Independent Auditor's Report

To The Members of Asian Paints Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Asian Paints Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which includes the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and associates referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, and their consolidated profit, their consolidated total comprehensive income, their Consolidated Cash Flows and their Consolidated Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue recognition – the Parent (Refer note 1.4 (e) and 23A of the Consolidated Financial Statements)	
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition, included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, testing of cut-offs and performing analytical review procedures.
Impairment of goodwill in Consolidated Financial Statements (Refer note 1.4 (d) and Note 4A of the Consolidated Financial Statements)	
The Consolidated Financial Statements reflect goodwill on acquisition / consolidation of ₹ 219.08 crores. Goodwill is tested annually for impairment. The Parent and the relevant subsidiaries have estimated the recoverable amount of the Cash Generating Unit (CGU) to which the goodwill is allocable based on Value in Use (ViU). The determination of recoverable amount of goodwill based on value in use, involves significant estimates and judgement in determining the assumptions such as Revenue growth, operating margins, and in determining the valuation assumptions relating to discount rates and long-term growth rate applied to estimated future cash flows.	Our audit procedures to the extent the goodwill is recognised in the Standalone Financial Statements of the Parent included as follows : We tested the design, implementation and operating effectiveness of controls over Goodwill impairment review, including those over forecast of future cash flows and the selection of the discount rate and long term growth rate. We evaluated management's ability to accurately forecast future cashflows by comparing actual results to management's historical forecasts. We evaluated the reasonableness of future forecast by comparing the forecast to historical financial performance, internal communication to management and Board of Directors.

Key Audit Matter	Auditor's Response
These assumptions are sensitive to reasonable possible changes including economic uncertainties and therefore considered as a key audit matter. The key assumptions applied in the impairment reviews are described in note 4A of the Consolidated Financial Statements.	With the assistance of fair value specialists, we evaluated the reasonableness of discount rate and long-term growth rate. We also assessed the sensitivity of the recoverable amount to the changes in the key assumptions used. To the extent, goodwill relates to the subsidiaries, component auditor has tested the Value in Use calculations for compliance with generally accepted methodologies, evaluated reasonableness of management's estimates of key assumptions (discount rates, growth rates and operating margins) based on historical performance, their knowledge of the CGUs' operations and environment and general economic forecasts, and performed sensitivity analyses to assess the impact of reasonably possible changes in estimates on the recoverable amount of the CGUs. We reviewed the work performed by the component auditors and sought information and explanations from the component auditors, as considered, necessary.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report and Business responsibility report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.
- Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Independent Auditor's Report (Contd.)

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / consolidated financial information of 19 subsidiaries, whose financial statements / consolidated financial information reflect total assets of ₹ 3,803.23 crores as at 31st March 2026, total revenues of ₹ 3,384.32 crores and net cash outflows amounting to ₹ 15.69 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 3.60 crores for the year ended 31st March 2026, as considered in the Consolidated Financial Statements, in respect of 2 associates, whose financial statements / consolidated financial information have not been audited by us. These financial statements / Consolidated Financial Statements / consolidated financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements / consolidated financial information of the subsidiaries and associates referred to in the Other Matters section above we report, to the extent applicable that :

    a). We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

    b). In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Group and its associates including relevant records so far as it appears from our examination of those books, and the reports of the other auditors.

    c). The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

    d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Parent as on March 31, 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies, associate companies incorporated in India is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11

Independent Auditor's Report (Contd.)

of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer note 32 to the Consolidated Financial Statements.

ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

iv) (a) The respective Managements of the Parent, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries, and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds have been received by the Parent or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Parent and its associate during the year and until the date of this report is in accordance with section 123 of the Act, as applicable.

The Board of Directors of the Parent (as stated in Note 14) and its associate which are companies incorporated in India, whose

financial statements have been audited under the Act, where applicable have proposed final dividend for the year which is subject to the approval of the members of the Parent and such associate at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks and based on the other auditor's reports of its subsidiaries and its associates incorporated in India whose financial statements have been audited under the Act, the Parent, its subsidiaries and its associates incorporated in India have used accounting software systems for maintaining their respective books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent, have not come across any instance of the audit trail feature being tampered with. Additionally, where the audit trail (edit log) facility was enabled and operated in the previous year, the audit trail has been preserved by the Parent and above referred subsidiary companies and associate companies incorporated in India as per the statutory requirements for record retention.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. : 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. 046930
UDIN : 26046930FGARMK6475

Place : Mumbai
Date : May 29, 2026

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as at and for the year ended March 31, 2026, we have audited the internal financial controls with reference to Consolidated Financial Statements of Asian Paints Limited (hereinafter referred to as "the Company" or "Parent") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's and Board of Directors' Responsibility for Internal Financial Controls

The respective Company's management and Board of Directors of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal control with reference to Consolidated Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to one Associate Company, which is a Company incorporated in India, is based solely on the corresponding report of the auditor of such Company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. : 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. 046930
UDIN : 26046930FGARMK6475

Place : Mumbai
Date : May 29, 2026

Consolidated Balance Sheet

as at 31st March 2026

(₹ in Crores)

