

MANAGEMENT DISCUSSION AND ANALYSIS



Sharper focus. Stronger footing. As markets evolve and ambitions rise, we stay attuned to the signals - reading between the lines, scaling with intent, and shaping outcomes that matter.



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MANAGEMENT DISCUSSION AND ANALYSIS

MACRO-ECONOMIC LANDSCAPE

In a year marked by persistent geopolitical tensions and policy transitions, the global economy displayed commendable resilience, though regional performance varied considerably. US, the world's largest economy, put all the concerns around soft-landing, hard-landing aside and continued to grow strongly reflecting resilience in private demand and a robust job market. In contrast, China facing dual challenges of low inflation and slow growth, was a drag on the overall global growth. Even the Euro-zone economy slowed much more than expected. Inflation, which was a major concern impacting all economies in the previous couple of years, slowed across all major economies opening scope for monetary easing across geographies though not to the same extent as envisaged at the start of the year.

Amidst this global backdrop of resilient growth, Indian economy saw a modest slowdown in economic activity relative to the robust growth delivered in the previous year. Bulk of this slowdown was on account of weak urban consumption on the back of tepid wage growth and consistent inflation impacting their disposable incomes. Rural consumption, on the other hand, exhibited pick-up with support from above-normal overall monsoon and higher agriculture output and prices. Like in other major economies, domestic headline inflation softened falling from 5.4% in the previous financial year to a six-year low of 4.6% in FY 2024-25. Tighter monetary policy, particularly restrictions on credit flows to non-productive sectors, also weighed on leveraged consumption. However, with inflation easing and fiscal support increasing, the consumption outlook is expected to improve in the near term.

2024 was a politically significant year, with elections across major economies, including India, the US, the UK, and France. While the national elections in India delivered results on expected lines with continuity of the Central Government, the election outcome in US is the one that will be reverberating on the world order for times ahead. The US Government's policy framework entails more protectionism and this has already created a lot of uncertainty across its major trade partners. This is bound to lead to heightened volatility across financial markets and every economy will have to brace for this in the year ahead. Meanwhile, the on-going geo-political conflicts will continue to strain the global outlook further.

Amidst this uncertain global backdrop of higher trade protectionism and trade conflicts, the focus will be on India's domestic consumption driven growth story. Rural consumption is expected to remain healthy with tailwinds from favourable monsoon, farm and non-farm wage growth and continued focus from Central and State governments on rural-focused welfare spends.



Slowing trend in urban consumption is also expected to wane after almost two years and the budgetary support in terms of lower personal income taxes for the lower-income and middle-income households is expected to provide a boost to consumption. Tighter fiscal and loosening monetary policy is further expected to support fall in interest rates in the domestic economy and with rebound in public capex cycle by the Government, its trickle-down effect in terms of rural and urban wages will support consumption trends in the near term.

Over the long-term, the firm commitment to structural reforms aimed at widening the manufacturing footprint across identified critical sectors and further accelerating the public digital infrastructure, provides a strong comfort on continued resilience of the India story and the huge opportunities this offers to industries across sectors.

The Indian coatings market is also expected to benefit from this secular growth trend in the country. Rapid urbanisation and expansive infrastructure development will fuel consumption of architectural as well as industrial coatings. With growing environmental consciousness, demand for eco-friendly coatings solutions across applications will also be on the rise. And this will further propel the efforts in research and adoption of new-age technology to bring out environmentally sustainable products and solutions.

BUSINESS REVIEW

Decorative business in India

FY 2024-25 was a challenging year for the decorative paints industry, marked by softer growth and uneven demand patterns. Urban markets remained under pressure due to subdued consumer sentiment, shaped by persistent, albeit moderating inflation. This was reflected in downtrading trends across categories. In contrast, rural demand showed relative resilience, buoyed by a favourable monsoon and stronger agricultural output. And while the overall demand environment was challenging, the industry saw heightened competition intensity from existing as well as new players, adding pressure to overall revenue momentum.

In this environment, we continued to focus on expanding the 'bottom of the pyramid' offerings, with Neo Bharat (latex paint reinforced with special polymer technology) and the Sparc range of products under Tractor Emulsion and Ace, enabling a stronger ladder for the consumer. This helped arrest the challenges of slow growth in the economy emulsions. The lower end emulsions basket was also supported by sub-segmentation of products to enable various offerings across finish parameters.

The premium and luxury emulsions performed in line with industry growth. We have enabled sharp proposition offerings and communication that will also be strong drivers in this new financial year. All Protek, Royale Glitz, Nilaya Arc are some recent innovations and builders to the envisaged futuristic portfolios. The Creme' finish of Royale Glitz with mechanised tools is a 'never seen before' offering. These have been furthered by Color Awards - a forum for top end Applicators to take these up with selling and advisory propositions. Specific unique offerings, including Dust proof proposition, a wide range of shade offerings with deep bases and our tried and tested warranty period.

The waterproofing category recorded growth across interior and exterior offerings, especially the terrace applications, offering not just excellent waterproofing property but also heat resistance. Superior offering of 25-year warranty in Infinia, Décor options under Damp Proof Play and upgrade option of Damp proof Xtreme were introduced in the year.

We continued to focus on expanding the 'bottom of the pyramid' offerings, enabling a stronger ladder for the consumer.



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In the wood-finish category while mainlines continued the penetration across markets, the fast growth segment of PU+ was leveraged through work with Architects, Furniture manufacturers supported by Field Technologists. With more than a decade of innovation in tools and implements, we are now recognised as category leaders in this adjacency.

In a category-first move, we introduced limited-edition packaging that celebrates the cultural richness of regions such as Kashmir, Karnataka, Tamil Nadu and Maharashtra.



These were designed to offer a personalised experience, with QR-enabled augmented reality bringing the narrative behind each design to life, creating a distinctive customer journey that blended tradition with technology.

We continued to focus on our leadership in 'Colour'. Since 2003, we have explored the influence of colour across lifestyles and disciplines, collaborating annually with experts from design, architecture, sociology, and art to define future design directions. The trends released for 2025 take this journey ahead with our shade and colour tools, collaterals enabling the leading practitioners across architects, interior designers and application professionals.

'Cardinal', anointed the 'Colour of the Year' 2025, is a shade that embraces every feeling from quiet contemplation to vibrant expression. It is a dusky, soulful shade that honours the complexity of being human—a reminder to find beauty in raw, unfiltered authenticity.

We continued to invest in channel partnerships with investment in training, lead generation under Beautiful Homes Painting Services, store upgrades and renovation for better consumer involvement, further reinforcing our bonds with our channel partners. Dealers have been our strength and medium for taking our varied offerings to consumers and applicators country wide.

Enabling a holistic business with sustainability for the dealer, value for money for the consumer and benefits to the contractor through good quality offerings, ease of transaction and pride for all stakeholders continues to be one of our work philosophy and we will work for further improvements in the time to come.

