External Stakeholder | Yes | No

Employees

Stakeholder Importance
Our continued success is guided by employee skills, knowledge, experience, and commitment.

Stakeholder Category: Internal Stakeholder

Whether Identified as Vulnerable and Marginalised Group: No

Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement, including Key Topics and Concerns Raised during such Engagement
Emails	Continuous/Ongoing	Human Capital Development
HRMS Portal	Continuous/Ongoing	
Training Programmes	Continuous/Ongoing	
HR Connect Sessions	Continuous/Ongoing	Employee Well-being
Review Meetings	Continuous/Ongoing	Goal and Performance Update
Appraisals	Annual	
Newsletter	Monthly	Organisational Activities
Town Halls	Continuous/Ongoing	Improving Productivity and Morale
Employee Engagement Surveys	Annual	
Annual Conference	Annual	

KNPL Employees at the Perma Plant

Internal Stakeholder External Stakeholder Yes No

Community

Stakeholder Importance
Communities grant KNPL a social licence to operate, and it is our responsibility to uplift and foster strong relationships with them.

Stakeholder Category: External Stakeholder

Whether Identified as Vulnerable and Marginalised Group: Yes

Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement, including Key Topics and Concerns Raised during such Engagement
Community Welfare Programmes	Continuous/Ongoing	CSR
Community Visits/Meeting	Continuous/Ongoing	Grievances Redressal
Local Authority and Town Council Meetings	Continuous/Ongoing	Community Interaction

Advancing Women's Empowerment through Project Swayam Under CSR Initiatives

Internal Stakeholder | External Stakeholder | Yes | No

Influencer

Stakeholder Importance

Influential individuals or entities such as painters, interior designers, architects, contractors, and carpenters, wield considerable reach and influence, shaping consumer preferences and purchasing decisions.

Stakeholder Category: External Stakeholder

Whether Identified as Vulnerable and Marginalised Group: No

Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement, including Key Topics and Concerns Raised during such Engagement
Meetings	Continuous/Ongoing	Product Offerings
Industry Events and Conferences	Continuous/Ongoing	Engagement and Knowledge Sharing
Training Programmes	Continuous/Ongoing	Skill Upgradation
Digital Apps	Continuous/Ongoing	Transaction Interface on Various Business-related Information

Government Regulatory Bodies

Stakeholder Importance

Ensuring our business operations remain compliant with applicable laws and regulations.

Stakeholder Category: External Stakeholder

Whether Identified as Vulnerable and Marginalised Group: No

Channels of Communication	Frequency of Engagement	Purpose and Scope of Engagement, including Key Topics and Concerns Raised during such Engagement
Disclosures to Stock Exchanges	Continuous/Ongoing	Compliance with Applicable Laws
Regulatory Filings	Continuous/Ongoing	
Regulatory Publications	Continuous/Ongoing	
Annual Report	Annual	
Government Websites	Continuous/Ongoing	

Materiality Assessment

Purpose and Role within Sustainability Governance

Materiality assessment anchors sustainability governance at KNPL, guiding how we prioritise ESG topics central to our long-term performance and stakeholder expectations. This process ensures we concentrate on the areas of greatest positive impact while effectively navigating both risks and opportunities.

Approach and Framework Alignment

Our materiality assessment follows a structured and systematic process shaped by stakeholder engagement, internal reviews, and industry benchmarking. It aligns with the Global Reporting Initiative (GRI) Standards, helping us uphold the highest standards of consistency, transparency, and accountability in our disclosures.

Strategic Relevance

Insights from the assessment inform our sustainability strategy, goal setting, and decision making, reinforcing a strong and resilient framework that supports responsible growth and value creation.

Materiality Determination Process

Overview of the Approach

Our approach to identifying and prioritising material ESG topics is robust and data driven, anchored in a structured evaluation of internal insights and external developments.

Identification and Assessment of Material Topics

Identification and External Scanning

We begin by analysing industry trends alongside sustainability risks and opportunities, benchmarking against peers and referencing global reporting frameworks. This also includes consideration of regulatory developments, investor expectations, and emerging ESG factors to ensure future readiness.

Topic Identification and Stakeholder Evaluation

A comprehensive set of potential material topics is developed using historical performance insights, internal assessments, and external reference points. These topics are then evaluated through structured engagement with key stakeholders, including senior management, to assess their significance in terms of business impact and stakeholder relevance.

Prioritisation and Strategic Integration

Based on the evaluation, priority material topics are identified and validated, forming the foundation of our sustainability strategy.

Set Strategic Goals and Targets

For each focus area, we define clear responsibilities and develop actionable plans supported by strategic goals, targets, and performance indicators.

Develop an Action Plan

Actionable plans are developed for each priority topic to support effective implementation and progress tracking.

Review of Performance

We continuously monitor performance against defined targets and periodically review material topics to reflect changes in business context, stakeholder expectations, and the external environment. This ensures that our sustainability priorities remain relevant, responsive, and aligned with our long-term objectives.

Material Topics

Our material topics have been divided into five essential areas: Decarbonisation, Resource Use, Quality of Life, Diversity and Governance. These material topics are in line with the materiality set by our parent organisation, Kansai Paint Co., Ltd., Japan.

Thematic Classification

DECARBONISATION

- Energy Management
- Emissions Management
- Climate Change

RESOURCE USE

- Water Management
- Waste Management
- Product Stewardship
- Responsible Product
- Sustainable Supply Chain

QUALITY OF LIFE

- Human Rights
- Occupational Health and Safety
- Employee Engagement and Well-being
- Community Development
- Customer Satisfaction

DIVERSITY

- Diversity (Age, Gender, and Regional)
- Inclusivity

GOVERNANCE

- Corporate Governance
- Risk Management
- Innovation/IP Management
- Compliance

Training Session on ESG and 9 Principles of BRSR at the Jainpur Plant

Materiality Mapping

Materiality	Material Topic	GRI Topic	Boundary	Capitals Impacted
Decarbonisation	Energy Management	GRI 302: Energy	Internal, External	Natural Capital
	Emissions Management	GRI 305: Emissions	Internal, External	Natural Capital
	Climate Change	Non-GRI	Internal, External	Natural Capital

Materiality	Material Topic	GRI Topic	Boundary	Capitals Impacted
Resource Use	Water Management	GRI 303: Water and Effluents	Internal, External	Natural Capital
	Waste Management	GRI 306: Waste	Internal, External	Natural Capital
	Product Stewardship	GRI 416: Customer Health and Safety	Internal, External	Intellectual Capital, Manufactured Capital, Social Capital
	Responsible Product	GRI 301: Materials	Internal, External	Natural Capital, Intellectual Capital, Manufactured Capital, Social Capital
	Sustainable Supply Chain	GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	Internal, External	Social Capital, Natural Capital

Materiality	Material Topic	GRI Topic	Boundary	Capitals Impacted
Diversity	Diversity (Age, Gender, and Region)	GRI 405: Diversity and Equal Opportunity	Internal	Human Capital
	Inclusivity	GRI 406: Non-Discrimination	Internal	Human Capital

Internal	Financial Capital	Intellectual Capital	Manufactured Capital
External	Natural Capital	Human Capital	Social Capital

Materiality	Material Topic	GRI Topic	Boundary	Capitals Impacted
Quality of Life	Human Rights	GRI 408: Child Labour GRI 409: Forced and Compulsory Labour	Internal, External	Human Capital, Social Capital
	Occupational Health and Safety	GRI 403: Occupational Health and Safety	Internal	Human Capital
	Employee Engagement and Well-being	GRI 401: Employment GRI 404: Training and Education	Internal	Human Capital
	Community Development	GRI 413: Local Communities	External	Social Capital
	Customer Satisfaction	Non-GRI	External	Social Capital

Materiality	Material Topic	GRI Topic	Boundary	Capitals Impacted
Governance	Corporate Governance	GRI 2: General Disclosures	Internal	Financial Capital, Human Capital, Social Capital
	Risk Management	GRI 2: General Disclosures	Internal	Financial Capital, Manufactured Capital, Intellectual Capital, Natural Capital, Human Capital, Social Capital
	Compliance	GRI 2: General Disclosures	Internal, External	Financial Capital, Manufactured Capital, Natural Capital, Social Capital
	Innovation/IP Management	Non-GRI	Internal, External	Financial Capital, Manufactured Capital, Intellectual Capital

Internal	Financial Capital	Intellectual Capital	Manufactured Capital
External	Natural Capital	Human Capital	Social Capital

Opportunities and Threats

Opportunities

Market and Consumer Trends

- **Premiumisation:** Increasing disposable incomes and evolving lifestyle preferences are nudging consumers towards premium and differentiated paint products.
- **Urbanisation and Housing Demand:** Rapid urban growth and new housing development sustain rising demand for interior and exterior paints.
- **Per Capita Consumption:** India's per capita paint consumption lags developed markets considerably, presenting considerable long-term growth potential.
- **Renovation and Repainting:** Increased renovation activity contributes to sustained demand beyond new construction.

Policy and Infrastructure Environment

- **Government Infrastructure Push:** Public infrastructure projects and urban development initiatives support demand for protective and industrial coatings.
- **Real Estate Activity:** Residential and commercial real estate development remains a key driver for decorative paint consumption.

Product and Segment Expansion

- **Industrial and Infrastructure Applications:** Growth in manufacturing, automotive, and infrastructure sectors is generating fresh demand for specialised coatings.
- **Specialty and Customised Products:** Innovative finishes, textures, and customised solutions help address diverse consumer preferences.

Digital Enablement

- **Marketing and Customer Engagement:** Digital platforms widen market reach, deepen customer engagement, and enhance brand visibility.
- **Digitisation of Operations:** Technology adoption drives measurable gains in efficiency, quality control, and supply chain responsiveness.

Environment, Social and Governance

- **Responsible Practices:** Focus on sustainability, safety, and inclusive practices strengthens long-term business resilience.
- **Sustainable Products:** Rising environmental awareness is channelling demand towards eco-friendly, low VOC, and water-based paints.

Threats

Geopolitical and Macroeconomic Factors

- Raw Material Volatility: Shifting trade dynamics, geopolitical tensions, and supply chain disruptions can affect availability and pricing of key raw materials.
- Trade Risks: Trade restrictions, tariffs, or logistical disruptions risk eroding cost competitiveness and supply continuity.

Financial Risks

- Currency Fluctuations: Fluctuations in foreign exchange rates and changes in import duties, quality control orders, and compliance standards can influence input costs and profitability.

Competitive Landscape

- Intensifying Competition: New entrants and capacity expansion across the industry may increase pricing pressure.

Cybersecurity and Technology Risks

- Data Security: Greater reliance on digital systems exposes operations to cybersecurity and data protection risks.
- System Disruptions: Technology failures or cyber incidents may affect operations and impair customer-facing interfaces.

Climate and Environmental Factors

- Supply Chain Disruptions: Extreme weather events can affect raw material availability, logistics, and production schedules.
- Resource Constraints: Availability of water and other natural resources may impact manufacturing continuity.

Risk and Concerns

Our Approach

Our well-documented Risk Policy, supported by a robust risk management framework, helps us effectively navigate uncertainties and maintain high performance.

Risk Management Framework

IDENTIFYING RISKS

- Taking a holistic view of the business environment, both internal and external, to identify potential risks that could impact operations

ANALYSING RISKS

- Evaluating the risks based on their probability of occurrence and impact on the organisation, and further classifying them into high-, medium- and low-risk categories

PROMOTING RISK CULTURE

- Fostering awareness through programmes and by enhancing understanding of risk, controls and mitigation strategies

MANAGING AND MONITORING RISK

- Developing clear and actionable plans to address critical risks, with operational teams responsible for ensuring these strategies are carried out effectively
- Ensuring adherence to relevant regulations; the Risk Management Committee convenes at least twice a year to review progress and compliance

REPORTING RISKS AND MITIGATION PLANS TO THE AUDIT COMMITTEE

- Sharing detailed updates on risks, exposures, and mitigation plans to the Audit Committee

Risk Classification

1

STRATEGIC RISK

Relates to the Company's future business plans and strategies, including industry and sector-related risks; also includes risks arising due to climate change

2

STATUTORY RISK

Arises from constantly changing local legislation, creating risks of non-compliance or delays in meeting statutory requirements

3

FINANCIAL RISK

Results from currency fluctuations and market volatility, which can directly impact profitability

4

SYSTEM RISK

Stems from increasing reliance on IT systems and the need for strong digital controls, making information security and system reliability critical to smooth and secure operations

5

OPERATIONAL RISK

Covers the full range of business processes, from sourcing and production to delivery and service; also includes environmental performance, workforce behaviour, and how we uphold our core values and adhere to our guidelines

Emerging Risks

Digital Personal Data Protection

CLASSIFICATION

Statutory Risk

OVERVIEW

- Implementation of India's Digital Personal Data Protection (DPDP) Rules, 2025, is increasing compliance obligations around collection, storage, and processing of personal data of stakeholders (customers, dealers, employees).

IMPACT

- Reputational damage and loss of stakeholder trust.
- Operational disruptions due to stricter data governance requirements.

MITIGATION STRATEGY

- Ensuring mechanisms to take consent from stakeholders.
- Establishing a provision for grievance redressal, Modification, Deletion of personal data by Data Principals.
- Implementing strong data security measures for the prevention of personal data breach.

Climate Change

CLASSIFICATION

Strategic Risk

OVERVIEW

- Long-term impacts of climate change, including the transition towards a low-carbon economy and emerging regulatory pressure, are influencing business operations and industry practices.

IMPACT

- Prioritisation from customers and stakeholders for sustainable practices.
- Investment requirements for cleaner technologies.

MITIGATION STRATEGY

- Adopting energy-efficient and low-carbon manufacturing practices.
- Managing climate-related risks as per the TCFD framework.

Nurturing Our Capitals and ESG Approach

At KNPL, sustainable value creation is rooted in a triple bottom-line philosophy: People, Planet and Profit. This means managing our key capitals, including financial, manufactured, human, intellectual, natural, and social & relationship, with both responsibility and balance so the business stays resilient and grows with purpose over the long term.

Our ESG approach is integrated into business decisions and operations. It keeps us aligned with what our stakeholders expect, while addressing broader sustainability priorities, and reflects our commitment to the United Nations Sustainable Development Goals (UN SDGs). Through this integrated framework, we aim to create enduring value while contributing positively to society and the environment.

NATURAL CAPITAL

- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 15 LIFE ON LAND

MANUFACTURED CAPITAL

- 8 DECENT WORK AND ECONOMIC GROWTH
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION

HUMAN CAPITAL

- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH

INTELLECTUAL CAPITAL

- 4 QUALITY EDUCATION
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION

FINANCIAL CAPITAL

- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

SOCIAL & RELATIONSHIP CAPITAL

- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 15 LIFE ON LAND
- 17 PARTNERSHIPS FOR THE GOALS

ESG Approach

Progress on Materiality

ENVIRONMENTAL

DECARBONISATION

(MATERIALITY 1)

APPROACH

- Increase renewable energy's share in the overall energy mix.
- Align with Science Based Targets initiative (SBTi) for near-term emissions reduction in line with the 1.5° C trajectory.
- Transition to alternative clean and green fuels.
- Assess climate-related risks under the Task Force on Climate-Related Financial Disclosures (TCFD) framework.
- Reduce specific power consumption (SPC).
- Develop greenbelt areas near factory locations.
- Benchmark performance against industry practices.

COMMITMENT

- Reduce absolute Scope 1 & 2 emissions by 46.2% by 2030, against that of FY 2018-19.
- Minimise Scope 3 intensity by 55% by 2030, against the FY 2018-19 baseline.
- Achieve 70% renewable electricity (RE70) by 2030.

PROGRESS

- 45.6% of electricity sourced from renewable sources.
- 24.5% reduction in Scope 1 & 2 emissions from the FY 2018-19 baseline.
- 9.5% reduction in Scope 3 emission intensity from the FY 2018-19 baseline.
- 22,000+ trees planted in FY 2025-26.

Environment Month Pledge at the Hosur Plant

RESOURCE USE

(MATERIALITY 2)

APPROACH

- Reduce water footprint through improved efficiency, rainwater harvesting and recycled water consumption within operations.
- Improve water availability in communities where KNPL operates through watershed development projects facilitate co-processing of waste across all plants.
- Implement reduction targets for Specific Water Consumption (SWC) and Specific Hazardous Waste Generation (SHWG).
- Leverage R&D strength to develop green, sustainable and responsible products.
- Recover generated waste by recycling and reuse.
- Recycle post-consumer plastic waste and increase the use of recycled content in plastic packaging.
- Engage suppliers on the ESG Agenda.

COMMITMENT

- Sustain 'Water Positive' status.
- Divert waste away from landfill.
- Increase the sustainable product portfolio.
- Manage plastic waste through reduction and recycling of post-consumer plastic.

PROGRESS

- Maintained 'Water Positive' status in FY 2025-26.
- 11,700 MT of plastic waste recycled under EPR.
- 30% recycled content incorporated in plastic packaging material across select products.
- 100+ suppliers engaged and assessed on the ESG agenda.
- Conducted training for value chain partners on the 9 principles of BRSR.

Progress on Materiality

SOCIAL

QUALITY OF LIFE

(MATERIALITY 3)

APPROACH

- Foster safe and healthy working conditions.
- Promote equality and employee engagement.
- Develop employee skills and capabilities. Champion human rights across operations.
- Maintain a robust code of conduct and a dedicated Internal Complaints Committee (ICC).
- Provide POSH training to employees.
- Implement community development initiatives.

COMMITMENT

- Ensure zero incidents and accidents.
- Foster a behavioural-based safety culture.
- Ensure zero human rights abuse.
- Encourage employee participation in CSR initiatives.

PROGRESS

- Zero incidents and accidents recorded across all manufacturing plants.
- Conducted trainings on social conduct at the workplace and human rights.
- 1,00,000+ lives touched through CSR initiatives.
- Zero observations on discrimination.
- 100% of plants and offices independently assessed on Human Rights by a third party.

Fire Safety Training at Sayakha Plant

DIVERSITY

(MATERIALITY 2)

APPROACH

- Foster diversity and nurture inclusivity for colleagues, culture and communities.
- Ensure zero discrimination on the basis of gender, race, age, religion, or ethnicity.
- Nurture an inclusive culture, guarantee equitable opportunities, and strengthen diverse talent pipelines.
- Provide equal access to learning and career development.

COMMITMENT

- Sustain and progressively enhance gender diversity.
- Strengthen an inclusive workplace culture.

PROGRESS

- Achieved 4.6% gender diversity among permanent employees (excluding workers) and 3.8% including workers.

Progress on Materiality

GOVERNANCE

GOVERNANCE (MATERIALITY 3)

APPROACH

- Conduct risk assessments via the Enterprise Risk Management (ERM) framework.
- Ensure Board oversight on ESG.
- Ensure statutory compliance and Promote fair practices across the value chain.
- Adopt best practices in corporate governance.
- Conduct third-party assurance on selected non-financial parameters and CSR impact assessments.
- Strengthen data privacy and information security governance.
- Stay compliant with applicable environmental laws and regulations.

COMMITMENT

- Achieve zero non-compliance.
- Reduce enterprise risk.
- Promote a risk-aware culture.

PROGRESS

- Board-level Risk Committee reviews conducted bi-annually.
- Board oversight maintained on ESG performance.
- Annual ESG performance reviews held by the ESG Committee.

ISO 14001 Audit at the Jainpur plant

Recognition

Celebrating Awards and Accolades

EcoVadis Assessment 2026

Awarded a Bronze medal, KNPL ranks in the top 18% of companies assessed by EcoVadis.

CDP Assessment 2025

Rated in 'B' Category in both Climate Change and Water Security, in CDP 2025 Assessment.

S&P Global CSA 2025

Rated among the top 12% globally within the chemical industry group in the S&P Global Corporate Sustainability Assessment 2025, KNPL is also a constituent company of the S&P Global LargeMidCap ESG Index.

CRISIL ESG

Classified in the 'Strong Category' by CRISIL ESG Ratings, underscoring our robust ESG framework and commitment to sustainability.

NATURAL CAPITAL

At KNPL, stewardship of natural capital sits at the centre of how we operate. We manage finite resources with care and discipline, embedding sustainable practices across energy optimisation, emissions management, water security, circularity and ecological conservation. This helps keep growth aligned with responsible performance while reducing our environmental footprint.

Natural Capital
Intellectual Capital
Financial Capital
Manufactured Capital
Social & Relationship Capital
Human Capital

Strategic Linkages

STAKEHOLDERS

- Employees
- Customers
- Suppliers
- Community
- Government and Regulatory Bodies

MATERIALITIES

- Decarbonisation
- Resource Use
- Governance

UN SDGs

- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 15 LIFE ON LAND

FY 2025-26 PERFORMANCE HIGHLIGHTS

47%
Energy from Renewable Sources (Organisation Wide)

46%
Electricity from Renewable Sources (Organisation Wide)

Water-Positive
Status Maintained Since FY 2023-24

22,000+
Total Trees Planted

BACKDROP

As a responsible corporate citizen, we recognise that sound management of natural capital supports long-term business sustainability and the wellbeing of the communities in which we operate. Our approach to environmental stewardship combines operational efficiency with responsible resource use. Additionally, by addressing environmental risks and climate-related challenges in a timely manner, we aim to strengthen operating resilience while supporting sustainable development.

RESPONSE

At KNPL, we continue to strengthen environmental performance through focused action across the key areas of natural capital. We have advanced our shift towards cleaner energy by increasing the share of renewable electricity in our mix and supporting emissions reduction. Water stewardship remains a priority, with continued emphasis on conservation, recycling and responsible replenishment, backed by zero liquid discharge practices across all major manufacturing facilities.

Our approach to waste is guided by resource efficiency and circularity. We continue to reduce landfill disposal through reuse and recovery, while managing plastic waste in line with Extended Producer Responsibility requirements. At the same time, Miyawaki forest initiatives at our plant locations are contributing to increased green cover and supporting local biodiversity. Taken together, these actions reflect a consistent and measured effort to reduce our environmental impact as we move forward.

Zero Liquid Discharge Practices

across All Major Manufacturing Facilities

Miyawaki Forest Initiatives

Contributing to Increased Green Cover and Supporting Local Biodiversity

Focus Areas

Water Management

- Conserving water through recycling and reuse.
- Increasing the use of rainwater.
- Ensuring zero liquid discharge practices.
- Reducing specific water consumption by minimising freshwater use.

Energy Management

- Implementing diverse ENCON programmes to improve energy efficiency across operations.
- Maximising the renewable share in total energy consumption.
- Adopting new and innovative technologies for energy optimisation.

Climate Change and Emissions Management

- Commitment to Science Based Targets initiative.
- Alignment with Task Force on Climate-Related Financial Disclosures.
- Reporting of GHG emissions and improvement of air quality through emissions control.

Waste Management

- Diverting waste away from landfill.
- Managing plastic waste through recycling and reduction.

Material Management

- Ensuring sustainable sourcing.
- Maintaining rigorous quality standards for incoming materials.
- Increasing resource efficiency.

Responsible Product

- Obtaining green product certifications.
- Conducting life cycle assessment.
- Using renewable raw materials.
- Reducing or eliminating hazardous materials.

Compliance

- Securing proper environmental permissions and authorisations.
- Meeting documentation and reporting obligations to regulatory bodies.

Greenbelt Development

- Creating and maintaining green spaces within Company properties and surrounding communities.
- Implementing Miyawaki forestry techniques for rapid and dense greenbelt development.

Water Management

Water Efficiency Management Training at Sayakha Plant

Strategic Approach

At KNPL, water is a shared resource that we manage with a long-term perspective. Our approach extends beyond consumption metrics to focus on how we conserve, replenish and protect water for the communities around us.

In FY 2025-26, we sustained the water-positive status achieved in FY 2023-24 and improved our Water-Positive Index to 1.25, reflecting continued progress across our conservation and replenishment programmes.

Water is used in three main areas of our business: manufacturing of paint products, utilities and domestic use such as canteen, gardening, sanitation and cleaning. We have clear initiatives to limit consumption across each area and reduce our environmental footprint. Alongside this, we uphold Water, Sanitation and Hygiene standards across all facilities, ensuring reliable access to clean drinking water, proper sanitation and hygienic working conditions for all workers.

Rainwater Filtration System at Bawal Plant

FY 2025-26 Highlights

1.25
Water-Positive Index

4,19,027 KL
Total Freshwater Withdrawal

4,42,006 KL (Fresh + Rainwater)
Total Water Consumption

1.05 KL/KL of Finished Goods
Specific Water Consumption

6
Manufacturing Facilities with Rainwater Harvesting

Pillars of Strategy

1
RESOURCE EFFICIENCY
- Optimising water use across all processes and facilities to minimise wastewater and maximise output.

2
ZERO LIQUID DISCHARGE
- Sustaining ZLD across manufacturing units to eliminate wastewater discharge and ensure complete water recycling.

3
RAINWATER AND RECYCLED WATER UTILISATION
- Harvesting rainwater and reusing treated water to reduce dependence on freshwater sources.

4
WATER REPLENISHMENT PROJECTS
- Expanding community-level water replenishment initiatives to maintain and grow our water-positive status.

5
TECHNOLOGICAL INNOVATION
- Deploying advanced monitoring, metering and treatment technologies to drive continuous efficiency improvements.

Operational Conservation and Management

Water conservation is embedded in day-to-day operations across all manufacturing and operational units. We implement targeted measures to reduce consumption, eliminate losses and improve water use efficiency, supported by a systematic and data-driven approach that ensures water use is consistently tracked and optimised.

We monitor freshwater withdrawal and consumption through dedicated water accounting systems. This enables performance benchmarking, progress tracking and timely corrective action where required, strengthening water security and supporting informed decision-making at both plant and corporate levels.

Across manufacturing units, we continue to identify and act on opportunities to reduce non-product water use. This includes measures to detect and repair leaks, optimise water use in production processes and assess the performance of water treatment and recycling technologies. Improvement actions identified at one facility are evaluated for deployment across other units wherever technically feasible.

We also implement a structured internal water audit protocol across all manufacturing and operational units, supporting the identification of inefficiencies and driving continuous improvement in water management practices.

Performance Data

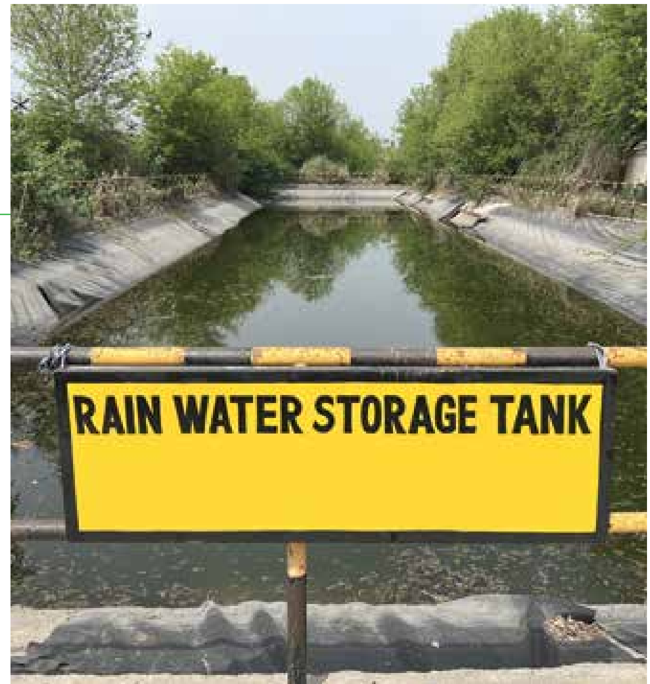
Freshwater Withdrawal and Source Diversification

In FY 2025-26, our total freshwater withdrawal was 4,19,027 KL. These requirements were met through a diversified mix of sources.

57%
State Industrial Development Corporation Supply

31%
Groundwater Abstraction

12%
Certified Third-party Providers



Rainwater Storage Tank at the Goindwal Sahib Plant

Water Consumption

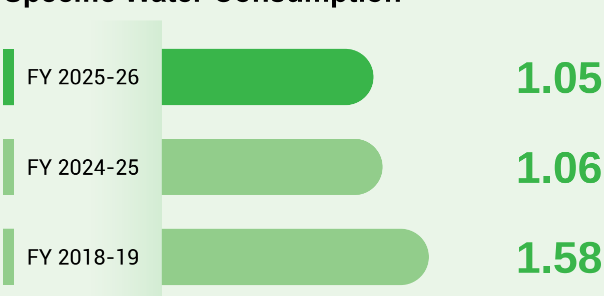
During FY 2025-26, total water consumption stood at 4,42,006 KL, including both freshwater and harvested rainwater used across operations. Specific water consumption for manufacturing facilities was 1.05 KL per KL of finished goods.

FY 2025-26 Highlights

1,48,617 KL
Recycled Water Used

22,979 KL
Rainwater Used

Specific Water Consumption



Since FY 2018-19, our specific water consumption across manufacturing facilities has decreased by 33%. We aim to reduce our specific water consumption by 5% year-on-year.

Rainwater Harvesting and Water Replenishment

We have steadily expanded our rainwater harvesting infrastructure as part of our wider effort to reduce freshwater consumption. Six of our manufacturing facilities are equipped with rainwater harvesting systems that collect precipitation and channel it for day-to-day operations. This reduces our reliance on groundwater and other freshwater sources while helping us manage water availability more effectively during periods of low supply.

Beyond on-site harvesting, we continue to expand our portfolio of community-level water replenishment projects. These initiatives, spanning watershed restoration, community water body rejuvenation and groundwater recharge, are central to our commitment to returning more water to the environment than we consume and to maintaining and growing our water-positive standing.

WASH Commitment: Water, Sanitation and Hygiene

Our stewardship of water extends beyond the production floor. At KNPL, WASH is embedded within our approach to employee welfare and human rights due diligence. We ensure that everyone working across our facilities, including permanent employees, contractual workers and on-site staff, has uninterrupted access to safe and clean drinking water, adequate and well-maintained sanitation and toilet facilities, and hygienic workplace environments aligned with international health and safety standards.

Water Management in Water-stressed Regions

Access to water is not uniform across geographies, and we recognise that our responsibilities are greatest where water is scarcest. Three of our manufacturing facilities, located in Goindwal Sahib, Hosur and Bawal, operate in areas identified as water-stressed under the Ground Water Resource Assessment report released by the Central Ground Water Board. During FY 2025-26, the combined freshwater withdrawal across these three facilities was 2,09,218 KL.

Rainwater Storage Tank at Hosur Plant

Water Conservation Initiatives

Effluent Treatment Plant at Jainpur Plant

Multiple Effect Evaporator (MEE) at Goindwal Sahib Plant

ISO 46001:2019 Water Efficiency Management System

Six of KNPL's manufacturing facilities have received certification under ISO 46001:2019, the international standard for Water Efficiency Management Systems. This certification provides independent third-party validation that our water management practices meet globally recognised standards and has brought greater structure and accountability to how we monitor water use, set reduction targets and drive continuous improvement across certified sites.

6 Manufacturing Facilities

with ISO Certification for Water Efficiency Management Systems

Zero Liquid Discharge

At KNPL, Zero Liquid Discharge is integral to how we manage water within our operations. We ensure that no untreated industrial wastewater leaves our manufacturing premises. At our major manufacturing sites, all process wastewater is treated and recycled within the facility, with no discharge to external water bodies or drainage systems.

Our wastewater treatment process follows a multi-stage pathway. After primary and secondary treatment, residual wastewater is processed through advanced recovery systems, including Agitated Thin Film Dryers and Multiple Effect Evaporators, to recover the maximum possible water content. The remaining concentrate is converted into solid form and managed in line with applicable hazardous waste norms.

This approach supports the protection of local water sources, groundwater tables and the communities that depend on them, while ensuring that our manufacturing processes leave no liquid effluent footprint on the surrounding environment.

Community-Level Water Restoration

Our responsibility for water extends beyond our manufacturing sites. The communities around our facilities depend on the same water systems that our operations draw from, and we work to ensure these systems remain healthy and replenished.

We have undertaken restoration of ponds, lakes and local water bodies near our facilities in Hosur, Sayakha, Jainpur, Goindwal Sahib and Lote. These projects are designed to increase local water storage capacity, recharge groundwater, support agricultural water availability and restore ecological habitats linked to these water systems, strengthening our water-positive status and reflecting the scale and effectiveness of our replenishment programme.

In FY 2025-26, we replenished 125% of the total freshwater withdrawn across our operations, returning more water to the environment and surrounding communities than we consumed.

Water Restoration Impact Assessment

To understand the real-world outcomes of our restoration programme, we conducted a comprehensive impact assessment covering both the environmental and social dimensions of our pond and lake restoration initiatives.

The assessment combined structured primary data collection through quantitative and qualitative methods with secondary research. The evaluation framework used was the IRECS model, which measures performance across seven parameters: Inclusiveness, Relevance, Appropriateness, Coherence, Effectiveness, Impact Potential and Operational Efficiency.

The social impact component was assessed across five pillars: equitable community access to restored assets, alignment of interventions with actual community water needs, socioeconomic and cultural benefits for local stakeholders, synergies with government schemes and partner programmes, and the cost and time efficiency of programme delivery.

This structured approach ensures that our community water investments are purposeful and demonstrably effective and that the benefits reach those who need them most.

Way Forward

Our water strategy for the year ahead goes beyond operational targets. We will work to reduce the freshwater we draw, recover more of what we use, harvest what nature provides and restore what we have borrowed from the communities around us. We will extend our rainwater harvesting infrastructure, deepen ZLD compliance and intensify our community water restoration programme, particularly in stressed geographies where our presence creates the greatest responsibility.

Our aspiration is not simply to maintain our water-positive standing, but to demonstrate, year after year, that responsible industrial water management is both achievable and replicable. In doing so, we hope to contribute not just to KNPL's sustainability, but to the broader resilience of India's water future.

Energy Management

Energy efficiency is a strategic environmental priority and supports our sustainability efforts. We continue to implement targeted initiatives to reduce overall consumption and improve operational performance. Through responsible and cost-effective solutions, we seek to lower our energy footprint while creating long-term environmental and business value. This focus on continuous improvement supports a more efficient and sustainable operating model.

Energy performance is monitored through defined KPIs, including specific power consumption, specific fuel consumption, green power capacity additions, percentage of green power utilisation, power factor management, fuel mix mapping and the adoption of greener alternatives. These indicators provide a consistent basis to track improvements, assess operational efficiency and measure progress in the transition towards more sustainable and renewable energy sources.

Approach and Performance

1. Adoption of advanced technologies to reduce overall energy consumption and lower energy intensity indicators such as specific fuel consumption and specific power consumption.
2. Scaling and horizontal deployment of proven energy-efficiency initiatives across operations to maximise impact and sustain improvement.
3. Digitisation of the energy distribution network through comprehensive energy management systems for tracking, monitoring, analytics and identification of improvement opportunities.
4. Transition to open-access renewable power sourcing, including group-captive and third-party procurement models, to reduce dependence on the state electricity grid and increase the share of green energy.
5. Shift towards cleaner fuels, such as piped natural gas, along with the use of fuel additives to improve combustion efficiency and reduce emissions.

Performance Data

In FY 2025-26, we consumed **5,35,445 GJ** of energy within the organisation, with an overall energy intensity of **1.40 GJ/KL** of finished goods. Renewable energy consumption totalled **2,49,112 GJ**, accounting for **46.5%** of total energy consumption.

FY 2025-26 Performance Snapshot

45.6%

Renewable Electricity Share in Total Consumption

Green Energy Projects Commissioned During FY 2025-26

Rooftop Solar at the Hosur Plant

Projects Commission during FY 2025-26

A Second Captive Wind Turbine of 2.1 MW in Gujarat

A Captive Offsite Solar Plant of 3 MW in Maharashtra

Use of Cleaner Fuels with Lower Emissions

We continue to explore cleaner fuels such as piped natural gas at our manufacturing locations and plan fuel transitions accordingly. Currently, PNG is used at four of our manufacturing facilities.

4 Manufacturing Facilities
using PNG for Lowering Emissions

Certifications and Initiatives

Six of our major manufacturing facilities are certified under ISO 50001 Energy Management Systems, reflecting our focus on energy efficiency and sustainable operations. This certification supports a structured approach to managing energy performance, reducing environmental impact and driving continual improvement across our manufacturing footprint.

6 Major Manufacturing Facilities
with ISO Certification for Energy Management Systems

Case Study

Improving Efficiency in Centrifugal Pumps

Pumping operations are among the most energy-intensive activities in manufacturing, with centrifugal pumps carrying out a large share of this work. Over time, efficiency declines as friction increases while water flows through the impeller, casing, inlet and outlet passages, reducing delivered head and increasing energy consumption.

The application of high-performance internal coatings creates smoother flow paths, lowers hydraulic friction and helps restore pump efficiency. Facilities typically achieve energy savings in the range of 8 to 10%, along with lower maintenance requirements. At KNPL, this solution has been implemented across all manufacturing plants.

Process Heat and Steam from Renewable Sources (Manufacturing Facilities) (%)

FY 2025-26	100
FY 2024-25	100
FY 2018-19	92

Specific Fuel Consumption (SFC): Manufacturing Facilities (LT/ MT of Resin)

FY 2025-26	49
FY 2024-25	49
FY 2018-19	50

We aim to reduce our Specific Power Consumption (SPC) and Specific Fuel Consumption (SFC) by 5% year-on-year.

Specific Power Consumption (SPC): Manufacturing Facilities (KWH/ KL of FG)

FY 2025-26	193
FY 2024-25	203
FY 2018-19	185

Energy Efficiency Initiatives

- Design modifications in mills to improve grinding efficiency.
- Implementation of carbon nano-technology-based power savers.
- Implementation of Automatic Tube Cleaning System for chillers.
- Internal coatings to casings of centrifugal pumps.
- Horizontal deployment of Energy Management System.

Climate Change and Emissions Management

Environment Month Celebration at Goindwal Sahib Plant

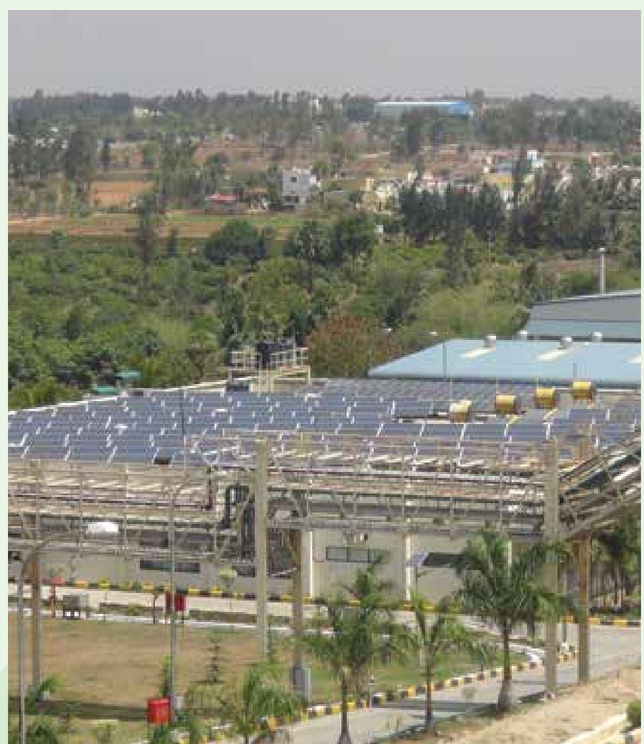
As climate-related risks intensify, we recognise their growing implications for operational resilience and long-term sustainability. This requires a more proactive approach to risk management across our operations. In response, climate action and emissions management have become integral to our environmental strategy. We are strengthening operating resilience while advancing the transition towards cleaner energy sources, including wind and solar, to reduce our carbon footprint in line with global climate action.

Renewable Energy Integration and Commitments

At KNPL, the transition towards renewable energy is central to our emissions management and climate response strategy. We are increasing the share of wind and solar power within our energy mix to reduce emissions and improve energy resilience, while remaining committed to achieving our RE 70 targets across the organisation.

At the same time, we continue to identify, explore and adopt environmentally responsible energy options in support of our long-term sustainability goals. As the share of renewable energy in our mix increases, our dependence on fossil fuels reduces, advancing our broader decarbonisation journey.

We remain committed to steadily advancing towards our RE 70 target across the Company.



Rooftop Solar at the Sayakha Plant

Frameworks: TCFD and SBTi

Task Force on Climate-related Financial Disclosures

We continue to apply the Task Force on Climate-related Financial Disclosures framework to identify and manage climate-related risks and opportunities. Through this process, we have identified and prioritised key climate-related risks in line with TCFD guidance and evaluate them for their potential financial implications as well as their operational impact.

Climate risk considerations are integrated into our Enterprise Risk Management (ERM) framework, enabling a structured and consistent approach to assessment and governance. Additionally, mitigation plans are clearly defined and monitored on an ongoing basis, strengthening our ability to respond to evolving climate-related challenges. This approach ensures that we remain aligned with the transition to a low-carbon and more sustainable future.

Greenhouse Gas Emission Reduction Targets

We remain committed to reducing greenhouse gas emissions across our operations. Our Science Based Targets initiative approved emissions reduction target reflects the ambition, credibility and scientific basis of our climate commitments.

By aligning our GHG reduction targets with the latest climate science, we ensure that our decarbonisation efforts remain robust, credible and consistent with international climate action frameworks. Additionally, our continued focus on implementation and progress tracking reflects our commitment to delivering on these targets while contributing to a more sustainable and resilient future for all stakeholders.

GHG Reporting and Performance

GHG Emissions Reporting and Management

In line with our commitment to transparency, we continue to follow the Greenhouse Gas Protocol for measuring and disclosing our emissions. We collect emissions data in a structured manner across our operations, covering both direct emissions from combustion and indirect emissions from purchased electricity and other energy sources. Our continued alignment with SBTi guidelines ensures that our emissions profile supports our reduction goals.

Approach to Emissions Calculation

We estimate GHG emissions using guidance from the World Resources Institute's GHG Protocol, the Central Electrical Authority database and the GaBi database. This approach ensures that our reporting remains accurate, reliable and aligned with global standards, reinforcing transparency and accountability.

Types of GHG Emissions Accounted

Scope	Key Sources
Scope 1	Captive power generation from DG Fuel consumption in boilers Emissions from bioenergy
Scope 2	Power imported from the grid
Scope 3	Category 1: Purchased goods and services Category 2: Capital goods Category 3: Fuel and energy-related activities Category 4: Upstream transportation and distribution Category 5: Waste generated in operations Category 6: Business travel Category 7: Employee commuting Category 9: Downstream transportation and distribution Category 10: Processing of sold products (optional) Category 12: End-of-life disposal

Performance Data

KNPL's boundary includes 9 manufacturing locations in India, along with R&D, regional offices, depots, OPCs and domestic and international subsidiaries.

GHG Emissions (MTCO$_2$e)	FY 2018-19 (Baseline)	FY 2024-25	FY 2025-26
Scope 1	6,522	8,750	9,196
Scope 2	51,719	41,720	34,749
Scope 1 + 2	58,241	50,470	43,945
Scope 3 (Mandatory)	8,47,466	9,73,658	9,98,005
Scope 3 (Optional)	7,76,321	9,12,879	10,13,369

Our Scope 1 and Scope 2 emissions decreased by 24.5% from the FY 2018-19 baseline.

GHG Emissions Reduction Initiatives

Our approach to emissions reduction is supported by the following initiatives:

- Maintaining a detailed inventory and monitoring system to track greenhouse gas emissions and guide reduction efforts.
- Expanding our renewable energy portfolio through increased use of solar and wind power to reduce reliance on fossil fuels.
- Using lower-emission fuels to reduce direct emissions and improve operational efficiency.
- Collaborating with supply chain partners to support broader emissions reduction and promote sustainable practices across the value chain.

Air Quality Management

Operational Framework

At KNPL, air quality management is treated as an operational priority alongside compliance. Our manufacturing processes use solvents, resins, pigments and other chemicals that can generate airborne emissions, including volatile organic compounds, particulate matter and combustion by-products. Managing these emissions carefully is essential for the health of our workforce, the communities around our facilities and the broader environment.

Installation of Air Handling Units at the Jainpur Plant

Our air quality management framework operates across three levels:

1. Source control through process and technology interventions.
2. Continuous monitoring through online and third-party systems.
3. Compliance assurance through regular audits and corporate reporting.

Emissions Management and Engineering Controls

The main sources of air emissions at KNPL include solvent evaporation during mixing and filling operations, resin manufacturing processes, boiler combustion and dust generation from powder handling. These are addressed through targeted engineering controls and operational measures aimed at reducing emissions at the point of generation, rather than relying only on end-of-pipe treatment.

OUR APPROACH IS STRUCTURED AROUND THREE PILLARS:

Reduction at Source

We focus on reducing emissions at source through process modifications, raw material substitution and equipment upgrades. This includes the gradual shift towards low-VOC formulations across our product portfolio, directly reducing solvent-based emissions from our manufacturing operations.

Engineering Controls

Where emissions cannot be fully eliminated at source, we deploy a comprehensive range of pollution control technologies across our facilities, including air handling units for controlled ventilation, dust collectors for particulate capture, fume extractors at solvent and resin handling stations, forced draft ventilation systems, scrubbers in resin manufacturing areas and activated carbon filtration systems for suspended particulate matter control.

Effective Monitoring and Compliance

We maintain a rigorous, multi-sourced monitoring programme to ensure that air quality performance consistently meets or exceeds regulatory requirements.

Monitoring and VOC Management

Ambient Air Quality Monitoring

All KNPL manufacturing facilities undergo regular ambient air quality assessments conducted by accredited external agencies. Parameters monitored include PM10, PM2.5, sulphur oxides, nitrogen oxides and VOC concentrations, assessed against the National Ambient Air Quality Standards, 2009. Monitoring results consistently confirms that ambient air quality in and around our facilities remains within prescribed limits.

In addition to periodic third-party assessments, we operate Online Continuous Emissions Monitoring Systems at our stack emission points. These systems provide real-time data on emission parameters, enabling immediate detection of deviations from normal operating ranges and timely corrective action. Stack emissions are monitored for PM, SO_x, NO_x and VOC levels, with data logged and reported to regulatory authorities as required.

VOC Management

Volatile Organic Compounds remain one of the most significant air quality challenges in the paint and coatings industry. At KNPL, VOC management is addressed across multiple stages, from formulation design through manufacturing process control to end-of-pipe treatment.

This approach is reflected across both product design and manufacturing processes. On the product side, we are increasing the share of high-solid category paint, reducing the inherent VOC load in our manufacturing operations and at the customer end. On the process side, enclosed mixing and filling systems, together with local exhaust ventilation at high-emission workstations, help minimise VOC release during production.

Ozone Depleting Substances

We are managing the phase-out of ozone-depleting refrigerants in line with India's obligations under the Montreal Protocol. The R-22 refrigerant, which carries ozone-depleting potential, is currently used only in limited quantities at older facilities where it supports air conditioning systems that have not yet been replaced. Across the organisation, we have transitioned to R-134a and R-407C refrigerants, both of which have zero ozone depletion potential. The phase-out of remaining R-22 equipment is being managed progressively as part of our planned infrastructure upgrade cycle.

Performance Metrics

In parallel, we commit to keeping air emissions other than GHG—such as SO_x, NO_x, PM2.5, and PM10—within permissible limits, while maintaining a focus on further reduction.

PM 10 (µg/m³)	
FY 2025-26	64
Statutory Limit	100

PM 2.5 (µg/m³)	
FY 2025-26	33
Statutory Limit	60

NOx (µg/m³)	
FY 2025-26	22
Statutory Limit	80

SOx (µg/m³)	
FY 2025-26	15
Statutory Limit	80

Way Forward

Our emission reduction strategy continues to evolve through a structured process of identifying and prioritising hotspots across operations. This enhances our understanding of overall carbon impact and allows us to direct resources where they are most effective. We will continue to focus on practical, innovation-led approaches that reduce our environmental footprint, support our climate commitments and strengthen the responsible stewardship of natural resources.

Waste Management

Managing waste responsibly is both an environmental obligation and a business imperative. At KNPL, we treat waste as a material that can be reduced, recovered and, wherever possible, returned to productive use. Our approach is grounded in environmental protection, regulatory compliance and efficient resource use across our manufacturing network.

We manage a range of waste streams, including hazardous waste, plastic waste, e-waste, biomedical waste and non-hazardous waste, ensuring that all materials are handled, treated and disposed of through authorised channels in compliance with applicable local and national regulations.

Our approach focuses on systematic reduction, recovery and reuse before any material reaches the end of its lifecycle. By embedding circular economy principles into operations, we aim to minimise the environmental footprint of our manufacturing activities while improving operational efficiency and cost benefits. These practices also protect the health and safety of our employees and surrounding communities by ensuring that hazardous substances are contained and treated and do not contaminate air, water or soil.

Waste Management Goals

Reduce material wastage and minimise in-process sticking material losses.	Achieve zero waste to landfill across all manufacturing locations.
Reuse plastic bags in-house to reduce packaging waste generation.	Recover solvents through dedicated distillation unit operations.
Reuse recovered solvents across multiple cleaning cycles.	Recover and reuse powder fines within the production process.
Reuse wash water in the manufacturing of water-based paints.	Extend the useful life of drums and barrels through internal reuse programmes.
Recover and use Titanium Dioxide into production.	Establish a plastic container take-back mechanism for recycling in partnership with suppliers.

Approach

KNPL's waste management approach focuses on minimising waste generation, enhancing resource recovery and reducing waste to landfill across manufacturing locations. We integrate waste reduction at source with reuse, recovery and circular practices to improve material efficiency and reduce environmental impact.

We maintain strict adherence to applicable waste management regulations and environmental norms through proactive pollution prevention measures. All waste disposal and recycling activities are conducted through authorised and compliant third-party partners. This approach is reinforced by regular employee training programmes that strengthen awareness and capability in waste segregation, handling and disposal, building a strong culture of environmental responsibility throughout the organisation.

Performance Highlights

In FY 2025-26, our total waste generation across all operations was 9,424 MT.

Waste Category	Quantity
Contaminated Container Waste (Barrels, Tins and Drums)	4,035
Non-Hazardous Waste	2,391
Other Hazardous Waste	941
Hazardous Waste	911
E-Waste	12
Battery Waste	15
Biomedical Waste	1
Plastic Waste	1,097

The Specific Hazardous Waste Generation for manufacturing facilities in FY 2025-26 was 2.38 kg per KL of finished goods, reflecting a 12% reduction from the FY 2018-19 baseline. This improvement reflects the impact of our efforts to reduce hazardous waste intensity relative to production output. We continue to target year-on-year reductions through process optimisation, material substitution and enhanced recovery and reuse practices.

Waste Disposal

At KNPL, all waste generated across our operations is managed through a systematic segregation protocol, ensuring that materials are directed to authorised Treatment, Storage, and Disposal Facilities for appropriate processing, whether disposal, reuse or recycling. Every step is carried out in strict compliance with applicable regulatory frameworks, and waste handling and disposal are undertaken only through authorised third-party partners.

Co-processing of hazardous waste remains a key part of our approach, enabling the diversion of significant volumes from landfill while supporting energy and material recovery within industrial processes.

We also operate an on-site bio-composting programme that converts organic canteen and food waste into usable manure. During FY 2025-26, we converted 23 MT of organic waste into 13 MT of usable manure, which is used to support horticulture across our facilities. This reduces methane generation, lowers carbon emissions associated with organic waste decomposition and diverts material from landfill.

13 **MT of Usable Manure**

Generated from 23 MT of Organic Waste

Waste Disposal through Landfilling (MT)	
FY 2025-26	9
FY 2024-25	9
FY 2023-24	25
FY 2022-23	48

Waste Hierarchy

PRIMARY PRIORITY: PREVENTION AT SOURCE

- Reduce the generation of hazardous waste.
- Redesign or adjust industrial processes to eliminate waste where possible.

SECONDARY PRIORITY: RECOVERY AND CIRCULARITY

- Where waste cannot be fully avoided, apply the 4R framework: Reduce, Reuse, Recycle and Recover, to convert hazardous waste into non-hazardous material or direct it toward productive secondary uses wherever feasible.

LAST TREATMENT AND DISPOSAL

- Incineration of waste that cannot be recycled.
- Co-processing to avoid landfilling.
- Controlled treatment and disposal at authorised facilities.

Management of Hazardous Waste

Waste that is reused, recycled or co-processed is classified as recovered, reflecting our commitment to keeping materials in productive use for as long as possible. Our approach to hazardous waste management is supported by the following practices across our operations:

- Diverting hazardous waste from landfill across all plants.
- Channelling hazardous materials to authorised scrap dealers and recyclers.
- Implementing hazardous waste co-processing programmes across all manufacturing locations.
- Applying recovery processes to convert production residues into low-grade paint for secondary use.

Segregated Hazardous Waste Storage at Goindwal Sahib Plant

Awareness Training on Waste Handling and Disposal Procedures

We conduct regular training programmes, workshops and awareness campaigns focused on safe waste handling, proper segregation and environmentally sound disposal practices.

These programmes equip employees at every level, from shop floor operators to facility managers, with the knowledge and practical skills required to uphold our waste management standards in their daily work. This ensures that environmental responsibility is consistently reflected in how we operate, not just in what we commit to.

Circular Economy

At KNPL, circular economy thinking is a strategic pillar of our operations. We are moving away from a linear take-make-dispose model towards one where materials are kept in use, recovered and reintroduced into productive cycles wherever possible.

Our circular economy programme brings together several connected workstreams. We have established systems for the collection and recycling of post-consumer paint, ensuring responsible management beyond the point of sale. This extends to product design, where end-of-life recyclability is considered at the formulation and packaging stage. We also maintain product stewardship through life cycle assessments, which help us understand and reduce environmental impact from raw material sourcing to final disposal.

Through continuous improvement in our manufacturing processes and partnerships across the value chain, we continue to identify opportunities to improve resource efficiency and support sustainable growth. These efforts contribute to reducing waste, recovering value and strengthening circularity across our operations.

Extended Producer Responsibility

Extended Producer Responsibility places accountability on producers for the environmental impact of their products beyond the point of sale, including the collection, recycling and end-of-life management of packaging and plastic waste.

Plastic Waste Collection Drive at the Sayakha Plant

Way Forward

We are implementing a structured third-party audit programme to strengthen the integrity and accountability of our EPR compliance. Selected independent external organisations will conduct audits across a representative sample of our Waste Management Agencies and recycling partners.

Through this framework, we will verify that our EPR targets are met in a timely and substantive manner, while ensuring that the operating procedures of our WMAs remain fully aligned with applicable government regulatory requirements. This reflects our belief that responsible waste management must be verifiable, not just self-reported.

Material Management

As one of the leading paint manufacturers in India, we rely on four core categories of raw materials, namely pigments, binders, additives and solvents, across our manufacturing operations. The efficient management of these inputs, from sourcing to production, is central to both our sustainability commitments and our broader operational strategy.

Our approach is guided by a clear objective: to maximise the conversion of raw materials into finished goods while minimising losses at every stage of the production process. This improves operational efficiency and helps reduce our environmental footprint throughout the manufacturing lifecycle.

Responsible Sourcing

At KNPL, we take a considered approach to how and from whom we source our raw materials, recognising that our indirect environmental and social footprint can be as significant as our direct impact. Our procurement decisions are guided by quality and cost considerations, alongside clearly defined sustainability criteria that assess both the environmental profile of materials and the practices of the suppliers we engage with.

We prioritise materials with a lower environmental impact and continue to reduce the carbon intensity of our raw material mix over time.

Sustainable Sourcing

Sustainable sourcing is embedded in how we engage with suppliers and make material decisions at KNPL. Our approach is guided by two clear objectives: reducing the environmental impact of the materials we use and ensuring that our suppliers operate responsibly and ethically.

We work closely with our supplier network to strengthen sustainability standards across the supply chain through clearly defined expectations, ongoing engagement and support for improvement, while giving preference to partners with formal sustainability commitments. Today, more than 65% of our raw materials are sourced from suppliers with established sustainability programmes, reflecting the progress we have made and the direction we continue to pursue.

65%+ Responsible Sourcing

Raw Materials Sourced from Suppliers with Sustainability Programmes

This alignment with sustainability-oriented suppliers strengthens the environmental integrity of our products, reduces upstream carbon and resource impacts and creates a supply network that is better prepared for a resource-constrained future. It also reinforces our expectations across the broader supplier ecosystem.

Resource Efficiency Framework

Our resource efficiency framework is designed to ensure that every input entering our production system is used to its fullest potential, helping us reduce waste, lower our environmental footprint and improve overall operational efficiency.

Measurement and Monitoring

We use advanced tracking systems to monitor material consumption, conversion rates and waste generation in real time, giving us the visibility needed to identify inefficiencies early and take targeted corrective action.

Process Optimisation

Our teams regularly conduct value stream mapping and workflow reviews to identify points of material loss within production processes and implement practical solutions.

Technology and Innovation

We invest in manufacturing and formulation technologies that improve precision, enhance material utilisation and support recovery of usable material from process streams.

Circular Economy Integration

Where material losses cannot be fully eliminated, recovery and reuse systems help close material loops, extend resource life and reduce the volume of waste requiring disposal.

Sustainable Packaging

Sustainable packaging remains one of our top priorities, even from a regulatory perspective. During FY 2025-26, we undertook a structured review of our packaging portfolio, comprising metal tins, drums, plastic barrels, containers and plastic bags, with the objective of reducing environmental impact while preserving the functional requirements of each format.

The most significant development during the year was the incorporation of recycled plastic into our packaging. This has reduced the use of virgin plastic materials without compromising structural integrity or protective performance. We extended this initiative across additional product lines during the year and will continue to increase the proportion of recycled content across our packaging portfolio in the years ahead, reinforcing our commitment to responsible material use and circular economy principles.

Material Circularity

We continued efforts to reduce and recover key material streams across operations.

HIGHLIGHTS

13 MT
of Titanium Dioxide (TiO_2)

202 KL
of Powder Fines

249 KL
of Reclaimed Solvent

143 KL
of Water-based Paint Sludge

Life Cycle Assessment

We undertook a cradle-to-grave life cycle assessment of 25 products across our portfolio during 2023-24. The assessment covered wood coatings, solvent-based paints, water-based formulations, industrial coatings and powder coating systems, providing a holistic view of our environmental impact across product categories.

The study was conducted by an independent entity in line with applicable ISO standards and international regulations. It conforms to the Product Category Rules for construction products and is intended to present the environmental impact of our products across their lifecycle, while supporting the development of a Type III Environmental Product Declaration in accordance with the ISO 14025 and ISO 14040 series of standards.

Through this assessment, we quantified key environmental indicators across each stage of the product lifecycle, including carbon footprint, resource depletion, water usage and potential toxicity impacts. These insights inform our formulation strategies, guide our sustainability roadmap and support the communication of verified environmental performance data.

Renewable Raw Materials

We actively seek renewable alternatives to conventional raw materials, reinforcing our commitment to circular economy principles and sustainable resource use. Our portfolio includes vegetable oils, fatty acids, glycerine and bio-based solvents, which serve as alternatives to fossil fuel-derived materials.

These renewable resources naturally replenish over time and typically offer enhanced biodegradability, significantly reducing our environmental footprint. Our R&D teams continue to evaluate and incorporate innovative renewable materials, resulting in products with lower carbon footprints and reduced environmental impact throughout their lifecycle. This shift also helps us meet evolving regulatory requirements while responding to growing market demand for environmentally responsible coating solutions.

Reduction of Use of Hazardous Substances

We follow a structured approach to managing hazardous materials, centred on the systematic identification and removal of concerning substances. Materials identified for substitution or reduced use are assessed with reference to the REACH List of Hazardous Substances and the SVHC List.

Ongoing work in research and manufacturing supports the reduction of hazardous components across our product range. Our technical teams work closely with suppliers to develop safer alternatives that maintain product performance while eliminating potentially harmful ingredients.

This approach has resulted in significant reductions in VOC content and the complete elimination of several concerning substances from our formulations, positioning us as a major player in environmentally responsible coatings.

Biodiversity

At KNPL, we recognise the importance of the natural environment around our facilities and believe that a responsible organisation must look beyond its factory walls. Manufacturing activities, however well managed, can affect local ecosystems. We take this seriously and work actively to understand our impact, keep it in check and, wherever possible, contribute positively to the natural environment around our sites.

We grow native plants within our premises, protect the green cover we have created and take measures to support local flora and fauna beyond regulatory expectations. For us, this is a matter of responsibility, not compliance alone.

Looking ahead, we aim to steadily improve the ecological value of our sites and, wherever possible, extend these efforts beyond our facility boundaries in partnership with local communities.

Tree Plantation at Goindwal Sahib Plant

Greenbelt Development

Greenbelt Development at the Goindwal Sahib Plant

All our manufacturing facilities are located within designated industrial zones approved by industrial development corporations. We conduct environmental impact assessments prior to and during operations to identify potential ecological risks and put in place appropriate mitigation measures. This ensures that our presence in these locations remains responsible and does not degrade the surrounding environment.

We comply with the Central Pollution Control Board's requirement of maintaining a minimum of 33% greenbelt coverage across all manufacturing facilities. Our greenbelt programme goes beyond this baseline, with a sustained focus on strengthening green cover across our sites.

During the year, we planted 22,011 trees across our locations, of which 17,140 are within our facility premises and 4,871 have been planted beyond our sites. This contributes to improved green cover, supports air quality and strengthens ecological connectivity in the regions surrounding our plants.

Miyawaki Forest Initiatives

Our commitment to environmental sustainability is reflected in the Miyawaki forest restoration initiatives implemented across our manufacturing facilities.

Miyawaki Plantation at the Hosur Plant

Hosur Plant: Four dedicated Miyawaki plantation zones have been developed, comprising 2,504 native tree saplings.

Jainpur Facility: As part of our CSR programme, a Miyawaki forest has been established outside the factory premises, comprising 8,000 trees. This initiative contributes to strengthening the ecological footprint of the region and supports local biodiversity through the reintroduction of native species.

Goindwal Facility: A Miyawaki plantation comprising 400 trees across a 100 square metre area has been established by the Goindwal team.

Environmental Compliance

We adhere to all applicable environmental laws and regulations across our operations, supported by clearly defined processes and internal controls that ensure compliance is consistent, documented and verifiable.

These systems are reinforced by a comprehensive compliance tracking and monitoring framework across all facilities, providing real-time visibility into adherence to environmental norms and enabling timely corrective action where required. As a result, during FY 2025-26, we recorded zero instances of environmental non-compliance and incurred no financial penalties or regulatory sanctions.

We remain focused on maintaining this level of discipline as we grow our operations.

Third-Party Assurance

We believe transparency in sustainability reporting must be supported by independent verification. Our environmental performance data, covering energy management, greenhouse gas emissions, water management and waste management, has been independently verified by an external third-party assurance provider.

This verification has been conducted in accordance with the International Standard on Assurance Engagements 3000 and confirms our alignment with the Global Reporting Initiative Sustainability Reporting Standards.

The complete third-party assurance report is available on our website at www.nerolac.com.

Investment in Environmental Infrastructure

In FY 2025-26, we directed ₹ 38.40 Crores towards strengthening environmental infrastructure across key operational areas. These investments covered environmental monitoring systems, advanced effluent treatment, water conservation technologies, energy efficiency measures, renewable energy capacity and safety infrastructure.

The impact has been tangible. Our carbon footprint declined compared with the previous year, while operational efficiency improved across several facilities. Enhanced real-time environmental monitoring has also strengthened our ability to track indicators more closely, respond to emerging concerns in a timely manner and manage our ecological responsibilities with greater precision and confidence.

Compliance Audit by Tamil Nadu Pollution Control Board at the Hosur Plant

INTELLECTUAL CAPITAL

At KNPL, consistent product innovation is the thread that runs through everything we do in the paints and coatings industry. Our work is grounded in cutting-edge research and understanding of what customers need, manufacturing a range of products that stay relevant, differentiated and worth choosing. Our technological edge and strategic investments drive operational efficiencies while delivering a portfolio that is superior, sustainable, and safer. Intellectual capital sits at the heart of this, central to how we improve customer satisfaction and create greater value for every stakeholder we serve.

Strategic Linkages

STAKEHOLDERS

- Business Partners
- Employees
- Customers
- Government and Regulatory Bodies

MATERIALITY

- Resource Use
- Governance

UN SDGs

- 4 Quality Education
- 9 Industry, Innovation and Infrastructure
- 12 Responsible Consumption and Production
- 13 Climate Action

FY 2025-26 PERFORMANCE HIGHLIGHTS

85+
New Products Launched During the Reporting Year (Decorative + Industrial)

27
Total Patents Filed, of which 14 were Granted

03
New Patents Filed During the Year

₹ 54.32 Crores
R&D Investment

1 (Navi Mumbai)
Dedicated R&D Centre

1
Colour Lab

5
Satellite R&D Centres at Respective Plant Locations (Bawal, Sayakha, Lote - Liquid, Lote - Powder and Hosur)

0
Data Breach Incidents

BACKDROP

Decades of working in the paints and coatings industry have left us with something that cannot be replicated quickly: a deep, practical understanding of the market, the chemistry, and the customer. This accumulated experience is what enables us to read market dynamics well and respond with solutions that fit, rather than solutions that approximate. Sustaining that responsiveness takes more than experience alone. A strong innovation driven culture and a dedicated R&D function work continuously to develop technical competencies and keep the product range aligned with where customer expectations are headed. Our collective knowledge systems and processes translate all of this into consistent quality delivery, which is ultimately what builds customer assurance and long-term relationships. Running through it all are well established IT systems that keep stakeholder engagement efficient and every interaction reliably smooth.

RESPONSE

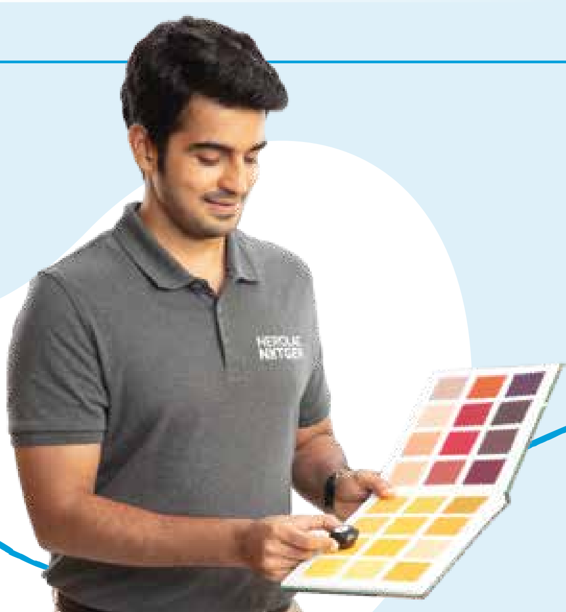
Innovation remains central to our approach as we work to bridge the gap between evolving customer expectations and product availability. Through focused research and a clear understanding of customer pain points, we develop solutions that are relevant, high performing, and aligned with market needs. Our commitment to ESG principles is embedded in this process, guiding the design of products and practices that aim to reduce environmental impact. By integrating sustainability considerations into innovation and decision making, we strive to deliver responsible coatings that support long-term value creation and a more sustainable future.

Products/Solutions Design Philosophy

Every product we develop starts with the same intention: to deliver something innovative, sustainable, and resource-efficient that serves evolving customer needs. This intention runs through every stage of product development, holding our offerings to the highest standards of quality, performance, and environmental responsibility. Our expertise in polymer chemistry and advanced paint technology gives us the technical foundation to deliver on it, and a culture of innovation gives us the appetite to keep raising the bar. The result is distinctive solutions, crafted to the specific requirements of each client.

Our three areas of focus within this philosophy are:

- Building a future-ready organisation
- Innovation for impact
- Creating a competitive edge



Product Stewardship and Sustainability

Working alongside our parent organisation, Kansai Paint Co., Ltd., Japan, we developed a Product Sustainability Framework during the year. Products spanning our Decorative, Automotive, and Performance Coatings segments were put through a rigorous assessment covering raw material composition, VOC reduction, energy consumption, and emissions, among others. The framework now lives inside our new product development process itself, operating as a shaping force from the beginning and steadily increasing the share of sustainable products across our portfolio.

Product Certification

32
CII GreenPro

Segments Covered
Interior Emulsions, Exterior Emulsions, Construction Chemicals

19
GRIHA

Segments Covered
Interior, Exterior, Construction Chemicals

At KNPL, we consider third-party certifications as an important tool in providing assurance to our customers and other stakeholders that our products meet stringent environmental standards. By seeking certification from reputable and independent bodies such as CII GreenPro and GRIHA (Green Rating for Integrated Habitat Assessment), we validate our adherence to stringent environmental benchmarks and strengthen trust in our offerings.

During FY 2025-26, 32 products from the Decorative segment received CII GreenPro certification, spanning categories, including Interior Emulsions, Exterior Emulsions, and Construction Chemicals. In addition, 19 products across the Interior, Exterior, and Construction Chemicals categories were awarded GRIHA certification during the year. These recognitions reflect our continued focus on product stewardship and our commitment to embedding sustainability and environmental responsibility into product development.

Building a Future-ready Organisation

We remain committed to achieving excellence in research and development by leveraging advanced technologies to strengthen our position as a progressive and innovation-driven organisation within the industry. Consistent investments in strategic initiatives and digital enablement continue to enhance our capabilities and overall stakeholder experience. Through focused innovation and technology-led advancement, we seek to elevate performance standards and drive continuous improvement. Our emphasis on quality, innovation, and a future-ready outlook enables us to remain competitive and responsive in the evolving paints and coatings sector.

Resin and Wood Coating Lab at the R&D Centre

Increasing Digital Capabilities

Our digital capabilities are not confined to back-end systems. They reach every stakeholder we work with: painters, dealers, architects, interior designers, and our frontline sales teams. The tools and platforms we have built around these relationships support consistent interactions, better service delivery, and richer stakeholder experiences, while also generating insights that feed back into how we operate.

Our transition to SAP S/4HANA, completed during the year, was the most significant step forward on this front. It has enhanced our scalability and established a strong digital foundation for future transformation initiatives.

On the procurement side, an SAP-enabled platform handles supplier identification, onboarding and process digitisation in a single flow. A logistics management system deployed across our operating locations has brought structure, visibility, and efficiency to how goods move. We also upgraded our employee portal to support learning, communication, and engagement across the organisation. Through the portal, employees can undertake training, internal communication, and peer recognition, so our people experience the same quality of digital engagement that we offer externally.

Cybersecurity and information security governance run alongside all of this as a non-negotiable priority. Protecting our digital assets, safeguarding stakeholder data, and ensuring business continuity require sustained attention, and our ongoing investments in security infrastructure exactly reflect that. Taken together, our investments in cloud technologies, digital platforms, innovation enablement, and cybersecurity are building an organisation capable of meeting evolving industry demands while delivering consistent, trusted experiences across every stakeholder group.

AVINYA | NEROLAC COLOUR MY SPACE | L.E.A.D | NEROLAC PRAGATI | NEROLAC SAATHI

BUILDING AI CAPABILITIES

Artificial intelligence is moving fast, and we are moving with it deliberately. We have undertaken focused efforts to integrate AI across our organisational processes, treating it as an enabler of simpler work, greater productivity, and smarter ways of operating.

Two priorities are driving this effort. The first is helping our employees work better day to day. We are embedding AI into everyday activities to improve how work gets done, with faster, sharper outcomes and less time lost to repetitive tasks. Beyond immediate productivity, we are also developing AI as a personal skill, one that equips our employees with capabilities that will matter long into the future. The second priority is at the organisational level, where we are identifying and piloting AI-led initiatives to support business growth and operational efficiency.

Currently, our focus is on building the right culture and the right skills. Structured training programmes cover effective prompting, the range of prompt types and their uses, techniques for improving clarity, and best practices for getting the most out of AI tools.

These programmes are the groundwork. Looking ahead, we will move from building capability to measuring what it delivers, systematically identifying and implementing AI-driven initiatives and tracking the benefits they offer. The goal throughout is a resilient, future-ready organisation.

Innovation Management

Good ideas are only as valuable as what happens when someone decides to act on them. During the year, our innovation effort was focused precisely there: on implementation, on monitoring progress rigorously, and on tracking whether the benefits realised. That discipline is what keeps innovation from becoming a pipeline exercise and turns it instead into a culture of accountability, continuous improvement, and value that can be measured. Inventory control was the key theme we tackled, with employee-generated ideas carefully evaluated and the strongest ones put into practice. The impact found its way into a measurably improved cash conversion cycle.

AVINYA

New Technology Interventions across Segment

DECORATIVE

Category	Key Features of New Launches
INTERIOR COATINGS	Improved sheen, enhanced washability, stain resistance, antibacterial properties, smooth matt finishes, ease of application, extended warranty periods
EXTERIOR COATINGS	Extended warranties, superior whiteness and sheen, dirt and algae resistance, crack-bridging capability, low VOC formulations, surface temperature reduction
CONSTRUCTION CHEMICALS AND WATERPROOFING	High strength, stain and chemical resistance, waterproofing performance, heat insulation for roofs, reduced surface temperature, application versatility across residential, commercial, and industrial use cases
WOOD COATINGS	Complete range of glossy, satin, matt, and dead matt finishes, fast drying, good scratch resistance, ready-to-use formulations for consistent decorative finishes

(Please Refer Decorative (New Launches) Section of Our Product Portfolio for detailed list of products)

Industrial

Our ability to keep developing strong industrial products comes from technical expertise and domain knowledge accumulated over years of working closely with customers across demanding segments. Continuous innovation, robust R&D processes, and effective knowledge management are what keep our pipeline moving forward and our leadership position intact.

AUTOMOTIVE

Sub-segment	Key Developments
PASSENGER VEHICLES	Enhanced gloss levels and metallic finishes, faster drying and improved workability, coatings for plastic substrates and automotive body chassis, lower resource usage, reduced energy consumption, elimination of hazardous materials
2-**WHEELER AND** 3-**WHEELER**	High gloss, enhanced hardness, higher weatherability, suitability across underbody chassis and metal and plastic components, efficient resource utilisation, lower energy consumption, non-hazardous formulations
COMMERCIAL VEHICLES	Enhanced durability and weathering resistance, coatings for engine painting and coloured plastics, optimised resource usage, energy efficiency, avoidance of hazardous materials

PERFORMANCE COATINGS

Sub-segment	Key Developments
LIQUID COATINGS	High temperature resistance, thermal insulation, corrosion resistance, enhanced performance characteristics, products for locomotive spare parts and consumer durables, and low VOC water-based formulations compliant with RoHS standards
POWDER COATINGS	Fast curing and high scratch resistance; expanded offerings in alloy wheels (single coat) and pipe coatings (Fusion Bonded Epoxy Topcoats); low bake systems and liquid-to-powder conversion solutions supporting reduced environmental impact

(Please Refer Industrial (New Launches) Section of Our Product Portfolio for More Details)

Innovation for Impact

We create value through innovation by developing product solutions that enhance performance, protection, and aesthetic appeal across a wide range of applications. We respond continuously to what customers expect and what the market requires, drawing on technical expertise and research-led development to deliver solutions that balance functionality, durability, and design without trading one off against another.

Our aim is to improve product performance and reliability while keeping quality and sustainability as fixed points. Through that discipline, applied consistently, we create customer value, strengthen our competitive position, and hold ourselves to a standard that the industry recognises.

Creating a Competitive Edge

We maintain our competitive edge by delivering innovative, high-performance paints and coatings with unique features and superior durability, driven by customer-focused research and a sharp understanding of emerging market trends. Our technical expertise lets us create advanced solutions in specialised segments such as construction chemicals and wood coatings, where we set benchmarks that others follow.

Through continuous product expansion, strategic acquisitions, and technology-led customisation, we consistently exceed customer expectations and strengthen our leadership in a fast-evolving, competitive market.

ENHANCING COATING PERFORMANCE

What it Means in Practice: We track megatrends in how people build and live to develop coatings with greater longevity and effectiveness

Decorative

INNOVATIVE PRODUCT FEATURES

What it Means in Practice: Our Paint+ range addresses shifting customer needs with product attributes that go meaningfully beyond the standard category offering.

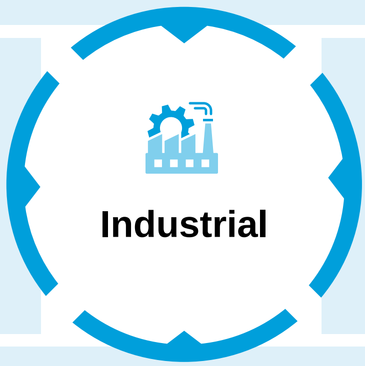
Product Testing at R&D Centre

TECHNICAL EXPERTISE

What it Means in Practice: We provide best-in-class technical services directly to our industrial customers, drawing on deep application knowledge

CUSTOMISED SOLUTIONS

What it Means in Practice: We offer cost-effective, tailored formulations built around the specific requirements of individual customers



COLLABORATIVE INNOVATION

What it Means in Practice: We develop alongside customers and industry experts, so products are shaped by real-world requirements from the start

INNOVATIVE SOLUTIONS

What it Means in Practice: Our portfolio includes groundbreaking products like tin-free CED and topcoats and primers delivering high aesthetic and functional performance

Industry Knowledge and Collaborations

Our leadership in industrial coatings draws significantly from our partnership with Kansai Paint Co., Ltd., Japan. Through that relationship, we gain access to advanced technologies, global colour trend insights, and world-class technical support, all of which feed into customised paint and resin solutions designed for Indian customers. We also work closely with Kansai Group companies and specialist technology partners such as Oshima Kogyo, Cashew Co., and Protech Chemicals. Each brings distinct expertise, and in combination with our in-house capabilities, that knowledge translates into industry-specific solutions that stay ahead of evolving customer demands and strengthen our competitive advantage.

Way Forward

We remain focused on strengthening our intellectual capital through sustained innovation, responsible practices, and continuous capability enhancement. Leveraging our established R&D strengths and domain expertise, we aim to develop high quality, value-driven solutions that align with evolving customer needs. A strong focus on cybersecurity and information security remains integral to our way forward, ensuring the protection of digital assets and stakeholder information. By integrating innovation, technology, and security with deep sector knowledge, we aspire to create a long-term value through balanced, reliable, and future-ready solutions.

FINANCIAL CAPITAL

Cost leadership remains one of our core strengths and continues to drive operational excellence. At the same time, we pursue profitable growth opportunities through a feedback-driven understanding of customer needs. This approach is supported by continuous investment in R&D, sustainable solutions, innovation, and enhanced customer service. We view financial capital as a means of creating long-term value. Through the strategic and responsible deployment of the Company's and community resources, we continue building sustainable wealth for our shareholders.

Natural Capital
Intellectual Capital
Financial Capital
Manufactured Capital
Social & Relationship Capital
Human Capital

Strategic Linkages

STAKEHOLDERS

- Business Partners
- Employees
- Suppliers
- Government and Regulatory Bodies

MATERIALITIES

- Governance

UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

FY 2025-26 PERFORMANCE HIGHLIGHTS

Net Revenue

₹ **7,739.23** Crores

Recorded a Growth of 3.2% Over the Previous Year

EBITDA

₹ **986.22** Crores

Recorded an Increase of 1.2% Over the Previous Year

Strategic Capital Investment

₹ **230.39** Crores

Spent on Capital Expenditure Across Various Projects

BACKDROP

Average crude oil prices declined compared to the previous year. However, currency depreciation partially offset the benefit during the same period. Consequently, overall raw material prices remained largely stable throughout the year.

RESPONSE

Our EBITDA percentage stood at 12.7 during the year, compared to 13.0 previously. Further details on financial capital performance appear in the statutory section and later parts of this Report.

KNPL maintains an apolitical stance and does not support any political party or candidate. Additionally, we did not provide Company funds or property as political donations during the year.

Taking the Right Decisions

Our Board of Directors is responsible for all strategic economic decisions. Subsequently, the Managing Director, Management Committee members and departmental heads execute these decisions in day-to-day operations.

Way Forward

BUDGETING AND CONTROL

At KNPL, planning for the upcoming fiscal year begins with strategic alignment and detailed preparation. This process includes developing a comprehensive annual business plan covering operational and strategic priorities.