Particulars	Notes	As at 31.03.2026	As at 31.03.2025
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2A	**7,146.23**	6,787.62
Right-of-Use Assets	2B	**2,018.77**	1,843.72
Capital work-in-progress	3	**1,848.67**	1,254.49
Goodwill	4A	**219.08**	219.58
Other Intangible Assets	4B	**256.20**	369.18
Investments in Associates	5	**656.09**	608.00
Financial Assets			
Investments	5	**119.82**	871.79
Trade Receivables	6	**5.36**	8.71
Loans	7	**1.57**	-
Other Financial Assets	8	**1,537.79**	877.84
Deferred Tax Assets (Net)	10C	**15.74**	16.12
Income Tax Assets (Net)	11	**248.62**	221.62
Other Non-Current Assets	12	**275.91**	301.02
		14,349.85	**13,379.69**
Current Assets			
Inventories	13	**5,743.69**	6,719.27
Financial Assets			
Investments	5	**6,285.83**	3,244.96
Trade Receivables	6	**4,461.80**	4,313.65
Cash and Cash Equivalents	9A	**672.83**	445.28
Other Balances with Banks	9B	**400.85**	336.70
Loans	7	**0.46**	-
Other Financial Assets	8	**1,822.67**	1,158.11
Other Current Assets	12	**796.51**	773.71
		20,184.64	**16,991.68**
TOTAL ASSETS		**34,534.49**	**30,371.37**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	**95.92**	95.92
Other Equity	15	**21,275.67**	19,303.89
Equity attributable to owners of the Company		**21,371.59**	**19,399.81**
Non-Controlling Interests	15	**643.39**	659.24
		22,014.98	**20,059.05**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	16	**1,247.17**	259.62
Lease Liabilities	17	**1,306.94**	1,123.30
Other Financial Liabilities	18	**113.66**	79.93
Provisions	20	**273.80**	257.78
Deferred Tax Liabilities (Net)	10C	**403.26**	404.91
Other Non-Current Liabilities	21	**37.65**	45.55
		3,382.48	**2,171.09**

Consolidated Balance Sheet (Contd.)

as at 31st March 2026

(₹ in Crores)

Particulars	Notes	As at 31.03.2026	As at 31.03.2025
Current Liabilities			
Financial Liabilities			
Borrowings	16	**1,046.09**	604.13
Lease Liabilities	17	**328.73**	303.24
Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	19	**258.56**	208.58
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	19	**3,604.48**	3,639.42
Other Financial Liabilities	18	**3,044.72**	2,742.04
Other Current Liabilities	21	**457.86**	450.58
Provisions	20	**216.58**	67.15
Income Tax Liabilities (Net)	22	**180.01**	126.09
		9,137.03	**8,141.23**
TOTAL EQUITY AND LIABILITIES		**34,534.49**	**30,371.37**
Material accounting policies and key accounting estimates and judgements	1		
See accompanying notes to the Consolidated Financial Statements	2-44		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N : 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. : 046930

Mumbai
29th May 2026

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

R Seshasayee
Chairman
DIN : 00047985

Amit Syngle
Managing Director & CEO
DIN : 07232566

Milind Sarwate
Chairman of Audit Committee
DIN : 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
29th May 2026

Consolidated Statement of Profit and Loss

for the year ended 31st March 2026

(₹ in Crores)

Particulars	Notes	Year 2025-26	Year 2024-25
REVENUE FROM OPERATIONS			
Revenue from Sale of Products	23A	**35,416.25**	33,626.82
Revenue from Sale of Services	23A	**100.12**	170.54
Other Operating Revenue	23A	**67.17**	108.26
Other Income	24	**723.80**	572.61
Total Income (I)		**36,307.34**	**34,478.23**
EXPENSES			
Cost of Materials Consumed	25A	**15,384.05**	15,793.92
Purchases of Stock-in-Trade	25B	**4,014.05**	3,926.86
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	25C	**603.68**	(205.00)
Employee Benefits Expense	26	**2,799.59**	2,597.23
Other Expenses	27	**6,086.25**	5,786.40
Total Expenses (II)		**28,887.62**	**27,899.41**
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		**7,419.72**	**6,578.82**
Finance Costs	28	**195.41**	227.02
Depreciation and Amortisation Expense	29	**1,228.85**	1,026.34
PROFIT BEFORE SHARE OF PROFIT IN ASSOCIATES, EXCEPTIONAL ITEMS AND TAX		**5,995.46**	**5,325.46**
Share of profit in Associates	37	**165.59**	140.71
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**6,161.05**	**5,466.17**
Exceptional Items	40	**157.61**	363.10
PROFIT BEFORE TAX		**6,003.44**	**5,103.07**
Tax Expense	10		
Current Tax		**1,523.02**	1,388.98
Short/(Excess) tax provision for earlier years		**27.05**	(13.39)
Deferred Tax		**58.68**	17.77
Total tax expense		**1,608.75**	**1,393.36**
PROFIT AFTER TAX		**4,394.69**	**3,709.71**
OTHER COMPREHENSIVE INCOME (OCI)			
A. Items that will not be reclassified to Profit or Loss			
(i) (a) Remeasurement of the defined benefit plans		**(24.94)**	(2.43)
(b) Income tax benefit on remeasurement of defined benefit plans		**6.17**	0.16
(ii) (a) Net fair value (loss)/gain on investments in equity instruments through OCI		**(22.59)**	273.30
(b) Income tax benefit/(expense) on net fair value gain on investment in equity instruments through OCI		**3.97**	(42.86)
(iii) Share of OCI in Associates		**(2.77)**	(0.43)
B. Items that will be reclassified to Profit or Loss			
(i) (a) Net fair value (loss)/gain on investment in debt instruments through OCI		**(18.99)**	3.67
(b) Income tax benefit/(expense) on net fair value gain on investment in debt instruments through OCI		**2.72**	(0.96)
(ii) (a) Net gain on cash flow hedges		**8.44**	-
(b) Income tax expense on net gain on cash flow hedges		**(2.12)**	-
(iii) Exchange difference arising on translation of foreign operations		**22.67**	(115.95)
(iv) Share of OCI in Associates		**0.08**	0.06
Total Other Comprehensive Income (A+B)		**(27.36)**	**114.56**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,367.33**	**3,824.27**