The tried and tested offerings of Asian Paints are proven in the words and love of consumer – after all India Ka Har Doosra Ghar Kehta hai – Asian Paints.



Artist Name: Miriam Badjo & Gangu Bhai
Name: Dreams in her Scapes, 2024

B2B business in decoratives and specialised products

What began nearly two decades ago as an extension of our retail business to serve large-format users has now matured into a key growth engine for our Company. The B2B team is not only present in the realty sector with paints and allied products but over the past 5 years has also created the key sub-vertical of Factories, Institutions and Corporates (FIC). In FY 2024–25, we further strengthened our capabilities with the creation of a dedicated B2G (Business-to-Government) team to capitalise on the infrastructure momentum across the country. This team is supported through technical collaborations with premier institutions such as the Indian Institutes of Technology (IITs) and other leading government research and testing bodies, along with experienced industry consultants.

The year saw us establishing product leadership through innovative solutions, taking these solutions to the various clients and bodies via numerous Knowledge Leadership Initiatives with empanelled speakers across streams and stakeholders. With increased consumer awareness and informed preferences, the realty sector continues to offer huge opportunities for us to fulfil the new-build as well as repainting segment demand for quality paint products. The FIC team has built strengths with flooring, waterproofing, metal coatings application systems among others. We have worked with leading corporates and factories across sectors including automotive, pharmaceutical, semi-conductor, data centres, chemical units and corporate offices and showrooms.

In the B2G segment, significant efforts were directed toward specifications and technical validations with major focus in projects of Defence, Railways, Civil Aviation, Roads, Chemicals, Irrigation and Urban Housing.

Among others, significant inroads were made across Gati-Shakti projects, bullet train and urban metro corridors, infrastructure projects in the the North-East. Product segments that enable this continuously are in the space of waterproofing solutions, corrosion resistant offerings and a wide variety of solutions that enable repairs, restoration and rehabilitation. With infrastructure development impetus across the country, our construction chemicals range has led from the front and seen tremendous success with us proudly participating in a number of landmark projects with some first in the world breakthrough products.

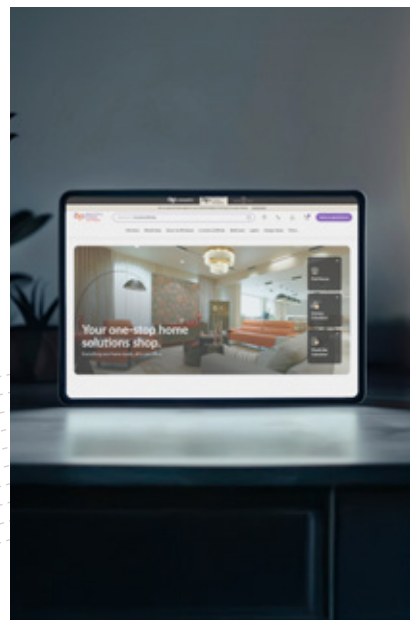
Innovations that differentiate solutions from a product-based approach to an industry first service-based approach has seen a lot of takers given how we have addressed pain points of consumers for long-term satisfaction leading to lasting relationships. Going ahead, we are planning to ramp up our presence across geographies and product ranges in line with the spends government has laid down for some critical ministries, industries and geographies.

Home Décor

Our home décor foray is with an aspiration of being the foremost integrated home décor brand in India, partnering with customers in their journey of creating their dream homes. And this aspiration is being realised through a range of product and service offerings in the wider Home Décor space through a robust Phygital network – digital presence via the website and social media platforms and strategically located physical stores to enable unparalleled consumer accessibility.

A continuously evolving inspirational décor content, immersive engagement and good design curation to build a new-age home décor, is at the heart of this digital experience.

The digital platform www.beautifulhomes.asianpaints.com continues to serve as India's leading online destination for design inspiration, décor content, and curated services.



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↑ Atrio, a Beautiful Home Studio in Guwahati, Assam

Beautiful Homes Stores

Our Beautiful Homes Stores (BH Stores) network further reinforced our leadership in FY 2024–25, scaling to 72 stores across 54 cities, and delivering strong revenue growth across all décor categories. These stores function as end-to-end décor destinations, offering curated collections, personalised consultations, and advanced visualisation tools that enable informed decision-making. Our omni-channel approach remains a key strength. Influencer-led campaigns reached over 16 Million individuals, while our growing digital community of 6 Lakh+ followers continues to engage with premium design content daily. These efforts have translated into stronger customer relationships and an elevated in-store experience, underlined by consistently high NPS scores.

72

Beautiful Homes Stores
across 54 cities

16 Million+

Individuals reached through
our influencer-led campaigns

FY 2024–25 was a milestone year for our BH Stores vertical registering strong revenue growth across all décor categories.

The performance across both existing and new categories underscores the strength of our portfolio, execution focus, and consumer trust.

This year marked strategic progress in premium retail formats. We expanded the Beautiful Homes Studio footprint to Guwahati and Surat, building on the success of the Chennai Studio. These studios offer immersive experiences and showcase premium collections across furniture, fabrics, rugs, and lighting—positioned for discerning consumers and design professionals. Further elevating our premium play, we introduced the Signature Store format, an exclusive format to allow our paint retailers to offer high-end luxury décor, with two launches in Mumbai. These formats offer an integrated, high-end product suite across kitchens, baths, doors, windows, furnishings and more, set within a sophisticated retail environment enhanced by intelligent lighting and interactive design tools. These formats continue to drive stronger engagement and conversion in the luxury segment. Looking ahead, we will continue to innovate and deepen category penetration in the existing stores.

Technology-led in-store innovations and seamless phygital journeys will be central to our value proposition. With strong partnerships across the architect

and designer ecosystem, and a robust supply chain to support scale, Asian Paints is well-positioned to lead India's organised home décor market and drive sustained growth in this vertical.

Décor Pro

We significantly expanded the 'Category Expertise' programme for our teams, bringing in-depth knowledge of paint and décor categories in 42 cities across India. This strategic initiative has delivered strong results across our diverse portfolio, including PU+ premium wood finishes, paints, fabrics, wallpaper, decorative lighting, kitchen, bath fittings and uPVC. The programme has strengthened our connect with the Architect and Interior Designer (AID) community, serving as a single point of engagement for over 5,000 AIDs across India. This direct interface has played a key role in increasing preference for our product range and reinforcing Asian Paints as a preferred full-spectrum décor solutions provider.



White Teak

The past year saw subdued demand conditions across décor categories and this was evident in White Teak Decorative lights business as well. The adverse conditions got further amplified due to the disruption caused by the BIS challenges last year which had a huge impact in sales and servicing for all the LED products. As a result of this, the total revenue achieved in FY 2024-25 was ₹ 107 Crores as compared to ₹ 133 Crores in the previous year.