The Management Committee, along with functional heads and the Managing Director, prepares a detailed annual budget. Thereafter, the Board of Directors approves the budget after considering the annual business plan and broader macroeconomic factors. These include currency movements, raw material prices and energy costs.

Functional heads and the Management Committee regularly review budget performance. Furthermore, the Company monitors budgets through multiple IT platforms and established system checks to maintain effective control.

MANUFACTURED CAPITAL

At KNPL, we are shaping a future defined by sustainable growth, innovation and operational excellence, with safety remaining central to our culture and embedded in how we protect our people and the communities we serve. Building on this foundation, our investments in advanced manufacturing and digitalisation reinforce environmental responsibility, economic resilience and customer centricity. This, in turn, enables us to enhance efficiency, agility and innovation across operations through automation, digitalisation and continuous improvement. Anchored in this operational strength, our commitment to quality ensures every product meets high standards, while our customer-first approach keeps us aligned with evolving expectations. Together, these elements strengthen our leadership in the paint industry and prepare us for emerging needs.

Natural Capital

Intellectual Capital

Financial Capital

Manufactured Capital

Social & Relationship Capital

Human Capital

Strategic Linkages

STAKEHOLDERS

- Business Partners
- Employees
- Customers
- Community
- Government and Regulatory Bodies

MATERIALITY

- Decarbonisation
- Resource Use
- Quality of Life
- Governance

UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

FY 2025-26 PERFORMANCE HIGHLIGHTS

9
Manufacturing Facilities

192
X-matrix Projects Executed

112
Depots

8
RDCs Serving Customers Pan India

11,000+
Kaizens Implemented Across Plants

26
Industry Awards (Awards from IMEA, CII, QCFI and Other Industry Bodies)

3
Subsidiaries with Manufacturing Facilities (India, Bangladesh and Nepal)

BACKDROP

Our manufacturing footprint forms the operational backbone of KNPL's value chain, enabling us to respond swiftly to market dynamics while upholding uncompromising quality and safety standards. Designed to serve multiple segments, including decorative paints, automotive coatings, powder coatings, general industrial coatings and high-performance specialty coatings, our facilities operate in full compliance with environmental and safety regulations.

Built on this base, our network of plants, depots and regional distribution centres has been optimised to reduce lead times, improve serviceability and enhance customer centricity, while the infrastructure investments made in previous years have matured to support growing demand with consistent product quality and delivery reliability.

RESPONSE

We are widely recognised for delivering exceptional products and services, anchored in a rigorous commitment to value engineering and continuous innovation. This is reflected in our manufacturing operations, where technology adoption and talent development sustain operational excellence, enabling us to set industry benchmarks while remaining agile to evolving market demands.

During the year, we focused on deepening the maturity of our operational excellence culture through the horizontal deployment of digital initiatives, strengthening capability frameworks, integrating sustainability principles and reinforcing a more resilient supply chain.

In this context, our vision remains to redefine ethical manufacturing in the paint industry through innovation, operational discipline, advanced digitalisation and a strong commitment to stakeholder value creation. Strategic investments in next-generation manufacturing technologies and sustainable practices continue to position KNPL at the forefront of industry leadership, prepared for the evolving needs of tomorrow's market.

Focus Areas

- Maintain product quality aligned with evolving market needs, consistently exceeding customer expectations.
- Drive horizontal deployment through internal and external benchmarking, embedding excellence across operations.
- Leverage cost-effective digital and automation solutions to enhance operational efficiency and minimise process variability.
- Position safety as a non-negotiable priority across all levels of operations.
- Build cross-functional alignment through integrated team-led execution across the value chain.
- Foster ownership, discipline and workplace pride through sustained 5S and housekeeping practices.
- Ensure continuous improvement through structured PDCA and SDCA review mechanisms that secure performance and sustain gains.

Manufacturing Footprint

At KNPL, we have established a robust presence across India with 9 manufacturing facilities, 2 international subsidiaries and 1 domestic subsidiary. This network supports both decorative and industrial segments, enabling us to serve diverse customer needs while maintaining proximity to key markets.

Our facilities are equipped with advanced technologies and automation systems that enhance operational efficiency while maintaining high quality standards. Each plant operates under standardised operational procedures (SOPs) and best-practice protocols, ensuring consistency across the network.

Our focus on innovation strengthens process excellence, supports financial sustainability, enhances operational security and reinforces our environmental responsibility. This is reflected in:

Investment in digital infrastructure, including IoT sensors, predictive maintenance platforms and AI-based quality control.

Process standardisation through the adoption of MOST, VSM and Kaizen methodologies across manufacturing locations.

Capability building through structured training and development programmes across three operational tiers.

Sustainability integration through reduced specific power consumption, renewable energy adoption and water conservation initiatives.

Together, these measures ensure that our manufacturing footprint remains operationally efficient and strategically positioned to drive long-term stakeholder value while advancing sustainable and ethical manufacturing practices.

Goindwal Sahib Plant, Punjab

Capacity Additions

To meet rising customer demand and remain aligned with our long-term investment plans, we enhanced capacity across key facilities with focused interventions across manufacturing locations and internal operations. Each of these efforts has been directed towards improving efficiency, advancing innovation and responding more strategically to customer requirements.

Jainpur: Expanded Capacity for Water-based Paints

Sayakha: Enhanced Capacity for Cathodic Electro Deposition (CED)

Internal Initiatives: Enhanced Overall Capacity Further through Debottlenecking, Improved Resource Utilisation, Adoption of New Technologies and Development of Innovative Products at Lote and Sayakha

Segment Coverage

Our manufacturing network supports both decorative and industrial segments, combining scale with consistency to respond effectively to evolving market demand, underpinned by advanced technologies, sustainability-focused processes and collaboration with Kansai Paint Co., Ltd. and other Group entities.

Decorative Segment

Across the Decorative portfolio, our facilities manufacture a wide range of products, including water-based finishes, enamels, primers, wood coatings, waterproofing solutions and construction chemicals. These facilities are configured for efficiency and scale, enabling consistent quality while retaining flexibility in production. Additionally, continuous improvements in processes and digital systems support reliable operations.

Industrial Segment

The Industrial Paints segment is supported by a strong manufacturing network across the country, enabling efficient operations, streamlined logistics and timely fulfilment of market demands. The portfolio spans automotive coatings, powder coatings, industrial performance coatings and auto refinish solutions, each designed to deliver durability and consistent performance.

Key Themes

Operational excellence in manufacturing is anchored in the following themes:

- Driving core KPIs such as cost optimisation, productivity, yield, safety and sustainability through the PQCDSM 360° approach.
- Strengthening OPC synergy by aligning operations, with OPC now under full control for seamless execution.
- Accelerating innovation by deploying IIoT solutions across sites, including Energy Management Systems, barcode traceability for manufacturing and filling line automation.
- Ensuring actionable alignment through internal and external benchmarking.
- Embedding ENCON best practices through power factor optimisation, solar panels, wind turbines, improvement of existing equipment, movement from conventional to cleaner and leaner fuel alternatives, and artificial ponds for water conservation and waste reduction.
- Reinforcing capabilities through monthly trainings, awareness programmes, periodic audits and structured reviews.

Certifications

Standard	Bawal	Hosur	Jainpur	Lote	Sayakha	Goindwal Sahib	Perma, Sarigam	Goa	Nerofix - Rudrapur	Nerofix - Dadra	Vizag
IATF 16949:2016	✓	✓	✓	✓	✓	NA	NA	NA	NA	NA	NA
ISO 9001:2015	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
ISO 14001:2015	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	-
ISO 45001:2018	✓	✓	✓	✓	✓	✓	✓	✓	-	-	-
ISO 50001:2018	✓	✓	✓	✓	✓	✓	-	-	-	-	-
ISO 46001:2019	✓	✓	✓	✓	✓	✓	-	-	-	-	-

Technology-enabled Operational Excellence

Operational Excellence

At KNPL, operational excellence extends beyond the plant floor into the depot network, guided by a clear intent to elevate customer satisfaction while staying responsive to dynamic market needs. This approach is driven by cross-functional collaboration, resulting in substantial gains across:

- Operating Costs
- Product Quality
- On-time Delivery

Our operating model is grounded in well-established frameworks that bring structure and consistency to execution:

- Kaizen Philosophy
- CANDO Principles
- Area Effectiveness Teams (AET)
- Maynard Operational Sequential Technique (MOST)
- Define-Measure-Analyse-Improve-Control (DMAIC)

Together, these frameworks inculcate best practices, streamline workflows and ensure uniformity across the manufacturing network. This foundation is further strengthened through the integration of Total Productive Maintenance (TPM) across manufacturing units, supported by structured assessments that sustain performance enhancements over time.

100% Kaizen Participation at the Sayakha Plant

Holistic Capability Building

With a clear focus on capability building across levels, we have introduced a structured three-tier development model spanning shopfloor associates to department leaders, fostering a skilled pipeline for innovation and efficiency.

Tier	Audience	Focus
Tier 1	Shopfloor Employees, Technicians and Contractual Workforce	Hands-on programmes, including on-the-job training (OJT) and Kiken Yochi Training (KYT), with a focus on safety, 5S implementation, autonomous maintenance and Kaizen workshops.
Tier 2	Officers and Managers	Measurement System Analysis (MSA), statistical problem-solving and LEAN tools to enhance process control and throughput, supported by AET-linked KPIs.
Tier 3	Officers and Managers	DMAIC, MOST and high-end statistical analytics for large-scale optimisations and strategic improvements.

INITIATIVES DRIVING EXCELLENCE

Enabled by digital enablers such as IIoT and analytics, a focused set of initiatives across Kaizen, CANDO and AET continues to drive disciplined execution and measurable outcomes across operations, combining structured problem-solving with on-ground execution:

Kaizen and Six Sigma with the 3M Approach

Targets Muda (waste), Mura (unevenness) and Muri (overburden) through reuse strategies in quality control, yielding cost savings, reduced hazardous waste and safer processes

Data-driven Precision

Statistical Process Control (SPC) and capability analysis strengthen gate controls, minimising Excess Give Away (EGA) at filling lines for higher yields and accuracy

Monthly Kaizen Themes

Site-specific drives on cycle time reduction, delivery enhancement, hazardous waste reduction and visual management foster grassroots innovation and measurable progress

Sustainable Process Optimisation

Process modifications enable safe reuse of consumables, slashing industrial waste, enhancing inventory efficiency and boosting workplace safety

AET Framework

Identifies opportunities for improvement (OFIs) and addresses them via team-based problem-solving across industrial, decorative and powder coating operations

Digitalisation

Building on the foundations laid in previous years, our digitalisation initiatives advanced significantly in FY 2025–26, with IoT and AI enabling real-time, data-led decision-making across operations and shaping a fully interconnected smart manufacturing ecosystem. Within this ecosystem, equipment across facilities communicates seamlessly, enabling faster and more informed decisions at scale. Together, these conceptual advancements enhance efficiency and resilience, paving the way for Industry 4.0 leadership.

Key Progress	Description
Raw Material Traceability	Barcode systems track inflows from receipt to usage, validating authenticity, quantities and specification compliance instantly via mobile apps. This has strengthened supply chain transparency and customer confidence, with a scale-up underway from initial sites to enterprise-wide application.
IoT Predictive Maintenance	Extended across decorative and powder coating lines, sensors monitor vibration, heat and wear in real time, allowing proactive maintenance scheduling. This approach advances earlier efforts by leveraging historical data to deliver sharper, automated reliability.
Quality Control Enhancement	Camera-based detection mechanisms for coupons in decorative lines at Jainpur and Hosur, paired with AI-powered drum quality detection at Hosur, automate inspections to ensure consistent standards and strengthen reliability across the network.

Key Awards

Our relentless drive for operational precision has earned consistent recognition at the industry's most respected forums. In FY 2025-26, we secured 26 awards for achievements in quality improvement, cost optimisation, automation, and delivery excellence.

These accolades were conferred at platforms such as the Confederation of Indian Industry (CII) and the Quality Circle Forum of India (QCFI), including the Chapter Convention on Quality Concepts (CCQC) and the National Convention on Quality Concepts (NCQC). These forums convene leading enterprises from across the Indian paint industry and beyond.

Engaging with this elite cohort has reinforced our competitive standing and yielded the nuanced insights that drive continuous improvement across our shopfloor operations.

The Jainpur Plant further solidified our leadership by clinching the Platinum Category at the India Manufacturing Excellence Award Assessment 2025. In an evaluation featuring over 80 participants, including OEMs, FMCG giants, and major corporates, we excelled in customer focus, quality systems, scheduling systems, and internal competence, further underscoring our commitment to manufacturing excellence and industry leadership.

Safety and Employee Engagement

At KNPL, workplace safety is central to our operations and is guided by our comprehensive Occupational Health, Safety and Environment (OHS&E) Policy. All major facilities, including our R&D centre, are ISO 45001:2018 certified and undergo regular audits to ensure compliance, supported by a safety framework that integrates advanced protocols across operations. This framework is reinforced through continuous infrastructure upgrades to achieve superior fire safety standards, with particular focus on chemical-storage protection.

Within this framework, multiple risk assessment methodologies enable proactive identification and mitigation of workplace hazards, including the following:

Process Hazard Analysis (PHA)

Job Safety Analysis (JSA)

Hazard and Operability (HAZOP) Studies

Kiken Yochi Training (KYT)

Our 'Safety First' culture is reinforced through:

- Regular Training Programmes
- Dedicated Safety Laboratories
- Infrastructure Enhancements

DOJO Room Safety Training at the Bawal Plant

The adoption of the following further strengthens our safety systems:

- CAPA Protocols,
- Poka-Yoke Initiatives
- Six Sigma Projects

Employee well-being is supported through:

- Fully-equipped Occupational Health Centres
- On-site Ambulances
- Bi-annual Medical Check-ups
- Automated External Defibrillators (AEDs) across all Locations

Our multi-tiered safety governance framework includes:

- Plant-level Safety Committees
- Corporate EHS Audits
- External Safety Evaluations
- Periodic Oversight by Kansai Paint Co., Ltd., Japan

Maintenance Strategy

KNPL's Maintenance Excellence Strategy focuses on maximising equipment availability, reducing unplanned downtime, and improving long-term asset reliability through a structured, technology enabled, and capability driven approach. The strategy addresses key challenges such as maintenance variability, spare parts management, and evolving skill requirements, while ensuring high reliability at optimal maintenance cost.

A risk-based **Asset Criticality and Reliability** approach guides prioritisation of maintenance efforts based on safety, production, quality, and environmental impact. **Preventive Maintenance Excellence** emphasises standardisation of task lists, frequencies, and inspection quality, shifting toward measurable checks and improved compliance.

Predictive and Condition-based Maintenance, supported by tools such as vibration analysis, thermography, acoustic monitoring, and wear debris analysis, enables early fault detection, reduces unplanned downtime, lowers MTTR, and extends equipment life.

Digital maintenance and automation through IIoT systems and analytics dashboards provide real time equipment health visibility, faster root cause analysis, and enterprise wide spare parts tracking. **Spares and inventory optimisation** practices improve maintenance responsiveness through structured spares mapping, rationalisation, and benchmarking.

Maintenance capability building focuses on developing SMEs and enhancing technician skills through structured training, including OEM-led programmes for specialised maintenance activities. **Standardisation and engineering governance,** supported by SOPs, maintenance documentation, and KYT initiatives, drive consistency, capture failure learnings, and enable continuous improvement.

Improvements in Quality, Productivity and Efficiency

We continued to focus on improving quality, productivity and operational efficiency across our operations through the following initiatives:

1. Continued streamlining of production to improve quality, increase worker productivity and reduce waste generation across operations, supported by strengthened asset utilisation through SAP-based monitoring, process optimisation, advanced technologies and internal capability building, along with an integrated energy management system.

2. Strengthened the 'End-to-End Improvement' approach for quality across the entire value chain, from raw material to finished goods application, with a focus on the prevention of defects at source, complemented by the use of modern diagnostic and analytics tools to assess asset life and performance, enabling predictive maintenance, higher equipment effectiveness and energy-efficient operations.

3. Evolved the Maynard Operations Sequence Technique (MOST) and Measure of Performance (MOP) into a broader workforce-productivity framework for both blue- and white-collar teams.

4. Drove value-driven cost optimisation through structured programmes targeting:
   - Power and Fuel Consumption
   - General Works Charges (GWC)
   - Spend on Spares and Consumables

5. Institutionalised Quality-Kiken-Yochi Training (Q-KYT), 3S practices and 4M analysis as part of daily operations and culture, including at the R&D lab, to sustain quality and safety standards.

Subsidiaries (International and Domestic)

Throughout the year, we remained focused on strengthening operations across our subsidiary companies. This was achieved by replicating proven KNPL practices and nurturing employee capabilities through targeted engagement initiatives. By embedding robust frameworks and fostering talent development, we enhanced operational efficiency, reinforced alignment and supported sustainable growth across our wider network.

Building on this approach, each entity worked towards focus areas:

Nerofix-India: Building Kaizen culture and strengthening skills and competencies	Bangladesh: Best practices to ensure product quality	Nepal: Best yield improvement techniques

To carry these priorities into execution, we implemented a series of targeted initiatives to strengthen manufacturing capabilities across our subsidiaries:

- Sharing periodic knowledge and guidance from KNPL plants.
- Adopting 5S practices and safety training programmes.
- Driving cost-reduction initiatives and profitability enhancement measures.
- Supporting new product development.
- Promoting Yokoten, or horizontal deployment of best practices.

Alongside these initiatives, we continued to place strong emphasis on elevating safety standards and ensuring a secure work environment for all employees. Collectively, these efforts translated into cost savings, reinforced product excellence and strengthened a culture of safety and operational excellence across our subsidiary network.

Strengthening the Supply Chain

At KNPL, the supply chain is treated as a core operational lever. The focus remains on continuous improvement, closer supplier engagement, adoption of advanced technologies and sharper demand forecasting, ensuring the network remains steady, responsive, and adaptable to changing market conditions. This enables timely fulfilment of customer requirements, shorter lead times, tighter cost control and enhanced operational efficiency.

The supply chain is structured to address the distinct requirements of industrial and decorative segments, with planning and distribution calibrated accordingly:

- Industrial customers operate on a pull-based system, where production is aligned with actual demand.
- Decorative consumers follow a push-based system, ensuring product availability based on forecasted demand.

To reinforce this structure, a set of focused practices has been embedded across the supply chain:

- Supplier collaboration to maintain consistency in quality and reliability in deliveries.
- Lean inventory management to minimise excess stock while maintaining availability to meet customer needs promptly.
- Continuous improvement through KPI tracking and process enhancement.
- Production planning to provide clear guidance to manufacturing teams on finished goods.
- Procurement alignment to synchronise raw material requirements with production schedules.

These interventions continue to shape a supply chain that remains efficient, resilient and future-ready, supporting consistent delivery excellence across both industrial and decorative segments.

Supply Chain Flow

B2B

Demand Planning
↓
Production Planning
↓
Paint Processing at Manufacturing Site
↓
Finished Goods Storage at Plants
↓
Depots
↓
Customers (OEMs and Non-OEMs)

B2C

Demand Planning
↓
Production Planning
↓
Paint Processing at Manufacturing Site | Outside Processing Centres
↓
Finished Goods Storage at Plant/OPC
↓
Depots/RDC
↓
Dealers/Retailers
↓
Consumers

Supply Chain Planning

Manufacturing

FG Distribution Network

SOCIAL & RELATIONSHIP CAPITAL

Sustainable value creation at our Company extends beyond products to the relationships we build with stakeholders. Through consistent delivery of high-quality paint solutions, responsible supply chain partnerships, and focused CSR initiatives, we foster trust and collaboration across our ecosystem. Our social & relationship capital supports responsible operations and strengthens our market presence. It also enables us to create enduring value for customers, stakeholders, and communities, driving purposeful and inclusive growth.

Strategic Linkages

STAKEHOLDERS

Customers

Influencers

Suppliers

Community

MATERIALITY

Quality of Life

Governance

UN SDGs

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS

Supporting Education through CSR

FY 2025-26 PERFORMANCE HIGHLIGHTS

90.1
Customer Satisfaction Index

77%
Local Sourcing by Value

39
Aspirational Districts Covered through CSR Activities

1,00,000+
Lives Touched through CSR Activities

BACKDROP

Building and sustaining strong relationships with customers, suppliers, and communities are essential to our long-term sustainability. As customer expectations continue to evolve, we remain focused on understanding these changes. We also strive to deliver a differentiated value proposition rooted in quality, reliability, and trust.

Furthermore, we believe close collaboration across our supply chain is vital for creating long-term shared value. Meaningful engagement with the communities in which we operate also remains central to our approach. Accordingly, our social & relationship capital strategy is anchored in partnership, responsibility, and inclusive growth.

RESPONSE

We actively nurture long-term, value-driven relationships with our customers by consistently delivering high-quality products and services. At the same time, we remain responsive to their evolving needs and expectations. Through continuous engagement and structured feedback mechanisms, we strengthen customer trust and foster lasting partnerships that support sustained business growth.

Our extensive supplier network plays a critical role in ensuring supply chain efficiency, resilience, and continuity. We engage with suppliers regularly through structured communication and collaborative initiatives. This approach promotes transparency, mutual understanding, and shared value creation across the value chain.

Beyond our business operations, we remain deeply committed to contributing positively to society. Our Corporate Social Responsibility initiatives focus on inclusive development, social well-being, and long-term community empowerment. These efforts align with broader sustainable development priorities and reflect our commitment as a responsible corporate citizen.

Through collaboration, responsible practices, and sustained stakeholder engagement, we continue to strengthen social capital. In doing so, we reinforce trust across all our relationships.

Our Focus

- Delivering a superior customer experience
- Strengthening relationships with supply chain partners
- Touching lives across communities

Delivering a Superior Customer Experience

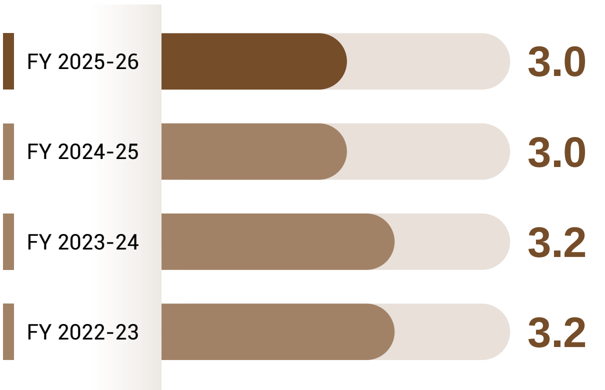
At KNPL, delivering a superior customer experience is integral to our way of doing business. We remain focused on understanding customer needs and consistently offering reliable products, responsive service, and meaningful support. Our approach is centred on quality, trust, and long-term value creation. Customer satisfaction continues to drive sustained relationships and business growth.

Customer satisfaction is of paramount importance to us. Therefore, we proactively implement the following measures to exceed expectations:

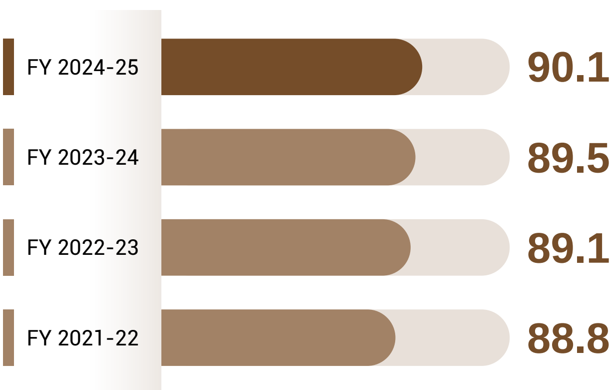
- Understand the diverse needs of customers and provide tailored solutions utilising advanced technologies
- Use omnichannel integrated marketing to communicate responsibly and establish a strong connection with key stakeholders
- Regularly monitor and assess satisfaction levels among different client groups
- Maintain a comprehensive record of client attributes, considering their objectives and expectations
- Devise strategies for deeper customer and influencer engagement using digital platforms and physical infrastructure
- Utilise our NxtGen painting service to cater to diverse painting needs of the consumer
- Enhance customers' retail experience through NxtGen Premium Shoppe, Shop-in-Shop and Paint+ Zones
- Participate in industry forums and customer engagement sessions for knowledge sharing

Brand Equity Index (BEI)

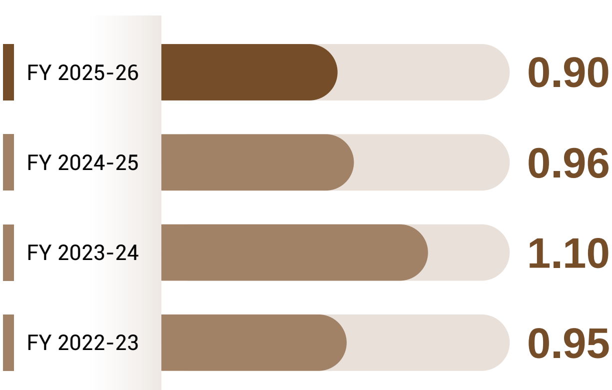
Nerolac has maintained a strong Brand Equity Index (BEI) score for the customers surveyed in FY 2025-26 and has consistently held the 2nd highest BEI score in the paints category.



Customer Satisfaction Index (Assessment Year)



Batches with Customer Complaints (%)



Customer Centricity

Decorative

At KNPL, our pioneering concepts and technology-driven paint solutions reflect our strong commitment to customer interests. In the Decorative Segment, we provide interior and exterior coating solutions that improve both aesthetics and functionality. Our portfolio includes economical and premium ranges, along with Wood Coatings, Waterproofing, and Construction Chemicals.

We focus on offering environmentally friendly solutions with enhanced performance. Our new products are designed to meet customers' fast-changing needs and expectations. One of our exterior coating products launched this year, Excel Everlast 20, offers a 20-year performance warranty, demonstrating strong durability. Another product, Nerolac Perma No Heat, helps reduce surface temperature by up to 15°C. These innovations reflect our commitment to sustainability, performance, and evolving customer needs.

KNPL also focuses on delivering an engaging and seamless retail experience through our NxtGen Shoppe and Shop-in-Shop outlets. During the year, we further expanded our market reach through 'Paint+ Zones.' This new initiative aims to increase visibility and drive growth for small-sized retailers.

250+
Nerolac Paint+ Zones

150+
NxtGen Shoppe

250+
Shop-in-Shop Outlets

During the year, we also enhanced the functionality of the 'Nerolac Colour My Space' application. This application enables customers to visualise their walls in over 2,100 shades and textures. It serves as a comprehensive solution for their painting requirements. We continue to invest in robust digital infrastructure to deliver seamless painting services.

Moreover, we leverage innovative digital tools such as the Paint Budget Calculator, Colour Picker, and Colour Visualiser. These tools enhance the overall customer experience. They incorporate the latest trends and aesthetics, enabling customers to make informed and effective paint and colour selections.

As part of our efforts to strengthen our digital presence, we listed over 6,000 dealers on Google My Business. This initiative enables customers searching for paint stores or painting services to easily locate nearby Nerolac dealers. Through this platform, customers can conveniently connect with dealers. They can also access contact details and obtain directions to the nearest Nerolac Paint Shop, thereby enhancing accessibility and customer engagement.

This integrated strategy, anchored in technology, sustainability, and customer-focused innovation, strengthens KNPL's position in the paints and coatings industry. It also reflects our commitment to long-term value creation.

NEROLAC
COLOUR MY SPACE

Marketing and Branding

We recognise the importance of effective and consistent communication with our customers. Accordingly, we place strong emphasis on marketing campaigns and media outreach. Leveraging platforms such as Instagram, Facebook, and LinkedIn, we proactively engage with our audiences. We share information on new products, key initiatives, and significant achievements. This structured communication approach strengthens brand visibility and enhances customer engagement. It also ensures timely dissemination of relevant information across stakeholder groups.

With the objective of building positive affinity for Nerolac, we brought back our iconic jingle during the year. The Nerolac jingle has always been more than a catchy tune because it evokes memories of home, warmth, family, and togetherness.

The jingle was supported by a high-impact media campaign across television, OTT platforms, digital video, social media influencers, radio, and digital audio. Through this campaign, the Nerolac jingle was refreshed to suit modern sensibilities. At the same time, it retained its nostalgic appeal and continues to remain a memorable part of Indian advertising.

Additionally, to promote our NxtGen Painting Services, we launched our digital video commercial across multiple regional languages. Through thoughtfully crafted campaigns and strategic media deployment, we continued to enhance Nerolac's brand visibility and consumer resonance. These efforts support sustained engagement and reinforce the brand's presence in a dynamic market landscape.

Awards and Recognition

Our 'Dukaan-it-Yourself' campaign, executed during the Mahakumbh, received 26 awards across prestigious platforms. These included a Gold Award from Ambient Media and 12 awards at Goafest. The Goafest honours comprised 1 Grand Prix, 3 Gold, 2 Silver, and 6 Bronze awards. The campaign also secured 7 Baby Blue Elephant Awards at the 2025 Kyoorius Creative Awards and 6 awards at the Dragons of Asia. These recognitions highlight the creativity, impact, and effectiveness of our marketing efforts.

Nerolac 'Dukaan-it-Yourself' Campaign at Mahakumbh

Industrial

In the Industrial segment, we deliver innovative and environmentally responsible solutions tailored to evolving customer needs. We maintain a strong focus on performance excellence and sustainability.

We deliver unique and customised solutions by leveraging advanced technologies for Automotive and Performance Coatings. We actively adopt environmentally friendly and resource-efficient innovations. These technologies enhance productivity, reduce emissions, and improve energy efficiency for our customers. During the year, we launched an energy-efficient Wet-on-Wet system that delivered energy savings for passenger vehicle coatings.

In Automotive Coatings, we developed new products with anti-corrosive properties and high durability. In Performance Coatings, we developed RoHS-compliant coil coating products along with thermal insulation coatings.

Customer engagement remains a key priority in the Industrial segment because of the need for high responsiveness. We provide technical services to support industrial customers and actively participate in industry forums, capacity-building initiatives, and ESG collaborations. These efforts help us foster close and sustained partnerships.

Awards and Recognition

Our strong focus on customer service and operational excellence is reflected in the awards received during FY 2025-26. We were honoured with the Excellence Award in the Paints Category by Honda Motorcycle and Scooter India. In addition, we received the Best Raw Material Supplier Award from Toyota Kirloskar Motor Private Limited and Suzuki Motorcycle India Limited.

TAFE recognised our delivery performance with the Best Supplier Award. CIE Automotive India Ltd. also acknowledged our ESG initiatives at the CIE India Supplier Conference. These recognitions reaffirm our commitment to quality, reliability, and long-term value creation. They also motivate us to continue raising our performance standards.

KNPL was Honoured with the Best Supplier Award by TAFE for the Delivery Performance

Product Responsibility and Safe Usage

We provide all essential information about our products' chemical compositions through product labels, pack declarations, and catalogues. This information is also readily available on our website.

To help consumers use our products safely and responsibly, we provide directions for usage, relevant environmental information, and safe disposal instructions on our product packaging. The Product Data Sheet (PDS), available on the Company's website, includes detailed information about our products. It covers product descriptions, performance, features and benefits, application and usage, precautions for safe use, and technical data.

Customers can access information about our products and services on our website at www.nerolac.com. A dedicated consumer helpline is also available at 1800-209-2092. Customers may also share their grievances at complaints@nerolac.com.

We promote our products and strengthen brand value on merit, without infringing on others' rights or resorting to unscrupulous means. Our advertising associations remain limited to reputable agencies that are members of the Advertising Standards Council of India. We also voluntarily adhere to the Council's marketing communication guidelines.

Influencer Engagement

We actively engage with key influencers and recognise their role in shaping customer choices and project outcomes. Through the Pragati Programme, we trained over 84,000 painters through classroom and hands-on sessions. Additionally, we reached 20,000 painters through mini-van initiatives and strengthened engagement through the Pragati digital platform.

Our Illuminati Programme connects with architects and interior designers through knowledge sessions and Lunch and Learn initiatives. In parallel, we engage through industry events such as FOAID. Through these initiatives, we reached over 12,000 professionals, thereby strengthening relationships within the design community.

Participation of Nerolac at FOAID event

Strengthening Relationships with Supply Chain Partners

Strengthening relationships with supply chain partners remains a cornerstone of our social & relationship capital. It enables long-term resilience, operational efficiency, and shared value creation. Through collaborative engagement, transparent practices, and mutual trust, we work closely with suppliers to build sustainable and responsible supply chains. These efforts support business continuity and growth while aligning with our ethical and sustainability commitments.

Supply Chain Ethics

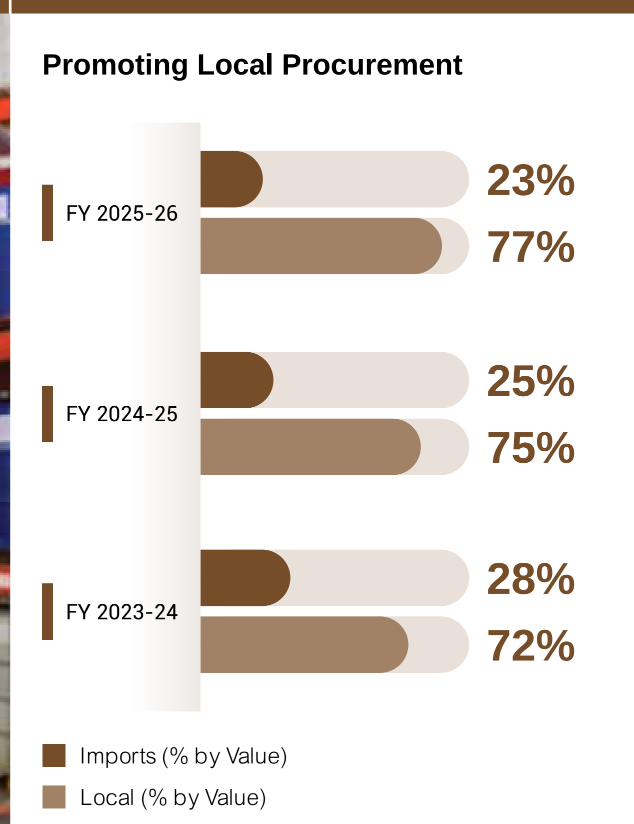
We accord high priority to adopting and implementing ethical practices across our supply chain. Accordingly, we actively educate and engage supply chain partners on the principles outlined in our Supplier Code of Conduct. The Code emphasises fairness, transparency, respect for human rights, compliance with environmental regulations, and adherence to health and safety standards. Through this framework, we foster responsible conduct and encourage ethical business practices across the supply chain.

In addition, we remain committed to ensuring social and environmental accountability throughout our operations. These initiatives help strengthen trust and reinforce enduring partnerships with supply chain stakeholders.

Emphasising Local Expansion

Recognising the importance of high-quality raw materials in our operations, we have established a robust network of over 500 direct raw material suppliers. We actively encourage local sourcing to support regional economies, optimise logistics, and reduce transportation-related environmental emissions. A significant portion of our packaging materials is sourced within a 10-kilometre radius of our manufacturing facilities. This approach enables sustainable procurement and helps reduce our carbon footprint.

Through these localisation initiatives, we support local development and promote sustainable practices. At the same time, we maintain the stringent quality standards integral to our business.



Establishing a Sustainable Supply Chain

SUPPLIER TRAINING

We aim to engage our suppliers in our sustainability commitment. Through this engagement, we support a shared ESG vision.

During the year, we conducted structured training and awareness programmes for suppliers. These programmes strengthened alignment with our responsible business practices and regulatory requirements. We focused on familiarising suppliers with our Supplier Code of Conduct and Business Responsibility and Sustainability Reporting (BRSR) principles. The sessions covered ethical business conduct, transparency, and accountability.

Suppliers were also trained on environmental stewardship practices. These included responsible energy use, greenhouse gas management, water conservation, waste reduction, pollution control, and environmental compliance. In addition, we covered key social parameters such as human rights, prevention of child labour and forced labour, non-discrimination, freedom of association, occupational health and safety, and fair wages.

Further, the training addressed governance-related topics, including anti-corruption measures, fair trade practices, ethical conduct, and regulatory compliance. Through these initiatives, we continue strengthening collaboration across our supply chain. Additionally, we embed responsible and sustainable practices throughout our value chain. This supports long-term resilience and shared value creation.

SUPPLIER AUDITS

Regular audits form an integral part of our approach to monitoring and enhancing value chain performance. These audits include on-site factory visits to assess supplier operations and ensure alignment with our standards. During FY 2025-26, we conducted supplier audits covering 21 suppliers.

Our evaluation framework encompasses a comprehensive set of parameters, including quality and process controls, statutory and regulatory compliance, sustainability initiatives, documentation and data controls, and health and safety practices. It also includes material handling and storage, respect for human rights, and adherence to fair trade practices. This structured assessment enables us to drive continuous improvement and strengthen responsible practices across our supply chain.

SUPPLIER ASSESSMENT

As part of our engagement with suppliers on the ESG agenda, we assessed several suppliers across various ESG parameters. We conducted preliminary ESG self-assessments for more than 100 suppliers. The assessments covered environmental management systems, social practices, human rights, and health and safety practices.

SUPPLY CHAIN ENGAGEMENT

To strengthen collaboration and engagement with suppliers, we conduct the Annual Supplier Conference. The event serves as a platform to connect and engage with supplier partners while communicating our strategic goals and future plans. It also provides an opportunity to recognise and honour suppliers demonstrating excellence in innovation and collaboration. These recognitions underscore the significance of innovation and collaboration in driving mutual success.

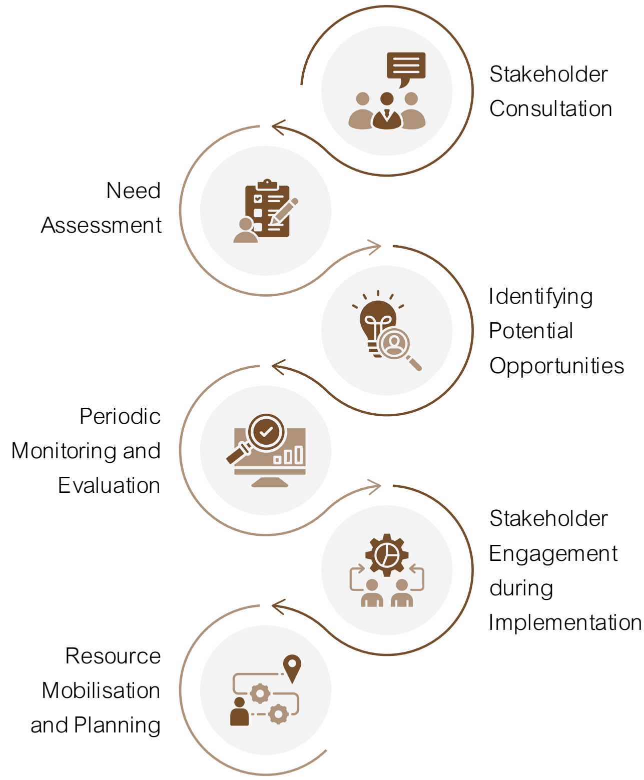
Touching Lives across the Community

As a responsible corporate citizen, we remain deeply committed to the well-being and inclusive development of the communities we serve. Through a partnership driven approach, we actively engage in meaningful initiatives that create shared value and foster sustainable societal progress. Our community engagement efforts are closely aligned with our core business philosophy of promoting well-being through colours, enabling us to integrate purpose with performance. By combining our business objectives with a strong sense of social responsibility, we strive to create lasting positive impact and contribute to holistic community development. During the year, our CSR interventions positively touched the lives of over 1,00,000 individuals, reinforcing our belief that long-term success is achieved when both business and society progress together. Together with our communities, we are painting a canvas of progress and prosperity.

Corporate Social Responsibility

Our CSR initiatives are governed by a dedicated CSR Committee constituted in accordance with Section 135 of the Companies Act, 2013. The Committee oversees the effective implementation of CSR objectives and ensures the prudent allocation and utilisation of resources. Our CSR Policy serves as the guiding framework for community engagement and is periodically reviewed to remain aligned with evolving priorities. We collaborate closely with employees, NGO partners, and government agencies to deliver impactful programmes, while also encouraging employee volunteering to strengthen our commitment to sustainable development and community well-being.

To ensure an effective and structured approach to CSR, we have implemented the following key elements as part of our CSR charter:



Senior Management Participation in the CSR Activities

Our CSR initiatives focus on the following key areas:

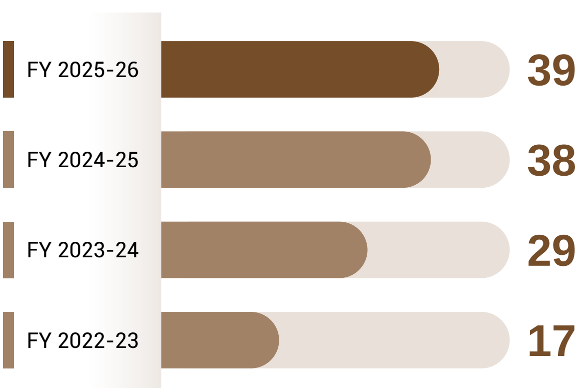
Livelihood and Skill Enhancement	Rural/Community Development	Ensuring Environmental Sustainability	Preventive Healthcare and Sanitation	Promoting Education

Livelihood and Skill Enhancement

Aligned with our vision of empowering individuals, our livelihood and skill enhancement initiatives continue to focus on strengthening the capabilities and long-term prospects of the painting community. During the year, we continued our skill enhancement programme for painters in partnership with Kasturi Mrig Vidhya Vihar Samiti. The programme was delivered through classroom sessions as well as the Mobile Training Academy (Pragati Express). This programme provides painters with specialised training in modern application techniques, safety protocols, and the use of eco-friendly products. By bridging the skill gap, we are not only enhancing the quality of service in the industry but also ensuring sustainable income generation for 1,00,000 + painters.

Furthermore, in line with the Government's Aspirational District Programme, we have steadily expanded our painter training initiatives in underdeveloped districts over the past three years, reinforcing our commitment to inclusive growth and capacity building.

Aspirational Districts Covered through Livelihood and Skill Enhancement Training



Preventive Healthcare and Sanitation

As part of our commitment to community wellbeing, we continued strengthening preventive healthcare and sanitation across our operational areas. Through organised medical outreach initiatives, we improved access to essential healthcare services in communities with limited medical infrastructure. This enabled timely consultations and basic healthcare support for underserved populations.

We also extended support to tuberculosis patients through continued medical assistance and nutritional care. These efforts aimed to support recovery and improve treatment adherence. Simultaneously, our sanitation initiatives focused on creating hygienic living conditions through better access to safe sanitation facilities. As a result, these interventions contributed to improved public health outcomes and enhanced quality of life.

Promoting Education

Education remained a key pillar of our CSR initiatives, reflecting its role in driving long-term social development. During the year, we supported schools in rural and underserved areas through infrastructure improvements and essential educational resources. These efforts helped create a more conducive learning environment for students.

Beyond academics, we encouraged holistic development through support for sports and athletics programmes. These initiatives enabled young learners to develop discipline, teamwork, and physical wellbeing alongside their educational journey.

Health Check-up Camp Under KNPL CSR Initiative

Rural and Community Development

Our rural and community development initiatives focused on building self-reliant and resilient ecosystems through targeted social and infrastructure interventions. We implemented skill development and vocational training initiatives to support livelihood generation. These programmes placed strong emphasis on empowering women to pursue sustainable entrepreneurship.

At the same time, we remained actively engaged in crisis response efforts. We extended timely relief and recovery assistance to communities affected by floods in Punjab. Through these efforts, we reinforced our commitment to supporting communities during emergencies while continuing to drive long-term development.

Panchayat Office Repainting Under CSR Activity

Ensuring Environmental Sustainability

Environmental stewardship remained an integral part of our corporate strategy and aligned with our commitment to responsible growth. During the year, we undertook initiatives to strengthen ecological balance through extensive tree plantation drives and other green initiatives. These efforts aimed to enhance local green cover across our operational areas.

In addition, we conducted community awareness programmes to promote biodiversity conservation and sustainable resource management. These initiatives encouraged environmentally responsible practices at the grassroots level and strengthened community participation in sustainability efforts.

PROJECT SWAYAM

As part of our continued commitment to inclusive growth and women's empowerment, Project Swayam emerged as a key CSR initiative during the year. Implemented in partnership with NGO Dishantar, the seven-month programme aimed to strengthen rural entrepreneurship and foster sustainable livelihoods among women in the Chiplun region.

Project Swayam addressed capability and quality gaps often faced by rural entrepreneurs. It equipped participants with technical and entrepreneurial competencies to improve business sustainability. The initiative delivered a structured, multi-session capacity building programme covering business fundamentals, digital tools, financial literacy, and brand development. This enabled participants to operate with greater confidence and professionalism.

The project delivered tangible economic and behavioural outcomes within a short period. Participating women entrepreneurs demonstrated strong adoption of digital platforms, improved market engagement, and enhanced income generation. Key achievements included significant collective revenue generation, full adoption of digital payment and business communication tools, and successful access to formal credit through government-linked entrepreneurship schemes.

To ensure continuity beyond the project period, Project Swayam facilitated the formation of a women-led collective and established a peer mentorship framework. This created a self-sustaining support system for knowledge sharing and business growth. By strengthening both economic capability and entrepreneurial mindset transformation, the initiative laid a strong foundation for prolonged rural prosperity and women led enterprise development.

Through Project Swayam, we reaffirmed our role as a responsible corporate citizen. We continued leveraging CSR as a strategic instrument to create measurable and lasting impact in rural communities.

Project Swayam Women Empowerment Programme

WAY FORWARD

Going forward, we will continue strengthening our social & relationship capital through transparent, trust-based, and collaborative stakeholder engagement. Our focus will include suppliers, customers, and the communities in which we operate. We will deepen supplier partnerships through responsible sourcing, capability building, and ethical business practices.

At the same time, we will work closely with customers to enhance value creation, service excellence, and long-term collaboration. Within communities, we will further align our CSR initiatives with local needs and national priorities. These efforts will focus on sustainable development, inclusion, and measurable social impact. Collectively, these initiatives will support stable relationships and contribute to consistent long-term organisational progress.

HUMAN CAPITAL

Our people are at the heart of everything we do. Their passion brings our vision to life. This spirit is reflected in our employee value proposition, 'Where Your Passion Takes Colour'. The employee experience at KNPL is shaped by a strong legacy of trust, a customer-centric mindset, collaboration across Kansai Paint Group Companies, and a shared commitment to growth and results.

Natural Capital
Intellectual Capital
Financial Capital
Manufactured Capital
Social & Relationship Capital
Human Capital

Strategic Linkages

STAKEHOLDERS

- Employees
- Government and Regulatory Bodies

MATERIALITY

- Quality of Life
- Diversity
- Governance

UN SDGs

Management Trainees Induction at the Head Office, Mumbai

FY 2025-26 PERFORMANCE HIGHLIGHTS

94 %
Engagement Score in WTW Survey

1,09,970
Workforce Safety Training Hours

45.11
Million Manhours without LTI

0
Lost Time Injury Frequency Rate (Per Million Man-Hours worked)

0
Lost Time Injuries (LTI)

8
Minor Injuries

0
Occupational Illness

BACKDROP

We recognise that our people drive sustainable growth and organisational excellence. Therefore, our human capital strategy focuses on creating an inclusive, collaborative, and engaging workplace. Through this approach, we empower employees to contribute meaningfully and achieve strong career growth.

At the same time, we remain committed to fostering a meritocratic culture that values innovation, agility, and customer focus. Consequently, we ensure equal opportunities for all employees across the organisation. In addition, we continuously strengthen organisational capabilities through focused learning and development initiatives. These efforts support both individual advancement and long-term business success.

Furthermore, we prioritise employee well-being by maintaining safe and healthy workplaces supported by robust health and safety practices. This holistic approach helps us attract, develop, and retain talent effectively. It also enables us to build a resilient and future-ready workforce aligned with our long-term strategic objectives.

RESPONSE

During the year, we articulated an expression of what working at KNPL represents, built around the voices, experiences and aspirations of our people. Informed by ongoing employee listening through surveys, leadership interactions and open dialogue, it reflects what matters most to our people. These include meaningful work, opportunities to grow, trust-based performance and a sense of belonging.

Our focus

- Fostering a positive environment that encourages continuous growth
- Promotion of a culture of ownership, continuous learning, strong performance and open communication across the organisation
- Support for overall employee growth through functional expertise and cross-functional exposure
- Strengthening of customer focus through consistent quality delivery
- Development of a fair and transparent system that rewards merit and upholds integrity
- Recognition and reward for employees who play to win with hunger and ambition
- Working as ‘One Kansai’ by collaborating across the Group, driving innovation, and building a shared sense of success

EVP Champions Coming Together to Bring Our EVP Journey to Life Across KNPL

Employee Engagement, Well-being, and Capability Building

Employee Engagement Initiatives

We continue to focus on building a connected, inclusive, and engaging workplace through structured engagement platforms and regular leadership interactions. Key initiatives include:

- Life@Nerolac, a digital engagement platform designed to enhance employee experience by enabling collaboration, knowledge sharing, and peer recognition across locations
- Active employee participation in corporate social responsibility initiatives
- Monthly webinars and sessions focused on employee health, wellness, and personal effectiveness
- Annual Learning Conference (ALC) for managers, offering a forum to communicate organisational performance, future plans, and strategic direction
- Periodic employee engagement and pulse surveys conducted in association with Willis Towers Watson (WTW) to assess engagement drivers and gather actionable insights
- Regular addresses and interactions by Works Managers across manufacturing locations
- Celebrations such as Women's Day to reinforce diversity and inclusion
- Organisation-wide celebrations of key national and cultural festivals, including Independence Day, Republic Day, Holi, Diwali, and Navratri
- Formation of Women's Impact Network (WIN), an employee resource group aimed at fostering an inclusive environment for women to thrive professionally and personally
- Impressions, a monthly internal newsletter that highlights events, achievements, and initiatives across functions and locations

Celebration of Cultural Festival at Lote Plant

Employee Well-being

Employee engagement and well-being are key priorities for us, as we believe our people shape the Company's values and contribute significantly to its success. We encourage open communication and regular feedback, creating a positive and inclusive workplace where employees can grow and perform at their best.

To understand levels of satisfaction and motivation, we conduct comprehensive employee surveys covering critical aspects of the employee experience, such as the work environment, organisational culture, safety, openness, and work life balance. Recognising that well-being has a significant impact on overall quality of life, we proactively implement wellness initiatives led by subject matter experts, ensuring they are both meaningful and relatable for our employees.

World Yoga Day at the Bawal Plant

Advantage Club

Advantage Club offers employees and their families a holistic and personalised wellness ecosystem that supports physical, mental, and emotional well-being. The platform provides access to virtual medical consultations, preventive care resources, fitness solutions, mental well-being support, nutrition guidance, wellness programmes, and an Employee Assistance Program (EAP). It also offers exclusive discounts, lifestyle services, and reward redemption options that help employees manage everyday needs while improving overall engagement.

To further increase awareness and participation, we conduct Wellness Wednesday Sessions on the first Wednesday of every month. These interactive sessions focus on mental health, emotional intelligence, productivity, work-life balance, and healthy lifestyle practices. Through these initiatives, we encourage employees to build sustainable habits and take greater ownership of their well-being.

Additionally, our monthly newsletter features the 'Wellness Club' column, which highlights inspiring stories from NEROLITEs and their journeys towards healthier lifestyles.

Employee Rewards and Recognition

We focus on creating an ecosystem where individuals demonstrating initiative, delivering results, and embodying Nerolac's values experience differentiated rewards. Through the Titan+ rewards and recognition platform, we continue strengthening a culture of appreciation and recognition. The platform enables employees to acknowledge and celebrate contributions and achievements across teams and functions. This recognition initiatives remain closely aligned with our values and strategic objectives, reinforcing desired behaviours and performance outcomes.

In addition, we instituted the Annual Excellence Awards to recognise exceptional individual and team performance across functions. These awards celebrate sustained high performance, innovation, collaborative leadership, and demonstration of organisational values, further strengthening a performance-driven and merit-based culture.

Awards are also distributed among teams within the Nerolac Ecosystem in various categories, including

Best Performing Factory

Best Performing Decorative Zone

Best Performing Industrial Zone

Bawal Plant Recognised as the Factory of the Year at the Annual Learning Conference

Collectively, these recognition initiatives enhance employee motivation, engagement, and pride, while fostering a strong sense of belonging and accountability across the organisation.

Employee Benefits

We offer a comprehensive suite of benefits to support employees across different stages of their careers. These include gratuity, superannuation, medical and life insurance coverage, group accident insurance, pension and retirement benefits, and provident fund contributions. During FY 2025-26, we continued supporting eligible employees through our parental support framework.

Nurturing Talent

Talent Acquisition and Recruitment

Our employees are the key pillars behind everything we achieve. Hence, we place human capital at the centre of our talent philosophy. Our focus remains on strengthening skills, capabilities, and leadership readiness within a safe and inclusive environment.

To support this approach, we have embraced digitised hiring practices that bring precision, speed, and transparency to recruitment. This technology-driven process delivers a fair and engaging candidate experience. At the same time, it enables recruiters to focus on strategic talent decisions that strengthen organisational outcomes.

Our talent acquisition strategy aligns closely with organisational objectives while balancing employee well-being, job satisfaction, and internal growth opportunities. We remain committed to promoting diversity of thought and capability by encouraging open communication and engagement across all levels. In addition, we provide employees with the freedom and trust to take ownership. We also foster an environment that encourages bold thinking.

Fresh talent is recruited from leading management and engineering institutes through structured internships and campus collaboration programmes. Our Graduate Engineering Trainee (GET) and Management Trainee (MT) programmes offer strong learning opportunities for fresh graduates while providing end-to-end business exposure. Over the years, many leaders within the organisation have progressed through this system. Their journeys continue to serve as strong examples of career progression within the organisation.

Key initiatives include:

Campus Collaboration

Campus hiring remains a key channel for attracting young talent from reputed academic institutions across management and technical disciplines.

Gurukul/Aarambh Campus Programme

This programme supports the recruitment of early-career talent, including summer trainees, management trainees, graduate engineer trainees, technology trainees, and sales trainees, creating a strong pipeline of future-ready professionals.

Graduate Engineer Trainee Induction at the Head Office, Mumbai

Capability Building

Capability building remains a strategic priority for us. We focus on strengthening skills, leadership capabilities, and learning agility across the organisation. This enables us to respond effectively to evolving business and market requirements. Through a culture of continuous learning and development, we aim to empower our people, enhance organisational resilience, and support sustainable value creation. Key initiatives include:

Campus to Corporate

A transition programme focused on building professional readiness through grooming skills, effective communication, business email etiquette, and presentation skills

Rangshala: Paint Application Training

Programme designed for Demand Generation Associates, covering paint application techniques, surface preparation, dilution practices, complaint handling, self application, and competitor benchmarking

Building Awareness on ESG

Covers the nine BRSR Principles, POSH, Code of Conduct, Anti Corruption and Whistleblower policies, Supplier Code of Conduct, and other key elements of Environmental, Social, and Governance (ESG) practices

Wood Coating Training

A two day in person training programme for wood coating and household sales frontliners covering application techniques, surface preparation, dilution practices, complaint handling, and competitor benchmarking

Building Awareness on Enterprise Risk Management (ERM)

Covering the ERM framework and Risk Management Policy

Advanced Sales Training Programme

Focused on empowering frontline sales teams with essential skills and product knowledge to understand customer needs and drive successful sales outcomes

Training on Digital Applications

Provides training to internal stakeholders to enable the effective adoption and utilisation of digital applications aligned with their requirements

Advanced Business Communication

A training programme focused on strengthening communication effectiveness, including handling difficult customers, understanding communication styles, leveraging emotional intelligence, and enhancing soft skills for stakeholder interactions

Shiksha Product Training

Product-focused training programmes for decorative sales frontliners and employees, covering product features, advantages, benchmarking, and paint fundamentals to enhance selling confidence and effectiveness

Lead with Impact Training

A targeted programme designed for managers to enhance skills and knowledge, supporting career progression, achievement of professional objectives, and improved team effectiveness

Promoting Diversity and Inclusivity

Gender Diversity

We remain committed to strengthening gender diversity by steadily increasing women's representation across all organisational levels. To support this objective, we actively identify roles suited for women and collaborate with agencies specialising in diversity hiring. Currently, women employees constitute 4.55% of our permanent workforce, excluding workers, and 3.76%, including workers.

HIGHLIGHT

To accelerate progress, we established a Women's Council as a dedicated forum to amplify women's voices, foster mentorship, and drive career growth initiatives. The council will play a pivotal role in shaping policies, building networks, and expanding leadership opportunities for women. Through these efforts, we aim to ensure women at KNPL thrive across functions, including depots, R&D, HO, plants, and frontline sales.

Women Day Celebration at the Head Office

Inclusivity

At KNPL, inclusivity extends beyond gender. We celebrate the unique talents and perspectives of differently abled individuals, recognising their vital role in driving innovation and enriching our workplace culture. Our strategy includes collaborating with experts to identify and screen candidates for roles aligned with their skills and abilities.

We also remain committed to creating accessible workplaces and premises. Accordingly, we continue strengthening infrastructure and practices to support inclusivity for differently abled individuals. As we move forward, we remain dedicated to continuously enhancing opportunities, accessibility, and representation across our workforce.

Workforce Categorisation (Gender-wise)

Category	Male	Female
Permanent Employees and Workers	3,661	143

Female Workforce Categorisation (Function-wise, Including Workers)

Function	Male	Female
Sales	1,698	31
R&D and Manufacturing	1,728	63
Support	235	49
Total	**3,661**	**143**

Workforce Categorisation (Age-wise, Including Permanent Workers)

Category	Male	Female
<30 Years	752	74
30-50 Years	2,561	61
>50 Years	348	8
Total	**3,661**	**143**

Workforce Categorisation

Level	Male	Female
MD and Non-board Directors	2	0
President, SVP, VP and AVP	12	0
GM and DGM	35	1
Chief Manager and Senior Manager	119	5
Manager and Assistant Manager	442	29
Executives	2,345	106
Operators	706	2
Total	**3,661**	**143**

Human Resource Planning

Our Human Resources planning approach enables proactive identification of talent requirements, succession planning, and optimal workforce deployment. Through detailed talent reviews and workforce analytics, we create individual development plans for identified employees. These plans include formal training, cross-functional assignments, project-based exposure, and mentoring opportunities.

LEADERSHIP AND CAPABILITY DEVELOPMENT INITIATIVES

Management Development Centre (MDC)

We internally designed a structured and scientific Management Development Centre to support employee progression from junior to mid-level management roles. Through systematic assessment and development interventions, the programme recognises performance through timely elevation and expanded responsibilities.

Accelerated Leadership Programme

TAJ is a focused leadership acceleration programme developed in collaboration with a world-class external partner. The initiative aims to build a robust leadership pipeline for KNPL.

Supporting Structured Talent Development through Management Development Centre (MDC)

Employee Performance Management

We promote a performance management framework grounded in fairness, transparency, and trust. All employees undergo an annual performance evaluation aligned with individual objectives and organisational priorities. Through this process, we reinforce accountability, encourage continuous improvement, and recognise contributions meaningfully. Key initiatives include:

PERFORMANCE MANAGEMENT

Performance assessments are based on a balanced mix of quantitative outcomes and qualitative behavioural parameters, supported by the following:

- Key Performance Indicators (KPIs) are defined at the start of each financial year in alignment with the Company's growth strategy, encouraging collaboration and strengthening goal ownership across teams
- Reward systems are designed to remain competitive, transparent, and easy to understand, in response to the visible need for robust compensation governance processes to attract new talent effectively

ABSORPTION PLAN

Structured evaluations are conducted for contractual employees to assess performance and behavioural competencies, supporting their potential transition to permanent roles within the organisation.

PERFORMANCE DASHBOARDS

User-friendly digital dashboards provide periodic performance insights, enabling employees and managers to track progress, identify improvement areas, and drive performance consistency across teams.

Ethics and Integrity

We focus on fairness and transparency, ensuring performance, ethics, and ownership define success. Across the organisation, from the shopfloor to the boardroom, employees have the space to speak up, take initiative, and grow. We also strive to create a workplace where employees feel comfortable approaching senior leaders.

To reinforce these principles, KNPL upholds the highest standards of ethical conduct through a comprehensive Code of Conduct applicable to managerial and executive employees. The framework defines clear behavioural expectations aligned with professionalism, discipline, and ethical business practices.

THE CODE OF CONDUCT OUTLINES EXPECTATIONS RELATED TO:

- Conflict of Interest
- Anti-Corruption Practices
- Confidentiality
- Compliance with Laws and Regulations
- Protection and Appropriate Use of Company Assets
- Fair Dealing and Ethical Business Conduct
- Handling of Company Patents
- Appropriate Social Conduct

WHISTLEBLOWER POLICY

Our robust Whistleblower Policy encourages employees to report suspected misconduct without fear of retaliation. Strong safeguards ensure confidentiality and fair investigation processes. Through these measures, we continue reinforcing our commitment to transparency, integrity, and accountability.

Creating a Safe and Hygienic Work Environment: Occupational Health and Safety in Action

Health and Safety remain integral to our responsible business conduct. We strongly believe all incidents are preventable. Protecting employee health, safety, and well-being is also fundamental to long-term value creation and sustainable business growth.

Our approach is anchored in a philosophy that embeds safety accountability across all organisational levels. By fostering a proactive safety culture, we seek to minimise operational risks, safeguard human capital, and ensure business continuity.

We have implemented an Occupational Health, Safety and Environment (OHS&E) Policy that clearly outlines management responsibility, regulatory compliance, and continuous improvement. Safety remains a fundamental organisational value and is integrated into all operational and decision-making processes. In alignment with Kansai Paint Co., Ltd., Japan's safety guidelines, we conduct structured audits to ensure consistency, transparency, and adherence to best-in-class safety governance standards.

A formally constituted Safety Committee, comprising management and workmen representatives, oversees EHS performance across manufacturing plants. Regular site visits, employee interactions, and reviews of safety performance and improvement opportunities further reinforce senior leadership engagement. Through these efforts, we aim to:

- Ensure statutory compliance and policy implementation
- Facilitate workforce participation in safety initiatives
- Review of incidents, audits, and leading indicators
- Strengthen accountability across organisational tiers

Fire Safety Training at the Jainpur Plant

Workforce Capacity Building and Safety Training

Our Behaviour-based Safety (BBS) programme is further strengthened through increased observation frequency and advanced behavioural training. Additionally, Personal Level Risk Assessments (PLRA) empower individuals to identify, assess, and manage risks associated with routine tasks.

During FY 2025-26, we continued to deepen our commitment to workplace safety by adopting a holistic and people-centric EHS engagement approach. A combination of visual communication, real time instructions and structured training enabled us to reach employees across all levels and shifts, fostering a strong culture of safety ownership.

CONTINUOUS SAFETY AWARENESS

- Safety communication through visual media was strengthened by installing televisions in the canteen areas, where safety films, awareness videos, and best practice messages are regularly displayed, ensuring consistent reinforcement of safety messages in a relaxed, high-engagement environment
- Shift-wise safety instructions were delivered through a dedicated public address (PA) system on the shop floor, ensuring that critical safety precautions, process specific hazards, and behavioural reminders reached all employees at the start of every shift

EMERGENCY PREPAREDNESS AND SKILL ENHANCEMENT

- Mock drills, conducted in collaboration with external specialised agencies, enhanced emergency readiness and validated our response protocols, enabling employees to practice real-life scenarios while strengthening confidence, coordination, and response effectiveness

EXPERIENTIAL LEARNING INITIATIVES

- Dedicated EHS galleries were created as knowledge hubs, showcasing safety standards, hazard identification, emergency response guidelines, and sustainability initiatives, making EHS learning visual and interactive

STRUCTURED TRAINING PROGRAMMES

- Focused efforts on training delivery resulted in an achievement of 3 man-days of EHS training per person during FY 2025-26, supporting continuous skill enhancement
- Training programmes covered safety procedures, emergency response, environmental awareness, and behavioural safety, among others, ensuring well rounded development of employees

Safety Management Systems and Continuous Improvement

Our safety management framework is reinforced by structured on-ground initiatives such as:

- Regular safety audits and earthing continuity verification of equipment and machinery
- Cross-functional team (CFT), 5S, and safety inspections
- Targeted safety communications and awareness drives

A dedicated Cross-Functional Safety Excellence Team benchmarks safety systems against global standards and industry-best practices. Quarterly reviews assess performance trends and enable continuous enhancement of safety controls beyond regulatory requirements.

Complementing these systems, our **Safety Awareness Programme** strengthens supervisory and managerial capabilities in hazard recognition, risk assessment, and effective communication - supporting long-term cultural transformation.

Risk Assessment, Hazard Identification and Preventive Controls

To proactively manage occupational risks, we expanded Process Hazard Analysis (PHA) and Hazard and Operability (HAZOP) studies across operational units. These assessments enable early risk identification while supporting structured mitigation and elimination plans. Key preventive controls include:

- Chemical storage and handling aligned with Chemical Compatibility Guidelines
- Segregation, labelling and controlled access protocols for hazardous materials
- Risk-based engineering, administrative, and behavioural controls

These measures help reduce operational risk exposure while strengthening resilience across the manufacturing ecosystem.

Behaviour Based Safety Training at Sayakha Plant

Chemical Safety at Sayakha Plant

Occupational Health Centres

Our manufacturing facilities are supported by fully operational Occupational Health Centres (OHCs) that provide comprehensive medical services to employees. Qualified physicians and experienced healthcare professionals' staff these centres, ensuring high-quality care at all times. Each OHC is also equipped with 24/7 emergency ambulance services operated by trained paramedics.

The primary objective of our OHCs is to promote employee health and well-being while proactively preventing occupational illnesses and injuries. To support this objective, we systematically review and analyse medical records and reported concerns. This helps us identify root causes and detect emerging health trends.

We conduct biannual health check-ups for all employees, including contract workers. In addition, our OHCs offer preventive and wellness services such as specialised medical counselling, nutritional guidance, and ergonomic assessments. Through these initiatives, we continue supporting the overall health and productivity of our workforce.

Case Study

Safe and Automated Biocide Handling

Biocides play a critical role in preventing microbial growth in water-based formulations. Traditionally, biocide handling and dosing involved manual operations, posing occupational health risks, potential chemical exposure, and inconsistencies in dosing accuracy.

To address this, we implemented **Automated Biocide Handling and Dosing System** at our Goindwal Sahib paint manufacturing facility. The initiative resulted in improved employee safety, enhanced process reliability, regulatory compliance, and measurable reductions in chemical exposure and operational risk. We have replicated this initiative at our Jainpur and Hosur plants, with plans underway to extend it across all other facilities to eliminate manual biocide handling.

Comprehensive Safety Oversight

We maintain a robust monitoring mechanism for our Occupational Health and Safety (OH&S) management systems through regular audits and evaluations. During the year, we carried out comprehensive inspections aligned with enhanced Global Safety and Quality Standards. These inspections covered key areas, including management systems, fire safety and emergency response, chemical handling and containment, and accident prevention measures. Improved audit outcomes across manufacturing units reflect the continuous strengthening of preparedness and risk control measures.

Incident Management

We investigate all safety incidents through a structured framework to ensure comprehensive analysis. In the event of an incident, a specialised cross-functional team at the respective manufacturing site analyses and determines the underlying causes using advanced root cause analysis techniques. Based on the findings, we develop and implement detailed corrective and preventive action (CAPA) plans.

Investigation findings, identified root causes, and CAPA plans are systematically communicated across multiple organisational levels to strengthen collective learning. In addition, a structured knowledge-sharing mechanism across manufacturing facilities supports the prevention of similar incidents. Relevant learnings from allied industries further supplement these efforts. We also provide the Board of Directors with regular quarterly updates on incidents and the status of CAPA implementation.

Focus on Fire Safety

Fire safety remains a critical focus area across all manufacturing facilities, supported by advanced fire detection and suppression systems, rigorous protocols, and regular inspections. To strengthen preparedness and emergency response, we conduct periodic mock drills and evacuation exercises.

Alongside these measures, significant emphasis is placed on enhancing employee awareness through comprehensive training programmes on fire safety procedures and evacuation protocols. This enables prompt and coordinated action during emergencies. Collectively, these initiatives reinforce robust fire safety standards while safeguarding employees, manufacturing infrastructure, and assets.

Fire Safety Training at Sayakha Plant

Industry Recognition for Safety Leadership

Our strong commitment to safety has earned notable industry recognition. During FY 2025-26, reputed bodies such as the Confederation of Indian Industry (CII) recognised several of our manufacturing facilities for excellence in safety management across multiple categories. These recognitions reaffirm the effectiveness of our comprehensive safety initiatives implemented throughout our operations.

AWARDS RECEIVED IN FY 2025-26

5S Champions

Sayakha Plant Received the Platinum Award in the 5S Competition Organised by CII.

Safety Excellence

Sayakha Plant Received the Gold Award for Best Safety Practices at the 8th CII IQ National Safety Practice.

Best EHS Practices

Hosur Plant Received the Gold Award for Best Organisation in Overall EHS Practices at the 7th CII National EHS Circle Competition.

Low Cost Automation

Hosur Plant Received the Silver Award for Low Cost Automation for Human & Other Safety Case Study at the 9th LCA Circle.

Way Forward

Looking ahead, we remain committed to strengthening our human capital by advancing a culture of inclusivity, engagement, and continuous development. We will continue enhancing employee capabilities through focused learning initiatives while fostering an environment built on fairness, respect, and collaboration. At the same time, equal emphasis will be placed on further embedding robust health and safety practices through ongoing improvements in systems and workplace well-being. Through these initiatives, we are building a resilient, performance-driven, and future-ready workforce that will continue to be a key enabler of sustained business growth and value creation.

KANSAI PAINT

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KANSAI NEROLAC PAINTS LIMITED

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Tel.: +91 22 40602500/40602501 • **Website:** www.nerolac.com • **Investors Relations e-mail ID:** investor@nerolac.com
Corporate Identity Number (CIN): L24202MH1920PLC000825

Notice

NOTICE is hereby given that the 106th Annual General Meeting of Kansai Nerolac Paints Limited will be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), on Thursday, 9th July, 2026 at 11 a.m. (IST), to transact the following business:

Ordinary Business:

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the year ended 31st March, 2026 and the Reports of the Board of Directors and the Auditors thereon.

2. To declare a dividend of ₹ 2.50 (250%) per Equity Share of the nominal value of ₹ 1 each for the year ended 31st March, 2026.

3. To appoint a Director in place of Mr. Takashi Tomioka, Non-Executive Director (holding Director Identification Number 08736654), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

4. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

   "RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory amendment or modification or re-enactment thereof, for the time being in force), the remuneration of the Cost Auditor, D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611), to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2027, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified.

   RESOLVED FURTHER that the Board of Directors and/or Key Managerial Personnel of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution."

For and on behalf of the Board

Bhaskar Bhat
Chairman

Mumbai, 6th May, 2026

NOTES:

1. In compliance with the Circular No. 03/2025 dated 22nd September, 2025 read with Circular No. 14/2020 dated 8th April, 2020 and all other relevant Circulars ("MCA Circulars") issued by the Ministry of Corporate Affairs ("MCA") and relevant provisions of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Annual General Meeting ("AGM") will be held without the physical presence of Shareholders at a common venue.

   In this Annual Report, the connotation of "Members" and "Shareholders" is the same.

2. Explanatory Statement pursuant to Section 102 of the Act relating to Item no. 4 of the Notice of the 106th AGM is annexed hereto. Also, relevant details in respect of the director seeking re-appointment at the AGM, in terms of Regulation 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard - 2 on General Meetings are also annexed to this Notice.

The matters of Special Business as set out in Item no. 4 of the Notice is considered to be unavoidable by the Board of Directors of the Company.

3. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and relevant documents referred to in this Notice will be available electronically for inspection by the Members before as well as during the AGM. Members seeking inspection of such documents may write to the Company at agm@nerolac.com by mentioning "Request for Inspection" in the subject of the e-mail.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held through VC/OAVM, whereby physical attendance of Members has been dispensed with and in line with the relevant Circulars, THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST VOTE FOR THE SHAREHOLDER IS NOT MADE AVAILABLE FOR THIS AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

   However, in terms of the provisions of Sections 112 and 113 of the Act read with the relevant Circulars, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC/OAVM on their behalf and participate thereat, including cast votes by electronic means (details of which are provided separately, herein below). Such Corporate Members are requested to refer 'General Guidelines for Shareholders' provided herein below, for more information.

5. The Members can join the AGM through VC/OAVM 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on 'first come first serve basis'. This will not include large Shareholders (Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee etc., who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. The Shareholders, seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, 29th June, 2026, through e-mail at agm@nerolac.com. The same will be replied by/on behalf of the Company suitably.

8. In line with the applicable Circulars, the Annual Report including Notice of the 106th AGM of the Company *inter alia* indicating the process and manner of e-voting is being sent by e-mail, to all the Shareholders whose e-mail IDs are registered with the Registrar and Share Transfer Agents ("RTA") of the Company viz. MUFG Intime India Private Limited / Depository Participant(s) and to all other persons so entitled.

   In terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said Circulars, the Annual Report including Notice of the 106th AGM of the Company is also available on the website of the Company at www.nerolac.com. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of National Securities Depository Limited ("NSDL") at https://www.evoting.nsdl.com.

   Further, in terms of Regulation 36(1)(b) of the SEBI Listing Regulations, a physical communication containing the weblink and the exact path where the Annual Report is available, is being sent to Shareholders who have not registered their e-mail address with the RTA of the Company / Depository Participant(s).

9. **Voting through electronic means**

   Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended, the Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India) and Regulation 44 of SEBI Listing Regulations and the relevant Circulars issued by MCA, the Company is providing facility of e-voting to its Members in respect of the business to be transacted at the AGM by electronic means. For this purpose, the Company has entered into an agreement with NSDL as the authorized agency, for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.

   Further, in accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company has fixed Thursday, 2nd July, 2026 as the "cut-off date" to determine the eligibility to vote by remote e-voting or e-voting at the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, i.e. Thursday, 2nd July, 2026, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM.

Only those Shareholders attending the AGM through VC/OAVM, who have not cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting at the AGM.

The Company has appointed Mr. J. H. Ranade, Membership No. F4317 & Certificate of Practice No. 2520 or failing him Mr. Sohan J. Ranade, Membership No. A33416 & Certificate of Practice No. 12520 or failing him Mrs. Tejaswi Jogal, Membership No. A29608 & Certificate of Practice No. 14839 (anyone of them), being Partners of JHR & Associates, Company Secretaries in practice, as the Scrutinizer to scrutinize the remote e-voting and the e-voting at the AGM in a fair and transparent manner.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, 6th July, 2026 at 9 a.m. and ends on Wednesday, 8th July, 2026 at 5 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Thursday, 2nd July, 2026, may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up Equity Share Capital of the Company as on the cut-off date, being 2nd July, 2026. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A) <u>Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode</u>

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. 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, verification code and generate OTP. Enter the OTP received on registered e-mail 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 and voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "**Access to e-voting**" under e-voting services and you will be able to see e-voting page. Click on company name or **e-voting service provider i.e. NSDL** and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 4. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. 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. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user ID and password. Option will be made available to reach 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 & New System Myeasi Tab and then use your existing my easi username & password. 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 company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. 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.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) 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 Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
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.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. 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 Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 139615 then user ID is 139615001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-voting, then you can user 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. 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 e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from

NSDL from your mailbox. Open the e-mail and open the attachment i.e. pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your e-mail ID is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail IDs are not registered.**

6. 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 number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting 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" of company for which you wish to cast your vote during the remote e-voting period and casting your vote 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.

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.

General Guidelines for Shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jhr@jhrasso.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.

2. 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.

3. In case of any queries, 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 on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, DVP - NSDL at evoting@nsdl.com.

Process for those shareholders whose e-mail IDs are not registered with the depositories for procuring user ID and password and registration of e-mail IDs for e-voting for the resolutions set out in this notice:

If your e-mail address is not registered with the Depository Participant(s) (if shares held in electronic form)/ Company (if shares held in physical form), you may register it on or before Tuesday, 30th June, 2026 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 'Kansai Nerolac Paints Limited' from dropdown.

c. Enter details in respective fields such as DP ID and Client ID (if shares held in electronic form)/Folio no. and Certificate no. (if shares held in physical form), shareholder name, PAN, mobile no. and e-mail ID.

d. System will send One Time Password ('OTP') on mobile no. and e-mail ID.

e. Enter OTP received on mobile no. and e-mail ID.

f. Click on submit button.

g. System will then confirm the recording of the e-mail address.

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to evoting@nsdl.com for procuring the User ID and Password for e-voting.

In case shares are held in demat mode, please provide DP ID Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to evoting@nsdl.com for procuring the User ID and Password for e-voting. If you are an individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-voting and joining virtual meeting for individual Shareholders holding securities in demat mode**.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ Shareholders, who will be present at the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.

3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the 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 the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request from their registered e-mail ID mentioning their name, DP ID and Client ID/Folio Number, PAN, mobile number at agm@nerolac.com from Monday, 29th June, 2026 (from 9 a.m.) to Friday,

3rd July, 2026 (upto 5 p.m.). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Further, a facility will be provided to the Shareholders attending the AGM through VC/OAVM on Thursday, 9th July, 2026, whereby they can pose questions concurrently, during the proceedings of the Meeting.

Other Information

Any person holding shares in demat or physical form and non-individual Shareholder who acquires shares of the Company and becomes a Member of the Company after sending of this Notice and holding shares in demat mode as on the cut-off date may refer to the instructions mentioned in **"Step 1: Access to NSDL e-voting system"**.

10. **Scrutinizer's Report and declaration of results:**

(i) The Scrutinizer shall, after the conclusion of e-voting at the AGM, first count the votes cast vide e-voting at the AGM and thereafter shall unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company. He shall submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, not later than 48 (forty eight) hours of the conclusion of the AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(ii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website at www.nerolac.com and on the website of NSDL at www.evoting.nsdl.com. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

11. The Shareholders who are holding shares in dematerialised form and have not yet registered their e-mail IDs with their Depository Participant(s) are requested to register their e-mail ID at the earliest, to enable the Company to use the same for serving documents to them electronically, hereafter.

Shareholders holding shares in physical form may kindly provide their e-mail ID to the RTA of the Company, by sending an e-mail at investor.helpdesk@in.mpms.mufg.com. The support of the Shareholders for the 'Green Initiative' is solicited.

12. **Dividend**

(i) The Board has recommended a dividend of 250% (₹ 2.50 per Equity Share) for the financial year ended 31st March, 2026. The dividend paid for the financial year ended 31st March, 2025 was 375% (₹ 3.75 per Equity Share) which included a special dividend of 125% (₹ 1.25 per Equity Share).

(ii) The Company has fixed Monday, 29th June, 2026 as the record date for determining entitlement of Members to dividend for the financial year ended 31st March, 2026. The dividend, if declared, will be payable on or after Tuesday, 14th July, 2026, to those Shareholders whose names are registered as such in the Register of Members of the Company as on Monday, 29th June, 2026 and to the beneficiary holders as per the Register of Beneficial Owners as on Monday, 29th June, 2026 provided by the Depositories, NSDL and CDSL, subject to deduction of tax at source where applicable.

(iii) Payment of dividend through electronic means

(a) The Company provides the facility to the Shareholders for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7th May, 2024 read with SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/81 dated 10th June, 2024, has mandated that, with effect from 1st April, 2024, dividend to security holders who are holding securities in physical form shall be paid only through electronic mode. Such payment shall be made only after the shareholders furnish their PAN, contact details (postal address with PIN and mobile number), bank account details and specimen signature ("KYC") and choice of Nomination. As per the aforesaid SEBI Circulars, members holding securities in physical form may note that dividend payable against their shareholdings would be withheld if their KYC details are not updated with the RTA of the Company, MUFG Intime India Private Limited.