Consolidated Statement of Profit and Loss (Contd.)

for the year ended 31st March 2026

(₹ in Crores)

Particulars	Notes	Year 2025-26	Year 2024-25
PROFIT FOR THE YEAR ATTRIBUTABLE TO :			
- Owners of the Company		**4,325.35**	3,667.23
- Non-Controlling interest		**69.34**	42.48
		4,394.69	**3,709.71**
OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO :			
- Owners of the Company		**(33.83)**	153.25
- Non-Controlling interest		**6.47**	(38.69)
		(27.36)	**114.56**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO :			
- Owners of the Company		**4,291.52**	3,820.48
- Non-Controlling interest		**75.81**	3.79
		4,367.33	**3,824.27**
Earnings per equity share (Face value of ₹ 1 each)	31		
Basic (in ₹)		**45.12**	38.25
Diluted (in ₹)		**45.11**	38.25
Material accounting policies and key accounting estimates and judgements	1		
See accompanying notes to the Consolidated Financial Statements	2-44		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N : 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. : 046930

Mumbai
29th May 2026

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

R Seshasayee
Chairman
DIN : 00047985

Amit Syngle
Managing Director & CEO
DIN : 07232566

Milind Sarwate
Chairman of Audit Committee
DIN : 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
29th May 2026

Consolidated Statement of Changes in Equity

for the year ended 31st March 2026

A) Equity Share Capital

(₹ in Crores)

Particulars	As at 31.03.2026	As at 31.03.2025
Balance at the beginning of the reporting year (Refer note 14(a))	**95.92**	95.92
Changes in Equity Share capital due to prior period errors	**-**	-
Restated balance at the beginning of the current reporting period (Refer note 14(a))	**95.92**	95.92
Changes in Equity Share capital during the year	**-**	
Balance at the end of the reporting year (Refer note 14(a))	**95.92**	**95.92**

B) Other Equity

(₹ in Crores)

Particulars	Attributable to owners of the Company																			
	Reserves and Surplus												Items of Other Comprehensive Income (OCI)					Total attributable to owners of the Company	Non-Controlling Interests	Total
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associates	Share based Payment Reserve	Treasury Shares	Trust reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in Associates	Cash Flow Hedge Reserve			
Balance as at 1st April 2024 (A)	**39.16**	**7.06**	**5.37**	**15.44**	**4,715.75**	**14,037.88**	**(19.25)**	**3.03**	**1.12**	**48.26**	**(110.19)**	**0.97**	**11.29**	**(356.61)**	**235.12**	**(2.02)**	**-**	**18,632.38**	**695.38**	**19,327.76**
Changes during the year :																				
Profit for the year	-	-	-	-	-	3,667.23	-	-	-	-	-	-	-	-	-	-	-	3,667.23	42.48	3,709.71
Items of OCI for the year, net of tax																				
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(77.33)	-	-	-	(77.33)	(38.62)	(115.95)
Remeasurement of the defined benefit plans	-	-	-	-	-	-	(2.20)	-	-	-	-	-	-	-	-	-	-	(2.20)	(0.07)	(2.27)
Net fair value gain on investments in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	230.44	-	-	230.44	-	230.44
Net fair value gain on investments in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	2.71	-	-	-	-	2.71	-	2.71
Share of OCI in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.37)	-	(0.37)	-	(0.37)
Total Comprehensive Income for the year 2024-25 (B)	**-**	**-**	**-**	**-**	**-**	**3,667.23**	**(2.20)**	**-**	**-**	**-**	**-**	**-**	**2.71**	**(77.33)**	**230.44**	**(0.37)**	**-**	**3,820.48**	**3.79**	**3,824.27**
Dividends (Refer note 14(b))	-	-	-	-	-	(3,107.91)	-	-	-	-	-	-	-	-	-	-	-	(3,107.91)	(30.71)	(3,138.62)
Effect of stake acquired from non-controlling interest	-	-	-	-	-	-	-	(25.43)	-	-	-	-	-	-	-	-	-	(25.43)	(9.22)	(34.65)
Equity/other changes in Associates	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	-	-	-	0.02	-	0.02
Share based payment expenses	-	-	-	-	-	-	-	-	-	21.25	-	-	-	-	-	-	-	21.25	-	21.25
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	-	-	-	-	1.11	-	-	-	-	-	1.11	-	1.11
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	-	-	-	-	(50.08)	-	-	-	-	-	-	(50.08)	-	(50.08)
ESOP exercised during the year	-	-	-	-	-	(0.80)	-	-	-	(12.67)	25.54	-	-	-	-	-	-	12.07	-	12.07
Total (C)	**-**	**-**	**-**	**-**	**-**	**(3,108.71)**	**-**	**(25.43)**	**0.02**	**8.58**	**(24.54)**	**1.11**	**-**	**-**	**-**	**-**	**-**	**(3,148.97)**	**(39.93)**	**(3,188.90)**
Balance as at 31st March 2025 (D) = (A+B+C)	**39.16**	**7.06**	**5.37**	**15.44**	**4,715.75**	**14,596.40**	**(21.45)**	**(22.40)**	**1.14**	**56.84**	**(134.73)**	**2.08**	**14.00**	**(433.94)**	**465.56**	**(2.39)**	**-**	**19,303.89**	**659.24**	**19,963.13**