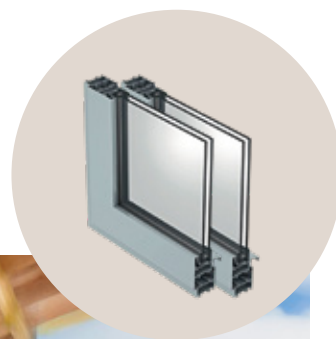
However, amidst this difficult environment we have strived to ensure that White Teak has maintained and built further on its positioning of being most elevated omni-channel décor experience and the leading brand in Decorative lights in the country. We launched six stores in tier 2 cities to enhance our presence across these markets, taking the full format experience stores count to 26. Our new store in Mumbai, launched during the year, is our largest store in the country, integrating furniture and light offerings, strengthening our play in home décor. The customised design vertical, implemented in FY 2023-24, is fully functional, showing our design and execution supremacy, building strong testimonies for brand – White Teak, across customers and AIDs.

Weatherseal

Weatherseal by Asian Paints is one of India's leading uPVC & System Aluminium Windows & Doors Company. Since the inception, Weatherseal has partnered with India's top developers and architects, completing over 5 Million sq ft of premium installations. Our products are crafted using cutting-edge European technology and internationally certified materials—ensuring durability, aesthetic excellence, and long-term energy efficiency. From soaring high-rises to elegant homes, our commitment to quality, innovation, and client satisfaction continues to set us apart in the industry.

With state-of-the-art manufacturing facilities in NCR region and Bengaluru, and a pan-India presence across 80 stores, Weatherseal provides end-to-end solutions—from precision manufacturing to expert installation.

For the FY 2024-25, the retail segment registered a strong revenue trajectory, with a growth of more than 50%. The B2B projects segment saw a conscious pulldown given the extremely tight pricing scenario in the market. As a result, at an overall level, revenues of ₹ 53 Crores in the current year remained flat as compared to the previous year. The successful launch of our System Aluminium range has opened new growth avenues in FY 2024-25. With a robust order book and encouraging market response, we are poised to further strengthen Asian Paints' presence in this segment in the coming year.



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Furnishings & Wallcoverings

During the year, we consolidated our No. 1 position in Wallcoverings and continued to bring marquee product offerings to India.

We launched new collaborations with marquee international players such as Pierre Frey and Sanderson Design Group.

We launched Nilaya Play and Nilaya Once Wall W.R.A.P. — a category-first, patented paint-film innovation that is anti-bacterial, anti-fungal, water-resistant, and offers market-leading coverage of 100 sq ft per roll. This breakthrough has significantly reduced installation time, enabling complete home makeovers in just three days, transforming how consumers experience wall décor.

We made remarkable strides in the furnishings business and continued to be placed amongst the top two players in the industry. With our extensive network, we continue to lead innovation in designs with collections such as Paradox, Munro, and the Dori series. We set up a market leading Design Excellence team to create a strong awareness and traction for the design forward collections. In FY 2024-25, we set the groundwork for further developing our Ador brand, through a concerted integrated media campaign creating a strong awareness and traction for the brand.



↑ Nilaya Anthology, Mumbai

Nilaya Anthology

We recently launched Nilaya Anthology in the heart of Mumbai at Lower Parel. It is a singular design destination, spread across 100,000+ sq.ft., A canvas for the most considered curation that is inspired by nature, craftsmanship, colour and history. It is already predicted to have a major imprint in the world of design and culture across India and beyond.

It is a first-of-its-kind retail experience that celebrates over 150 extraordinary makers who are revered both locally and internationally. With a vision to shape sensibilities and create an Indian design philosophy, this is a project with ambitions that are both monetary and meaningful.

Nilaya Anthology's curation includes many leading designers and icons like Sabyasachi, Cassina, Ginori 1735, House of Finn Juhl, Kashmir Loom, Living Divani and LEMA to name a few.

Nilaya Anthology gives equal weight to regional crafts communities as it does to world-renowned pioneers, one-off antique objects and modern designs; all tied together by their respect for process, provenance and the people who make excellent design.

Nilaya Anthology functions as a masterbrand filling a critical gap in the design landscape by building and nourishing partnerships with handpicked international and domestic brands, artists, and designers.

The response since launching in February 2025 has been extraordinary. Nilaya Anthology has been lauded for everything from its architecture and curation to its exclusive debut of Nina Yashar's world-renowned Nilufar Gallery. It has become a place celebrated by press, collectors, and everyday consumers alike.

As Nilaya Anthology continues to evolve, it aspires to be a cultural and creative landmark, redefining the way India is positioned in the world of luxury interiors.

Décor and consumer services

Last year, our Beautiful Homes Solution shifted the trajectory from order booking to revenue and closed the year with a strong order completion, servicing more than 1,500+ customers.

Our flagship interior design service is now available in 13+ cities. Customer satisfaction has been a key focus, resulting in significant improvement in our Net Promoter Score over last year, which is aiding our business through referrals. We had also elevated the consultation experience by launching our own Inhouse Designer Software for Full Home Interiors and introduced several inhouse categories, customised designs backed with strong execution support with timely visibility of on-site work.

Our products are made keeping in mind the urban sensibilities of homeowners. The offering includes a comprehensive solution for homeowners seeking designs that blend adaptability and functionality, style, and personalisation. With the addition of newer categories such as wall panels, false ceilings, Beautiful Homes Service will become the most sought-after brand in the world of interior design.

Our brand's Trusted Contractor Service and Beautiful Home Painting Services connects customers with trained contractors, providing affordable options and further enhancing customer satisfaction.

With an extensive network and innovative features like real-time dealer dashboarding, product scanning for secondary liquidation visibility, and geotagging capabilities, we continue to redefine excellence in the professional painting services landscape. Demonstrating remarkable growth, adaptability, and innovation, we continue to improve our painting services and boast a service partner footprint spanning hundreds of towns across India, catering to the needs of 2.5+ Lakhs consumers.



During the year, we solidified our position as the largest painting service brand in the country, further elevating our service through superior workmanship, attention to detail and customisation as per individual tastes and preferences together with premium quality products and professionalism. Our Platinum tier of service has continued to be well-received across the country. Through a further scaling up of our Contractor Service across geographies, we have continued to build strong relationships with trained contractors, who also act as influencers, and with our customers who have access to cost-effective paint solutions.



↑ Nilaya Anthology, Mumbai

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Kitchen

Sleek International Private Limited (Sleek), our wholly-owned subsidiary, has now merged business operations with Asian Paints from March 2025 as per scheme of amalgamation. The business operates in both, the full modular kitchens solution and components segment in this space.