The forms for updation of PAN, KYC, bank details and nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 are available on RTA's website at https://web.in.mpms.mufg.com/KYC-downloads.html.

In view of the above, we urge the Shareholders holding shares in physical form to submit the required forms along with the supporting documents at the earliest to the RTA.

(b) Shareholders holding shares in dematerialised form are hereby informed that bank particulars registered against their respective demat accounts will be used by the Company for payment of dividend. The Company/RTA cannot act on any request received directly from the Shareholders holding shares in dematerialised form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant(s) of the Shareholders.

(iv) Pursuant to Finance Act, 2020, dividend income is taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Shareholders at the prescribed rates.

For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their PAN with the RTA of the Company (in case of shares held in physical form) and their respective Depository Participant(s) (in case of shares held in dematerialised form). A resident individual Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 121, to avail the benefit of non-deduction of tax at source by e-mail to csgexemptforms2627@in.mpms.mufg.com by Friday, 19th June, 2026. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Resident Shareholders whose dividend is liable for deduction of TDS at a concessional or Nil rate as per Section 395 of the Income-tax Act, 2025 can submit the certificate/letter issued by the Assessing Officer, to avail the benefit of lower rate of deduction or non-deduction of tax at source by e-mail to csgexemptforms2627@in.mpms.mufg.com by Friday, 19th June, 2026.

Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing the necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Electronic Form 41, any other document which may be required to avail the tax treaty benefits by sending an e-mail to amitvora@nerolac.com and ganeshmogaveera@nerolac.com. The aforesaid declarations and documents need to be submitted by the Shareholders by Friday, 19th June, 2026.

(v) In terms of the provisions of Sections 124 and 125 of the Act, dividend which remains unpaid/unclaimed for a period of 7 (seven) years from the date of declaration is required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Accordingly, the unpaid/unclaimed dividend for the financial year 2017-18, has been transferred by the Company to the IEPF during financial year 2025-26. Those Shareholders who have not claimed their dividends for the financial year 2018-19 onwards are requested to lodge their claims in that regard with the RTA of the Company.

Further, in terms of the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), Equity Shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more from the date of declaration, are also required to be transferred to an account viz. IEPF Suspense Account, which is operated by the IEPF Authority pursuant to the IEPF Rules. Accordingly, in compliance with the aforesaid Rules, during FY 2025-26, the Company has already transferred Equity Shares on which dividend remained unclaimed for 7 (seven) consecutive years from the financial year 2017-18 to the IEPF Suspense Account, after providing necessary intimations to the relevant Shareholders. Details of such Equity Shares to be transferred in financial year 2026-27 have been uploaded on the website of the Company at https://www.nerolac.com/financial/shareholders.html.

Details of unpaid/unclaimed dividend and Equity Shares transferred to IEPF for financial year 2017-18 are uploaded on the website of the Company. No claim shall lie against the Company in respect of unclaimed dividend amount and Equity Shares transferred to the IEPF and IEPF Suspense Account, respectively, pursuant to the IEPF Rules. Shareholders can however claim both unclaimed dividend amount and Equity Shares from the IEPF Authority by making an online application in web Form IEPF-5, the details of which are available on www.iepf.gov.in.

The IEPF Authority had requested companies to carry out a special outreach campaign "Saksham Niveshak" from 28th July, 2025 to 6th November, 2025 and 1st April, 2026 to 9th July, 2026 to reach out to shareholders whose dividend remains unpaid/unclaimed. The Company encourages its Shareholders to claim their unclaimed dividends by updating their KYC details, (viz., PAN, Bank account details, contact details, choice of nomination, specimen signature).

13. In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended from time to time and SEBI Circular bearing No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, the listed companies shall issue the securities in dematerialised form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition etc. The Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR–4, the format of which is available on the website of the Company at https://www.nerolac.com/financial/shareholders.html and on the website of the Company's RTA at https://in.mpms.mufg.com. After necessary due-diligence by RTAs/listed companies, securities will be directly credited to the demat account of the investor.

14. Further, pursuant to the SEBI Circular No. SEBI/LAD-NRO/GN/2023/130 dated 23rd May, 2023 and consequent amendment to Regulation 294 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which *inter alia* states that the allotment of bonus shares shall be made only in dematerialised form, the Company has transferred the Bonus Shares allotted to the Shareholders holding Equity Shares in physical form as on the record date, to an Escrow Demat Account maintained by the Company. Shareholders can claim these Bonus Shares transferred to the said Escrow Demat Account on submission of necessary documentation.

    SEBI has mandated the submission of PAN by every participant in securities market. Shareholders holding shares in dematerialised form are, therefore, requested to submit their PAN to the Depository Participant(s) with whom they maintain their demat accounts. Shareholders holding shares in physical form should submit their PAN to the RTA of the Company.

15. Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, e-mail ID, telephone/mobile numbers, PAN, mandates, nominations, power of attorney, bank details (such as name of the bank and branch details, bank account number, MICR code, IFSC code etc.), with necessary documentary evidence, to their Depository Participant(s) in case the shares are held in dematerialised form and to the RTA of the Company in case the shares are held in physical form.

16. In terms of the provisions of Section 72 of the Act, the facility for making nomination is available for the Shareholders in respect of the shares held by them. Shareholders holding shares in dematerialised form are requested to submit to their Depository Participant(s) and the Shareholders holding shares in physical form, are requested to submit to the RTA of the Company.

17. Shareholders are requested to quote their Folio No. or DP ID – Client ID, as the case may be, in all correspondence with the Company/RTA.

18. Since the AGM will be held through VC/OAVM, route map of venue of the AGM is not attached to this Notice.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

In accordance with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to conduct cost audit of its cost records pertaining to the products falling under the product categories – Organic & Inorganic Chemicals, Plastics and Polymers and Insecticides or any other products required by the law, for the financial year ending 31st March, 2027. The products of the Company covered under the aforesaid categories are different types of thinners, additives, powder coating products, hardeners, construction chemicals etc.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, has approved the appointment of D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611), as the Cost Auditor for the financial year ending 31st March, 2027 on a remuneration of ₹ 4,00,000 plus GST and reimbursement of out-of-pocket expenses.

D. C. Dave & Co., Cost Accountants has conveyed its willingness to act as Cost Auditor of the Company for the financial year ending 31st March, 2027. The eligibility and consent letter will be available for inspection of the Shareholders through electronic mode. Shareholders may write to the Company at agm@nerolac.com in that regard, by mentioning “Request for Inspection” in the subject of the e-mail.

In terms of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration recommended by the Audit Committee to Cost Auditor and approved by the Board of Directors, is required to be ratified by the Shareholders. Hence, the Ordinary Resolution set out in Item no. 4 of the Notice seeks approval of the Shareholders for the same.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives, are in any way concerned or interested (financially or otherwise), in the proposed Ordinary Resolution.

The Board recommends ratification of the remuneration payable to D. C. Dave & Co., Cost Accountants, Cost Auditor of the Company, as recommended by the Audit Committee and approved by the Board of Directors, as set out in Item no. 4 of the Notice, for approval of the Shareholders.

For and on behalf of the Board

Bhaskar Bhat
Chairman

Mumbai, 6th May, 2026

Annexure to the Notice

Details of the Director seeking re-appointment in the 106th Annual General Meeting, as set out in Item no. 3 of this Notice, in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with clause 1.2.5 of Secretarial Standard - 2 on General Meetings:

Name of Director	**Mr. Takashi Tomioka**
Director Identification Number	08736654
Age	53 years
Brief profile including qualifications and experience	Mr. Takashi Tomioka graduated from Tokyo Gakugei University, Faculty of Education. He joined Kansai Paint Co., Ltd., Japan (“KPJ”) in April 1996 and has worked in various divisions of KPJ. He is currently Director of the Board, Managing Executive Officer, Chief Financial Officer and Head of Business Unit at KPJ.
Date of first appointment	7th May, 2020
Directorships in other companies (excluding this Company, foreign companies and Section 8 companies)	Nil
Memberships/ Chairmanships of Committees# of other companies	Nil
Directorship in other listed entities	Nil
Listed entities in which the Director has resigned in the past three years	Nil
Shareholding in the Company as on 31st March, 2026	Nil*
Relationship between Directors inter-se, with other Directors and Key Managerial Personnel of the Company	None of the directors are related to each other. However, Mr. Takashi Tomioka and Mr. Gen Yokota, Non-Executive Directors and Mr. Pravin D. Chaudhari, Managing Director, are the nominees of KPJ.
Last drawn remuneration	None
Remuneration proposed to be paid	None
Number of meetings of Board attended during the year	10 (Ten) Board Meetings

In terms of the provisions of Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/ Chairmanships in Audit Committee and Stakeholders’ Relationship Committee are considered.

* Mr. Takashi Tomioka is a nominee of KPJ, Promoter Company and he does not hold any Equity Share of the Company in his personal capacity.

Board's Report

Dear Members,

The Directors of your Company are pleased to present the 106th Annual Report and the Audited Financial Statements (Standalone and Consolidated) for the year ended 31st March, 2026 ('reporting year'/'year under review'/'FY 2025-26'). The section on Management Discussion and Analysis includes a review of the financial performance of the Company: financial highlights of the Company's standalone financial results, key financial ratios, and the dividend recommended by the Directors. It also includes the particulars of the Company's subsidiaries, including overseas subsidiaries and their performance during the year under review.

Management Discussion and Analysis

Introduction

Kansai Nerolac Paints Limited (referred to as 'KNPL', 'the Company' or 'We'), established in 1920, is a subsidiary of Kansai Paint Co., Ltd., Japan. In addition to our primary operations in India, we have established a presence in Nepal and Bangladesh through strategic acquisitions and joint ventures. As one of the largest manufacturers of paints and coatings in India, we have established a strong position in the decorative and industrial coatings sector. The Company continues to lead the Automotive and Powder Coating segments and commands a significant market share in performance coatings backed by deep technical expertise and longstanding industry partnerships. In the Decorative segment, we are recognised as the third-largest paint manufacturer in India. Our strong market position is driven by sustained investments in intellectual and human capital, complemented by access to advanced global technologies. This enables us to deliver differentiated, environmentally responsible, and innovation-led solutions, tailored to the evolving needs of Indian consumers.

As a trusted name in the industry, KNPL is committed to designing solutions that protect, inspire, and touch lives every day. Our painting solutions provide 'Beauty and Protection' to a wide array of applications, including decorative paints (interior and exterior, wood coating, construction chemicals, tile adhesives), automotive coatings (for 2-, 3-, and 4-wheelers, electric vehicles,

commercial vehicles, and tractors), emerging segments (underbody coatings, alloy wheels, and seam sealers), consumer durables (fans, microwaves, refrigerators, washing machines), personal items (hair clips, artificial jewellery), and transportation infrastructure (bridges, metro rail). This commitment is encapsulated in our belief that **'There is a little bit of Nerolac in everybody's life'.**

At KNPL, passion is more than emotion; it is the driving force behind everything we do. It fuels high performance, sparks innovation, and pushes us to raise the bar every single day. Here, ambition is encouraged, effort is recognised, and growth is purposefully designed. With clear pathways for progression, learning, and leadership, passion here takes colour, shape, and impact.

As we look ahead to FY 2026-27, we remain committed to building on the strong foundation established in recent years. Guided by our core values of innovation, integrity and customer centricity, we aim to deepen our relations with our stakeholders while maintaining a disciplined approach to growth. We will continue to enhance our product offerings, improve service quality and drive operational efficiencies, with the objective of creating sustainable value for all our stakeholders.

Industry Progress

FY 2025-26 was characterised by a mixed operating environment for the Indian paints and coatings industry. The year was shaped by multiple external factors, such as geopolitical conflicts, the onset and exit of the monsoon, GST cuts, infrastructure growth, and consumer demographics.

During the year under review, the demand for decorative paints, especially in the North region, was affected by the Indo-Pak conflict. As the year progressed, the painting cycle was affected by the early onset and prolonged monsoon. However, rural demand remained relatively stable throughout the year, while urban demand showed an uptick. Also, demand during the festive period was subdued due to a shorter Diwali season; however, a recovery was observed in the latter part of the year. Overall, the Decorative segment continued to face near-term pressures, even as underlying demand drivers remained intact.

For the automotive industry, the second half of the year saw a decisive upshift as GST 2.0 improved affordability, lifted sentiment, and triggered momentum, which was further bolstered by the festive season. Demand momentum remained robust across all major sub-segments. The Passenger Vehicle segment delivered good growth, reflecting sustained consumer demand and new model launches. The two-wheeler and Three-wheeler segments also recorded strong growth, whereas the Commercial Vehicle segment witnessed strong double-digit growth.

The Performance Coatings segment demonstrated resilience and healthy growth during the year. Infrastructure development across railways, roads, airports, and power projects continued to augur well for the industry, driving demand for high-end and premium coatings. General industrial coatings witnessed healthy demand while the Powder Coatings segment maintained stable demand.

In summary, FY 2025-26 was a year of measured progress for the paints industry. While the year was marked by short-term challenges, it was supported by strong fundamentals, infrastructure investments, healthy demand in the automotive sector, and a sustained shift towards premium and performance-driven solutions.

Financials

Highlights

A summary of KNPL's standalone financial results for the year ended 31st March, 2026 (FY 2025-26), compared to the standalone financial results for the previous year, FY 2024-25, is as follows:

(₹ in Crores)

Particulars	FY 2025-26	FY 2024-25
Revenue from Operations	7,739.23	7,496.71
Profit Before Depreciation, Interest, Exceptional Item, and Tax (PBDIT)	986.22	974.13
Less: Depreciation and Amortisation	221.36	193.68
Profit Before Interest, Exceptional Item, and Tax (Operating Profit)	764.86	780.45
Less: Interest	18.41	15.09
Add: Other Income	152.46	142.06
Profit Before Exceptional Item and Tax	898.91	907.42
Add: Exceptional Item	(60.70)	479.19
Profit Before Tax (PBT)	838.21	1,386.61
Less: Tax Expenses	218.36	365.37
Profit after Tax	619.85	1,021.24
Other Comprehensive Income	6.74	(3.46)
Total Comprehensive Income for the Year	626.59	1,017.78

Revenue from operations for the year aggregated to ₹ 7,739.23 Crores, compared to ₹ 7,496.71 Crores in the previous year, reflecting 3.2% growth. Although average crude oil prices declined during the year, currency depreciation partially offset the impact. Consequently, overall raw material prices remained largely stable throughout the year.

Meanwhile, we continued our efforts to control overheads, with all departments contributing positively towards this objective. PBDIT for the year stood at ₹ 986.22 Crores, compared to ₹ 974.13 Crores in the previous year, reflecting 1.2% growth. In addition, other income increased to ₹ 152.46 Crores from ₹ 142.06 Crores recorded in the previous year.

THE FOLLOWING EXCEPTIONAL ITEMS WERE RECORDED DURING THE YEAR:

- Provision for impairment of long-term investment, loan, trade receivables, and financial guarantees, after considering past performance and prevailing economic and market conditions, amounted to ₹ 5.76 Crores
- Additional employee benefit cost of ₹ 44.72 Crores was recognised based on actuarial valuation following implementation of the Wage Code
- Loss arising from the fire incident at the warehouse located in Ghaziabad, Uttar Pradesh, amounted to ₹ 10.22 Crores

PBT for the year stood at ₹ 898.91 Crores, marginally lower than ₹ 907.42 Crores reported in the previous year before exceptional items, reflecting a degrowth of 0.9%. PAT declined to ₹ 619.85 Crores from ₹ 1,021.24 Crores in the previous year, marking a degrowth of 39.3%. Return on net worth, excluding exceptional items, stood at 10.3% compared to 11.3% in the previous year.

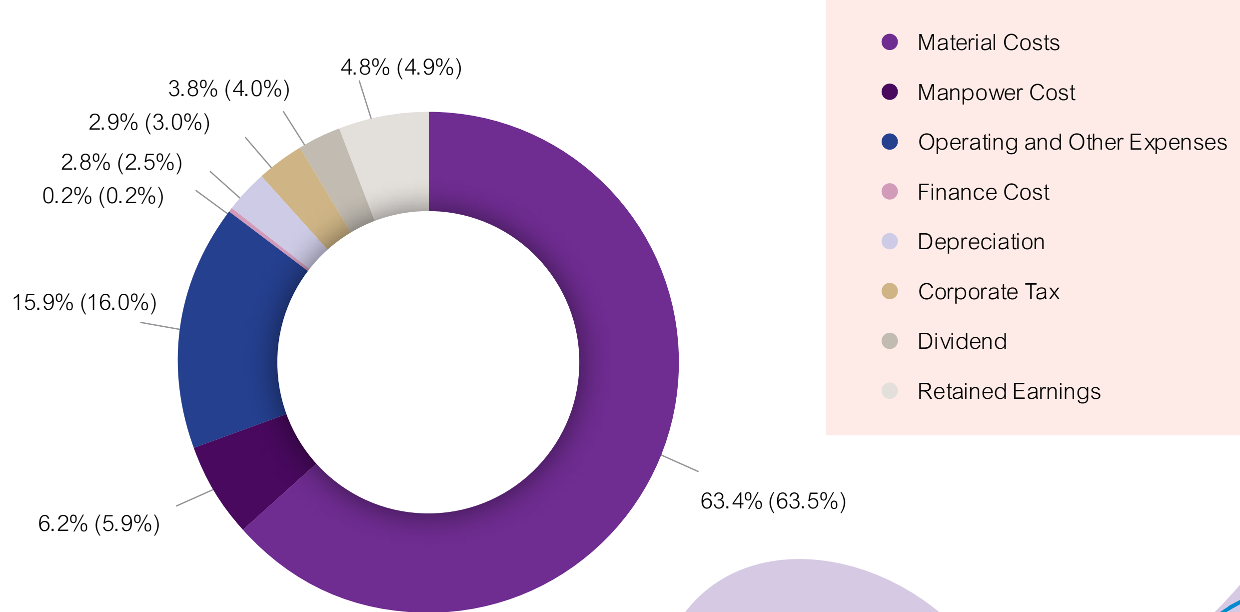
During the year, KNPL did not accept any deposits covered under Chapter V of the Companies Act, 2013. Furthermore, no material orders were passed by regulators, courts, or tribunals that could affect our going concern status or future operations. There was also no change in the nature of our business during the year. Additionally, no material changes or commitments affecting our financial position occurred between the end of the financial year and the date of this report.

Dividend

The Board has recommended dividend of 250% (₹ 2.50 per share) for the financial year ended 31st March, 2026. Last year, the Company declared a final dividend of 375% (₹ 3.75 per share), including a special dividend of 125% (₹ 1.25 per share).

Key Ratios	FY 2025-26	FY 2024-25	Difference	% Change
Debtors Turnover (No. of Days)	50	47	3	6.4
Inventory Turnover (No. of Days)	113	121	8	6.6
Interest Coverage Ratio	54	65	11	16.9
Current Ratio	3.75	4.02	0.3	6.7
Debt Equity Ratio	-	-	-	-
Operating Profit Margin (%)	12.7	13.0	0.3	2.3
Net Profit Margin (%)	8.0	13.7	5.7	41.6
Return on Equity (%)	9.5	17	7.5	44.1

Distribution of Income



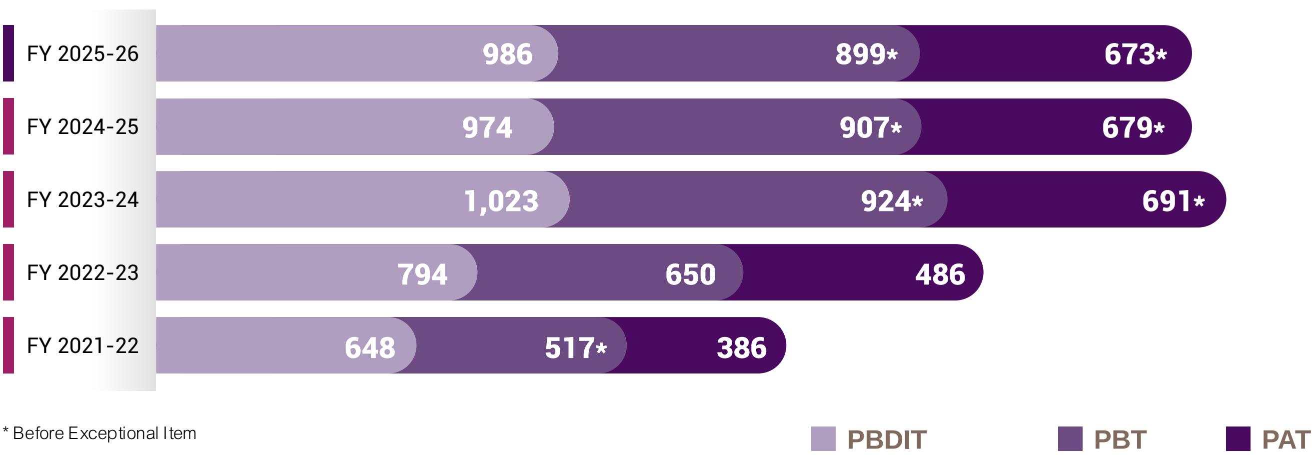
Figures in brackets are the corresponding figures for the previous year.
Note: Excluding exceptional item and tax thereon

Revenue from Operations

(₹ in Crores)

Profit

(₹ in Crores)

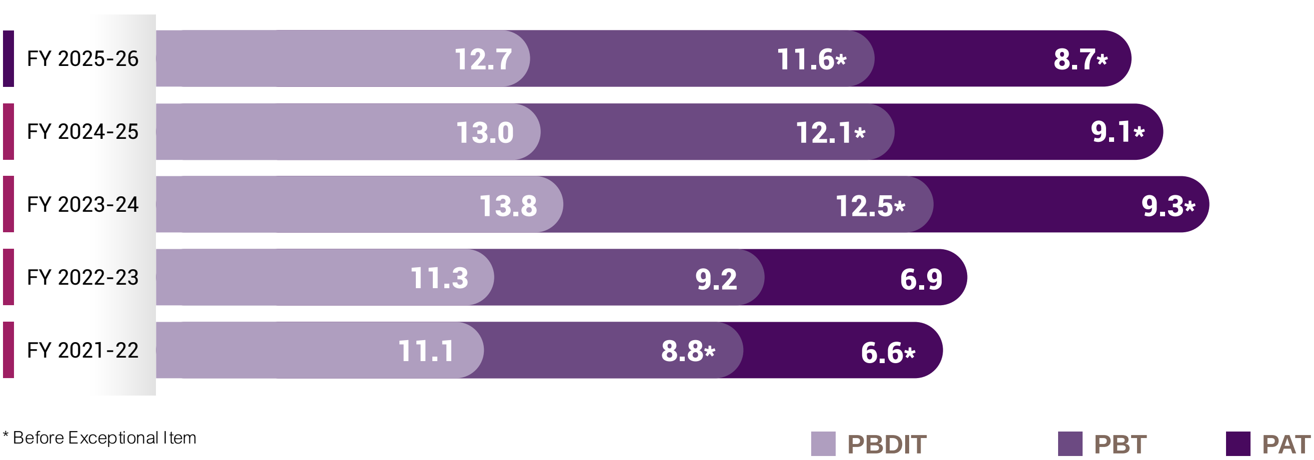


* Before Exceptional Item

Profitability

(Profitability Ratios are Based on Revenue from Operations)

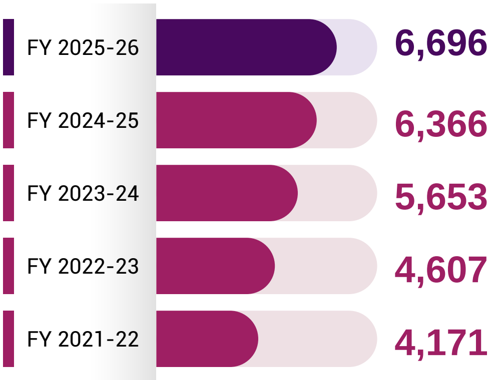
(%)



* Before Exceptional Item

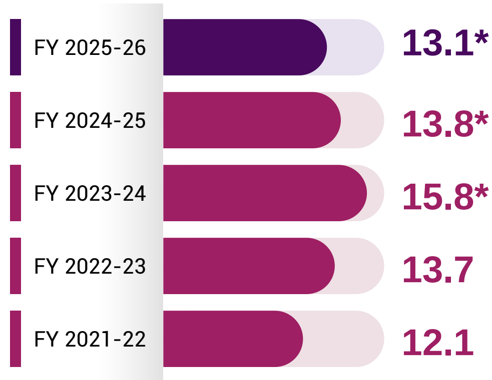
Shareholders' Funds

(₹ in Crores)



Return on Capital Employed

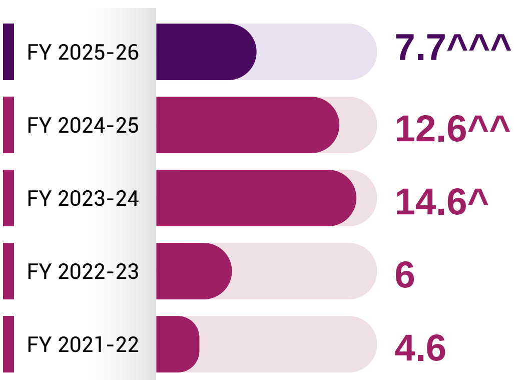
(%)



Profit after tax divided by Average Shareholder's Equity
*Excluding exceptional items

Basic Earnings Per share (EPS)

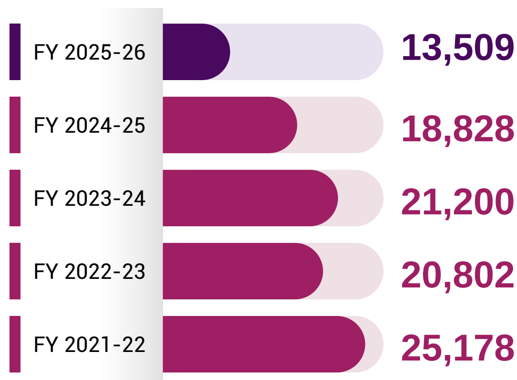
(₹)



(EPS for all years has been calculated considering face value of share of ₹ 1 each and has been restated on account of bonus issue)
^^^EPS for FY 2025-26, excluding exceptional loss is ₹ 8.3
^^EPS for FY 2024-25, excluding exceptional gain is ₹ 8.4
^EPS for FY 2023-24, excluding exceptional gain is ₹8.4
(Including exceptional items)

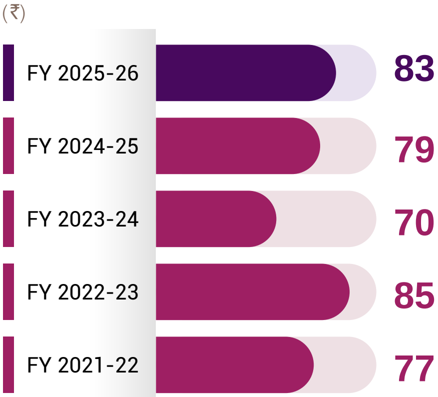
Market Capitalisation (as of 31st March)

(₹ in Crores)



Book Value per Share (as on 31st March)

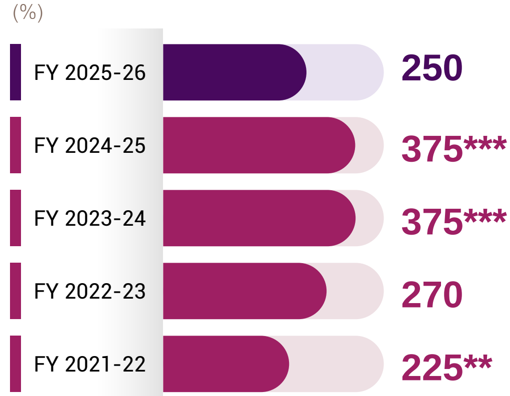
(₹)



(Book Value of shares for all years has been calculated considering face value of shares as ₹ 1 each.)

Dividend

(%)



**Includes interim dividend of 125%
***Includes special dividend of 125%

Subsidiaries and Consolidated Financial Statements

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Board has approved a policy for determining material subsidiaries. The policy is available on the website of KNPL at: www.nerolac.com. Further, based on this policy, we do not have any material subsidiaries.

The consolidated financial statements of KNPL as of 31st March, 2026, have been prepared in accordance with applicable accounting standards and form part of this Report. All subsidiaries of the Company as of 31st March, 2026 have been considered while preparing the consolidated financial statements. Further, a separate statement in Form AOC-1, highlighting the key features of the financial statements of the Company's subsidiaries, forms part of this Report.

The Annual Audited Financial Statements of all KNPL subsidiaries are available on the Company's website at: www.nerolac.com

Indian Subsidiary

Nerofix Private Limited

The turnover of Nerofix Private Limited stood at ₹ 163.89 Crores, compared to ₹ 125.23 Crores in the previous year. Nerofix Private Limited recorded a loss of ₹ 7.64 Crores against ₹ 15.26 Crores in the previous year. At the same time, strategic initiatives were undertaken to revamp the business.

The Board of Directors of Nerofix Private Limited and Kansai Nerolac Paints Limited approved the Scheme of Amalgamation ("Scheme") of Nerofix Private Limited (Transferor Company), Company's wholly owned subsidiary, with the Company (Transferee Company), subject to requisite approvals including approval from National Company Law Tribunal, Mumbai Bench ("NCLT"). The appointed date for the Scheme is 1st April, 2025.

NCLT vide its order dated 6th January, 2026, directed convening of a meeting of the Equity Shareholders of the Company. Accordingly, a NCLT convened Shareholders Meeting was held on 27th February, 2026 through Video Conferencing / Other Audio Visual Means, wherein the shareholders approved the Scheme with requisite majority.

Overseas Subsidiaries

Operations in Nepal

During the year, the turnover of KNP Japan Private Limited, our subsidiary in Nepal, rose to ₹ 76.12 Crores, up from ₹ 69.43 Crores in the previous year. PAT stood at ₹ 6.01 Crores, as compared to ₹ 5.97 Crores in the previous year.

Operations in Bangladesh

Kansai Nerolac Paints (Bangladesh) Limited, our subsidiary in Bangladesh, registered a turnover of ₹ 91.25 Crores for the year, as compared to ₹ 143.18 Crores in the previous year. The Company incurred a loss of ₹ 27.55 Crores during the year, compared to a loss of ₹ 30.95 Crores in the previous year.

Operations in Sri Lanka

The Board of Directors of the Company approved sale of the Company's entire stake of 60% of the total equity share capital of Kansai Paints Lanka (Private) Limited, the Company's subsidiary in Sri Lanka, to Atire (Private) Limited, a Sri Lankan entity. The total consideration received by the Company is LKR 18,00,000 (approximately ₹ 5,25,000).

The accounts of Kansai Paints Lanka (Private) Limited, Sri Lankan subsidiary, have been consolidated till 16th December, 2025, when it ceased to be a subsidiary of the Company.

Segment-Wise Performance

We have only one segment of activity, namely 'paints,' in accordance with the definition of 'Segment' covered under the Indian Accounting Standards (Ind AS) 108 on Operating Segments. The performance of the Company is discussed in this report.

Decorative Business

Overview

In FY 2025-26, we carried forward our century-long legacy of excellence, offering painting solutions that seamlessly combine aesthetics with durability. We continued to strengthen our bond of trust with customers.

During the year, we enriched our portfolio with 15+ new decorative products. These launches were thoughtfully developed to deliver distinctive value by combining aesthetics with performance, further strengthening our position as a trusted solutions provider.

With the objective of delivering professional painting services through timely execution, tailored colour guidance, and dedicated supervision, we expanded our Nerolac NxtGen Painting services to 250+ towns.

In the new business segment, the Construction Chemical and Waterproofing segment demonstrated a very strong growth. The Project business continued its growth momentum from the previous year and maintained a strong growth as well. We continued to provide superior retail experience through our Nerolac NxtGen Shopee, Shop-in-Shop outlets and Paint+ zones. Our Illuminati Programme also witnessed an increased participation from architects and interior designers. This was driven by focused engagement efforts and participation in various exhibitions and seminars.

New Product Launches

Value Creation at Every Step

During the year under review, we remained focused on building a competitive advantage by expanding our product portfolio and responding effectively to evolving market requirements. Under the Paint+ category, we continued to emphasise unique product offerings that enhance our market presence. Our newly developed product, Nerolac Excel Everlast 20, offers a 20-year performance warranty, superior crack-bridging ability, and anti-carbonation properties.

In the Interior range, we launched Nerolac Beauty Gold Washable+, featuring anti-bacterial and stain-resistant properties and 1.25x better washability. We also introduced Nerolac Beauty Little Master Super, an economical product that offers a smooth and pleasing matt finish.

In an effort to provide superior products in our Exterior range, we launched Nerolac Mica Marble Stretch and Sheen WOW, which provide 15% more coverage, crack-bridging ability, and excellent dirt pickup resistance, while Nerolac Excel Sheen comes with superior algae resistance and up to 5°C surface temperature reduction.

These product introductions not only strengthen our portfolio but also reaffirm our commitment to delivering high-quality, differentiated solutions that align with evolving customer expectations.

Consumer Services

The NxtGen Painting Service continued to deliver a seamless, digitally enabled experience backed by efficient end-to-end processes. The programme focused on simplifying the home painting journey through structured execution, professional service delivery, and transparent customer engagement.

Service standards were further enhanced through the deployment of dedicated site supervisors, leading to improved on-ground execution and faster resolution of customer concerns. This emphasis on quality and responsiveness resulted in high levels of customer satisfaction, as reflected in a strong Net Promoter Score and positive feedback on professionalism, timely completion, and after-sales support.

In addition to strengthening customer trust, the initiative enhanced confidence among painting contractors and the dealer network, reinforcing its scalability and long-term relevance.

Superior Retail Experience

We remain committed to elevating the retail experience for our consumers through our NxtGen Premium Shoppe 'Sapphire' and 'Ruby'. These experiential platforms provide a one-stop solution for all surfaces in consumers' homes, offering an immersive environment where consumers can view, compare, and feel actual paint finishes, wood coatings & waterproofing solutions, enabling more informed and confident decision-making. In addition, trained experts at these outlets offer personalised colour consultations and need-based product recommendations to further enrich the consumer journey.

As of FY 2025-26, our retail footprint stood at 150+ Nerolac NxtGen Shoppe outlets and 250+ Shop in Shop outlets across the country, strengthening our presence and accessibility.

During the year, we further enhanced our market reach by introducing 'Paint Zones', a new initiative aimed at increasing visibility and driving growth for small-sized retailers. As of the end of FY 2025-26, we have reached 250+ touchpoints through Paint Zones.

Influencer Engagement Programme

PRAGATI PROGRAMME FOR PAINTERS

Our Painter Loyalty Programme, Pragati, remains a key element of the Company's strategy to enhance engagement within the Painting Contractor segment. The programme emphasises capability building and skill development among this important group of influencers who play a critical role in the final quality of product application.

During the year, the Company continued to implement multi-modal training initiatives, combining classroom-based sessions with training delivered through mobile mini vans. Through these efforts, over 1,00,000 painters were trained in paint application techniques, thereby strengthening their technical skills and professional expertise. The training programmes focused on decorative, wood, and designer finishes. In addition, the Company leveraged its existing Shop Meet programmes to upskill its loyal painters while simultaneously creating awareness of the KNPL range of products and services across key markets. These initiatives contributed to deeper engagement and stronger brand advocacy within the painter community.

Painter engagement is supported by the digital Pragati application. During FY 2025-26, the application was upgraded to deliver a faster, smoother and more seamless user experience. The Company also utilised artificial intelligence to generate insights into painter purchasing behaviour, enabling personalised product recommendations aligned with specific requirements. This approach enhanced the overall painter experience and supported improved sales outcomes.

ILLUMINATI PROGRAMME FOR ARCHITECTS AND INTERIOR DESIGNERS

At KNPL, we acknowledge the important role architects and interior designers play in shaping functional and aesthetically compelling environments. Over the years, we have successfully engaged with more than 12,000 professionals across India, fostering strong relationships and long-term trust through our Lunch & Learn presentations. To support their creative and technical requirements, we offered colour consultancy services and ensured seamless integration of our shade palettes into their 3D design and rendering software, with AID services available across 45+ cities.

In addition, we actively participated in prominent industry exhibitions, such as FOAID in Delhi and Mumbai, providing a platform to showcase our diverse product portfolio, strengthen engagement with the design community, and stay aligned with emerging trends and preferences. Complementing these initiatives, a nationwide engagement programme featuring a value-added incentive further enhanced participation and brand recall among professionals. Collectively, these strategic efforts have significantly strengthened brand awareness and brand equity among architects and interior designers, who continue to serve as key future influencers for the organisation.

1,00,000+
Painters trained on painting applications

KNPL Presentation at the FOAID Event

Growth Businesses

Wood Coating

During the year, we sustained our positive performance in the Wood Coating segment driven by growth in the premium category. Our strategic collaboration with ICRO Coatings continued to be a catalyst for success, enabling the introduction of globally acclaimed products. This has significantly accelerated our market expansion in North India and strengthened our competitive edge.

Our newly launched product, Nerolac Wonderwood RTU – 'O' series, covers a complete range of finishes, including glossy, satin, matt, and dead matt. The range offers fast drying, good scratch resistance, and ready-to-use formulations.

Our Premium Wood Coatings Contractor Loyalty programmes have played a pivotal role in deepening engagement with our contractor community. By recognising and celebrating their contribution, we are nurturing relationships built on trust, partnership, and shared growth.

With a robust product pipeline, a strengthened partner ecosystem, and rising acceptance of premium wood solutions, the business is well poised for sustained growth in the coming year.

Construction Chemicals and Waterproofing

During the year under review, both Construction Chemicals and Waterproofing businesses demonstrated very strong growth. Significant efforts were undertaken to benchmark and enhance products, enabling the Company to offer a comprehensive portfolio of construction chemical products aligned with leading industry standards.

Key product categories, such as Tile Setting and Admixtures, contributed positively to performance, with both segments experiencing rapid scale-up. In addition, flooring remains a category with visible activity. The Construction Chemicals business delivered sturdy performance, and focused initiatives are underway to further strengthen the operating structure, enabling profitable and sustainable scalability.

Our newly launched product, Nerolac Perma No Damp Super, provides an exterior waterproof coating for roofs, terraces, and walls with up to 10°C surface temperature resistance. Nerolac Perma R POXY 2K provides high compressive strength, excellent stain resistance, and waterproofing properties.

Projects

This year, KNPL's Projects Business continued to build on its strong growth trajectory. Our strategic priorities remained centred on strengthening our presence across key customer segments, expanding our geographic reach, and enhancing both operational and on-ground engagement capabilities, as we continued to consolidate our position in the Builder (Fresh Painting) segment while driving growth in the CHS (Repainting) segment and the Government sector.

Employee engagement and capability development remained key priorities during the year. A focused project sales conference was conducted to align teams with strategic objectives, promote cross-functional collaboration and recognise performance excellence. The initiative reinforced shared purpose, motivation and organisational alignment. We also conducted Contractor Engagement Meets across the country, bringing together over 1,000 of our loyal and influential contractors. These meets deepened our ecosystem relationships, strengthened partnerships, encouraged knowledge sharing, and reinforced KNPL's commitment to supporting contractor growth and capability building.

We also strengthened our portfolio by expanding the Super Series with new products that meet evolving project needs, enhancing our value to builders, contractors, CHS customers, and Government stakeholders.

Together, these initiatives have strengthened our market presence and reinforced our commitment to driving sustained growth in the Projects Business. During the year under review, we also undertook several marquee projects, including the Jharkhand High Court, Vidhan Sabha, and Raipur.

Project Sales Conference

Marketing and Branding

The Company continued to emphasise effective, consistent communication with customers through targeted marketing campaigns and media outreach. Social media platforms such as Instagram, Facebook and LinkedIn were actively leveraged to share product information, key initiatives and achievements, thereby enhancing brand visibility and customer engagement.

During the year, the iconic Nerolac jingle was reintroduced through a high-impact, multi-channel media campaign, refreshed to reflect evolving consumer preferences while retaining its nostalgic appeal. In addition, the Company launched its first digital video commercial for NxtGen Painting Services across multiple regional languages.

Additionally, the Company's marketing and media initiatives received significant recognition across leading industry forums during FY 2025-26. The 'Dukaan it Yourself' campaign, executed during the Mahakumbh, garnered 26 prestigious awards in FY 2025-26, underscoring the creativity, effectiveness and impact of the Company's brand-building efforts.

Dukaan it Yourself Campaign at Mahakumbh

Industrial Business Overview

India is witnessing sustained investments in infrastructure development, which continue to drive demand for industrial paints. As one of the world's largest automotive markets, the country is experiencing strong growth, supported by rising domestic passenger vehicle consumption and increasing vehicle exports to international markets.

The industrial paints business caters to a diverse customer base, including automotive OEMs, auto refinish body shops, general industrial manufacturers, and users of high performance coatings across sectors such as oil & gas, chemical processing, power generation, and infrastructure.

During the year, the Powder Coatings segment recorded decent growth, primarily led by demand from the Auto Ancillary and Furniture segments. The Liquid Coatings market registered strong growth, driven by the growing adoption of high performance coatings designed for specialised industrial applications.

Technological advancements continued to play a pivotal role in shaping the industrial paints market, with innovations in product formulations and application technologies. Our state-of-the-art R&D centre has been instrumental in strengthening our capabilities and reinforcing our leadership position in the industry.

As we operate in this dynamic and evolving environment, we remain firmly committed to innovation, quality, and operational excellence, ensuring we can meet the changing requirements of the industrial coatings market.

R&D Centre, Navi Mumbai

Automotive Business

Overview

Building on an already strong foundation in the Automotive segment, the Company further strengthened its market leadership during the year by gaining market share and reinforcing its position as a market leader. This performance was driven by a focused strategy centred on developing technologically advanced products and accelerating the adoption of sustainable technologies, closely aligned with the rapidly evolving requirements of customers and OEMs.

During the year, our performance in the Passenger Vehicle segment witnessed healthy growth, while the 2-Wheeler and 3-Wheeler segments also witnessed strong growth. In contrast to the previous year, the Commercial Vehicle segment also demonstrated a very strong double-digit growth. Furthermore, the Auto Refinish segment also demonstrated good growth, primarily driven by premium products, outlining customers' shift towards premium offerings.

Overall, the Automotive segment delivered a robust performance during the year, supported by broad-based growth across key sub-segments. The Company's focus on innovation, premiumisation, and sustainable technologies, combined with its ability to respond proactively to evolving customer requirements, has further strengthened its leadership position. With a strong product pipeline, deep customer relationships, and sustained emphasis on technology-led solutions, the Company remains well-positioned to leverage emerging opportunities and drive long-term, profitable growth in the Automotive segment.

New Segment

During the year, the Company emphasised targeted initiatives in segments such as alloy wheels, underbody coatings, and seam sealers in the automotive industry.

The Alloy Wheels segment recorded very strong growth during the year, reflecting an increasing market share. We aim to sustain this momentum by introducing advanced technologies aligned with evolving market requirements and by continuing to focus on enhancing market share. Additionally, the Underbody Coatings segment also delivered good growth, while the Seam Sealers segment registered decent progress during the year. To further support our growth in these segments, we are focusing on rapidly increasing our capacity and enhancing our presence by reaching more customers.

With continued emphasis on advanced technologies and market expansion, these segments are well-positioned to support sustainable growth and enhance long-term value creation.

Passenger Vehicles

The Passenger Vehicle segment recorded healthy growth during the year, driven by increased demand following the implementation of GST 2.0. This demand was further supported by the launch of new models and a sustained shift in consumer preference towards SUVs. In line with evolving customer requirements, the Company focused on delivering superior finishes while advancing its sustainability agenda through resource-efficient solutions. The Company remains committed to sustainability by offering solutions that promote energy conservation and optimise paint usage, thereby reinforcing its emphasis on technological innovation and operational efficiency.

Commercial Vehicles and Tractors

The Commercial Vehicles and Tractor segment recorded very strong growth during the financial year. Demand in the Commercial Vehicles segment was driven primarily by increased infrastructure-led activity, while tractor demand benefited from factors such as good harvest seasons and GST reforms. In response to these market dynamics, the Company focused on developing solutions that offer enhanced durability, superior weathering performance, and improved anti-corrosive properties to meet the rigorous requirements of this segment.

Two-wheeler and Three-wheeler

During the year, the Two-wheeler and Three-wheeler segments recorded solid growth, supported by GST-led affordability, low interest rates, improved access to financing, and a broadening product portfolio. The rising demand in this segment has increased the need for paints and coatings, and the Company remains committed to meeting this demand to further strengthen its market position. In response to evolving customer needs, the segment witnessed the development of new products tailored to diverse application requirements, with a focus on enhanced functionality and superior finishes, including high-gloss, improved hardness, and anti-corrosive properties. The Company also introduced environmentally friendly solutions during the year, emphasising efficient resource utilisation and reduced energy consumption, in line with its sustainability objectives.

Electric Vehicles (EVs)

Amid the increasing emphasis on environmental sustainability, the Electric Vehicle (EV) segment continued to witness significant growth across all mobility categories. As a market leader in automotive coatings, the Company strategically strengthened its presence in this segment, to maintain a strong market share and reinforce its leadership position. During the reporting year, the Company recorded strong growth in the Electric Two-wheeler segment, supported by a similar upward trend in Electric Three-wheelers, while the Electric Passenger Vehicle segment also demonstrated remarkable growth. Leveraging advanced technologies such as Super Durable Topcoats and a suite of energy-efficient solutions, the Company remained focused on effectively addressing the evolving requirements of this rapidly expanding market.

Auto Refinish

During FY 2025-26, the Auto Refinish segment delivered decent growth, primarily driven by premium products, reflecting a clear shift in customer preference towards higher-value offerings. We continued to strengthen our presence in A class body shops, reinforcing our positioning in the premium end of the market. The industry-wide transition from solvent-based to water-based systems gained further momentum during the year, and we remained well aligned to this trend through our portfolio. Our continued partnerships in the Bus Body segment supported steady volumes, while focused training and awareness sessions enhanced engagement, improving product awareness and adoption.

Product development efforts during the year were centred on high-solids coats that deliver superior gloss, faster drying characteristics, and improved standability, enabling better productivity and finish quality for customers. These initiatives collectively supported growth, premiumisation and long-term sustainability of the Auto Refinish business

Performance Coating

Business Overview

During FY 2025–26, the Performance Coating division delivered strong performance, with positive contributions from all segments. This momentum was supported by an uptick in government-led infrastructure development projects, which drove increased demand for high-quality, premium-grade coating solutions. The general industries segment recorded strong growth during the year, reflecting sustained demand across applications. The High-performance Coating business experienced good growth, driven by the Premium segment. The Powder Coating business also achieved decent growth, while the Coil Coating business demonstrated a very strong double-digit growth. Overall, the broad-based growth across sub-segments underscores the resilience and strength of the Performance Coating portfolio.

Powder Coating

The Powder Coating segment witnessed decent growth during the FY 2025-26, backed by stable demand from Auto Ancillary, Electrical Appliances and Furniture segments. The Powder Coating segment continued to cater to various segments such as white goods, rebars, pipe coatings and construction equipment.

During FY 2025-26, we expanded our product portfolio with several impactful new launches focused on premium performance and emerging application needs. Key introductions included low bake and fast cure powder coatings to enhance productivity and energy efficiency, super-durable and high scratch resistance products for demanding applications, and heat resistant coatings suitable for specialised industrial use. We also advanced liquid to powder conversion solutions, particularly for the Two-wheeler segment, supporting sustainability and cost efficiency. In addition, new architectural finishes, specialised coatings for alloy wheels, pipelines, and flame resistant applications further strengthened our position across high-growth and value-added segments.

Liquid Coating

The Liquid Coating segment in FY 2025-26 demonstrated strong performance, with all subsegments contributing positively. The High-performance Coatings segment was backed by performance in Industrial applications and Oil & Gas segment.

The General Industries Coating segment was supported by very strong performance in Construction equipment and Helmets, while segments such as Drums and Barrels and Agricultural equipment also contributed positively.

During FY 2025-26, the Liquid Coatings segment introduced new products offering advanced functional performance, including high-temperature resistance, thermal insulation and enhanced corrosion protection, with applications spanning locomotive spare parts and consumer durables.

Going forward, we will continue focus on expanding our presence in high performance and infrastructure-led applications, supported by continued innovation in sustainable, value-added solutions to drive long-term profitable growth.

Research and Development (R&D)

Overview

Research & Development remains a critical pillar of the Company's long-term strategy, supporting innovation, competitiveness and sustainable growth across Decorative, Automotive and Industrial coatings. The Company's R&D efforts are focused on developing differentiated products and technologies that respond to evolving customer requirements, regulatory standards and environmental considerations.

In the Decorative Coatings segment, R&D initiatives continue to emphasise enhanced performance, durability and application efficiency, while incorporating features that address changing consumer preferences. The Automotive Coatings portfolio is focused on continuous technological advancement to improve coating performance, process efficiency, and resource optimisation, in line with the stringent quality and environmental norms of the automotive industry.

Within Industrial coatings, the Company is focused on developing application-specific solutions to meet the diverse and demanding requirements of infrastructure, engineering, and other industrial end-use segments.

Overall, the Company's R&D organisation plays a vital role in strengthening its technology base, driving innovation across businesses and reinforcing its position as a solutions-oriented coatings provider.

COLLABORATION WITH KANSAI PAINT CO., LTD AND KANSAI PAINT GROUP COMPANIES

Over the years, the Company has sustained its technological leadership in the Industrial Coatings segment by consistently outpacing competitive benchmarks. A key enabler of this strength has been the strategic partnership with Kansai Paint Co., Ltd. (KPJ), a globally recognised leader with extensive expertise in technology design and development. Through close and continuous collaboration with KPJ, the Company has developed customised paint and resin formulations tailored to the specific requirements of the Indian market.

Key innovations include the development of tin-free Cathodic Electro Deposition (CED) coatings and stoving primers for four-wheeler body applications, as well as several solutions that deliver superior aesthetic appeal and functional performance. KPJ also contributes valuable insights into emerging global colour trends and provides robust technical support to customers in India, drawing on its international experience and capabilities.

In addition, the Company collaborates with Kansai Group entities worldwide to introduce differentiated technologies across a wide range of end-user segments. This includes industrial coatings, coil coatings, automotive refinish and decorative paints, thereby enhancing value delivery to customers.

Product Testing at R&D Centre

Key Developments in Decorative Paints

Aligned with the Paint+ strategy, which emphasises differentiated and value-added offerings, the Company's R&D initiatives continued to focus on innovation-driven by evolving customer needs. During the year under review, the Decorative Paints portfolio was further strengthened with the introduction of 15+ new products.

In the Interior segment, product development efforts focused on solutions offering extended warranties, smoother, more aesthetically pleasing finishes, antibacterial properties, enhanced washability, and improved stain resistance. In the Exterior segment, innovations focused on algae-resistant coatings with lower surface temperatures and superior dirt resistance, enhancing performance and durability. Some of the key offerings introduced during the year were Excel Everlast 20, Nerolac Excel Sheen, and Beauty Gold Washable Plus.

These initiatives further strengthen the Company's decorative paints portfolio and reinforce its commitment to delivering high-performance, differentiated solutions that align with changing consumer preferences.

Key Developments in the Automotive Segment

Passenger Vehicles Segment

During the year under review, we advanced our passenger vehicle coatings portfolio by introducing high-impact solutions to enhance aesthetics, performance, and application efficiency. Our new offerings focused on enhancing finishes and functionality while prioritising environmental sustainability.

During the year, we also expanded our product portfolio by introducing several advanced coating solutions, reinforcing our focus on innovation and sustainability. We developed an Energy-efficient Wet-on-wet System that enables significant energy savings and enhances process efficiency. A Primer has been engineered to deliver high durability and superior corrosion resistance, meeting the evolving performance requirements of automotive applications.

These product introductions underscore our commitment to delivering high-performance, value-driven solutions aligned with industry needs.

Two-wheeler and Three-wheeler Segment

The Two-wheeler and Three-wheeler segments saw the development of new products designed to meet diverse application requirements. These offerings focused on improved functionality and enhanced finishes, delivering attributes such as high gloss, increased hardness and superior weatherability.

During the year under review, we further strengthened our product portfolio. The Low-Bake Technology enables significant energy savings while improving overall process efficiency. The Anticorrosive Underbody Protection solution has been developed to provide enhanced corrosion resistance, thereby extending the service life. Additionally, the High Gloss Clear Coats offer improved surface hardness and a durable finish, ensuring superior aesthetics and long-term performance.

These developments reflect our continued commitment to delivering technologically advanced and value-driven solutions aligned with evolving industry requirements.

Commercial Vehicles Segment

During the year under review, we remained focused on advancing innovation, sustainability, and product performance by developing coating solutions aligned with evolving customer requirements, operational efficiency, and environmental considerations.

For the Commercial Vehicle segment, we launched several new products designed to improve performance and operational efficiency. The Super Low-Bake Colour Coating offers improved weathering performance and energy-efficient curing, supporting both durability and sustainability objectives. The Anti-corrosive Sealer for castings has also been developed to deliver superior anticorrosive protection, thereby extending the service life. In addition, the Clear Adhesion Promoter ensures strong inter-coat adhesion without impacting the visual appearance, enhancing overall coating integrity.

These product innovations reinforce our commitment to delivering high-quality, technologically advanced solutions aligned with customer expectations and industry standards.

Key Developments in Auto Refinish

In the Auto Refinish segment, we are observing a notable shift towards sustainable products, with demand rising for water-based solutions over traditional solvent-based ones. During the year, we advanced our Auto Refinish Coatings portfolio by developing high-impact products.

Key developments included cost-effective, high-solid, clear coats delivering superior gloss and clarity, as well as fast-drying PU systems offering good gloss. The portfolio was further strengthened with solutions that offer improved sandability and easier application, effectively catering to retail refinish customers.

These innovations reinforce our focus on delivering efficient, high quality solutions in the Auto Refinish segment.

Key Developments in the Performance Coating Segment

KEY DEVELOPMENTS IN POWDER COATINGS

During the year, we continued to focus on innovation, operational efficiency, and our presence across diverse application segments by introducing advanced coating solutions tailored to evolving market needs.

In line with these focus areas, we introduced several new products to enhance performance and process efficiency. The Low-Bake One-Shot Matt Powders enable energy-efficient, low-temperature curing while supporting faster throughput. The Fusion Bonded Epoxy Topcoat has been developed as a coating system for pipe applications. Additionally, coatings designed for furniture and consumer durables deliver high scratch resistance, ensuring improved durability and long-lasting aesthetics.

These product innovations underscore our commitment to delivering high-performance, application-specific solutions that align with evolving customer requirements and industry standards.

KEY DEVELOPMENTS IN LIQUID COATINGS

In FY 2025-26, we continued to drive innovation and sustainability through our Liquid Coatings portfolio by developing advanced coating solutions focused on regulatory compliance, enhanced performance, and improved safety across diverse applications.

As part of these efforts, the Company introduced a range of new products designed to address evolving market and environmental requirements. The Highly Flexible RoHS-compliant Coil Coating has been engineered to withstand severe forming operations while offering strong anti-peeling properties, ensuring durability and compliance with global standards. The High-Performance Outdoor Coating System delivers long-term UV resistance along with improved gloss retention, maintaining aesthetic appeal under harsh environmental conditions. Additionally, the Thermal Insulation Coating is designed to reduce surface temperature and enhance touch safety, thereby improving user comfort and operational safety.

These innovations reaffirm the Company's commitment to delivering high-performance, sustainable, and customer-centric coating solutions.

Supply Chain

The global supply chain environment continues to evolve amid persistent geopolitical uncertainties, volatility in crude oil prices, foreign exchange fluctuations, and challenges related to imports and logistics. These factors have underscored the importance of agility and resilience in supply chain management. At KNPL, we perceive such disruptions not merely as risks but as opportunities to strengthen our operating model through proactive planning, continuous innovation, and strategic adaptation.

Our supply chain has consistently remained a core component of our competitive advantage, enabling us to maintain high standards of quality, operational efficiency, and dependable customer service. The Company operates through an extensive network of nine owned manufacturing facilities, supported by a supplier base of over 500 key suppliers that provide raw materials, components, and services. Finished products are distributed efficiently across the country through a robust network comprising 112 depots and 8 Regional Distribution Centres (RDCs), ensuring optimal market reach and service continuity.

Furthermore, we have implemented an SAP-enabled digital platform to advance supplier identification, onboarding and digitisation of the procurement process. We have also deployed a logistics management system across our operating locations to digitise and optimise logistics operations.

To strengthen collaboration and engagement with its supply chain partners, the Company conducts an Annual Supplier Conference as a key engagement platform. The conference enables meaningful interaction with suppliers, facilitates networking, and provides an opportunity to communicate the Company's strategic priorities and future roadmap.

During the financial year, we strengthened supplier engagement by conducting structured training and awareness programmes to align supply chain partners with our sustainability expectations. This training was focused on the Supplier Code of Conduct and BRSR principles, covering social responsibility, environmental stewardship and ethical conduct. During the year, 100+ suppliers were assessed using the ESG Self-Assessment to evaluate practices in environmental management, energy and emissions, water and waste management, occupational health and safety, human rights, and governance standards. These initiatives undertaken during the year reinforce responsible sourcing and support the integration of sustainable practices across the supply chain.

We also recognise the importance of inclusive growth among all our stakeholders. During FY 2025-26, approximately 22% of our input materials were sourced from MSMEs, supporting inclusive growth initiatives. Additionally, to promote local sourcing, 77% of our input materials were sourced in India.

Overall, our supply chain strategy remains firmly focused on building resilience, enhancing digital capabilities, fostering responsible sourcing, and strengthening long-term partnerships across the value chain. By combining operational excellence, sustainability integration, inclusive growth, and continuous engagement with our suppliers, we are well positioned to navigate external uncertainties, enhance stakeholder value, and support the Company's long-term growth and competitiveness.

Information Technology

KNPL continues to enhance its digital capabilities as a key enabler of operational efficiency, scalability, and stakeholder engagement. During the year, we successfully completed our transition to SAP S/4HANA, establishing a robust and future ready digital foundation. Our digitally enabled platforms facilitate seamless engagement with key stakeholders, including painters, dealers, architects, interior designers, and sales teams, enhancing service delivery and generating actionable insights. In addition, we have an employee portal that supports organisation-wide learning, communication, engagement, and recognition.

Alongside digital transformation, the Company emphasises cybersecurity and information security governance. Comprehensive security measures, controls, and monitoring mechanisms have been implemented to protect digital assets, safeguard stakeholder data, ensure system integrity, and support business continuity amid increasing cyber risks. Additionally, we have made cybersecurity training mandatory

for all employees within the organisation. We also regularly communicate cybersecurity awareness tips to all our employees.

In parallel, the Company has initiated efforts to build basic AI capabilities to improve employee productivity and promote smarter ways of working. Structured training programmes are being conducted to build foundational AI awareness and skills. Going forward, KNPL will continue to evaluate selective AI-led opportunities with a focus on operational efficiency and measurable benefits.

Through sustained investments in digital platforms, cybersecurity, and emerging technologies, the Company remains committed to building a resilient, trusted, and future-ready organisation.

People

At KNPL, our people remain at the heart of our growth and transformation. Life at KNPL is defined by pride, belonging, and purpose: qualities that inspire every NEROLITE to bring their best selves to work. This year, we rolled out our Employee Value Proposition, **'Where your passion takes colour',** reflecting our belief that our people's passion is at the heart of everything we do.

As of FY 2025–26, KNPL is powered by 3,804 dedicated NEROLITEs, who proudly embody this ethos in all they do. We remain committed to their holistic development, consistently translating this promise into meaningful actions. By prioritising health, safety, and overall well-being, and fostering a diverse, equitable, and inclusive environment, we ensure that individuals from all backgrounds feel respected, valued, and empowered to thrive.

Lead with Impact Training for Managers

Employee Well-being

Employee well-being continues to be a cornerstone of our people strategy. Recognising that our employees are fundamental to organisational success, we have strengthened wellness initiatives to support both physical and mental health.

The Advantage Club App serves as a comprehensive platform offering resources, activities, and support for holistic well-being. Wellness Wednesday Sessions build awareness on critical themes such as mental health, emotional intelligence, productivity, and work-life balance. Our monthly newsletter showcases stories from NEROLITEs about their personal journeys towards healthier lifestyles in our 'Wellness Club' column.

These efforts underscore our commitment to creating a supportive workplace where employees feel encouraged, empowered, and inspired to perform at their best.

Capability Building

Capability building continued to be a key focus area, with emphasis on strengthening skills, leadership capability and learning agility across the organisation. During the year, the Company implemented a range of targeted learning initiatives covering professional readiness, sales excellence, product and application knowledge, digital enablement, ESG and risk awareness, business communication and leadership development. These structured programmes supported continuous learning, enhanced workforce effectiveness and enabled the organisation to respond effectively to evolving business and market needs. We also launched Shiksha Product training for employees covering product features, advantages and benchmarking. Additionally, the newly launched '20-20 with Nerolac' learning series is designed to create awareness of initiatives in the decorative function and product categories, helping employees to connect and close knowledge gaps.

Employee Connect

Building strong and meaningful connections with employees remains a priority, fostered through a wide range of engagement and communication initiatives that nurture a participative and collaborative culture.

The Titan+ Recognition Programme allows employees to celebrate each other's achievements and contributions, reinforcing a culture of appreciation. During the year, we also introduced the Annual Excellence Awards to recognise outstanding individual and team contributions, celebrating sustained performance, innovation, collaboration, and alignment with organisational values, thereby reinforcing a merit-based, high-performance culture.

The Life@Nerolac platform further strengthens community spirit by enabling employees to share ideas, updates, and accomplishments. Transparent, two-way communication is encouraged through forums such as the HR Connects, Reach Programme, Works Manager Address sessions, and the Annual Learning Conference. In addition, cultural and festive celebrations across Plants, the Head Office, R&D centres, and depots bring the KNPL family together, creating a vibrant and inclusive workplace atmosphere.

We also have the Women's Impact Network (WIN), an employee resource group that fosters an inclusive environment for women to thrive professionally and personally. In addition, the WTW Engagement Survey provides valuable insights into employee sentiment, enabling KNPL to continuously enhance workplace practices and strengthen trust.

Through these thoughtfully curated programmes, we reinforce our dedication to building an engaging, inclusive, and people-centric workplace where every employee feels valued and connected.

Nurturing Talent

KNPL emphasises building and nurturing young professionals as key enablers of long-term growth. Its talent acquisition approach is aligned with organisational objectives and supported by digitised, transparent hiring processes that enhance efficiency and candidate experience. Fresh talent is sourced through structured campus collaborations and internship programmes, while Graduate Engineer Trainee and Management Trainee initiatives provide early-career professionals with cross-functional exposure and development opportunities. The Gurukul Programme offers summer training opportunities, while the Aarambh Campus Programme facilitates the seamless transition of trainees into full-fledged Nerolites. These efforts reinforce a strong talent pipeline, promote internal capability building and foster a diverse, inclusive and future ready workforce.

Innovation (AVINYA)

The Company continues to actively harness ideas generated through its innovation initiatives, with a strong focus during the year on disciplined implementation and benefit tracking. Identified ideas were systematically monitored for progress and outcomes, ensuring that innovation efforts translated into measurable business impact while fostering a culture of accountability, continuous improvement and value-driven innovation.

In addition, inventory control emerged as a key theme during the year. Employee-led ideas under this focus area were carefully evaluated, and selected ideas were implemented. Thus, contributing to improved efficiency and a strengthened cash conversion cycle.

Management Trainees Induction at the Sayakha Plant

Community Development

At KNPL, Corporate Social Responsibility (CSR) is not merely a statutory obligation, but an integral part of our business philosophy. We firmly believe that responsible conduct and meaningful social contribution are central to sustainable value creation, enabling us to act as a catalyst for positive change in the communities we serve. Our focused and sustained social interventions reflect our commitment to inclusive growth and responsible citizenship and align closely with the United Nations Sustainable Development Goals (UN SDGs). During FY 2025-26, KNPL continued to advance its CSR journey through impactful programmes spanning livelihood and skill development, preventive healthcare and sanitation, education promotion, environmental sustainability, and rural and community development. Through these initiatives, the Company positively touched the lives of over 1,00,000 beneficiaries, reinforcing its commitment to long-term social development and shared prosperity.

Under its CSR initiatives, one of the innovative projects undertaken by KNPL is Project Swayam, a seven-month capacity-building programme aimed at empowering rural women entrepreneurs in Chiplun. The initiative supported 25 women through a structured 15-session curriculum focused on business skills, digital literacy, financial awareness, and branding, enabling them to transition into entrepreneurship. The programme delivered tangible outcomes, including rapid adoption of digital payment platforms such as UPI and WhatsApp Business, and facilitated access to institutional finance, with one participant securing a CMEGP loan of ₹ 8 Lakhs. To ensure long-term impact, the project has institutionalised a women-led consortium and peer-mentorship framework, fostering a self-sustaining ecosystem for rural livelihoods and economic empowerment.

Overall, KNPL's CSR initiatives reflect a long-term commitment to inclusive development and community empowerment. By creating scalable and sustainable models, the Company continues to contribute meaningfully to social progress while strengthening the foundations for resilient and self-reliant communities.

Environment, Social and Governance

At KNPL, the identification and prioritisation of material issues form a critical part of our sustainability and value creation framework. Material issues are matters that significantly influence the Company's ability to create long-term value for its stakeholders and are considered critical due to their potential impact on business sustainability, social responsibility, and stakeholder relationships.

By systematically recognising and addressing these material issues, the Company seeks to proactively manage risks and opportunities, enhance organisational resilience, and reinforce its commitment to sustainable and responsible value creation. Based on this assessment, KNPL has identified five key material issues, namely:: Decarbonisation, Resource Use, Quality of Life, Diversity and Governance.

Information for this section can be found in the respective capitals' sections.

Opportunities and Threats

Information for this section can be found in the 'Opportunities and Threats' section under the Corporate Overview section.

Risks and Concerns

Information for this section can be found in the 'Risks and Concerns' section under the Corporate Overview section.

Outlook

For FY 2026-27, the outlook for the Indian paints and coatings industry remains positive, supported by structural growth drivers. Continued investments in infrastructure across railways, roads, airports, power, and urban development are expected to sustain demand for industrial and performance coatings. Also, the automotive sector is likely to maintain healthy momentum.

In the Decorative Paints segment, demand is expected to improve with a more normalised monsoon cycle, steady rural consumption, and a gradual recovery in urban demand. Rising disposable incomes, ongoing premiumisation, and increasing consumer preference for eco-friendly and value-added products are anticipated to further support growth. Government initiatives, such as housing and urban development programmes, are also expected to provide an impetus to demand.

While the industry may continue to face near-term challenges from raw material price volatility, currency movements, and an increasingly competitive landscape, we aim to mitigate these risks through product innovation, premium offerings, digitalisation, and a sustained focus on sustainability. Overall, the paint industry is well positioned to deliver steady, sustainable growth in the coming year, supported by resilient demand drivers, infrastructure expansion, and evolving customer preferences.

Internal Control Systems and their Adequacy

Our internal control systems are designed to monitor and manage our day-to-day operations efficiently. These systems ensure compliance with numerous concepts, regulations, and norms, adhering to methodology requirements. To enhance our internal control mechanisms, we have implemented an Internal Financial Control system in compliance with the provisions of Section 134(5)(e) of The Companies Act, 2013. This system provides the Board of Directors with additional oversight capabilities. The implementation of these systems follows the framework outlined in the Guidance Note on Audit of Internal Financial Controls in Financial Reporting, issued by The Institute of Chartered Accountants of India, to address KNPL's operational and financial risks. Moreover, our systems undergo testing by statutory auditors using automated techniques.

Control Efficiency Index and Robust Control Index

The CEI and RCI remain integral to the Company's strategy for assessing internal audit effectiveness. We measure our control mechanisms against industry benchmarks to maintain efficient operations. Our internal audit programme focuses on identifying gaps in control and policy design, control and process deviations, IT systems, and regulatory compliance. Additionally, our internal audit programme evaluates opportunities to automate control processes, and we leverage audit findings to enhance the Company's internal controls.

Compliances

KNPL has developed a dashboard to monitor key legislative changes notified by various government authorities, which are then tracked by the Management for requirements and implementation. The Company tracks and ensures regulatory compliance online through the Legatrix system. The system is updated regularly to reflect all compliance changes as they occur. The online tracking and tracing of completion help ensure strict adherence to regulations. In addition, the Company tracks any legal cases through the Roznama System.

Cautionary Statement

Statements in the Management Discussion and Analysis section of this report describing the Company's objectives, estimates, and expectations may be 'forward-looking statements' within the meaning of the applicable laws and regulations. The actual results might differ materially from those either expressed or implied.

Awards and Recognition

Sustainability

Carbon Disclosure Project (CDP)
Rated ‘B’ in both Climate Change and Water Security in the CDP 2025 Cycle

Dow Jones Sustainability Index (DJSI)
Ranked within the top 12 percentile in the Chemical Industry Group in the S&P Global Large-Midcap ESG Index 2025

EcoVadis
Awarded the Bronze Medal in the EcoVadis Assessment 2026, ranking among the top 18% of companies assessed

Confederation of Indian Industry (CII)
The Sayakha Plant team received the Gold Award at the CII National Excellence Practice Competition for presenting the Fresh Water Reduction Green Initiative

Tamil Nadu Climate Change Mission
The Hosur Plant received the Corporate Biodiversity Award for contribution towards biodiversity conservation under the ‘Biodiversity Inside the Campus’ category

Customers

Toyota Kirloskar Motors Private Limited
Awarded the Best Raw Material Supplier Award by Toyota Kirloskar Motors Private Limited for FY 2025-26

Honda Motorcycle and Scooter India
Received the Excellence Award in the Paint Category from Honda Motorcycle and Scooter India

TAFE
Awarded the Best Supplier Award by TAFE in recognition of outstanding delivery performance

Wheels India Limited
The Hosur Plant team received the Gold Award at the 11th Supplier Kaizen Competition hosted by Wheels India Limited

CIE
Recognised by CIE Automotive India Ltd. at the 4th CIE India Suppliers Conference for excellence in ESG initiatives

Manufacturing

India Manufacturing Excellence Award (IMEA)

The Jainpur Plant received the Platinum Award for Future Ready Factory of the Year at the Frost & Sullivan India Manufacturing Excellence Awards (IMEA) 2025

Confederation of Indian Industry (CII)

The Hosur Plant received the Gold Award for 'Best Organisation in Overall EHS Practices' at the 7^{th} CII National EHS Competition 2026

The Bawal Plant received the Gold Award at the 21^{st} CII National 3M Competition for its case study on Muda Elimination

The Sayakha Plant received the Platinum Award at the 3^{rd} National 5S Competition organised by CII

The Sayakha Plant received the Gold Award in the Renewable Energy and Energy Saving category at the CII National Excellence Competition

The Sayakha Plant received the Gold Award at the 8^{th} CII IQ National Safety Practice Competition

The Lote Plant received the Gold Award at the National Maintenance Circle Competition organised by CII

Quality Circle Forum of India (QCFI)

The Bawal Plant received two Gold Awards in the Kaizen category for Quality Improvement and Productivity Improvement projects from the Quality Circle Forum of India, Delhi Chapter

The Hosur Plant received the Gold Award in the Allied Concepts category at the 10^{th} Chapter Convention on Quality Concepts (CCQC)

The Sayakha Plant received the Gold Award at the 13^{th} Annual Convention for Quality Concepts for its case study on Productivity and Skill Enhancement

Marketing

Earned 26 Awards across multiple prestigious platforms for the 'Dukaan it Yourself' campaign executed during the Mahakumbh

Goafest

Received 12 awards at Goafest, comprising 1 Grand Prix, 3 Gold, 2 Silver and 6 Bronze awards

Kyoorius Creative Awards 2025

Received 7 Baby Blue Elephant awards

Dragons of Asia

Received 6 awards at the Dragons of Asia Marketing Awards, including the Gold Dragon for Business-to-business Marketing, the Silver Dragon for Market Discipline and 4 Black Dragon awards

2. Directors' Responsibility Statement

As stipulated under the provisions contained in Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 ("the Act"), the Board of Directors to the best of its knowledge and belief and according to the information and explanations obtained by it, hereby state that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. the directors have taken proper and sufficient care 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;

iv. the directors have prepared the annual accounts of the Company on a going concern basis;

v. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

3. New Projects

During the financial year ended 31st March, 2026:

1. the Company has completed the Brownfield manufacturing project at Jainpur Plant and the production of Water Based Paint has commenced;
2. the captive offsite Solar power plant project for Lote Plant has been completed;
3. a second Captive Wind Turbine in Gujarat, for Sayakha Plant has been completed;
4. the capacity enhancement of industrial Alkyd and Polyester Resin at Sayakha Plant and of Acrylic Resin at Bawal Plant, to meet the increased automotive paint demand, are progressing well;
5. the automotive paint capacity addition project at Sayakha Plant, to meet the future demand of Original Equipment Manufacturers (OEMs), is progressing well; and
6. the offsite Solar power plant project for Bawal Plant, to optimise the power cost, is progressing well.

4. Directors

In terms of the provisions of the Act and the Articles of Association of the Company, Mr. Takashi Tomioka (holding Director Identification Number 08736654), Non-Executive Director, is liable to retire by rotation at the ensuing AGM of the Company and being eligible, offers himself for re-appointment.

Mr. Pravin D. Chaudhari (holding Director Identification Number 02171823) has been appointed as the Managing Director of the Company for a term of 3 (three) years commencing from 1st April, 2025 up to and ending on 31st March, 2028 (both days inclusive). The approval of the Shareholders of the Company and the Central Government for the appointment of Mr. Chaudhari as the Managing Director of the Company have been received.

Mr. Gen Yokota (holding Director Identification Number 11084786) had been appointed as a Non-Executive Director of the Company with effect from 6th May, 2025. The Shareholders approved his appointment at the 105th AGM of the Company held on 30th June, 2025.

Mr. Hitoshi Nishibayashi (holding Director Identification Number 03169150), Non-Executive Director, liable to retire by rotation at the 105th Annual General Meeting ("AGM") of the Company did not seek re-appointment due to health reasons. He retired as a Non-Executive Director of the Company on 30th June, 2025. The Board placed on record its sincere appreciation and gratitude for the services rendered by Mr. Nishibayashi during his association with the Company.

Mr. Hirokazu Kotera (holding Director Identification Number 10707431) has resigned as the Executive Director of the Company, on the directions of the Promoter Company, Kansai Paint Co., Ltd., Japan ("KPJ"), which had nominated Mr. Kotera as a Director on the Board of the Company. The Board placed on record its sincere appreciation and gratitude for the services rendered by Mr. Kotera during his association with the Company.

For the period from 1st April, 2025 to 31st March, 2026, Mr. Chaudhari and Mr. Kotera received a remuneration of ₹ 96.50 Lakhs and ₹ 92.18 Lakhs respectively, from KPJ for their association with KPJ.

None of the Directors of the Company are disqualified as on 31st March, 2026 from being appointed as a Director under Section 164 of the Act.

All the Independent Directors on the Board have given a declaration of their independence to the Company as required under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In the opinion of the Board, all the Independent Directors possess integrity, relevant expertise and experience including proficiency required to be an Independent Director of the Company. They fulfill the conditions of independence as specified in the Act and SEBI Listing Regulations, comply with the Code for Independent Directors as prescribed in Schedule IV of the Act and are independent of the Management.

The Company has a Code of Conduct for Directors and Senior Management. All the Directors and members of Senior Management have confirmed compliance with the Code.

Details with respect to the composition of the Board, the meetings of the Board held during the year and the attendance of the Directors thereat have been provided separately in the Annual Report, as a part of the Report on Corporate Governance.

5. Key Managerial Personnel

Mr. P. D. Pai, Chief Financial Officer, retired from the services of the Company with effect from the close of business on 31st July, 2025. The Board placed on record its sincere appreciation and gratitude for the valuable contribution made by Mr. Pai, during his association with the Company.

The Board of Directors of the Company, on recommendation of the Audit Committee and Nomination and Remuneration Committee, has appointed Mr. Yash Ahuja as the Chief Financial Officer of the Company with effect from 1st August, 2025.

In terms of Section 203 of the Act, the Company has the following Key Managerial Personnel: Mr. Pravin D. Chaudhari, Managing Director, Mr. Yash Ahuja, Chief Financial Officer and Mr. G. T. Govindarajan, Company Secretary.

6. Meetings of the Board

The Board met 10 (ten) times during the financial year ended 31st March, 2026. The meeting details are provided separately in the Annual Report, as a part of the Report on Corporate Governance. The maximum time gap between any two meetings did not exceed 120 days, as prescribed in the Act and SEBI Listing Regulations.

7. Board Evaluation

In terms of the applicable provisions of the Act and SEBI Listing Regulations, the Nomination and Remuneration Committee and Board of Directors have approved a framework which lays down a structured approach, guidelines and processes to be adopted for carrying out evaluation of the performance of the Directors, the Board as a whole and its Committees. The criteria are broadly based on the Guidance Note on Board Evaluation, issued by the Securities and Exchange Board of India.

Detailed questionnaires covering various parameters relevant for the evaluation are circulated to the Directors. The feedback received from the Directors is discussed at the meetings of Independent Directors, Nomination and Remuneration Committee and Board.

For the year under review, the Board carried out the evaluation of its own performance, its Committees and individual Directors. Evaluation results as collated and presented, were noted by the Independent Directors, Nomination and Remuneration Committee and Board.

8. Particulars on the Committees of the Board

The details with regard to the composition of the Committees of the Board and the number of meetings held during the year of the Committees, as required under the SEBI Listing Regulations, is separately provided in the Annual Report, as part of the Report on Corporate Governance.

9. Audit Committee

In terms of the provisions of Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Act, the constitution of Audit Committee as on 31st March, 2026 is as follows:

Name of the Member	Designation
Mr. Uday S. Bhansali (Chairman of the Audit Committee)	Independent Director
Ms. Sonia Singh	Independent Director
Mr. Bhaskar Bhat	Chairman and Independent Director

The recommendations made by the Audit Committee to the Board, from time to time during the year under review, have been accepted by the Board. Other details with respect to the Audit Committee such as its terms of reference, meetings and attendance thereat are separately provided in the Annual Report, as a part of the Report on Corporate Governance.

10. Corporate Social Responsibility

In terms of Section 135 of the Act, the constitution of the Corporate Social Responsibility ("CSR") Committee as on 31st March, 2026 is as follows:

Name of the Member	Designation
Ms. Sonia Singh (Chairperson of the CSR Committee)	Independent Director
Mr. Bhaskar Bhat	Chairman and Independent Director
Mr. Pravin D. Chaudhari*	Managing Director

* Mr. Pravin D. Chaudhari has been appointed as a member of the CSR Committee with effect from 1st April, 2025.

The functions of the CSR Committee are to:

(a) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Act;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the CSR Policy of the Company from time to time.

During the financial year ended 31st March 2026, 2 (two) meetings of CSR Committee were held on 25th November, 2025 and 26th March, 2026 which were attended by all members of the Committee.

The Board on recommendation of the CSR Committee has framed a CSR Policy and the same is available on the website of the Company at https://www.nerolac.com/investors/policies.html.

The Company had appointed Soulace Consulting Pvt. Ltd. to undertake impact assessment for its CSR program – Advanced Open Training for Painters. The CSR Impact Assessment Report is available on the Company's website at https://www.nerolac.com/investors/financial-results.html.

The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, including a brief outline of the Company's CSR Policy and executive summary of CSR Impact Assessment Report, is annexed to this Report as Annexure 1.

11. Risk Management Policy

The Company has identified the risk areas in its operations along with its probability and severity, department wise. An effective Risk Management Framework is put in place in the Company in order to analyse, control and mitigate risk. Risk profiling is also put in place for all the areas of operations in the Company and are well integrated in the business cycle. The various risks to which the Company is exposed are disclosed as a part of Management Discussion and Analysis, hereinabove.

The Risk Management Framework of the Company comprises of Risk Management Committee and the Risk Officer.