Consolidated Statement of Changes in Equity (Contd.)

for the year ended 31st March 2026

(₹ in Crores)

Particulars	Attributable to owners of the Company																			
	Reserves and Surplus												Items of Other Comprehensive Income (OCI)					Total attributable to owners of the Company	Non-Controlling Interests	Total
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associates	Share based Payment Reserve	Treasury Shares	Trust reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in Associates	Cash Flow Hedge Reserve			
Changes during the year :																				
Profit for the year	-	-	-	-	-	4,325.35	-	-	-	-	-	-	-	-	-	-	-	4,325.35	69.34	4,394.69
Items of OCI for the year, net of tax																				
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	16.29	-	-	-	16.29	6.38	22.67
Remeasurement of the defined benefit plans	-	-	-	-	-	-	(18.86)	-	-	-	-	-	-	-	-	-	-	(18.86)	0.09	(18.77)
Net fair value loss on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(18.62)	-	-	(18.62)	-	(18.62)
Net fair value loss on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	(16.27)	-	-	-	-	(16.27)	-	(16.27)
Net gain on cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.32	6.32	-	6.32
Share of OCI in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.69)	-	(2.69)	-	(2.69)
Total Comprehensive Income for the year 2025-26 (E)	**-**	**-**	**-**	**-**	**-**	**4,325.35**	**(18.86)**	**-**	**-**	**-**	**-**	**-**	**(16.27)**	**16.29**	**(18.62)**	**(2.69)**	**6.32**	**4,291.52**	**75.81**	**4,367.33**
Dividends (Refer note 14(b))	-	-	-	-	-	(2,402.87)	-	-	-	-	-	-	-	-	-	-	-	(2,402.87)	(22.48)	(2,425.35)
Amount infused by non-controlling shareholders in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.37	9.37
Effects of stake acquired from non-controlling interest	-	-	-	-	-	188.00	-	(107.97)	-	-	-	-	-	-	-	-	-	80.03	(80.03)	-
Equity/other changes in Associates	-	-	-	-	-	-	-	-	0.69	-	-	-	-	-	-	-	-	0.69	-	0.69
Share based payment expenses	-	-	-	-	-	-	-	-	-	29.35	-	-	-	-	-	-	-	29.35	-	29.35
Sweat Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.46	5.46
Effects of stake dilution in subsidiary	-	-	-	-	-	-	-	3.98	-	-	-	-	-	-	-	-	-	3.98	(3.98)	-
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	-	-	-	-	1.03	-	-	-	-	-	1.03	-	1.03
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	-	-	-	-	(48.63)	-	-	-	-	-	-	(48.63)	-	(48.63)
ESOP exercised during the year	-	-	-	-	-	-	-	-	-	(20.42)	37.10	-	-	-	-	-	-	16.68	-	16.68
Transfer to Retained Earning from Equity instruments through OCI on sale of equity shares of Akzo Nobel India Limited (Refer note 5)	-	-	-	-	-	396.24	-	-	-	-	-	-	-	-	(396.24)	-	-	-	-	-
Total (F)	**-**	**-**	**-**	**-**	**-**	**(1,818.63)**	**-**	**(103.99)**	**0.69**	**8.93**	**(11.53)**	**1.03**	**-**	**-**	**(396.24)**	**-**	**-**	**(2,319.74)**	**(91.66)**	**(2,411.40)**
Balance as at 31st March 2026 (D+E+F)	**39.16**	**7.06**	**5.37**	**15.44**	**4,715.75**	**17,103.12**	**(40.31)**	**(126.39)**	**1.83**	**65.77**	**(146.26)**	**3.11**	**(2.27)**	**(417.65)**	**50.70**	**(5.08)**	**6.32**	**21,275.67**	**643.39**	**21,919.06**
Material accounting policies and key accounting estimates and judgements (Refer note 1)																				
See accompanying notes to the Consolidated Financial Statements (Refer note 2-44)																				

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N : 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. : 046930

Mumbai
29th May 2026

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

R Seshasayee
Chairman
DIN : 00047985

Amit Syngle
Managing Director & CEO
DIN : 07232566

Milind Sarwate
Chairman of Audit Committee
DIN : 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
29th May 2026

Consolidated Statement of Cash Flows

for the year ended 31st March 2026

(₹ in Crores)