In the full modular kitchen, wardrobe, and fitted furniture space, Sleek provides design-to-execution services through a national network of dealer-owned Sleek showrooms, offering premium, contemporary, and customised solutions to cater to diverse consumer preferences and project requirements. With a strong design, material, and execution pedigree that has been built over 30 years, Sleek continues to strengthen its position as a leader in the modular kitchen segment, increasingly servicing both consumers and large-scale residential developers.

In FY 2024-25, Sleek's modular kitchen business continues its network leadership with exclusive presence in over 300 stores across 160 cities and towns. In the components business we distribute a comprehensive range of kitchen hardware, accessories, appliances, wardrobe fitting and other hardware through 100+ distributors to over 4,000+ retailers pan-India.

Business performance

Sleek modular business had a healthy growth in the fiscal year. Luxury kitchens and wardrobes continued to contribute more than 35% of the value, reflecting Sleek's brand positioning as the preferred premium brand by customers and architects. A milestone achievement for Sleek this year was expanding manufacturing capabilities to inaugurate a new plant in Wada, Maharashtra, with a built-up area of 72,000 sq ft and a modular production capacity of 2.1 Lakhs sq ft per month. To achieve an enhanced design-to-manufacture journey, Sleek launched Dezigno, an in-house digital platform that offers seamless integration between consumer preferences, design visualisation, and factory execution. Dezigno significantly elevates the design experience, optimises delivery timelines, and improves operational accuracy. Sleek has also significantly enhanced its last-mile installation with over 150 trained carpenter teams overseen by supervisors and equipped with advanced tools.

As part of product development, Sleek launched Guardian cabinets, an innovative kitchen cabinetry solution that provides complete protection against any water leakages and termite infestations. It also introduced pre-laminated shades, a curated palette of finishes catering to the ever-evolving customer aesthetic. With inter-functional collaboration and continuous efforts, Sleek has serviced over 5,000 architect sites during the year and aims to significantly expand this collaborative effort in the coming year.

During FY 2024-25, the components segment witnessed muted demand environment and there was some amount of uncertainty due to announcements of Anti-Dumping Duty and BIS certification requirements in core category products. This resulted in a price revision action for imported products while simultaneously working to develop domestic vendors before the BIS implementation dates. We had an increased focus on India sourcing to derisk from the same in the future in other categories.



Our efforts in new products introduction in the recent years continued to yield results with overall contributions increasing to 25% of sale.

We have rolled out Sleek Select, a retailing solution to enhance customer selection of relevant kitchen hardware and accessories at the point of sale and have 100+ counters operational in this model. In the year, we expanded our product portfolio to bed fittings and other innovative solutions. We also made further inroads in supplying material to the OEM segment.

Our focus continues to be on selling our kitchen hardware and accessories through premium hardware showrooms, supported by focused efforts around carpenters while providing superlative solutions to consumers.

Bath Fittings and Sanitaryware

In our Bath Fittings and Sanitaryware business, we continued to scale our presence across both retail and project markets, offering solutions tailored to varied aesthetic, functional, and décor preferences. With a growing portfolio of innovative products and differentiated offerings, we remain focused on delivering quality, design-led experiences that align with evolving customer needs.

Business performance

In FY 2024–25, the Indian bath industry recorded modest and mixed growth, influenced by varying performance across product segments and price tiers. Although long-term enablers such as urban development, sanitation awareness,



and government-led housing schemes provided a stable foundation, the year proved challenging for the industry due to inflationary pressures, project delays in real estate, and a more cautious consumer mindset. Premium and branded categories experienced a slowdown, while demand remained more resilient in the mid to economy segments, particularly among regional and value-focused players. The business recorded revenues of ₹ 356 Crores during the year, leveraging the network and product expansion initiatives undertaken.

We maintained a strong focus on expanding both premium and economy portfolio. Our products under Bathsense CANVAS, a differentiated offering with a superior in-house developed coating provides a 25-year warranty with its unique Lotus-25 hydrophobic technology, continue to receive positive feedback from architects and top-end channel partners. Canvas Play, a concept that allows architects to mix and match different colour combinations on our faucets basis their design preferences, was also launched in the latter part of the year and was well received.

During the year, Bathsense introduced top-end 5 Way Neocontrol+ thermostat products supporting the technical superiority of the product offerings and attractively positioned Bathsense in the market as a partner of choice.

The business also launched new ranges in EssEss, which offers competitively priced products in value for money segment. PuraShield was another coatings led solution developed inhouse by Asian Paints R&T to provide a comprehensive solution to TDS and hard water related issues on faucet aesthetics. Plumber training and knowledge development continued to be focal points during the year, and these were driven by accreditation-led programmes. Our commitment to strong after-sales service standards remains a significant factor that sets us apart in both project-based and retail channels.

We continued to leverage the strengths of the Asian Paints group across technology, retail network with beautiful homes, the architect community and synergy with projects to make further inroads in the bath industry.

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Supply chain

From the supply chain perspective, the year presented a very dynamic set of challenges. After a period of relative stability in upstream supply flows, the early part of the year witnessed some disruptions, followed by container shortages towards the close of the year. Despite these pressures, commodity prices remained largely subdued, aided by the global economic slowdown. However, the introduction of US tariffs and reciprocal trade actions later in the year dampened trade sentiment and exerted deflationary pressure on input costs.

In this context, our integrated supply chain approach that spans sourcing, procurement, backward integration, manufacturing, logistics, manufacturing technology, sustainability and joint value creation provided the strategic and tactical lever that ensured that we were able to offer differentiated products as well as opportunities to delight our customers together with our commitment to service excellence. With the demand conditions being quite dynamic, it was critical to enhance our next generation planning and execution engine to continue to deliver our world-class same-day order fulfilment benchmarks. This year, we scaled up our new Raw Material Procurement Planning solution MPX, which took an integrated view of the entire network to optimise the procurement cost while ensuring vendor share. It goes beyond traditional planning, capturing decades of purchasing expertise, optimising vendor shares, material alternates and country-wide inventories. Tailored for Asian Paints, MPX delivers significant cost efficiencies while enhancing production and storage synergies across facilities.

By enabling faster, integrated procurement planning, it allows our teams to focus more on strategic collaboration. MPX also drives our backward integration initiatives, strengthening self-sufficiency. Today, this engine stands as a strategic backbone by minimising costs, boosting supply chain agility and ultimately enabling us to serve customers better. Further, our foray into multiple product categories only intensified this year and the supply chain continued to support the launch of a plethora of innovative products with agility and expand the segmented supply chain. Our focus was also on maintaining optimum working capital despite the complex demand conditions.

We adopt a comprehensive stage-gate process to assess and onboard potential suppliers across multiple parameters, including quality, delivery, price competitiveness and legal compliance. The evaluation also critically examines ESG factors, such as environmental policies, management system implementation and self-declarations on human rights practices. Our efforts to cocreate value with raw material suppliers has yielded strong results this year as have our efforts to drive value and sustainability in the space of packaging. We continued to work on bringing in sourcing and formulation savings.