In terms of the provisions of Regulation 21 of the SEBI Listing Regulations, the constitution of Risk Management Committee as on 31st March, 2026 is as follows:

Name of the Member	Designation
Ms. Sonia Singh (Chairperson of the Risk Management Committee)	Independent Director
Mr. Hirokazu Kotera*	Executive Director
Mr. Uday S. Bhansali	Independent Director
Mr. Pravin D. Chaudhari@	Managing Director
Mr. Jason Gonsalves	Non-board member on the Committee
Mr. Yash Ahuja#	Chief Risk Officer and Non-board member on the Committee

* Mr. Hirokazu Kotera ceased to be a member of the Risk Management Committee consequent to his resignation from the services of the Company with effect from the close of business on 31st March, 2026.

@ Mr. Pravin D. Chaudhari has been appointed as a Member of the Risk Management Committee with effect from 1st April, 2025.

Mr. Yash Ahuja has been appointed as a member and Chief Risk Officer of the Risk Management Committee with effect from 1st August, 2025.

Mr. P. D. Pai ceased to be a member and Chief Risk Officer of the Risk Management Committee consequent to his retirement at the close of business on 31st July, 2025.

12. Remuneration Policy

The Board of Directors has adopted a policy which deals with (i) criteria for determining qualifications, positive attributes and independence of Director and (ii) remuneration for Directors, Key Managerial Personnel and other employees ("Remuneration Policy").

The features of the Remuneration Policy are as follows:

- The Company, while constituting the Board shall draw members with appropriate skills, experience and knowledge from diverse fields such as finance, law, management, sales, marketing, architecture, administration, research, corporate governance, operations or other disciplines related to the Company's business. There shall be no discrimination on the basis of gender, race, ethnicity and nationality while determining the board composition.
- A Director shall be a person of integrity, who possesses relevant expertise and experience. He shall uphold ethical standards of integrity and probity and act objectively and constructively. He shall exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.
- An Independent Director should meet the requirements of the Act and SEBI Listing Regulations, concerning independence of directors. The Company shall also obtain certification of independence from the Independent Director in accordance with the Act and SEBI Listing Regulations.
- The remuneration paid to Whole-time Directors is subject to the limits laid down under Section 197 and Schedule V to the Act and in accordance with the terms of appointment approved by the Shareholders of the Company. The remuneration of the Whole-time Directors is determined by the Nomination and Remuneration Committee based on factors such as the Company's performance and performance/track record of the Whole-time Directors. The remuneration consists of Salary, Commission, Company's contribution to Provident Fund and Superannuation Fund, House Rent Allowance (HRA), Leave Travel Allowance (LTA) and other perquisites and allowances in accordance with the rules of the Company, applicable from time to time.
- The Non-Executive Independent Directors are paid commission within the ceiling of 1% of net profits of the Company as specified in Section 197 of the Act. The commission payable to Non-Executive Independent Directors is decided by the Board, on recommendation of the Nomination and Remuneration Committee, based on a number of factors including number of Board and Committee meetings attended, individual contribution thereat etc. The Non-Executive Independent Directors

are also paid sitting fees for attending the meetings of the Board or Committee thereof within the limits prescribed under the Act.

- The objective of the policy is to have a compensation framework that will reward and retain talent.
- The remuneration will be such as to ensure that the correlation of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Key Managerial Personnel, Senior Management and other employees will involve a balance between fixed and variable pay reflecting short and long term performance objectives of the employees in line with the working of the Company and its goals.
- The short and long term performance objectives cover amongst various aspects industry performance, customer performance, overall economic environment, financial performance and performance on Environment, Social and Governance objectives.
- For Directors, the Performance Pay will be linked to achievement of Business Plan (achievement of short-term and long-term business objective).
- For Heads of Department, the Performance Pay will be linked to achievement of functional plan which is derived from the business plan. The functional plan includes both, short-term and long-term objectives.
- For other management personnel, the Performance Pay will be linked to achievement of individual set objectives and part of this will also be linked to overall Company performance.

The Remuneration Policy is also available on the website of the Company at https://www.nerolac.com/investors/policies.html.

13. Vigil Mechanism – Whistle Blower Policy

The Company, pursuant to Section 177(9) of the Act and Regulation 22 of the SEBI Listing Regulations, has a Whistle Blower Policy to report genuine concerns and grievances. The Policy provides adequate safeguards against victimisation of persons who use the whistle blower mechanism. The Policy also provides for direct access to the Chairman of the Audit Committee.

Details with respect to implementation of vigil mechanism are separately disclosed in the Annual Report, as a part of the Report on Corporate Governance. The Whistle Blower Policy is also available on the website of the Company at https://www.nerolac.com/investors/policies.html.

14. Dividend Distribution Policy

The Dividend Distribution Policy of the Company has been formulated to ensure compliance with the provisions of Regulation 43A of the SEBI Listing Regulations. The Dividend Distribution Policy is also available on the website of the Company at https://www.nerolac.com/investors/policies.html.

The declaration of dividend by the Company is in compliance with its Dividend Distribution Policy.

15. Prevention of Sexual Harassment at workplace

In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH Act”), the Company has adopted a Policy on Appropriate Social Conduct at Workplace. The Policy is applicable to all employees and non-employees including business associates, vendors, trainees etc.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the POSH Act to redress complaints received on sexual harassment as well as other forms of verbal, physical, written or visual harassment.

During the year under review, two complaints of sexual harassment were received and resolved as per the provisions of the POSH Act. There was no case which was pending for more than 90 (ninety) days.

16. Related Party Transactions

The Company has in place a Policy on dealing with Related Party Transactions and on Materiality of Related Party Transactions which is available on the website of the Company at https://www.nerolac.com/investors/policies.html. The Audit Committee reviews this Policy periodically as required under Regulation 23 of the SEBI Listing Regulations. In terms of the Policy, a statement in summary form of transactions with related parties in the ordinary course of business and on arm’s length basis is also periodically placed before the Audit Committee for its review. Omnibus approval was obtained for the proposed related party transactions which were repetitive in nature. Transactions entered into pursuant to omnibus approval were placed before the Audit Committee for its review during the year.

Related party transactions entered during financial year 2025-26 have been disclosed in Note no. 39 to the Standalone Financial Statements.

In terms of the provisions of Section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations, all related party transactions that were entered into, during the year under review, were in the ordinary course of business of the Company and on arm’s length basis.

There were no material related party transactions during the financial year 2025-26. Accordingly, Form AOC-2, prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of related party transactions, which are “not at arm’s length basis” and also which are “material and at arm’s length basis”, is not provided as an annexure to this Report as it is not applicable.

17. Particulars of Loans, Guarantees or Investments under Section 186 of the Act

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act, are separately disclosed in the Annual Report, as a part of the Notes to the Financial Statements.

18. Particulars regarding Employees Remuneration

Disclosure comprising particulars with respect to the remuneration of directors and employees, as required to be disclosed in terms of the provisions of Section 197(12) of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as Annexure 2.

19. Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo

The statement giving the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required in terms of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed to this Report as Annexure 3.

20. Corporate Governance

The Company is in full compliance with the requirements and disclosures that have to be made in terms of the requirements of Corporate Governance specified in the SEBI Listing Regulations.

In terms of the provisions of Schedule V(C) of the SEBI Listing Regulations, a detailed Report on Corporate Governance forms part of the Annual Report. Further, a Certificate from the Statutory Auditors of the Company confirming compliance with the requirements of Corporate Governance as specified in the SEBI Listing Regulations is provided together with the Report on Corporate Governance, the same shall be considered to be an annexure to this Report.

21. Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report as required in terms of the provisions of Regulation 34(2)(f) of the SEBI Listing Regulations, separately forms part of the Annual Report.

22. Share Capital

The paid-up Equity Share Capital as at 31st March, 2026 stood at ₹ 80.87 Crores.

During the year under review, the Company allotted 2,13,393 Equity Shares of ₹ 1 each pursuant to exercise of Restricted Stock Units granted under the Kansai Nerolac Paints Limited – Restricted Stock Unit Plan, 2022.

During the year under review, the Company has not issued any convertible securities or shares with differential voting rights or sweat equity shares or warrants.

23. Restricted Stock Unit Plan

The Company introduced the Kansai Nerolac Paints Limited - Restricted Stock Unit Plan 2022 ("RSU Plan 2022") in terms of the approval of the Shareholders vide Postal Ballot on 25th October, 2022, to attract, retain, motivate its employees and improve performance of the Company for ensuring sustained growth.

During the financial year 2025-26, there has been no change in the RSU Plan 2022. The RSU Plan 2022 is available on the Company's website at https://www.nerolac.com/investors/restricted-stock-units.html.

Information as required under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations") 2021 has been uploaded on the Company's website at https://www.nerolac.com/investors/financial-results.html and is annexed to this Report as Annexure 4.

The certificate from the Secretarial Auditor, certifying that the RSU Plan 2022 has been implemented in accordance with SEBI SBEB & SE Regulations and in accordance with the Special Resolution passed by the Members of the Company through Postal Ballot on 25th October, 2022 and 15th June, 2023 will be available for inspection of the Shareholders through electronic mode. Shareholders may write to the Company at agm@nerolac.com in that regard, by mentioning "Request for Inspection" in the subject of the e-mail.

24. Details of Unclaimed Suspense Account

Details pertaining to Unclaimed Suspense Account of the Company are separately provided in the Annual Report, as part of the Report on Corporate Governance.

25. Investor Education and Protection Fund ("IEPF")

Transfer of Unclaimed Dividend to IEPF

During the year under review, dividend amounting to ₹ 31.93 Lakhs that had not been claimed by the Shareholders for the year ended 31st March, 2018, was transferred to the credit of IEPF as required under Sections 124 and 125 of the Act.

Unclaimed dividend as on 31st March, 2026

The IEPF Authority had requested companies to carry out a special outreach campaign "Saksham Niveshak" from 28th July, 2025 to 6th November, 2025 and from 1st April, 2026 to 9th July, 2026, to reach out to shareholders whose dividend remain unpaid/unclaimed. The Company encourages its Shareholders to claim their unclaimed dividends by updating their KYC details (viz., PAN, Bank account details, contact details, choice of nomination, specimen signature).

As on 31st March, 2026, dividend amounting to ₹ 2.41 Crores has not been claimed by Shareholders of the Company. Shareholders are required to lodge their claims with the Registrar and Share Transfer Agents of the Company i.e. MUFG Intime India Private Limited, for unclaimed dividend.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2025, on the website of the Company at https://www.nerolac.com/financial/shareholders.html.

Transfer of Equity Shares

As required under Section 124 of the Act, 65,365 Equity Shares, in respect of which dividend has not been claimed by the Shareholders for 7 (seven) consecutive years or more, have been transferred by the Company to the IEPF Authority during the financial year 2025-26.

Details of such Equity Shares due for transfer to IEPF Authority, in financial year 2026-27 have been uploaded on the website of the Company at https://www.nerolac.com/financial/shareholders.html.

Nodal Officer

Mr. G. T. Govindarajan, Company Secretary, is the Nodal Officer for the purpose of verification of claims filed with the Company in terms of IEPF Rules and for co-ordination with the IEPF Authority. The said details are also available on the website of the Company at www.nerolac.com.

26. Statutory Auditors

At the 104th AGM of the Company, the Shareholders had approved the re-appointment of S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E / E300003) as the Statutory Auditors of the Company, to hold office for a second term of 5 (five) consecutive years from the conclusion of the 104th AGM until the conclusion of the 109th AGM of the Company, in terms of the applicable provisions of Section 139(1) of the Act read with the Companies (Audit and Auditors) Rules, 2014. Details of the remuneration paid to S R B C & CO LLP, Chartered Accountants, Statutory Auditors, during the financial year 2025-26 are disclosed in the Financial Statements of Company, which forms part of the Annual Report.

The Auditors' Report on the Financial Statements (Standalone and Consolidated) of the Company for the year under review, is clean and there are no qualifications in the said Report. Also, no frauds in terms of the provisions of Section 143(12) of the Act have been reported by the Auditors in their Report for the year under review.

The Notes to the Financial Statements (Standalone and Consolidated) are self-explanatory and do not call for any further comments.

27. Secretarial Auditors

In terms of Regulation 24A of the SEBI Listing Regulations, the Shareholders at the 105th AGM of the Company, had appointed JHR & Associates, Company Secretaries, (Firm registration no. P2015MH059200) as the Secretarial Auditor of the Company for a term of 5 (five) consecutive years commencing from 1st April, 2025 to 31st March, 2030, to conduct the Secretarial Audit of the Company.

The Secretarial Audit Report for the year under review issued by the Secretarial Auditor is annexed to this Report as Annexure 5. There is no qualification or adverse remark in their Report.

The Secretarial Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Company Secretaries of India (ICSI) and hold valid certificate issued by the Peer Review Board of the ICSI. Further, JHR & Associates have confirmed that they are not disqualified from being Secretarial Auditor of the Company.

28. Cost Audit

The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Act. Further, the Company had appointed D. C. Dave & Co., Cost Accountants (Registration No. 000611), as the Cost Auditor to conduct an audit of its cost accounting records for the financial year 2024-25, pertaining to products of the Company as required by the law. The Cost Audit Report submitted by the Cost Auditor for the financial year 2024-25 was clean and there was no qualification in their Report. The same was duly filed with Ministry of Corporate Affairs.

The Company had re-appointed D.C. Dave & Co., Cost Accountants, as the Cost Auditor for the financial year 2025-26 and the Cost Audit Report when submitted by them, will be duly filed with the Ministry of Corporate Affairs.

Further, the Company has re-appointed D.C. Dave & Co., Cost Accountants, as the Cost Auditor for the financial year 2026-27, to conduct an audit of its cost accounting records pertaining to the products of the Company as required by the law, at a remuneration of ₹ 4,00,000 plus GST and reimbursement of out-of-pocket expenses. The Company is seeking the approval of the Shareholders by means of ratification, for the remuneration to be paid to D. C. Dave & Co., Cost Accountants, vide Item no. 4 of the Notice of 106th AGM.

The eligibility and consent letter from D. C. Dave & Co., Cost Accountants, has been received to the effect that their appointment as Cost Auditor, if made, would be in accordance with the provisions of the Act and Rules framed thereunder.

29. General Disclosure

During the year under review:

1. the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India;
2. there was no application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016;

3. there were no instances of onetime settlement with any Banks or Financial Institutions; and
4. the Company has complied with the provisions relating to the Maternity Benefits Act, 1961.

30. General Shareholder Information

General Shareholder Information is given as Item no. 12 of the Report on Corporate Governance forming part of the Annual Report.

31. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2026 is available on the website of the Company at https://www.nerolac.com/investors/annual-return.html.

32. Acknowledgements

Your Directors wish to express their grateful appreciation for the co-operation and continued support received from customers, promoter company, collaborators, vendors, investors, shareholders, financial institutions, banks, regulatory authorities and the society at large during the year.

We also place on record our appreciation for the contribution made by our employees at all levels and for their commitment, hard work and support.

For and on behalf of the Board

Bhaskar Bhat

Mumbai, 6th May, 2026 *Chairman*

Annexure 1 to the Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2025-26

1. **A brief outline of the Company's CSR Policy:** Given separately as part of this Annexure.

2. **Composition of CSR Committee as on 31st March, 2026:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Sonia Singh	Chairperson of the CSR Committee, Independent Director	2	2
2.	Mr. Bhaskar Bhat	Independent Director	2	2
3.	Mr. Pravin D. Chaudhari	Managing Director	2	2

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company**

   Composition of the CSR Committee - https://www.nerolac.com/investors/composition-of-committees.html

   CSR Policy - https://www.nerolac.com/investors/policies.html

   CSR Projects - https://www.nerolac.com/financial/csr-projects-approved.html

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.**

   During the financial year 2025-26, the Company has carried out impact assessment in terms of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, through an independent agency for a project having outlay of ₹ 1 Crore or more and that has completed not less than one year before undertaking the impact study. An executive summary of the CSR Impact Assessment Study Report is attached. The CSR Impact Assessment Report is available on the Company's website at https://www.nerolac.com/investors/financial-results.html and its executive summary forms part of this Annexure.

5. (a) **Average net profit of the Company as per sub-section (5) Section 135:** ₹ 774.57 Crores

   (b) **Two percent of average net profit of the Company as per sub-section (5) Section 135:** ₹ 15.49 Crores

   (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   (d) **Amount required to be set off for the financial year, if any:** Nil

   (e) **Total CSR obligation for the financial year (5b+5c-5d):** ₹ 15.49 Crores

6. (a) **Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project):** ₹ 15.51 Crores (Separately attached to this Annexure)

   (b) **Amount spent in administrative overheads:** ₹ 0.04 Crores

   (c) **Amount spent on impact assessment, if applicable:** ₹ 0.05 Crores

   (d) **Total amount spent for the financial year (6a+6b+6c):** ₹ 15.60 Crores

(e) **CSR amount spent or unspent for the financial year:**

Total amount spent for the financial year	Amount Unspent				
	Total amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
Amount (in ₹)	Amount (in ₹)	Date of transfer	Name of the Fund	Amount (in ₹)	Date of transfer
15.60 Crores	NIL	–	–	NA	–

(f) **Excess amount for set off, if any:**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per sub-section (5) Section 135	15.49 Crores
(ii)	Total amount spent for the financial year	15.60 Crores
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.11 Crores
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	–
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.11 Crores

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per sub-section (6) of Section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
				Amount (in ₹)	Date of transfer		
1.	2022-23	NIL	–	–	–	–	–
2.	2023-24	NIL	–	–	–	–	–
3.	2024-25	NIL	–	–	–	–	–

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:** No

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section 5 of Section 135:** Not Applicable

Pravin D. Chaudhari
Managing Director

Sonia Singh
Chairperson of the CSR Committee

Mumbai, 6th May, 2026

BRIEF OUTLINE OF CSR POLICY

The Mission and philosophy of CSR function of the Company is “To contribute positively to the development of the society, by acting as a good neighbour, considerate of others, playing the role of a good corporate citizen with passion and compassion.” Hence the CSR activities undertaken by the organisation essentially focus on four core areas of Environment, Health, Education and Community Development. The focus of the Company is to contribute to various institutions and initiatives around the manufacturing locations to provide social services to the needy.

The CSR vision of the Company is to strive to be a responsible corporate by proactively partnering in the Environmental, Social and Economic development of the communities through the use of innovative technologies, products as well as through activities beyond normal business.

The Company endeavours to make a positive and significant contribution to the society by targeting social and cultural issues, maintaining a humanitarian approach and focusing on areas in and around its plants and where its establishments are located.

The Company would continue to carry out CSR activities as it has been carrying out over the years in the areas of Environment, Health, Education and Community Development. In particular, the Company will undertake CSR activities as specified in Schedule VII to the Companies Act, 2013 (including any amendments to Schedule VII and any other activities specified by the Government through its notifications and circulars) as follows:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
8. Contribution to the Prime Minister’s National Relief Fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) any other fund set up by the Central Government for socio- economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
9. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

   (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
10. Rural development projects;
11. Slum area development; Explanation. - For the purposes of this item, the term ‘slum area’ shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force;
12. Disaster management, including relief, rehabilitation and reconstruction activities.

CSR activities will be undertaken either by the Company itself or through a Trust/Section 8 Company to be established by the Company or through any other Trust engaged in similar projects and activities. The Company may also collaborate with other companies to carry out its CSR activities.

PROGRAM WISE CSR DETAILS 2025-26

Sr. No.		Name of the Project / Program	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project / Program		Amount spent for the Project/ Programs (₹ in Lakhs)	Mode of implemen-tation - Direct (Yes/No)	Mode of implementation - through Implementing Agency	
					State	District			Name	CSR Registration Number
A.		Advanced Open Training in Painting	**Livelihood & Skill Enhancement Program**	YES	Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand, West Bengal	ALL	1106.50	NO	Kasturi Mrig Vidhya Vihar Samiti, Indore	CSR00011046
						Sub Total	**1106.50**			
B.		Impact Assessment of CSR Activity - Advanced Open Training 2024-25	**Impact Assessment**	YES	Maharashtra	Mumbai	5.00	YES		
		Running cost of Online CSR Platform	**Online CSR Platform**	YES	Maharashtra	Mumbai	3.75	YES		
						Sub Total	**8.75**			
C.	1	Health camp for poor community near Bawal Plant	**Preventive Health Care & Sanitation**	YES	Haryana	Rewari	1.50	YES		
	2	Construction of toilet in school near Bawal Plant	**Preventive Health Care & Sanitation**	YES	Haryana	Rewari	3.27	YES		
	3	Distribution of nutrition kits to TB patients near Bawal Plant	**Preventive Health Care & Sanitation**	YES	Haryana	Rewari	0.89	YES		
	4	Eye checkup & cataract surgeries near Goindwal Plant	**Preventive Health Care & Sanitation**	YES	Punjab	Tarn Taran	12.75	YES		
	5	Health camps for poor community near Goindwal Plant	**Preventive Health Care & Sanitation**	YES	Punjab	Tarn Taran	1.99	YES		
	6	Providing ECG machine & Suction machine in Civil Hospital in Khadur Sahib near Goindwal Plant	**Preventive Health Care & Sanitation**	YES	Punjab	Tarn Taran	1.90	YES		
	7	Distribution of food kits in flood affected areas near Goindwal Plant	**Preventive Health Care & Sanitation**	YES	Punjab	Tarn Taran	4.27	YES		
	8	Installation of RO water system at Govt. School near Hosur Plant	**Preventive Health Care & Sanitation**	YES	Tamil Nadu	Krishnagiri	1.19	YES		
	9	Distribution of nutrition kits to TB patients near Jainpur Plant	**Preventive Health Care & Sanitation**	YES	Uttar Pradesh	Kanpur Dehat	3.25	YES		
	10	Distribution of to Anganwadis kits near Jainpur Plant	**Preventive Health Care & Sanitation**	YES	Uttar Pradesh	Kanpur Dehat	4.34	YES		
	11	Development of park near Jainpur Plant	**Preventive Health Care & Sanitation**	YES	Uttar Pradesh	Kanpur Dehat	13.78	YES		
	12	Construction of toilets at Primary School near Jainpur Plant	**Preventive Health Care & Sanitation**	YES	Uttar Pradesh	Kanpur Dehat	12.11	YES		
	13	Health camps for poor community near Jainpur Plant	**Preventive Health Care & Sanitation**	YES	Uttar Pradesh	Kanpur Dehat	11.78	YES		

PROGRAM WISE CSR DETAILS 2025-26 (contd.)

Sr. No.		Name of the Project / Program	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project / Program		Amount spent for the Project/ Programs (₹ in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - through Implementing Agency	
					State	District			Name	CSR Registration Number
	14	Health camps for poor community near Lote Plant	**Preventive Health Care & Sanitation**	YES	Maharashtra	Ratnagiri	1.64	YES		
	15	Health Camp for rural women near Lote Plant	**Preventive Health Care & Sanitation**	YES	Maharashtra	Ratnagiri	1.74	YES		
	16	Construction of girls toilets at school near Sayakha Plant	**Preventive Health Care & Sanitation**	YES	Gujarat	Bharuch	4.63	YES		
	17	Providing medical equipment to Civil Hospital near Sayakha Plant	**Preventive Health Care & Sanitation**	YES	Gujarat	Bharuch	4.44	YES		
	18	Health Camp for rural women near Sayakha Plant	**Preventive Health Care & Sanitation**	YES	Gujarat	Bharuch	2.56	YES		
						Sub Total	**88.03**			
D.	1	Provision of water cooler near Bawal Plant	**Rural /Community Development**	YES	Haryana	Rewari	0.73	YES		
	2	Construction of Hall in Community centre near Bawal Plant	**Rural /Community Development**	YES	Haryana	Rewari	11.53	YES		
	3	Providing Computer/ Printer/ Scanner at Police Station near Goa Plant	**Rural /Community Development**	YES	Goa	South Goa	1.35	YES		
	4	Conducting "Stitching course"/ distribution of sewing machines to village women under Women Empowerment near Goindwal Plant	**Rural /Community Development**	YES	Punjab	Tarn Taran	6.61	YES		
	5	Beautician Course (along with Mehendi training) near Goindwal Plant	**Rural /Community Development**	YES	Punjab	Tarn Taran	3.80	YES		
	6	Providing Barricades near Goindwal Plant	**Rural /Community Development**	YES	Punjab	Tarn Taran	6.71	YES		
	7	Donation to Punjab Flood Relief Fund near Goindwal Plant	**Rural/Community Development**	YES	Punjab	Tarn Taran	20.00	YES		
	8	Providing Automatic cloth bag vending machine near Hosur Plant	**Rural / Community Development**	YES	Tamil Nadu	Krishnagiri	2.30	YES		
	9	Construction of toilets in Primary School near Hosur Plant	**Rural / Community Development**	YES	Tamil Nadu	Krishnagiri	4.31	YES		
	10	Construction of room at Govt. Library near Hosur Plant	**Rural / Community Development**	YES	Tamil Nadu	Krishnagiri	4.11	YES		
	11	Distribution of 100 sewing machines to village women under Women Empowerment near Jainpur Plant	**Rural / Community Development**	YES	Uttar Pradesh	Kanpur Dehat	13.00	YES		
	12	Providing PA System at RTO Office, Kanpur Dehat near Jainpur Plant	**Rural / Community Development**	YES	Uttar Pradesh	Kanpur Dehat	0.87	YES		
	13	Construction of drain system to avoid flooding near Jainpur Plant	**Rural / Community Development**	YES	Uttar Pradesh	Kanpur Dehat	16.52	YES		
	14	Installation of water cooler near Jainpur Plant	**Rural / Community Development**	YES	Uttar Pradesh	Kanpur Dehat	5.99	YES		

PROGRAM WISE CSR DETAILS 2025-26 (contd.)

Sr. No.	Name of the Project / Program	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project / Program		Amount spent for the Project/ Programs (₹ in Lakhs)	Mode of implemen-tation - Direct (Yes/No)	Mode of implementation - through Implementing Agency	
				State	District			Name	CSR Registration Number
15	Construction of well in Savnas village near Lote Plant	**Rural / Community Development**	YES	Maharashtra	Ratnagiri	8.00	YES		
16	Provision of chairs for community Hall in Awashi near Lote Plant	**Rural / Community Development**	YES	Maharashtra	Ratnagiri	1.88	YES		
17	Swayam - Women Empowerment project for small and budding women entrepreneurs near Lote Plant	**Rural / Community Development**	YES	Maharashtra	Ratnagiri	4.68	NO	Dishantar Sanstha, Chiplun	CSR00003091
18	Cupboards to Library in Chiplun near Lote Plant	**Rural / Community Development**	YES	Maharashtra	Ratnagiri	3.54	YES		
19	Donation to Sangharsh Krida Mandal for Environment related initiatives near Lote Plant	**Rural / Community Development**	YES	Maharashtra	Ratnagiri	0.50	NO	Sangharsh Krida Mandal, Chiplun	CSR00100010
20	Installation of high mass lighting towers at Rahad village near Sayakha Plant	**Rural / Community Development**	YES	Gujarat	Bharuch	3.91	YES		
21	Providing infrastructure in "Girls Children Home" near Sayakha plant	**Rural / Community Development**	YES	Gujarat	Bharuch	4.13	YES		
22	Support to “Sakhi One Stop Centre”, Bharuch near Sayakha Plant	**Rural / Community Development**	YES	Gujarat	Bharuch	3.89	YES		
23	Provision of washing machine & other essentials at Govt. Shishugruh, Bharuch near Sayakha Plant	**Rural / Community Development**	YES	Gujarat	Bharuch	7.08	YES		
24	Installation of paver blocks in Argama village near Sayakha Plant	**Rural / Community Development**	YES	Gujarat	Bharuch	5.44	YES		
25	Installation of paver blocks in Saladara village near Sayakha Plant	**Rural / Community Development**	YES	Gujarat	Bharuch	3.75	YES		
26	Stitching course for rural women near Sayakha Plant	**Rural / Community Development**	YES	Gujarat	Bharuch	6.69	YES		
27	Installation of paver blocks in Kolavana village near Sayakha Plant	**Rural / Community Development**	YES	Gujarat	Bharuch	4.36	YES		
28	Providing computers to Vagra Police Station near Sayakha Plant	**Rural / Community Development**	YES	Gujarat	Bharuch	2.75	YES		
29	Providing winter clothes to poor students from Pisad Primary School, Valsad near Sayakha Plant	**Rural / Community Development**	YES	Gujarat	Bharuch	0.81	YES		
30	Painting of Sujani Centre near Sayakha Plant	**Rural / Community Development**	YES	Gujarat	Bharuch	0.84	YES		
31	Kitchen renovation of Nari Suraksha Kendra near Sayakha Plant	**Rural / Community Development**	YES	Gujarat	Bharuch	5.42	YES		
32	Project Sports for Girls; Rise & Shine: Empowering Girls Through Sports in Yelagiri Hills	**Rural / Community Development**	YES	Yelagiri	Tamil Nadu	5.00	NO	Victory Sports Foundation, Chennai	CSR00002949
33	Traffic Safety painting in Bengaluru	**Rural / Community Development**	YES	Karnatak	Bengaluru	0.14	YES		
					Sub Total	**170.64**			

PROGRAM WISE CSR DETAILS 2025-26 (contd.)

Sr. No.		Name of the Project / Program	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project / Program		Amount spent for the Project/ Programs (₹ in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - through Implementing Agency	
					State	District			Name	CSR Registration Number
E.	1	Tiling work at Govt. Sr. Sec. School, Mohanpur near Bawal Plant	**Promoting Education**	YES	Haryana	Rewari	3.39	YES		
	2	Providing Science Books to students near Hosur Plant	**Promoting Education**	YES	Tamil Nadu	Krishnagiri	0.50	YES		
	3	Development of digital classroom at Sec. school near Jainpur Plant	**Promoting Education**	YES	Uttar Pradesh	Kanpur Dehat	3.17	YES		
	4	Distribution of school bags & other educational items for needy students from various schools near Lote Plant	**Promoting Education**	YES	Maharashtra	Ratnagiri	5.00	YES		
	5	Donation to Sahyadri Shikshan Sanstha for construction of class room	**Promoting Education**	YES	Maharashtra	Ratnagiri	15.00	NO	Sahyadri Shikshan Sanstha, Sawarde	CSR00003054
	6	Developing Robotics Lab at Z P School, Terav near Lote Plant	**Promoting Education**	YES	Maharashtra	Ratnagiri	4.13	YES		
	7	Providing RO with water cooler in Vagara School near Sayakha Plant	**Promoting Education**	YES	Gujarat	Bharuch	3.15	YES		
	8	Providing RO with water coolers and water tank in school near Sayakha Plant	**Promoting Education**	YES	Gujarat	Bharuch	3.15	YES		
	9	Providing educational material such as books, projector with screen, desktop computer at Govt. School Vagra, near Sayakha Plant	**Promoting Education**	YES	Gujarat	Bharuch	4.13	YES		
	10	Construction of laboratory and girls room at Vorasamni Primary School near Sayakha Plant	**Promoting Education**	YES	Gujarat	Bharuch	8.14	YES		
	11	Development of infrastructure at Primary School near Sayakha Plant	**Promoting Education**	YES	Gujarat	Bharuch	3.94	YES		
	12	Provision of shed at Primary School, Juned near Sayakha Plant	**Promoting Education**	YES	Gujarat	Bharuch	5.67	YES		
	13	Providing bags along with the lab kit for Garware Paint Institute students, Mumbai	**Promoting Education**	YES	Maharashtra	Mumbai	1.95	YES		
	14	Installation of Paint Spray Booth at Garware Paint Institute, Mumbai	**Promoting Education**	YES	Maharashtra	Mumbai	21.36	YES		
	15	Support for Kids Athletic Training to Striders Foundation, Mumbai	**Promoting Education**	YES	Maharashtra	Mumbai	5.00	NO	Striders Foundation, Mumbai	CSR00086905
	16	Sensitization & Life Skill Development workshops series for students of Rotary school, Khed near Lote Plant.	**Promoting Education**	YES	Maharashtra	Mumbai	3.69	NO	Jnana Prabodhini Samshodhan Sanstha, Pune	CSR00002568
	17	Apprenticeship to students for Training	**Promoting Education**	YES	Maharashtra	Mumbai	0.17	YES		
						Sub Total	**91.54**			

PROGRAM WISE CSR DETAILS 2025-26 (contd.)

Sr. No.		Name of the Project / Program	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project / Program		Amount spent for the Project/ Programs (₹ in Lakhs)	Mode of implemen-tation - Direct (Yes/No)	Mode of implementation - through Implementing Agency	
					State	District			Name	CSR Registration Number
F.	1	Awareness sessions to promote safe driving practices near Bawal Plant	**Ensuring Environmental Sustainability**	YES	Haryana	Rewari	0.62	YES		
	2	Painting of Hospital Building near Bawal Plant	**Ensuring Environmental Sustainability**	YES	Haryana	Rewari	8.00	YES		
	3	Tree plantation & beautification of area near Bawal Plant	**Ensuring Environmental Sustainability**	YES	Haryana	Rewari	9.15	YES		
	4	Providing Solar streetlights with poles near Bawal Plant	**Ensuring Environmental Sustainability**	YES	Haryana	Rewari	1.64	YES		
	5	Painting work of Community Centre near Bawal Plant	**Ensuring Environmental Sustainability**	YES	Haryana	Rewari	3.45	YES		
	6	Maintenance of Park (Phase I) near Goindwal Plant	**Ensuring Environmental Sustainability**	YES	Punjab	Tarn Taran	6.00	YES		
	7	Maintenance of Park (Phase II) near Goindwal Plant	**Ensuring Environmental Sustainability**	YES	Punjab	Tarn Taran	3.96	YES		
	8	Painting of Community Centre, Goindwal Sahib village near Goindwal Plant	**Ensuring Environmental Sustainability**	YES	Punjab	Tarn Taran	1.15	YES		
	9	Painting of girls' hostel near Hosur Plant	**Ensuring Environmental Sustainability**	YES	Tamil Nadu	Krishnagiri	3.20	YES		
	10	Painting of Thally school buildings near Hosur Plant	**Ensuring Environmental Sustainability**	YES	Tamil Nadu	Krishnagiri	4.94	YES		
	11	Painting of Moranapalli school buildings near Hosur Plant	**Ensuring Environmental Sustainability**	YES	Tamil Nadu	Krishnagiri	5.83	YES		
	12	Development of Sane Guruji Udyan near Lote Plant	**Ensuring Environmental Sustainability**	YES	Maharashtra	Ratnagiri	5.75	YES		
	13	Support to Govt. run Tree Plantation Project, Devrai near Lote Plant	**Ensuring Environmental Sustainability**	YES	Maharashtra	Ratnagiri	5.00	NO	Sahyadri Nisarg Mitra,Chiplun	CSR00003054
	14	Providing Paint material for Devrai Project near Lote Plant	**Ensuring Environmental Sustainability**	YES	Maharashtra	Ratnagiri	0.32	YES		
	15	Tree plantation near Lote Plant	**Ensuring Environmental Sustainability**	YES	Maharashtra	Ratnagiri	0.56	YES		
	16	Provision of Paint to S.P. Traffic Police Chowki near Lote Plant	**Ensuring Environmental Sustainability**	YES	Maharashtra	Ratnagiri	0.32	YES		
	17	Provision of Paint for Awashi Gram panchayat near Lote Plant	**Ensuring Environmental Sustainability**	YES	Maharashtra	Ratnagiri	0.62	YES		
	18	Provision of paint for Z.P. School, Ghanekunt near Lote Plant	**Ensuring Environmental Sustainability**	YES	Maharashtra	Ratnagiri	0.43	YES		
	19	Provision of Paint for Z.P. School, Donavli near Lote Plant	**Ensuring Environmental Sustainability**	YES	Maharashtra	Ratnagiri	0.66	YES		
	20	Provision of Paint for Z.P. School, Umroli near Lote Plant	**Ensuring Environmental Sustainability**	YES	Maharashtra	Ratnagiri	0.27	YES		
	21	Provision of Paint for Z. P. School, Lote near Lote Plant	**Ensuring Environmental Sustainability**	YES	Maharashtra	Ratnagiri	0.40	YES		

PROGRAM WISE CSR DETAILS 2025-26 (contd.)

Sr. No.		Name of the Project / Program	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project / Program		Amount spent for the Project/ Programs (₹ in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - through Implementing Agency	
					State	District			Name	CSR Registration Number
	22	Provision of Paint for THO Office, Khed near Lote Plant	**Ensuring Environmental Sustainability**	YES	Maharashtra	Ratnagiri	1.70	YES		
	23	Painting of RK Vakil Higher Sec. School near Sayakha Plant	**Ensuring Environmental Sustainability**	YES	Gujarat	Bharuch	6.46	YES		
	24	Provision of Paint for Udhawada Dispensary near Sayakha Plant	**Ensuring Environmental Sustainability**	YES	Gujarat	Valsad	6.24	YES		
	25	Provision of Paint to Tata Memorial Hospital, Mumbai	**Ensuring Environmental Sustainability**	YES	Maharashtra	Mumbai	4.56	YES		
	26	Provision of Paint to New Maitri Sthal, Bum La	**Ensuring Environmental Sustainability**	YES	Arunachal Pradesh	Bum La	0.50	YES		
	27	Painting of Community Hall, Kumta, Karnataka	**Ensuring Environmental Sustainability**	YES	Karnataka	Kumta	4.29	YES		
						Sub Total	**86.02**			
G.		Painting of historical buildings at Shri Anandpur Sahib, Punjab	**Protection of Heritage Monuments**	YES	Punjab	Goindwal	8.94	YES		
						Sub Total	**8.94**			
						GRAND TOTAL	**1560.42**			

Implementing Agencies for CSR Activities -

1 Kasturi Mrig Vidhya Vihar Samiti, Indore

2 Dishantar Sanstha, Chiplun

3 Sahyadri Shikshan Sanstha, Sawarde

4 Jnana Prabodhini Samshodhan Sanstha, Pune

5 Striders Foundation, Mumbai

6 Victory Sports Foundation, Chennai

7 Sahyadri Nisarg Mitra, Chiplun

8 Sangharsh Krida Mandal, Chiplun

9 SoulAce Consulting Pvt. Ltd., Kolkata

Executive summary of the CSR Impact Assessment Study Report

Project: Livelihood & Skill Enhancement Program (Advanced Open Training for Painters)

Implementing Partner: Kasturi Mrig Vidhya Vihar Samiti, Indore

Research Methodology				
Year of Implementation	**Beneficiaries**	**Sample Size**	**Project Location**	**Stakeholders Covered**
FY 2024-2025	82,630 painters were directly trained	600	Pan India	Painters, Implementing NGO Staff

Project Background

The Advanced Open Training Program for Painters is a flagship livelihood initiative by Kansai Nerolac Paints Limited under its CSR commitment. The program aims to empower painters from the informal sector by providing industry-relevant technical skills, product knowledge, and entrepreneurial capabilities to enhance their employability and income potential. It also equips painters with modern tools, builds customer confidence, and keeps them updated with evolving paint technologies and techniques. Implemented in partnership with Kasturi Mrig Vidhya Vihar Samiti, the program follows a PAN-India approach, reaching both urban and semi-urban geographies. The initiative has successfully impacted over 82,630 beneficiaries, making it a significant component of the company's Livelihood & Skill Enhancement efforts. This Impact Assessment report draws on quantitative data, field insights, and beneficiary feedback to assess the program's effectiveness in enhancing livelihoods, strengthening economic outcomes, and promoting inclusive and sustainable growth.

Findings of the Study

- 26.0% of the painters have completed their primary level of education.
- 37.0% of the painters are in the age bracket of 31-40 years.
- 87.2% of the painters used to earn in the range of ₹ 10,000 to ₹ 15,000 prior to joining the training program.
- 98.0% of the trainees found the program to be relevant to their upskilling needs.
- 100% of the trainees gained knowledge about new painting techniques.

Impact Created

- 83.0% of the trainees got exposure to new job opportunities & work contracts post completion of the training program.
- 55.0% of the trainees have witnessed an increase in their income level.
- 82.0% of the trainees mentioned they got access to new machinery during the training program.
- 98.0% of the trainees rated the training program as excellent & very good for upskilling.
- 100% of the trainees are aware about the efforts of Kansai Nerolac Paints Limited for supporting them to upgrade in the painting sector.

Rating based on OECD Framework					
Relevance	● ● ● ● ●	**Effectiveness**	● ● ● ● ○	**Impact**	● ● ● ● ●
Coherence	● ● ● ● ●	**Efficiency**	● ● ● ● ●	**Sustainability**	● ● ● ● ●

Index: 5 Points - Very High; 4 Points - High; 3 Points - Moderate; 2 Points - Low; 1 Point - Very Low

Annexure 2 to the Board's Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(a) The ratio of the remuneration of each Director to the Median Remuneration of the employees of the Company for the financial year 2025-26 and

(b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year.

Sr. No.	Name of Director/ Key Managerial Personnel ('KMP') and Designation@	Remuneration of Director/ KMP for financial year 2025-26 (₹ in Lakhs)	Percentage increase in remuneration for the financial year 2025-26	Ratio of remuneration of each Director / KMP to the median remuneration of employees
1	Mr. Bhaskar Bhat Chairman Non-Executive and Independent Director	51.00	2	5.21
2	Ms. Sonia Singh Non-Executive and Independent Director	51.50	1.98	5.26
3	Mr. Takashi Tomioka* Non-Executive Director	–	–	–
4	Mr. Pravin D. Chaudhari Managing Director *(with effect from 1st April, 2025)*	296.10#	NA	30.24
5	Mr. Hirokazu Kotera Executive Director *(up to the close of business on 31st March, 2026)*	76.87	NA	7.85
6	Mr. Uday S. Bhansali Non-Executive and Independent Director	15.75	NA$	1.61
7	Mr. Gen Yokota* Non-Executive Director *(with effect from 30th June, 2025)*	–	–	–
8	Mr. P. D. Pai Chief Financial Officer *(up to the close of business on 31st July, 2025)*	136.26#&	^	13.91
9	Mr. Yash Ahuja Chief Financial Officer *(with effect from 1st August, 2025)*	98.98#	^	10.11
10	Mr. G.T. Govindarajan Company Secretary	117.71#	11.04	12.02

@ Information is given for Directors / KMPs as on 31st March, 2026.

$ Mr. Uday Bhansali was appointed with effect from 6th November, 2024. Remuneration received in financial year 2025-26 is not comparable with remuneration for financial year 2024-25 (for part of the year) and hence not stated.

^ Mr. P. D. Pai retired with effect from 31st July, 2025 and Mr. Yash Ahuja was appointed with effect from 1st August, 2025. Remuneration received by them in financial year 2025-26 (for part of the year) is not comparable with remuneration for financial year 2024-25 and hence not stated.

& Remuneration to Mr. P. D. Pai excludes the Company's contribution to Provident Fund and Superannuation and retirement benefits of ₹ 281 Lakhs towards Gratuity and Leave Encashment.

* Mr. Takashi Tomioka and Mr. Gen Yokota did not receive any sitting fees for attending Board/Committee meetings nor were they paid any commission.

Remuneration mentioned in the case of the Managing Director and other KMPs is the income earned during the financial year 2025-26 as reflected in the Income-tax Computation Sheet as "Gross Income" (inclusive of perquisites). It excludes the Company's contribution to Provident Fund and Superannuation. As the future liabilities for gratuity, leave encashment along with medical benefits are provided on an actuarial valuation basis for the Company as a whole, the amount pertaining to each individual is not ascertainable and therefore not included above. Remuneration to Managing Director also excludes the restricted stock units granted during financial year 2025-26, which is subject to the vesting conditions in terms of Kansai Nerolac Paints Limited - Restricted Stock Unit Plan 2022.

(c) The median remuneration of employees of the Company for the year increased by 5.5% compared to the previous financial year.

(d) The number of permanent employees on the rolls of the Company is 3,804 as on 31st March, 2026.

(e) Average percentage increase made in the salaries of employee other than KMP in the financial year 2025-26 was 7.3%. The percentage increase in the remuneration of KMP was 42.41%.

(f) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

(g) The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, is provided in a separate Annexure forming a part of the Report. Further, the Annual Report is being sent to the Members excluding the aforesaid Annexure. In terms of Section 136 of the Companies Act, 2013, the said Annexure will be available for inspection of the Shareholders through electronic mode. Shareholders may write to the Company at agm@nerolac.com in that regard.

(h) None of the employees listed in the said Annexure is a relative of any Director in the Company.

(i) There was no employee either throughout the financial year or part thereof who was in receipt of remuneration which, in the aggregate, was in excess of that drawn by the managing director or whole-time director and who held by himself or along with his spouse or dependent children, not less than two percent of the equity shares of the Company.

For and on behalf of the Board

Bhaskar Bhat

Mumbai, 6th May, 2026

Chairman

Annexure 3 to the Board's Report

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO, AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. Conservation of Energy

We continue to accord utmost importance on saving and ensuring efficient usage of various sources of energy. Efficient and judicious use of energy sources has been our prime objective. We aim to gradually adopt new concepts and technologies which further lead to diversification of energy mix in turn reducing our dependency on fossil fuels. We have made considerable investments across organisation to enhance our Renewable Power footprint. For this, we have been exploring various renewable energy options available across states and accordingly plan for Green Energy projects (both Solar and Wind) in line with our Corporate RE 70 theme.

We receive renewable power through self-owned rooftop Solar power plants as well as through Captive Wind turbines. We also source through open access mechanism where in power is sourced through developers/Independent power producers via suitable power purchase agreements as well as shareholding agreements. Renewable power as a percentage of total power is tracked month on month and initiatives are consistently explored for increasing this quantum in line with Corporate RE 70 vision.

We aim to gradually adopt new concepts and technologies which further lead to energy conservation and increased energy efficiency. We have now forayed into offsite installations for increasing our Solar and Wind capacity. We have windmill installations across the states of Maharashtra, Tamil Nadu and Gujarat. We have recently commissioned 2nd Wind turbine of 2100 KW capacity at our Sayakha Plant. With this, our Captive windmill capacity have increased to 10500 KW. Also, we have commissioned 3000 KW offsite Captive Solar farm in the district of Yavatmal in Maharashtra which caters to power requirements at our Lote Plant.

Various new technologies have been implemented like Carbon nano tube-based Power saver, Internal coatings to casings of centrifugal pumps. Going ahead, we are exploring technologies like Axial fans, Geothermal energy, Solar reflectors, etc. which would further enable us to optimize our energy cost and efficiency.

The Company measures progress in energy management through various key indicators of specific power consumption, specific fuel consumption, Grid power outage, power cost, power losses, Green Energy percentage footprint etc. These metrics help track and evaluate the advancements made in optimizing energy usage and transitioning to more sustainable energy sources. Currently, our manufacturing plants at Jainpur, Bawal, Lote, Sayakha, Hosur and Goindwal are ISO 50001 certified, an international standard which certifies our commitment towards energy performance and sustainability.

We are strategically moving towards eliminating use of fossil fuels (High Speed Diesel / Furnace oil) in our process equipment through migration to Natural Gas which is a cleaner fuel. Currently, 5 of our Plants have eliminated usage of fossil fuels in our process equipment. Wherever feasible we are also migrating from diesel based fork lifts to electric fork lifts.

(i) Steps taken or impact on conservation of energy:

At Kansai Nerolac Paints Limited, we continue to adopt measures to overcome the sustainability challenge. Measures are being taken to reduce energy consumption through efficiency improvement projects viz;

- Automatic Tube cleaning system for chillers
- Coatings of pumps to improve efficiency
- Implementation of Carbon Nano Technology (CNT) based power saver
- Use of smart positioners to reduce air consumption
- FRP Cooling Tower fan blades replacement with Epoxy coated technology
- Replacement of AHU blower fans with new energy efficient blowers
- Replacement of old motors and chillers with new and energy efficient ones
- Horizontal deployment of energy management system for real time energy tracking, better analysis and identify areas of improvement
- VFD installation on certain Equipment

(ii) **Steps taken by the Company for utilizing alternate sources of energy:**
The Carbon Neutrality projects executed so far have been closely monitored with respect to generation and efficiency. With above projects, our renewable power green footprint for all 8 plants stands at 46.8%

(iii) **Capital investment on energy conservation equipment:** ₹ 23.5 Crores

B. Technology Absorption

(i) **Efforts made towards technology absorption.**

Following activities carried out in Research and Development:

— Development of new products for Automotive, Performance Coating and Decorative segments

— Innovative shade development & color forecasting for OEM industry

— Upgradation of processes for cycle time reduction and energy saving

— Localization of new technology products and intermediates for automotive coating

— Green initiatives - Development of Low bake & High solid products for OE Industries to reduce VOC & Carbon footprint, Sustainable product development

— Formulation optimization by value engineering

— Import substitution of raw materials

— Joint projects with vendors & customers for mutual benefit & quality enhancement

— Technical support to overseas subsidiaries for new product development, value engineering, alternate / new raw material development etc.

— Competitor sample evaluation and benchmarking

— Support to customers for smooth introduction of new shades & products on running production line

— Training to customers on paint technology & application to upgrade knowledge & skill

(ii) **Benefits derived like product improvement, cost reduction, product development or import substitution:**

Below range of products has helped us to generate additional business by way of new product and product upgradation, also it covers the list of products where we have done cost reduction and import substitution which has helped to improve our margins.

— Beauty Gold Washable + Kansai Select (TRACCE)
— Suraksha Primer
— Beauty Smooth Super
— Beauty Little Master Super
— Nerolac Economy Interior Primer Super
— Nerolac Perma R POXY 2K
— Nerolac Perma R POXY 3K
— Nerolac Perma NO DAMP SUPER
— Nerolac Perma NO DAMP NXT
— Nerolac Perma Inject PU 101
— Nerolac Perma NO HEAT
— Soldier Raik Raksha
— Nerolac Perma Tile Adhesive Diamond+
— Nerolac Perma Tile Adhesive Platinum
— Nerolac Perma Tile Adhesive Platinum+
— Nerolac Perma Master Floor SL (Epoxy Flooring system)
— Nerolac Excel Sheen
— Nerolac Mica Marble Strech & Sheen WOW
— Nerolac WONDERWOOD RTU - “O” series
— Nerolac ITALIAN 2K PU Clear – O

— Nerolac ITALIAN 2K PU White -O
— PVC SEAM SEALER (3C-1B)
— PVC SEAM SEALER LOW VISC.(3C-1B)
— PVC UNDER BODY COAT (3C-1B)
— 2K PU CHROME METALLIC FINISH
— EVERLAST CLEAR COAT_20L
— PU NEW CLEAR COAT
— 1K COMMON CONDUCTIVE PRIMER
— 2K PU HS 6650 CLEAR
— 1K HS PU KAI CLEAR
— KINO 2K # 6221H_CLEAR_TKR
— TSA HP MX100 CLEARCOAT_
— Nerokan WOW Epoxy Primer Grey
— Nerokan FD 2K Epoxy Primer Grey
— Nerokan 2K Epoxy Primer Yellow
— Nerofleet 2K WOW Epoxy Primer Grey
— Nerokan 2K Epoxy Structure Primer
— ACRIC EZ High Productive PU HS Clear ARF LC PU Segment
— PM HP Epoxy Primer Grey
— PM POPULAR HI GLOSS PU Clear
— TSA Met B/C & TSA Low Bake Matt Clear
— Common Coat Pearl Igneous Black
— Monocoat and New colour introduce
— 2K HS Light Grey Conductive Primer
— Antiocorrosive primer, B/C, Clear
— PU Improved HS Matt Black
— Super Low Bake Golden Yellow
— 2K PU Monocoat MET. FES Red
— Clear ADDPRO Primer
— 1K HB 65 QD Casting Sealer
— 3C-2B STOV B/C
— 1K ADFD
— Elecron KG-435 Black
— Elecron LB-250 S Grey
— Elecron 3040 Epox Black
— HG 350E Mod Black Pig.Paste F-1
— PP LB Silk Matt Black
— EPP GL AC Light Grey (N)
— PP SD Super Matt Black (780)
— PP Matt Met Rusty Brown (780)
— PP Satin Wheel Black
— PP BJ HR Silver
— New LB Matt Pebble Stone
— EPP LB FF Natural Grey
— Nerocoat PE Satin White
— Basic White 25
— PP Primitive Silver
— PP HF Glossy Black
— PP Glossy Frame White
— Nerocoat Yellow Beige
— PP SD Glossy, Semi glossy Shades
— HR 600 Matt Black (DF)
— PP Matt RE Black (ED)
— PP Topcoat RAL 5012
— Nerotherm 650 CUI

- Nerolac Thermal Insulation CTG White
- Celatect HS TC
- Remoplast DS Glimmer
- Neromastic 400 MIO GFA AL
- Nerothane 75 HS RAL 9001
- Nerolac WB Matt BlackRAL 9005
- Retan 50 Sanding Clear
- 2C Epoxy LIUGONG Grey Primer
- 2C PU LCF Top coat
- Nerolac QD TY New Matt Black Primer_ROHS
- 2K Epoxy Black Primer
- Nerocoil ROHS Products
- Nerocoil ROHS Moon Silver
- Nerocoil ROHS Midnight Grey
- Nerocoil HP 200 PE Topcoat

(iii) Details of imported technology (imported during last three years reckoned from the beginning of the financial year):

a. Details of technology imported.

Particulars	**Year of Import**
YKK PFAS Free products (White and Black)	2023-24
EBEPHEN AC HS DECK NOVA for Engines	2023-24
EBEPHEN PU HS GRUND NOVA WHITE Surfacer for Engines	2023-24
EP PRIMER FILLER RED BROWN	2023-24
Tin free CED (LB-1033)	2023-24
ALC 2 SKE Clear for Alloy Wheel	2023-24
Magicron EN2 Kai Clear	2023-24
Magicron AL 2500 Base Coat	2023-24
TP 65 Primer & Colour Base for 4-Wheeler	2023-24
Elecron KG-435 Grey	2024-25
Two resins for New generation CED	2024-25
Four High Solids Acrylic resins	2024-25
HS Resin KZ 790	2024-25
EXD 431	2024-25
ZUX 318	2024-25
KH 753	2024-25
KH 774	2024-25
KH 724	2024-25
PU SFX CLEAR	2024-25
Epoxy 51 Universal Primer	2024-25
Remoplast MSR Ultra Primer	2024-25
Remoplast DS Glimmer	2024-25
2K PU HS Kino 6221 H Clear	2025-26
MAGICRON TB-516 NO.1L0 Silver	2025-26
SOFLEX420T UC-1L0 Silver	2025-26
RETAN WB ECO EV 881 ST REDUCER	2025-26
RETAN WB ECO EV 882 HV REDUCER	2025-26
RETAN WB ECO EV 883 HF REDUCER	2025-26

Particulars	Year of Import
RETAN WB ECO EV SMOOTHER	2025-26
70% ACRYLIC RESIN KN 113	2025-26
75% EXD 432	2025-26
87% ZUX-313	2025-26
Tin free CED (LB-250 S)	2025-26
Elecron KG-435 Black	2025-26
Elecron LB 400 LF Epoxy Grey	2025-26
ELECRON 3040 Epoxy Grey / Black	2025-26
HG 350E MOD BLACK PIG.PASTE F-1 High Jet Black Epoxy CED	2025-26

b. Whether the technology has been fully absorbed: Yes

c. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: The technology has been fully absorbed.

(iv) Expenditure incurred on Research and Development

(₹ in Crores)

Particulars		FY 2025-26	FY 2024-25
a.	Capital	**3.10**	2.24
b.	Recurring	**51.22**	49.62
Total		**54.32**	51.86

Foreign Exchange earnings and outgo

1. Foreign Exchange earnings during the year: **₹ 10.17 Crores** (2024-2025: ₹ 9.43 Crores)
2. Foreign Exchange outgo during the year: **₹ 1099.32 Crores** (2024-2025: ₹ 1099.75 Crores)

For and on behalf of the Board

Bhaskar Bhat
Chairman

Mumbai, 6th May, 2026

Annexure 4 to the Board's Report

DISCLOSURE IN RELATION TO KANSAI NEROLAC PAINTS LIMITED - RESTRICTED STOCK UNIT PLAN 2022 ("RSU PLAN 2022 / PLAN")

[Pursuant to Regulation 14 read with Part F of Schedule I of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations") and Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014]

1. **Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.**

   The disclosures are provided in Note 47 – Share based payments to the Standalone Financial Statements and Note 44 – Share based payments to the Consolidated Financial Statements.

2. **Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.**

   The disclosures are provided in Note 38 – Earnings Per Equity Share to the Standalone Financial Statements and Note 36 – Earnings Per Equity Share to the Consolidated Financial Statements.

3. **Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS**

a)	Date of Shareholders' approval	25th October, 2022
b)	Total number of options approved under ESOS	The total number of Restricted Stock Units ("RSUs") to be granted under the RSU Plan 2022 shall not exceed 80,83,795 (Eighty lakhs eighty three thousand seven hundred ninety five) RSUs which upon exercise shall be convertible into not more than 80,83,795 (Eighty lakhs eighty three thousand seven hundred ninety five) Equity Shares of face value of ₹ 1 each fully paid-up. Each RSU when exercised would be converted into one Equity Share of ₹ 1 each. During the financial year 2023-24, the Company approved bonus issue in the ratio 1:2. In terms of the RSU Plan 2022, necessary adjustments had been made by increasing the total number of RSUs to be granted under the RSU Plan 2022 from 53,89,197 (Fifty three lakhs eighty nine thousand one hundred ninety seven) RSUs to 80,83,795 (Eighty lakhs eighty three thousand seven hundred ninety five) RSUs.
c)	Vesting requirements	RSUs shall vest essentially based on continuation of employment/service as per requirement of SEBI SBEB & SE Regulations. In addition to this, the Committee may also determine, at its sole discretion, certain criteria like designation, period of service, performance linked parameters viz., revenue targets, PBT targets etc., subject to satisfaction of which the RSUs would vest. Further, the Committee shall have the power to modify the allocation percentage of performance and tenure based RSUs, at the time of grant, based on business requirements.
d)	Exercise price or pricing formula	The Exercise Price per RSU shall be the face value of Equity Share of the Company as on Grant Date.
e)	Maximum term of options granted	RSUs granted on any date shall vest not later than a maximum of 4 (four) years from the date of grant of RSUs as stated above.
f)	Source of shares	Primary
g)	Variation in terms of options	Not applicable

4. **Method used to account for ESOS – Intrinsic or fair value.**

   The Company has estimated fair value of RSUs.

5. **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 recognized 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 shall also be disclosed.**

Not Applicable

6. **Option movement during the year**

Number of options outstanding at the beginning of the period	17,39,476
Number of options granted during the year	2,20,987
Number of options forfeited / lapsed during the year	43,126
Number of options vested during the year	3,89,266
Number of options exercised during the year	1,67,594
Number of shares arising as a result of exercise of options	1,67,594
Money realized by exercise of options (INR), if scheme is implemented directly by the company	1,67,594
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	17,49,743
Number of options exercisable at the end of the year	2,86,177

7. **Weighted-average exercise price and weighted-average fair value 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.**

	Year ended 31st March, 2026
Weighted-average exercise price per RSU	₹ 1
Weighted-average fair value per RSU	₹ 215.62

8. **Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -**

- **senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including Key Managerial Personnel:**

  (during the year ended on 31st March 2026)

Name of employee	Designation	No. of RSUs granted during the year Exercise price - ₹ 1 each
Mr. Pravin D. Chaudhari	Managing Director	91,141

- **any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.**

  Not Applicable

- **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.**

  Not Applicable

9. **A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

Method & Model	**The fair value of the RSUs are determined using the Black-Scholes Model for RSUs with time based vesting conditions and Monte Carlo Simulation Model is used for RSUs with performance based vesting conditions.**
Significant assumptions	
The Weighted average value of share price	₹ 439.25
Exercise price	₹ 1
Expected volatility	32 – 35%
Expected option life	4 – 7 years
Expected dividend yield	0.6%
Risk free interest rate	7.14 – 7.23%
The method used and the assumptions made to incorporate the effects of expected early exercise	Not applicable
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The expected volatility of the Company's Equity Shares is computed on the basis of the annual volatility of the Company's Equity Shares traded on the Stock Exchanges, by considering the deviations in daily returns of the Equity Shares traded, which is averaged out and then annualized to arrive at the annual volatility of the Company's Equity Shares.
Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition	For deriving fair value of the RSUs by the Monte Carlo Simulation methodology, multiple simulations related to the Company's financial projections were also considered.

Annexure 5 to the Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026
[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE NO. 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

The Members,
Kansai Nerolac Paints Limited
28th Floor, A-wing, Marathon Futurex, N. M. Joshi Marg,
Lower Parel, Mumbai 400 013, Maharashtra.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kansai Nerolac Paints Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information / representations provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026, generally 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:-

We 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 ('SCRA') 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 Foreign Direct Investment and Overseas Direct Investment;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time: -

   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 / 2025. **(Not applicable to the Company during the audit period)**;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period)**;

   h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period)**;

   i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There are no laws which specifically apply to the type of activities undertaken by the Company.

We have also examined compliance with the applicable clauses of the following: -

i. Secretarial Standards issued by The Institute of Company Secretaries of India as in force from time to time.

ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, etc.

We 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 of at least seven days was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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.

As per minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous with views of the Board members recorded in the same.

We 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.

We further report that during the period under review, the Company obtained approval of the shareholders for the following matters having a major bearing on Company's affairs:

1. Appointment of Mr. Pravin Digambar Chaudhari as Managing Director of the Company, for a period of three years commencing from 1st April 2025 upto 31st March 2028 pursuant to the Ordinary Resolution passed by the shareholders through Postal Ballot on 18th April 2025.
2. Approval of Scheme of Amalgamation of Nerofix Private Limited, a wholly owned subsidiary of the Company, with the Company, pursuant to the provisions of Section 230, 232 and other applicable provisions of the Companies Act 2013, by the shareholders at the meeting convened on 27th February 2026 pursuant to the order of National Company Law Tribunal – Mumbai Bench.

For JHR & Associates
Company Secretaries

J. H. Ranade
(Partner)
FCS: 4317, CP: 2520
UDIN: F004317H000288436
PR Certificate No. - 6285/2024

Place: Thane
Date: 06th May, 2026

The Members,

Kansai Nerolac Paints Limited
28th Floor, A-wing, Marathon Futurex, N. M. Joshi Marg,
Lower Parel, Mumbai 400 013.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the 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. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For JHR & Associates
Company Secretaries

J. H. Ranade
(Partner)
FCS: 4317, CP: 2520

Place: Thane
Date: 06th May, 2026

Report on Corporate Governance

Pursuant to Schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), a Report on Corporate Governance for the year ended 31st March, 2026 is given below:

1. Company's philosophy on Code of Governance

The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders viz., the employees, shareholders, customers, vendors and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner and by being fair to all stakeholders, by ensuring that the Company's activities are managed by a professionally competent and independent Board of Directors.

2. Board of Directors ("Board")

(a) As on 31st March 2026, the Board of Kansai Nerolac Paints Limited comprised of 7 (seven) Directors. The Board included 2 (two) Executive Directors - the Managing Director and the Whole-time Director, and 5 (five) Non-Executive Directors. Among the Non-Executive Directors, 3 (three) were Independent Directors, including the Chairman and a woman Independent Director. The remaining 2 (two) were Non-Executive, Non-Independent Directors.

The composition of the Board is in conformity with the requirement of Regulation 17(1) of the SEBI Listing Regulations and the Companies Act, 2013 ("Act"). All Independent Directors of the Company have certified and confirmed their independence in accordance with Section 149 of the Act read with Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations.

Mr. Takashi Tomioka and Mr. Gen Yokota, Non-Executive, Non-Independent Directors, Mr. Pravin D. Chaudhari, Managing Director and Mr. Hirokazu Kotera, Executive Director were nominees of Kansai Paint Co., Ltd., Japan ("KPJ"), the Promoter Company.

Mr. Pravin D. Chaudhari has been appointed as the Managing Director of the Company, for a term of 3 (three) years commencing from 1st April, 2025 up to and ending on 31st March, 2028 (both days inclusive).

Mr. Gen Yokota had been appointed as Non-Executive Director of the Company with effect from 6th May, 2025. The Shareholders approved his appointment at the 105th Annual General Meeting ("AGM") of the Company held on 30th June, 2025.

Mr. Hitoshi Nishibayashi, liable to retire by rotation at the 105th AGM of the Company did not seek re-appointment due to health reasons. He retired as a Non-Executive Director of the Company on 30th June, 2025.

Mr. Hirokazu Kotera resigned as the Executive Director with effect from the close of business on 31st March, 2026, on the directions of Promoter Company, KPJ, which had nominated Mr. Kotera as a Director on the Board of the Company.

(b) During the year ended 31st March, 2026, 10 (ten) Board Meetings were held i.e. on 22nd April, 2025, 6th May, 2025, 25th July, 2025, 4th August, 2025, 11th August, 2025, 17th September, 2025, 3rd November, 2025, 11th December, 2025, 3rd February, 2026 and 26th March, 2026.

After 31st March, 2026, 1 (one) Board Meeting was held on 6th May, 2026.

Last year's AGM of the Company was held on 30th June, 2025 by Video Conferencing / Other Audio Visual Means.

Details of the Directors of the Company and their attendance at the Board Meetings held during the financial year 2025-26 and at the last year's AGM of the Company, are as follows:

Name of the Director	Director Identification Number	Category of Directorship	No. of Board Meetings attended	Attendance at the last year's AGM
Mr. Bhaskar Bhat	00148778	Chairman, Non-Executive and Independent Director	10	Yes
Mr. Hitoshi Nishibayashi@	03169150	Non-Executive Director	Nil	No
Ms. Sonia Singh	07108778	Non-Executive and Independent Director	10	Yes
Mr. Takashi Tomioka	08736654	Non-Executive Director	10	Yes
Mr. Pravin D. Chaudhari^	02171823	Managing Director	10	Yes
Mr. Hirokazu Kotera*	10707431	Executive Director	9	Yes
Mr. Uday S. Bhansali	00363902	Non-Executive and Independent Director	10	Yes
Mr. Gen Yokota#	11084786	Non-Executive Director	7	Yes

@ Ceased to be a Non-Executive Director of the Company on 30th June, 2025.

^ Appointed as the Managing Director of the Company with effect from 1st April, 2025.

* Resigned as Executive Director of the Company with effect from the close of business on 31st March, 2026.

Appointed as Non-Executive Director of the Company with effect from 6th May, 2025.

(c) Number of Directorships (other than the Company) and Committees in which the Director is a Chairperson / Member as on 31st March, 2026, is as follows:

Name of the Director	No. of Directorships in other public limited companies	No. of Committees in which Chairperson / Member (including the Company)*	
		Chairperson	Member
Mr. Bhaskar Bhat	4	1	4
Mr. Hitoshi Nishibayashi	Nil	Nil	Nil
Ms. Sonia Singh	5	2	5
Mr. Takashi Tomioka	Nil	Nil	Nil
Mr. Pravin D. Chaudhari	Nil	Nil	1
Mr. Hirokazu Kotera	Nil	Nil	Nil
Mr. Uday S. Bhansali	2	1	1

* In terms of the provisions of Regulation 26(1) of the SEBI Listing Regulations,

- Membership / chairpersonship in committees of the Board(s) of all public companies, whether listed or not, have been taken into consideration excluding private limited companies, foreign companies, high value debt listed entities and companies registered under Section 8 of the Act.
- Chairpersonship and membership of Audit and Stakeholders' Relationship Committees have been considered. Also, the number of membership of committees includes chairpersonship.

Details of directorships in listed entities other than the Company and their category of directorship as on 31st March, 2026, are as follows:

Name of the Director	Names of Listed Entities	Category of Directorship
Mr. Bhaskar Bhat	Metro Brands Ltd.	Non-Executive – Independent Director
	Marico Ltd.	Non-Executive – Independent Director
Ms. Sonia Singh	Pfizer Ltd.	Non-Executive – Independent Director
	BASF India Ltd.	Non-Executive – Independent Director
	Bharat Forge Ltd.	Non-Executive – Independent Director
	Voltas Ltd.	Non-Executive – Independent Director
Mr. Uday S. Bhansali	IDFC First Bank Ltd.	Non-Executive – Independent Director

As on 31st March, 2026, Mr. Takashi Tomioka, Mr. Pravin D. Chaudhari, Mr. Hirokazu Kotera and Mr. Gen Yokota were not directors in any listed entity other than the Company.

The number of directorships and the positions held by Directors on board committees as on 31st March, 2026, are in conformity with the limits laid down in the Act and the SEBI Listing Regulations.

(d) Number of meetings of the Board held and dates on which held during the year are given in Clause 2(b) above.

(e) In terms of Regulation 36(3)(c) and Schedule V(C)(2)(e) of the SEBI Listing Regulations, none of the Directors are related to each other. However, as on 31st March, 2026, Mr. Takashi Tomioka, Mr. Pravin D. Chaudhari, Mr. Hirokazu Kotera and Mr. Gen Yokota were nominees of KPJ, the Promoter Company.

(f) Number of Equity Shares held by Non-Executive Directors as on 31st March, 2026:

Name of the Director	Number of Equity Shares (Own or held by / for other persons on a beneficial basis)
Mr. Bhaskar Bhat	Nil
Ms. Sonia Singh	Nil
Mr. Takashi Tomioka	Nil*
Mr. Uday S. Bhansali	Nil
Mr. Gen Yokota	Nil*

* Mr. Takashi Tomioka and Mr. Gen Yokota are nominees of KPJ, the Promoter Company and they did not hold any Equity Share of the Company in their personal capacity.

(g) Orientation of newly elected directors and updation strategy:

Newly elected directors are given a presentation on the functioning of the Company. Every quarter, reports of various departments of the Company are circulated among all the Directors. These reports give specific particulars of the respective departments. Apart from this, the Directors are intimated of the changes as and when they happen. All the functional heads are present at the Audit Committee meeting of the Company held every quarter. Presentations are also made to the Board of Directors by the functional heads. This ensures that the functional heads can apprise all the Directors about the developments in their specific areas.

Access to information:

Directors, including Independent Directors, can visit the various manufacturing locations of the Company. They need not necessarily be accompanied by the Managing Director. The purpose is to ensure that the Independent Directors have free and independent access to the Company's officials and records, so that they can form an independent opinion about the situation of the Company.

Apart from this, reports of the audit carried out by the Internal Auditors and the Statutory Auditors are circulated to all the Directors.

It is ensured that the Board receives qualitative and quantitative information in line with the best management practices adopted.

The details of familiarization programme for the Independent Directors of the Company is available on the website of the Company at https://www.nerolac.com/investors/policies.html.

Code of Conduct for Board of Directors and Senior Management:

The Company has adopted a Code of Conduct for Board and Senior Management ("Code"). The Code has been communicated to the Directors and members of the Senior Management. The Code is available on the Company's website at https://www.nerolac.com/investors/policies.html. All the Directors and members of Senior Management have confirmed compliance with the Code for the year ended 31st March, 2026. A declaration to this effect signed by the Managing Director who is the Chief Executive Officer, is separately provided at the end of this Report.

(h) A Chart / Matrix setting out the skills / expertise / competence of the Board of Directors:

Competency is defined as the experience, knowledge, skills, ability, values and beliefs of the person (member). A list of core skills / expertise / competencies identified by the Board, as required in the context of its business(es) and sector(s) for it to function effectively and available with the Board, is as follows:

Competencies:

Competency	**Definition**
Strategic expertise	Ability to understand, review and guide strategy by analysing the Company's competitive position and benchmarking, taking into account market and industry trends
Business and financial acumen	Demonstrate techno-commercial and business perspective, ability to comprehend, interpret and guide on financial statements, Audit Committee presentations and matters of business
Risk management	Experience in providing guidance on major risks, compliances and various legislations
Building high performance teams	Build and nurture talent to create strong and competent future business leaders
Industry knowledge	Experience in similar industries
IT – digital acumen	Ability to understand, support and guide the digital strategy in the organization with respect to AI, IOT, MI, Robotics, Big Data Analytics
Innovation	Nurture an innovation culture, encourage and embrace diverse perspectives. Ability to understand market changes for future readiness

Personal Qualities:

Personal quality	**Definition**
Integrity	Fulfilling a director's duties and responsibilities, putting the organization's interests above personal interests, acting ethically
Curiosity and courage	Must have the curiosity to ask questions and the courage to persist in asking or to challenge management and fellow board members where necessary
Interpersonal skills	Must work well in a group, listen well, be tactful but able to communicate his / her point of view frankly
Instinct	Good business instincts and acumen, ability to get the crux of the issue quickly
An active contributor	The member must be one who participates and contributes actively and must allocate quality time to the organization's affairs

Details of the skills / expertise / competencies possessed by the Directors who were part of the Board as on 31st March, 2026, are as follows:

Name	Age	Qualifications	Industry Experience	Skills / Expertise / Competencies
Mr. Bhaskar Bhat	71	B. Tech (Mechanical Engineering) (IIT Madras); PGDBM (IIM Ahmedabad)	Engineering, Consumer goods and services, Marketing and Administration	Manufacturing Expertise, People Management and Leadership, Business Strategy, Sales and Marketing, Mergers and Acquisitions, Corporate Governance
Ms. Sonia Singh	61	BA (Economics), MBA	Consumer goods and services	Brand Strategy, Sales and Marketing, Risk Management, People Management, ESG
Mr. Takashi Tomioka	53	Graduated from Tokyo Gakugei University, faculty of Education	Paint	Sales, Marketing, Business Strategy, International Business, Sustainability, IT, Mergers and Acquisitions
Mr. Pravin D. Chaudhari	57	Bachelors in Engineering and Masters in Management from Mumbai University	Paint	Operations Management, Manufacturing, Supply Chain Management, Business Development, Sales Management and Strategy
Mr. Hirokazu Kotera	44	Bachelor of Arts from Kyoto University of Foreign Studies, MBA from the Institute of Business and Accounting of Kwansei Gakuin University	Consumer goods, Marketing	Sales, Marketing, Brand Management, Corporate Planning, International Business and Project Management
Mr. Uday S. Bhansali	64	Chartered Accountant, Bachelors' degree from Sydenham College, Bombay University	Banking and Financial Services, Consulting	Strategic Investing, Large Scale Business Transformation, Business Development, Mergers and Acquisitions, IPO advisory, Financial Due Diligence, Valuation, Forensics, Restructuring and Bankruptcy
Mr. Gen Yokota	52	M.S. in Material and Life Science Engineering from Graduate School of Engineering, Osaka University.	Paint	Research and Development, Technology and innovation, International Business, Procurement Management and Strategy

(i) The Board hereby confirms that in its opinion, the Independent Directors of the Company fulfill the conditions as specified in the SEBI Listing Regulations and are independent of the management.

(j) Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided: During the year, no Independent Director resigned from the Company, before the expiry of his/her tenure.

3. Audit Committee

The terms of reference of the Audit Committee, in accordance with the SEBI Listing Regulations, are:

(i) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(ii) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- (b) changes, if any, in accounting policies and practices and reasons for the same;
- (c) major accounting entries involving estimates based on the exercise of judgment by management;
- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

(v) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the board to take up steps in this matter;

(vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(viii) approval or any subsequent modification of transactions of the listed entity with related parties;

(ix) scrutiny of inter-corporate loans and investments;

(x) valuation of undertakings or assets of the listed entity, wherever it is necessary;

(xi) evaluation of internal financial controls and risk management systems;

(xii) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiv) discussion with internal auditors of any significant findings and follow up there on;

(xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(xvi) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xviii) to review the functioning of the whistle blower mechanism;

(xix) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(xx) carrying out any other function as is mentioned in the terms of reference of the audit committee;

(xxi) reviewing the utilization of loans and / or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;and

(xxii) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

In addition to the above, the Audit Committee reviews information mandatorily required to be reviewed as per the SEBI Listing Regulations.

As at 31st March, 2026, Mr. Uday S. Bhansali, Ms. Sonia Singh and Mr. Bhaskar Bhat, Non-Executive and Independent Directors, were the members of the Audit Committee. All of them possess sound knowledge and expertise of accounts, audit, financial management etc.

Mr. Uday S. Bhansali is the Chairman of the Audit Committee and Mr. G. T. Govindarajan, Company Secretary acts as the Secretary to the Audit Committee.

The Internal Auditors, who report directly to the Audit Committee and the Statutory Auditors also attend the meetings of the Audit Committee, besides the executives invited by the Audit Committee to be present thereat.

The Chairman of the Audit Committee was present at the last year's AGM of the Company held on 30th June, 2025.

During the year ended 31st March, 2026, 5 (five) meetings of the Audit Committee were held i.e. on 6th May, 2025, 25th July, 2025, 4th August, 2025, 3rd November, 2025 and 3rd February, 2026.

Name of the Member	Number of Audit Committee meetings attended during the year ended 31st March, 2026
Mr. Uday S. Bhansali	5
Ms. Sonia Singh	5
Mr. Bhaskar Bhat	5

After 31st March, 2026, an Audit Committee meeting was held on 6th May, 2026, whereat the Audited Financial Results and Audited Financial Statements of the Company for the financial year ended 31st March, 2026, were reviewed, considered and recommended by the Audit Committee to the Board.

In accordance with the Circular dated 7th January, 2026 issued by the National Financial Reporting Authority, the Board adopted a framework to ensure effective two-way communication between 'Those Charged with Governance' ("TCWG") and the Statutory Auditors. As suggested by the Statutory Auditors, the Audit Committee along with the Managing Director primarily constitute the TCWG.

4. Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee, in accordance with the SEBI Listing Regulations, are:

(i) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(ii) For every appointment of an independent director, the Nomination and Remuneration Committee 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. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agencies, if required;
   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c. consider the time commitments of the candidates;

(iii) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(iv) devising a policy on diversity of board of directors;

(v) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

(vi) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

(vii) recommend to the Board, all remuneration, in whatever form, payable to senior management.

As at 31st March, 2026, Mr. Uday S. Bhansali, Mr. Bhaskar Bhat and Ms. Sonia Singh, Non-Executive and Independent Directors and Mr. Takashi Tomioka, Non-Executive Director, were the members of the Nomination and Remuneration Committee.

Mr. Hitoshi Nishibayashi ceased to be a member of the Nomination and Remuneration Committee with effect from 22nd April, 2025.

Mr. Takashi Tomioka, Non-Executive Director, has been appointed as a member of the Nomination and Remuneration Committee with effect from 22nd April, 2025.

Mr. Uday S. Bhansali is the Chairman of the Nomination and Remuneration Committee and was present at the last year's AGM of the Company held on 30th June, 2025.

During the year ended 31st March, 2026, 4 (four) meetings of the Nomination and Remuneration Committee were held i.e. on 6th May, 2025, 25th July, 2025, 3rd November, 2025 and 3rd February, 2026.

Name of the Member	Number of Nomination and Remuneration Committee meetings attended during the year ended 31st March, 2026
Mr. Uday S. Bhansali	4
Mr. Bhaskar Bhat	4
Ms. Sonia Singh	4
Mr. Hitoshi Nishibayashi*	N.A.
Mr. Takashi Tomioka#	3

* Ceased to be a member of the Nomination and Remuneration Committee with effect from 22nd April, 2025.

Appointed as a member of the Nomination and Remuneration Committee with effect from 22nd April, 2025.

After 31st March, 2026, a Nomination and Remuneration Committee meeting was held on 6th May, 2026, whereat the remuneration to be paid to the Managing Director and Senior Management for the financial year 2026-27 and commission to be paid to Managing Director and Independent Directors for the financial year 2025-26, was determined; evaluation of the performance of the Board, its Committees and the Directors for the financial year 2025-26 was also carried out and discussed.

5. Stakeholders' Relationship Committee

The terms of reference of the Stakeholders' Relationship Committee, in accordance with the SEBI Listing Regulations, are:

(i) resolving the grievances of the security holders of the listed entity 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;

(ii) review of measures taken for effective exercise of voting rights by shareholders;

(iii) review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar to an Issue and Share Transfer Agent;

(iv) review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and

(v) resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.

As at 31st March, 2026, Ms. Sonia Singh and Mr. Bhaskar Bhat, Non-Executive and Independent Directors and Mr. Pravin D. Chaudhari, Managing Director, were the members of the Stakeholders' Relationship Committee.