Particulars		Year 2025-26	Year 2024-25
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**6,003.44**	**5,103.07**
	Adjustments for :		
	Depreciation and amortisation expense	**1,228.85**	1,026.34
	Interest income	**(180.93)**	(179.84)
	Dividend income	**(2.13)**	(20.64)
	Finance costs	**195.41**	227.02
	Allowance for expected credit losses on receivables (trade & others) and advances (net)	**5.70**	245.18
	Bad debts written off	**121.95**	6.06
	Deferred income arising from government grant	**(4.08)**	(4.69)
	Net unrealised foreign exchange loss/(gain)	**2.94**	(11.06)
	Net loss/(gain) on disposal of property, plant and equipment and other intangible assets	**3.81**	(3.37)
	Net gain on modification/termination of leases	**(6.87)**	(2.07)
	Net gain arising on financial assets measured at fair value through profit or loss (FVTPL)	**(286.50)**	(182.43)
	Share based payment expenses	**29.35**	21.25
	Share of profit in Associates	**(165.59)**	(140.71)
	Loss on disposal of subsidiaries	**-**	83.71
	Fair valuation loss/(gain) on gross obligation towards further stake acquisition	**19.96**	(18.29)
	Impairment loss on Goodwill and Intangible assets	**93.87**	223.25
	Allowance/(Reversal) for expected credit loss on government grants	**70.17**	(1.78)
	Effect of exchange rates on translation of operating cashflows	**56.93**	18.66
	Operating Profit before working capital changes	**7,186.28**	**6,389.66**
	Adjustments for :		
	(Increase)/Decrease in trade receivables	**(274.01)**	281.80
	(Increase)/Decrease in financial assets	**(65.31)**	6.71
	Decrease/(Increase) in inventories	**975.58**	(805.34)
	(Increase)/Decrease in other assets	**(86.10)**	1.71
	Increase/(Decrease) in trade payables	**396.07**	(160.41)
	Increase in other financial liabilities	**386.79**	82.56
	Increase in other liabilities and provisions	**142.70**	22.79
	Cash generated from Operating activities	**8,662.00**	**5,819.48**
	Income Tax paid (net of refund)	**(1,573.82)**	(1,395.52)
	Net Cash generated from Operating activities	**7,088.18**	**4,423.96**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and other intangible assets	**(1,467.02)**	(1,805.32)
	Sale of property, plant and equipment	**3.20**	10.10
	Payment for acquiring right-of-use assets	**(20.30)**	(24.75)
	Purchase of non-current investments	**(0.10)**	(0.92)
	Sale of non-current investments	**923.36**	-
	Sale of current investments (net)	**274.03**	420.65
	(Purchase of)/Proceeds from term deposits (net)	**(1,316.03)**	196.80
	Proceeds from disposal of subsidiaries (net)	**-**	38.29
	Loan given to third party	**(2.03)**	-
	Interest received	**153.19**	154.89
	Dividend received from Associate	**115.50**	115.50
	Dividend received from others	**2.13**	20.64
	Net Cash used in Investing activities	**(1,334.07)**	**(874.12)**

Consolidated Statement of Cash Flows (Contd.)

for the year ended 31st March 2026

(₹ in Crores)

Particulars		Year 2025-26	Year 2024-25
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	**993.41**	219.84
	Repayment of long term borrowings	**(32.43)**	(21.16)
	Proceeds from / (Repayment of) short term borrowings (net)	**285.44**	(406.41)
	Acceptances (net)	**(419.89)**	194.74
	Amount infused by non-controlling shareholders in subsidiary	**9.37**	-
	Stake acquired from non-controlling interest	**(188.00)**	(34.65)
	Repayment of principal portion of lease liabilities	**(339.78)**	(324.62)
	Finance costs (including interest on lease liabilities) paid	**(228.33)**	(203.19)
	(Purchase) of treasury shares by ESOP Trust/Proceeds from ESOP Trust (net)	**(30.92)**	(36.92)
	Dividend paid (including dividend paid to non-controlling shareholders)	**(2,425.38)**	(3,140.21)
	Net Cash used in Financing activities	**(2,376.51)**	**(3,752.58)**
(D)	**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]**	**3,377.60**	**(202.74)**
	Add : Cash and cash equivalents as at 1st April	**3,357.42**	3,626.95
	Net effect of exchange gain/(loss) on cash and cash equivalents	**5.84**	(66.79)
	Cash and cash equivalents as at 31st March	**6,740.86**	**3,357.42**

Notes :

(a) The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(₹ in Crores)

Particulars		As at 31.03.2026	As at 31.03.2025
(b)	**Cash and Cash Equivalents comprises of :**		
	Cash on hand	**0.25**	1.00
	Balances with Banks :		
	- Current Accounts	**270.23**	260.32
	- Cash Credit Accounts	**15.10**	33.75
	- Deposits with original maturity of less than 3 months	**301.97**	99.49
	Cheques, drafts on hand	**85.28**	50.72
	Cash and cash equivalents (Refer note 9A)	**672.83**	**445.28**
	Add : Investments in Liquid Mutual Funds (Refer note 5(II)(C)(a))	**6,273.64**	3,030.34
	Less : Loan repayable on demand - Cash Credit / Overdraft Accounts (Refer note 16)	**(205.61)**	(118.20)
	Cash and cash equivalents in Consolidated Statement of Cash Flows	**6,740.86**	**3,357.42**

Consolidated Statement of Cash Flows (Contd.)

for the year ended 31st March 2026

(c) Changes in liabilities arising from financing activities

(₹ in Crores)

Particulars	As at 31.03.2025	Cash Flows	Disposal of subsidiary	Other changes in cash and cash equivalents	Non-cash changes			As at 31.03.2026
					Net movement	Fair value changes	Effect of Changes in foreign exchange rates	
Borrowings (Refer note 16)	863.75	1,246.42	-	82.09	(1.27)	3.62	98.65	**2,293.26**
Lease Liabilities (Refer note 17)	1,426.54	(339.78)	-	-	526.83	-	22.08	**1,635.67**
Other liabilities (Refer note 21)	34.48	-	-	-	1.27	(4.08)	-	**31.67**