We continued to ride the wave of evolving changes in India's logistics sector to optimise our cost and carbon footprint. This year, we worked with our partners to set up dedicated fleets to unlock greater opportunities both in costs and in service. Frequent demand sensing, powered by machine learning is enhancing inventory management and minimising stockouts, thereby improving order fill rates. All these efforts will continue to give us strong competitive advantage in the medium term.

During the year, our factories continued on the maturity curve of the manufacturing excellence programme that saw strong engagement from our shop floor teams. This year, we drove more than 8,300 Kaizens and 260+ Blitz and Profit Improvement projects, thus creating a substantial measured value on the ground. Under the Vyansamadhanam initiative, we continued to demonstrate our sincere commitment towards the safety and well-being of our people and operations. This year, six of our plants have achieved the 'Generative Stage' in Behaviour Based Safety (BBS) and remaining two plants are in the 'Proactive Stage'. The drive towards road safety expanded to the larger organisation. We also took great strides in the domain of process safety through targeted investments in barriers and leveraging technology for proactive and reliable detection of process safety incidents and escalation in case of deviations.

This year we commissioned our expansions in Mysuru and Ankleshwar facilities. The Mysuru factory is now a 6 Lakh KL per annum facility – making it the largest paint factory in the world.

The Ankleshwar facility is an engineering marvel where we have built both flexibility and scale within the existing space.

↓ Mysuru plant



International business

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



Operating environment

Raw material prices remained benign for most part of the year, with a minor deflationary trend. This allowed most markets to operate at stable prices throughout the year and allowed all subsidiaries to focus on developing their business activities. However, interest rates continued to be at record high in many of the economies we operate in. Inflation in Egypt, Ethiopia and Bangladesh continued its upward trend and adequate price

increases were taken in Ethiopia and Bangladesh market to protect margins. Operating costs have been under tremendous pressure across these markets due to high inflationary environment. Supply chain bottlenecks also continued intermittently across many subsidiaries due to geopolitical issues.

The year was also characterised by unprecedented events in many geographies, where we operate. Bangladesh was witness to political events in August 2024 which had an impact on the overall economic scenario in the country in that period. This period also saw disruption in operations and an impact on consumer demand. At the same time, the unit was able to get back to normalising operations, and spring back into regular transactions quickly. Bangladeshi Taka remained under pressure throughout the year and the availability of US Dollar has been scarce, leading to issues in raw material supplies.

Operations in South Pacific were also impacted by the strong earthquake in Vanuatu in December 2024, which disrupted normal life and cut off communication and logistics routes for a while. Our teams in the South Pacific were able to restore operations in January 2025 and have been working with the community there to build back housing and infrastructure.

The Egyptian Pound broadly remained stable in FY 2024-25 after a depreciation of nearly 53% in March 2024, following a 66% currency depreciation in FY 2022-23. With IMF support and government reforms, overall macroeconomic sentiment improved, and construction activity remained robust, driving steady demand in the coatings market. Construction activity and demand for housing continued at a strong pace in Egypt.

Ethiopia, which has been experiencing US dollar shortages for many years now, witnessed a massive currency devaluation. While such a massive devaluation led to initial operational disturbances, availability of USD has improved thereafter and is expected to further improve.

Business performance

Across regions, focused operational interventions helped mitigate the impact of currency depreciation and inflationary headwinds. All subsidiaries undertook rigorous initiatives to enhance operational efficiency, optimise working capital, and preserve liquidity, which proved essential in managing volatility in Egypt, Ethiopia and Bangladesh. Prices were increased wherever necessitated by the inflation in raw material and packing material.

At the same time, a series of initiatives across the Middle East, Egypt and South Asia units to connect with consumers through powerful product and service propositions has provided for a stronger business foundation for the future. The work of expanding the network and user base, across markets, continued with renewed energy - capturing new network counters, enrolling new contractors and improving consumer mind share. Growth in premium-luxury products played a pivotal role and enabled deeper shop-shares in existing critical and competitive retailers. We also continued our focus on product value propositions and worked on launching/revamping products across markets, ensuring better quality and comprehensive offerings to consumers. Décor and painting solutions offered under the umbrella of Safe Painting Solutions have been well-appreciated, revolutionised customer experiences and have helped us create a strong differentiator vis-à-vis competition.

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Asia (South Asia and Indonesia)

Nepal has made a steady recovery in the areas of liquidity, new construction and overall market situation. Collections have been under tremendous pressure earlier but was managed well. Series of steps were taken by the unit to aid the customers in areas of financing and secondary sales. All these measures ensured a good recovery, increasing the number of actively transacting dealers through the year.

Due to uncertainty in Bangladesh, overall industrial relations atmosphere remained fragile in the country. Top line and profitability remained under pressure due to the uncertain market conditions and high inflation. Extensive work was carried out in working capital management and developing engaging propositions despite challenges. In Bangladesh, our offering of superlative performance in the 'Ultra Nonstick' Interior and Exterior Emulsion ranges has galvanised the category by offering innovation based high-performance paints for both aesthetics, stain and dust-free performance for years. It has seen significant consumer traction in the second half of the year. Premium and Luxury products coupled with waterproofing and construction chemicals played a strong role in overall performance. Sri Lanka's revival journey has been strong - the country took extensive measures for confidence build-up and the currency kept becoming stronger and stronger, well aided by IMF at regular intervals.

We also took measures for growth in all markets and across products, with specific focus on the Auto and Exterior Waterproofing category and achieved a much better than expected performance, including market share gain. Aggressive network reach work was carried out across geographies through marketing campaigns, dynamic servicing and focus on specific product categories. The Aquasafe Exterior Waterproofing Paint has been able to win over consumers across the country with its strong performance both on superior whiteness and protection from rain in the value segments.

Growth journey in Indonesia remained tough with a very slow scale-up and pressure on profitability and cashflows due to sub-scale operations. We evaluated all possibilities and took the step of exiting the market in March 2025 through divestment.

Africa

The Egyptian market remained uncertain and volatile with significant devaluation of currency leading to high inflation, dip in consumer demand and changing priorities of the customers. We took extensive measures to tackle uncertainty and competition post devaluation.



The Painter Loyalty Programme – Masterstrokes – continued to increase in both the number of active members as well as the number of transactions. Beautiful Homes Painting Service also continued to do well, providing access to a large number of consumers across the country. Cost reduction initiatives were also undertaken across all areas to ensure lesser dent on profitability.

In Ethiopia, civil unrest continued in parts of the country creating supply chain bottlenecks. Massive devaluation took place during the year leading to significant forex fluctuation losses and impacting the profitability. However, we took sufficient measures in forex management, product pricing and sourcing leading to a better than expected performance.