Mr. Pravin D. Chaudhari has been appointed as a member of the Stakeholders' Relationship Committee with effect from 1st April, 2025.

Mr. G. T. Govindarajan, Company Secretary, is the Compliance Officer.

Ms. Sonia Singh is the Chairperson of the Stakeholders' Relationship Committee and was present at the last year's AGM of the Company held on 30th June, 2025.

During the year ended 31st March, 2026, 1 (one) meeting of the Stakeholders' Relationship Committee was held on 26th March, 2026, which was attended by all its members.

The Company received 8 (eight) shareholders' complaints during the financial year 2025-26, and the same were resolved by the Company. Normally, the Company ensures that all queries, complaints received / clarification sought, if any, are disposed off expeditiously. The Company had no complaint pending at the close of the financial year.

6. Risk Management Committee

The terms of reference of the Risk Management Committee, in accordance with the SEBI Listing Regulations, are:

(1) to formulate a detailed risk management policy which shall include:

   I. a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

   II. measures for risk mitigation including systems and processes for internal control of identified risks;

   III. business continuity plan;

(2) to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and

(6) the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

As at 31st March, 2026, Ms. Sonia Singh and Mr. Uday S. Bhansali, Non-Executive and Independent Directors, Mr. Pravin D. Chaudhari, Managing Director, Mr. Hirokazu Kotera, Executive Director, Mr. Jason Gonsalves and Mr. Yash Ahuja were the members of the Risk Management Committee. Mr. Jason Gonsalves and Mr. Yash Ahuja, Chief Risk Officer are non-board members of the Risk Management Committee.

Mr. Pravin D. Chaudhari has been appointed as a member of the Risk Management Committee with effect from 1st April, 2025.

Mr. P. D. Pai ceased to be a member and Chief Risk Officer of the Risk Management Committee consequent to his retirement with effect from the close of business on 31st July, 2025.

Mr. Yash Ahuja has been appointed as a member and Chief Risk Officer of the Risk Management Committee with effect from 1st August, 2025.

Mr. Hirokazu Kotera ceased to be a member of the Risk Management Committee consequent to his resignation as the Executive Director of the Company with effect from the close of business on 31st March, 2026.

Ms. Sonia Singh is the Chairperson of the Risk Management Committee and was present at the last year's AGM of the Company held on 30th June, 2025.

During the year ended 31st March, 2026, 2 (two) meetings of the Risk Management Committee were held i.e. on 4th August, 2025 and 28th February, 2026.

Name of the Member	Number of Risk Management Committee meetings attended during the year ended 31st March, 2026
Ms. Sonia Singh	2
Mr. Uday S. Bhansali	2
Mr. Hirokazu Kotera*	2
Mr. Pravin D. Chaudhari#	2
Mr. P. D. Pai@	N.A.
Mr. Jason Gonsalves	2
Mr. Yash Ahuja^	2

* Ceased to be a member of the Risk Management Committee consequent to his resignation as the Executive Director of the Company with effect from the close of business on 31st March, 2026.

\# Appointed as a Member of the Risk Management Committee with effect from 1st April, 2025.

@ Ceased to be a member and Chief Risk Officer of the Risk Management Committee consequent to his retirement with effect from the close of business on 31st July, 2025.

^ Appointed as a member and Chief Risk Officer of the Risk Management Committee with effect from 1st August, 2025.

7. Senior Management

As on 31st March, 2026, the following are the members of the Senior Management* as defined in the SEBI Listing Regulations:

Name	Designation
Mr. Jason Gonsalves	Director – Corporate Planning, IT and Materials
Mr. Sudhir P. Rane	Chief Human Resource Officer (CHRO)
Mr. Abhijit Natoo	Chief Manufacturing Officer (CMO)
Mr. Rohit Malkani	Chief Strategy Officer
Mr. Ram Mehrotra	Chief Business Officer (CBO) - Decorative Sales and Marketing
Mr. Amrit Rekhi	Chief Business Officer (CBO) - Industrial
Mr. Laxman Nikam	Chief Technology Officer (CTO)
Mr. Yash Ahuja	Chief Financial Officer (CFO)
Mr. Debashish Vanikar	Sr. Vice President designated as the Chief Executive Officer of Nerofix Private Limited and Head Construction Chemicals
G. T. Govindarajan	Company Secretary

* Senior Management includes officers and personnel of the Company but does not include secondees deputed by KPJ, the Promoter Company.

During the year ended 31st March, 2026, Mr. P. D. Pai, Director - Finance and Chief Financial Officer, retired from the services of the Company with effect from the close of business on 31st July, 2025.

8. Remuneration of Directors

The Company has adopted a Remuneration Policy for its Directors, Key Managerial Personnel and other employees. The Remuneration Policy has laid down the criteria for determining qualifications, positive attributes, Independence of Director and Board diversity. The Policy lays down the factors for determining remuneration of Whole-time Directors, Non-Executive Directors, Key Managerial Personnel and other employees. The Policy also lays down the performance evaluation criteria of the Independent Directors and the Board. The Remuneration Policy is also available on the website of the Company at https://www.nerolac.com/investors/policies.html.

The Nomination and Remuneration Committee decides the remuneration of the Whole-time Directors.

Remuneration Policy:

A. Remuneration to Whole-time Directors:

- The remuneration paid to Whole-time Directors is subject to the limits laid down under Section 197 and Schedule V to the Act and in accordance with the terms of appointment approved by the Shareholders of the Company. The remuneration of the Whole-time Directors is determined by the Nomination and Remuneration Committee based on factors such as the Company's performance and performance / track record of the Whole-time Directors. The remuneration consists of Salary, Commission, Company's contribution to Provident Fund and Superannuation Fund, House Rent Allowance (HRA), Leave Travel Allowance (LTA) and other perquisites and allowances in accordance with the rules of the Company, applicable from time to time.
- The Whole-time Directors are not paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- The Agreement with the Whole-time Director is for a period not exceeding 5 (five) years at a time. In the event that there is no breach of the terms of the Agreement by the Whole-time Director, but the Company exercises the discretion to terminate his services during the term of his Agreement, without assigning any reason thereof, then and in that event, the Whole-time Director shall be paid a compensation in accordance with the provisions of the Act.

The details of remuneration paid to Mr. Pravin D. Chaudhari – Managing Director and Mr. Hirokazu Kotera – Executive Director during the financial year 2025-26, are as follows:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Pravin D. Chaudhari	Mr. Hirokazu Kotera
1	Fixed component		
	a. Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	287.00	65.72
	b. Value of Perquisites u/s 17(2) of Income-Tax Act, 1961	9.10	11.15
2	Variable component (performance linked)		
	Commission	–	–
	Total	**296.10#**	**76.87**

Excludes Company's contribution to Provident Fund and Superannuation. As the future liabilities for gratuity, leave encashment along with medical benefits are provided on an actuarial valuation basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above. Remuneration also excludes the Restricted Stock Units (RSUs) granted during financial year 2025-26, which is subject to the vesting conditions in terms of Kansai Nerolac Paints Limited - Restricted Stock Unit Plan 2022. Details of RSUs granted during financial year 2025-26 is annexed to the Board's Report.

B. Remuneration to Non-Executive Directors

The Non-Executive Independent Directors are paid commission within the ceiling of 1% of net profits of the Company as specified in Section 197 of the Act. The commission payable to Non-Executive Independent Directors is decided by the Board, on recommendation of the Nomination and Remuneration Committee, based on a number of factors including number of Board and Committee meetings attended, individual contribution thereat etc.

The Non-Executive Independent Directors are also paid sitting fees for attending the meetings of the Board or Committees thereof within the limits prescribed under the Act.

Apart from the commission and sitting fees paid by the Company, the Non-Executive Independent Directors, in their individual capacity, did not have any pecuniary relationship or transaction with the Company during the financial year 2025-26.

The details of payments made to Non-Executive Independent Directors during the year ended 31st March, 2026 are as under:

(₹ in Lakhs)

Name of the Director	Sitting Fees							Commission$	Total
	Board Meeting	AC% Meeting	NRC* Meeting	CSRC# Meeting	ID^ Meeting	SRC@ Meeting	RMC& Meeting		
Mr. Bhaskar Bhat	2.50	1.25	1.00	0.50	0.50	0.25	–	45.00	**51.00**
Mr. P. P. Shah**	–	–	–	–	–	–	–	50.00	**50.00**
Ms. Sonia Singh	2.50	1.25	1.00	0.50	0.50	0.25	0.50	45.00	**51.50**
Mr. Uday S. Bhansali	2.50	1.25	1.00	–	0.50	–	0.50	10.00	**15.75**

% AC: Audit Committee

* NRC: Nomination and Remuneration Committee

CSRC: Corporate Social Responsibility Committee

^ ID: Independent Director

@ SRC: Stakeholders' Relationship Committee

& RMC: Risk Management Committee

$ Commission paid during the financial year 2025-26 was for the year ended 31st March, 2025.

** Retired upon completion of his second term of office as an Independent Director and consequently, ceased to be a Director and Chairman of the Company, with effect from close of business on 29th January, 2025. Commission paid to Mr. P. P. Shah during the financial year 2025-26 was for the period upto 29th January, 2025.

C. Remuneration to Key Managerial Personnel and other employees

The objective of the policy is to have a compensation framework that will reward and retain talent.

As per the policy, the remuneration is such as to ensure that the correlation of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to Key Managerial Personnel, Senior Management and other employees involves a balance between fixed and variable pay, reflecting short and long term performance objectives of the employees in line with the working of the Company and its goals. The above takes into consideration industry performance, customer performance and overall economic environment.

For Directors, the performance pay is linked to achievement of business plan (achievement of short-term and long-term business objective).

For Heads of Department, the performance pay is linked to achievement of functional plan which is derived from the business plan. The functional plan includes both, short-term and long-term objectives.

For other management personnel, the Performance Pay is linked to achievement of individual set objectives and part of this will also be linked to overall Company performance.

9. Independent Directors:

The Independent Directors of the Company have been appointed in accordance with the provisions of Section 149 of the Act and applicable provisions of the SEBI Listing Regulations.

Pursuant to Schedule IV to the Act, every Independent Director has been issued a letter of appointment containing the terms and conditions of his/her appointment. The terms and conditions of appointment have been posted on the website of the Company at https://www.nerolac.com/investors/policies.html.

Independent director's databank registration

Pursuant to a notification dated 22nd October, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors are registered with the Independent Director's Databank.

Separate meeting of Independent Directors

In accordance with the provisions of Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, 2 (two) separate meetings of the Independent Directors were held during the year i.e. on 6th May, 2025 and 3rd November, 2025, wherein the Internal Auditors and the Statutory Auditors of the Company were invited. Both these meetings of the Independent Directors were without the attendance of Non-Independent Directors and members of management.

Name of the Director	**Number of meetings of the Independent Directors attended during the year ended 31st March, 2026**
Mr. Bhaskar Bhat	2
Ms. Sonia Singh	2
Mr. Uday S. Bhansali	2

After 31st March, 2026, a meeting of the Independent Directors was held on 6th May, 2026 and the Internal Auditors and the Statutory Auditors of the Company were invited for discussion.

The Chairman of the Company was the Chairman of the meetings of Independent Directors. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and presented their views to the Managing Director for appropriate action. The Independent Directors at their meetings inter-alia considered:

a. review of the performance of the Non-Independent Directors and the Board as a whole;

b. review of the performance of the Chairman of the Company, taking into account the views of the Executive Director and Non-Executive Directors; and

c. assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

10. General Body Meetings:

(a) Location and time of the last three year's AGM of the Company:

Particulars of the AGM	**Date and Time**	**Venue**
105th AGM	30th June, 2025 at 11 a.m.	By Video Conferencing / Other Audio Visual Means
104th AGM	28th June, 2024 at 11 a.m.	By Video Conferencing / Other Audio Visual Means
103rd AGM	26th June, 2023 at 11 a.m.	By Video Conferencing / Other Audio Visual Means

(b) No Special Resolution was passed at the 103rd,104th and 105th AGM of the Company.

(c) During the year, the Company conducted 1 (one) postal ballot, the details of the Resolutions passed and the voting pattern based on the Scrutinizer's Report are as under:

- Postal Ballot Notice dated 11th March, 2025:

Item No.	Resolution (Special Business)	Type of Resolution	Votes cast in favour of the Resolution	Votes cast against the Resolution	% of Votes cast in favour#	% of Votes cast against#	Status of the Resolution
1.	Payment of (1) compensation in the form of special gratuity on his retirement as the Managing Director and (2) non-compete, non-solicitation and non-poaching fee, to Mr. Anuj Jain.	Ordinary Resolution	69,87,42,309	37,05,654	99.4725	0.5275	Passed with requisite majority on 18th April, 2025.
2.	Appointment of Mr. Pravin D. Chaudhari (holding Director 02171823) as the Managing Director of the Company, not liable to retire by rotation, for a term of 3 (three) years commencing from 1st April, 2025 upto and ending on 31st March, 2028 (both days inclusive).	Ordinary Resolution	67,11,53,468	20,82,194	99.6907	0.3093	Passed with requisite majority on 18th April, 2025.

Rounded off to 4 decimals

(d) Mr. Sohan J. Ranade, Membership No. A33416 & Certificate of Practice No. 12520, Partner of JHR & Associates, Company Secretaries in practice, was the Scrutinizer to scrutinize the above postal ballot process in a fair and transparent manner.

(e) The postal ballot was conducted in accordance with the provisions of Section 110 and other applicable provisions of the Act read with the procedure mentioned in Rule 22 of the Companies (Management and Administration) Rules, 2014, including any amendment thereof. In line with the relevant MCA Circulars, the Postal Ballot Notice dated 11th March, 2025, was sent by e-mail to the Shareholders whose e-mail IDs were registered with the Company / Depository Participant(s) for communication purposes and to all other persons so entitled. The Company provided facility of remote e-voting through National Securities Depository Limited.

(f) As on date of this Report, no Special Resolution is proposed to be conducted through postal ballot.

(g) The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide its order dated 6th January, 2026, directed convening of a meeting of the Equity Shareholders of the Company. Accordingly, a NCLT convened Shareholders' Meeting was held on 27th February, 2026 through Video Conferencing / Other Audio Visual Means. The facility of remote e-voting and e-voting at the NCLT convened Shareholder's Meeting were provided in compliance with applicable statutory requirements. The Shareholders of the Company approved the resolution for the Scheme of Amalgamation of Nerofix Private Limited, Company's wholly owned subsidiary, with Kansai Nerolac Paints Limited, with requisite majority.

11. Means of Communication

(a) Quarterly Results: The quarterly results are published in accordance with the applicable provisions of the SEBI Listing Regulations.

(b) Newspaper wherein results are normally published: Generally, the results are published in Business Standard and Sakal. However, the results could also be published in any other reputed newspaper such as the Financial Express / Economic Times or the Loksatta / Maharashtra Times.

(c) Any website, where displayed: https://www.nerolac.com.

(d) Whether it also displays official news releases; and presentation made to institutional investors or to the analysts: Relevant information is displayed on the website of the Company at https://www.nerolac.com/investors/conference-call-with-investors.html.

12. General Shareholder Information

(a) Date, Time and Venue of the AGM:

The 106th AGM of the Company will be held on Thursday, 9th July, 2026 at 11 a.m. (IST) through Video Conferencing / Other Audio Visual Means.

(b)

Financial Year	:	April - March
Financial reporting for the quarter ending 30th June, 2026	:	July - August, 2026
Financial reporting for the quarter ending 30th September, 2026	:	October - November, 2026
Financial reporting for the quarter ending 31st December, 2026	:	January - February, 2027
Financial reporting for the year ending 31st March, 2027	:	April - May, 2027
Annual General Meeting for the year ending 31st March, 2027	:	June - July, 2027

(c) Record Date:

Monday, 29th June, 2026, for determining entitlement of Members to dividend for the financial year ended 31st March, 2026.

Dividend Payment Date:

Dividend, if declared, will be payable on or after Tuesday, 14th July, 2026 to those Members whose names are registered as such in the Register of Members of the Company as on Monday, 29th June, 2026 and to the Beneficiary Holders as per the Register of Beneficial Owners as on Monday, 29th June, 2026 provided by National Securities Depository Limited and Central Depository Services (India) Limited.

(d) Listing of Stock Exchanges:

The Company's Equity Shares are listed on the BSE Limited and the National Stock Exchange of India Limited.

BSE Limited ("BSE")	**National Stock Exchange of India Limited ("NSE")**
Phiroze Jeejeeebhoy Towers, Dalal Street, Mumbai - 400 001	Exchange Plaza, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051

The annual listing fees of BSE and NSE for the financial year 2026-27 have been paid.

(e) The securities of the Company have never been suspended from trading.

(f) Registrar and Share Transfer Agents:

MUFG Intime India Private Limited

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai – 400 083
Tel. No.: +91 810 811 8484
E-mail: Investor.helpdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

(g) Share Transfer System:

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended from time to time and SEBI Circular bearing No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, the listed companies shall issue the securities in dematerialised form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition etc. The Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR–4, the format of which is available on the website of the Company at https://www.nerolac.com/financial/shareholders.html and on the website of the Company's Registrar and Share Transfer Agents ("RTA") at https://in.mpms.mufg.com. After necessary due-diligence by RTA / Company, securities will be directly credited to the demat account of the investor.

Further, pursuant to SEBI Circular bearing No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated 30th January, 2026, a special window has been opened up to 4th February, 2027 only for re-lodgement of transfer deeds, which were lodged prior to the deadline of 1st April, 2019 and rejected/returned/not attended due to deficiency in the documents/process, or otherwise. Eligible Shareholders are encouraged to submit the requisite documents to the Company/RTA during the special window. Securities transferred through this mechanism shall be credited only in dematerialised form and will remain under a one year lock-in, during which the securities cannot be transferred, lien marked or pledged. The aforesaid SEBI Circular is available on the website of the Company at https://www.nerolac.com/financial/shareholders.html.

Further, pursuant to the SEBI Circular bearing No. SEBI/LAD-NRO/GN/2023/130 dated 23rd May, 2023 and consequent amendment to Regulation 294 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which *inter alia* states that the allotment of shares shall be made only in dematerialised form. Accordingly, the Company has transferred the Bonus Shares allotted to the Shareholders holding Equity Shares in physical form as on the Record Date, to an Escrow Demat Account maintained by the Company. Shareholders can claim these Bonus Shares transferred to the said Escrow Demat Account on submission of necessary documentation.

(h) Distribution of Shareholding as on 31st March, 2026:

No. of Equity Shares held	No. of Folios	% to number of Folios	No. of Equity Shares	% to number of Shares
Upto 500	1,41,589	91.52	1,17,60,352	1.45
501 to 1000	5,883	3.80	43,91,071	0.54
1001 to 2000	3,079	1.99	45,00,068	0.56
2001 to 3000	1,103	0.71	28,13,099	0.35
3001 to 4000	513	0.33	18,15,718	0.22
4001 to 5000	425	0.28	19,66,959	0.24
5001 to 10000	845	0.55	61,10,443	0.76
10001 to 20000	578	0.37	83,70,999	1.04
20001 and above	690	0.45	76,69,29,564	94.84
Grand Total	**1,54,705**	**100.00**	**80,86,58,273**	**100.00**

Geographical distribution of Shareholders as on 31st March, 2026:

Location	No. of Folios	% to No. of Folios	No. of Shares	% to No. of Shares
OUTSIDE INDIA				
Promoter - Kansai Paint Co., Ltd., Japan.	1	0.00	60,62,03,847	74.96
FII, NRI, OCB, FPI – Corporation	3,646	2.36	3,26,51,136	4.04
IN INDIA				
Mumbai	21,970	14.20	12,70,71,935	15.71
New Delhi	8,396	5.43	80,91,575	1.00
Pune	5,462	3.53	34,14,686	0.42
Bangalore	5,402	3.49	24,97,993	0.31
Chennai	3,576	2.31	13,35,308	0.16
Kolkata	3,436	2.22	18,34,103	0.23
Ahmedabad	3,157	2.04	25,85,325	0.32
Hyderabad	3,073	1.98	11,92,966	0.15
Surat	1,914	1.24	7,93,553	0.10
Jaipur	1,778	1.15	11,03,373	0.14
Vadodara	1,390	0.90	6,19,252	0.08
Others	91,504	59.15	1,92,63,221	2.38
Total	**1,54,705**	**100.00**	**80,86,58,273**	**100.00**

Categories of Shareholders as on 31st March, 2026:

Sr. No.	Category	No. of Equity Shares held	Percentage to Shareholding
A.	**Promoters' Holding**		
1.	Promoters		
	Indian Promoters	Nil	Nil
	Foreign Promoters (Kansai Paint Co., Ltd., Japan)	60,62,03,847	74.96
2.	Persons acting in concert	Nil	Nil
	Sub-Total (A)	**60,62,03,847**	**74.96**
B.	**Non-Promoters' Holding**		
3.	Institutional Investors		
	Insurance Companies	6,42,68,818	7.95
	Mutual Funds	2,92,97,446	3.62
	Alternate Investment Funds	26,40,500	0.33
	Banks	11,453	0.00
	NBFCs registered with RBI	2,135	0.00
	Sub-Total (i)	**9,62,20,352**	**11.90**
4.	Non-Institutional Investors		
	Indian Public	6,51,80,656	8.06
	Foreign Portfolio Investors	2,91,74,453	3.61
	Non-Resident Indians	34,67,979	0.43
	Bodies Corporate	32,21,891	0.40
	HUF	22,51,706	0.28
	IEPF	11,20,614	0.14
	Escrow Account	8,73,580	0.11
	LLP	8,00,733	0.10
	Clearing Members	1,14,143	0.01
	Trusts	28,319	0.00
	Sub-Total (ii)	**10,62,34,074**	**13.14**
	Sub-Total (B) = (i) + (ii)	**20,24,54,426**	**25.04**
	Grand Total (A) + (B)	**80,86,58,273**	**100.00**

(i) Dematerialisation of Shares and Liquidity:

As on 31st March, 2026, 99.85% of the paid-up share capital of the Company had been dematerialised. Particulars of trading on the Company's shares for the financial year 2025-26:

Stock Exchange	No. of Trades	No. of Equity Shares
BSE	1,76,308	1,12,86,204
NSE	33,52,097	10,02,16,691

(j) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments:

The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments.

(k) Commodity price risk or foreign exchange risk and hedging activities:

With reference to Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November, 2018 issued by SEBI, on disclosures regarding commodity risks by listed entities, the Company is actively working on mitigating commodity risks and foreign exchange risks.

Commodity Risk

Commodity risk is an integral spectrum of the risk framework of the Company and impacts its financial performance upon fluctuations in the prices of the commodities that are out of control of the Company and are primarily driven by external market forces, government policies and international market changes. The Company does not undertake any commodity hedging activities on any exchange but procures raw materials which are derivatives of various commodities. The Company has a robust framework and governance mechanism in place that ensures Company's interests are protected despite volatility in prices and availability.

Foreign Exchange Risk

The Company manages its foreign exchange risks by hedging its net exposure with the use of appropriate hedging instruments based on its foreign exchange risk management policy. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures are disclosed in Notes to the financial statements.

(l) Plant Locations:

The Company's plants, which are operative, are located at:

1. Lote Parshuram, Ratnagiri, Maharashtra
2. Jainpur, Kanpur Dehat, Uttar Pradesh
3. Bawal, Haryana
4. Hosur, Tamil Nadu
5. Sayakha, Gujarat
6. Goindwal Sahib, Punjab
7. Kakoda, Goa
8. Sarigam, Gujarat
9. Atchutapuram, Andhra Pradesh

(m) Address for correspondence:

MUFG Intime India Private Limited

C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai - 400 083
Tel. No.: +91 810 811 8484
E-mail ID: Investor.helpdesk@in.mpms.mufg.com

Shareholders can also contact the Secretarial Department at the Registered Office of the Company at:
28th Floor, A-wing, Marathon Futurex,
N.M. Joshi Marg, Lower Parel,
Mumbai - 400 013, Maharashtra
Tel. No.: +91-22-40602500, +91-22-40602501

E-mail ID for Investor Grievances: investor@nerolac.com

(n) List of all credit ratings obtained by the Company:

Sr. No.	Particulars	Amount (Rs in Crore)	Rating Agency	Rating
1	Cash Credit *	350	CRISIL	Long Term Rating – CRISIL AAA / Stable
2	Commercial Paper	30	CRISIL	CRISIL A1+
3	Non-Convertible Debentures	10	CRISIL	CRISIL AAA / Stable

* Interchangeable with buyer's credit, working capital loan, letter of credit and bank guarantee.

13. Disclosures

(a) Related Party Transactions:

All transactions entered into with the Related Parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations, during the financial year 2025-26, were in the ordinary course of business and on arm's length basis and do not attract provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year 2025-26 that may have potential conflict with the interest of the Company at large.

Related party transactions have been disclosed in Note no. 39 to the Standalone Financial Statements.

The Company has in place a Policy on dealing with Related Party Transactions and on Materiality of Related Party Transactions which is available on the website of the Company at https://www.nerolac.com/investors/policies.html. The Audit Committee reviews the Policy as required under Regulation 23 of the SEBI Listing Regulations.

In terms of the Policy, a statement in summary form of transactions with related parties in the ordinary course of business and on arm's length basis is also periodically placed before the Audit Committee for its review.

Omnibus approval had been obtained for related party transactions which were repetitive in nature. Transactions entered into pursuant to omnibus approval were placed before the Audit Committee for its review during the year.

(b) Non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years:

Nil

(c) Vigil mechanism / Whistle Blower Policy:

The Company, pursuant to Section 177(9) of the Act and Regulation 22 of the SEBI Listing Regulations, has a Whistle Blower Policy in place, which is available on the website of the Company at https://www.nerolac.com/investors/policies.html. The Company's Policy provides effective means to encourage the employees to communicate any concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy. The employees may report such concerns to their seniors, Managing Director and/ or Chairman of the Audit Committee, without fear of punishment, reprisal or unfair treatment. There are safeguards to ensure that all employee concerns receive due consideration.

The Code of Conduct for the Board of Directors and Senior Management states that Directors and members of the Senior Management of the Company shall endeavour to promote ethical behaviour and to provide an opportunity to employees to report violation of laws, rules, regulations or codes of conduct and policy directives adopted by the Company to the appropriate personnel without fear of retaliation of any kind for reports made by the employees in good faith.

No personnel has been denied access to the Audit Committee.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements along with the details of any non-compliance of any requirement of the Corporate Governance Report, pertaining to Point Nos. (2) to (10) of Schedule V(C) of the SEBI Listing Regulations:

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance. There is no non-compliance of any requirement of the Corporate Governance Report and necessary details as required vide Schedule V(C) of the SEBI Listing Regulations have been provided herein. Further, necessary disclosures with respect to the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the SEBI Listing Regulations, have been made in this Report on Corporate Governance. Necessary details as required in terms of clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations are available on the website of the Company at www.nerolac.com.

The discretionary requirements as stipulated in Part E of Schedule II of the SEBI Listing Regulations, have been adopted to the extent and in the manner as stated under the appropriate headings in this Report on Corporate Governance.

(e) Material Subsidiaries:

The Company does not have a material subsidiary as defined under Regulation 16(1)(c) of the SEBI Listing Regulations. The Policy for determining material subsidiaries is available on the website of the Company at https://www.nerolac.com/investors/policies.html.

(f) Disclosure of commodity price risks and commodity hedging activities:

This has been discussed under Point No. 12(k) of this Report on Corporate Governance.

(g) Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the SEBI Listing Regulations:

There was no Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.

(h) A Certificate has been received from JHR & Associates, Practicing Company Secretaries that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

(i) Disclosure of instances along with the reasons, where the Board of Directors had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the financial year 2025-26:

There was no instance during the financial year 2025-26, where the Board of Directors did not accept the recommendation of any Committee of the Board which it was mandatorily required to accept.

(j) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part:

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to S R B C & CO LLP, Chartered Accountants (Statutory Auditor of the Company) and other firms in the network entity of which the Statutory Auditor is a part, as included in the consolidated financial statements of the Company for the financial year ended 31st March, 2026, is as follows:

(₹ in Crores)

Fees for audit and related services paid to S. R. Batliboi & Affiliates firms and to entities of the network of which the Statutory Auditor is a part (excluding out of pocket expenses)	1.11
Other fees paid to S. R. Batliboi & Affiliates firms and to entities of the network of which the Statutory Auditor is a part	–
Total Fees	**1.11**

(k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the financial year 2025-26: 2

b. Number of complaints disposed off during the financial year 2025-26: 2

c. Number of complaints pending as on end of the financial year 2025-26: 0

(l) Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

There are no loans and advances in the nature of loans to firms/companies in which directors are interested as on 31st March, 2026.

14. CEO/CFO Certification

A certificate from the CEO and CFO as specified in Part B of Schedule II in terms of Regulation 17(8) of the SEBI Listing Regulations, was placed before the meeting of the Board of Directors held on 6th May, 2026, to approve the Audited Financial Results and Audited Financial Statements of the Company for the financial year ended 31st March, 2026.

15. Independent Auditors Report on compliance with conditions of Corporate Governance

Compliance certificate obtained from S R B C & CO LLP, Chartered Accountants, Statutory Auditors of the Company, regarding compliance of conditions of corporate governance, is annexed to this Report.

16. Unclaimed Dividend

Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividend upto 56th Dividend for the year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Also, pursuant to Section 205A read with Section 205C of the Companies Act, 1956 as replaced by Sections 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended, all unclaimed dividends for the year ended 31st March, 1995 to 31st March, 2018 have been transferred to the Investor Education and Protection Fund ("IEPF").

Further, pursuant to Section 124 of the Act read with IEPF Rules, as amended, the shares in respect of which dividend is not claimed for seven consecutive years, are required to be transferred by the Company in the name of IEPF. Any claimant of such transferred dividend and shares would be entitled to claim such dividend and shares from IEPF in accordance with the procedure as laid down in the aforesaid IEPF Rules.

Details of such Equity Shares to be transferred to IEPF in financial year 2026-27 have been uploaded on the website of the Company at https://www.nerolac.com/financial/shareholders.html.

Shareholders are requested to claim their dividend immediately on receipt as dividends remaining unclaimed for seven years will to be transferred to the IEPF.

17. Disclosure with respect to demat suspense account / unclaimed suspense account

	Particulars	No. of Shareholders	No. of Equity Shares
a)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 1st April, 2025	24	89,865 Equity Shares of ₹ 1 each
b)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	1	15 Equity Shares of ₹ 1 each
c)	Number of shareholders to whom the shares were transferred from the Unclaimed Suspense Account during the year	1	15 Equity Shares of ₹ 1 each
d)	Number of shareholders whose unclaimed dividends were transferred to the IEPF account in terms of Ministry of Corporate Affairs General Circular No. 12/2017 dated 16th October, 2017	2	70 Equity Shares of ₹ 1 each
e)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31st March, 2026	23	89,780 Equity Shares of ₹ 1 each
f)	It is hereby confirmed that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

For and on behalf of the Board

Bhaskar Bhat
Chairman

Mumbai, 6th May, 2026

DECLARATION

As required under Schedule V(D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that the members of the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Board of Directors and the Senior Management for the year ended 31st March, 2026.

For Kansai Nerolac Paints Limited

Pravin D. Chaudhari
Managing Director

Mumbai, 6th May, 2026

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Kansai Nerolac Paints Limited

1. The Corporate Governance Report prepared by Kansai Nerolac Paints Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2026 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the 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.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
   iii. Obtained and read the Register of Directors as on March 31, 2026 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
   iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2025 to March 31, 2026:
      (a) Board of Directors;
      (b) Audit Committee;
      (c) Annual General Meeting (AGM);
      (d) Nomination and Remuneration Committee;
      (e) Stakeholders Relationship Committee;
      (f) Risk Management Committee
   v. Obtained necessary declarations from the directors of the Company.
   vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management, including that the Company is in the process of submitting the secretarial compliance report to stock exchange and the due date for submission of the same is May 31, 2026.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2026, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 26110759PFQCNS9940

Place of Signature: Mumbai
Date: May 06, 2026

Business Responsibility and Sustainability Report

In terms of Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Business Responsibility and Sustainability Report (BRSR) in the Annual Report is mandatory for the top 1,000 listed companies, based on market capitalisation as on 31st March of every year. The BRSR is based on the format suggested by SEBI vide SEBI Circular HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January, 2026.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the listed entity	L24202MH1920PLC000825	
2	Name of the listed entity	Kansai Nerolac Paints Limited (KNPL)	
3	Year of incorporation	1920	
4	Registered office address	28th Floor, A-Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra	
5	Corporate address	28th Floor, A-Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra	
6	Email	investor@nerolac.com	
7	Telephone	022 - 4060 2500, 022 - 4060 2501	
8	Website	www.nerolac.com	
9	Financial year for which reporting is being done	Start Date	End Date
	Current financial year	1st April, 2025	31st March, 2026
10	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. NSE Limited	
11	Paid-up capital (in ₹)	₹ 80.87 Crores	
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 of contact person	Mr. Jason S. Gonsalves Director (Corporate Planning, IT, and Materials)	
	Contact number of contact person	022 - 4060 2500	
	Email of contact person	jasongonsalves@nerolac.com	
13	Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures in this report are presented on a standalone basis.	
14	Name of assurance provider	Aneja Assurance Private Limited	
15	Type of assurance obtained	Limited assurance	

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. no.	Description of main activity	Description of business activity	% of turnover of the entity
1	Manufacturing	Manufacture and supply of paints, varnishes, enamels, and lacquers	100

17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. no.	Product/service	NIC Code	% of total turnover contributed
1	Manufacturing of paints, varnishes, enamels, and lacquers	20221	100

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Locations	Number of plants	Number of offices	Total
National	10 (9 manufacturing plants and 1 R&D centre)	121 (Head Office, 112 Depots, 8 RDCs)	131
International	0	0	0

KNPL's global footprint includes two overseas subsidiaries: KNP Japan Private Limited in Nepal, and Kansai Nerolac Paints (Bangladesh) Limited in Bangladesh. The Company also operates one subsidiary within India, Nerofix Private Limited.

19. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of states)	28
International (No. of countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.13%

c. A brief on types of customers

KNPL serves a wide and diverse customer base across residential, commercial, industrial, government, institutional, and retail segments. Its extensive product portfolio includes decorative and industrial paints, wood coatings, adhesives, and construction chemicals, catering to a broad range of applications. The Company's industrial paints are tailored to meet the requirements of key sectors such as automotive, consumer durables, machinery, equipment, and structural industries.

IV. Employees

20. Details as at the end of financial year:

a. Employees and workers (including differently abled):

S. no.	Particulars		Total (A)	Male		Female		Others	
				No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
1	Employees	Permanent (D)	3,096	2,955	95.45	141	4.55	0	0.00
2		Other than permanent (E)	2,271	2,149	94.63	122	5.37	0	0.00
3		Total employees (D + E)	5,367	5,104	95.10	263	4.90	0	0.00
4	Workers	Permanent (F)	708	706	99.72	2	0.28	0	0.00
5		Other than permanent (G)	4,166	4,079	97.91	87	2.09	0	0.00
6		Total workers (F + G)	4,874	4,785	98.17	89	1.83	0	0.00

b. Differently abled employees and workers:

S. no.	Particulars		Total (A)	Male No. (B)	Male % (B/A)	Female No. (C)	Female % (C/A)	Others No. (H)	Others % (H/A)
1	Differently abled employees	Permanent (D)	1	1	0.00	0	0.00	0	0.00
2		Other than permanent (E)	1	0	0.00	1	0.00	0	0.00
3		Total differently abled employees (D + E)	2	1	0.00	1	0.00	0	0.00
4	Differently abled workers	Permanent (F)	0	0	0.00	0	0.00	0	0.00
5		Other than permanent (G)	0	0	0.00	0	0.00	0	0.00
6		Total differently abled workers (F + G)	0	0	0.00	0	0.00	0	0.00

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	7	1	14.28
Key Management Personnel	3	0	0.00

The Key Management Personnel (KMP) comprises the Managing Director (MD), Chief Financial Officer (CFO), and Company Secretary (CS).

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current financial year) [values in %]				FY 2024-25 (Turnover rate in previous financial year) [values in %]				FY 2023-24 (Turnover rate in the year prior to the previous financial year) [values in %]			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent employees	31.59	32.41	0.00	31.63	30.64	32.06	0.00	30.71	31.34	34.02	0.00	31.45
Permanent workers	3.10	0.00	0.00	3.09	2.39	85.71	0.00	2.80	3.34	0.00	0.00	3.32

Note: Includes employees and workers leaving the employment of the entity voluntarily or due to dismissal, termination, retirement or death in service.

V. Holding, subsidiary and associate companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. no.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	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)
1	Kansai Paint Co., Ltd., Japan	Holding	74.96	No
2	KNP Japan Private Limited	Subsidiary	68	No

S. no.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	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)
3	Kansai Nerolac Paints (Bangladesh) Limited (formerly known as RAK Paints Limited)	Subsidiary	55	No
4	Nerofix Private Limited	Subsidiary	100	No

VI. CSR Details

24.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
(ii) Turnover (in ₹)	7739.2 Crores
(iii) Net worth (in ₹)	6695.7 Crores

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 weblink for grievance redress policy	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)			If NA, then provide the reason
			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	-	0	0	NA	0	0	NA	
Investors (other than shareholders)	Yes	-	0	0	NA	0	0	NA	
Shareholders	Yes	-	8	0	-	0	0	NA	
Employees and workers	Yes	-	2	0	-	3	0	-	
Customers	Yes	-	8,427*	10	-	8,301*	9	-	
Value chain partners	Yes	-	0	0	NA	0	0	NA	

*Number of complaints received through the CRM and ERP system. However, in previous years annual report, the reported complaints excluded duplicate, erroneous complaints.

Communities: All KNPL facilities are strategically located in rural areas where local communities frequently express their concerns to the panchayats and government authorities. In response, the Company's plant teams proactively address these issues by implementing tangible projects that directly benefit these communities.

Investors and shareholders: KNPL has established a dedicated communication channel, investor@nerolac.com, to ensure swift resolution of shareholder inquiries and complaints, thereby fostering effective engagement with the investment community.

Employees and workers: The Company has established an Internal Complaints Committee to address workplace grievances, with additional support available through HR Business Partners.

Customers: KNPL prioritises customer engagement through a dedicated helpline and Email support, 1800-209-2092 and complaints@nerolac.com, to ensure prompt and effective responses to all customer queries and concerns.

Value chain partners: To uphold the highest standards of integrity and transparency, KNPL has established a Supplier Code of Conduct that provides a clear framework for addressing any grievances raised by its value chain partners.

This extensive approach underscores the Company's commitment to building trust, fostering collaboration, and addressing the concerns of all stakeholder groups.

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:

S. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Decarbonisation: Climate change/ emission management/ energy management	R	Climate change presents significant physical and transitional risks, including extreme weather events and resource scarcity.	• Conducting organisation-wide assessments to evaluate climate-related risks and preparedness, including periodic greenhouse gas (GHG) Inventorisation activity and in-depth analysis • Achieving the approved emission reduction targets	Negative
2	Decarbonisation: Climate change/ emission management/ energy management	O	1. Invest in advanced technologies to develop and expand a sustainable, eco-friendly product portfolio. 2. Enhance reliance on electricity generated from renewable energy sources.		Positive

S. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Resource use: Water management	R	Given the limited availability of freshwater and the presence of three KNPL manufacturing facilities in water-stressed regions, water conservation remains a critical focus. Water is also a vital raw material in the production of the Company's water-based paints.	• Sustaining the water-positive status • Implementing effective rainwater harvesting measures and promoting responsible use of freshwater resources	Negative
4	Quality of life: Human rights	O	KNPL is committed to preventing child labour, forced labour, or any form of involuntary labour, whether paid or unpaid, across any of its subsidiaries, manufacturing facilities, and depots.		Positive
5	Diversity: Inclusivity	O	The Company ensures equal employment opportunities by prohibiting discrimination based on age, gender, nationality, race, religion, disabilities, or sexual orientation		Positive
6	Governance	O	KNPL upholds the highest standards of corporate governance and ensures strict compliance with all statutory authorities and regulatory authorities.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

P1	Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Question		1 (a). Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	1 (b). Has the policy been approved by the Board? (Yes/No)	1(c). Weblink of the policies, if available
Policy and management processes				
P1	Ethics and transparency	Yes	Yes	https://www.nerolac.com/investors/policies.html
P2	Product responsibility	Yes	Yes	https://www.nerolac.com/investors/policies.html
P3	Human resources	Yes	Yes	https://www.nerolac.com/investors/policies.html
P4	Responsiveness to stakeholders	Yes	Yes	https://www.nerolac.com/investors/policies.html
P5	Respect for human rights	Yes	Yes	https://www.nerolac.com/investors/policies.html
P6	Efforts to restore the environment	Yes	Yes	https://www.nerolac.com/investors/policies.html
P7	Public policy advocacy	Yes	Yes	https://www.nerolac.com/investors/policies.html
P8	Inclusive growth	Yes	Yes	https://www.nerolac.com/investors/policies.html
P9	Customer engagement	Yes	Yes	https://www.nerolac.com/investors/policies.html

*KNPL's policies undergo periodic evaluation by departmental heads, Directors, Board Committees, and members of the Board, as applicable.

Disclosure Question		2. Whether the entity has translated the policy into procedures. (Yes/No)	3. Do the enlisted policies extend to your value chain partners? (Yes/No)	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.
Policy and management processes				
P1	Ethics and transparency	Yes	Yes	-
P2	Product responsibility	Yes	Yes	Quality Management Systems: ISO 9001:2015
P3	Human resources	Yes	Yes	Safety Management Systems: ISO 45001:2018
P4	Responsiveness to stakeholders	Yes	No	-
P5	Respect for human rights	Yes	Yes	-
P6	Efforts to restore the environment	Yes	Yes	Environment Management Systems: ISO 14001:2015 Energy Management System: ISO 50001 Water Efficiency Management System: ISO 46001
P7	Public policy advocacy	Yes	No	-
P8	Inclusive growth	Yes	No	-
P9	Customer engagement	Yes	No	-

Disclosure Question	5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.
Policy and management processes		
BRSR 9 Principles	Disclosed in the respective capital	Disclosed in the capital section of this Annual Report

Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	With a clear commitment to sustainability, KNPL has established ambitious objectives to reduce carbon emissions and optimise resource efficiency. These efforts are further complemented by focused investments in renewable energy projects. The Company has achieved measurable progress in water stewardship and strengthened transparency and stakeholder engagement. KNPL remains dedicated to advancing sustainable practices, with the goal of creating long-term, positive impacts across the communities it serves.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Jason S. Gonsalves Director (Corporate Planning, IT, and Materials)

9.	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No).	Yes
	If yes, provide details.	KNPL has established an ESG Committee to provide strategic guidance and oversight of the Company's sustainability agenda. The Committee advises Management on identifying and mitigating ESG-related risks, while supporting the achievement of the Company's ESG objectives. It also ensures adherence to the Occupational Health, Safety, and Environment (OHSE) policy through periodic reviews, ensuring alignment with KNPL's broader ESG commitments. Through this governance framework, the Board of Directors exercises effective oversight of the Company's climate initiatives and overall sustainability performance.

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								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically/on a need basis by Department Heads, Directors, Board Committees, and Board Members, wherever applicable.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The status of compliance with all applicable statutory requirements is reviewed by the Department Heads/Director/Board on a regular basis.								
Subject for Review	**Frequency (Annually/half-yearly/quarterly/any other - please specify)**								
Performance against above policies and follow up action	The policies of the Company are reviewed periodically/on a need basis by Department Heads, Directors, Board Committees, and Board Members, wherever applicable.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The status of compliance with all applicable statutory requirements is reviewed by the Department Heads/Director/Board on regular basis.								

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.**	No

12. If answer to question (1) above is 'No' i.e., not all Principles are covered by a policy, reasons to be stated:

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
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	% of persons in respective category covered by the awareness programmes
Board of Directors	1	9 Principles of BRSR	100.00
Key Managerial Personnel	1	9 Principles of BRSR	100.00
Permanent employees	1*	9 Principles of BRSR	42.93
Permanent workers	15	9 Principles of BRSR	60.17

*ESG BRSR training is available as a part of compliance module on the employee portal

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 (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

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	
Principle 1	Joint Commissioner (Appeals), CGST, Jaipur	19,12,781	A demand is confirmed in appeal on account of disallowance of transitional input tax credit claimed by the Company during FY 2017-18 for the state of Rajasthan. The Company has relevant records/ legal precedence to prove its claim and shall file an appeal against the said order before the GST Tribunal.	No
Principle 1	Additional Commissioner, CGST (Appeals), Gurugram	1,49,81,354	A demand is confirmed in appeal on account of disallowance of transitional input tax credit claimed by the Company during FY 2017-18 for the state of Haryana. The Company has relevant records/legal precedence to prove its claim and shall file an appeal against the said order before the GST Tribunal.	No

Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Principle 1	Deputy Commissioner of State GST	3,90,63,811	The Company has filed an appeal against the order u/s. 73(9) issued for the State of Maharashtra for partial disallowance of Input Tax Credit ("ITC") and alleged short payment of tax on some supplies during the FY 2020-21. The order has been passed based on wrong understanding of the facts/records/law and there are apparent errors in the order. The Company has already paid adequate and appropriate taxes, as required by the law. The company has also filed an application for rectification of the order.	Yes
Principle 1	Assistant Commissioner of State Tax, Jalandhar	12,15,700	The demand has arisen mainly on account of partial disallowance of Input Tax Credit claimed by the Company during FY 2021-22 for the state of Punjab. The Company has relevant records to prove its claim for ITC and shall file an appeal against the said Order.	Yes
Principle 1	Assessment Unit, Income Tax Department	1,68,62,615	The penalty is imposed on disallowance/additions made in the Assessment Order u/s 143(3) dated 30th January, 2012 for Assessment Year 2008-09. The Company has relevant records/precedence to prove its claim and shall file an appeal against the said Order.	Yes
Principle 1	Assessment Unit, Income Tax Department	1,05,83,727	The penalty is imposed on disallowance/additions made in the Assessment Order under section 143(3) read with section 254 dated 5th March, 2025 for Assessment Year 2009-10. The Company has relevant records/precedence to prove its claim and shall file an appeal against the said Order.	Yes
Principle 1	Assessment Unit, Income-tax Department	41,06,332	The penalty is imposed on disallowance/additions made in the Assessment Order under section 143(3) read with section 254 dated 5th March, 2025 for Assessment Year 2010-11. The Company has relevant records/precedence to prove its claim and shall file an appeal against the said order.	No
Principle 1	Assessment Unit, Income-tax Department	5,35,98,190	The penalty is imposed on disallowance/additions made in the Assessment Order under section 143(3) read with section 254 dated 5th March, 2025 for Assessment Year 2011-12. The Company has relevant records/precedence to prove its claim and shall file an appeal against the said Order.	No

Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Principle 1	Assistant Commissioner of Central Tax, Vijayawada	48,02,629	The demand has arisen mainly on account of partial disallowance of Input Tax Credit claimed by the Company during FY 2018-19 for the state of Andhra Pradesh. The Company has relevant records to prove its claim for ITC and shall file an appeal against the said Order.	Yes
Principle 1	Superintendent of GST & Central Excise, Vadapalani	16,50,467	The demand has arisen for the state of Tamil Nadu mainly on account alleged short payment of tax by the Company on some outward supply consignments during FY 2018-19. The Order has been passed based on wrong understanding of the facts. The Company has already paid adequate and appropriate taxes, as required by the law. The Company also has relevant records to prove its claims and is in the process of filing an appeal.	Yes
Principle 1	Deputy Commissioner of State Tax, Mumbai	80,28,564	The demand has arisen mainly on account of partial disallowance of Input Tax Credit claimed by the Company during FY 2021-22 for the state of Maharashtra. The Company has relevant records to prove its claim for ITC and shall file an appeal against the said Order.	Yes
Principle 1	Commissioner Appeals II, CGST & Central Excise, Mumbai	2,78,89,642	The demand is confirmed in appeal on account of disallowance of transitional Input Tax Credit claimed by the Company during FY 2017-18 for the state of Maharashtra. The Company has relevant records/legal precedence to prove its claim and shall file an appeal against the said Order before the GST Tribunal.	No
Principle 1	Deputy Commissioner, CGST Division-West, CGST Faridabad	20,49,698	The demand has arisen mainly on account of partial disallowance of Input Tax Credit claimed by the Company during FY 2019-20 for the state of Haryana. The Company has relevant records to prove its claim for ITC and shall file an appeal against the said Order.	No
Settlement				
NA				
Compounding fee				
NA				

Non-monetary			
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment			
NA			
Punishment			
NA			

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.**

   For the instances referred to in Question 2 above, the necessary appeals have been filed with the respective State GST Appellate Authorities/ Commissioner of Income-tax (Appeals). In cases where appeals have not yet been filed, they will be filed after 31st March, 2026.

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a weblink to the policy.**

   Yes, KNPL maintains a comprehensive Code of Conduct (CoC) applicable across all offices, manufacturing plants and subsidiaries, prohibiting unethical practices like bribery, forgery, deception, extortion, and corruption. The CoC governs employees' conduct dealings with external parties and is enforced through oversight by the Statutory Audit Committee and the Risk Management Committee. Under the Policy's provisions on misconduct and embezzlement, accepting illegal gratification constitutes a serious offence, leading to termination of employment.

   Furthermore, the Company has a separate Code of Conduct for the BoD and Senior Management, mandating the highest standards of integrity and ethical conduct in all professional dealings.

   The policy can be accessed at https://www.nerolac.com/sustainability.html

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 (Current financial year)	FY 2024-25 (Previous financial year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

	FY 2025-26 (Current financial year)		FY 2024-25 (Previous financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

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.**

   NA

8. **Number of days of accounts payables (Accounts payable*365)/Cost of goods/services procured) in the following format:**

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Number of days of accounts payables	58	57

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

9. **Openness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Concentration of purchases	a. Purchases from trading houses as % of total purchases	8.27	9.71
	b. Number of trading houses where purchases are made	102	111
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	73.19	78.56
Concentration of sales	a. Sales to dealer/distributors as % of total sales	59.87	51.16
	b. Number of dealers/distributors to whom sales are made	35,232	32,570
	c. Sales to top 10 dealers/distributors as % of total sales to dealer/distributors	3.21	3.14
Share of RPTs in	a. Purchases (Purchases with related parties as % of total purchases)	0.31	0.20
	b. Sales (Sales to related parties as % of total sales)	0.08	0.16
	c. Loans & advances (Loans & advances given to related parties as % of total loans & advances)	44	0.00
	d. Investments (Investments in related parties as % of total investments made)	2.35	2.35

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

LEADERSHIP INDICATORS

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	The Company conducted structured training and awareness programmes for its supply chain partners to align them with the sustainability commitment and responsible business practices. These programmes covered environmental stewardship, ethical conduct, social responsibility and governance principles, strengthening collaboration and embedding sustainable practices across the value chain.	-

Over 200 suppliers were invited by KNPL to participate in training sessions designed to advance sustainability-focused business practices and adherence to NGRBC principles.

2. **Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No/NA) If yes, provide details of the same.**

Yes, KNPL has a Board-approved policy that establishes a structured framework for its Corporate Governance philosophy, applicable to Directors, Senior Management, and all employees. This policy encompasses key governance elements, including conflict of interest, corporate opportunities, confidentiality, related-party transactions, insider trading, regulatory compliance, responsible use of Company assets, fair business dealing, and adherence to ethical business practices. The policy can be accessed at: https://www.nerolac.com/investors/policies.html

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.

ESSENTIAL INDICATORS

1. **Percentage of 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.**

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	47%	15%	For the procurement and upgrading of assets to strengthen environmental monitoring, optimise effluent treatment, promote water conservation, improve energy efficiency, harness renewable energy, enhance emergency preparedness, conduct testing for sustainable product development, and strengthen safety equipment.
Capex	17%	4%	

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes

   b. **If yes, what percentage of inputs were sourced sustainably?**

   65%

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)**

   KNPL ensures the responsible recovery of plastic packaging used in its products by collecting post-consumer plastic waste from across India. The collected plastic waste is reprocessed, recycled, or disposed of in accordance with the Plastic Waste Management guidelines, ensuring complete regulatory compliance.

   (b) **E-waste**

   E-waste is sent to recyclers authorised by the Central Pollution Control Board (CPCB) for responsible processing.

   (c) **Hazardous waste**

   Hazardous waste is managed through SPCB/CPCB-accredited Treatment, Storage, and Disposal Facilities (TSDFs) or co-processing, in accordance with applicable statutory mandates.

   (d) **Other waste**

   Non-hazardous waste and other types of waste are carefully segregated at the source before dispatching to authorised scrap dealers for responsible recycling or appropriate disposal.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).**

   Yes

   If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

   Yes

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?**

   While KNPL did not perform any Life Cycle Assessments in FY 2025-26, the Company has previously executed LCAs for a range of 25 products. These include interior and exterior emulsions, enamels, construction chemicals, coil and powder coatings, performance coatings, and automotive refinish solutions.

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 is no significant risk arising from production or disposal of products as identified in LCA.

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 reused input material to total material	
	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
TiO2 (in MT)	13	13
Water based sludge (in MT)	143	164
Reclaimed solvent (in MT)	249	408
Powder fines (in MT)	202	163

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 (Current financial year)			FY 2024-25 (Previous financial year)		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely disposed
Plastics (including packaging)	0	11,700	0	0	12,115	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0

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 percentage of total products sold in respective category
Rigid plastic	100
Flexible plastic	100

Plastic waste as a part of Extended Producer Responsibility

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	% of employees covered by										
	Total (A)	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	2,955	2,955	100.00	2,955	100.00	0	0.00	2,955	100.00	0	0.00
Female	141	141	100.00	141	100.00	141	100.00	0	0.00	89	63.12
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	3,096	3,096	100.00	3,096	100.00	141	4.55	2,955	95.45	89	2.87

Category	% of employees covered by										
	Total (A)	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)
Other than permanent employees											
Male	2,149	2,149	100.00	2,149	100.00	0	0.00	0	0.00	0	0.00
Female	122	122	100.00	122	100.00	122	100.00	0	0.00	0	0.00
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	2,271	2,271	100.00	2,271	100.00	122	5.37	0	0.00	0	0.00

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	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	706	706	100.00	706	100.00	0	0.00	0	0.00	0	0.00
Female	2	2	100.00	2	100.00	2	100.00	0	0.00	0	0.00
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	708	708	100.00	708	100.00	2	0.28	0	0.00	0	0.00
Other than permanent workers											
Male	4,079	4,079	100.00	4,079	100.00	0	0.00	0	0.00	0	0.00
Female	87	87	100.00	87	100.00	87	100.00	0	0.00	0	0.00
Others	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	4,166	0	100.00	0	100.00	87	2.09	0	0.00	0	0.00

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Cost incurred on well-being measures as a % of total revenue of the company	0.32%	0.31%

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

2. Details of retirement benefits for current financial year and previous financial year.

Benefits	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	0.3	1.31	Yes	0.4	5.6	Yes

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.

Yes, KNPL actively ensures that its workplaces and premises are accessible to differently abled individuals, in accordance with the Rights of Persons with Disabilities Act, 2016. All future workplaces will also prioritise accessibility for the individuals. KNPL's HO premises were found to be accessible as per the accessibility audit.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a weblink to the policy.**

Yes.

https://www.nerolac.com/sites/default/files/uploads/Policies/code-of-conduct-on-affirmative-action-final-approved-17-2-2021.pdf

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	100.00	Employees who availed parental leave have resumed their duties, although they have not yet reached the 12-month mark since their return.	0.00	No female worker availed parental leave during the year.
Female	100.00		0.00	
Others	0.00		0.00	
Total	100.00		0.00	

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 The Internal Complaints Committee (ICC) is accessible to address grievances or harassment issues, including both general and sexual harassment. Complainants can approach any ICC member, and all concerns are addressed with strict confidentiality, ensuring no retaliation against the individual raising the issue. The contact details of the ICC members are displayed prominently on noticeboards in key common areas across the organisation. In addition to this, KNPL implemented a Whistleblower Policy, providing a secure mechanism for the reporting of genuine concerns and grievances, with robust safeguards against victimisation. The details of the policy's execution are separately disclosed in the Annual Report under the Corporate Governance section and are also available on the Company's website at: https://www.nerolac.com/financial/policies.html. Furthermore, KNPL conducts various HR-led connect programmes at its plants and offices to provide employees with a forum to raise concerns and grievances. A safety committee is also in place at the plants, comprising representatives from the workforce. The committee facilitates structured communication between workers, their representatives, and management. Through this committee, employees can formally raise their grievances and bring them to the attention of management for review and appropriate action.
Other than permanent workers	
Permanent employees	
Other than permanent employees	

7. **Membership of employees and workers in associations(s) or Unions recognised by the listed entity:**

Category	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	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	3,096	0	0.00	3,145	0	0.00
- Male	2,955	0	0.00	2,996	0	0.00
- Female	141	0	0.00	149	0	0.00
- Others	0	0	0.00	0	0	0.00
Total permanent workers	708	708	100.00	714	661	92.58
- Male	706	706	100.00	712	659	92.56
- Female	2	2	100.00	2	2	100.00
- Others	0	0	0.00	0	0	0.00

8. **Details of training given to employees and workers:**

Category	FY 2025-26 (Current financial year)					FY 2024-25 (Previous financial year)				
	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	2,955	1,039	35.16	1,412	47.78	2,996	977	32.61	1,238	41.32
Female	141	67	47.52	49	34.75	149	52	34.90	56	37.58
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Total	3,096	1,106	35.72	1,461	47.19	3,145	1029	32.72	1,294	41.14
Workers										
Male	706	706	100.00	706	100.00	712	712	100.00	712	100.00
Female	2	2	100.00	2	100.00	2	2	100.00	2	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Total	708	708	100.00	708	100.00	714	714	100.00	714	100.00

9. **Details of performance and career development reviews of employees and workers:**

Category	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2,955	2,955	100.00	2,996	2,996	100.00
Female	141	141	100.00	149	149	100.00
Others	0	0	0.00	0	0	0.00
Total	3,096	3,096	100.00	3,145	3,145	100.00
Workers						
Male	706	706	100.00	712	712	100.00
Female	2	2	100.00	2	2	100.00
Others	0	0	0.00	0	0	0.00
Total	708	708	100.00	714	714	100.00

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No/NA). If yes, the coverage such system?

Yes, KNPL complies with its Occupational Health, Safety and Environment (OHSE) Policy, and its major facilities, along with the R&D Centre are certified under ISO 45001:2018. Furthermore, internal audits and third-party reviews ensure ongoing conformity to safety standards.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

In line with its safety-first policy, KNPL subjects all operations to detailed risk assessment protocols. These include Process Hazard Analysis (PHA), Job Safety Analysis (JSA) and Hazard and Operability (HAZOP) studies. Additionally, Kiken Yochi Trainings (KYT) are conducted to identify and address hidden operational hazards. All risks are logged in the Hazard Identification and Risk Assessment (HIRA) register, and corrective measures are continuously monitored to ensure risk reduction and regulatory compliance.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks?

Yes, KNPL has established well-defined protocols for workers to report any workplace hazards they encounter. Observed hazards are promptly escalated to the respective section heads and documented in the Abnormality Register, while the SAP EHS module facilitates systematic tracking under the 'Safety Concern' functionality.

To strengthen its safety culture, KNPL conducts regular training and awareness programmes, reinforces chemical safety protocols, and provides safety training through KIOSKs and safety laboratories. The Company has also strengthened its fire safety infrastructure, and drives continuous improvement through cross-functional deployment of CAPA, Poka-Yoke, Kaizen, Six Sigma, and other strategic quality initiatives.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No/NA).

Yes. To support workplace health and emergency responsiveness, KNPL has operationalised Occupational Health Centres (OHCs) and deployed ambulances across all sites to manage both occupational and non-occupational health incidents. The Company conducts biannual medical examinations for the entire workforce, including contract personnel. In alignment with global emergency response standards, KNPL has also introduced Automated External Defibrillators (AEDs) across all sites and subsidiaries. Targeted training sessions have been implemented to ensure workforce readiness in addressing Sudden Cardiac Arrest (SCA).

11. Details of safety-related incidents, in the following format:

Safety incident/number	Category*	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

All major plants of KNPL are certified for the Occupational Health and Safety Management System in accordance with ISO 45001:2018. Each plant also has a Safety Committee and a structured approach for hazard identification and risk minimisation. KNPL also engages experts to conduct safety audits aimed at enhancing safety measures, practices, and emergency preparedness. In addition, the Corporate EHS team periodically performs safety audits in alignment with GSQ guidelines. Moreover, KNPL's parent organisation, Kansai Paint Co., Ltd., Japan, conducts periodic audits of health and safety practices.

13. Number of complaints on the following made by employees and workers:

	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	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	0	0	-	0	0	-
Health and safety	0	0	-	0	0	-

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

As per ISO 45001 and EHS Audit.

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 and safety practices and working conditions.

During the reporting period, no corrective measures were required in response to safety-related incidents, as no major incidents were recorded.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of

a. Employees (Y/N)

Yes

b. Workers (Y/N).

Yes

Employees' Group Insurance Policy (EGI): In the unfortunate event of a permanent employee's or worker's passing, their family or designated nominee will be provided financial support under the policy. The EGI guarantees a specified amount, which becomes payable to the beneficiaries, to support their financial well-being.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

KNPL diligently apprises its vendors of any statutory amendments that may impact their obligations concerning tax deductions or withholdings in relation to transactions conducted with the Company.

3. Provide the number of employees/workers having suffered high consequences for 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:

	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 (Current financial year)	FY 2024-25 (Previous financial year)	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Employees	0	0	0	0
Workers	0	0	0	0

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/NA)

Yes, upon retirement, KNPL engages employees through its retainership programme, tailored on a case-by-case basis and in alignment with the appropriateness of the position

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	21 suppliers were assessed through on-site audits.
Working conditions	Supplier self-assessment was initiated for ESG parameters including health and safety across 100+ suppliers.

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.**

   No major risks were identified.

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.**

   The Company has established a structured framework to identify, prioritise, and resolve the concerns and needs of its stakeholders across all divisions and operations. KNPL has meticulously mapped its internal and external stakeholders to enable an efficient engagement process and support its goal of inclusive growth.

   Internal Stakeholders: Business Partners (Kansai Paint Co., Ltd., Japan), Shareholders, Investors and Employees

   External Stakeholders: Customers, Suppliers, Local Communities, Industry Influencers, Governmental and Regulatory Bodies

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

   KNPL has identified and defined its engagement strategies, including the frequency of interactions with its stakeholders. For more information, please refer to the chapter on 'Staying Engaged with Our Stakeholders.'

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.**

   KNPL engages with each stakeholder group through a comprehensive consultation process that captures diverse perspectives on economic, environmental, and social matters. This strategic approach enables the Company to nurture sustainable and socially responsible business practices.

   1. **Business Partners:** ESG performance is reviewed periodically, with long-term objectives established at the Group level, incorporating insights from business partners. These consultations provide a platform for partners to offer feedback and suggestions on economic considerations and relevant topics.
   2. **Shareholders and Investors:** The Company values the perspectives of its shareholders and investors. Through annual general meetings and quarterly investor calls, KNPL provides stakeholders an opportunity to voice their economic, environmental, and social concerns, which are subsequently addressed by the Board.
   3. **Customers:** The Company actively conducts customer satisfaction surveys, fosters customer interactions via meetings and plant visits, and maintains an active social media presence. These channels enable customers to provide feedback on economic, environmental, and social matters, facilitating continuous improvement in products and services.
   4. **Employees:** KNPL promotes employee engagement through training programmes, well-being initiatives, connect forums, and satisfaction surveys. These platforms enable employees to express their views on economic, environmental and social topics. Furthermore, employees contribute to the Company's sustainability efforts by participating in CSR initiatives.

5. **Suppliers:** KNPL collaborates with its suppliers to advance sustainability across the supply chain. The Company organises supplier training and awareness sessions to ensure alignment with its environmental and social objectives. Regular audits assess compliance, and meetings are held to discuss ongoing collaborations and address concerns. Moreover, KNPL monitors progress through supplier performance management systems and collaborates on joint projects, providing valuable feedback on economic considerations.
6. **Community:** KNPL engages with the local communities surrounding its plants to understand their unique needs through consultations and dialogues. This interaction allows the Company to address specific economic, environmental, and social concerns, while contributing to the local economy, promoting environmental stewardship, and enhancing social well-being through CSR initiatives.
7. **Influencers:** KNPL engages with painters and contractors through specialised meetings, training workshops, and loyalty programmes. In addition, architects and interior designers are engaged through exhibitions, conferences, seminars, and architect meets. These collaborations help customise product offerings, increase brand visibility, drive innovation, strengthen brand reputation and foster market growth.
8. **Government and Regulatory Bodies:** KNPL recognises the critical role of government and regulatory bodies in shaping industry standards, regulations, and policies. The Company ensures compliance with the established standards and works closely with these stakeholders to align with regulatory requirements.

2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No).**

   Yes

   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.

   KNPL utilises stakeholder consultations as a foundational approach to identify and govern environmentally significant topics.

   1. **Business Partners:** KNPL aligns its materiality assessments and sustainability goals with those of Kansai Paints, Japan, ensuring a unified strategic direction.
   2. **Shareholders and Investors:** Shareholder feedback has been instrumental in strengthening KNPL's ESG disclosures. These enhancements are reflected in the Company's sustainability microsites, annual reports, and investor presentations, thereby contributing to improved performance in leading ESG indices.
   3. **Customers:** KNPL remains committed to creating environmentally responsible products that meet the expectations of today's sustainability-conscious consumers. In the decorative segment, the Company launched eco-friendly, low-VOC paints that are free from lead and heavy metals. In the industrial segment, KNPL continues to develop solutions that reduce energy and water consumption while collaborating with suppliers to lower emissions across the value chain.
   4. **Employees:** The Company fosters employee engagement through regular initiatives, including a monthly newsletter, training programmes, awareness campaigns, recognition of key accomplishments, and ESG performance reviews.
   5. **Suppliers:** Supplier insights are proactively incorporated to drive the adoption of green and environmentally sustainable raw materials.
   6. **Community:** KNPL undertakes various community-focussed initiatives based on local input, including pond restoration projects, women's empowerment programmes, and livelihood development efforts.
   7. **Influencers:** KNPL supports painters and applicators by offering skill development opportunities through both classroom-based training and mobile training academy.
   8. **Government and Regulatory Bodies:** The Company proactively monitors regulatory developments in the ESG space and ensures transparent compliance through detailed and consistent reporting.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   KNPL is deeply committed to Corporate Social Responsibility (CSR), and actively implements initiatives that support social development, particularly for underprivileged and marginalised communities. By encouraging employees to participate in CSR efforts nationwide, the Company nurtures a strong sense of personal responsibility and social consciousness among its workforce. The key programmes undertaken by the Company are outlined below:

   1. **Livelihood and Skill Enhancement:** KNPL is dedicated to contributing to the socio-economic development of nearby communities by providing training programmes designed to enhance skills and capacities. To exemplify this commitment, the Company implemented initiatives such as Classroom Training and the Mobile Training Academy (Pragati Express).
   2. **Promoting Education:** The Company collaborates with educational institutions to advance education in rural areas. Key activities include the construction of classrooms and laboratories, as well as the provision of essential equipment and school supplies.
   3. **Rural/Community Development:** KNPL supports grassroots communities near its plants and depots by providing essential facilities and amenities. The Company works diligently to improve basic living standards by enhancing infrastructure, which includes the provision of bore wells, drinking water facilities, bus shelters, and community centers.
   4. **Preventive Healthcare and Sanitation:** The Company is committed to improving the general health and sanitation of the communities in which it operates. KNPL organises health awareness sessions and provides necessary sanitation facilities to promote better health outcomes.
   5. **Ensuring Environmental Sustainability:** Guided by the principle of responsible resource consumption, KNPL is committed to preserving natural resources and maintaining a clean environment. The Company implements watershed development projects, including pond cleaning, desilting, and overall pond restoration. Additional initiatives encompass greenbelt development, tree planting, park construction, and the installation of solar lights.

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 (Current financial year)			FY 2024-25 (Previous financial year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Permanent employees	3,096	1,329*	42.93	3,145	3,127	99.43
Permanent workers	708	426	60.17	714	306	42.86

*The number outlines active number of employees as of 31st March 2026 who have undergone above training.

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2025-26 (Current financial year)					FY 2024-25 (Previous financial year)				
	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	3,096	0	0.00	3,096	100.00	3,145	0	0.00	3,145	100.00
Male	2,955	0	0.00	2,955	100.00	2,996	0	0.00	2,996	100.00
Female	141	0	0.00	141	100.00	149	0	0.00	149	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00

Category	FY 2025-26 (Current financial year)					FY 2024-25 (Previous financial year)				
	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)
Other than permanent	2,271	1078	47.47	1193	52.53	2,347	905	38.56	1,442	61.44
Male	2,149	1,054	49.05	1,095	50.95	2,242	883	39.38	1,359	60.62
Female	122	24	19.67	98	80.33	105	22	20.95	83	79.05
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Workers										
Permanent	708	0	0.00	708	100.00	714	0	0.00	714	100.00
Male	706	0	0.00	706	100.00	712	0	0.00	712	100.00
Female	2	0	0.00	2	100.00	2	0	0.00	2	100.00
Others	0	0	0.00	0	100.00	0	0	0.00	0	0.00
Other than permanent	4,166	1,557	37.37	2,609	62.63	4,369	1,639	37.51	2,730	62.49
Male	4,079	1,522	37.31	2,557	62.69	4,283	1,617	37.75	2,666	62.25
Female	87	35	40.23	52	59.77	86	22	25.58	64	74.42
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00

3. **Details of remuneration/salary/wages, in the following format:**

a. **Median remuneration/wages:**

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	6	63,93,000	1	51,50,000
Key Managerial Personnel	3	2,00,96,736	0	0
Employees other than BoD and KMP	2,952	9,63,202	141	7,64,907
Workers	706	7,90,280	2	5,54,670

Key Managerial Personnel (KMP) include the Managing Director, Company Secretary, and Chief Financial Officer.

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Gross wages paid to females as % of total wages	3.37	3.28

Table outlines details for permanent employees and workers as at the end of FY 2025-26

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

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, designated HR partners are responsible for addressing human rights issues and concerns raised by employees or workers. They help foster a workplace culture that upholds human rights and ensures that employee grievances are effectively addressed. Their responsibilities also encompass maintaining a safe and healthy work environment, promoting diversity and inclusion, and ensuring that all employees are treated fairly and with respect. Furthermore, an Internal Complaints Committee (ICC) addresses grievances related specifically to sexual harassment, in accordance with applicable regulations.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

When employees or workers raise concerns related to human rights, including discrimination, harassment, or other rights violations, HR partners address these with utmost seriousness. They initiate prompt and thorough investigations and provide necessary support and resources to affected individuals. Furthermore, an Internal Complaints Committee (ICC) has been established to specifically handle grievances pertaining to sexual harassment, ensuring due process and a safe reporting mechanism.

6. **Number of complaints on the following made by employees and workers:**

	FY 2025-26 (Current financial year)			FY 2024-25 (Previous financial year)		
	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	2	0	NA	3	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child labour	0	0	NA	0	0	NA
Forced labour/involuntary labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	3
Complaints on POSH as a % of female employees/workers	1.36	2.03
Complaints on POSH upheld	2	3

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

All reported incidents are treated as confidential. Individuals mentioned in the Report and accused of breaching applicable principles or rules will not be informed of the Report, unless disclosure is necessary for investigative purposes. Any retaliation, direct or indirect, against those who report actual or suspected violations of company policies, rules, or regulations, or assist in related investigations will result in appropriate disciplinary actions.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, KNPL acknowledges the importance of promoting and safeguarding human rights across its entire value chain. The Company extends its Supplier Code of Conduct to all value chain partners, to ensure that human rights considerations are integrated into business agreements, where applicable. This proactive approach allows KNPL to clearly communicate its expectations to partners, guaranteeing their commitment to upholding human rights standards.

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third-parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

11. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

NA

LEADERSHIP INDICATORS

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.**

   No changes or new processes have been implemented by the Company.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

   KNPL's human rights due diligence, conducted by an independent third-party, covered the following areas: occupational health and safety, non-discrimination, freedom of association and collective bargaining, child labour, forced or compulsory labour, and community involvement.

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?**

   KNPL is committed to creating inclusive and accessible workplaces and premises for differently abled individuals, in compliance with the Rights of Persons with Disabilities Act, 2016. All future workplaces will be designed to accommodate differently abled individuals. In line with this approach, the Company's new head office premises have been audited and confirmed to meet accessibility standards.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	21 suppliers were assessed through On-Site Audits. Supplier Self-Assessment was initiated for ESG parameters across 100+ suppliers.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

   No major risks were identified during the financial year.

PRINCIPLE 6 BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT.

ESSENTIAL INDICATORS

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Please specify unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
From renewable sources			
Total electricity consumption (A)	GJ	1,23,845	1,04,176
Total fuel consumption (B)	GJ	428	11,307
Energy consumption through other sources (C)	GJ	1,24,839	1,24,968
Total energy consumed from renewable sources (A + B + C)	GJ	2,49,112	2,40,451
From non-renewable sources			
Total electricity consumption (D)	GJ	1,47,499	1,72,067
Total fuel consumption (E)	GJ	1,38,834	1,19,357
Energy consumption through other sources (F)	GJ	0	0

Parameter	Please specify unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total energy consumed from non-renewable sources (D + E + F)	GJ	2,86,333	2,91,424
Total energy consumed (A + B + C + D + E + F)	GJ	5,35,445	5,31,875
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	GJ/₹ Crores	69	71
Energy intensity in terms of physical output	GJ/KL	1.40	1.44

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

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? (Y/N), 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**

   NA

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	Please specify unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Water withdrawal by source (in kilolitres)			
(i) Surface water	KL	0	0
(ii) Groundwater	KL	1,29,339	1,30,304
(iii) Third-party water	KL	2,89,688	2,89,166
(iv) Seawater/desalinated water	KL	0	0
(v) Others	KL	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	KL	4,19,027	4,19,470
Total volume of water consumption (in kilolitres)	KL	4,42,006	4,42,285
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	KL/₹ Crores	57	59
Water intensity in terms of physical output	GJ/KL	1.15	1.20

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

4. **Provide the following details related to water discharged:**

Parameter	Please specify unit	FY 2025-26 (Current financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface water	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0

Parameter	Please specify unit	FY 2025-26 (Current financial Year)	FY 2024-25 (Previous Financial Year)
(ii) To Groundwater	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iii) To Seawater	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iv) Sent to third-parties	KL	739	817
- No treatment	KL	0	817
- With treatment - please specify level of treatment	KL	739	0
(v) Others	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
Total water discharged (in kilolitres)	KL	739	817

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, KNPL has implemented a Zero Liquid Discharge system at key manufacturing facilities across India. This system has significantly reduced its freshwater withdrawal in FY 2025-26 and eliminated industrial wastewater discharge into external water bodies.

Domestic wastewater is treated through the STP (Sewage Treatment Plant), while processed wastewater undergoes treatment via the ETP (Effluent Treatment Plant). Meanwhile, the ZLD system employs a multi-stage effluent treatment process (primary, secondary, and tertiary) followed by treatment in Multiple Effect Evaporators (MEE). The condensates from the MEE are recycled for process use, and the MEE salts and residue is sent for co-processing.

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 (Current financial year)	FY 2024-25 (Previous financial year)
NOx	$\mu g/m^3$	22	22
SOx	$\mu g/m^3$	15	14
Particulate matter (PM 2.5)	$\mu g/m^3$	33	33
Particulate matter (PM 10)	$\mu g/m^3$	64	68

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	TCO_2e	8,961	8,514
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	TCO_2e	34,227	41,219
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/₹ Crores	5.58	6.63
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO_2e/KL	0.11	0.13

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

8. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Yes

KNPL consistently takes proactive steps to reduce greenhouse gas (GHG) emissions across Scope 1, Scope 2, and Scope 3 categories. To support its sustainability goals, the Company has established Science-Based Targets Initiative (SBTi) approved emission reduction targets, aligned with a 1.5°C trajectory. The Company is committed to achieving a 46.2% reduction in absolute Scope 1 and 2 GHG emissions by FY 2029-30, compared to its baseline FY 2018-19. The Company's strategies include increasing the use of renewable energy sources like solar and wind and adopting alternative fuels with lower emissions for energy generation.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	Please specify unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total waste generated (in metric tonnes)			
Plastic waste (A)	MT	1,097	1,025
E-waste (B)	MT	12	8
Bio-medical waste (C)	MT	1	1
Construction and demolition waste (D)	MT	0	0
Battery waste (E)	MT	15	9
Radioactive waste (F)	MT	0	0
Other hazardous waste. Please specify, if any. (G)	MT	5,908	6,068
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	MT	2,391	2,513
Total (A + B + C + D + E + F + G + H)	MT	9,424	9,624

Parameter	Please specify unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	MT/₹ Crores	1.22	1.28
Waste intensity in terms of physical output	MT/KL	0.02	0.03
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled	MT	7,490	7,339
(ii) Reused	MT	563	713
(iii) Other recovery operations	MT	10	28
Total	MT	8,063	8,080
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	MT	183	212
(ii) Landfilling	MT	9	9
(iii) Other disposal operations	MT	896	664
Total	MT	1,088	885.00

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

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.

KNPL is committed to sustainable waste management practices, ensuring that environmental responsibility remains a core operational principle. Leveraging leading industry methodologies, the Company focuses on reducing, treating, and safely disposing of waste through a comprehensive process that includes:

a) Waste segregation at source and storage in designated areas across all plants

b) Monitoring and recording of waste volumes for transparency and control

c) Disposal via certified Treatment, Storage, and Disposal Facilities (TSDFs) in accordance with environmental regulations

d) Co-processing of hazardous waste at key manufacturing sites

e) Adherence to the 3Rs: Reduce, Reuse, Recycle to drive efficiency and minimise impact

To limit the use of hazardous substances, KNPL has:

a) Developed low-VOC formulations

b) Implemented material substitution programmes

c) Enforced rigorous chemical management protocols

These measures have enabled the Company to divert waste away from landfills, reflecting its leadership in environmental performance.

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:

KNPL's operational sites and offices are not situated within or in the vicinity of ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

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 (Y/N/NA). If not, provide details of all such non-compliances, in the following format:

Yes

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Water withdrawal, consumption and discharge in areas of water stress			
(i) Name of the area		Goindwal Sahib, Hosur, Bawal	
(ii) Nature of operations		Manufacturing	
(iii) Water withdrawal, consumption and discharge in the following format:		FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Parameter	Please specify unit		
Water withdrawal by source (in kilolitres)			
Surface water	KL	0	0
Groundwater	KL	30,861	0
Third-party water	KL	1,78,357	1,25,548
Seawater/desalinated water	KL	0	0
Others	KL	0	0
Total volume of water withdrawal (in kilolitres)	KL	2,09,218	1,25,548
Total volume of water consumption (in kilolitres)	KL	2,15,392	1,26,973
Water intensity per rupee of turnover (Water consumed/ turnover)	KL/₹ Crores	28	17
Water intensity (optional) - the relevant metric may be selected by the entity	KL/KL	1.2	1.3
Water discharge by destination and level of treatment (in kilolitres)			
(i) Into Surface water	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(ii) Into Groundwater	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iii) Into Seawater	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(iv) Sent to third-parties	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
(v) Others	KL	0	0
- No treatment	KL	0	0
- With treatment - please specify level of treatment	KL	0	0
Total water discharged (in kilolitres)	KL	0	0

As per the latest Ground-Water Resource Assessment report released by Central Ground Water Board (CGWB), three KNPL manufacturing facilities at Goindwal Sahib, Hosur and Bawal, fall under the water-stressed areas for FY 2025-26. For FY 2024-25 only Goindwal Sahib and Bawal plants were in the water stressed areas.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	TCO_2e	9,31,369	9,21,369
Total Scope 3 emissions per rupee of turnover	TCO_2e/₹ Crores	120	123
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	TCO_2e/KL	2.4	2.5

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

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.**

NA. None of KNPL's facilities or operations are situated within or in proximity to ecologically sensitive zones.