(₹ in Crores)

Particulars	As at 31.03.2024	Cash Flows	Disposal of subsidiary	Other changes in cash and cash equivalents	Non-cash changes			As at 31.03.2025
					Net movement	Fair value changes	Effect of Changes in foreign exchange rates	
Borrowings (Refer note 16)	1,107.14	(207.73)	-	(41.91)	-	4.51	1.74	**863.75**
Lease Liabilities (Refer note 17)	1,367.24	(324.62)	(0.02)	-	382.98	-	0.96	**1,426.54**
Other liabilities (Refer note 21)	39.18	-	-	-	-	(4.70)	-	**34.48**

Material accounting policies and key accounting estimates and judgements (Refer note 1)

See accompanying notes to the Consolidated Financial Statements (Refer note 2-44)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N : 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No. : 046930

Mumbai
29th May 2026

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

R Seshasayee
Chairman
DIN : 00047985

Amit Syngle
Managing Director & CEO
DIN : 07232566

Milind Sarwate
Chairman of Audit Committee
DIN : 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
29th May 2026

Notes to the Consolidated Financial Statements

for the year ended 31st March 2026

Group's Background

The Consolidated Financial Statements comprise financial statements of Asian Paints Limited ('the Parent' or 'the Parent Company') and its subsidiaries (collectively, 'the Group') and includes share of profit of the Associates for the year ended 31st March 2026.

The Parent is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1913. The registered office of the Parent is located at 6A & 6B, Shantinagar, Santacruz East, Mumbai, India.

The Group is engaged in the business of manufacturing, selling and distribution of paints, coatings, products related to home décor, bath fittings, modular kitchen & accessories, decorative lighting, uPVC doors & windows and providing related services.

1. Material Accounting Policies and Key accounting estimates and judgements

Material Accounting Policies :

1.1. Basis of preparation of Consolidated Financial Statements

These financial statements are the Consolidated Financial Statements of the Group (also called Consolidated Financial Statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Consolidated Financial Statements.

The Consolidated Financial Statements are presented in Indian Rupees (which is also the functional currency of the Parent Company) and is rounded off to the nearest crores except otherwise indicated. Amounts less than ₹ 50,000 have been presented as "0.00".

1.2. Application of New Accounting Pronouncements

The Group has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 with effect from 1st April 2025 :

a. Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments : Disclosures : The amendment requires disclosure of the effects of supplier finance arrangements on the Group's liabilities, cash flows and exposure to liquidity risk. The Group has assessed the impact of such arrangements on the Consolidated Financial Statements and has provided requisite disclosures in accordance with the amendments. These amendments do no have any other impact on the Consolidated Financial Statements.

b. Ind AS 1 – Presentation of Financial Statements : The amendments primarily impacts classification of liabilities. In accordance with the amendments, the requirement of classification of a liability as non-current based on the existence of a right to defer settlement for at least 12 months after the reporting date has been revised to require that such right must exist, with substance, at the end of the reporting period. The amendments also require assessment of compliance with covenants for the purpose of classification of liabilities, along with enhanced disclosures. The Group has assessed the impact of these amendments and has applied the revised requirements for classification of liabilities as current or non-current including compliance with covenants, where applicable. These amendments do not have any other impact on the Consolidated Financial Statements.

c. Ind AS 12 – Income Taxes : The amendment requires disclosure of Pillar Two Income taxes arising pursuant to the introduction of model rules for global minimum tax published by the Organisation for Economic Co-operation and Development ('OECD'). The Group has adopted the requirements pertaining to recognition and disclosure of current and deferred taxes related to income taxes arising on applying the model rules issued by OECD. There is immaterial impact of the amendment on the Consolidated Financial Statements.

1.3. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions :

i. the asset/liability is expected to be realised/settled in the Group's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is held primarily for the purpose of trading;

iv. the asset/liability is expected to be realised/settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. the liability wherein the Group does not have the right at the end of reporting period to defer its settlement for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

1.4. Summary of Material accounting policies

a) Business combinations

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value except deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at the acquisition date and includes the fair value of any contingent consideration. Contingent consideration (earn out) is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the Consolidated Statement of Profit and Loss.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Group after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The transaction costs, other than costs relating to the issue of equity or debt securities in connection with a business combination are expensed as incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

b) Property, plant and equipment

Measurement at recognition :

An item of property, plant and equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of PPE are carried at their cost less accumulated depreciation and accumulated impairment losses, if any. Item of PPE which reflects significant cost and has different useful life from the remaining part of PPE is recognised as a separate component.

The cost of an item of PPE comprises of its purchase price net of discounts, if any including import duties and other non-refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses like plans, designs, and drawings of buildings or plant and machinery, borrowing cost on qualifying assets, directly attributable to new manufacturing facility during its construction period are capitalised under the relevant head of PPE if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the Consolidated Statement of Profit and Loss as and when incurred.

The Group had elected to consider the carrying value of all its PPE appearing in the Consolidated Financial Statements and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1st April 2015.

Capital work in progress and Capital advances :

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation :

Depreciation on each part of an item / component of PPE is provided on pro-rata basis using the Straight-Line Method based on the expected useful life of the asset and is charged to the Consolidated Statement of Profit and Loss account as per the requirement of Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The estimated useful life of items of PPE is mentioned below :

	Years
Factory Buildings	30 – 60
Buildings (other than factory buildings)	30 – 61
Plant and Equipment (including continuous process plants)*	4-21
Scientific research equipment*	8
Furniture and Fixtures	5-10
Office Equipment	4-8
Vehicles*	4-8
Tinting Systems	9

Freehold land is not depreciated. Leasehold improvements are amortised over the period of the lease.