Middle East

The Middle East region has been a strong contributor in overall success of international operations, untouched by the currency issues.

Deflationary environment and strong investments in housing projects aided overall business prospects for the region. The highlight of business performance was the series of extensive efforts initiated to connect with the Arabic consumer at the time of Eid, with the powerful idea of 'Little



↑ Décor ideas store in Muscat, Oman

Changes, Big Impact' which linked how small décor highlights made a big impact on the overall look of the home in the festive time. Premium-Luxury product category along with waterproofing and construction chemicals continued to be the strategic focus areas for a meaningful presence in the region. Investments have been made in engaging with contractors and consultants to create a long-term partnership.

A first of its kind, colour and décor inspiration store came up in Muscat, Oman in August 2024. This store allows consumers to explore choices in colour and design for their homes, aided by our expert Colour Consultants. The store has drawn strong footfalls, and provided good leads for business since its initiation. We also had the first colour trend forecasting outputs sharing event – The Colour Next - in Muscat, drawing participation from the design and influencer community in the country.

In Bahrain, while the retail segment registered marginal growth, the projects business faced headwinds and remained below expectations. In Qatar, customer experience and market presence improved following the establishment of a wholly owned subsidiary, which has enhanced local responsiveness and operational control.

South Pacific

Recovery in tourism has been good and aided overall growth. Extensive work was carried out in contractor's activation and project sales. Retail conditions in Fiji remained subdued through the year due to heavy rains and floods at various periods. The Islands' performance was inconsistent with Vanuatu badly affected by a major earthquake in December.

Industrial business in India

Asian Paints operates in the Industrial Coatings segment through two 50:50 JVs with PPG Industries Inc. USA – PPG Asian Paints Pvt. Ltd. (PPG-AP) and Asian Paints PPG Pvt. Ltd. (AP-PPG).

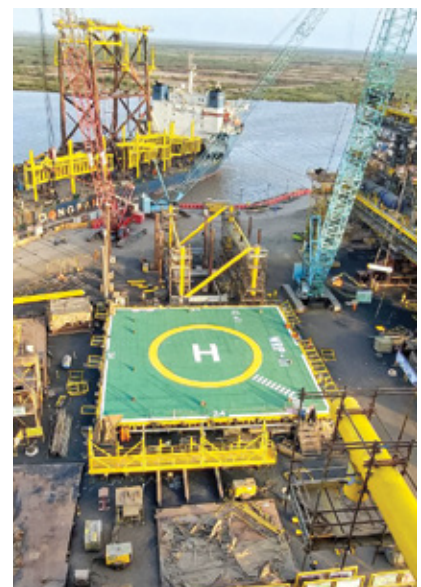
Automotive, industrial, refinish, packaging and marine coatings

PPG Asian Paints Private Limited hereinafter referred to as 'PPG-AP' (a joint venture between PPG Industries Inc., USA and Asian Paints Limited, India), one of the largest industrial coatings suppliers in India, PPG-AP manufactures and trades in paints, coatings and adhesives and sealants for automotive Original Equipment Manufacturers (OEMs), industrial segments, automotive refinish segment, packaging and marine segments.

Operating environment

The Automotive OEMs registered highest-ever builds at 5.1 Million units in the past year, though at a slower growth clip of about 3%. The year has seen moderated demand after higher Passenger Vehicle growth rates in the last few years. Almost all Automotive OEMs have committed to substantial investments in expanding their capacities and building infrastructure in the EV mobility space. This is a positive from a medium to long-term perspective for the automotive and all associated sectors in the country. Government is also enabling the sector with its Faster Adoption and Manufacturing of Hybrid & Electric Vehicles (FAME) and Production Linked Incentive (PLI) schemes to drive EV penetration in the country. The two-wheeler industry grew at a measured pace with a builds growth of 11.3% for the year. Over the last few years, the e-scooters have made their presence in urban areas as a means for individual mobility and this trend is expected to gather more pace with increasing awareness of environment sustainability in the consumers.

↓ Saudi Aramco plant at Hazira, Gujarat



MANAGEMENT DISCUSSION AND ANALYSIS

Business performance

PPG-AP registered single digit growth in terms of sales and maintained strong profitability during the year. The year witnessed stable raw material pricing, though challenged by adverse currency fluctuations in the latter half of the year. Innovation in formulations and focus on driving operational efficiency helped to retain the profitability for the business.

PPG-AP continued to make further progress in leveraging the technological expertise from its parents, PPG Industries Inc., USA and Asian Paints to provide technologically superior solutions and enhance the value proposition for its customers.



Bengaluru-
Chennai
Expressway

Non-auto industrial coatings

AP-PPG, the second 50:50 JV of our Company with PPG Industries Inc., USA, serves the non-automotive industrial coatings market of India and operates in the protective coatings, powder coatings and traffic solutions segments, catering to clients in infrastructure, energy, oil & gas, construction, machinery and equipments, domestic appliances sectors, amongst others.

Operating environment

The growth momentum of the Indian economy waned a bit in the year, especially in the first half of the FY 2024-25. Investment in infrastructure sector slowed down measurably in this period and private investments remained sporadic. Shortage of skilled labour, particularly in the first half of the year, impacted the execution of projects. And while the demand conditions picked up in the second half, it was an overall subdued environment for the year amidst slowing down of formal sector wages and tightening of consumption lending norms. Weak demand and persistent liquidity challenges coupled with intensified competition saddled with surplus capacity meant that the industry experienced a spell of extremely competitive pricing putting pressure on growth and margins.

Nevertheless, the continued impetus of the government in infrastructure creation and the budgetary measures to reduce the tax burden are expected to provide support to a pick-up in demand conditions as we progress into the new financial year.

Business performance

AP-PPG delivered double-digit volume growth in a challenging year. The Company's focus on dealer network expansion, enhancement of product portfolio in its pioneering industrial tinting system and OEM relationships fuelled the growth engine. The Company took up multiple initiatives to elevate its customer experience by further expanding the partner loyalty programmes and digitalisation initiatives. To serve its customers better, the Company embarked upon its largest-ever capacity expansion programme which will increase its in-house capacity by 60%.

AP-PPG benefitted immensely from the collaboration with its parent companies – Asian Paints and PPG Industries Inc., USA in securing orders from public sector and international projects.

The Company remains committed to continuously enhance the value proposition for its customers leveraging the technological expertise of its parents.

Its unique asset integrity management service – Metacare – continued to gain traction with major PSUs entering into supply and apply contracts in Protective Coatings. The Company's Traffic Solutions segment registered healthy growth despite the slowdown in highway construction during the year. Powder Coatings business continued to enhance its presence in OEM segments – Appliances and Two-wheelers – on the back of innovative technology offering and superior technical service.