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 outcome of such initiatives, as per the following format:**

S. no.	Initiative undertaken	Details of the initiative (Weblink, if any, may be provided along with summary) and outcome
1	Increasing the renewable energy mix	Refer the Natural capital section for more details.
2	Shift towards cleaner fuels	
3	Improving efficiency of centrifugal pumps by applying high performance internal coating	
4	ISO 50001: Energy Management system at major plants	

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/weblink.**

Yes, KNPL has a well-documented Business Continuity policy and framework in place. The Company initiates a containment protocol to limit the immediate impact, followed by a structured business continuity strategy to sustain essential operations under emergencies.

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.**

During the year, KNPL initiated a value chain sustainability programme, assessing 100+ of suppliers on Environmental, Social and Governance practices through self-assessments.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NA

8. **How many Green Credits have been generated or procured:**

Currently, KNPL does not monitor Green Credits.

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.**

   9

   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.**

S. no.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Bombay Chamber of Commerce	National
2	Maharashtra Economic Development Council	State
3	The Indian Paint Association	National
4	Bombay Management Association	National
5	Indian Chemical Council	National
6	The Advertising Standards Council of India (ASCI)	National
7	Paint India (Colour Publications)	National
8	Employers Federation of India	National
9	Federation of Indian Chambers of Commerce & Industry (FICCI)	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.**

   KNPL did not encounter any allegations or occurrences of anti-competitive conduct throughout FY 2025-26.

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

   KNPL's 'Advocacy of Public & Regulatory Policy' initiative provides valuable perspectives on matters pertinent to both business and society. Through active participation in trade and industry chambers, the Company champions policies concerning the paint industry. KNPL collaborates with esteemed industry associations like the Indian Paints Association and the Confederation of Indian Industry, among others. Additionally, specific representatives within KNPL are entrusted with engaging industrial bodies and managing government affairs in line with the Company's established Communication Policy.

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.**

   NA

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   NA

3. **Describe the mechanisms to receive and redress grievances of the community.**

   In all areas where KNPL operates, local communities are represented by panchayats and collaborate with the Company to facilitate the resolution of community grievances. The issues raised are subsequently addressed by the respective plant teams through targeted development initiatives implemented in the affected areas.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2025-26 (Current financial year)	FY 2024-25 (Previous financial year)
Directly sourced from MSMEs/small producers	22	20
Directly from within India	77	75

KNPL prioritises sourcing input materials from suppliers within the local community. However, specialty chemicals, which might not be available locally could require procurement from external suppliers.

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

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 (Current financial year)	FY 2024-25 (Previous financial year)
Rural	15.60	15.32
Semi-urban	11.92	10.97
Urban	14.47	14.52
Metropolitan	58.01	59.19

*As per RBI town classification

Table outlines details for permanent employees and workers as at the end of FY 2025-26

Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

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):**

NA

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. no.	State	Aspirational district name	Amount spent (in ₹) *
1	Andhra Pradesh	Y.S.R. Kadapa	2,84,750
2	Assam	Barpeta	19,250
3	Assam	Goalpara	1,49,500
4	Bihar	Aurangabad	1,45,250
5	Bihar	Begusarai	2,06,000
6	Bihar	Gaya	5,08,750
7	Bihar	Jamui	1,25,000
8	Bihar	Katihar	2,43,750
9	Bihar	Muzaffarpur	8,45,500
10	Bihar	Nawada	1,92,000
11	Bihar	Purnia	1,93,500
12	Bihar	Sheikhpura	48,250
13	Bihar	Sitamarhi	1,65,000
14	Chhattisgarh	Rajnandgaon	2,07,500
15	Jammu and Kashmir	Baramulla	2,02,250
16	Jammu and Kashmir	Kupwara	1,44,250
17	Jharkhand	Bokaro	1,78,500

S. no.	State	Aspirational district name	Amount spent (in ₹) *
18	Jharkhand	Giridih	1,03,750
19	Jharkhand	Gumla	55,000
20	Jharkhand	Hazaribagh	1,09,500
21	Jharkhand	Ramgarh	97,500
22	Jharkhand	Ranchi	3,19,000
23	Madhya Pradesh	Barwani	42,500
24	Madhya Pradesh	Chhatarpur	1,37,500
25	Madhya Pradesh	Damoh	1,42,750
26	Madhya Pradesh	Guna	50,500
27	Maharashtra	Osmanabad	41,000
28	Odisha	Balangir	1,17,500
29	Odisha	Kalahandi	2,14,000
30	Odisha	Koraput	1,00,500
31	Odisha	Nabarangpur	41,000
32	Odisha	Nuapada	1,17,500
33	Odisha	Rayagada	99,000
34	Punjab	Moga	54,250
35	Uttar Pradesh	Bahraich	56,500
36	Uttar Pradesh	Balrampur	1,10,250
37	Uttar Pradesh	Chandauli	1,41,250
38	Uttar Pradesh	Fatehpur	38,750
39	Uttarakhand	Haridwar	3,53,250

*Estimated

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No/NA) If NA, provide details.**

   No.

   (b) From which marginalised/vulnerable groups do you procure?

   NA

   (c) What percentage of total procurement (by value) does it constitute?

   Currently, the Company does not have preferential procurement policy in place. However, KNPL does not discriminate against any groups when sourcing and select vendors based on factors like quality, service, technical competence and price.

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:**

   NA

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.**

   NA

6. **Details of beneficiaries of CSR Projects:**

   The Annual Report highlights the details of KNPL's Corporate Social Responsibility (CSR) initiatives for the financial year ended 31st March, 2026. These disclosures are comprehensively presented in Annexure 1 of the Board's Report, which is an integral part of this Annual Report.

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.**

KNPL is committed to delivering high-quality products and services, with consumer well-being at the core of its operations. The technical and production teams work together to resolve any consumer concerns, with expert guidance from Kansai Paint Co., Limited, Japan, when needed. To support key clients in the automotive and Industrial OEM sectors, KNPL deploys technical service personnel directly at customer sites. These professionals provide round-the-clock assistance and contribute to value analysis and engineering activities that enhance product performance.

All customer concerns are recorded within KNPL's IT systems, assigned a unique reference number, and tracked until resolution within specified timeframes. For batch-managed products, any reported concern undergoes root cause analysis to prevent recurrence. Additionally, KNPL applies its rigorous quality control protocols to supplier processes, ensuring consistent product quality.

The Company further supports its customers through a dedicated consumer helpline (+1800-209-2092) and Email at complaints@nerolac.com where issues are logged and monitored until resolution. Dealers are also encouraged to report grievances directly for prompt and effective resolution.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

At KNPL, empowering customers through clarity and transparency is a priority. To encourage safe and responsible product use, every package features clear directions for use, environmental impact details, and disposal guidance. In addition, comprehensive product information, including descriptions, performance features, application methods, and essential safety instructions, is provided in both Product Data Sheets and Material Safety Data Sheets (MSDS), available on the Company's website and through direct channels. This integrated, multi-channel approach ensures consumers remain well-informed and confident in their product interactions.

3. **Number of consumer complaints in respect of the following:**

	FY 2025-26 (Current financial year)		Remarks	FY 2024-25 (Previous financial year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cybersecurity	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive trade practices	0	0	-	0	0	-
Unfair trade practices	0	0	-	0	0	-
Other	8,427*	10	-	8,301*	9	-

*Number of complaints received through the CRM and ERP system. However, in previous years annual report, the reported complaints excluded duplicate, erroneous complaints.

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No/NA), If available, provide a weblink of the policy.**

   Yes, https://www.nerolac.com/investors/policies.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.**

   There have been no reported incidents necessitating corrective action in relation to advertising standards, or the continuity of essential service delivery. Similarly, there have been no cybersecurity breaches, data protection violations, or recurring product recalls. No formal cases were filed against the Company in these domains.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along with impact**

      0

   b. **Percentage of data breaches involving personally identifiable information of customers**

      0

   c. **Impact, if any, of the data breaches**

      NA

   Limited assurance was conducted by a third-party: M/s Aneja Assurance Private Limited.

LEADERSHIP INDICATORS

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   All key insights into KNPL's offerings are available on its official website, https://www.nerolac.com/, where content is diligently curated and updated to ensure both accuracy and relevance. To further amplify its reach and customer interaction, the Company provides various digital product content across its digital channels, including Facebook, YouTube, Instagram, Twitter, and LinkedIn, to enhance real-time brand engagement.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Comprehensive product-related information, including detailed descriptions, functional attributes, advantages, application areas, usage advisories, and technical specifications, is systematically documented in the Product Data Sheet and the Material Safety Data Sheet (MSDS). This information is readily accessible on the Company's website and is also displayed on product packaging. This integrated dissemination strategy ensures consumers are well-informed to handle KNPL's products safely and responsibly.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The Company has established a strong framework that includes a Business Continuity Plan, Risk Management Policy, Mitigation Plan, and Review Mechanism. The framework enables effective management of unexpected disruptions in the supply chain or service delivery to customers. Additionally, KNPL ensures continuous communication with its customers, including OEMs and dealers, to promptly notify them of any disruptions affecting products or services.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/NA)**

   Yes

   If yes, provide details in brief.

   KNPL ensures all its products carry required information in strict adherence to prevailing legal statutes. Beyond compliance, the Company provides additional details, including comprehensive usage instructions, environmentally relevant information, recommendations for safe and responsible handling, and clear directives for proper disposal.

   The Company actively engages with its customers to solicit feedback and assess satisfaction. This is achieved through brand tracking studies, client consultations, structured satisfaction surveys, and on-site product training programmes. Tailored surveys across key business segments help derive customer insights, which KNPL uses to implement and continually evaluate initiatives designed to elevate customer satisfaction.

   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

For and on behalf of the Board
Pravin Chaudhari
Managing Director

Mumbai
6th May, 2026

Independent Auditor's Report

To the Members of Kansai Nerolac Paints Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Kansai Nerolac Paints Limited ("the Company"), which comprise the Balance sheet as at March 31 2026, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained 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 for the financial year ended March 31, 2026. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition on sale of goods (as described in note 29 of the standalone financial statements)	

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives and returns, if any, ('variable consideration') as specified in the contracts with the customers.
 	
An estimate of variable consideration payable to the customers is recorded as at the year-end. Such estimation is done based on the terms of contracts, rebates and discounts schemes and historical experience.
 	
We identified estimation of variable consideration as a key audit matter because the Company's management exercises judgment in calculating the said variable consideration.
	Our audit procedures included, amongst others:
	• We read and evaluated the Company's policies for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers';
	• We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls related to sales including variable consideration;
	• We performed the following tests for a sample of transactions relating to variable consideration:
	  • Read the terms of contract including rebates and discounts schemes as approved by authorized personnel.
	  • Assessed computation of variable consideration by comparing it with the budget, schemes, past trends and evaluated the reasons for deviation, if any.
	• We read and assessed the relevant disclosures made within the standalone financial statements.

Independent Auditor's Report (Continued)

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Those Charged with Governance 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 the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 control 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 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 management.

Independent Auditor's Report (Continued)

- 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 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.

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 control 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 standalone financial statements for the financial year ended March 31, 2026 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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;

   (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 except for the matters stated in the paragraph (i) (vi) below on reporting under Rule 11(g);

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (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) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i) (vi) below on reporting under Rule 11(g).

   (g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (i) 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:

Independent Auditor's Report (Continued)

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 37 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 note 50 to the standalone financial statements, no funds 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, whether, 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 note 50 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, whether, 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; and

c) Based on such 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 (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 20 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. The Company has migrated to upgraded version of the accounting software from legacy accounting software during the year. Based on our examination which included test checks, the Company has used two accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that in case of one software, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 51 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of accounting software where the audit trail has been enabled. Additionally, the audit trail of relevant prior years has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years except that in case of legacy software, audit trail for direct changes to data when using certain access rights, if any, in respect of certain period for financial year 2024-25 has not been preserved by the Company as stated in note 51 to the standalone financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner

Membership Number: 110759
UDIN: 26110759AZCMUI8817

Place of Signature: Mumbai
Date: May 06, 2026

Annexure 1 Independent Auditor's Report

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Kansai Nerolac Paints Limited ("the Company")

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.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All Property, Plant and Equipment were physically verified by the management in the previous in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 2 to the standalone financial statements included in property, plant and equipment are held in the name of the Company. The title deeds of the immovable properties, in the nature of leasehold land disclosed in note 4 to the standalone financial statements included in Right of use assets (ROU), as indicated in the below mentioned case which was acquired pursuant to a Scheme of Amalgamation approved by National Company Law Tribunal (NCLT), is not individually held in the name of the Company.

Description of Property	Gross carrying value (₹ In Crores)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Leasehold land at Vapi	0.12	Perma Construction Aids Private Limited	No	4-5 years	The said land was acquired pursuant to a scheme of amalgamation and continues to be registered in the name of amalgamating Company. However, the deed of merger has been registered by the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2026.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) Physical verification of inventory has been conducted at reasonable intervals during the year by management except for inventories lying with third parties. In our opinion, the coverage and procedure for such verification by management is appropriate. Inventories lying with third parties have been confirmed by such third parties as at March 31, 2026. There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:

(₹ in Crores)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted / provided during the year				
– Subsidiaries	—	—	45.00	—
Balance outstanding as at balance sheet date in respect of above cases				
– Subsidiaries	—	—	45.00	—

During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to firms, Limited Liability Partnerships or any other parties.

Annexure 1 Independent Auditor's Report (Continued)

(b) During the year the Company has not provided security, guarantees and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order whether the security given and the terms and conditions of the grant of advances in the nature of loans is not applicable to the Company. During the year, the investments made and the terms and conditions of all loans and investments provided to companies are not prejudicial to the Company's interest.

(c) In respect of loan granted to a company, the schedule of repayment of principal and payment of interest has been stipulated. There was no repayment of principal or interest due during the year. The Company has not granted loans and advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.

(d) There is no amount of loan granted to a company which is overdue for more than ninety days. The Company has not granted loans or advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.

(e) There were no loans granted to companies which had fallen due during the year. There were no loans or advances in the nature of loans granted to firms, Limited Liability Partnerships or any other parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments and guarantees in respect of which provisions of sections 185 and 186 of the Act are applicable have been complied with by the Company. There are no securities given during the year in respect of which provisions of section 185 and 186 of the Act are applicable.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of paints, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount unpaid* (₹ Crores)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Tax, Penalty and Interest	0.17	2014-15	CESTAT
Sales Tax and Value Added Tax Act	Tax, Penalty and Interest	6.32	1980-81, 1991-92, 2007-08 to 2011-12, 2024-15 and 2016-17	Assistant Commissioner
		47.00	1991-92, 1995-96, 2001-02, 2004-05 to 2006-07, 2009-10 to 2015-16 and 2017-18	Deputy Commissioner
		1.50	1996-97, 2004-05, 2008-09, 2009-10 and 2011-12	Additional Commissioner
		28.38	2001-02, 2003-04, 2005-06, 2012-13, 2015-16 and 2017-18	Joint Commissioner
		2.45	2005-06, 2008-09, 2009-10, 2015-16 and 2016-17	Senior Additional Commissioner (Revision Board)
		0.05	2002-03	Joint Commissioner (Appeals)
		0.03	2006-07	Commissioner
		0.58	2014-15	Senior Additional Commissioner

Annexure 1 Independent Auditor’s Report (Continued)

Name of the statute	Nature of the dues	Amount unpaid* (₹ Crores)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Tax, Penalty and Interest	9.94	2009-10, 2012-13 to 2017-18	CESTAT
		0.03	2016-17	Commissioner (Appeals)
Goods and Service Tax Act	Tax, Penalty and Interest	19.07	2017-18 to 2020-21, 2021-22	Assistant Commissioner
		2.93	2020-21	Additional Commissioner
		3.68	2017-18	Additional Commissioner (Appeals)
		4.60	2017-18 to 2020-21	Superintendent
		146.22	2017-18 to 2021-22	Deputy Commissioner
		2.10	2018-2019	Commissioner
		35.62	2017-18 to 2021-22	Joint Commissioner
		41.40	2018-19	Sales Tax Officer Class II
		0.56	2017-18	Excise and Taxation officer
		2.54	2018-19 to 2020-21	State tax officer
Professional Tax	Tax, Penalty and Interest	0.09	2018-19	Assistant Commissioner

* Net-off amount paid under protest

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause 3(ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any associate or joint venture. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

Annexure 1 Independent Auditor's Report (Continued)

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 52 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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 that Company is not capable of meeting its liabilities existing at the date of balance sheet as 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 42(c) to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 42(d) to the standalone financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 26110759AZCMUI8817

Place of Signature: Mumbai
Date: May 06, 2026

Annexure 2 Independent Auditor’s Report

Annexure 2 to the Independent Auditor’s Report of even date on the standalone financial statements of Kansai Nerolac Paints Limited

Report on the Internal Financial Controls 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 Kansai Nerolac Paints Limited (“the Company”) as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these standalone financial statements 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”) and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these 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 these 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 these 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 these standalone financial statements.

Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

A company’s internal financial controls 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 controls 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.

Annexure 2 Independent Auditor’s Report (Continued)

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, the Company has, in all material respects, 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner

Membership Number: 110759
UDIN: 26110759AZCMUI8817

Place of Signature: Mumbai
Date: May 06, 2026

Standalone Balance Sheet as at 31st March 2026

₹ in Crores

	Note	As at 31st March, 2026		As at 31st March, 2025	
ASSETS					
Non-current Assets					
Property, Plant and Equipment	2	**2026.00**		1935.67	
Capital Work-in-progress	3	**169.26**		220.97	
Right of Use Assets (ROU)	4	**259.11**		217.44	
Investment Property	5	**0.12**		0.12	
Goodwill		**0.20**		0.20	
Other Intangible Assets	6	**47.58**		6.55	
Intangible assets under development	3A	**4.78**		4.78	
			2507.05		2385.73
Financial Assets:					
Investments	7	**60.74**		60.68	
Loans and Advances	8	**45.00**		—	
Other Financial Assets	9	**23.94**		70.98	
			129.68		131.66
Non-current Tax Assets (Net)			**182.79**		183.12
Other Non-current Assets	10		**104.35**		94.97
Total Non-current Assets			**2923.87**		2795.48
Current Assets					
Inventories	11		**1492.92**		1609.71
Financial Assets:					
Investments	12	**2361.43**		1845.98	
Trade Receivables	13	**1379.83**		1274.70	
Cash and Cash Equivalents	14	**184.12**		85.72	
Bank Balances other than Cash and Cash Equivalents	15	**7.97**		174.52	
Loans and Advances	16	**—**		—	
Other Financial Assets	17	**18.76**		22.87	
			3952.11		3403.79
Other Current Assets	18		**169.69**		160.26
Total Current Assets			**5614.72**		5173.76
Total Assets			**8538.59**		7969.24
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	19	**80.87**		80.84	
Other Equity	20	**6614.90**		6285.39	
Total Equity			**6695.77**		6366.23
Share Application Money Pending Allotment			**0.00**		0.00
Liabilities					
Non-current Liabilities					
Financial Liabilities:					
Lease Liabilities	21	**170.55**		139.46	
Provisions	22	**16.93**		20.95	
Deferred Tax Liabilities (Net)	23	**157.15**		155.27	
Total Non-current Liabilities			**344.63**		315.68
Current Liabilities					
Financial Liabilities:					
Lease Liabilities	24	**46.65**		31.74	
Trade Payables	25				
Total Outstanding dues of Micro Enterprises and Small Enterprises		**73.67**		33.81	
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		**1001.75**		989.84	
		1075.42		1023.65	
Other Financial Liabilities	26	**265.25**		161.84	
		1387.32		1217.23	
Other Current Liabilities	27	**40.34**		45.28	
Provisions	28	**70.53**		24.82	
Total Current Liabilities			**1498.19**		1287.33
Total Liabilities			**1842.82**		1603.01
Total Equity and Liabilities			**8538.59**		7969.24
Material Accounting Policies	1				

The notes referred to above form an integral part of Standalone Financial Statements

As per our attached report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership No.: 110759

Mumbai, 6th May, 2026

For and on behalf of the Board of Directors of **Kansai Nerolac Paints Limited**

Bhaskar Bhat
Chairman
DIN: 00148778

Pravin D. Chaudhari
Managing Director
DIN: 02171823

Sonia Singh
Director
DIN: 07108778

Uday S. Bhansali
Director
DIN: 00363902

Yash Ahuja
CFO
Mumbai, 6th May, 2026

G. T. Govindarajan
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31st March 2026

₹ in Crores

	Note	Year ended 31st March, 2026		Year ended 31st March, 2025	
Income					
Revenue from Operations	29		**7739.23**		7496.71
Other Income	30		**152.46**		142.06
Total Income			**7891.69**		7638.77
Expenses					
Cost of Materials Consumed	31	**4382.20**		4357.87	
Purchases of Stock-in-trade		**522.49**		486.98	
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	32	**99.60**		7.76	
Employee Benefits Expense	33	**490.28**		447.18	
Finance Cost	34	**18.41**		15.09	
Depreciation and Amortisation Expenses	35	**221.36**		193.68	
Other Expenses	36	**1258.44**		1222.79	
Total Expenses			**6992.78**		6731.35
Profit Before Exceptional Items and Tax			**898.91**		907.42
Exceptional Items	48		**(60.70)**		479.19
Profit Before Tax			**838.21**		1386.61
Tax Expense					
Current Tax	23	**214.73**		326.01	
Adjustment of tax relating to earlier periods	23	**4.02**		—	
Deferred Tax	23	**(0.39)**		39.36	
Total Tax Expense			**218.36**		365.37
Profit for the Year			**619.85**		1021.24
Other Comprehensive Income					
(i) Items that will not be reclassified to Standalone Statement of Profit and Loss					
(a) Remeasurement of Defined Benefit Liability	40	**9.01**		(4.62)	
(b) Income tax relating to items that will not be reclassified to Standalone Statement of Profit and Loss	23	**(2.27)**		1.16	
Total Other Comprehensive Income (net of taxes)			**6.74**		(3.46)
Total Comprehensive Income for the Year			**626.59**		1017.78
Earnings per Share (Face Value of ₹ 1 each):	38				
Basic (in ₹)			**7.67**		12.63
Diluted (in ₹)			**7.66**		12.62
Material Accounting Policies	1				
The notes referred to above form an integral part of Standalone Financial Statements					

As per our attached report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership No.: 110759

Mumbai, 6th May, 2026

For and on behalf of the Board of Directors of **Kansai Nerolac Paints Limited**

Bhaskar Bhat
Chairman
DIN: 00148778

Pravin D. Chaudhari
Managing Director
DIN: 02171823

Sonia Singh
Director
DIN: 07108778

Uday S. Bhansali
Director
DIN: 00363902

Yash Ahuja
CFO
Mumbai, 6th May, 2026

G. T. Govindarajan
Company Secretary

Standalone Statement of Changes In Equity

For the year ended 31st March 2026

A - Equity Share Capital

₹ in Crores

Balance as at 1st April, 2024	**80.84**
Changes in Equity Share Capital during 2024-2025	—
Balance as at the 31 March 2025	**80.84**
Changes in Equity Share Capital during 2025-2026	0.03
Balance as at the 31 March 2026	**80.87**

B - Other Equity

₹ in Crores

	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Share Based Payment Reserve	Total
Balance as at 1st April, 2025	**0.30**	**1.88**	**473.28**	**5797.44**	**12.49**	**6285.39**
Profit for the period	—	—	—	**619.85**	—	**619.85**
Other Comprehensive Income:						
Remeasurement of Employee Defined Benefit Liability	—	—	—	**9.01**	—	**9.01**
Deferred Tax on Remeasurement of Employee Defined Benefit Liability	—	—	—	**(2.27)**	—	**(2.27)**
Total Other Comprehensive Income for the Year, net of tax	—	—	—	**6.74**	—	**6.74**
Total Comprehensive Income for the Year	—	—	—	**626.59**	—	**626.59**
Transaction with Owners in their Capacity as Owners, recorded directly in equity:						
Dividends	—	—	—	**(303.18)**	—	**(303.18)**
Share based payment expense	—	—	—	—	**6.10**	**6.10**
RSU exercised during the year	—	**6.14**	—	—	**(6.14)**	—
	—	**6.14**	—	**(303.18)**	**(0.04)**	**(297.08)**
Balance as at the 31 March 2026	**0.30**	**8.02**	**473.28**	**6120.85**	**12.45**	**6614.90**

₹ in Crores

	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Share Based Payment Reserve	Total
Balance as at 1st April, 2024	0.30	—	473.28	5082.80	15.90	5572.28
Profit for the year	—	—	—	1021.24	—	1021.24
Other Comprehensive Income:						
Remeasurement of Employee Defined Benefit Liability	—	—	—	(4.62)	—	(4.62)
Deferred Tax on Remeasurement of Employee Defined Benefit Liability	—	—	—	1.16	—	1.16
Total Other Comprehensive Income for the Year, net of tax	—	—	—	(3.46)	—	(3.46)
Total Comprehensive Income for the Year	—	—	—	1017.78	—	1017.78
Transaction with Owners in their Capacity as Owners, recorded directly in equity:						
Dividends	—	—	—	(303.14)	—	(303.14)
Share based payment Expense	—	—	—	—	(1.53)	(1.53)
RSU exercised during the year	—	1.88	—	—	(1.88)	—
	—	1.88	—	(303.14)	(3.41)	(304.67)
Balance as at 31 March, 2025	0.30	1.88	473.28	5797.44	12.49	6285.39

As per our attached report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership No.: 110759

Mumbai, 6th May, 2026

For and on behalf of the Board of Directors of **Kansai Nerolac Paints Limited**

Bhaskar Bhat
Chairman
DIN: 00148778

Pravin D. Chaudhari
Managing Director
DIN: 02171823

Sonia Singh
Director
DIN: 07108778

Uday S. Bhansali
Director
DIN: 00363902

Yash Ahuja
CFO
Mumbai, 6th May, 2026

G. T. Govindarajan
Company Secretary

Standalone Statement Cash Flow

For the year ended 31st March 2026

₹ in Crores

Particulars	Year ended 31st March, 2026		Year ended 31st March, 2025	
Cash Flow From Operating Activities				
Profit Before Tax		**838.21**		1386.61
Adjustments for:				
Depreciation and Amortisation Expenses	**221.36**		193.68	
Fair Value Gain on Financial Instruments recognised through FVTPL	**(47.19)**		(53.54)	
Unrealised Foreign Exchange Gain (Net)	**1.32**		(0.70)	
Profit on Sale of Current Investments (Net)	**(71.00)**		(60.55)	
Interest Income	**(15.10)**		(10.43)	
Dividend Income	**(3.08)**		(2.80)	
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	**(0.15)**		0.12	
Finance Cost	**18.41**		15.09	
Impairment loss allowance on trade receivables	**(2.14)**		11.99	
Share based payment expense	**6.10**		(1.53)	
Gain from closure of lease liability	**(0.20)**		(0.25)	
Profit on Sale of Asset held for sale	**—**		(665.44)	
Loss of Inventory due to fire	**10.22**		—	
Provision for new labour code	**44.72**		—	
Impairment of long-term investment / loan / trade receivables and financial guarantees (Net)	**5.76**		186.25	
		169.03		(388.11)
Operating Profit Before Working Capital Changes		**1007.24**		998.50
Increase in Trade and Other Receivables	**(122.84)**		(150.77)	
Decrease in Inventories	**106.57**		6.33	
Increase in Trade Payables, Other Financial Liabilities and Provisions	**112.80**		47.39	
		96.53		(97.05)
Cash Generated from Operations		**1103.77**		901.45
Direct Taxes Paid (Net of Refunds)		**(218.42)**		(253.97)
Net Cash Flows generated from Operating Activities		**885.35**		647.48
Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment and Other Intangible Assets (including Adjustments on Account of Capital Work-in-progress, Capital Creditors and Capital Advances)	**(211.89)**		(324.53)	
Proceeds from Sale of Property, Plant and Equipment	**0.24**		0.77	
Proceeds from Sale of Investment Property	**—**		608.74	
Tax paid on Sale of Investment Property	**—**		(104.67)	
Proceeds from Sale Non Current Investments	**0.05**		0.09	
Purchase of Investments in subsidiary	**(8.82)**		—	
Purchase of Current Investments	**(5231.95)**		(5368.10)	
Proceeds from Sale/Redemption of Current Investments	**4834.63**		4958.91	
Interest Received	**15.10**		10.43	
Dividend Received	**3.08**		2.80	
Proceeds from / (Investment in) fixed deposits	**215.53**		(156.92)	
Loan given to subsidiary company	**(45.00)**		—	
Net Cash Flows (used in) Investing Activities		**(429.03)**		(372.48)

Standalone Statement Cash Flow (contd.)

For the year ended 31st March 2026

₹ in Crores

Particulars	Year ended 31st March, 2026		Year ended 31st March, 2025	
Cash Flows from Financing Activities				
Payment of Lease Liabilities	**(54.74)**		(48.51)	
Dividend Paid	**(303.18)**		(303.14)	
Net Cash Flows (used in) Financing Activities		**(357.92)**		(351.65)
Net Increase/(Decrease) in Cash and Cash Equivalents		**98.40**		(76.65)
Cash and Cash Equivalents at beginning of the period, the components being:				
Cash on Hand	**0.09**		0.08	
Cheques on hand	**22.85**		25.75	
Balances with Banks	**62.78**		136.54	
		85.72		162.37
Cash and Cash Equivalents at end of the period, the components being:				
Cash on Hand	**0.06**		0.09	
Cheques on hand	**25.58**		22.85	
Balances with Banks	**103.45**		62.78	
Deposit with Banks with less than 3 months maturity	**55.03**		—	
		184.12		85.72
Net Increase/(Decrease) as disclosed above		**98.40**		(76.65)

Notes:

1 The above Cash Flow Statement is prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS-7) – Statement of Cash Flows

2 Total amount of taxes paid amounts to ₹ 218.42 Crores (2024-2025 ₹ 358.64 Crores) during the year ended 31 March 2026 out of which ₹ 218.42 Crores (2024-2025 ₹ 253.97 Crores) pertains to tax cash flow from operating activities and balance amount of ₹ Nil (2024-2025 ₹104.67 Crores) pertains to tax cash flow from investing activities.

As per our attached report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership No.: 110759

Mumbai, 6th May, 2026

For and on behalf of the Board of Directors of **Kansai Nerolac Paints Limited**

Bhaskar Bhat
Chairman
DIN: 00148778

Pravin D. Chaudhari
Managing Director
DIN: 02171823

Sonia Singh
Director
DIN: 07108778

Uday S. Bhansali
Director
DIN: 00363902

Yash Ahuja
CFO
Mumbai, 6th May, 2026

G. T. Govindarajan
Company Secretary

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

A. Corporate Information

Kansai Nerolac Paints Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act. The Company's shares are listed on National Stock Exchange of India Limited and BSE Limited. The registered office of the Company is located at 28th Floor, A-wing, Marathon Futurex, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel, Mumbai-400013. The Company is principally engaged in the manufacturing of Paints.

Kansai Paint Co., Ltd., Japan is immediate and ultimate holding company of Kansai Nerolac Paints Limited and is based and listed in Japan. Financial Statements of Kansai Paints Co. Ltd. are available in public domain.

The Standalone Financial Statements for the year ended 31st March, 2026 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 6th May, 2026.

B. Basis of preparation

1 Statement of compliance

The Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

Details of the Company's Accounting Policies are included in Note 1.

2 Functional and Presentation currency

The Standalone Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest crores, unless otherwise indicated.

3 Basis of measurement

The Standalone Financial Statements have been prepared on the historical cost basis except for investments in mutual funds, non-trade equity shares, bonds and provision for employee defined benefit plans, which are measured at fair values at the end of each reporting period.

4 Use of estimates and judgements

Critical accounting judgments and key sources of estimation uncertainty:

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i) Critical Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amount recognised in the financial statements. Discount rate used to determine the carrying amount of the Company's defined benefit obligation. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

Contingencies and Commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

ii) Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful Lives of Property, Plant and Equipment

As described in Note 1(3)(c), the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

Impairment loss allowance on trade receivables

The Company makes loss allowances for credit impaired debts based on an assessment of the recoverability of trade and other receivables. The identification of credit impaired debts enquires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and credit impaired debts expenses in the period in which such estimate has been changed.

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

B. Basis of preparation (contd.)

4 Use of estimates and judgements (contd.)

Allowances for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Impairment of Investments in Subsidiaries

The carrying amount of the Company's investments in subsidiaries including corporate guarantees provided by the Company to the lenders of its subsidiaries are assessed at the end of each reporting date to determine whether there are any potential indicators of impairment. If any such indication exists, then the Company estimates the recoverable amount of such investments. The determination of recoverable amounts of the Company's investments in subsidiaries involves significant judgements. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount includes projected sales volume, estimated long-term growth rates, weighted average cost of capital, estimated operating margins, etc.

Fair value measurement of financial instruments

When the fair values of financial 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.

Defined Benefit Plans

The costs and present value of the defined benefit gratuity plan and other long-term employee benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, salary escalation rate, expected rate of return on assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, defined benefit plans are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date and the same are disclosed in Note 40, 'Employee benefits'.

Share-based payments

The fair value of Restricted Stock Units ("RSU") is measured using the Black Scholes model for Time based RSU's and Monte Carlo Simulation model for Performance based RSU's. 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 47.

Variable Consideration

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Note 1: Material Accounting Policies

1. Classification of Assets and Liabilities

Schedule III to the Act, requires assets and liabilities to be classified as either Current or Non-current.

(a) An asset shall be classified as current when it satisfies any of the following criteria:
   - (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
   - (ii) it is held primarily for the purpose of being traded;
   - (iii) it is expected to be realised within twelve months after the reporting date; or
   - (iv) it 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.

(b) All assets other than current assets shall be classified as non-current.

(c) A liability shall be classified as current when it satisfies any of the following criteria:
   - (i) it is expected to be settled in the Company's normal operating cycle;
   - (ii) it is held primarily for the purpose of being traded;
   - (iii) it is due to be settled within twelve months after the reporting date; or
   - (iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(d) All liabilities other than current liabilities shall be classified as non-current.

2. Operating Cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has ascertained the operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

Note 1: Material Accounting Policies (contd.)

3. Property, Plant and Equipment

(a) Recognition and Measurement

An item of Property, Plant and Equipment that qualifies for recognition as an asset is initially measured at its cost and then carried at the cost less accumulated depreciation and accumulated impairment, if any.

The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is included in the cost of an item of property, plant and equipment.

The cost of a self-constructed item of Property, Plant and Equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Tangible Property, Plant and Equipment under construction are disclosed as Capital Work-in-progress. Item of Capital Work-in-progress is carried at cost using the principles of valuation of item of property, plant and equipment till it is ready for use, the manner in which intended by management.

(b) Depreciation

The depreciable amount of an item of Property, Plant and Equipment is allocated on a systematic basis over its useful life. The Company provides depreciation on the straight line method. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. Based on internal technical evaluation, the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in the Standalone Statement of Profit and Loss unless it is included in the carrying amount of another asset.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The estimated useful lives for the current and comparative periods are as follows:

Asset Class	Useful Lives (in years) – as per Companies Act, 2013	Useful Lives (in years) – as estimated by the Company
Buildings	30-60	30-60
Plant and Equipments	10-20	10-25
Furniture and Fixtures	10	10
Vehicles	10	10
Office Equipments	5	5
Computers	3-6	3-6
Assets for Scientific Research	10-20	20
CCD Machines and Others	NA	3-5

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

Depreciation charge for the year is displayed as depreciation on the face of Standalone Statement of Profit and Loss.

(c) Disposal

The carrying amount of an item of Property, Plant and Equipment 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 Property, Plant and Equipment is included in Standalone Statement of Profit and Loss when the item is derecognised.

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

Note 1: Material Accounting Policies (contd.)

4. Investment Property

(a) Recognition and Measurement

Land or building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Land held for a currently undetermined future use is also recognised as Investment Property.

An investment property is measured initially at its cost. The cost of an investment property comprises its purchase price and any directly attributable expenditure. After initial recognition, the Company carries the investment property at the cost less accumulated depreciation and accumulated impairment, if any.

(b) Depreciation

After initial recognition, the Company measures all of its Investment Property in accordance with Ind AS 16 – Property, Plant and Equipment requirements for cost model. The depreciable amount of an item of Investment Property is allocated on a systematic basis over its useful life. The Company provides depreciation on the straight line method. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. Based on internal technical evaluation, the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The depreciation charge for each period is generally recognised in the Standalone Statement of Profit and Loss.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The estimated useful lives for the current and comparative periods are as follows:

Asset Class	Useful Lives (in years) - as per Companies Act, 2013	Useful Lives (in years) - as estimated by the Company
Buildings	30-60	30-60

(c) Fair Value

Fair value of investment property is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value of investment property is disclosed in the Note 4.

(d) Gain or loss on Disposal

Any gain or loss on disposal of an Investment Property is recognised in the Standalone Statement of Profit and Loss.

5. Other Intangible Assets

(a) Recognition and Measurement

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are initially measured at its cost and then carried at the cost less accumulated amortisation and accumulated impairment, if any.

Research and Development

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Expenditure incurred on research of an internal project is recognised as an expense in Standalone Statement of Profit and Loss, when it is incurred.

Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. An intangible asset arising from development is recognised if, and only if, the following criteria are met:

(a) it is technically feasible to complete the intangible asset so that it will be available for use or sale.

(b) the Company intends to complete the intangible asset and use or sell it.

(c) the Company has ability to use or sell the intangible asset.

(d) the Company can demonstrate how the intangible asset will generate probable future economic benefits.

(e) the Company has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) the Company has ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities is recognised in Standalone Statement of Profit and Loss as incurred.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

Note 1: Material Accounting Policies (contd.)

5. Other Intangible Assets (contd.)

(b) Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in Standalone Statement of Profit and Loss as incurred.

(c) Amortisation

The Company amortises Other Intangible Assets on the straight line method. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. The amortisation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The estimated useful lives as estimated by management are as follows:

Asset Class	Useful Lives (in years) - as estimated by the Company
Software	3-6
Customer Relationship	5
Brand and Technical Knowhow	5
Non-compete	5

6. Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Company's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in Standalone Statement of Profit and Loss.

Once assets classified as held-for-sale, then Property, Plant and Equipment, Investment Property and Other Intangible Assets are no longer required to be depreciated or amortised.

7. Employee Benefits

(a) Short-term Employee Benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(b) Post-Employment Benefits:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

(i) Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the Regional Provident Fund Commissioner (RPFC) which are charged to the Standalone Statement of Profit and Loss as incurred.

In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan. The Company's contribution is recognised as an expense in the Standalone Statement of Profit and Loss.

(ii) Superannuation

The eligible employees of the Company are entitled to receive post employment benefits in respect of superannuation fund in which the Company makes annual contribution at a specified percentage of the employees' eligible salary (currently 15% of employees' eligible salary). The contributions are made to the Life Insurance Corporation of India (LIC). Superannuation is classified as Defined Contribution Plan as the Company has no further obligations beyond making the contribution. The Company's contribution is recognised as an expense in the Standalone Statement of Profit and Loss.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

Note 1: Material Accounting Policies (contd.)

7. Employee Benefits (contd.)

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Standalone Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days to one month salary payable for each completed year of service or part thereof in excess of six months depending upon category of employee. Vesting occurs upon completion of five years of service. The Company has obtained insurance policies with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC for amounts notified by LIC. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised as Other Comprehensive Income.

Provident Fund Trust

In respect of contribution to the trust set up by the Company, since the Company is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

(c) Retirement Benefits to Executive Directors

The liability for special retirement benefit to the Executive Directors who became entitled prior to the discontinuation of the policy, is recognised in the balance sheet at its present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected united credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest expense is calculated by applying the discount rate to the defined benefit liability. The interest expense on the defined benefit liability is recognised in the Standalone Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Standalone Statement of Changes in Equity and in the Standalone Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(d) Other Long-term Employee Benefits - Compensated Absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Standalone Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet since the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

(e) Share based Payments

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model and Monte Carle model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

Note 1: Material Accounting Policies (contd.)

8. Inventories

(a) Measurement of Inventory

The Company measures its inventories at the lower of cost and net realisable value.

(b) Cost of Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned by weighted average cost formula. The Company uses the same cost formula for all inventories having a similar nature and use to the Company.

(c) Net realisable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value is ascertained for each item of inventories with reference to the selling prices of related finished products.

The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of amounts expected to be realised from their sale or use. Inventories are usually written down to net realisable value item by item. Estimates of net realisable value of finished goods and stock-in-trade are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.

Amount of any reversal of write-down of inventories shall be recognised as an expense as when the event occurs.

A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed. Amounts such reversed shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which reversal occurs.

(d) Valuation of Spare parts, stand-by equipments and servicing equipments

Spare parts, stand-by equipment and servicing equipment are recognised as Property, Plant and Equipment if and only if it is probable that future economic benefits associated with them will flow to the Company and their cost can be measured reliably. Otherwise such items are classified and recognised as Inventory.

9. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. For the purpose of Cash Flow Statement cash and cash equivalent includes bank overdrafts which are repayable on demand.

10. Government Grants

Government grants are assistance by government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to the operating activities of the Company. Government grants are not be recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

11. Provisions and Contingent Liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

Note 1: Material Accounting Policies (contd.)

11. Provisions and Contingent Liabilities (contd.)

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

Restructuring

A provision for restructuring is recognised when the Company has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

12. Revenue Recognition

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Interest Income

Interest income is recognised using the effective interest method as set out in Ind AS 109 – Financial Instruments: Recognition and Measurement, when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

Royalty Income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably.

Dividend Income

Dividend income is recognised when right to receive payment is established and it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably.

13. Foreign Currency Transactions

Functional currency is the currency of the primary economic environment in which the Company operates whereas presentation currency is the currency in which the financial statements are presented. Indian Rupee is the functional as well as presentation currency for the Company.

A foreign currency transaction is recorded, on initial recognition in the functional currency, 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.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate whereas non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and 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 was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Financial Statements are recognised in the Standalone Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in Other Comprehensive Income, any exchange component of that gain or loss is recognised in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognised in Standalone Statement of Profit and Loss, any exchange component of that gain or loss is recognised in Standalone Statement of Profit and Loss.

14. Taxation

Income tax

Income tax comprises current tax and deferred tax expense. It is recognised in Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

Note 1: Material Accounting Policies (contd.)

14. Taxation (contd.)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

a temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

b taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

15. Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	20 to 99 years
Buildings	2 to 10 years
Software Platform	3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 20 Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

Note 1: Material Accounting Policies (contd.)

15. Lease (contd.)

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

16. Financial Instruments

(a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual terms of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at Fair Value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is measured at

— amortised cost;

— Fair Value through Other Comprehensive Income (FVOCI) – debt investment;

— Fair Value through Other Comprehensive Income – equity investment; or

— FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

— the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

— the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

Note 1: Material Accounting Policies (contd.)

16. Financial Instruments (contd.)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Standalone Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Standalone Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Standalone Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Standalone Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Standalone Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Standalone Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Standalone Statement of Profit and Loss.

(c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Standalone Statement of Profit and Loss.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently re-measured at fair value. Any changes therein are recognised in the statement of profit and loss.

17. Supplier finance arrangements

The Company has established supplier finance arrangements (Refer Note 26). The Company evaluates whether financial liabilities covered under such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

Note 1: Material Accounting Policies (contd.)

17. Supplier finance arrangements (contd.)

The Company classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the company is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (iv) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are not met, the Company derecognises its original liability toward the supplier and recognise a new liability toward the bank which is classified as bank borrowing or other financial liability, depending on factors such as whether the Company (i) has obligation toward bank, (ii) is getting extended credit period such that obligation is no longer part of its working capital cycle, (iii) is paying interest directly or indirectly, (iv) has provided guarantee or security, and/ or (v) is recognized as borrower in the bank books.

Cash flows related to liabilities arising from supplier finance arrangements that continue to be classified in trade payables in the standalone balance sheet are included in operating activities in the standalone statement of cash flows, when the Company finally settles the liability.

In cases, where the Company has derecognised its original liability toward the supplier and recognise a new liability toward the bank, the Company has assessed that the bank is acting as its agent in making payment to the supplier. Accordingly, the Company presents operating cash outflow and financing cash inflow, when bank made payment to the supplier. The payment made by the Company to the bank toward interest, if any, as well as on settlement is presented as financing cash outflow.

18. Borrowing Cost

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Company recognises other borrowing costs as an expense in the period in which it incurs them. Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

19. Earnings Per Share

Basic earnings per share

The Company calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders and, if presented, profit or loss from continuing operations attributable to those equity holders.

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

The weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for events, other than the conversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources.

Diluted earnings per share

The Company calculates diluted earnings per share amounts for profit or loss attributable to ordinary equity holders and, if presented, profit or loss from continuing operations attributable to those equity holders.

For the purpose of calculating diluted earnings per share, the Company adjusts profit or loss attributable to ordinary equity holders, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares calculated for calculating basic earnings per share and adjusted the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

20. Impairment Loss

Impairment of Financial Assets

The Company recognises loss allowances for expected credit losses on:

— financial assets measured at amortised cost; and
— financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

In accordance with Ind AS 109 – Financial Instruments, the Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

Note 1: Material Accounting Policies (contd.)

20. Impairment Loss (contd.)

Impairment of Non Financial Assets

An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. 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. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate.

The Company assesses at the end of each reporting period whether there is any indication that an asset is impaired. In assessing whether there is any indication that an asset may be impaired, the Company considers External as well as Internal Source of Information. If any such indication exists, the Company estimates the recoverable amount for the individual asset. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another Accounting Standards.

If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the cash generating unit to which the asset belongs (the asset's cash-generating unit). A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company recognises impairment loss for a cash-generating unit if, and only if, the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit. The Company allocates impairment loss of cash-generating units first to the carrying amount of goodwill allocated to the cash-generating units, if any, and then, to the other assets of the cash-generating units pro rata on the basis of the carrying amount of each asset in the cash-generating unit. These reductions in carrying amounts shall be treated as impairment losses on individual assets and recognised accordingly.

21. Measurement of fair values

A number of the Companies accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

22. Business Combination

Business combinations arising from transfers or interests in entities that are under the control of the shareholders that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised, The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the standalone financial statements of the Company in the same form in which they appeared in the standalone financial statements of the acquired entity. The difference, if any, between the net assets acquired and cancellation of share capital of the acquired entity is transferred to other equity.

23. Investment in Subsidiaries

A subsidiary is an entity that is controlled by the Company. The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27 – Separate Financial Statements.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

2. Property, Plant and Equipment

₹ in Crores

Description	Gross Block				Accumulated Depreciation				Net Block
	As at 1st April 2025	Additions	Deductions	As at 31st March 2026	As at 1 April 2025	Additions	Deductions	As at 31st March 2026	As at 31st March 2026
Freehold Land	91.28	—	—	**91.28**	—	—	—	**—**	**91.28**
	(90.61)	(0.67)	(—)	**(91.28)**	(—)	(—)	(—)	**(—)**	**(91.28)**
Buildings	1034.38	43.58	—	**1077.96**	276.13	29.89	—	**306.02**	**771.94**
	(994.38)	(40.00)	(—)	**(1034.38)**	(247.17)	(28.96)	(—)	**(276.13)**	**(758.25)**
Plant and Equipments	1572.55	155.62	1.54	**1726.63**	708.60	73.75	1.50	**780.85**	**945.78**
	(1490.94)	(83.77)	(2.16)	**(1572.55)**	(639.32)	(70.52)	(1.24)	**(708.60)**	**(863.95)**
Furniture and Fixtures	29.07	3.18	—	**32.25**	20.08	1.55	—	**21.63**	**10.62**
	(26.00)	(3.07)	(—)	**(29.07)**	(18.66)	(1.42)	(—)	**(20.08)**	**(8.99)**
Vehicles	1.61	0.15	0.09	**1.67**	0.79	0.11	0.04	**0.86**	**0.81**
	(1.32)	(0.29)	(—)	**(1.61)**	(0.71)	(0.08)	(—)	**(0.79)**	**(0.82)**
Office Equipments	22.17	1.02	0.02	**23.17**	16.50	1.61	0.02	**18.09**	**5.08**
	(18.67)	(3.50)	(—)	**(22.17)**	(15.03)	(1.47)	(—)	**(16.50)**	**(5.67)**
Computers	81.93	1.58	0.11	**83.40**	59.38	9.83	0.11	**69.10**	**14.30**
	(75.42)	(9.11)	(2.60)	**(81.93)**	(52.64)	(9.34)	(2.60)	**(59.38)**	**(22.55)**
Assets for Scientific Research*..........................	82.46	3.10	—	**85.56**	32.49	3.09	—	**35.58**	**49.98**
	(80.22)	(2.24)	(—)	**(82.46)**	(29.37)	(3.12)	(—)	**(32.49)**	**(49.97)**
CCD Machines and Others	528.05	48.07	—	**576.12**	393.86	46.05	—	**439.91**	**136.21**
	(450.08)	(78.85)	(0.88)	**(528.05)**	(358.12)	(36.60)	(0.86)	**(393.86)**	**(134.19)**
Total Tangible Assets	3443.50	256.30	1.76	**3698.04**	1507.83	165.88	1.67	**1672.04**	**2026.00**
	(3227.64)	(221.50)	(5.64)	**(3443.50)**	(1361.02)	(151.51)	(4.70)	**(1507.83)**	**(1935.67)**

* Net block includes Buildings ₹ 22.84 Crores (2024-2025 ₹ 23.27 Crores), Plant and Equipment ₹ 25.32 Crores (2024-2025 ₹ 24.32 Crores) and Furniture and Fixtures ₹ 1.82 Crores (2024-2025 ₹ 2.38 Crores).

2.1. Figures in the brackets are the corresponding figures in respect of the previous year.

2.2. No items of Property, Plant and Equipment were pledged as security for liabilities during any part of the current and comparative period.

2.3. Nil amount of borrowing costs is capitalised during the current and comparative period.

2.4. Nil amount of impairment loss is recognised during the current and comparative period.

2.5. The Company has given Colour Dispenser Machines on operating lease to its dealers. The Company enters into three years cancellable lease agreements. However, the corresponding lease rentals may be receivable for a shorter period or may be waived off. The minimum aggregate lease payments to be received in future is considered as ₹ Nil. Accordingly, the disclosure of the present value of minimum lease payments receivable at the Balance Sheet date is not made.

3. Capital work-in-progress

₹ in Crores

Year	Opening	Additions	Deletions	Closing
2025-2026	**220.97**	**211.21**	**262.92**	**169.26**
2024-2025	(148.06)	(346.02)	(273.11)	(220.97)

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

3. Capital work-in-progress (contd.)

Capital work-in-progress Ageing Schedule

As at 31st March 2026

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	125.28	42.17	1.81	—	169.26
Projects temporarily suspended	—	—	—	—	—
Total	125.28	42.17	1.81	—	169.26

As at 31st March 2025

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	(164.10)	(55.06)	(1.81)	(—)	(220.97)
Projects temporarily suspended	(—)	(—)	(—)	(—)	(—)
Total	(164.10)	(55.06)	(1.81)	(—)	(220.97)

Project completion is overdue compared to its original plan

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Vizag - 2025-2026	—	29.18	—	—	29.18
Vizag - 2024-2025	(—)	(—)	(—)	(—)	(—)

Project completion has exceeded its cost compared to its original plan: Not applicable

3A. Intangible assets under development

₹ in Crores

Year	Opening	Additions	Deletions	Closing
2025-2026	4.78	51.51	51.51	4.78
2024-2025	(3.55)	(3.64)	(2.41)	(4.78)

Intangible assets under development

As at 31st March 2026

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.86	1.04	1.88	—	4.78
Projects temporarily suspended	—	—	—	—	—
Total	1.86	1.04	1.88	—	4.78

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

3A. Intangible assets under development (contd.)

As at 31st March 2025 ₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	(3.64)	(1.14)	(—)	(—)	(4.78)
Projects temporarily suspended	(—)	(—)	(—)	(—)	(—)
Total	(3.64)	(1.14)	(—)	(—)	(4.78)

Project completion is overdue or has exceeded its cost compared to its original plan : Not Applicable

4. Right of Use Assets (ROU)

₹ in Crores

Description	Gross Block				Accumulated Amortisation				Net Block
	As at 1 April 2025	Additions	Deductions	As at 31st March 2026	As at 1 April 2025	Additions	Deductions	As at 31st March 2026	As at 31st March 2026
Leasehold Land	**76.48**	0.91	—	**77.39**	8.88	0.88	—	**9.76**	**67.63**
	(75.77)	(0.71)	(—)	(76.48)	(8.04)	(0.84)	(—)	(8.88)	(67.60)
Buildings	**249.79**	80.51	28.44	**301.86**	99.95	43.31	27.98	**115.28**	**186.58**
	(218.06)	(60.28)	(28.55)	(249.79)	(86.07)	(38.37)	(24.49)	(99.95)	(149.84)
Software Platform	**—**	5.71	—	**5.71**	—	0.81	—	**0.81**	**4.90**
	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Total Right of Use Assets (ROU)	**326.27**	87.13	28.44	**384.96**	**108.83**	45.00	27.98	**125.85**	**259.11**
	(293.83)	(60.99)	(28.55)	(326.27)	(94.11)	(39.21)	(24.49)	**(108.83)**	**(217.44)**

4.1. Figures in the brackets are the corresponding figures in respect of the previous year.

4.2. Nil amount of borrowing costs is capitalised during the current and comparative periods.

4.3. Nil amount of impairment loss is recognised during the current and comparative periods.

4.4. The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) included in Right of use assets (ROU), which are not held in the name of the Company are as indicated below:

Description of Property	Gross carrying value (₹ in Crores)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Leasehold land at Vapi	0.12	Perma Construction Aids Private Limited	No	4-5 years	The said land was acquired pursuant to a scheme of amalgamation and continues to be registered in the name of amalgamating Company. However, the deed of merger has been registered by the Company.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

5. Investment Property

₹ in Crores

Description	Gross Block				Accumulated Depreciation				Net Block
	As at 1 April 2025	Additions	Deductions	As at 31st March 2026	As at 1 April 2025	Additions	Deductions	As at 31st March 2026	As at 31st March 2026
Freehold Land*	**0.03**	—	—	**0.03**	—	—	—	—	**0.03**
	(0.03)	(50.90)	(50.90)	**(0.03)**	(—)	(—)	(—)	**(—)**	**(0.03)**
Buildings	**1.98**	—	—	**1.98**	**1.89**	—	—	**1.89**	**0.09**
	(1.98)	(—)	(—)	**(1.98)**	(1.89)	(—)	(—)	**(1.89)**	**(0.09)**
Total Investment Property	2.01	—	—	**2.01**	1.89	—	—	**1.89**	**0.12**
	(2.01)	(—)	(—)	**(2.01)**	(3.29)	(—)	(—)	**(1.89)**	**(0.12)**

5.1. Figures in the brackets are the corresponding figures in respect of the previous year.

5.2. Nil amount of borrowing costs is capitalised during the current and comparative periods.

5.3. Nil amount of impairment loss is recognised during the current and comparative periods.

5.4. During the financial year, no rental income was generated from the investment properties whereas direct operating expenses of ₹ 0.09 Crores (2024-2025 ₹ 0.08 Crores) were incurred and recorded as expense in the Standalone Statement of Profit and Loss.

5.5. Total fair value of Investment Property is ₹ 59.18 Crores (2024-2025 ₹ 59.18 Crores).

5.6. *Deduction represent transfer of asset value from investment property to asset held for sale head.

Fair Value hierarchy

The fair value of investment property has been determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation techniques used.

Description of Valuation Technique used:

The Company obtains Independent Valuations of its investment property. The fair value of the investment property have been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment property.

6. Other Intangible Assets

₹ in Crores

Description	Gross Block				Accumulated Amortisation				Net Block
	As at 1 April 2025	Additions	Deductions	As at 31st March 2026	As at 1 April 2025	Additions	Deductions	As at 31st March 2026	As at 31st March 2026
Software	**27.32**	51.51	—	**78.83**	**23.14**	9.68	—	**32.82**	**46.01**
	(24.91)	(2.41)	(—)	**(27.32)**	(20.99)	(2.15)	(—)	**(23.14)**	(4.18)
Customer Relationship	**5.45**	—	—	**5.45**	**5.45**	—	—	**5.45**	**—**
	(5.45)	(—)	(—)	(5.45)	(5.45)	(—)	(—)	(5.45)	(—)
Brand and Technical Knowhow	**18.38**	—	—	**18.38**	**16.01**	0.80	—	**16.81**	**1.57**
	(18.38)	(—)	(—)	(18.38)	(15.21)	(0.80)	(—)	(16.01)	(2.37)
Non-compete	**6.28**	—	—	**6.28**	**6.28**	—	—	**6.28**	**—**
	(6.28)	(—)	(—)	(6.28)	(6.27)	(0.01)	(—)	(6.28)	(—)
Total Other Intangible Assets	**57.43**	**51.51**	**—**	**108.94**	**50.88**	**10.48**	**—**	**61.36**	**47.58**
	(55.02)	(2.41)	(—)	(57.43)	(47.92)	(2.96)	(—)	(50.88)	(6.55)

6.1. Figures in the brackets are the corresponding figures in respect of the previous year.

6.2. Nil amount of borrowing costs is capitalised during the current and comparative periods.

6.3. Nil amount of impairment loss is recognised during the current and comparative periods.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

7. Non-current Investments

₹ in Crores

	As at 31st March 2026		As at 31st March 2025	
Investments in Equity Instruments:				
i. Subsidiary Companies at Cost (Unquoted)				
1 KNP Japan Private Limited 8,84,000 Equity Shares of NPR 100 each fully paid up (8,84,000 Equity Shares of NPR 100 each fully paid up)		**7.87**		7.87
2 Kansai Paints Lanka (Private) Limited Sale of 351,83,33,331 Equity Shares of LKR 10 each fully paid up (18,49,99,998 Equity Shares of LKR 10 each fully paid up) (The Company has divested its stake during the year on 16th December, 2025)	—		46.60	
Less: Impairment loss	—		(46.60)	
		—		—
3 Kansai Nerolac Paints (Bangladesh) Limited 6,71,00,000 Equity Shares of BDT 10 each fully paid up (6,71,00,000 Equity Shares of BDT 10 each fully paid up)	**70.41**		70.41	
Less: Impairment loss	**(70.41)**		(70.41)	
		—		—
4 Nerofix Private Limited 200,00,000 Equity Shares of ₹ 10 each fully paid up (200,00,000 Equity Shares of ₹ 10 each fully paid up)		**49.00**		49.00
ii. Others at FVTPL				
1 National Thermal Power Corporation Ltd. (Quoted) 48,628 Equity Shares of ₹ 10 each fully paid up (48,628 Equity Shares of ₹ 10 each fully paid up)		**1.80**		1.74
2 Paints and Coatings Skill Council (Unquoted) 10 Equity Shares of ₹ 25,000 each fully paid up (10 Equity Shares of ₹ 25,000 each fully paid up)		**0.02**		0.02
3 Beta Wind Farm Pvt Ltd. (Unquoted) 47,741 Equity Shares of ₹ 10 each fully paid up (47,741 Equity Shares of ₹ 10 each fully paid up)		**0.09**		0.09
4 Amplus RJ Solar Private Limited (Unquoted) 19,55,000 Equity Shares of ₹ 10 each fully paid up (19,55,000 Equity Shares of ₹ 10 each fully paid up)		**1.96**		1.96
Total Non-current Investments		**60.74**		60.68
Aggregate book value of quoted investments		**1.80**		1.74
Aggregate market value of quoted investments		**1.80**		1.74
Aggregate amount of unquoted investments		**129.35**		175.95
Aggregate amount of impairment in value of investments		**70.41**		117.01

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

8. Loans and Advances

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Unsecured and Considered Good:		
Loan given to Subsidiary Company	**45.00**	—
	45.00	—

* Includes ₹ 45.00 Crores (2024-2025 ₹ Nil) Long term Loan for working capital need, carrying interest rate 8.5% p.a. given to subsidiary company – Nerofix Private Limited. The tenure of the loan is for 5 years and which is payable as per mutually agreed terms. Maximum amount of loan outstanding during the year ₹ 45.00 Crores (2024-2025 ₹ Nil)

9. Other Financial Assets

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Unsecured and Considered Good:		
Security Deposits	**22.97**	20.98
Fixed Deposit with Bank with more than 12 month maturity	**0.97**	50.00
	23.94	70.98

10. Other non-current assets

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Unsecured and Considered Good:		
Capital Advances	**3.12**	12.76
Prepaid Expenses	**56.17**	45.22
Balances with Indirect Tax Authorities	**45.06**	36.99
	104.35	94.97

11. Inventories

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Raw Materials	**441.21**	452.03
Packing Materials	**19.74**	18.00
Work-in-progress	**145.23**	151.50
Finished Goods	**793.19**	893.07
Stock-in-trade	**75.99**	79.66
Stores and Spares	**17.56**	15.45
	1492.92	1609.71

Nil amount of inventories were written down to net realisable value during the current and comparable period. Similarly, Nil amount of reversal of write down was accounted during the current and comparable periods.

Cost of inventory recognised as an expense during the year as per note 31 to 32.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

12. Current Investments

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
(A) Investments in Bonds at FVTPL (Quoted):	**2.55**	8.27
(B) Mutual Funds at FVTPL (Unquoted):	**2358.88**	1837.71
Total Current Investment (A + B)	**2361.43**	1845.98
Aggregate book value of quoted investments	**2.55**	8.27
Aggregate market value of quoted investments	**2.55**	8.27
Aggregate amount of unquoted investments	**2358.88**	1837.71
Aggregate amount of impairment in value of investments	**Nil**	Nil

13. Trade Receivables

₹ in Crores

	As at 31st March 2026		As at 31st March 2025	
Secured, Considered Good		**—**		—
Unsecured, Considered Good*		**1379.83**		1274.70
Significant increase in Credit Risk		**—**		—
Credit Impaired	**72.20**		74.34	
Loss Allowance	**(72.20)**		(74.34)	
		—		—
		1379.83		1274.70
* Receivable from subsidiary company				
KNP Japan Private Limited		**5.39**		3.87
Kansai Paints Lanka (Private) Limited	**—**		8.03	
Less : Provision for Impairment (Refer Note 39)	**—**		(8.03)	
		—		—
Kansai Nerolac Paints (Bangladesh) Limited	**13.77**		12.59	
Less : Provision for Impairment (Refer Note 39)	**(13.77)**		(12.59)	
		—		—
Nerofix Private Limited		**—**		7.27

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

13. Trade Receivables (contd.)

Trade Receivables Ageing Schedule

As at 31st March 2026

₹ in Crores

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	**1,162.98**	**176.99**	**28.91**	**4.88**	**2.24**	**3.83**	**1,379.83**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	—	—	—	—	—	—	—
(iii) Undisputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
(iii) Disputed Trade Receivables considered good	—	—	—	—	—	—	—
(iv) Disputed Trade Receivables - which have significant increase in credit risk	—	—	—	—	—	—	—
(vi) Disputed Trade Receivables – credit impaired	**0.52**	**0.44**	**1.87**	**22.48**	**10.86**	**36.03**	**72.20**

As at 31st March 2025

₹ in Crores

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,079.82	158.46	25.24	7.35	1.53	2.30	1,274.70
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	—	—	—	—	—	—	—
(iii) Undisputed Trade Receivables – credit impaired	—	—	—	—	—	—	—
(iii) Disputed Trade Receivables considered good	—	—	—	—	—	—	—
(iv) Disputed Trade Receivables - which have significant increase in credit risk	—	—	—	—	—	—	—
(vi) Disputed Trade Receivables – credit impaired	1.35	1.84	1.01	19.24	15.99	34.91	74.34

14. Cash and cash equivalents

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Cash on hand	**0.06**	0.09
Cheques on hand	**25.58**	22.85
Banks balances	**103.45**	62.78
Fixed Deposit with Bank with less than 3 month maturity	**55.03**	—
	184.12	85.72

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

15. Bank Balance other than Cash and cash equivalents

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Unpaid Dividend Accounts	**2.41**	2.46
Fixed Deposit with Bank with more than 3 months but less than 12 month maturity	**5.56**	172.06
	7.97	174.52

16. Loans and Advances

₹ in Crores

	As at 31st March 2026		As at 31st March 2025	
Unsecured and Considered Good:				
Loan given to Subsidiary Company	**53.00**		53.00	
Less: Allowance for doubtful loans (Refer note 39)	**(53.00)**		(53.00)	
		—		—
		—		—

* Includes ₹ 53.00 Crores (2024-2025 ₹ 53.00 Crores) Short term Loan for working capital need, carrying interest rate 5% p.a. given to subsidiary company – Kansai Nerolac Paints (Bangladesh) Limited. This loans is repayable on demand. Maximum amount of loan outstanding during the year ₹ 53.00 Crores (2024-2025 ₹ 53.00 Crores)

17. Other Current Financial Assets

₹ in Crores

	As at 31st March 2026		As at 31st March 2025	
Unsecured and Considered Good:				
Security Deposits		**6.37**		5.78
Other Receivable*	**18.39**		20.46	
Less: Allowance for doubtful receivable (Refer note 39)	**(6.00)**		(3.37)	
		12.39		17.09
		18.76		22.87

* Includes ₹ 5.51 Crores (2024-2025 ₹ 2.62 Crores) receivable from subsidiary company – KNP Japan Private Limited.

18. Other Current Assets

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Unsecured and Considered Good:		
Balances with Indirect Tax Authorities	**50.67**	48.76
Trade Advances	**53.26**	49.08
Prepaid Expenses	**60.49**	60.12
Other Receivable	**5.27**	2.30
	169.69	160.26

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

19. Share Capital

₹ in Crores

	As at 31st March 2026		As at 31st March 2025	
1. Authorised Share Capital (₹ in Crores)		**85.00**		85.00
Par Value per Share (₹)		**1.00**		1.00
Number of Equity Shares		**85,00,00,000**		85,00,00,000
2. Issued, Subscribed and Fully Paid up (₹ in Crores)		**80.87**		80.84
Par Value per Share (₹)		**1.00**		1.00
Number of Equity Shares		**80,86,58,273**		80,84,44,880
3. Details of Shareholders holding more than 5% of shares:				
Holding Company:	%	**No of Shares**	%	No of Shares
Kansai Paint Co., Ltd., Japan	74.96	**60,62,03,847**	74.98	60,62,03,847
4. Aggregated number of bonus share issued during the period of five years immediately preceding the reporting date by capitalisation of security premium reserve		**26,94,59,860**		26,94,59,860
5. The Company has issued one class of shares, i.e. equity shares, which enjoys similar rights in respect of voting, payment of dividend and repayment of capital. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held				
6. Reconciliation of the number of shares outstanding:				
Number of shares at the beginning of the year		**80,84,44,880**		80,83,79,580
Bonus shares issued		**—**		—
Issued during the year on exercising ESOP option *		**2,13,393**		65,300
Number of shares at the end of the period		**80,86,58,273**		80,84,44,880
7. Disclosure of Shareholding of Promoters:				
Name of Promoter: Kansai Paint Co., Ltd., Japan		**60,62,03,847**		60,62,03,847
Details of shares held by promoters:				
No. of shares at the beginning of the period		**60,62,03,847**		60,62,03,847
Change during the year		**—**		—
No. of shares at the end of the period		**60,62,03,847**		60,62,03,847
% of Total Shares		**74.96**		74.98
% change during the period		**0.02**		—
8. Capital Management:				
For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company's policy is to maintain a strong capital base so as to maintain Investor, creditor and market confidence and to sustain future development of the business.				
Management monitors the return on capital, as well as the levels of dividends to equity shareholders. The Company is not subject to any externally imposed capital requirements				

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

20. Other Equity

₹ in Crores

	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Share Based Payment Reserve	Total
Balance as at 1st April, 2025	**0.30**	**1.88**	**473.28**	**5797.44**	**12.49**	**6285.39**
Profit for the year	—	—	—	**619.85**	—	**619.85**
Other Comprehensive Income:						
Remeasurement of Employee Defined Benefit Liability	—	—	—	**9.01**	—	**9.01**
Deferred Tax on Remeasurement of Employee Defined Benefit Liability	—	—	—	**(2.27)**	—	**(2.27)**
Total Other Comprehensive Income for the period, net of tax	—	—	—	**6.74**	—	**6.74**
Total Comprehensive Income for the year	—	—	—	**626.59**	—	**626.59**
Transaction with Owners in their Capacity as Owners, recorded directly in equity:						
Dividends	—	—	—	**(303.18)**	—	**(303.18)**
Share based payment	—	—	—	—	**6.10**	**6.10**
RSU exercised during the year	—	**6.14**	—	—	**(6.14)**	—
	—	**6.14**	—	**(303.18)**	**(0.04)**	**(297.08)**
Balance as at 31st March, 2026	**0.30**	**8.02**	**473.28**	**6120.85**	**12.45**	**6614.90**

	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Share Based Payment Reserve	Total
Balance as at 1st April, 2024	0.30	—	473.28	5082.80	15.90	5572.28
Profit for the year	—	—	—	1021.24	—	1021.24
Other Comprehensive Income:						
Remeasurement of Employee Defined Benefit Liability	—	—	—	(4.62)	—	(4.62)
Deferred Tax on Remeasurement of Employee Defined Benefit Liability	—	—	—	1.16	—	1.16
Total Other Comprehensive Income for the Year, net of tax	—	—	—	(3.46)	—	(3.46)
Total Comprehensive Income for the year	—	—	—	1017.78	—	1017.78
Transaction with Owners in their Capacity as Owners, recorded directly in equity:						
Dividends	—	—	—	(303.14)	—	(303.14)
Share based payment	—	—	—	—	(1.53)	(1.53)
RSU exercised during the year	—	1.88	—	—	(1.88)	—
	—	1.88	—	(303.14)	(3.41)	(304.67)
Balance as at 31st March, 2025	0.30	1.88	473.28	5797.44	12.49	6285.39

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

20. Other Equity (contd.)

Analysis of Accumulated OCI, Net of Tax

₹ in Crores

Remeasurement of Defined Benefit Liability/(Asset)	31st March 2026	31st March 2025
Opening Balance	**(15.14)**	(11.68)
Remeasurement of Employee Defined Benefit Liability, net of tax	**6.74**	(3.46)
Closing Balance	**(8.40)**	(15.14)

Capital Reserve

Capital reserve includes profit on re-issue of forfeited shares.

Securities Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Share based Payment Reserve

This represents the fair value of the stock options granted by the Company under the Restricted Stock Unit Plan ('RSU 2022 Plan') accumulated over the vesting period. The reserve will be utilised on exercise of the options.

Dividend

For the year 2024-2025, the Directors had recommended and Shareholders had approved a final dividend of 375% (₹ 3.75 per share) including special dividend of 125% (₹ 1.25 per share), which has been accounted in current year.

The Board has recommended dividend of 250% (₹ 2.50 per share) for the financial year ended March 31, 2026 as compared to total dividend of 375% (₹ 3.75 per share) including special dividend of 125% (₹ 1.25 per share), declared last year.

The dividend proposed by the Directors is subject to approval of Shareholders at the annual general meeting. The proposed dividend of ₹ 202.18 Crores (2024-2025 ₹ 303.14 Crores) have not been recognised as liabilities.

21. Lease Liabilities

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Lease Liabilities - Non-current	**170.55**	139.46
	170.55	139.46

The maturity analysis of lease liabilities is disclosed in Note 45.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

22. Provisions

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Provision for Retirement Benefits to Executive Director (Refer note 40)	**16.93**	20.95
	16.93	20.95

23. Income Taxes

₹ in Crores

	Year ended 31st March 2026	Year ended 31st March 2025
A. The major components of income tax expense for the year are as under:		
(i) Income tax recognised in the Standalone Statement of Profit and Loss		
Current tax:		
In respect of current year	**214.73**	326.01
In respect of earlier year	**4.02**	—
Deferred tax:		
In respect of current year	**(0.39)**	39.36
(ii) Income tax expense recognised in the Standalone Statement of Profit and Loss	**218.36**	365.37
Income tax expense recognised in OCI		
Deferred tax expense on remeasurements of defined benefit plans	**(2.27)**	1.16
Income tax expense recognised in OCI	**(2.27)**	1.16
B. Reconciliation of tax expense and the accounting profit for the year is as under:		
Profit before tax	**838.21**	1386.61
Income tax expense calculated at 25.17% (2024-2025 @ 25.17%)	**210.98**	349.01
Tax effect on non-deductible expenses	**8.27**	43.44
Effect of Income that is exempted from tax	**(0.12)**	(0.15)
Effect of differential tax rate on sale of land	**—**	(42.62)
Effect of discontinuance of indexation on capital gains	**—**	13.32
Others	**(0.77)**	2.37
Total	**218.36**	365.37
Tax expense as per Standalone Statement of Profit and Loss	**218.36**	365.37

The tax rate used for reconciliation above is the corporate tax rate of 25.17% (2024-2025 25.17%) payable by corporate entities in India on taxable profits under Indian tax law.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

23. Income Taxes (contd.)

C. The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

	Balance Sheet	Statement of Profit and Loss	OCI	Balance Sheet
	01.04.2025	**2025-2026**	**2025-2026**	**31.03.2026**
Difference between written down value of Property, Plant and Equipment as per the books of accounts and Income Tax Act,1961	**(173.18)**	**(6.15)**	**—**	**(179.33)**
Tax adjustment on account on indexation of freehold land	**0.20**	**—**	**—**	**0.20**
Expense claimed for tax purpose on payment basis	**6.47**	**4.22**	**—**	**10.69**
Provision for Loss Allowance	**14.67**	**3.08**	**—**	**17.75**
Remeasurement benefit of the defined benefit plans through OCI	**4.41**	**—**	**(2.27)**	**2.14**
Difference in carrying value and tax base of investments measured through FVTPL	**(13.91)**	**(1.40)**	**—**	**(15.31)**
Difference in Right-of-use asset and lease liabilities	**6.07**	**0.64**	**—**	**6.71**
Deferred tax (expense)/income Net Deferred tax liabilities	**(155.27)**	**0.39**	**(2.27)**	**(157.15)**

	Balance Sheet	Statement of Profit and Loss	OCI	Balance Sheet
	01.04.2024	2024-2025	2024-2025	31.03.2025
Difference between written down value of Property, Plant and Equipment as per the books of accounts and Income Tax Act,1961	(148.93)	(24.25)	—	(173.18)
Tax adjustment on account on indexation of freehold land	13.52	(13.32)	—	0.20
Expense claimed for tax purpose on payment basis	6.33	0.14	—	6.47
Provision for Loss Allowance	11.01	3.66	—	14.67
Remeasurement benefit of the defined benefit plans through OCI	3.25	—	1.16	4.41
Difference in carrying value and tax base of investments measured through FVTPL	(7.07)	(6.84)	—	(13.91)
Difference in Right-of-use asset and lease liabilities	4.82	1.25	—	6.07
Deferred tax (expense)/income Net Deferred tax liabilities	(117.07)	(39.36)	1.16	(155.27)

24. Lease Liabilities

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Lease Liabilities - Current	**46.65**	31.74
	46.65	31.74

25. Trade Payables

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Trade Payables		
Total Outstanding dues of Micro Enterprises and Small Enterprises	**73.67**	33.81
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises* (Refer note 44)	**1001.75**	989.84
	1075.42	1023.65
*Includes Acceptances ₹ 89.19 Crores (2024-2025 ₹ 133.66 Crores) (Acceptances include arrangements 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 90-120 days.)		

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

25. Trade Payables (contd.)

Trade Payables Ageing Schedule

As at 31st March 2026

₹ in Crores

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	—	73.67	—	—	—	—	73.67
(ii) Others	120.18	710.34	168.91	0.80	0.90	0.62	1,001.75
(iii) Disputed dues – MSME	—	—	—	—	—	—	—
(iv) Disputed dues – Others	—	—	—	—	—	—	—

As at 31st March 2025

₹ in Crores

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	—	33.81	—	—	—	—	33.81
(ii) Others	265.35	563.82	154.91	3.71	1.33	0.72	989.84
(iii) Disputed dues – MSME	—	—	—	—	—	—	—
(iv) Disputed dues – Others	—	—	—	—	—	—	—

26. Other Financial Liabilities

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Unclaimed/Unpaid Dividends*	2.41	2.46
Trade Deposits	53.50	52.71
Payables for Capital Goods@	65.80	31.23
Employee Benefits Payable	52.48	44.04
Allowance for Financial Guarantees	38.50	31.40
Supplier Credit#	49.23	—
Other Financial Liabilities	3.33	—
	265.25	161.84

* There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund.

@ Includes Outstanding dues of Micro Enterprises and Small Enterprises ₹ 10.26 Crores (2024-2025 ₹ 8.52 Crores)

The Company has established a supplier finance arrangement that is offered to some of the Company's key suppliers. Participation in the arrangement is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangement will receive early payment on invoices sent to the Company from the Company's external finance provider. If suppliers choose to receive early payment, they pay a fee to the finance provider, to which the Company is not party. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices approved by the Company. Payments to suppliers ahead of the invoice due date are processed by the finance provider and, in all cases, the Company settles the original invoice by paying the finance provider in line with the original invoice maturity date described below. Payment terms with suppliers have not been renegotiated in conjunction with the arrangement. The Company provides no security to the finance provider:

Particulars	2025-2026	2024-2025
Carrying amount of liabilities under Supplier finance arrangement (presented as Other Financial Liabilities)	49.23	—
of which suppliers have received payment from finance provider	49.23	—
Contractual credit period agreed with suppliers/ liabilities that are not part of an arrangement	90~120	—

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

27. Other Current Liabilities

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Statutory Obligations*	**22.25**	25.94
Trade Receivables with Credit Balance	**18.09**	19.34
	40.34	45.28

* Includes payable toward GST, TDS and Employee Related Statutory Obligations.