*The useful life assessed by the Management is different than those indicated in Schedule II of the Companies Act, 2013.

The useful lives, residual values of each part of an item of PPE and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition :

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PPE is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Consolidated Statement of Profit and Loss when the item is derecognised.

c) Goodwill and Other Intangible assets

Goodwill acquired in a business combination is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, in accordance with Ind AS 103.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are expensed in the Consolidated Statement of Profit and Loss as incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

The Group had elected to consider the carrying value of all its intangible assets appearing in the Consolidated Financial Statements and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1st April 2015.

Amortisation :

Intangible Assets with finite lives are amortised on a Straight Line basis over the estimated useful

economic life. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and loss. The estimated useful life of intangible assets is mentioned below :

	Years
Purchase cost, user license fees and consultancy fees for Computer Software (including those used for scientific research)	4
Acquired Trademark	5
Others include acquired Dealers network and Non–Compete **Fees**	5-20

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Goodwill and certain trademark acquired separately have indefinite useful life and are not subjected to amortisation. These are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Derecognition :

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

d) Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units ('CGU's) that are expected to benefit from the combination.

Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, pertaining to CGU is first allocated to reduce the carrying amount of goodwill followed by the other assets of the CGU, pro rata based on the carrying amount of each asset forming part of the CGU.

Impairment losses, if any, are recognised in the Consolidated Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses, on assets other than goodwill are reversed in the Consolidated Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

e) Revenue

Revenue from contracts with customers is recognised on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services. It is measured at transaction price (net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration)

is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products :

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Rendering of services :

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Group uses output method for measurement of revenue from décor services / painting and related services and royalty income as it is based on milestone reached or units delivered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Group.

Advance from customers is recognised under other liabilities and released to revenue on satisfaction of performance obligation.

f) Government grants and subsidies

Recognition and Measurement :

The Group recognises grant as income when there is a reasonable assurance that the Group will comply with all necessary conditions attached to them and the grant will be received in accordance with Ind AS 20, Accounting for government grants and disclosure of government assistance.

The Parent Company is entitled to certain non-refundable subsidies from government in respect of manufacturing units located in specified regions which are measured at amounts receivable from the government.

The Parent Company has received refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received.

Income from such benefits is recognised on a systematic basis over the period in which the related costs that are intended to be compensated by such grants are recognised.

Presentation :

Income from the above grants and subsidies are presented under Revenue from Operations.

g) Inventory

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

Cost of inventory is determined on a weighted average basis. Cost of inventory comprises all costs of purchase, non-refundable duties and taxes, cost of conversion including an appropriate share of fixed and variable production overheads and all other costs incurred in bringing the inventory to their present location and condition.

The Group considers factors like estimated shelf life, product discontinuances and ageing of inventory in determining the provision for slow moving, obsolete and other non-saleable inventory and adjusts the inventory provisions to reflect the recoverable value of inventory.

h) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement :

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss

(FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Consolidated Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

Subsequent measurement :

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria :

i. The Group's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories :

i. Financial assets measured at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met :

a. The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group (Refer note 30 for further details). Such financial assets are subsequently measured at amortised cost using the effective interest method. The effect of the amortisation under effective interest method is recognised as interest income over the relevant period of the financial asset under other income in the Consolidated Statement of Profit and loss. The amortised cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if both of the following conditions are met :

a. The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

This category applies to certain investments in debt instruments (Refer note 30 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income and impairment losses and its reversals in the Consolidated Statement of Profit and loss.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is reclassified from equity to Consolidated Statement of Profit and loss.

Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer note 30 for further details). The Group has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognised

under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognised in OCI. However, the Group recognises dividend income from such instruments in the Consolidated Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Group and the amount can be measured reliably.

On derecognition of such financial assets, cumulative gain or loss previously recognised in OCI is not reclassified from the equity to Consolidated Statement of Profit and loss. However, the Group may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in subsidiary and associate companies (Refer note 30 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the Consolidated Statement of Profit and loss.

Derecognition :

i. A financial asset is derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the Consolidated Statement of Profit and loss.

Impairment of financial assets :

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following :

i. Trade receivables

ii. Financial assets measured at amortised cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as (ii) and (iii) above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance.

However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and loss.

Financial Liabilities

Initial recognition and measurement :

The Group recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Consolidated Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement :

All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest method (Refer note 30 for further details). The cumulative amortisation using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortisation under effective interest method is recognised as interest expense under finance cost in the Consolidated Statement of Profit and loss.

Derecognition :

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Consolidated Statement of Profit and loss.

Offsetting of financial assets and financial liabilities :

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet wherever there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

i) Derivative financial instruments

The Group uses derivative financial instruments, such as forward exchange contracts, currency options contracts and interest rate swaps to hedge its exposure to foreign exchange and interest rate risks

relating to foreign currency denominated financial liabilities measured at amortised cost. The Group does not enter into derivative contracts for speculative purposes.

The Group formally establishes a hedge relationship between such derivative contracts ('hedging instrument') and recognised financial liabilities ('hedged item'), wherever the Group applies hedge accounting, through a formal documentation at the inception of the hedge relationship in line with the Group's risk management objective and strategy. The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, Financial Instruments.