ESG integration

FY 2024–25 marks the completion of the first of the many milestones in our ESG journey. This Integrated Annual Report details the performance against each of the targets across our Environment, Social and Governance focus areas. We continue our ESG journey with our long-term targets set for 2030 and a continued commitment of making our operations more sustainable, build stronger relationships with our stakeholders and create a strong governance structure.

Read more on how we make our operations sustainable on → Pg- 86

Read more on how we build strong relationships with our stakeholder universe on → Pg- 104

Read more on how we work towards creating a stronger governance structure on → Pg- 146

Internal control systems and their adequacy

We have established robust internal control systems to ensure operational effectiveness and efficiency, reliable financial reporting, and compliance with applicable laws and regulations. These controls are commensurate to our Company's size, business, nature, geographical presence and complexity.

The governance structure clearly defines roles and responsibilities across Board-level Committees, functional leaders, and process owners, promoting accountability at all levels. Policies and procedures are regularly reviewed and updated to reflect emerging business requirements and regulatory changes.

Comprehensive standard operating procedures and controls are documented in detail and integrated into business processes to mitigate risks in operations, reporting, and compliance. Our ERP system, infrastructure, and checks form integral components of the internal control framework; leverage data analytics, predictive, and visualisation tools to identify data anomalies and trends, and are actively transitioning from manual to automated controls.

A robust compliance management system monitors compliance status online and updates requirements in line with the latest statutory changes and business operations. Various critical and key functions and processes are certified under ISO 9001, ISO 14001, ISO 45001, and ISO 27001, focusing on quality, environmental management, occupational health and safety, and information security.

Regular communication and awareness initiatives regarding the Code of Conduct, whistleblower process & mechanism, and various policies and procedures are conducted through e-modules and various physical and online training sessions to ensure common understanding.

Our internal audit governance is strong, providing assurance on the adequacy and effectiveness of internal controls. The risk-based internal audit plan and audit outcomes are periodically reviewed by the Audit Committee to ensure the effectiveness of our internal financial controls.

Enterprise risk management

We have instituted a robust Enterprise Risk Management (ERM) process designed to assess and monitor risks within business operations and from external environment. This process evaluates the likelihood and potential impact of these risks on our business, ensuring their effective mitigation.

In response to the constantly evolving business environment, shifting customer preferences, and the dynamic compliance landscape, ERM process has been adapted to address the significant changes in the variety of risks faced by us. This proactive approach ensures that we remain vigilant and prepared to tackle any challenges that may arise, safeguarding our business continuity and success.

For more details on Enterprise Risk Management, please read more on → Pg- 160.

Please refer to the narratives forming part of the Synergising relationship of this Integrated Report for the material developments in respect of Human Resources and industrial relations.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Standalone results

	(In ₹ Crores)	
	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024 [^]
Revenue from sale of products and services	29,421.1	31,093.8
EBITDA	6,322.4	7,865.7
Net profit	3,584.9	5,315.0
EPS (in ₹)	37.39	55.43

Consolidated revenue

	(In ₹ Crores)	
	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Decorative & home décor business	29,545.3	31,205.1
International business	3,066.4	3,061.5
Industrial business	1,185.7	1,115.5

Key financial ratios

	Standalone		Consolidated	
Ratios	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024 [^]	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
Debtors turnover ratio	8.5	8.6	7.4	7.4
Inventory turnover ratio (on COGS)	3.1	3.3	3.1	3.3
Interest coverage ratio ¹	95.3	153.4	45.9	63.4
Current ratio	2.3	2.3	2.1	2.1
Debt equity ratio ²	0.004	0.010	0.045	0.059
Operating profit margin (%)	18.8%	22.6%	17.7%	23.3%
Net profit margin (%) ³	12.1%	17.0%	10.9%	15.7%
Return on net worth (%) ³	19.2%	31.5%	18.8%	31.0%

Notes

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

¹ Variance in ratio is due to lower operating margins.

² Repayment of borrowings has resulted in a reduction in Debt Equity ratio.

³ Net profit margin and return on net worth declined due to lower profitability on account of subdued demand and higher selling expenses.

Creating long-term investor value

Our prudent financial stewardship ensures sustained returns and shared prosperity. While FY 2024-25 witnessed a decline in our market capitalisation from ₹ 273,060 Crores to ₹ 224,232 Crores, we remain steadfastly focused on the bigger picture. Over the past decade, our market capitalisation has grown by an impressive 188%, underscoring our ability to deliver sustained value to shareholders despite short-term market fluctuations.

We have consistently rewarded our shareholders through a progressive dividend policy. Over the last 10 years, our per-share dividend has increased significantly from ₹ 6.1 to ₹ 24.8, reflecting our commitment to sharing the fruits of our growth. For FY 2024-25, we have maintained the dividend payout ratio at 60% (excluding exceptional items), in alignment with our Dividend Distribution Policy.

To support our shareholders, we have robust mechanisms such as the Stakeholders' Relationship Committee and the Investors' Grievance Redressal Policy, designed to address concerns swiftly and efficiently.

Economic value creation

All figures here are on Standalone basis

	(In ₹ Crores)	
	FY 2024-25	FY 2023-24 ¹
Direct Economic Value Generated²	30,322.8	32,048.9
Revenue from sale of products and services	29,421.1	31,093.8
Other operating revenue	131.5	133.2
Other income	770.2	821.9
Economic Value distributed	28,731.6	29,922.6
Operating cost	22,923.7	23,143.2
Employee Wages and Benefits	2,013.6	1,816.2
Payments to Providers of Capital	2,378.9	3,194.1
Payments to Government ³	1,306.6	1,678.3
Community Investments	108.8	90.8
Economic Value Retained	1,591.2	2,126.3

Notes

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

² Direct Economic Value generated includes financial assistance/grants accrued from Government authorities by our Company in the form of subsidies and export duty credits amounting to ₹ 58.8 Crores for FY 2024-25 and ₹ 62.7 Crores for FY 2023-24.

³ It does not include the amount paid by our Company towards Goods and Services Tax (₹ 2,281.3 Crores for FY 2024-25 and ₹ 2,484.7 Crores for FY 2023-24).