28. Provisions

₹ in Crores

	As at 31st March 2026		As at 31st March 2025	
Provision for Compensated Absences (Refer Note 40)		**34.30**		20.45
Provision for Gratuity (Refer Note 40)		**32.06**		—
Provision for Retirement Benefits to Executive Directors (Refer Note 40)		**1.93**		1.94
Provision for Indirect Taxes:				
Opening Balance	**2.43**		2.43	
Add: Provision during the year	**—**		—	
Less: Utilisation / reversal during the year	**0.19**		—	
		2.24		2.43
		70.53		24.82

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

29. Revenue from Operations

₹ in Crores

	Year ended 31st March 2026		Year ended 31st March 2025	
Sale of Products				
Sales	8582.26		8312.48	
Less: Discounts and Rebates	874.65		854.20	
Total Sale of Products		7707.61		7458.28
Other Operating Revenues				
Sale of Scrap	27.50		27.50	
Others*	4.12		10.93	
		31.62		38.43
Revenue from Operations		7739.23		7496.71

*Includes Royalty Income and Others operating revenues

29.1. Disaggregation of revenue from contracts with customers

The Company derives revenue from sale of products from following major segments:

₹ in Crores

	2025-2026	2024-2025
1) Revenue from contracts with customers:		
Sale of products (Transferred at point in time)		
Manufacturing		
India	7064.29	6863.26
Export	10.17	9.43
(A)	7074.46	6872.69
Trading		
India	633.15	585.59
(B)	633.15	585.59
(C) = (A) + (B)	7707.61	7458.28
2) Other operating revenue		
Sale of Scrap	27.50	27.50
Others	4.12	10.93
(D)	31.62	38.43
Total Revenue (C) + (D)	7739.23	7496.71
Major Product lines		
Paint	7707.61	7458.28
	7707.61	7458.28
Sales by performance obligations		
Upon delivery	7707.61	7458.28
	7707.61	7458.28

Reconciliation of revenue from contract with customer

	2025-2026	2024-2025
Revenue from contracts with customer as per the contract price	8582.26	8312.48
Adjustments made to contract price on account of:		
a) Discounts / Rebates / Incentives	(874.65)	(854.20)
Revenue from contracts with customer as per the Standalone Statement of Profit and Loss	7707.61	7458.28

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

30. Other Income

₹ in Crores

	Year ended 31st March 2026		Year ended 31st March 2025	
Dividend Income				
Dividend from Investment in Equity Shares	3.08		2.80	
		3.08		2.80
Interest Income				
Interest on Loans and Deposit at amortised cost	14.21		9.85	
Interest on Bonds recognised through FVTPL	0.89		0.58	
		15.10		10.43
Profit on Sale of Current Investments (Net)		71.00		60.55
Fair Value Gain on Financial Instruments recognised through FVTPL		47.19		53.54
Other Non operating Income				
Profit on Sale of Property, Plant and Equipment (Net)	0.15		—	
Foreign Exchange Gain (Net)	—		4.62	
Insurance Claims Received	15.52		5.51	
Miscellaneous Income	0.42		4.61	
		16.09		14.74
		152.46		142.06

31. Cost of Materials Consumed

₹ in Crores

	Year ended 31st March 2026		Year ended 31st March 2025	
Raw Material Consumed				
Opening Stock	452.03		454.04	
Add: Purchase	3896.49		3881.81	
Less: Sales	3.46		8.85	
Less: Closing Stock	441.21		452.03	
		3903.85		3874.97
Packing Material Consumed				
Opening Stock	18.00		16.55	
Add: Purchase	480.09		484.35	
Less: Closing Stock	19.74		18.00	
		478.35		482.90
		4382.20*		4357.87*

*Includes ₹ 5.05 Crores (2024-2025 ₹ 6.12 Crores) expenditure incurred on Research and Development

32. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade

₹ in Crores

	Year ended 31st March 2026		Year ended 31st March 2025	
Opening Stock				
Finished Goods	893.07		875.82	
Work-in-progress	151.50		156.15	
Stock-in-trade (in respect of goods acquired for trading)	79.66		100.02	
		1124.23		1131.99
Less: Closing Stock				
Finished Goods	793.19		893.07	
Work-in-progress	145.23		151.50	
Stock-in-trade (in respect of goods acquired for trading)	75.99		79.66	
		1014.41		1124.23
Less: Reclassification to Exceptional Items (Refer Note 48)		10.22		—
		99.60		7.76

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

33. Employee Benefits Expense

₹ in Crores

	Year ended 31st March 2026	Year ended 31st March 2025
Salaries and Wages	**431.08**	405.84
Contribution to Provident and Other Funds	**28.33**	19.67
Share based Payments to Employees	**6.10**	(1.53)
Staff Welfare Expense	**24.77**	23.20
	490.28*	447.18*

*Includes ₹ 32.86 Crores (2024-2025 ₹ 30.29 Crores) expenditure incurred on Research and Development

34. Finance Cost

₹ in Crores

	Year ended 31st March 2026	Year ended 31st March 2025
Interest on Lease Liabilities (Refer Note 45)	**18.41**	15.09
	18.41	15.09

35. Depreciation and Amortisation

₹ in Crores

	Year ended 31st March 2026	Year ended 31st March 2025
Depreciation on Property, Plant and Equipment (Refer Note 2)	**165.88**	151.51
Amortisation on Other Intangible Assets (Refer Note 6)	**10.48**	2.96
Amortisation on Right of use assets (ROU) (Refer Note 4)	**45.00**	39.21
	221.36*	193.68 *

* Includes ₹ 3.09 Crores (2024-2025 ₹ 3.12 Crores) depreciation and amortisation expenses on Research and Development

36. Other Expenses

₹ in Crores

	Year ended 31st March 2026	Year ended 31st March 2025
Consumption of Stores and Spare Parts	**39.84**	35.09
Power and Fuel	**88.83**	94.61
Repairs to Buildings	**0.96**	2.88
Repairs to Machinery	**21.38**	19.44
Freight and Forwarding Charges	**445.03**	417.39
Advertisement and Sales Promotion	**315.81**	337.62
Rent	**19.57**	19.08
Rates and Taxes	**4.90**	2.80
Insurance	**14.98**	11.28
Miscellaneous Expenses	**307.14**	282.60
	1258.44*	1222.79*

*Includes ₹ 10.22 Crores (2024-2025 ₹ 10.09 Crores) expenditure incurred on Research and Development

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

36.1. Payments to Auditors'

Auditors' Remuneration excluding GST (Included in Miscellaneous Expenses in Note 35)

₹ in Crores

	Year ended 31st March 2026	Year ended 31st March 2025
As Auditor		
Statutory Audit	**0.41**	0.35
Report under Section 44AB of the Income-tax Act, 1961	**0.03**	0.03
Limited Review of Quarterly Results	**0.35**	0.23
In other capacity		
Certification	**0.12**	0.11
Other Matters	**0.06**	0.12
Reimbursements of Expenses	**0.06**	0.06
	1.03	0.90

36.2. Research and Development Expenses

₹ in Crores

	Year ended 31st March 2026	Year ended 31st March 2025
Revenue Expenditure on Research and Development recognised in Standalone Statement of Profit and Loss is	**51.22**	49.62

37. Contingent Liabilities and commitments (to the extent not provided for)

₹ in Crores

	Year ended 31st March 2026	Year ended 31st March 2025
a) **Claims against the Company not acknowledged as debt:**		
Excise and Service Tax	**8.38**	8.38
Sales tax	**17.55**	18.15
Goods and Services Tax (GST)	**3.06**	0.44
The Company has made adequate provisions in the accounts for claims against the Company related to direct and indirect taxes matters, except for certain claims not acknowledged as debts, totalling to ₹ 28.99 Crores (2024-2025 ₹ 26.97 Crores) from the Excise / Service Tax / Sales Tax / GST Authorities, in respect of disallowance of Cenvat Credit of Excise / Service Tax and Input Tax Credit of Sales Tax / GST.		
In addition, the Company is subject to other legal proceedings in respect of other matters arisen in the ordinary course of business. The Company's management is of the opinion that ultimate liability in respect of these litigations shall not exceed the amount provided in books of account, and shall not have any material adverse effect on the Company's operation and financial position.		
b) **Commitments:**		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	**92.80**	67.93
Corporate guarantee		
Corporate guarantee given to Bank for loan taken by Kansai Nerolac Paints (Bangladesh) Limited – Subsidiary Company	**—**	16.73
	121.79	111.63
c) **Contribution to Provident Fund**		
There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The impact is not expected to be material as per the assessment made by the Company.		

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

38. Earnings Per Equity Share

₹ in Crores

	As at 31st March 2026	As at 31st March 2025
Basic Earnings per Equity Share before Exceptional Item (in ₹)		
Numerator:		
Profit attributable to Equity Shareholders (₹ in Crores)	**667.08**	666.92
Denominator:		
Weighted Average Number of ordinary shares at the beginning and end of the year	**80,84,35,265**	80,84,35,265
Basic Earnings per Equity Share (in ₹)	**8.25**	8.25
Diluted Earnings per Equity Share (in ₹)		
Numerator:		
Profit attributable to Equity Shareholders (₹ in Crores)	**667.08**	666.92
Denominator:		
Weighted Average Number of ordinary shares and dilutive shares	**80,92,16,103**	80,92,24,301
Diluted Earnings per Equity Share (in ₹)	**8.24**	8.24
Basic Earnings per Equity Share after Exceptional Item (in ₹)		
Numerator:		
Profit attributable to Equity Shareholders (₹ in Crores)	**619.85**	1021.24
Denominator:		
Weighted Average Number of ordinary shares at the beginning and end of the year	**80,85,11,196**	80,84,35,265
Basic Earnings per Equity Share (in ₹)	**7.67**	12.63
Diluted Earnings per Equity Share (in ₹)		
Numerator:		
Profit attributable to Equity Shareholders (₹ in Crores)	**619.85**	1021.24
Denominator:		
Weighted Average Number of ordinary shares and dilutive shares	**80,92,16,103**	80,92,24,301
Diluted Earnings per Equity Share (in ₹)	**7.66**	12.62

39. Related Party Disclosures

A related party is a person or entity that is related to the entity that is preparing its Financial Statements

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control of the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

39. Related Party Disclosures (contd.)

Parent and ultimate controlling entity

Name	% Shareholding		Type	Principal Activities	Place of Incorporation
	2026	2025			
Kansai Paints Co., Ltd.	**74.96**	74.98	Parent and ultimate controlling entity	Manufacturing paints and other related materials	Japan

Kansai Paints Co., Ltd. is the immediate and ultimate holding company of Kansai Nerolac Paints Limited and is based and listed in Japan. Financial Statements of Kansai Paints Co., Ltd. are available in public domain.

Subsidiaries Companies

Name	% Shareholding		Type	Principal Activities	Place of Incorporation
	2026	2025			
KNP Japan Private Limited	**68**	68	Subsidiary	Manufacturing paints and other related materials	Nepal
Kansai Paints Lanka (Private) Limited (The Company has divested its stake during the year on 16th December, 2025)	**—**	60	Subsidiary	Manufacturing paints and other related materials	Srilanka
Kansai Nerolac Paints (Bangladesh) Limited	**55**	55	Subsidiary	Manufacturing paints and other related materials	Bangladesh
Nerofix Private Limited	**100**	100	Subsidiary	Manufacturing paints and other related materials	India

Fellow Subsidiaries Companies

Name	Type	Principal Activities	Place of Incorporation
Kansai Paint Philippines Inc.	Fellow Subsidiary	Manufacturing paints and other related materials	Philippines
Kansai Plascon Kenya Ltd.	Fellow Subsidiary	Manufacturing paints and other related materials	Kenya
Helios RUS LLC	Fellow Subsidiary	Manufacturing paints and other related materials	Russia
PT Kansai Prakarsa Coating	Fellow Subsidiary	Manufacturing paints and other related materials	Indonesia
Helios Tovarna Barv, Lako	Fellow Subsidiary	Manufacturing paints and other related materials	Germany

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Key management personnel includes (1) Mr. Bhaskar Bhat, Chairman (2) Mr. P. P. Shah, Chairman (upto 29th January 2025) (3) Mr. Pravin Chaudhari, Managing Director (w.e.f 1st April 2025) (4) Anuj Jain, Managing Director (Upto 31st March 2025) (5) Ms. Sonia Singh, Director (6) Mr. Uday Bhansali, Director (w.e.f 6th November 2024) (7) Mr. Hirokazu Kotera, Whole-time Director (w.e.f 1st August 2024 - Upto 31st March 2026) (8) Mr. Yash Ahuja, CFO (w.e.f 1st August 2025) (9) Mr. P. D. Pai, CFO (upto 31st July 2025) and (10) Mr. G. T. Govindarajan, Company Secretary.

Other entities where significant influence exist

— Kansai Nerolac Paints Limited Provident Fund

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

39. Related Party Disclosures (contd.)

Transaction with related parties and Disclosure as per Regulation 53(f) of SEBI (Listing Obligation and disclosure requirement) Regulations

₹ in Crores

Transaction Type	Relation	2025-2026	2024-2025
Sale of finished goods/Intermediates			
— Nerofix Private Limited	Subsidiary	**(1.34)**	5.96
— Kansai Paint Philippines Inc.	Fellow Subsidiary	**5.47**	5.39
— Helios RUS LLC	Fellow Subsidiary	**1.82**	0.55
— PT Kansai Prakarsa Coating	Fellow Subsidiary	**—**	0.27
— Kansai Plascon Kenya Ltd	Fellow Subsidiary	**—**	0.01
Purchase of Goods			
— Nerofix Private Limited.	Subsidiary	**15.57**	9.87
Dividend Paid			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**227.33**	227.33
Dividend Income			
— KNP Japan Private Limited	Subsidiary	**3.04**	2.76
Transfer under license agreements **Royalty Expense**			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**32.67**	28.59
Technical Fees Including Reimbursement of Expenses			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**0.34**	0.55
Royalty Income			
— KNP Japan Private Limited	Subsidiary	**1.79**	1.54
— Kansai Paints Lanka (Private) Limited	Subsidiary	**—**	0.02
— Kansai Nerolac Paints (Bangladesh) Limited	Subsidiary	**0.88**	1.42
— Nerofix Private Limited	Subsidiary	**—**	1.19
Interest on parental loan			
— Kansai Nerolac Paints (Bangladesh) Limited.	Subsidiary	**2.64**	2.64
— Nerofix Private Limited	Subsidiary	**2.28**	—
Income from Corporate guarantee issued			
— Kansai Paints Lanka (Private) Limited	Subsidiary	**—**	0.03
— Kansai Nerolac Paints (Bangladesh) Limited.	Subsidiary	**0.30**	0.54
Loan Given			
— Nerofix Private Limited	Subsidiary	**45.00**	—
Equity Investment			
— Kansai Paints Lanka (Private) Limited**	Subsidiary	**8.82**	—

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

39. Related Party Disclosures (contd.)

Transaction with related parties and Disclosure as per Regulation 53(f) of SEBI (Listing Obligation and disclosure requirement) Regulations (contd.)

Related Party Transactions:

₹ in Crores

Transaction Type	Relation	2025-2026	2024-2025
Reimbursement of Expenses Recovered			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**2.09**	1.29
Commission Paid			
— Kansai Nerolac Paints (Bangladesh) Limited	Subsidiary	**0.28**	0.24
Contributions during the year (includes Employees' share and contribution)			
— Kansai Nerolac Paints Limited Provident Fund	Other entities	**1.32**	1.33
Amount of outstanding balances, including commitments in settlement			
Share Capital held by Parent Company			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**60.62**	60.62
Investment in subsidiaries			
— KNP Japan Private Limited	Subsidiary	**7.87**	7.87
— Kansai Paints Lanka (Private) Limited**	Subsidiary	**—**	—
— Kansai Nerolac Paints (Bangladesh) Limited (net of provision)	Subsidiary	**—**	—
— Nerofix Private Limited	Subsidiary	**49.00**	49.00
Receivable as at Year End			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**5.07**	2.98
— KNP Japan Private Limited	Subsidiary	**10.90**	6.49
— Kansai Paints Lanka (Private) Limited (net of provision)	Subsidiary	**—**	—
— Kansai Nerolac Paints (Bangladesh) Limited (net of provision)	Subsidiary	**—**	—
— Nerofix Private Limited	Subsidiary	**47.28**	9.12
— Kansai Paint Philippines Inc.	Fellow Subsidiary	**1.35**	0.92
— Helios RUS LLC	Fellow Subsidiary	**0.66**	—
Payable as at Year End			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**—**	0.11
— Nerofix Private Limited	Subsidiary	**7.29**	—
— Kansai Nerolac Paints (Bangladesh) Limited	Subsidiary	**—**	0.24
Corporate Guarantee			
— Kansai Nerolac Paints (Bangladesh) Limited	Subsidiary	**—**	16.73
— Kansai Paints Lanka (Private) Limited	Subsidiary	**—**	—
Stand by Letter of Credit (SBLC)			
— Kansai Nerolac Paints (Bangladesh) Limited	Subsidiary	**—**	—
Key Management Personnel			
— Employee Benefits*			
Mr. Pravin D. Chaudhari Managing Director		**3.00**	—
Mr. Anuj Jain Managing Director (upto 31st March 2025)#		**—**	13.38

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

39. Related Party Disclosures (contd.)

Transaction with related parties and Disclosure as per Regulation 53(f) of SEBI (Listing Obligation and disclosure requirement) Regulations (contd.)

Transaction Type	Relation	2025-2026	2024-2025
Mr. Hirokazu Kotera, Whole-time Director (upto 31st March 2026)		**0.66**	0.45
Mr. Yash Ahuja Chief Financial Officer (w.e.f 1st August, 2025)		**1.01**	—
Mr. P. D. Pai Chief Financial Officer (upto 31st July 2025)@		**1.39**	2.42
Mr. G. T. Govindarajan Company Secretary		**1.23**	1.11
— Commission, Fees and reimbursement of expenses for attending Board /Committee Meetings to Independent Directors			
Mr. Bhaskar Bhat, Chairman		**0.51**	0.52
Mr. P. P. Shah, Chairman (upto 29th January 2025)		**—**	0.54
Ms. Sonia Singh, Independent Director		**0.52**	0.51
Mr. Uday Bhansali Independent Director		**0.16**	0.02

Related Party Transactions:

Related party transactions were made on terms equivalent to those that prevail in an arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and will be settled in cash.

*Includes commission paid for the previous year, Company's contribution to Provident Fund and Superannuation Fund and excludes perquisites, accrual for commission for the current year and restricted stock units (RSU) granted to KMP's in accordance with the Kansai Nerolac Paints Limited - Restricted Stock Unit Plan ('RSU 2022 Plan'), However, such RSU's units would vest after fulfillment of vesting conditions in accordance with the RSU Plan 2022.

Employee Benefits to Mr. Anuj Jain includes commission of ₹ 5.80 Crores for current year and previous year and it exclude retirement benefits of ₹ 4.44 Crores towards Gratuity and Leave Encashment.

@ Employee Benefits to Mr. P.D. Pai excludes retirement benefits of ₹ 2.81 Crores towards Gratuity and Leave Encashment.

**The Company has made provision for impairment with respect to its investment of ₹ 8.82 crores.

As the future liabilities for gratuity, leave encashment and Director pension along with medical benefits are provided on an actuarial valuation basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

The Company has made provision/(reversal) for impairment in subsidiaries with respect to its long-term investment, loan, receivables and financial guarantees i.e. Kansai Nerolac Paints (Bangladesh) Limited ₹ 17.26 Crores (2024-2025 ₹ 151.64 Crores) and Kansai Paints Lanka (Private) Limited ₹ (11.50) Crores (2024-2025 ₹ 34.61 Crores) after taking in to account its past performance, current changes in economic and market conditions.

Terms and conditions

Sales:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties.

Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are made on normal commercial terms and conditions and market rates.

Guarantees to subsidiaries/joint venture:

Guarantees provided to the lenders of the subsidiaries/joint venture are for availing term loans and working capital facilities from the lender banks.

The transactions other than mentioned above are also in the ordinary course of business and at arms' length basis.

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

40. Employee Benefits

A Defined Contribution Plans:

Contribution to defined contribution plan, recognised in the Standalone Statement of Profit and Loss under Company's Contribution to Provident Fund and Other Funds in Employee Benefits Expenses for the year are as under:

₹ in Crores

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Employer's contribution to Regional Provident Fund Commissioner	**10.43**	8.56
Employer's contribution to Family Pension Fund	**5.86**	5.61
Employer's contribution to Superannuation Fund	**2.88**	2.74

B Defined Benefit Plans:

a. Gratuity

The following tables setout the funded status of the gratuity plans and the amounts recognised in the Company's Financial Statements as at 31st March, 2026 and 31st March, 2025:

₹ in Crores

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Change in Defined Benefit Obligation		
Defined Benefit Obligation at the beginning	**58.70**	53.33
Current Service Cost	**8.42**	5.42
Past Service Cost	**29.79**	(5.04)
Interest Expense	**3.91**	3.59
Benefit Payments from Plan Assets*	**(5.89)**	(7.29)
Effect of Transfer of funds of erstwhile subsidiaries	**—**	5.04
Remeasurements - Actuarial (gains)/ losses	**(5.00)**	3.65
Defined Benefit Obligation at the end	**89.93**	58.70
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning	**58.78**	43.16
Interest Income	**3.92**	3.82
Employer Contributions**	**4.09**	15.24
Benefit Payments from Plan Assets	**(9.66)**	(3.27)
Remeasurements – Return on plan assets excluding amounts included in interest income	**0.74**	(0.17)
Fair Value of Plan Assets at the end	**57.87**	58.78
Net Asset/(liability)	**(32.06)**	0.08

*includes direct payment by employer. **Includes transfer of funds of erstwhile subsidiaries.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

40. Employee Benefits (contd.)

Components of Defined Benefit Cost recognized in the Standalone Statement of Profit and Loss under Employee Benefit Expenses:

₹ in Crores

Particulars	**Year Ended 31st March 2026**	Year Ended 31st March 2025
Current Service Cost	**8.42**	5.42
Past Service Cost	**29.79**	(5.04)
Net Interest Cost	**(0.01)**	(0.23)
Defined Benefit Cost recognised in the Statement of Profit and Loss	**38.20**	0.15

Components of Defined Benefit Cost recognized in the Statement of Other Comprehensive Income:

₹ in Crores

Particulars	**Year Ended 31st March 2026**	Year Ended 31st March 2025
Actuarial (gains) / losses on Defined Benefit Obligation	**(5.00)**	3.65
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	**(0.74)**	0.17
Defined Benefit Cost recognised in the Statement of Other Comprehensive Income	**(5.74)**	3.82

The assumptions used to determine net periodic benefit cost are set out below:

₹ in Crores

Particulars	**Valuation Date**	
	31st March 2026	31st March 2025
Discount Rate	**7.69%**	7.01%
Salary Escalation	**7.50%**	7.50%
Weighted average duration of the defined benefit obligation (years)	**7.00**	9.00

Sensitivity Analysis:

The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Scenario	**31st March 2026**	31st March 2025
Under Base Scenario	**89.93**	58.70
Salary Escalation - Up by 1%	**95.91**	63.63
Salary Escalation - Down by 1%	**84.37**	54.33
Withdrawal Rates - Up by 1%	**89.88**	58.32
Withdrawal Rates - Down by 1%	**89.97**	59.12
Discount Rates - Up by 1%	**95.99**	54.48
Discount Rates - Down by 1%	**89.93**	63.57
Expected Rate of Return on Planned Asset	**7.69%**	7.51%

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

40. Employee Benefits (contd.)

Maturity Profile of Defined Benefit Obligations

Mortality Table	31st March 2026		31st March 2025	
Attained Age	Male	Female	Male	Female
20	0.09%	0.09%	0.09%	0.09%
25	0.09%	0.09%	0.09%	0.09%
30	0.10%	0.10%	0.10%	0.10%
35	0.12%	0.12%	0.12%	0.12%
40	0.17%	0.17%	0.17%	0.17%
45	0.26%	0.26%	0.26%	0.26%
50	0.44%	0.44%	0.44%	0.44%
55	0.75%	0.75%	0.75%	0.75%
60	1.12%	1.12%	1.12%	1.12%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company contributes all ascertained liabilities towards gratuity to the fund maintained by the Life Insurance Corporation of India.

The Company expects to contribute ₹ 32.06 (2024-2025 ₹ Nil) to the fund during the subsequent accounting year.

b. Provident fund (Managed by the Trust set up by the Company)

The Company has contributed ₹ 1.32 Crores (2024-2025 ₹ 1.33 Crores) to the Provident Fund Trust. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the guaranteed interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall.

The details of fund and plan asset position are given below:

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Plan assets at period end, at fair value	58.55	56.31
Present value of benefit obligation at period end	57.95	55.57
Asset recognised in balance sheet	Nil	Nil

The plan assets have been primarily invested in Government Securities which comprises of Special Deposit Schemes (SDS), State Development Loans (SDLs) and Government Bonds.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Discount Rate (%)	6.82	7.18
Guaranteed Interest Rate (%)	8.25	8.25
Expected Average Remaining Working Lives of Employees (Years)	6.70	7.04

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

40. Employee Benefits (contd.)

c. Retirement Benefits to Executive Directors

₹ in Crores

Particulars	As at 31st March 2026	As at 31st March 2025
Opening defined benefit obligation	**22.84**	22.50
Current service cost	**—**	—
Past Service Cost	**—**	—
Interest Expenses	**1.43**	1.55
Remeasurement (gain)/loss	**(3.27)**	0.79
Benefits paid	**(2.14)**	(2.00)
Closing defined benefit obligation	**18.86**	22.84

Components of cost of Retirement Benefits to Executive Directors recognized in the Standalone Statement of Profit and Loss under Employee Benefit Expenses:

₹ in Crores

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Current Service Cost	**—**	—
Net Interest Cost	**1.43**	1.55
Defined Benefit Cost recognised in the Statement of Profit and Loss	**1.43**	1.55

Components of cost of Retirement Benefits to Executive Director recognized in the Statement of Other Comprehensive Income:

₹ in Crores

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Actuarial (gains) / losses on Defined Benefit Obligation	**(3.27)**	0.79
Defined Benefit Cost recognised in the Statement of Other Comprehensive Income	**(3.27)**	0.79

d. Compensated Absences

The increase in provision for compensated absences for the year is ₹ 13.86 Crores (2024-2025 ₹ 3.75 Crores).

41. Segment Reporting

The Management Committee of the Company, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Company. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Company has identified that Chief Operating Decision Maker function is being performed by the Management Committee. The financial information presented to the Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for paints and other related products of the Company. As the Management Committee monitors the business activity as a single business segment viz. 'Paints' and the sales substantially being in the domestic market, the financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

42. Corporate Social Responsibilities

During the year, the Company has spent ₹ 15.60 Crores (2024-2025 ₹ 13.51 Crores) towards 'Corporate Social Responsibility Activities' (CSR Activities).

(a) Gross amount required to be spent by the Company during the year ₹ 15.49 Crores (2024-2025 ₹ 13.47 Crores).

(b) Amount spent during the year on:

₹ in Crores

	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	**—**	**—**	**—**
	(—)	(—)	(—)
(ii) On purposes other than (i) above	**15.60**	**—**	**15.60**
	(13.51)	(—)	(13.51)

(previous year figures are in brackets)

(c) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

(d) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

(e) Disclosure for excess CSR spent and carried forward for set-off in next year:

In case of S. 135(5) Excess amount spent

FY	Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
2025-2026	**0.18**	**15.49**	**15.60**	**0.29**
2024-2025	(0.14)	(13.47)	(13.51)	(0.18)

43. Financial Instruments: Fair values and Risk Management

(A) Accounting Classifications and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Year	At FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets measured at Fair Value						
Non-current Assets: Investments (Note 7).....	**2026**	**3.87**	**1.82**	**—**	**2.05**	**3.87**
	2025	3.81	1.76	—	2.05	3.81
Current Assets: Investments (Note 12)..........	**2026**	**2361.43**	**—**	**2361.43**	**—**	**2361.43**
	2025	1845.98	—	1845.98	—	1845.98

There have been no transfers between Level 1 and Level 2 during the year and previous year.

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

43. Financial Instruments: Fair values and Risk Management (contd.)

(B) Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

— Credit Risk

— Liquidity Risk

— Market Risk

(i) Risk Management Framework

Risk Management Committee oversees the management of these risks. Management is supported by Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the management that Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Company's Risk Management Policies are established to identify and analyses the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk Management Policies and Systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments in debt securities. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade Receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes financial statements, credit agency information, industry information and in some cases bank references. Sales limits are established for each customer and reviewed constantly. Any sales exceeding those limits require approval from the management.

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.

₹ in Crores

Movement in expected credit loss allowance on trade receivable	31-03-2026	31-03-2025
Balance at the beginning of the year	**74.34**	39.02
Loss allowance measured at lifetime expected credit losses	**(2.14)**	35.32
Balance at the end of the year	**72.20**	74.34

Financial Instruments and Cash Deposits

Credit risks from balances with banks and financial institutions is managed by the Company's Treasury Department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

43. Financial Instruments: Fair values and Risk Management (contd.)

(iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturities of Financial Liabilities:

The table below analyse the Company's financial liabilities into relevant maturing grouping based on their contractual maturities:

₹ in Crores

	Year ended	On demand	Upto 3 months	3 months to 6 months	6 months to 1 year	1 year to 2 years	3 years and above	Total
Trade Payables	**31-03-2026**	**—**	**1,075.42**	**—**	**—**	**—**	**—**	**1,075.42**
	31-03-2025	—	1,023.65	—	—	—	—	1,023.65
Other Financial Liabilities....................	**31-03-2026**	**199.45**	**65.80**	**—**	**—**	**—**	**—**	**265.25**
	31-03-2025	130.61	31.23	—	—	—	—	161.84

For maturity profile of lease liabilities, refer note 45.

(iv) 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 price comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. In respect of monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level.

Since the Company does not have any interest bearing borrowings, the exposure to risk of changes in market interest rates is not applicable. Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments, debentures and bonds. Since the investments in equity instruments and debentures is not material and bonds being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in equity instrument and debentures is given in Note 7 and details of investments in bonds is given in Note 12.

Exposure to 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 enters into forward exchange contracts to hedge against its foreign currency exposures relating to the recognised underlying liabilities and firm commitments. The Company's policy is to hedge its exposures above predefined thresholds from recognised liabilities and firm commitments that fall due on timely basis. The Company does not enter into any derivative instruments for trading or speculative purposes. The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

₹ in Crores

Financial Assets		EURO	JPY	SGD	USD	Total
Trade Receivables.................................	**31-03-2026**	**—**	**—**	**—**	**2.69**	**2.69**
	31-03-2025	—	—	—	2.31	2.31
Financial Liabilities						
Trade Payables (Net of Hedge)...............	**31-03-2026**	**3.92**	**26.48**	**—**	**73.85**	**104.25**
	31-03-2025	1.95	21.58	0.03	19.17	42.73
Net exposure to Foreign Currency Risk (Liabilities)..	**31-03-2026**	**3.92**	**26.48**	**—**	**71.16**	**101.56**
	31-03-2025	1.95	21.58	0.03	16.86	40.42

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

43. Financial Instruments: Fair values and Risk Management (contd.)

(v) Foreign Currency Sensitivity Analysis

The following table demonstrate the sensitivity to a reasonable possible change in EURO, JPY, SGD and USD exchange rates, with all other variable held constant.

	Profit or Loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31-03-2026				
EURO (5% movement)	**(0.20)**	**0.20**	**(0.15)**	**0.15**
JPY (5% movement)	**(1.32)**	**1.32**	**(0.99)**	**0.99**
SGD (5% movement)	**—**	**—**	**—**	**—**
USD (5% movement)	**(3.56)**	**3.56**	**(2.66)**	**2.66**
31-03-2025				
EURO (5% movement)	(0.10)	0.10	(0.07)	0.07
JPY (5% movement)	(1.08)	1.08	(0.81)	0.81
SGD (5% movement)	(0.00)	0.00	(0.00)	0.00
USD (5% movement)	(0.84)	0.84	(0.63)	0.63

(vi) Following are the outstanding Forward Foreign Exchange Contracts entered into by the Company

	Currency	Amount in Foreign Currency in Crores	Buy / Sell	Cross Currency
As on 31st March, 2026	**USD**	**0.19**	**Buy**	**INR**
As on 31st March, 2025	USD	0.53	Buy	INR

These Forward Foreign Exchange Contracts are entered into for hedging purposes and not for speculation purposes.

(C) Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Other Non-current assets: Investment measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	– Forecast Annual revenue growth – Forecast EBITDA growth margin – Risk adjustment discounted rate	Generally, a changes in the annual revenue growth rate is accompanied similar change in EBITDA margin.
Current investments – in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable

Carrying amounts of cash and cash equivalents, trade receivables, loans, trade payables and other financial liabilities as at 31st March 2026 and 31st March 2025 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

44. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2025-2026 and 2024-2025, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

₹ in Crores

		As at 31st March 2026	As at 31st March 2025
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
	Principal amount due to micro and small enterprise (Refer Note 25 and 26)	—	—
	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	—	—

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.

45. Disclosure of Lease as per Ind AS 116

The following is the summary of practical expedients elected on application:

(i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(iv) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at 31st March 2026 is 8.50% (2024-2025 8.50%)

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

45. Disclosure of Lease as per Ind AS 116 (contd.)

The changes in the carrying value of right of use (ROU) assets for the year ended 31st March 2026 and 31st March 2025 are disclosed in Note 4

₹ in Crores

Particulars	Amount as at 31st March 2026	Amount as at 31st March 2025
ROU Balance at the beginning of the year	**217.44**	199.72
Additions (Refer Note 4)	**87.13**	60.99
Amortisation cost accrued during the year (Refer Note 4)	**(45.00)**	(39.21)
Deletions (Net off accumulated amortisation)	**(0.46)**	(4.06)
ROU Balance at the end of the year	**259.11**	217.44
Lease Liabilities at the beginning of the year	**171.20**	148.65
Additions	**82.99**	60.27
Interest cost accrued during the year	**18.41**	15.09
Payment of lease liabilities	**(54.74)**	(48.50)
Deletion	**(0.66)**	(4.31)
Lease Liabilities at the end of the year	**217.20**	171.20
Current Lease Liabilities	**46.65**	31.74
Non-current Lease Liabilities	**170.55**	139.46
Total Lease Liabilities	**217.20**	171.20

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases or cancelable in nature was ₹ 19.57 Crores (2024-2025 ₹ 19.08 Crores)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

Particulars	Amount as at 31st March 2026	Amount as at 31st March 2025
Not later than one year	**58.74**	44.27
Later than one year and not later than five years	**160.27**	127.41
Later than five years	**47.59**	40.05

46. 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 7.

(ii) Details of Loans given by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder are given in Note 8 and Note 16.

(iii) Details of guarantees/ standby letter of credits (SBCL) issued by the Company in accordance with Section 186 of the Companies Act, 2013 read with rules issued thereunder.

₹ in Crores

Name of the party	Transaction	Relationship	Amount as at 31st March 2026	Amount as at 31st March 2025
Kansai Nerolac Paints (Bangladesh) Limited (in respect of loan taken from bank)	SBLC	Subsidiary Company	—	—
Kansai Nerolac Paints (Bangladesh) Limited (in respect of loan taken from bank)	Guarantee	Subsidiary Company	—	16.73

The Company has made provision for impairment in subsidiaries with respect to its long-term investment, loan, receivables and financial guarantees i.e. Kansai Nerolac Paints (Bangladesh) Limited ₹ 17.26 Crores (2024-2025 151.64 Crores) and Kansai Paints Lanka (Private) Limited ₹ Nil (2024-2025 ₹ 34.61 Crores after taking in to account its past performance, current changes in economic and market conditions.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

47. Share based payments

The Company has granted share based incentives (Restricted Stock Units ("RSU")) to certain eligible employees during the year ended 31st March 2026 and 31st March 2025, under Kansai Nerolac Paints Limited - Restricted Stock Unit Plan ('RSU 2022 Plan') approved by Nomination and Remuneration Committee (NRC). As per the scheme, the number of shares that will vest is conditional upon certain performance measures determined by NRC. The performance is measured over vesting period of the options granted which ranges from 3 to 5 years. The performance measures under this scheme include growth in sales and earnings. The options granted under this scheme is exercisable by employees till four years from date of its vesting. The Company has granted options at an exercise price of ₹ 1/-. Option granted will vest equally each year starting from 3 years from date of grant up to 5 years from date of grant.

	Year Ended 31st March 2026	Year Ended 31st March 2025
Options outstanding at the beginning of the year	**17,39,476**	18,22,737
Granted during the year	**2,20,987**	3,03,480
Forfeited/Expired during the year	**43,126**	2,75,642
Exercised during the year	**1,67,594**	1,11,099
Outstanding at the end of the year	**17,49,743**	17,39,476
Options exercisable at the end of the year	**2,86,177**	70,190

The Company has estimated fair value of options using Black Scholes model for Time based RSU's and Monte Carlo Simulation model for Performance based RSU's. The following assumptions were used for calculation of fair value of options granted during the year ended 31st March, 2026.

	Estimate	
Assumption factor (Black Scholes model)	**2025-2026**	2024-2025
Risk free rate	**6.87% - 7.23%**	6.87% - 7.23%
Expected life of option	**3-5 years**	3-5 years
Expected volatility	**29.97% - 37.80%**	29.97% - 37.80%
Fair Value per RSUs	**278.31 - 431.74**	278.31 - 431.74

	Estimate	
Assumption factor (Monte Carlo Simulation model)	**2025-2026**	2024-2025
Risk free rate	**6.76% - 7.15%**	6.76% - 7.15%
Expected life of option	**3.25 - 2.08 years**	3.25 - 2.08 years
Expected volatility	**28.07% - 34.2%**	28.07% - 34.2%
Fair Value per RSUs	**165.88 - 281.84**	165.88 - 281.84

Notes to the Standalone Financial Statements
for the year ended 31st March 2026

48. Exceptional Items

₹ in Crores

Exceptional Items	Year ended 31st March 2026	Year ended 31st March 2025
Additional employee benefit cost based on actuarial valuation on account of implementation of the Wage Code.	(44.72)	—
Loss due to fire incident at its warehouse located at Ghaziabad (UP)	(10.22)	—
Profit on Sale of Investment Property at Lower Parel, Mumbai	—	665.44
Provision for impairment of long-term investment, loan, trade receivables and financial guarantees after taking in to account past performance, current changes in economic and market conditions (Refer Note 39) :		
- Kansai Paints Lanka (Private) Limited (The Company has divested its stake during the year on 16th December, 2025)	11.50	(34.61)
- Kansai Nerolac Paints (Bangladesh) Limited	(17.26)	(151.64)
Total	**(60.70)**	479.19

49. The Board of Directors at their meeting held on 11th August 2025 approved the Scheme of Amalgamation ('the Scheme') of Nerofix Private Limited, wholly owned subsidiary of Kansai Nerolac Paints Limited (the Company) with the Company in accordance with the provisions of the Companies Act, 2013 and other applicable laws with the appointed date of 1st April 2025. The Scheme is subject to necessary statutory and regulatory approvals, including approval of the Hon'ble National Company Law Tribunal, Mumbai. The Scheme shall be effective post completion of all necessary formalities and procedures and accordingly, these standalone financial statements do not reflect the impact on account of the Scheme.

50. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has been no transaction with struck off company during current and previous year.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity, 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

(vi) The Company has not received any fund from any person or entity, 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

(vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

51. Audit Trail

The Company has migrated to upgraded version of the accounting software from legacy accounting software during the year. The Company has used two accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to SAP accounting software for direct changes to data when using certain access rights. Further, no instance of audit trail feature being tampered with was noted in respect of the software to the extent it was enabled. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in those respective years except that in case of legacy software, audit trail for direct changes to data when using certain access rights, if any, in respect of financial year 2024-2025 from 1st November, 2025 to 31st March, 2025 has not been preserved by the Company.

Notes to the Standalone Financial Statements

for the year ended 31st March 2026

52. Ratio Analysis and its Elements

Ratios		Numerator	Denominator	2025-2026	2024-2025	% Variance
Current Ratio	Times	Current Assets	Current Liabilities	**3.75**	4.02	(6.72%)
Debt Equity Ratio	Times	Total Debt	Shareholder's Equity	**0.03**	0.03	0.00%
Debt Service Coverage ratio	Times	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	**14.22**	35.17	(59.57%)*
Return on Equity ratio	%	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	**9.49%**	16.99%	(44.14%)*
Inventory Turnover ratio	Times	Cost of goods sold	Average Inventory	**3.23**	3.01	7.31%
Trade Receivable Turnover Ratio	Times	Net credit sales	Average Trade Receivable	**5.81**	5.99	(3.02%)
Trade Payable Turnover Ratio	Times	Net credit purchases = Gross credit purchases - purchase return + Employee Benefits + Other Expenses	Average Trade Payables	**5.85**	6.05	(3.47%)
Net Capital Turnover Ratio	Times	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	**1.87**	1.92	(2.60%)
Net Profit ratio	%	Net Profit	Net sales = Total sales - sales return	**8.04%**	13.69%	(41.27%)*
Return on Capital Employed	%	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	**13.06%**	13.80%	(5.33%)
Return on Investment	%	Interest (Finance Income)	Investment	**6.57%**	7.82%	(15.98%)

* Reason for variation in ratios of more than 25% is due to decrease in profit as compared to previous year.

53. Previous period figures have been regrouped / rearranged, wherever necessary, to correspond to current period's presentation.

As per our attached report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership No.: 110759

Mumbai, 6th May, 2026

For and on behalf of the Board of Directors of **Kansai Nerolac Paints Limited**

Bhaskar Bhat
Chairman
DIN: 00148778

Pravin D. Chaudhari
Managing Director
DIN: 02171823

Sonia Singh
Director
DIN: 07108778

Uday S. Bhansali
Director
DIN: 00363902

Yash Ahuja
CFO
Mumbai, 6th May, 2026

G. T. Govindarajan
Company Secretary

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts Rules, 2014)

Statement Containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures

PART "A" : Subsidiaries

₹ in Crores

Name of Subsidiary	Period	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	Extent of Shareholding (in %)
KNP Japan Pvt. Ltd.	**2025-26**	1st October, 2012	NPR	**8.24**	**58.24**	**99.47**	**32.99**	**Nil**	**76.12**	**7.91**	**1.89**	**6.01**	**4.39**	**68%**
	2024-25			8.17	57.33	94.89	29.39	Nil	69.43	7.80	1.83	5.49	4.04	68%
Kansai Lanka Paints Pvt. Ltd.	**01 Apr 25 - 15 Dec 2025**	30th July, 2015	LKR	**92.37**	**(92.31)**	**21.61**	**21.55**	**NIl**	**(0.05)**	**(7.89)**	**Nil**	**(7.89)**	**Nil**	**60%**
	2024-25			77.67	(84.11)	29.95	36.38	NIl	2.03	(19.89)	Nil	(19.89)	Nil	60%
Kansai Nerolac Paints (Bangladesh) Limited	**2025-26**	17th July, 2018	BDT	**103.20**	**(204.76)**	**110.69**	**212.25**	**Nil**	**91.26**	**(26.63)**	**0.92**	**(27.55)**	**Nil**	**55%**
	2024-25			103.20	(169.36)	116.58	182.74	Nil	143.18	(29.46)	1.50	(30.95)	Nil	55%
Nerofix Pvt. Ltd.	**2025-26**	17th July, 2019	INR	**20.00**	**(33.22)**	**78.54**	**91.76**	**Nil**	**163.88**	**(7.64)**	**Nil**	**(7.64)**	**Nil**	**100%**
	2024-25			20.00	(26.04)	70.47	76.51	Nil	125.23	(15.26)	Nil	(15.26)	Nil	100%

Notes:

1. The assets and Liabilities are translated at the exchange rate prevailing at the Balance Sheet date, and income and expense items are translated at average rates of exchange for the year.
2. The reporting period of KNP Japan Pvt. Ltd, Kansai Lanka Paints Pvt. Ltd., Kansai Nerolac Paints (Bangladesh) Limited and Nerofix Private Limited are same as that of holding company i.e.1st April, 2025 to 31st March, 2026.
3. Names of subsidiaries which are yet to commence operations as at 31st March, 2026 - Nil
4. Names of subsidiaries which have been liquidated or sold during the year - Kansai Lanka Paints Pvt. Ltd

Since the company does not have any Associates or Joint Ventures, information pertaining to Part "B" to this form relating to Associates and Joint Ventures is not given.

For and on behalf of the Board of Directors of **Kansai Nerolac Paints Limited**

Bhaskar Bhat
Chairman
DIN: 00148778

Pravin D. Chaudhari
Managing Director
DIN: 02171823

Sonia Singh
Director
DIN: 07108778

Uday S. Bhansali
Director
DIN: 00363902

Yash Ahuja
CFO

G. T. Govindarajan
Company Secretary
ACS No. 8887

Mumbai, 6th May, 2026

Independent Auditor's Report

To the Members of Kansai Nerolac Paints Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Kansai Nerolac Paints Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2026, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained 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 for the financial year ended March 31, 2026. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition on sale of goods (as described in note 27 of the consolidated financial statements)	
Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives and returns, if any, ('variable consideration') as specified in the contracts with the customers.	Our audit procedures included, amongst others the following: • We read and evaluated the Group's policies for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'; • We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls related to sales including variable consideration;

Independent Auditor's Report (Continued)

Key audit matters	How our audit addressed the key audit matter
An estimate of variable consideration payable to the customers is recorded as at the year-end. Such estimation is done based on the terms of contracts, rebates and discounts schemes and historical experience. We identified estimation of variable consideration as a key audit matter because the Group's management exercises judgment in calculating the said variable consideration.	• We performed the following tests for a sample of transactions relating to variable consideration: • Read the terms of contract including rebates and discounts schemes as approved by authorized personnel. • Assessed computation of variable consideration by comparing it with the budget, schemes, past trends and evaluated the reasons for deviation, if any. • We read and assessed the relevant disclosures made within the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated 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 and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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 Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 the 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 consolidated 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Independent Auditor's Report (Continued)

Auditor's Responsibilities 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 control 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 Holding Company has adequate internal financial controls with reference to 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 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 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 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 of which we are the independent auditors 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 such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by 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.

We communicate with those charged with governance of the Holding Company 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 control 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.

Independent Auditor’s Report (Continued)

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 for the financial year ended March 31, 2026 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 Matter

(a) We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose financial statements include total assets of Rs. 235.44 Crores as at March 31, 2026, and total revenues of Rs. 167.33 Crores and net cash inflows of Rs. 6.86 Crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor’s reports have been furnished to us by the management. 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 our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company’s management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company’s management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, 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 and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the “Annexure 1” a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the ‘other matter’ paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matters stated in the paragraph (i) (vi) below on reporting under Rule 11(g);

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

Independent Auditor's Report (Continued)

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the subsidiary company, none of the directors of the Group's 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) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i) (vi) below on reporting under Rule 11(g).

(g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. The provisions of section 197 read with Schedule V to the Act are not applicable to the subsidiary company incorporated in India for the year ended March 31, 2026;

(i) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer note 35 to the consolidated financial statements;

ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2026;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2026. There were no amounts which were required to be transferred to Investor Education and Protection Fund by the subsidiary company incorporated in India during the year ended March 31, 2026.

iv. a) The respective managements of the Holding Company and its subsidiary company which is incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in the note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary 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, whether, directly or indirectly lend or ignvest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or such subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary company which is incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in the note 45 to the consolidated financial statements, no funds have been received by the respective Holding Company or such subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such

Independent Auditor's Report (Continued)

subsidiary shall, whether, 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; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 17 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. The Holding Company has migrated to upgraded version of the accounting software from legacy accounting software during the year. Based on our examination which included test checks, the Holding Company and its subsidiary company which are companies incorporated in India whose financial statements have been audited under the Act, have used three accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that in case of two accounting software, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 46 to the consolidated financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of the accounting software where audit trail has been enabled. Additionally, the audit trail of relevant prior years has been preserved by the Holding Company and its subsidiary company which are companies incorporated in India, as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years except that in case of legacy software, audit trail for direct changes to data when using certain access rights, if any, in respect of certain period for financial year 2024-25 has not been preserved by the Holding Company, as stated in note 46 to the consolidated financial statements.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 26110759NTMITK3401

Place of Signature: Mumbai
Date: May 06, 2026

Annexure 1 to the Independent Auditor's Report

Annexure 1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Kansai Nerolac Paints Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company its subsidiary company incorporated in India 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:

There are no qualifications or adverse remarks in the Companies (Auditor's Report) Order (CARO) report of the subsidiary company included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 26110759NTMITK3401

Place of Signature: Mumbai
Date: May 06, 2026

Annexure 2 to the Independent Auditor's Report

Annexure 2 to the Independent Auditor's Report of even date on the consolidated financial statements of Kansai Nerolac Paints Limited

Report on the Internal Financial Controls 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 Kansai Nerolac Paints Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements 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") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to these 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.

Annexure 2 to the Independent Auditor's Report (Contd.)

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 controls 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, the Group has maintained in all material respects, 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 internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
Partner
Membership Number: 110759
UDIN: 26110759NTMITK3401

Place of Signature: Mumbai
Date: May 06, 2026

Consolidated Balance Sheet as at 31st March, 2026

₹ in Crores

	Note	As at 31st March, 2026		As at 31st March, 2025	
ASSETS					
Non-current Assets					
Property, Plant and Equipment	2	**2085.68**		2007.06	
Capital Work-in-progress		**169.91**		221.42	
Right of Use Assets (ROU)	3	**265.19**		225.97	
Investment Property	4	**0.12**		0.12	
Goodwill on Consolidation	5A	**2.47**		2.47	
Other Intangible Assets	5B	**50.84**		10.69	
Intangible Assets Under Development		**4.78**		4.78	
			2578.99		2472.51
Financial Assets:					
Investments	6	**3.87**		3.81	
Other Financial Assets	7	**24.13**		71.04	
			28.00		74.85
Non-current Tax Assets (Net)			**226.10**		222.40
Other Non-current Assets	8		**104.35**		94.97
Total Non-current Assets			**2937.44**		2864.73
Current Assets					
Inventories	9		**1530.17**		1665.07
Financial Assets:					
Investments	10	**2361.43**		1845.98	
Trade Receivables	11	**1467.36**		1356.70	
Cash and Cash Equivalents	12	**196.79**		94.00	
Bank Balances other than Cash and Cash Equivalents	13	**28.99**		196.06	
Other Financial Assets	14	**7.69**		20.49	
			4062.26		3513.23
Other Current Assets	15		**181.24**		174.00
Total Current Assets			**5773.67**		5352.30
Total Assets			**8711.11**		8217.03
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	16	**80.87**		80.84	
Other Equity	17	**6632.91**		6342.32	
Equity attributable to owners of the Company		**6713.78**		6423.16	
Non-Controlling Interests	17	**(24.93)**		(18.70)	
Total Equity			**6688.85**		6404.46
Share Application Money Pending Allotment			**0.00**		0.00
Liabilities					
Non-current Liabilities					
Financial Liabilities:					
Borrowings	18	**8.68**		30.00	
Lease Liabilities	22	**172.33**		145.47	
Provisions	19	**17.71**		22.01	
Deferred Tax Liabilities (Net)	20	**166.39**		164.49	
Total Non-current Liabilities			**365.11**		361.97
Current Liabilities					
Financial Liabilities:					
Borrowings	21	**74.00**		87.82	
Lease Liabilities	22	**47.72**		33.10	
Trade Payables	23				
Total Outstanding dues of Micro Enterprises and Small Enterprises		**76.42**		35.98	
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		**1088.24**		1064.77	
		1164.66		1100.75	
Other Financial Liabilities	24	**231.08**		130.40	
		1517.46		1352.07	
Other Current Liabilities	25	**63.05**		66.95	
Provisions	26	**76.64**		29.79	
Current Tax Liabilities (Net)		**—**		1.79	
Total Current Liabilities			**1657.15**		1450.60
Total Liabilities			**2022.26**		1812.57
Total Equity and Liabilities			**8711.11**		8217.03
Material Accounting Policies	1				
The notes referred to above form an integral part of Consolidated Financial Statements					

As per our attached report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership No.: 110759

Mumbai, 6th May, 2026

For and on behalf of the Board of Directors of **Kansai Nerolac Paints Limited**

Bhaskar Bhat
Chairman
DIN: 00148778

Pravin D. Chaudhari
Managing Director
DIN: 02171823

Sonia Singh
Director
DIN: 07108778

Uday S. Bhansali
Director
DIN: 00363902

Yash Ahuja
CFO

G. T. Govindarajan
Company Secretary
ACS No. 8887

Mumbai, 6th May, 2026

Consolidated Statement of Profit and Loss for the year ended 31st March, 2026

₹ in Crores

	Note	Year ended 31st March, 2026		Year ended 31st March, 2025	
Income					
Revenue from Operations	27		**8051.91**		7822.97
Other Income	28		**145.94**		139.15
Total Income			**8197.85**		7962.12
Expenses					
Cost of Materials Consumed	29	**4581.64**		4572.15	
Purchases of Stock-in-trade		**508.24**		488.37	
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	30	**106.72**		8.80	
Employee Benefits Expense	31	**542.14**		501.89	
Finance Costs	32	**32.29**		31.25	
Depreciation and Amortisation Expenses	33	**228.12**		201.70	
Other Expenses	34	**1338.57**		1309.44	
Total Expenses			**7337.72**		7113.60
Profit Before Exceptional Items and Tax			**860.13**		848.52
Exceptional Items	47		**(63.15)**		629.51
Profit Before Tax			**796.98**		1478.03
Tax Expense					
Current Tax	20	**217.53**		329.29	
Adjustment of tax relating to earlier periods	20	**4.02**		—	
Deferred Tax	20	**(0.41)**		39.41	
Total Tax Expense			**221.14**		368.70
Profit for the Year			**575.84**		1,109.33
Other Comprehensive Income					
(i) Items that will not be reclassified to Consolidated Statement of Profit and Loss					
(a) Remeasurement of Employee Defined Benefit Liability		**9.48**		(4.28)	
(b) Income tax relating to items that will not be reclassified to Consolidated Statement of Profit and Loss		**(2.27)**		1.16	
Net Other Comprehensive income not to be reclassified subsequently to Consolidated Statement of Profit and Loss			**7.21**		(3.12)
(ii) Items that will be subsequently reclassified to Consolidated Statement of Profit and Loss					
(a) Exchange Differences on translation of financial statements of foreign subsidiaries		**(8.13)**		5.60	
(b) Income tax relating to items that will be reclassified to Consolidated Statement of Profit and Loss		**—**		—	
Net Other Comprehensive income to be reclassified subsequently to Consolidated Statement of Profit and Loss			**(8.13)**		5.60
Other Comprehensive Income (net of taxes)			**(0.92)**		2.48
Total Comprehensive Income for the year			**574.92**		1,111.81
Profit Attributable to :					
Owners of the Company		**589.47**		1,142.95	
Non-Controlling Interests		**(13.63)**		(33.62)	
Profit for the year			**575.84**		1,109.33
Other Comprehensive income attributable to:					
Owners of the Company		**(0.92)**		2.31	
Non-Controlling Interests		**—**		0.17	
Other Comprehensive income for the year			**(0.92)**		2.48
Total Comprehensive income attributable to:			**—**		
Owners of the Company		**588.55**		1,145.26	
Non-Controlling Interests		**(13.63)**		(33.45)	
Total Comprehensive Income for the Year			**574.92**		1,111.81
Earnings per Share (of ₹ 1 each):	36				
Basic (in ₹)			**7.29**		14.14
Diluted (in ₹)			**7.28**		14.12
Material Accounting Policies	1				

The notes referred to above form an integral part of Consolidated Financial Statements

As per our attached report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership No.: 110759

Mumbai, 6th May, 2026

For and on behalf of the Board of Directors of **Kansai Nerolac Paints Limited**

Bhaskar Bhat
Chairman
DIN: 00148778

Pravin D. Chaudhari
Managing Director
DIN: 02171823

Sonia Singh
Director
DIN: 07108778

Uday S. Bhansali
Director
DIN: 00363902

Yash Ahuja
CFO

G. T. Govindarajan
Company Secretary
ACS No. 8887

Mumbai, 6th May, 2026

Consolidated Statement of Changes In Equity

for the year ended 31st March, 2026

A. Equity Share Capital

₹ in Crores

Balance as at 1st April, 2024	**80.84**
Changes in Equity Share Capital during 2024-25	0.00
Balance as at the 31st March, 2025	**80.84**
Changes in Equity Share Capital during 2025-26	0.03
Balance as at the 31st March, 2026	**80.87**

B. Other Equity

₹ in Crores

	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total attributable to owners of the Company	Attributable to NCI	Total
Balance as at 1st April, 2025	0.30	1.88	474.12	5,841.88	12.49	11.64	6,342.32	(18.70)	6,323.62
Profit for the year	—	—	—	589.47		—	589.47	(13.63)	575.84
Other Comprehensive Income:									
Remeasurement of Employee Defined Benefit Liability	—	—	—	9.48	—	—	9.48	—	9.48
Deferred Tax on Remeasurement of Employee Defined Benefit Liability	—	—	—	(2.27)	—	—	(2.27)	—	(2.27)
Exchange differences on translation of foreign operations	—	—	—	—	—	(8.13)	(8.13)	—	(8.13)
Other Comprehensive Income, (net of tax)	—	—	—	7.21	—	(8.13)	(0.92)	—	(0.92)
Total Comprehensive Income for the Year	—	—	—	596.68	—	(8.13)	588.55	(13.63)	574.92
Elimination of MI related to Sri Lanka								2.99	2.99
Transaction with Owners in their Capacity as Owners:									
Dividends	—	—	—	(303.18)	—	—	(303.18)	(1.41)	(304.59)
Share based payment expense	—	—	—	—	6.10	—	6.10	—	6.10
RSU excercised during the year	—	—	—	—	—	—	—	—	—
Transfer adjustment	—	6.14	—	—	(6.14)	—	—	—	—
Other adjustment	—	—	—	(0.87)	—	—	(0.87)	(0.06)	(0.93)
Share of NCI in Consolidation	—	—	—	—	—	—	—	5.88	5.88
	—	6.14	—	(304.05)	(0.04)	—	(297.95)	7.40	(290.56)
Balance as at 31st March, 2026	0.30	8.02	474.12	6134.51	12.45	3.51	6632.91	(24.93)	6607.98

₹ in Crores

	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total attributable to owners of the Company	Attributable to NCI	Total
Balance as at 1st April, 2024	0.30	—	474.12	5,005.36	15.90	6.04	5,501.72	16.04	5,517.76
Profit for the year	—	—	—	1,142.95	—	—	1,142.95	(33.62)	1,109.33
Other Comprehensive Income:									
Remeasurement of Employee Defined Benefit Liability	—	—	—	(4.45)	—	—	(4.45)	0.17	(4.28)
Deferred Tax on Remeasurement of Employee Defined Benefit Liability	—	—	—	1.16	—	—	1.16	—	1.16
Exchange differences on translation of foreign operations	—	—	—	—	—	5.60	5.60	—	5.60
Other Comprehensive Income, (net of tax)	—	—	—	(3.29)	—	5.60	2.31	0.17	2.48
Total Comprehensive Income for the Year	—	—	—	1,139.66	—	5.60	1,145.26	(33.45)	1,111.81
Transaction with Owners in their Capacity as Owners:									
Dividends	—	—	—	(303.14)	—	—	(303.14)	(1.29)	(304.43)
Share based payment expense	—	—	—	—	(1.53)	—	(1.53)	—	(1.53)
RSU exercised during the year	—	1.88	—	—	(1.88)	—	—	—	—
	—	1.88	—	(303.14)	(3.41)	—	(304.67)	(1.29)	(305.96)
Balance as at 31st March, 2025	0.30	1.88	474.12	5,841.88	12.49	11.64	6,342.32	(18.70)	6,323.62

As per our attached report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership No.: 110759

Mumbai, 6th May, 2026

For and on behalf of the Board of Directors of **Kansai Nerolac Paints Limited**

Bhaskar Bhat
Chairman
DIN: 00148778

Pravin D. Chaudhari
Managing Director
DIN: 02171823

Sonia Singh
Director
DIN: 07108778

Uday S. Bhansali
Director
DIN: 00363902

Yash Ahuja
CFO

G. T. Govindarajan
Company Secretary
ACS No. 8887

Mumbai, 6th May, 2026

Consolidated Statement of Cash Flow

for the year ended 31st March, 2026

₹ in Crores

	Year ended 31st March, 2026		Year ended 31st March, 2025	
Cash Flow From Operating Activities				
Net Profit Before Tax		**796.98**		1,478.03
Adjustments for:				
Depreciation and Amortization Expenses	**228.12**		201.70	
Fair Value Gain on Financial Instruments recognised through FVTPL	**(47.19)**		(53.54)	
Unrealised Foreign Exchange Gain (Net)	**1.32**		(0.70)	
Profit on Sale of Current Investments (Net)	**(71.00)**		(60.55)	
Interest Income	**(11.02)**		(9.38)	
Dividend Income	**(0.04)**		(0.04)	
Finance Cost	**32.29**		31.25	
Profit on Sale of Property, Plant and Equipment (Net)	**(0.32)**		(0.07)	
Impairment loss allowance on trade receivables	**(1.01)**		15.19	
Share based payment expense	**6.10**		(1.53)	
Gain from closure of lease liability	**(0.20)**		(0.25)	
Proceeds from Sale of Asset held for sale	**—**		(665.44)	
Impairment of Goodwill and other assets	**5.76**		35.93	
Loss on sale of subsidiary	**3.66**		—	
Loss of Inventory due to fire	**12.67**		—	
Provision for new labour code	**44.72**		—	
		203.86		(507.43)
Operating Profit Before Working Capital Changes		**1,000.84**		970.60
Increase in Trade and Other Receivables	**(125.29)**		(101.90)	
Decrease in Inventories	**124.68**		22.39	
Increase in Trade Payables, Other Financial Liabilities and Provisions	**117.16**		38.90	
		116.55		(40.61)
Cash Generated from Operations		**1,117.39**		929.99
Direct Taxes Paid (Net of Refunds)		**(223.02)**		(257.63)
Net Cash Flows generated from Operating Activities		**894.37**		672.36
Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment and Other Intangible Assets (Including Adjustments on Account of Capital Work-In-Progress, Capital Creditors and Capital Advances)	**(213.12)**		(326.30)	
Proceeds from Sale of Property, Plant, Equipment	**0.63**		1.28	
Proceeds from Sale of Investment Property	**—**		608.74	
Tax Paid on Sale of Investment Property	**—**		(104.67)	
Purchase of Non-current Investments	**0.05**		0.09	
Purchase of current Investments	**(5,231.95)**		(5,368.09)	
Proceeds from Sale/ Redemption of Current Investments	**4,834.63**		4,958.92	
Interest Received	**11.02**		9.38	
Dividend Received	**0.04**		0.04	
(Investment in) / Proceeds from Fixed deposits	**216.05**		(158.01)	
Net Cash Flows used in Investing Activities		**(382.65)**		(378.62)
Cash Flow from Financing Activities				
Proceeds from long-term Borrowings	**—**		15.00	
Repayment of long-term Borrowings	**(21.32)**		—	
(Repayment of)/Proceeds from Current Borrowings	**(8.68)**		(12.03)	
Payment of Lease Liabilities	**(56.86)**		(50.45)	
Interest Paid	**(13.26)**		(15.50)	
Dividend Paid	**(303.18)**		(303.14)	
Net Cash Flows used in Financing Activities		**(403.30)**		(366.12)
Net (Decrease)/ Increase in Cash and Cash Equivalents		**108.42**		(72.38)

Consolidated Statement of Cash Flow (contd.)

for the year ended 31st March, 2026

₹ in Crores

	Year ended 31st March, 2026		Year ended 31st March, 2025	
Cash and Cash Equivalents at Beginning of the year the components being : (Refer note 12)				
Cash on Hand	**0.46**		0.44	
Cheques on hand	**22.85**		25.75	
Balances with Banks	**70.69**		146.04	
Deposit with Banks with less than 3 months maturity	**—**		—	
Bank overdrafts and Cash Credit (Refer Note 21)	**(64.40)**		(70.25)	
		29.60		101.98
Cash and Cash Equivalents at end of the year the components being : (Refer note 12)				
Cash on Hand	**0.46**		0.46	
Cheques on hand	**25.58**		22.85	
Balances with Banks	**115.72**		70.69	
Deposit with Banks with less than 3 months maturity	**55.03**		—	
Bank overdrafts and Cash Credit (Refer Note 21)	**(58.77)**		(64.40)	
		138.02		29.60
Net (Decrease)/ Increase as disclosed above		**108.42**		(72.38)

Debt Reconciliation Statement in accordance with Ind AS 7

₹ in Crores

	31st March, 2026	31st March, 2025
Opening Balances		
Long-term Borrowings	**30.00**	15.00
Current Borrowings (Excluding Bank overdrafts and Cash Credit)	**23.90**	35.45
Movements		
Non-Current Borrowing	**(21.32)**	15.00
Current Borrowings (Excluding Bank overdrafts and Cash Credit)	**(8.67)**	(11.55)
Closing Balances		
Non-Current Borrowing	**8.68**	30.00
Current Borrowings (Excluding Bank overdrafts and Cash Credit)	**15.23**	23.90

Notes:

i) Figures in brackets are outflows/deductions.

ii) The above cash flow statement is prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) -Statement of Cash Flows.

iii) Total amount of taxes paid amounts to ₹ 223.02 Crores (2024-2025 ₹ 362.30 Crores) during the year ended 31 March 2026 out of which ₹ 223.02 Crores (2024-2025 ₹ 257.63 Crores) pertains to tax cash flow from operating activities and balance amount of ₹ Nil (2024-2025 ₹ 104.67 Crores) pertains to tax cash flow from investing activities.

As per our attached report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership No.: 110759

Mumbai, 6th May, 2026

For and on behalf of the Board of Directors of **Kansai Nerolac Paints Limited**

Bhaskar Bhat
Chairman
DIN: 00148778

Pravin D. Chaudhari
Managing Director
DIN: 02171823

Sonia Singh
Director
DIN: 07108778

Uday S. Bhansali
Director
DIN: 00363902

Yash Ahuja
CFO

G. T. Govindarajan
Company Secretary
ACS No. 8887

Mumbai, 6th May, 2026

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

A. Corporate Information

Kansai Nerolac Paints Limited (the "Holding Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act. Company's shares are listed on National Stock Exchange of India Limited and BSE Limited. The registered office of the Company is located at 28th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai - 400013. The Holding Company is principally engaged in the manufacturing of Paints.

Kansai Paints Co. Ltd. is immediate and ultimate holding company of Kansai Nerolac Paints Limited and is based and listed in Japan. Financial Statements of Kansai Paints Co. Ltd. are available in public domain.

The Consolidated Financial Statements relate to Kansai Nerolac Paints Ltd (the "Holding Company") and its Subsidiary Companies, KNP Japan Private Limited, a company incorporated in Nepal in which the Holding Company has 68% equity holding, Kansai Paints Lanka (Private) Limited, a company incorporated in Sri Lanka in which the Holding Company has divested its stake during the year on 16th December, 2025, Kansai Nerolac Paints (Bangladesh) Limited, a company incorporated in Bangladesh in which the Holding Company has 55% equity holding and Nerofix Private Limited, a company incorporated in India in which the Holding Company has 100% equity holding, hereinafter referred to as the "Group".

The Consolidated Financial Statements for the year ended 31st March, 2026 have been reviewed by the Audit Committee and approved by the Board of Directors of the Holding Company at their meetings held on 6th May, 2026.

B. Basis of preparation

1 Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (there 'Act') and other relevant provisions of the Act, as amended from time to time.

Details of Group's Accounting Policies are included in Note 1

2 Functional and Presentation currency

The Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest crores, unless otherwise indicated.

3 Basis of measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for investments in mutual funds, non-trade equity shares, bonds and employee defined benefit plans, which are measured at fair values at the end of each reporting period.

4 Use of estimates and judgements

Critical accounting judgments and key sources of estimation uncertainty:

The preparation of the Consolidated financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the Consolidated financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i) Impairment of Goodwill

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.

ii) Critical Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amount recognised in the financial statements.

Discount rate used to determine the carrying amount of the Groups's employees defined benefit obligation.

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

Contingencies and Commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

B. Basis of preparation (contd.)

4 Use of estimates and judgements (contd.)

iii) Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful Lives of Property, Plant and Equipment

As described in Note 1(3)(c), the Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

Impairment loss allowance on trade receivables

The Group makes loss allowances for credit impaired debts based on an assessment of the recoverability of trade and other receivables. The identification of credit impaired debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and credit impaired debts expenses in the period in which such estimate has been changed.

Allowances for Inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the consolidated financial statements.

Fair value measurement of financial instruments

When the fair values of financial 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.

Defined Benefit Plans

The costs and present value of the defined benefit gratuity plan and other long-term employee benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, salary escalation rate, expected rate of return on assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, defined benefit plans are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date and the same are disclosed in Note 38, ‘Employee benefits’.

Share-based payments

The fair value of Restricted Stock Units (“RSU”) is measured using the Black Scholes model for Time based RSU’s and Monte Carlo Simulation model for Performance based RSU’s. 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 44.

Variable Consideration

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

C. Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Holding Company and its subsidiaries as at 31st March, 2026. Subsidiaries are entities controlled by the Holding Company. The Holding Company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Non-controlling Interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Group. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and consolidated balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in non-controlling interests having a deficit balance. Non-controlling interests (NCI) are measured at their proportionate share of the acquiree’s net identifiable assets at the date of acquisition.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the Investments to the extent of the Holding Company’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 1: Material Accounting Policies

1 Classification of Assets and Liabilities

Schedule III to the Act, requires assets and liabilities to be classified as either Current or Non-current.

(a) An asset shall be classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within twelve months after the reporting date; or

(iv) it 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.

(b) All assets other than current assets shall be classified as non-current.

(c) A liability shall be classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Group's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within twelve months after the reporting date; or

(iv) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(d) All liabilities other than current liabilities shall be classified as non-current.

2 Operating Cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has ascertained the operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

3 Property, Plant and Equipment

(a) Recognition and Measurement

An item of Property, Plant and Equipment that qualifies for recognition as an asset is initially measured at its cost and then carried at the cost less accumulated depreciation and accumulated impairment, if any.

The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is included in the cost of an item of property, plant and equipment.

The cost of a self-constructed item of Property, Plant and Equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Tangible Property, Plant and Equipment under construction are disclosed as Capital Work-in-progress. Item of Capital Work-in-progress is carried at cost using the principles of valuation of item of property, plant and equipment till it is ready for use, the manner in which intended by management.

(b) Depreciation

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its useful life. The Group provides depreciation on the straight line method. The Group believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is generally recognised in the Consolidated Statement of Profit and Loss unless it is included in the carrying amount of another asset.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 1: Material Accounting Policies (contd.)

3 Property, Plant and Equipment (contd.)

(b) Depreciation (contd.)

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The estimated useful lives for the current and comparable periods are as follows:

Asset Class	Useful Lives (in years) – as per Companies Act, 2013	Useful Lives (in years) – as estimated by the Group
Buildings	30-60	20-60
Plant and Equipments	10-20	10-25
Furniture and Fixtures	10	10-15
Vehicles	10	5-10
Office Equipments	5	5-10
Computers	3-6	3-6
Assets for Scientific Research	10-20	20
CCD Machines and Others	NA	5
Tools and Appliances	10	4

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

Depreciation charge for the year is displayed as depreciation on the face of Consolidated Statement of Profit and Loss.

(c) Disposal

The carrying amount of an item of property, plant and equipment 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 property, plant and equipment is included in consolidated statement of profit and loss when the item is derecognised.

4 Investment Property

(a) Recognition and Measurement

Land or building held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business is recognised as Investment Property. Land held for a currently undetermined future use is also recognised as Investment Property.

An investment property is measured initially at its cost. The cost of an Investment Property comprises its purchase price and any directly attributable expenditure. After initial recognition, the Group chooses the cost model and carries the investment properties at the cost less accumulated depreciation and accumulated impairment, if any.

(b) Depreciation

After initial recognition, the Group measures all of its investment properties in accordance with Ind AS 16's requirements for cost model. The depreciable amount of an item of investment properties is allocated on a systematic basis over its useful life. The Group provides depreciation on the straight line method. The Group believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors.

The depreciation charge for each period is generally recognised in the Consolidated Statement of Profit and Loss.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The estimated useful lives for the current and comparable periods are as follows:

Asset Class	Useful Lives (in years) - as per Companies Act, 2013	Useful Lives (in years) - as estimated by the Group
Buildings	30-60	30-60

(c) Fair Value

Fair value of investment properties is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value of investment property is disclosed in the Note 4.

(d) Gain or loss on Disposal

Any gain or loss on disposal of an Investment Property is recognised in the Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

Note 1: Material Accounting Policies (contd.)

5 **Other Intangible Assets**

(a) **Recognition and Measurement**

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are initially measured at its cost and then carried at the cost less accumulated impairment, if any.

Research and Development

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Expenditure incurred on research of an internal project is recognised as an expense in Consolidated Statement of Profit and Loss, when it is incurred.

Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. An intangible asset arising from development is recognised if, and only if, the following criteria are met:

(a) it is technically feasibile to complete the intangible asset so that it will be available for use or sale.

(b) the Group intends to complete the intangible asset and use or sell it.

(c) the Group has ability to use or sell the intangible asset.

(d) the Group can demonstrate how the intangible asset will generate probable future economic benefits.

(e) the Group has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) the Group has ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities is recognised in Consolidated Statement of Profit and Loss as incurred.

(b) **Subsequent Expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in Consolidated Statement of Profit and Loss as incurred.

(c) **Amortisation**

The Group amortises Other Intangible Assets on the straight line method. The Group believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group.The amortisation method is reviewed at each financial year-end and, if there has been any significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in accounting estimate in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The estimated useful lives as estimated by management are as follows:

Asset Class	Useful Lives (in years) - as estimated by the Group
Software	3-5
Non-Compete	5
Brand and Technical Knowhow	5-10
Customer Relationships	5

6 **Non-current assets or disposal group held for sale**

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in Consolidated Statement of Profit and Loss.

Once classified as held-for-sale, then Property, Plant & Equipment, Investment Property and Other Intangible Assets are no longer required to be amortised or depreciated.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 1: Material Accounting Policies (contd.)

7 Employee Benefits

(a) Short-term Employee Benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(b) Post-Employment Benefits:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

(i) Provident and Family Pension Fund

The eligible employees of the Group are entitled to receive post employment benefits in respect of provident and family pension fund, in which both the employees and the Group make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the provident fund managed by the trust set up by the Group, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Consolidated Statement of Profit and Loss as incurred.

In respect of contribution to RPFC, the Group has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan. The Group's contribution is recognised as an expense in the Consolidated Statement of Profit and Loss.

In respect of contribution to the trust set up by the Group, since the Group is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

(ii) Superannuation

The eligible employees of the Group are entitled to receive post employment benefits in respect of superannuation fund in which the Group makes annual contribution at a specified percentage of the employees' eligible salary (currently 15% of employees' eligible salary). The contributions are made to the Life Insurance Corporation of India (LIC). Superannuation is classified as Defined Contribution Plan as the Group has no further obligations beyond making the contribution. The Group's contribution is recognised as an expense in the Consolidated Statement of Profit and Loss.

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Group has obtained insurance policies with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC for amounts notified by LIC. The Group accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised as Other Comprehensive Income or Loss.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 1: Material Accounting Policies (contd.)

7 **Employee Benefits** (contd.)

Provident Fund Trust

In respect of contribution to the trust set up by the Group, since the Group is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation

(c) **Retirement Benefits to Executive Directors**

The liability for special retirement benefit to the Executive Directors who became entitled prior to the discontinuation of the policy, is recognised in the balance sheet at its present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected united credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest expense is calculated by applying the discount rate to the defined benefit liability. The interest expense on the defined benefit liability is recognised in the Consolidated Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in the Consolidated Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(d) **Other Long-term Employee Benefits - Compensated Absences**

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Group makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet since the Group does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

(e) **Share Based Payments**

Employees of the Group receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model and Monte Carle model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

8 **Inventories**

(a) **Measurement of Inventory**

The Group measures its inventories at the lower of cost and net realisable value.

(b) **Cost of Inventories**

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned by weighted average cost formula. The Group uses the same cost formula for all inventories having a similar nature and use to the Group.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 1: Material Accounting Policies (contd.)

8 Inventories (contd.)

(c) Net realisable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value is ascertained for each item of inventories with reference to the selling prices of related finished products.

The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of amounts expected to be realised from their sale or use. Inventories are usually written down to net realisable value item by item. Estimates of net realisable value of finished goods and stock-in-trade are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.

Amount of any reversal of write-down of inventories shall be recognised as an expense as when the event occurs.

A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

(d) Valuation of Spare parts, stand-by equipments and servicing equipments

Spare parts, stand-by equipment and servicing equipment are recognised as Property, Plant and Equipment if and only if it is probable that future economic benefits associated with them will flow to the Group and their cost can be measured reliably. Otherwise such items are classified and recognised as Inventory.

9 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. For the purpose of Cash Flow Statement, Cash and Cash Equivalents includes Bank overdrafts which are repayable on demand.

10 Government Grants

Government grants are assistance by government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the Group. Government grants are not be recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

11 Provisions and Contingent Liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 1: Material Accounting Policies (contd.)

12 Revenue Recognition

Sale of Goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances,price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Interest Income

Interest income is recognised using the effective interest method as set out in Ind AS 39 - Financial Instruments: Recognition and Measurement, when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

Royalty Income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

Dividend Income

Dividend income is recognised when right to receive payment is established and it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

13 Foreign Currency Transactions

Functional currency is the currency of the primary economic environment in which the Group operates whereas presentation currency is the currency in which the financial statements are presented. Indian Rupee is the functional as well as presentation currency for the Group.

A foreign currency transaction is recorded, on initial recognition in the functional currency, 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.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate whereas non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and 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 was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Consolidated Financial Statements are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in Other Comprehensive Income, any exchange component of that gain or loss is recognised in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognised in Consolidated Statement of Profit and Loss, any exchange component of that gain or loss is recognised in Consolidated Statement of Profit and Loss.

14 Taxation

Income tax

Income tax comprises current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

. **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 1: Material Accounting Policies (contd.)

14 Taxation (contd.)

Deferred tax (contd.)

a temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

b taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

15 Lease

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use Assets (ROU Assets)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	90 to 99 years
Buildings	2 to 10 years
Software Platform	3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 21 Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 1: Material Accounting Policies (contd.)

15 Lease (contd.)

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

16 Financial Instruments

(a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

— amortised cost;

— Fair Value through Other Comprehensive Income (FVOCI) – debt investment;

— Fair Value through Other Comprehensive Income – equity investment; or

— FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

— the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

— the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

— 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

Note 1: Material Accounting Policies (contd.)

15 Lease (contd.)

(b) Classification and subsequent measurement (contd.)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Consolidated Statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Consolidated Statement of Profit and Loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Consolidated Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Consolidated Statement of profit and loss. Any gain or loss on derecognition is also recognised in Consolidated Statement of profit and loss.

(c) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Consolidated Statement of profit and loss.

(d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Derivative Financial Instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered and are subsequently re-measured at fair value. Any changes therein are recognised in the Consolidated Statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 1: Material Accounting Policies (contd.)

17 Supplier finance arrangements

The Company has established supplier finance arrangements (Refer Note 24). The Company evaluates whether financial liabilities covered under such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement.

The Company classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the company is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (iv) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are not met, the Company derecognises its original liability toward the supplier and recognise a new liability toward the bank which is classified as bank borrowing or other financial liability, depending on factors such as whether the Company (i) has obligation toward bank, (ii) is getting extended credit period such that obligation is no longer part of its working capital cycle, (iii) is paying interest directly or indirectly, (iv) has provided guarantee or security, and/ or (v) is recognized as borrower in the bank books.

Cash flows related to liabilities arising from supplier finance arrangements that continue to be classified in trade payables in the standalone balance sheet are included in operating activities in the standalone statement of cash flows, when the Company finally settles the liability.

In cases, where the Company has derecognised its original liability toward the supplier and recognise a new liability toward the bank, the Company has assessed that the bank is acting as its agent in making payment to the supplier. Accordingly, the Company presents operating cash outflow and financing cash inflow, when bank made payment to the supplier. The payment made by the Company to the bank toward interest, if any, as well as on settlement is presented as financing cash outflow.

18 Borrowing Cost

The Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group recognises other borrowing costs as an expense in the period in which it incurs them. Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

19 Earnings Per Share

Basic earnings per share

The Group calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders and, if presented, profit or loss from continuing operations attributable to those equity holders.

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

The weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for events, other than the conversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources.

Diluted earnings per share

The Group calculates diluted earnings per share amounts for profit or loss attributable to ordinary equity holders and, if presented, profit or loss from continuing operations attributable to those equity holders.

For the purpose of calculating diluted earnings per share, the Group adjusts profit or loss attributable to ordinary equity holders, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares calculated for calculating basic earnings per share and adjusted the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 1: Material Accounting Policies (contd.)

20 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

21 Impairment Loss

Impairment of Financial Assets

The Group recognises loss allowances for expected credit losses on:

— financial assets measured at amortised cost; and

— financial assets measured at FVOCI- debt investments.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

In accordance with Ind AS 109, the Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Impairment of Non Financial Assets

An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. 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. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate.

The Group assesses at the end of each reporting period whether there is any indication that an asset is impaired. In assessing whether there is any indication that an asset may be impaired, the Group considers External as well as Internal Source of Information. If any such indication exists, the Group estimates the recoverable amount for the individual asset. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another Standard.