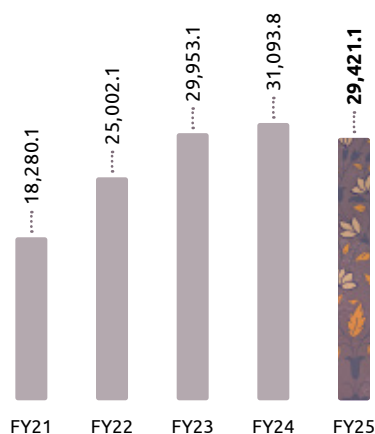
MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

All figures here are on Standalone basis

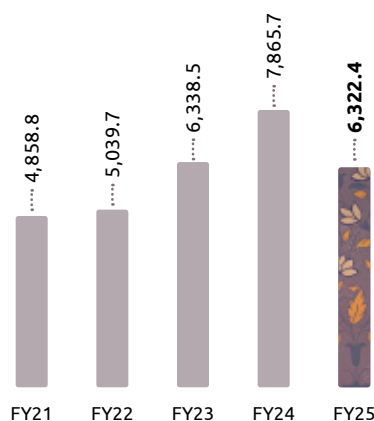
Revenue from sales of products and services

(₹ in Crores) **(5.4)%** **11.6%**
y-o-y growth 5-year CAGR



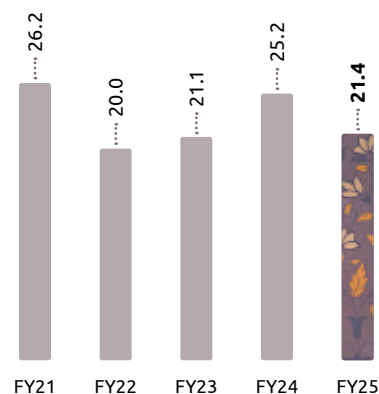
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

(₹ in Crores) **(19.6)%** **8.5%**
y-o-y growth 5-year CAGR



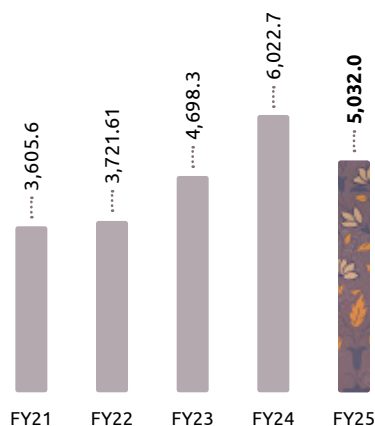
EBITDA margin

(%)



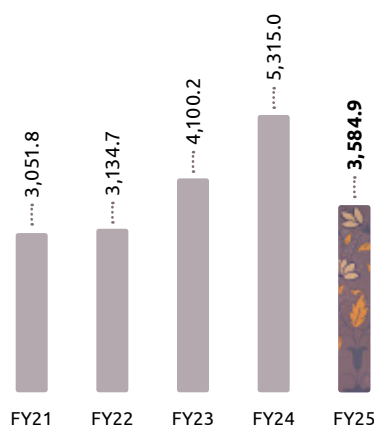
Cash profit

(₹ in Crores) **(16.4)%** **10.3%**
y-o-y growth 5-year CAGR



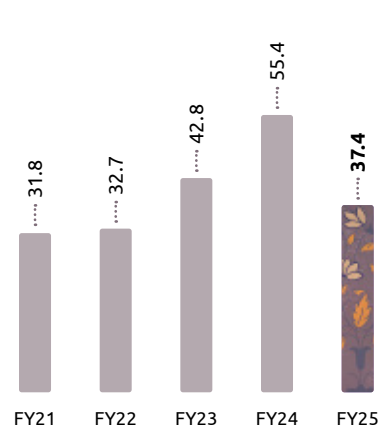
Profit After Tax (PAT)

(₹ in Crores) **(32.6)%** **6.2%**
y-o-y growth 5-year CAGR



Earnings Per Share (EPS)

(₹) **(32.6)%** **6.2%**
y-o-y growth 5-year CAGR

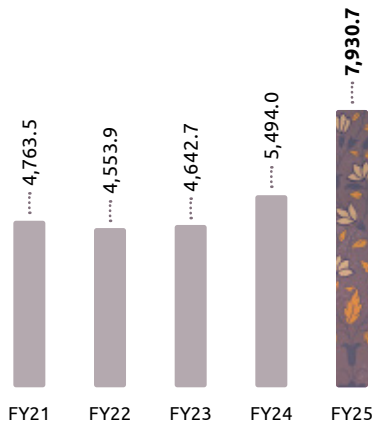


Note: The figures for FY 2023-24 have been restated on account of amalgamation of Sleek International Private Limited and Maxbhum Developers Limited with the Company.

All figures here are on Standalone basis

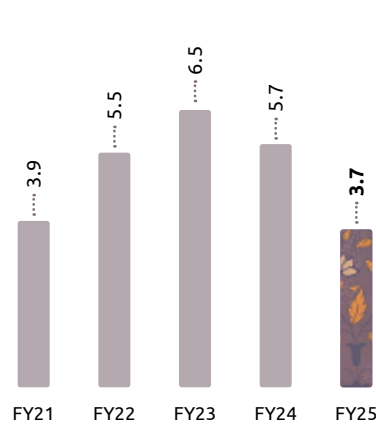
Net fixed assets

(₹ in Crores) **44.4%** **9.8%**
y-o-y growth 5-year CAGR



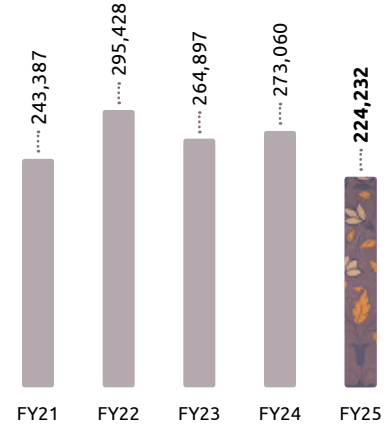
Asset turnover ratio

(x times)



Market capitalisation

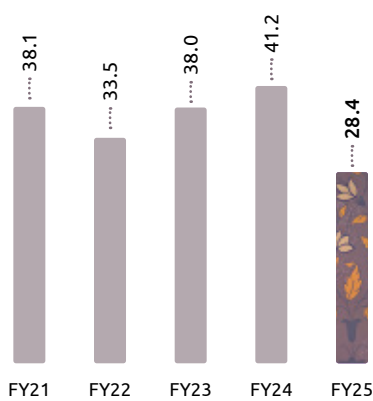
(₹ in Crores) **(17.9)%** **7.0%**
y-o-y growth 5-year CAGR



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

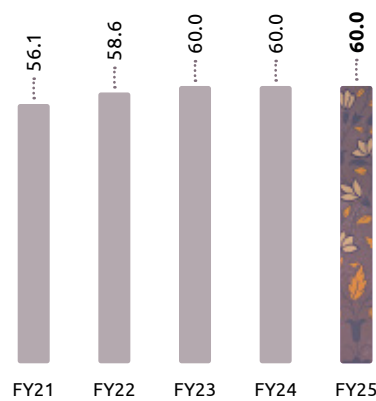
Return on Capital Employed (RoCE)

(%)



Dividend payout ratio*

(%)



*Before exceptional items

Surplus cash

(₹ in Crores) **(11.0)%** **20.3%**
y-o-y growth 5-year CAGR