If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit). A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group recognises impairment loss for a cash-generating unit if, and only if, the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit. The Group allocates impairment loss of cash-generating units first to the carrying amount of goodwill allocated to the cash-generating units, if any, and then, to the other assets of the cash-generating units pro rata on the basis of the carrying amount of each asset in the cash-generating unit. These reductions in carrying amounts shall be treated as impairment losses on individual assets and recognised accordingly.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

Note 1: Material Accounting Policies (contd.)

22 Business Combinations

Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration 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. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit and loss or OCI, as appropriate.

Common control transactions

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets and liabilities. Adjustments are only made to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

(iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

(v) The identity of the reserves are preserved and the reserves of the transferor become reserves of the transferee.

(vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

2. Property, Plant and Equipment

₹ in Crores

Description	Gross Block					Accumulated Depreciation					Net Block
	As at 1st April, 2025	Additions	Deductions	Translation Difference	As at 31st March, 2026	As at 1st April, 2025	Additions	Deductions	Translation Difference	As at 31st March, 2026	As at 31st March, 2026
Freehold Land	122.76	—	—	0.23	122.99	—	—	—	—	—	122.99
	(122.30)	(0.67)	—	0.21	(122.76)	—	—	—	—	—	(122.76)
Buildings	1071.10	44.07	8.49	0.94	1107.62	289.78	31.09	2.18	0.54	319.23	788.39
	(1031.42)	(40.20)	—	0.52	(1071.10)	(259.78)	(30.16)	—	0.16	(289.78)	(781.32)
Plant and Equipments	1606.21	155.86	7.23	1.04	1755.88	729.89	75.61	4.21	0.74	802.03	953.85
	(1524.15)	(85.20)	(2.16)	0.98	(1606.21)	(659.91)	(71.63)	(1.24)	0.41	(729.89)	(876.32)
Furniture and Fixtures	31.73	3.31	0.07	0.13	35.10	21.37	1.80	0.07	0.08	23.18	11.92
	(28.74)	(3.12)	—	0.13	(31.73)	(19.82)	(1.61)	—	0.06	(21.37)	(10.36)
Vehicles	6.47	0.15	0.85	0.19	5.96	5.28	0.18	0.65	0.18	4.99	0.97
	(6.27)	(0.36)	—	0.16	(6.47)	(5.20)	(0.24)	—	0.16	(5.28)	(1.19)
Office Equipments	26.70	1.12	0.03	0.27	28.06	19.37	2.02	0.02	0.19	21.56	6.50
	(23.29)	(3.66)	(0.01)	0.24	(26.70)	(17.63)	(1.87)	—	0.13	(19.37)	(7.33)
Computers	83.47	1.60	0.73	(0.02)	84.32	60.49	9.94	0.67	(0.01)	69.75	14.57
	(76.61)	(9.18)	(2.60)	(0.28)	(83.47)	(53.59)	(9.40)	(2.60)	(0.10)	(60.49)	(22.98)
Assets for Scientific Research*	82.47	3.09	—	—	85.56	32.78	3.09	—	0.07	35.94	49.62
	(80.23)	(2.24)	(—)	(—)	(82.47)	(29.62)	(3.13)	(—)	(0.03)	(32.78)	(49.69)
CCD Machines and Others	528.09	48.04	—	0.01	576.14	393.85	46.04	—	—	439.89	136.25
	(450.08)	(78.86)	(0.88)	(0.03)	(528.09)	(358.10)	(37.83)	(2.09)	(0.01)	(393.85)	(134.24)
Colourant Machine	0.75	—	0.15	(0.01)	0.59	—	—	—	—	—	0.59
	(0.82)	(0.24)	(0.31)	—	(0.75)	(—)	(—)	(—)	(—)	(—)	(0.75)
Tools and Appliances	1.24	0.01	—	0.10	1.35	1.12	0.11	—	0.09	1.32	0.03
	(1.33)	(0.01)	(—)	0.10	(1.24)	(1.00)	(0.19)	(—)	0.07	(1.12)	(0.12)
Total Tangible Assets	**3560.99**	**257.25**	**17.55**	**2.88**	**3803.57**	**1553.93**	**169.88**	**7.80**	**1.88**	**1717.89**	**2085.68**
	(3345.24)	(223.74)	(5.96)	2.03	(3560.99)	(1404.65)	(156.05)	(5.93)	0.85	(1553.93)	(2007.06)

* Net block includes Buildings ₹ 22.84 Crores (2024-2025 ₹ 23.70 Crores), Plant and Equipment ₹ 25.32 Crores (2024-2025 ₹ 24.32 Crores) and Furniture and Fixtures ₹ 1.46 Crores (2024-2025 ₹ 2.38 Crores).

2.1. Figures in the brackets are the corresponding figures in respect of the previous year.

2.2. In above assets, net block for Plant and Machinery - ₹1.89 Crores (2024-2025: ₹ 4.45 Crores) are being secured against the term loans from banks (Refer Note 18).

2.3. In above assets, net block for Freehold Land - ₹2.91 Crores (2024-2025: ₹ 11.41 Crores), Buildings - ₹ 5.00 Crores (2024-2025: ₹ 11.88 Crores) are being secured against the term loans from banks (Refer Note 21).

2.4. Nil amount of borrowing costs is capitalised during the financial year.

2.5. Nil amount of impairment loss is recognised during the financial year.

2.6. The Group has given Colour Dispenser Machines on operating lease to its dealers. The Group enters into three years cancellable lease agreements. However, the corresponding lease rentals may be receivable for a shorter period or may be waived off. The minimum aggregate lease payments to be received in future is considered as Nil. Accordingly, the disclosure of the present value of minimum lease payments receivable at the Balance Sheet date is not made.

2.7. CWIP ageing schedule is not given as it is not material to the group i.e. it is not more than 10% of the respective balance sheet item in Consolidated Financial Statements.

3. Right of Use Assets (ROU)

₹ in Crores

Description	Gross Block					Accumulated Amortisation					Net Block
	As at 1st April, 2025	Additions	Deductions	Translation Difference	As at 31st March, 2026	As at 1st April, 2025	Additions	Deductions	Translation Difference	As at 31st March, 2026	As at 31st March, 2026
Leasehold Land	83.45	0.91	3.24	0.01	81.13	9.56	1.09	0.46	(0.11)	10.08	71.05
	(82.61)	(0.71)	—	(0.13)	(83.45)	(8.59)	(0.96)	—	(0.01)	(9.56)	(73.89)
Buildings	257.12	82.85	30.99	0.62	309.60	105.04	44.84	29.95	0.43	120.36	189.24
	(224.24)	(61.87)	(28.55)	0.44	(257.12)	(89.79)	(40.00)	(24.49)	0.26	(105.04)	(152.08)
Software Platform	—	5.71	—	—	5.71	—	0.81	—	—	0.81	4.90
	—	—	—	—	—	—	—	—	—	—	—
Total Right of Use Assets (ROU)	**340.57**	**89.47**	**34.23**	**0.63**	**396.44**	**114.60**	**46.74**	**30.41**	**0.32**	**131.25**	**265.19**
	(306.85)	(62.58)	(28.55)	0.31	(340.57)	(98.38)	(40.96)	(24.49)	0.25	(114.60)	(225.97)

3.1. Figures in the brackets are the corresponding figures in respect of the previous year.

3.2. Nil amount of borrowing costs is capitalised during the current and comparative periods.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

3. Right of Use Assets (ROU) (contd.)

3.3. Nil amount of impairment loss is recognised during the current and comparative periods.

3.4. The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) included in Right of use assets (ROU), which are not held in the name of the Company are as indicated below:

Description of Property	Gross Carrying value (Rs. in Crores)	Held in name of	Whether promotor, director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in the name of Company
Leasehold land at Vapi..............	0.12	Perma Construction Aids Private Limited	No	4 - 5 years	The said land was acquired pursuant to a scheme of amalgamation and continues to be registered in the name of amalgamating Company. However, the deed of merger has been registered by the Company.

4. Investment Property

₹ in Crores

Description	Gross Block				Accumulated Depreciation				Net Block
	As at 1st April 2025	Additions	Deductions	As at 31st March 2026	As at 1st April 2025	Additions	Deductions	As at 31st March 2026	As at 31st March 2026
Freehold Land	**0.03** (0.03)	— (50.90)	— (50.90)	**0.03** (0.03)	**—** —	— —	— —	**—** —	**0.03** (0.03)
Buildings	**1.98** (1.98)	— —	— —	**1.98** (1.98)	**1.89** (1.89)	— —	— —	**1.89** (1.89)	**0.09** (0.09)
Total Investment Property	**2.01** (2.01)	— (50.90)	— (50.90)	**2.01** (2.01)	**1.89** (1.89)	— —	— —	1.89 (1.89)	**0.12** (0.12)

4.1. Figures in the brackets are the corresponding figures in respect of the previous year.

4.2. Nil amount of borrowing costs is capitalised during the current and comparative periods.

4.3. Nil amount of impairment loss is recognised during the current and comparative periods.

4.4. During the financial year, no rental income was generated from the investment properties whereas direct operating expenses of ₹ 0.11 Crores (2024-2025 ₹ 0.08 Crores) were incurred and recorded as expense in the Consolidated Statement of Profit and Loss.

4.5. Total fair value of Investment Property is ₹ 59.18 Crores (2024-2025 ₹ 59.18 Crores).

Fair Value hierarchy

The fair value of investment property has been determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation techniques used.

Description of Valuation Technique used

The Group obtains Independent Valuations of its investment property. The fair value of the investment property have been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment property to similar properties that have actually been sold in arms-length distance from investment property or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment property; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for Investment Property.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

5. Goodwill and Other Intangible Assets

5A. Goodwill on Consolidation

₹ in Crores

Description	Gross Block				Accumulated Amortisation				Net Block
	As at 1st April, 2025	Additions	Deductions	As at 31st March, 2026	As at 1st April, 2025	Additions	Deductions	As at 31st March, 2026	As at 31st March, 2026
Goodwill	0.20	—	—	**0.20**	—	—	—	**—**	**0.20**
	(0.20)	—	—	(0.20)	—	—	—	—	(0.20)
For KNP Japan Pvt Ltd.	2.27	—	—	**2.27**	—	—	—	**—**	**2.27**
	(2.27)	—	—	(2.27)	—	—	—	—	(2.27)
For Kansai Nerolac Paints (Bangladesh) Limited (Refer Note 42)	—	—	—	**—**	—	—	—	**—**	**—**
	(17.31)	—	17.31	—	—	—	—	—	—
Total Goodwill on consolidation	**2.47**	**—**	**—**	**2.47**	—	—	—	**—**	**2.47**
	(19.78)	—	17.31	(2.47)	—	—	—	—	(2.47)

5B. Other Intangible Assets

₹ in Crores

Description	Gross Block					Accumulated Amortisation					Net Block
	As at 1st April, 2025	Additions	Deductions	Translation Difference	As at 31st March, 2026	As at 1st April, 2025	Additions	Deductions	Translation Difference	As at 31st March, 2026	As at 31st March, 2026
Software	30.05	51.59	—	0.10	**81.74**	**24.49**	10.11	—	0.04	**34.64**	**47.10**
	(27.66)	(2.47)	—	0.08	(30.05)	(21.93)	(2.51)	—	(0.05)	(24.49)	(5.56)
Customer Relationship	29.33	—	—	—	**29.33**	**29.33**	—	—	—	**29.33**	**—**
	(29.33)	—	—	—	(29.33)	(28.63)	—	—	(0.70)	(29.33)	—
Brand and Technical Knowhow	24.29	—	—	—	**24.29**	**19.16**	1.39	—	—	**20.55**	**3.74**
	(24.29)	—	—	—	(24.29)	(17.76)	(2.17)	—	0.77	(19.16)	(5.13)
Non-Compete	22.63	—	—	—	**22.63**	**22.63**	—	—	—	**22.63**	**—**
	(22.64)	—	—	0.01	(22.63)	(22.43)	(0.01)	—	(0.19)	(22.63)	—
Total Other Intangible Assets	**106.30**	**51.59**	**—**	**0.10**	**157.99**	**95.61**	**11.50**	**—**	**0.04**	**107.15**	**50.84**
	(103.92)	(2.47)	—	0.09	(106.30)	(90.75)	(4.69)	—	(0.17)	(95.61)	(10.69)

5.1. Figures in the brackets are the corresponding figures in respect of the previous year.

5.2. Nil amount of borrowing costs is capitalised during the current and comparative period.

5.3. Nil amount of impairment loss is recognised during the current and comparative period.

5.4. Intagible Asset under development ageing schedule is not given as it is not material to the group, i.e. it is not more than 10% of the respective balance sheet item in Consolidated Financial Statements.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

6. Non-current Investments

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
Investments in Equity Instruments:		
i. Others at Fair value through profit or loss		
Quoted	**1.80**	1.74
Unquoted	**2.07**	2.07
Investments in Debentures:		
Quoted	—	—
Total Non-current Investments	**3.87**	3.81
Aggregate book value of quoted investments	**1.80**	1.74
Aggregate market value of quoted investments	**1.80**	1.74
Aggregate amount of unquoted investments	**2.07**	2.07
Aggregate amount of impairment in value of investments	**Nil**	Nil

7. Other Financial Assets

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
Unsecured and Considered Good:		
Security Deposits	**23.16**	21.04
Fixed Deposit with Bank with more than 12 months maturity	**0.97**	50.00
	24.13	71.04

8. Other non-current assets

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
Unsecured and Considered Good:		
Capital Advances	**3.12**	12.76
Prepaid Expenses	**56.17**	45.22
Balances with Indirect Tax Authorities	**45.06**	36.99
	104.35	94.97

9. Inventories

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
Raw Materials	**457.46**	478.18
Packing Materials	**21.86**	19.73
Work-in-progress	**146.20**	152.16
Finished Goods	**808.30**	917.51
Stock-in-trade	**75.99**	79.66
Stores and Spares	**20.36**	17.83
	1530.17	1665.07

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

9. Inventories (contd.)

Inventories amounting to ₹ 31.24 Crores (2024-2025 ₹ 48.29 Crores) were hypothecated as security for Borrowings from Banks (Refer Note 21)

Nil amount of inventories were written down to net realisable value during the current and comparable period. Similarly, Nil amount of reversal of write down was accounted during the current and comparable periods.

Cost of Inventory recognised as an expense during the year as per note 29 and 30.

10. Current Investments

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
(A) Investments in Bonds at FVTPL (Quoted):	**2.55**	8.27
(B) Mutual Funds at FVTPL (Unquoted):	**2358.88**	1837.71
Total Current Investment (A + B)	**2,361.43**	1,845.98
Aggregate book value of quoted investments	**2.55**	8.27
Aggregate market value of quoted investments	**2.55**	8.27
Aggregate amount of unquoted investments	**2358.88**	1837.71
Aggregate amount of impairment in value of investments	**Nil**	Nil

11. Trade Receivables

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
Secured, Considered Good	**—**	—
Unsecured, Considered Good	**1,467.36**	1,356.70
Significant Increase in Credit Risk	**—**	—
Credit Impaired	**91.07**	92.08
Loss Allowance	**(91.07)**	(92.08)
	1467.36	1356.70

Trade Receivables amounting to ₹ 60.32 Crores (2024-2025 ₹ 62.95 Crores) were hypothecated as security for Borrowings from Banks (Refer Note 21).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

11. Trade Receivables (contd.)

Trade Receivables Ageing Schedule as at 31st March, 2026

₹ in Crores

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	**1185.29**	**221.39**	**37.19**	**3.27**	**13.34**	**6.88**	**1,467.36**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	—	—		—	—	—	—
(iii) Undisputed Trade Receivables – credit impaired	—	—	**0.48**	**0.42**	—	—	**0.90**
(iv) Disputed Trade Receivables considered good	—	—	—	—	—	—	—
(v) Disputed Trade Receivables - which have significant increase in credit risk	—	—	—	—	—	—	—
(vi) Disputed Trade Receivables – credit impaired	**0.51**	**0.44**	**2.27**	**28.44**	**13.67**	**44.84**	**90.17**

Trade Receivables Ageing Schedule as at 31st March, 2025

₹ in Crores

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,122.32	177.77	36.14	11.64	8.26	0.57	1,356.70
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	—	—	—	—	—	—	—
(iii) Undisputed Trade Receivables – credit impaired	—	—	0.11	0.17	—	—	0.28
(iv) Disputed Trade Receivables considered good	—	—	—	—	—	—	—
(v) Disputed Trade Receivables - which have significant increase in credit risk	—	—	—	—	—	—	—
(vi) Disputed Trade Receivables – credit impaired	1.35	1.84	1.01	27.45	18.39	41.76	91.80

12. Cash and cash equivalents

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
Cash on hand	**0.46**	0.46
Cheques on hand	**25.58**	22.85
Banks balances	**115.72**	70.69
Deposit with banks with less than 3 months maturity	**55.03**	—
	196.79	94.00

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

13. Bank Balance other than Cash and cash equivalents

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
Unpaid Dividend Accounts	**2.41**	2.46
Fixed Deposit with Bank with more than 3 months but less than 12 month maturity	**26.58**	193.60
	28.99	196.06

14. Other Current Financial Assets

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
Unsecured and Considered Good:		
Security Deposits	**1.68**	5.22
Other Receivable	**6.01**	15.27
	7.69	20.49

15. Other Current Assets

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
Unsecured and Considered Good:		
Balance with Indirect Tax Authorities	**52.96**	52.93
Trade Advances	**60.34**	56.36
Prepaid Expenses	**61.61**	61.13
Other Receivable	**6.33**	3.58
	181.24	174.00

16. Share Capital

₹ in Crores

	As at 31st March, 2026		As at 31st March, 2025	
1. Authorised Share Capital (₹ in Crores)		**85.00**		85.00
Par Value per Share (₹)		**1.00**		1
Number of Equity Shares		**85,00,00,000**		85,00,00,000
2. Issued, Subscribed and Fully Paid up (₹ in Crores)		**80.87**		80.84
Par Value per Share (₹)		**1**		1
Number of Equity Shares		**80,86,58,273**		80,84,44,880
3. Details of Shareholders holding more than 5% of shares:	%	**No of Shares**	%	No of Shares
Kansai Paint Co., Ltd., Japan	**74.96**	**60,62,03,847**	74.98	60,62,03,847
4. Aggregated number of bonus share issued during the period of five years immediately preceding the reporting date by capitalisation of security premium reserve		**26,94,59,860**		26,94,59,860

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

16. Share Capital (contd.)

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
5. The Holding Company has issued one class of shares, i.e. equity shares, which enjoys similar rights in respect of voting, payment of dividend and repayment of capital. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.		
6. Reconciliation of the number of shares outstanding:		
Number of shares at the beginning of the year	**80,84,44,880**	80,83,79,580
Issued during the year	**—**	—
Issued during the year on RSU excercising option	**2,13,393**	65,300
Number of shares at the end of the year	**80,86,58,273**	80,84,44,880
7. Disclosure of Shareholding of Promoters:		
Name of Promoter: Kansai Paint Co., Ltd., Japan		
Details of shares held by promoters:		
No. of shares at the beginning of the year	**60,62,03,847**	60,62,03,847
Change during the year*	**—**	—
No. of shares at the end of the year	**60,62,03,847**	60,62,03,847
% of Total Shares	**74.96**	74.98
% change during the year*	**0.02**	—
* the change is due to issue of Bonus shares during the previous year...		
8 Capital Management:		
For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Group. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the levels of dividends to equity shareholders.		
As at March 31, 2026, the Group has only one class of equity shares. In order to maintain or achieve an optimal structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.		
The Group monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.		
Non-current Borrowings	**8.68**	30.00
Current Borrowings	**74.00**	87.82
Gross Debt	**82.68**	117.82
Less : Cash and Cash Equivalent	**196.79**	94.00
Less : Other Bank Deposits	**26.58**	193.60
Adjusted Net Debt	**(140.69)**	(169.78)
Total Equity	**6,688.85**	6404.46
Adjusted Net Debt- Equity Ratio	**(0.021)**	(0.027)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

17. Other Equity

₹ in Crores

	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total attributable to owners of the Company	Attributable to NCI	Total
Balance as at 1st April, 2025	0.30	1.88	474.12	5,841.88	12.49	11.64	6342.31	(18.70)	6323.62
Profit for the year	—	—	—	589.47	—	—	589.47	(13.63)	575.84
Other Comprehensive Income:							—		—
Remeasurement of Employee Defined Benefit Liability	—	—	—	9.48	—	—	9.48	—	9.48
Deferred Tax on Remeasurement of Employee Defined Benefit Liability	—	—	—	(2.27)	—	—	(2.27)	—	(2.27)
Exchange differences on translation of foreign operations	—	—	—	—	—	(8.13)	(8.13)	—	(8.13)
Other Comprehensive Income, (net of tax)	—	—	—	7.21	—	(8.13)	(0.92)	—	(0.92)
Total Comprehensive Income for the Year	—	—	—	596.68	—	(8.13)	588.55	(13.63)	574.92
Elimination of MI related to Sri Lanka	—	—	—	—	—	—	—	2.99	2.99
Transaction with Owners in their Capacity as Owners:									
Dividends	—	—	—	(303.18)	—	—	(303.18)	(1.41)	(304.59)
Share based payment expense	—	—	—	—	6.10	—	6.10	—	6.10
RSU Exercised during the year	—	—	—	—	—	—	—	—	—
Transfer adjustment	—	6.14	—	—	(6.14)	—	—	—	—
Other adjustment	—	—	—	(0.87)	—	—	(0.87)	(0.06)	(0.93)
Share of NCI in Consolidation	—	—	—	—	—	—	—	5.88	5.88
	—	6.14	—	(304.05)	(0.04)	—	(297.95)	7.40	(290.56)
Balance as at 31st March, 2026	0.30	8.02	474.12	6,134.51	12.45	3.51	6,632.91	(24.93)	6,607.98

₹ in Crores

	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total attributable to owners of the Company	Attributable to NCI	Total
Balance as at 1st April, 2024	0.30	—	474.12	5,005.36	15.90	6.04	5,501.72	16.04	5,517.76
Profit for the year	—	—	—	1,142.95	—	—	1,142.95	(33.62)	1,109.33
Other Comprehensive Income:									
Remeasurement of Employee Defined Benefit Liability	—	—	—	(4.45)	—	—	(4.45)	0.17	(4.28)
Deferred Tax on Remeasurement of Employee Defined Benefit Liability	—	—	—	1.16	—	—	1.16	—	1.16
Exchange differences on translation of foreign operations	—	—	—	—	—	5.60	5.60	—	5.60
Other Comprehensive Income, (net of tax)	—	—	—	(3.29)	—	5.60	2.31	0.17	2.48
Total Comprehensive Income for the Year	—	—	—	1,139.66	—	5.60	1,145.26	(33.45)	1,111.81
Transaction with Owners in their Capacity as Owners:									
Dividends	—	—	—	(303.14)	—	—	(303.14)	(1.29)	(304.43)
Share based payment expense	—	—	—	—	(1.53)	—	(1.53)	—	(1.53)
RSU Exercised during the year	—	1.88	—	—	(1.88)	—	—	—	—
	—	1.88	—	(303.14)	(3.41)	—	(304.67)	(1.29)	(305.96)
Balance as at 31st March, 2025	0.30	1.88	474.12	5,841.88	12.49	11.64	6,342.32	(18.70)	6323.62

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

17. Other Equity (contd.)

Analysis of Accumulated OCI, Net of Tax

₹ in Crores

Remeasurement of Employee Defined Benefit Liability	As at 31st March, 2026	As at 31st March, 2025
Opening Balance	**(17.09)**	(13.97)
Remeasurement of Employee Defined Benefit Liability, net of tax	**7.21**	(3.12)
Closing Balance	**(9.88)**	(17.09)

₹ in Crores

Exchange differences on translation of foreign operations	As at 31st March, 2026	As at 31st March, 2025
Opening Balance	**11.64**	6.04
Exchange Difference on translation of foreign operations	**(8.13)**	5.60
Closing Balance	**3.51**	11.64

Capital Reserve

Capital reserve includes profit on re-issue of forfeited shares.

Securities Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Group for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Share Based Payment Reserve

The Group recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based Payment. Stock options granted by the Holding Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight line basis over the vesting period of options which is the requisite service period, with a corresponding increase in equity.

Foreign Currency Transaction Reserve

These comprise of all exchange differences arising from translation of financial statements of foreign subsidiaries.

Dividend

For the year 2024-2025, the Directors had recommended and Shareholders had approved a final dividend of 375% (₹ 3.75 per share) including special dividend of 125% (₹ 1.25 per share), which has been accounted in current year.

The Board has recommended dividend of 250% (₹ 2.5 per share) for the financial year ended March 31, 2026 as compared to total dividend of 375% (₹ 3.75 per share) including special dividend of 125% (₹ 1.25 per share), declared last year.

The dividend proposed by the Directors is subject to approval of Shareholders at the annual general meeting. The proposed dividend of ₹ 202.18 Crores (2024-2025 ₹ 303.14 Crores) have not been recognised as liabilities.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

18. Non-Current Borrowings

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
a Term Loans *	**8.68**	30.00
* Secured Loans from Bank at average interest rate of 13.50% (2024-2025: 9.50%) secured by first charge of Plant and Equipments at the units for the purpose of acquisition of assets under business combination repayable by quarterly instalment from February 2021, where the last instalment is payable in November 2024. Current Maturities of these Term Loans is provided separately in Note 21.		
* Secured Loans from NBFC at interest rate of Nil% (2024-2025: 10.70%). Loan is payable after 1 year moratorium and in 36 months till 15th March, 2029 in 12 quarterly installments along with interest payable monthly. Term Loan is secured by following primary security is Propery at Rudapur & Dadra Nagar Haveli plant with second pari - passu charge on entire current assets, present and future of the company.		
	8.68	30.00

19. Provisions

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
Provision for Gratuity (Refer note 38)	**0.78**	1.06
Provision for Special Retirement Benefits - Directors	**16.93**	20.95
	17.71	22.01

20. Income Taxes

₹ in Crores

	Year ended 31st March, 2026	Year ended 31st March, 2025
A. The major components of income tax expense for the year are as under:		
(i) Income tax recognised in the Consolidated Statement of Profit and Loss		
Current tax:		
In respect of current year	**217.53**	329.29
In respect of earlier years	**4.02**	—
Deferred tax:		
In respect of current year	**(0.41)**	39.41
Income tax expense recognised in the Consolidated Statement of Profit and Loss	**221.14**	368.70
(ii) Income tax expense recognised in OCI		
Deferred tax expense on remeasurements of defined benefit plans	**(2.27)**	1.16
Income tax expense recognised in OCI	**(2.27)**	1.16
B. Reconciliation of tax expense and the accounting profit for the year is as under:		
Profit before tax	**796.98**	1,478.03
Income tax expense calculated at 25.17% (2024-2025 @ 25.17%)	**200.60**	372.02
Tax effect on non-deductible expenses	**8.27**	6.13
Effect of Income that is exempted from tax	**(0.12)**	(0.15)
Impact of Tax on different rates on components	**(0.10)**	(0.13)
Impact of Tax due to loss in components	**13.26**	17.75
Effect of differential tax rate on sale of land	**—**	(42.62)
Effect of discontinuance of indexation on capital gains	**—**	13.32
Others	**(0.77)**	2.38
Total	**221.14**	368.70
Tax expense as per Consolidated Statement of Profit and Loss	**221.14**	368.70

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

20. Income Taxes (contd.)

The tax rate used for reconciliation above is the corporate tax rate of 25.17% (2024-2025 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:

Particulars	Balance Sheet	Statement of Profit & Loss	OCI	Balance Sheet
	01.04.2025	2025-2026	2025-2026	31.03.2026
Difference between written down value of Property, Plant and Equipment as per the books of accounts and Income Tax Act,1961	(165.90)	(6.18)	—	(172.08)
Tax adjustment on account on indexation of freehold land	0.20	—	—	0.20
Expense claimed for tax purpose on payment basis	6.33	4.22	—	10.55
Provision for doubtful debts and Advances	14.58	3.08	—	17.66
Remeasurement benefit of the employee defined benefit plans through OCI	4.46	—	(2.27)	2.19
Deferred Tax on Distributable Accumulated Reserves of Subsidiaries	(3.35)	—	—	(3.35)
Deferred tax Liability due to Purchase Price Allocation Adjustment	(12.96)	—	—	(12.96)
Lease Rentals	6.07	0.64	—	6.71
Net fair value loss on investment through FVTPL	(13.91)	(1.40)	—	(15.31)
Deferred tax (expense) / income Net Deferred tax liabilities	**(164.49)**	**0.36**	**(2.27)**	**(166.39)**

Particulars	Balance Sheet	Statement of Profit & Loss	OCI	Balance Sheet
	01.04.2024	2024-2025	2024-2025	31.03.2025
Difference between written down value of Property, Plant and Equipment as per the books of accounts and Income Tax Act,1961	(141.59)	(24.31)	—	(165.90)
Tax adjustment on account on indexation of freehold land	13.52	(13.32)	—	0.20
Expense claimed for tax purpose on payment basis	6.18	0.15	—	6.33
Provision for doubtful debts and Advances	10.92	3.66	—	14.58
Remeasurement benefit of the employee defined benefit plans through OCI	3.30	—	1.16	4.46
Deferred Tax on Distributable Accumulated Reserves of Subsidiaries	(2.91)	(0.44)	—	(3.35)
Deferred tax Liability due to Purchase Price Allocation Adjustment	(13.41)	0.45	—	(12.96)
Lease Rentals	4.82	1.25	—	6.07
Net fair value loss on investment through FVTPL	(7.07)	(6.84)	—	(13.91)
Deferred tax (expense) / income Net Deferred tax liabilities	(126.24)	(39.41)	1.16	(164.49)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

21. Borrowings

₹ in Crores

Particulars	As at 31st March, 2026		As at 31st March, 2025	
From Banks				
Term Loans*	15.23		23.42	
Overdraft #	58.77		64.40	
Current Maturities of Long-term Borrowings	—		—	
		74.00		87.82
* The Group has obtained at 13.50% - 15.00% (2024-2025 10.70% - 13.00%) term loans from bank to fund short-term fund requirement, secured by personal guarantee of local directors incase of foreign subsidiaries and hypothecation of trade receivable (Refer Note 11) and inventories (Refer Note 9). These term loans are repayable within 180 days from date of issue of such term loans.				
# The Group has obtained at 13.50% - 15.00% (2024-2025 11.00% - 13.00%) overdrafts and cash credit facilities from bank to fund working capital requirements, secured by personal guarantee of local directors incase of foreign subsidiaries, corporate guarantee by the Holding Company (Refer Note 35), hypothecation of trade receivable(refer Note 11) and inventories(Refer Note 9), pledging of Freehold Land and Building(Refer Note 2.3). These facilities are repayable on demand.				
		74.00		87.82

22. Disclosure of Lease as per Ind AS 116

The following is the summary of practical expedients elected on application:

(i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(iv) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

₹ in Crores

Particulars	Amount as at 31st March, 2026	Amount as at 31st March, 2025
ROU Balance at the beginning of the year	225.97	208.47
Additions (Refer Note 3)	89.47	62.58
Deletions (Net off accumulated depreciation) (Refer Note 3)	(3.82)	(4.06)
Amortisation cost accrued during the year	(46.74)	(40.96)
Translation difference	0.31	(0.06)
ROU Balance at the end of the year	265.19	225.97
Lease Liabilities at the beginning of the year	178.57	155.72
Additions	89.47	62.58
Interest cost accrued during the year	19.03	15.75
Payment of lease liabilities	(56.86)	(50.45)
Deletion	(10.16)	(5.03)
Lease Liabilities at the end of the year	220.05	178.57
Current Lease Liabilities	47.72	33.10
Non-Current Lease Liabilities	172.33	145.47
Total Lease Liabilities	220.05	178.57

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

22. Disclosure of Lease as per Ind AS 116 (contd.)

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases or cancelable in nature was ₹ 21.56 Crores (2024-2025 ₹ 21.30 Crores)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Not later than one year	59.80	45.88
Later than one year and not later than five years	162.05	129.37
Later than five years	47.59	43.85

23. Trade Payables

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade Payables		
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 41)	76.42	35.98
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1088.24	1064.77
	1164.66	1100.75

*Includes Acceptances ₹ 89.19 Crores (2024-2025 ₹ 133.66 Crores).

Acceptances include arrangements 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 90-120 days.

Trade Payable Ageing Schedule

As at 31st March, 2026 ₹ in Crores

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	—	76.42	—	—	—	—	76.42
(ii) Others	174.25	715.55	190.57	4.04	2.31	1.52	1,088.24
(iii) Disputed dues – MSME	—	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—	—

Trade Payable Ageing Schedule

As at 31st March, 2025 ₹ in Crores

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	—	35.98	—	—	—	—	35.98
(ii) Others	99.53	824.38	127.36	5.80	2.23	5.47	1,064.77
(iii) Disputed dues - MSME	—	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	—	—	—

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

24. Other Financial Liabilities

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
Unclaimed/Unpaid Dividends*	**2.41**	2.46
Trade Deposits	**55.52**	52.47
Creditors for Capital Goods @ (Refer Note 41)	**65.83**	31.23
Employee Benefits Payable (Refer Note 38)	**36.52**	44.04
Allowance for Financial Guarantee	**17.26**	—
Supplier Credit	**49.27**	—
Other Financial Liabilities	**4.27**	0.20
	231.08	130.40

* There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund.

@ Includes Outstanding dues of Micro Enterprises and Small Enterprises ₹ 10.26 Crores (2024-2025 ₹ 8.52 Crores)

The Holding Company has established a supplier finance arrangement that is offered to some of the Holding Company's key suppliers. Participation in the arrangement is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangement will receive early payment on invoices sent to the Holding Company from the Holding Company's external finance provider. If suppliers choose to receive early payment, they pay a fee to the finance provider, to which the Holding Company is not party. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices approved by the Holding Company. Payments to suppliers ahead of the invoice due date are processed by the finance provider and, in all cases, the Holding Company settles the original invoice by paying the finance provider in line with the original invoice maturity date described below. Payment terms with suppliers have not been renegotiated in conjunction with the arrangement. The Holding Company provides no security to the finance provider

Particulars	As at 31st March, 2026	As at 31st March, 2025
Carrying amount of liabilities under SCF arrangement (presented as Other Financial Liabilities)	**49.27**	—
- of which suppliers have received payment from finance provider	**49.27**	—
Contractual credit period agreed with suppliers/ liabilities that are not part of an arrangement	**90-120 Days**	—

25. Other Current Liabilities

₹ in Crores

	As at 31st March, 2026	As at 31st March, 2025
Statutory Obligations*	**44.35**	46.17
Trade Receivables with Credit Balance	**18.70**	20.78
Advance received against Sale of Investment	**—**	—
	63.05	66.95

* Includes payable toward GST, TDS and Employee Related Statutory Obligations.

26. Provisions

₹ in Crores

	As at 31st March, 2026		As at 31st March, 2025	
Provision for Compensated Absences (Refer note 38)		**37.10**		22.97
Provision for Gratuity (Refer note 38)		**35.37**		2.46
Provision for Special Retirement Benefits - Directors		**1.93**		1.94
Provision for Indirect Taxes:				
Opening Balance	**2.44**		2.44	
Add: Provision during the year	**—**		—	
Less: Utilisation / reversal during the year	**0.20**		—	
		2.24		2.44
		76.64		29.79

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

27. Revenue from Operations

₹ in Crores

	Year ended 31st March, 2026		Year ended 31st March, 2025	
Sale of Products				
Sales	**8,983.39**		8,737.33	
Less: Discounts and Rebates	**960.74**		950.29	
Total Sale of Products		**8,022.65**		7,787.04
Other Operating Revenues				
Sale of Scrap	**28.39**		28.57	
Others	**0.87**		7.36	
		29.26		35.93
Revenue from Operations		**8,051.91**		7,822.97

27.1. Disaggregation of revenue from contracts with customers

The Group derives revenue from sales of products from following major segments:

₹ in Crores

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
1) Revenue from contracts with customers:		
Sale of products (Transferred at point in time)		
Manufacturing		
India	**7,212.53**	6,978.35
Asia (Other than India)	**173.88**	219.99
(A)	**7,386.41**	7,198.34
Trading		
India	**633.14**	585.59
Asia (Other than India)	**3.10**	3.11
(B)	**636.24**	588.70
(C) = (A) + (B)	**8,022.65**	7,787.04
2) Other operating revenue		
Sale of scrap and empties	**28.39**	28.57
Others	**0.87**	7.36
(D)	**29.26**	35.93
Total Revenue (C) + (D)	**8,051.91**	7,822.97
Major Product lines		
Paints & other related products	**8,022.65**	7,787.04
	8,022.65	7,787.04
Sales by performance obligations		
Upon delivery	**8,022.65**	7,787.04
	8,022.65	7,787.04

Reconciliation of revenue from contract with customer

₹ in Crores

	Year ended 31st March, 2026	Year ended 31st March, 2025
Revenue from contract with customer as per the contract price	**8,983.39**	8,737.33
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	**(960.74)**	(950.29)
Revenue from contract with customer as per the Consolidated Statement of Profit and Loss	**8,022.65**	7,787.04

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

28. Other Income

₹ in Crores

	Year ended 31st March, 2026		Year ended 31st March, 2025	
Dividend Income				
Dividend from Equity Shares recognised through FVTPL		**0.04**		0.04
Interest Income				
Interest on Loans and Deposit at amortised cost	**10.13**		8.80	
Interest on Bonds recognised through FVTPL	**0.89**		0.58	
		11.02		9.38
Profit on Sale of Current Investments (Net)		**71.00**		60.55
Fair Value Gain on Financial Instruments recognised through FVTPL		**47.19**		53.54
Other Non operating Income				
Profit on Sale of Property, Plant and Equipment (Net)	**0.32**		0.07	
Foreign Exchange Gain (Net)	**0.02**		5.01	
Insurance Claims Received	**15.52**		5.51	
Miscellaneous Income	**0.83**		5.05	
		16.69		15.64
		145.94		139.15

29. Cost of Materials Consumed

₹ in Crores

	Year ended 31st March, 2026		Year ended 31st March, 2025	
Raw Material Consumed				
Opening Stock	**478.18**		490.41	
Add: Purchase	**4062.37**		4051.77	
Less: Sales	**8.20**		5.93	
Less: Closing Stock	**457.46**		478.18	
		4074.89		4058.07
Packing Material Consumed				
Opening Stock	**19.73**		20.38	
Add: Purchase	**508.88**		513.43	
Less: Closing Stock	**21.86**		19.73	
		506.75		514.08
		4581.64		4572.15

30. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade

₹ in Crores

	Year ended 31st March, 2026		Year ended 31st March, 2025	
Opening Stock				
Finished Goods	**917.51**		900.94	
Work-in-progress	**152.16**		157.17	
Stock-in-trade (in respect of goods acquired for trading)	**79.66**		100.02	
		1149.33		1158.13
Less: Closing Stock				
Finished Goods	**810.21**		917.51	
Work-in-progress	**146.20**		152.16	
Stock-in-trade (in respect of goods acquired for trading)	**75.99**		79.66	
		1,032.40		1,149.33
Less : Reclassification to Exceptional items		**(10.21)**		—
		106.72		8.80

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

31. Employee Benefits Expense

₹ in Crores

	Year ended 31st March, 2026	Year ended 31st March, 2025
Salaries and Wages	**476.49**	454.57
Contribution to Provident and Other Funds (Refer Note 38)	**32.24**	23.50
Share based Payments to Employees (Refer Note 44)	**6.10**	(1.53)
Staff Welfare Expense	**27.31**	25.35
	542.14	501.89

32. Finance Cost

₹ in Crores

	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest on Bank Borrowings	**13.26**	15.50
Interest on Lease Liability (Refer Note 22)	**19.03**	15.75
	32.29	31.25

33. Depreciation and Amortisation

₹ in Crores

	Year ended 31st March, 2026	Year ended 31st March, 2025
Depreciation on Property, Plant and Equipment (Refer Note 2)	**169.88**	156.05
Amortisation on Other Intangible Assets (Refer Note 5B)	**11.50**	4.69
Amortisation on Right of use assets (ROU) (Refer note 22)	**46.74**	40.96
	228.12	201.70

34. Other Expenses

₹ in Crores

	Year ended 31st March, 2026	Year ended 31st March, 2025
Consumption of Stores and Spare Parts	**40.78**	37.43
Power and Fuel	**90.31**	96.48
Repairs to Buildings	**1.03**	2.94
Repairs to Machinery	**21.88**	19.79
Freight and Forwarding Charges	**461.82**	432.03
Advertisement and Sales Promotion	**339.26**	366.57
Rent	**21.56**	21.30
Rates and Taxes	**5.15**	3.54
Insurance	**15.50**	11.92
Miscellaneous Expenses	**341.28**	317.44
	1338.57	1309.44

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

34.1. Payments to Auditors'

₹ in Crores

	Year ended 31st March, 2026	Year ended 31st March, 2025
Auditors' Remuneration excluding GST (Included in Miscellaneous Expenses in Note 34)		
As Auditor		
Statutory Audit	**0.57**	0.52
Report under Section 44AB of the Income-tax Act, 1961	**0.05**	0.06
Limited Review of Quarterly Results	**0.43**	0.29
In other capacity		
Certification	**0.12**	0.11
Other Matters	**0.06**	0.15
Reimbursements of Expenses	**0.06**	0.07
	1.29	1.19

35. Contingent Liabilities and commitments (to the extent not provided for)

₹ in Crores

		Year ended 31st March, 2026	Year ended 31st March, 2025
A	**Claims against the Group not acknowledged as debt:**		
	Excise and Service Tax	**8.59**	8.59
	Sales Tax	**17.66**	18.26
	Income Tax	**14.87**	7.74
	Customs Duty	**0.61**	0.61
	GST	**3.06**	0.44
	The Group has made adequate provisions in the accounts for claims against the Company related to direct and indirect taxes matters, except for certain claims not acknowledged as debts, totalling to ₹ 44.79 Crores (2024-2025 ₹ 35.64 Crores) from the Excise / Service Tax / Sales Tax / GST Authorities, in respect of disallowance of Cenvat Credit of Excise / Service Tax and Input Tax Credit of Sales Tax / GST.		
	In addition, the Company is subject to other legal proceedings in respect of other matters arisen in the ordinary course of business. The Company's management is of the opinion that ultimate liability in respect of these litigations shall not exceed the amount provided in books of account, and shall not have any material adverse effect on the Company's operation and financial position.		
B	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	**92.80**	67.93
	Corporate guarantee		
	Corporate guarantee given to Bank for loan taken by Kansai Nerolac Paints (Bangladesh) Limited – Subsidiary Company	**—**	16.73
	Others Commitment		
	Unexpired Letter of Credit	**5.12**	6.94
	Bank Guarantee	**3.58**	4.42
		146.29	131.66
C	**Contribution to Provident Fund as per Supreme Court Judgment**		
	There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The impact is not expected to be material as per the assessment made by the Group.		

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

36. Earnings Per Equity Share

	Year ended 31st March, 2026	Year ended 31st March, 2025
Basic Earnings per Equity Share before Exceptional Item (in ₹)		
Numerator:		
Profit attributable to Equity Shareholders (₹ in Crores)	**641.43**	622.80
Denominator:		
Weighted Average Number of ordinary shares at the beginning and end of the year	**80,85,11,196**	80,84,35,265
Basic Earnings per Equity Share (in ₹)	**7.93**	7.70
Diluted Earnings per Equity Share (in ₹)		
Numerator:		
Profit attributable to Equity Shareholders (₹ in Crores)	**641.43**	622.80
Denominator:		
Weighted Average Number of ordinary shares and dilutive shares	**80,92,16,103**	80,92,24,301
Diluted Earnings per Equity Share (in ₹)	**7.93**	7.70
Basic Earnings per Equity Share after Exceptional Item (in ₹)		
Numerator:		
Profit attributable to Equity Shareholders (₹ in Crores)	**589.47**	1142.90
Denominator:		
Weighted Average Number of ordinary shares at the beginning and end of the year	**80,85,11,196**	80,84,35,265
Basic Earnings per Equity Share (in ₹)	**7.29**	14.14
Diluted Earnings per Equity Share (in ₹)		
Numerator:		
Profit attributable to Equity Shareholders (₹ in Crores)	**589.47**	1142.90
Denominator:		
Weighted Average Number of ordinary shares and dilutive shares	**80,92,16,103**	80,92,24,301
Diluted Earnings per Equity Share (in ₹)	**7.28**	14.12

37. Related Party Disclosures

A related party is a person or entity that is related to the entity that is preparing its Financial Statements

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control of the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

37. Related Party Disclosures (contd.)

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Parent and ultimate controlling entity

Name	% Shareholding		Type	Principal Activities	Place of Incorporation
	2026	2025			
Kansai Paints Co., Ltd.	**74.96**	74.98	Parent and ultimate controlling entity	Manufacturing Paints	Japan

Kansai Paints Co., Ltd. is the immediate and ultimate holding company of Kansai Nerolac Paints Limited

Fellow Subsidiary Companies

Name	Type	Principal Activities	Place of Incorporation
Kansai Paint Philippines Inc.	Fellow Subsidiary	Manufacturing Paints and other related products	Philippines
Kansai Paint Asia Pacific SDN.BHD.............................	Fellow Subsidiary	Manufacturing Paints and other related products	Malaysia
Kansai Plascon Kenya Ltd...	Fellow Subsidiary	Manufacturing Paints and other related products	Kenya

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Key management personnel includes (1) Mr. Bhaskar Bhat, Chairman (2) Mr. P. P. Shah, Chairman (upto 29th January 2025) (3) Mr. Pravin Chaudhari, Managing Director (w.e.f 1st April 2025) (4) Anuj Jain, Managing Director (Upto 31st March 2025) (5) Ms. Sonia Singh, Director (6) Mr. Uday Bhansali, Director (w.e.f 6th November 2024) (7) Mr. Hirokazu Kotera, Whole-time Director (w.e.f 1st August 2024 - Upto 25th March 2026) (8) Mr. Yash Ahuja, CFO (w.e.f 1st August 2025) (9) Mr. P. D. Pai, CFO (upto 31st July 2025) and (10) #Mr. G. T. Govindarajan, Company Secretary.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

37. Related Party Disclosures (contd.)

Other entities where significant influence exist

– Kansai Nerolac Paints Limited Provident Fund

Transaction with Related Party:

₹ in Crores

Transaction Type	Relation	2025-2026	2024-2025
Sale of finished goods/Intermediates			
— Kansai Paint Philippines Inc.	Fellow Subsidiary	**5.47**	5.39
— Helios RUS LLC	Fellow Subsidiary	**1.82**	0.55
— PT Kansai Prakarsa Coating	Fellow Subsidiary	**—**	0.27
— Kansai Plascon Kenya Ltd	Fellow Subsidiary	**—**	0.01
Dividend Paid			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**227.33**	227.33
Transfer under license agreements			
Royalty Expense			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**32.67**	28.59
Technical Fees Including Reimbursement of Expenses			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**0.34**	0.55
Reimbursement of Expenses Recovered			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**2.09**	1.29
Contributions during the year (includes Employees' share and contribution)			
— Kansai Nerolac Paints Limited Provident Fund	Other entities	**1.32**	1.33
Amount of outstanding balances, including commitments in settlement			
Share Capital held by Parent Company			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**60.62**	60.62
Receivable as at Year End			
- Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**5.07**	2.98
— Kansai Paint Philippines Inc.	Fellow Subsidiary	**1.35**	0.92
Payable as at Year End			
— Kansai Paint Co., Ltd., Japan	Parent and ultimate controlling entity	**—**	0.11
Key Management Personnel			
— Employee Benefits*			
Mr. Pravin D. Chaudhari Managing Director (W.e.f 1st April 2025)		**3.00**	—
Mr. Anuj Jain, Managing Director (Upto 31st March 2025)#		**—**	13.38

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

37. Related Party Disclosures (contd.)

Transaction with Related Party: (contd.)

₹ in Crores

Transaction Type	Relation	2025-2026	2024-2025
Mr. Hirokazu Kotera, Whole-time Director (upto 31st March 2026)		**0.66**	0.45
Mr. Yash Ahuja Chief Financial Officer (w.e.f 1st August 2025)		**1.01**	—
Mr. P. D. Pai Chief Financial Officer@ (upto 31st July 2025)		**1.39**	2.42
Mr. G. T. Govindarajan Company Secretary		**1.23**	1.11
— Commission, Fees and reimbursement of expenses for attending Board /Committee Meetings to Independent Directors			
Mr. P. P. Shah, Chairman (upto 29th January 2025)		**—**	0.54
Ms. Sonia Singh, Independent Director		**0.52**	0.51
Mr. Bhaskar Bhat, Chairman		**0.51**	0.52
Mr. Uday Bhansali Independent Director		**0.16**	0.02

Related Party Transactions:

Related party transactions were made on terms equivalent to those that prevail in an arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and will be settled in cash.

* Includes commission paid for the previous year, company's contribution to PF and Super Annuation Fund and excludes accrual for commission for the current year and restricted stock units (RSU) to KMP's in accordance with the Kansai Nerolac Employee Stock Option Plan ('RSU 2022 Plan'), However, such stock options units would vest after fulfillment of vesting conditions in accordance with the RSU Plan 2022.

Employee Benefits to Mr. Anuj Jain includes commission of ₹ 5.80 Crores for previous year and retirement benefits of ₹ 4.44 Crores towards Gratuity and Leave Encashment.

@ Employee Benefits to Mr. P.D. Pai excludes retirement benefits of ₹ 2.81 Crores towards Gratuity and Leave Encashment.

As the future liabilities for gratuity, leave encashment and Director pension along with medical benefits are provided on an actuarial valuation basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

Terms and conditions

Sales:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties.

Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are made on normal commercial terms and conditions and market rates.

The transactions other than mentioned above are also in the ordinary course of business and at arms' length basis.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

38. Employee Benefits

A Defined Contribution Plans:

Contribution to defined contribution plan, recognised in the Consolidated Statement of Profit and Loss under Groups Contribution to Provident Fund and Other Funds in Employee Benefits Expenses for the year are as under:

₹ in Crores

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Employer's contribution to Regional Provident Fund Commissioner	**12.16**	10.46
Employer's contribution to Family Pension Fund	**5.86**	5.61
Employer's contribution to Superannuation Fund	**2.88**	2.74

B Defined Benefit Plans:

a. Gratuity

The following tables setout the funded status of the gratuity plans and the amounts recognised in the Group's Financial Statements as at 31st March, 2026 and 31st March, 2025:

₹ in Crores

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Change in Defined Benefit Obligation		
Defined Benefit Obligation at the beginning	**66.04**	58.86
Current Service Cost	**10.39**	6.70
Past Service Cost	**29.93**	—
Interest Expense	**4.58**	4.12
Benefit Payments from Plan Assets.	**(5.99)**	(0.11)
Benefit Payments from Employer	**(0.11)**	(7.38)
Remeasurements - Actuarial (gains)/ losses	**(9.14)**	3.85
Defined Benefit Obligation at the end	**95.70**	66.04
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning	**62.52**	45.29
Interest Income	**4.32**	4.08
Employer Direct Benefit Payments	**—**	0.11
Employer Contributions	**5.29**	16.85
Benefit Payments from Plan Assets	**(12.92)**	(3.27)
Benefit Payments from Employer	**—**	(0.11)
Increase / (Decrease) due to Plan combination	**—**	—
Remeasurements – Return on plan assets excluding amounts included in interest income	**0.34**	(0.43)
	59.55	62.52
Net Asset/ (Liability)	**(36.15)**	(3.52)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

38. Employee Benefits (contd.)

Components of Defined Benefit Cost recognized in the Consolidated Statement of Profit and Loss under Employee Benefit Expenses:

₹ in Crores

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Current Service Cost	**10.39**	6.70
Past Service Cost	**29.93**	(5.04)
Net Interest Cost	**0.26**	0.04
Defined Benefit Cost recognised in the Consolidated Statement of Profit and Loss	**40.58**	1.70

Components of Defined Benefit Cost recognised in the Statement of Other Comprehensive Income:

₹ in Crores

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Actuarial (gains) / losses on Defined Benefit Obligation	**(9.14)**	3.85
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	**(0.34)**	0.43
Defined Benefit Cost recognised in the Statement of Other Comprehensive Income	**(9.48)**	4.28

The assumptions used to determine net periodic benefit cost are set out below:

Particulars	Valuation Date	
	31st March, 2026	31st March, 2025
Discount Rate	**7.69% to 10.89%**	7.01% to 10.50%
Salary Escalation	**7.50% to 10.00%**	7.50% to 10.00%
Weighted average duration of the defined benefit obligation (years)	**10.53**	9.00

Sensitivity Analysis:

The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another. Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Scenario	31st March, 2026	31st March, 2025
Under Base Scenario	**95.70**	64.88
Salary Escalation - Up by 1%	**105.49**	71.06
Salary Escalation - Down by 1%	**91.65**	59.84
Withdrawal Rates - Up by 1%	**98.28**	64.49
Withdrawal Rates - Down by 1%	**98.32**	65.34
Discount Rates - Up by 1%	**103.27**	59.99
Discount Rates - Down by 1%	**99.54**	71.03

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

38. Employee Benefits (contd.)

Maturity Profile of Defined Benefit Obligations

Mortality Table	31st March, 2026		31st March, 2025	
Attained Age	Male	Female	Male	Female
20	**0.09%**	**0.09%**	0.09%	0.09%
25	**0.09%**	**0.09%**	0.09%	0.09%
30	**0.10%**	**0.10%**	0.10%	0.10%
35	**0.12%**	**0.12%**	0.12%	0.12%
40	**0.17%**	**0.17%**	0.17%	0.17%
45	**0.26%**	**0.26%**	0.26%	0.26%
50	**0.44%**	**0.44%**	0.44%	0.44%
55	**0.75%**	**0.75%**	0.75%	0.75%
60	**1.12%**	**1.12%**	1.12%	1.12%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Holding Company contributes all ascertained liabilities towards gratuity to the fund maintained by the Life Insurance Corporation of India. Other companies in the Group have not funded their liabilities.

The Group expects to contribute ₹ 32.06 crores (2024-2025 ₹ Nil) to the fund during the subsequent accounting year.

b. Provident fund (Managed by the Trust set up by the Group)

The Holding Company has contributed ₹ 1.32 Crores (2024-2025 ₹ 1.33 Crores) to the Provident Fund Trust. The Holding Company has an obligation to fund any shortfall on the yield of the trust's investments over the guaranteed interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall.

The details of fund and plan asset position are given below:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Plan assets at period end, at fair value	**58.55**	56.31
Present value of benefit obligation at period end	**57.95**	55.57
Asset recognised in balance sheet	**Nil**	Nil

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at 31st March, 2026	As at 31st March, 2025
Discount Rate (%)	**6.82**	7.18
Guaranteed Interest Rate (%)	**8.25**	8.25
Expected Average Remaining Working Lives of Employees (Years)	**6.70**	7.04

The Group other than the Holding Company in India contributes all ascertained liabilities towards provident fund as per rules and regulations in force in respective countries amounting to ₹1.73 Crores (2024-2025: ₹ 1.90 Crores) to respective provident authority.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

38. Employee Benefits (contd.)

c. Retirement Benefits to Executive Directors

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening defined benefit obligation	**22.84**	22.50
Current service cost	**—**	—
Past Service Cost	**—**	—
Interest expense	**1.43**	1.55
Remeasurement (gain)/loss	**(3.27)**	0.79
Benefits paid	**(2.14)**	(2.00)
Closing defined benefit obligation	**18.86**	22.84

Components of cost of Retirement Benefits to Executive Directors recognized in the Consolidated Statement of Profit and Loss under Employee Benefit Expenses:

₹ in Crores

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Current Service Cost	**—**	—
Net Interest Cost	**1.43**	1.55
Defined Benefit Cost recognised in the Statement of Profit and Loss	**1.43**	1.55

Components of cost of Retirement Benefits to Executive Director recognized in the Consolidated Statement of Other Comprehensive Income:

₹ in Crores

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Actuarial (gains) / losses on Defined Benefit Obligation	**(3.27)**	0.79
Defined Benefit Cost recognised in the Statement of Profit and Loss	**(3.27)**	0.79

d. Compensated Absences

In FY 2025-2026, increase in provision for compensated absences for the year is ₹ 14.13 Crores. (In FY 2024-2025 ₹ 3.93 Crores has been recognised in the Consolidated Statement of Profit and Loss as an expense for compensated absences).

39. Segment Reporting

The Management Committee of the Group, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Group. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Group has identified that Chief Operating Decision Maker function is being performed by the Management Committee. The financial information presented to the Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for paints and other related products of the Group. As the Management Committee monitors the business activity as a single business segment viz. ‘Paints’ and the sales substantially being in the domestic market, the financial statement are reflective of the information required by Ind AS 108 “Operating Segments”.

As the Group mainly caters to the domestic market in India, the total overseas turnover is 2.20% (2024-2025 2.87%) of the total turnover of the group, which is insignificant and hence is not seperately monitored by the Management Committee.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

40. Financial Instruments: Fair values and Risk Management

(A) Accounting Classifications and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

₹ in Crores

	Year	At FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets measured at Fair Value						
Non-current Assets: Investments (Note 6).....	**2026**	**3.87**	**1.80**	**—**	**2.07**	**3.87**
	2025	3.81	1.74	—	2.07	3.81
Current Assets: Investments (Note 10)..........	**2026**	**2,361.43**	**—**	**2,361.43**	**—**	**2,361.43**
	2025	1,845.98	—	1,845.98	—	1,845.98

There have been no transfers between Level 1 and Level 2 during the year and previous year.

(B) Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

— Credit Risk

— Liquidity Risk

— Market Risk

(i) Risk Management Framework

Risk Management Committee oversees the management of these risks. Management is supported by Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Risk Management Committee provides assurance to the management that Group's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Group's Risk Management Policies are established to identify and analyses the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk Management Policies and Systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit Risk

Credit Risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments in debt securities. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade Receivables:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes financial statements, credit agency information, industry information and in some cases bank references. Sales limits are established for each customer and reviewed constantly. Any sales exceeding those limits require approval from the management.

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 Group 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.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

40. Financial Instruments: Fair values and Risk Management (contd.)

(ii) Credit Risk (contd.)

₹ in Crores

Movement in expected credit loss allowance on trade receivable	**As at 31st March, 2026**	As at 31st March, 2025
Balance at the beginning of the year	**92.08**	56.68
Loss allowance measured at lifetime expected credit losses	**(1.01)**	35.40
Balance at the end of the year	**91.07**	92.08

Financial Instruments and Cash Deposits

Credit risks from balances with banks and financial institutions is managed by the Group's Treasury Department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(iii) Liquidity Risk

Liquidity risk the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Maturities of Financial Liabilities:

The table below analyse the Group's financial liabilities into relevant maturing grouping based on their contractual maturities:

₹ in Crores

	Year ended	**On demand**	**Upto 3 months**	**3 months to 6 months**	**6 months to 1 year**	**1 year to 3 years**	**3 years and above**	**Total**
Borrowings (Current and Non-current)	**31-03-2026**	**58.77**	**—**	**15.23**	**—**	**8.68**	**—**	**82.68**
	31-03-2025	74.03	—	13.79	—	20.00	10.00	117.82
Trade Payables	**31-03-2026**	**—**	**1,164.66**	**—**	**—**	**—**	**—**	**1,164.66**
	31-03-2025	—	1,100.75	—	—	—	—	1,100.75
Other Financial Liabilities	**31-03-2026**	**165.25**	**65.83**	**—**	**—**	**—**	**—**	**231.08**
	31-03-2025	55.13	31.23	—	—	—	—	86.36

For maturity profile of lease liabilities, refer note 22.

(iv) 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 price comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. In respect of monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level.

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments, debentures and bonds. Since the investments in equity instruments and debentures is not material and bonds being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in equity instrument and debentures is given in Note 6 and details of investments in bonds is given in Note 10.

Exposure to 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 Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the recognised underlying liabilities and firm commitments. The Group's policy is to hedge its exposures above predefined thresholds from recognised liabilities and firm commitments that fall due on timely basis. The Group does not enter into any derivative instruments for trading or speculative purposes. The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

40. Financial Instruments: Fair values and Risk Management (contd.)

₹ in Crores

Financial Assets		EURO	JPY	USD	SGD	Total
Trade Receivables	31-03-2026	—	—	2.69	—	2.69
	31-03-2025	—	—	2.31	—	2.31
Financial Liabilities						
Trade Payables (Net of Hedge)	31-03-2026	3.92	26.48	74.69	—	105.09
	31-03-2025	1.95	21.58	54.46	0.03	78.02
Net exposure to Foreign Currency Risk (Liabilities)	31-03-2026	3.92	26.48	72.00	—	102.40
	31-03-2025	1.95	21.58	52.15	0.03	75.71

Foreign Currency Sensitivity Analysis

The following table demonstrate the sensitivity to a reasonable possible change in EURO, JPY, SGD and USD exchange rates, with all other variable held constant.

₹ in Crores

	Profit or Loss		Equity Net of Tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2026				
EURO (5% movement)	(0.20)	0.20	(0.15)	0.15
JPY (5% movement)	(1.32)	1.32	(0.99)	0.99
SGD (5% movement)	—	—	—	—
USD (5% movement)	(3.60)	3.60	(2.69)	2.69
31st March, 2025				
EURO (5% movement)	(0.10)	0.10	(0.07)	0.07
JPY (5% movement)	(1.08)	1.08	(0.81)	0.81
SGD (5% movement)	(0.00)	0.00	0.00	0.00
USD (5% movement)	(2.61)	2.61	(1.95)	1.95

(v) There are no outstanding Forward Foreign Exchange Contracts entered into by the Company during current and previous year.

(vi) Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to Interest Rate Risk

Group's interest rate risk arises from borrowings and finance lease obligations. Borrowings issued at fixed rates exposes to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

Fixed-Rate Instruments	As at 31st March, 2026	As at 31st March, 2025
Financial Assets	26.58	193.60
Financial Liabilities	82.67	102.98
Net Liabilities/(Assets)	56.09	(90.62)
Variable-Rate Instruments		
Financial Liabilities	—	16.66
	—	16.66

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

40. Financial Instruments: Fair values and Risk Management (contd.)

(vi) Interest Rate Risk (contd.)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	100 bps increase	100 bps decrease
31st March 2026		
Variable-Rate Instruments	—	—
Cash Flow Sensitivity (net)	—	—
31st March 2025		
Variable-Rate Instruments	0.17	0.17
Cash Flow Sensitivity (net)	**0.17**	**0.17**

(C) Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Other Non-current assets: Investment measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	– Forecast Annual revenue growth – Forecast EBITDA growth margin – Risk adjustment discounted rate	Generally, a changes in the annual revenue growth rate is accompanied similar change in EBITDA margin.
Current investments – in mutual funds	The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.	Not applicable	Not applicable

The Group determined the fair value measurements of investments – unquoted categorised in Level 2 based on price agreed in a sale transaction between unrelated parties.

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at 31st March, 2026 and 31st March, 2025 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

41. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2025-26 and 2024-25, to the extent the Group has received intimation from the "Suppliers" regarding their status under the Act.

₹ in Crores

		As at 31st March, 2026	As at 31st March, 2025
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)......		
	Principal amount due to micro and small enterprise (Refer Note 23)...........	—	—
	Interest due on above....	—	—
(ii)	Interest paid by the Group 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	—	—

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.

42. Impairment of Goodwill (Refer with Note 5A)

(a) KNP Japan Private Limited

The business was taken over by Kansai Nerolac Paints Limited on 1st October 2012. The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

₹ in Crores

Particulars	Year Ended 31st March, 2026	Year Ended 31st March, 2025
Discount Rate....	**12.29%**	12.29%
Terminal Value Growth Rate....	**5.00%**	5.00%
Sales Growth Rate	**12.00%**	12.00%

The discount rate for 2025-2026 was post tax measure estimated based on the weighted average cost of capital. With the no debt leveraging as the company is debt-free.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term business growth rate, consistent with the assumptions that a market participant would make.

Sales growth rate has been considered based on past performance duly adjusted with future growth as envisaged by the management.

With regard to assessment of value in use, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU's to exceed their recoverable amount.

(b) Kansai Nerolac Paints (Bangladesh) Limited, Bangladesh

During the year, the Holding Company has made provision for impairment of Goodwill and other assets after taking in to account past performance, current changes in economic and market conditions i.e. Kansai Nerolac Paints (Bangladesh) Limited ₹ 5.76 Crores (2024-25: ₹ 22.69 Crores).

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

43. Disclosures as required under Schedule III to the Companies Act 2013 with respect to Consolidated Financial Statements.

a) As at and for the year ended 31st March, 2026

Name of the entity in the Group	As at 31st March, 2026		For the year ended 31st March, 2026		For the year ended 31st March, 2026		For the year ended 31st March, 2026	
	Net assets*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated total comprehensive income	₹ in crore
Holding Company								
Kansai Nerolac Paints Limited	**100.10%**	**6,695.77**	**107.64%**	**619.85**	**732.61%**	**6.74**	**108.98%**	**626.59**
Subsidiaries (Group's share)								
Indian								
Nerofix Private Limited	**(0.20%)**	**(13.22)**	**(1.33%)**	**(7.64)**	**51.09%**	**0.47**	**(1.25%)**	**(7.17)**
Foreign								
KNP Japan Private Limited	**1.00%**	**66.48**	**1.04%**	**6.01**	**—**	**—**	**1.05%**	**6.01**
Kansai Paints Lanka Private Limited	**0.00%**	**0.06**	**(1.37%)**	**(7.89)**	**—**	**—**	**(1.37%)**	**(7.89)**
Kansai Nerolac Paints (Bangladesh) Limited (formerly known as RAK Paints Limited)	**(1.52%)**	**(101.56)**	**(4.78%)**	**(27.55)**	**—**	**—**	**(4.79%)**	**(27.55)**
Total Eliminations/ Adjustments	**0.62%**	**41.32**	**(1.20%)**	**(6.94)**	**—**	**—**	**(1.21%)**	**(6.94)**
Exchange differences on translation of foreign operations	**—**	**—**	**—**	**—**	**(883.70%)**	**(8.13)**	**(1.41%)**	**(8.13)**
Total	**100.00%**	**6,688.85**	100.00%	**575.84**	**100.00%**	**(0.92)**	**100.00%**	**574.92**

b) As at and for the year ended 31st March, 2025

Name of the entity in the Group	As at 31st March, 2025		For the year ended 31st March, 2025		For the year ended 31st March, 2025		For the year ended 31st March, 2025	
	Net assets*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated total comprehensive income	₹ in crore
Holding Company								
Kansai Nerolac Paints Limited	99.40%	6,366.23	92.06%	1,021.24	(139.52%)	(3.46)	91.54%	1,017.78
Subsidiaries (Group's share)								
Indian								
Nerofix Private Limited	(0.09%)	(6.04)	(1.38%)	(15.26)	(1.61%)	(0.04)	(1.38%)	(15.30)
Foreign								
KNP Japan Private Limited	1.02%	65.49	0.54%	5.97	—	—	0.54%	5.97
Kansai Paints Lanka Private Limited	(0.10%)	(6.44)	(1.79%)	(19.90)	(2.02%)	(0.05)	(1.79%)	(19.94)

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2026

43. Disclosures as required under Schedule III to the Companies Act 2013 with respect to Consolidated Financial Statements. (contd.)

b) As at and for the year ended 31 March, 2025 (contd.)

Name of the entity in the Group	As at 31st March, 2025		For the year ended 31st March, 2025		For the year ended 31st March, 2025		For the year ended 31st March, 2025	
	Net assets*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated total comprehensive income	₹ in crore
Kansai Nerolac Paints (Bangladesh) Limited........	(1.03%)	(66.16)	(2.79%)	(30.95)	17.34%	0.43	(2.75%)	(30.52)
Total Eliminations/ Adjustments	0.80%	51.38	13.36%	148.23	—	—	13.33%	148.23
Exchange differences on translation of foreign operations	—	—	—	—	225.81%	5.60	0.50%	5.60
Total	100.00%	6,404.46	100.00%	1,109.33	100.00%	2.48	100.00%	1,111.81

**Net assets = total assets minus total liabilities*

44. Share based payments

The Holding company has granted share based incentives (Restricted Stock Units (“RSU”)) to certain eligible employees during the year ended 31st March 2026 and 31st March 2025, under Kansai Nerolac Paints Limited - Restricted Stock Unit Plan (‘RSU 2022 Plan’) approved by Nomination and Remuneration Committee (NRC). As per the scheme, the number of shares that will vest is conditional upon certain performance measures determined by NRC. The performance is measured over vesting period of the options granted which ranges from 3 to 5 years. The performance measures under this scheme include growth in sales and earnings. The options granted under this scheme is exercisable by employees till four years from date of its vesting. The Holding company has granted options at an exercise price of ₹ 1/-. Option granted will vest equally each year starting from 3 years from date of grant up to 5 years from date of grant.

	Year Ended 31st March, 2026	Year Ended 31st March, 2025
Options outstanding at the beginning of the year	**17,39,476**	18,22,737
Impact of Bonus shares on the Opening shares	**—**	—
Granted during the year.....................	**2,20,987**	3,03,480
Forfeited/Expired during the year	**(43,126)**	2,75,642
Exercised during the year.....................	**(1,67,594)**	1,11,099
Outstanding at the end of the year	**17,49,743**	17,39,476
Options excercisable at the end of the year	**2,86,177**	70,190

The Holding Company has estimated fair value of options using Black Scholes model for Time based RSU’s and Monte Carlo Simulation model for Performance based RSU’s. The following assumptions were used for calculation of fair value of options granted during the year ended 31st March, 2026.

	Estimate	
Assumption factor (Black Scholes model)	**2025-2026**	2024-2025
Risk free rate	**6.87%–7.23%**	6.87%–7.23%
Expected life of option	**3-5 years**	3-5 years
Expected volatility.....................	**29.97%-37.80%**	29.97%-37.80%
Fair Value per RSUs.....................	**278.31 - 431.74**	278.31 - 431.74

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

44. Share based payments (contd.)

	Estimate	
Assumption factor (Monte Carlo Simulation model)	**2025-2026**	2024-2025
Risk free rate	**6.76% - 7.15%**	6.76% - 7.15%
Expected life of option	**3.25 - 2.08 years**	3.25 - 2.08 years
Expected volatility	**28.07% - 34.2%**	28.07% - 34.2%
Fair Value per RSUs	**165.88 - 281.84**	165.88 - 281.84

45. Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group has been no transaction with struck off company during current and previous year.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity, 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 Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group 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,

(vii) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

46. Audit Trail

The Holding Company has migrated to upgraded version of the accounting software from legacy accounting software during the year. The Holding Company and its Subsidiary Company which are companies incorporated in India, have used three accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled by the Holding Company at the database level insofar as it relates to SAP accounting software for direct changes to data when using certain access rights. In case of subsidiary company, audit trail feature is not enabled at the database level insofar as it relates to Focus accounting software. Further, no instance of audit trail feature being tampered with was noted in respect of the software to the extent it was enabled. Additionally, the audit trail of prior years has been preserved by the Holding Company and its Subsidiary as per the statutory requirements for record retention to the extent it was enabled and recorded in those respective years except that in case of legacy software, audit trail for direct changes to data when using certain access rights, if any, in respect of financial year 2024-25 from November 01, 2025 to March 31, 2025 has not been preserved by the Holding Company.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2026

47. Exceptional Items

₹ in Crores

Exceptional Items	Year ended 31st March 2026	Year ended 31st March 2025
Additional employee benefit cost based on actuarial valuation on account of implementation of the Wage Code.	**(44.72)**	—
Loss due to fire incident at its warehouse located at Ghaziabad (UP)	**(12.67)**	—
Profit on Sale of Investment Property at Lower Parel, Mumbai	**—**	665.44
Provision for impairment of Goodwill and other assets after taking in to account past performance, current changes in economic and market conditions:		
- Kansai Paints Lanka (Private) Limited (The Holding Company has divested its stake during the year on 16th December, 2025)	**—**	(13.24)
- Kansai Nerolac Paints (Bangladesh) Limited	**(5.76)**	(22.69)
Total	**(63.15)**	629.51

48. The figures for the previous year have been regrouped/ reclassified wherever necessary to confirm with the current year's classification.

As per our attached report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership No.: 110759

Mumbai, 6th May, 2026

For and on behalf of the Board of Directors of **Kansai Nerolac Paints Limited**

Bhaskar Bhat
Chairman
DIN: 00148778

Pravin D. Chaudhari
Managing Director
DIN: 02171823

Sonia Singh
Director
DIN: 07108778

Uday S. Bhansali
Director
DIN: 00363902

Yash Ahuja
CFO

G. T. Govindarajan
Company Secretary
ACS No. 8887

Mumbai, 6th May, 2026

Summarised Standalone Statement of Profit and Loss of 15 Years

₹ in Crores

Year	Total Revenue#	Cost of Materials/ Products	Employee Benefits Expenses	Other Expenses	Finance Costs	Depreciation and Amortisation Expenses	Exceptional Item	Tax Expense	Profit after Tax	Dividend	Dividend per Share (₹)	Earnings per Share Basic (₹)	Earnings per Share Diluted (₹)	Net Worth per Share (₹)
2011-2012	2624.84	1740.41	106.94	415.91	0.09	56.35	—	89.24	215.90	59.28	11.00	40.06	—	197
2012-2013	2872.94	1942.62	118.14	459.76	0.02	47.11	—	90.80 &	214.49 &	59.28	11.00	39.80 &	—	224 &
2013-2014	3174.35	2133.95	135.88	532.10	0.45	64.98	—	100.42	206.57	59.28	1.10 ~	3.83 $	—	26 $
2014-2015	3570.85	2364.44	143.30	596.50	0.02	67.69	—	127.23	271.67	75.45	1.40 ~	5.04 $	—	30 $
2015-2016	3765.88	2348.36	170.11	640.08	0.00	67.72	—	176.10	363.51 &	164.37	3.05 ^^	6.65 &	—	46
2016-2017	4097.29	2342.95	198.12	727.31	0.00	69.49	—	253.48	505.94	161.67 €	3.00 €	9.39	—	52
2017-2018	4658.99	2774.07	226.56	796.17	0.00	75.79	—	270.00	516.40	140.11 €	2.60 €	9.58	—	58
2018-2019	5235.50	3302.53	255.38	873.71	0.00	90.47	—	246.06	467.35	140.11 €	2.60 €	8.67	—	64
2019-2020	4970.03	3057.62	269.38	834.55	5.00	119.88	—	148.20	535.40	169.76 €	3.15 €	9.94	—	70
2020-2021	4809.75	2957.44	268.62	686.91	8.48	149.01	(10.82)	183.47	530.60	282.93 *€	5.25 *€	9.85	—	76
2021-2022	5981.76	4129.26	312.37	859.93	9.87	153.82	(11.39)	130.79	374.33	121.25 *€	2.25 *€	6.95	—	77
2022-2023	7111.85	4955.34	333.84	997.95	9.73	164.63	0.00	163.93	486.43	145.51 €	2.70 €	6.02	6.02	85
2023-2024	7486.41	4769.73	401.76	1198.93	12.46	179.96	642.25	382.95	1182.87	303.15 €	3.75 *€	14.63	14.62	70
2024-2025	7638.77	4852.61	447.18	1222.79	15.09	193.68	479.19	365.37	1021.24	303.15 €	3.75 *€	12.63	12.62	79
2025-2026	**7891.69**	**5004.29**	**490.28**	**1258.44**	**18.41**	**221.36**	**(60.70)**	**218.36**	**619.85**	**202.18 €**	**2.50 €**	**7.67**	**7.66**	**83**

Net of Rebates & Excise Duty upto 2014-2015, From 2015-2016, net of Rebates and Discounts.

& Before Exceptional Items (Net of Tax).

$ Re-calculated consequent to the subdivision of Equity Share of face value of ₹ 10 each to 10 (ten) equity shares of ₹ 1 each

~ Consequent to the subdivision of Equity Share

^^ Includes Special Dividend of ₹ 1.25 per share.

€ The dividend proposed by the Directors is subject to approval of shareholders at the annual general meeting. The proposed dividend have not been recognised as liabilities.

* Includes Interim Dividend ₹ 1.25 per share paid on 27th November 2020 and Special Dividend of ₹ 2.00 per share for FY 2020-2021

Includes Interim Dividend ₹ 1.25 per share paid on 22nd November 2021 for FY 2021-2022

Includes Special Dividend of ₹ 1.25 per share for FY 2023-2024

Includes Special Dividend of ₹ 1.25 per share for FY 2024-2025

Figures pertaining to 31st March, 2021 have been recast to give effect of merger of Marpol Private Limited and Perma Construction Aids Private Limited with Company.

Figures from financial year 2015-2016 are Ind AS compliant

KANSAI NEROLAC PAINTS LIMITED

A SUBSIDIARY OF KANSAI PAINT CO., LTD., JAPAN

28TH FLOOR, A-WING, MARATHON FUTUREX, N.M. JOSHI MARG, LOWER PAREL, MUMBAI 400 013.

www.nerolac.com

KANSAI PAINT

NEROLAC

KANSAI NEROLAC PAINTS LIMITED

Registered Office: 28th Floor, A-wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai 400 013, Maharashtra
Tel.: +91 22 40602500 / 40602501 • **Website:** www.nerolac.com • **Investors Relations e-mail ID:** investor@nerolac.com
Corporate Identity Number (CIN): L24202MH1920PLC000825

Date: 15th June, 2026

Dear Shareholder,

Sub: Notice of 106th Annual General Meeting of Kansai Nerolac Paints Limited and Annual Report 2025-26

This is to inform you that the 106th Annual General Meeting ("AGM") of Kansai Nerolac Paints Limited is scheduled to be held on Thursday, 9th July, 2026 at 11 a.m. (IST) through Video Conferencing and Other Audio-Visual Means ("VC/OAVM").

The Annual Report for the financial year 2025-26 ("Annual Report") including Notice of the AGM of the Company is available on the website of the Company.

In terms of Regulation 36(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the web-link including the exact path where complete details of the Annual Report is available, is as given below, for the Shareholders who have not registered their email address either with the Registrar and Transfer Agents of the Company/Depository Participant(s):

https://www.nerolac.com/investors/financial-results.html

(Exact Path – www.nerolac.com > Investors > Financial Information > FY: 2025-2026 > Annual Report)

The Annual Report 2025-26 can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.

A physical copy of the Annual Report can be obtained by the Shareholders from the Company, on request. Shareholders who have already requested for a physical copy this year need not send a request again. Shareholders are requested to mention their folio no./ DP ID and Client ID while writing to the Company.

In compliance with the relevant Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, and relevant provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the AGM will be held without the physical presence of Shareholders at a common venue.

Please note that since the AGM is being held through VC/OAVM, whereby physical attendance of Members has been dispensed with and in line with the relevant Circulars, the facility to appoint a proxy to attend and cast vote for the Shareholder is not made available for this AGM and hence, the Proxy Form is not annexed to the Notice of the AGM.

Key details for the AGM and dividend are as under:

Sr. No.	Particulars	Details
1.	Record date for Dividend	Monday, 29th June, 2026
2.	E-voting start date and time	Monday, 6th July, 2026, from 9 a.m. (IST)
3.	E-voting end date and time	Wednesday, 8th July, 2026, till 5 p.m. (IST)
4.	Dividend payment date	On or after Tuesday, 14th July, 2026

You are welcome to attend the Annual General Meeting of your Company.

We request you to update your KYC including email ID etc. by:

- approaching your Depository Participant(s), for the shares held in demat form.
- approaching the Registrar and Transfer Agents of the Company, through their website on https://web.in.mpms.mufg.com/helpdesk/Service_Request.html for shares held in physical form.

Further, we wish to inform that pursuant to a program by IEPF Authority - "Saksham Niveshak", the Shareholders whose dividend remain unpaid/unclaimed are encouraged to claim their dividends by updating their KYC details (viz., PAN, Bank account details, contact details, choice of nomination, specimen signature) to prevent transfer of shares/dividends to IEPF. Relevant Circular in this regard is available on the website of the Company at www.nerolac.com.

Yours faithfully,
For **Kansai Nerolac Paints Limited**

G. T. Govindarajan
Company Secretary