The hedge relationships so designated are accounted for in accordance with the accounting principles prescribed under Ind AS 109, Financial Instruments.

Fair value hedge :

Recognition and measurement :

The Group enters into forward exchange contracts to hedge its foreign exchange risks with the objective to hedge fair value movement of underlying hedged items and thus applies fair value hedge accounting.

Hedging instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognised in the Consolidated Statement of Profit and loss. Hedging instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognised financial liability) is initially recognised at fair value on the date of entering into contractual obligation and is subsequently measured at amortised cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognised in the Consolidated Statement of Profit and loss.

Derecognition :

On Derecognition of the hedged item, the unamortised fair value of the hedging instrument adjusted to the hedged item, is recognised in the Statement of Profit and Loss.

Cash flow hedge :

Recognition and measurement :

The Group enters into currency options and coupon only swaps to hedge cash flows associated with floating interest rate external currency borrowing. The Group designates such derivative instruments as cash flow hedges in accordance with Ind AS 109, where the hedging relationship meets the qualifying criteria and is formally designated and documented at inception.

Derivative instruments designated as cash flow hedges are initially recognised at fair value and are subsequently remeasured at fair value at each reporting date.

The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges is recognised in Other Comprehensive Income and accumulated in the cash flow hedge reserve. The ineffective portion of changes in fair value, if any, is recognised immediately in the Consolidated Statement of Profit and Loss.

Amounts accumulated in the cash flow hedge reserve are reclassified to the Consolidated Statement of Profit and Loss in the period or periods during which the hedged item affects profit or loss.

Derecognition :

Cash flow hedge accounting is discontinued when the hedging instrument expires or is terminated, when the hedge no longer meets the qualifying criteria, or when the forecast transaction is no longer expected to occur.

Other derivatives Instruments :

The Group also enters into forward contracts to purchase an additional stake in equity capital in some of its investments in subsidiary

companies. Such derivatives are recognised in the Balance Sheet when the Group becomes party to contractual provisions of the instrument. These forward contracts are initially recognised at fair value when the contract is entered. Such forward contracts are remeasured at fair value at the end of each reporting period and changes are recognised in Consolidated Statement of Profit and loss.

j) Fair Value

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy that categorises into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the Consolidated Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period and discloses the same.

k) Foreign Currency Translation

Initial Recognition :

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Measurement of foreign currency items at reporting date :

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of foreign exchange translations and settlements during the year are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise except for the difference which are considered as borrowing costs incurred for qualifying asset as explained in Note (t) of this policy

a. Exchange differences arising from foreign currency borrowings relating to the acquisition or construction of qualifying assets are treated as an adjustment to borrowing costs and are capitalised as part of the cost of such assets, to the extent they are regarded as an adjustment to interest costs and

b. Exchange differences on transactions entered to hedge certain foreign currency risks.

Translation of financial statements of foreign entities

On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of Profit and Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons,

the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after adoption of Ind AS 103, Business Combination, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of adoption of Ind AS 103, Business Combination, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

l) Income Taxes

Tax expense is the aggregate amount included in the determination of consolidated profit or loss for the period in respect of current tax and deferred tax.

Current tax :

Current tax is the amount of income taxes payable in respect of taxable profit for a period. It includes Pillar Two Income Taxes arising out of implementation of the Pillar Two Model rules published by the Organisation for Economic Co-operation and Development (OECD).

Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with the applicable tax laws. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit in accordance with the applicable tax laws.

Deferred tax assets and liabilities are generally recognised for all deductible and taxable temporary differences respectively. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit or does not give rise to equal taxable and deductible temporary differences, deferred tax assets or liabilities are not recognised. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised. The Group has elected to apply the exception for recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two Income Taxes.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized.

The Group recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent it has a sufficient taxable temporary difference or there is convincing evidence that sufficient taxable profits will be available.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Uncertain tax positions :

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group reflects the effect of uncertainty for each uncertain tax treatment by using one of two methods, the expected value method (the sum of the probability - weighted amounts in a range of possible outcomes) or the most likely amount (single most likely amount method in a range of possible outcomes), depending on which is expected to better predict the resolution of the uncertainty. The Group applies consistent judgements and estimates if an uncertain tax treatment affects both the current and the deferred tax.

Presentation of current and deferred tax :

Current and deferred tax are recognised as income or an expense in the Consolidated Statement of Profit and loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognised in Other Comprehensive Income.

The Group offsets tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

m) Provisions and Contingencies

The Group recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources will be required and the amount of outflow can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources or the amount of such outflow cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

n) Measurement of EBITDA

The Group has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Consolidated Statement of Profit and Loss for the period. The Group measures EBITDA based on consolidated profit/(loss) from continuing operations.

o) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Consolidated Statement of Cash Flows comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Group's cash management.

p) Employee Benefits

Short Term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period the employee renders the related service.

Post-Employment Benefits :

I. Defined contribution plans :

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the Consolidated Statement of Profit and Loss in the financial year to which they relate. The Parent Company and its Indian subsidiaries operate defined contribution

plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees. A few Indian Subsidiaries also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

Recognition and measurement of defined contribution plans :

The Group recognises contribution payable to a defined contribution plan as an expense in the Consolidated Statement of Profit and Loss when the employees render services. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

II. Defined benefit plans :

i) Provident fund scheme :

The Parent Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Parent Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Parent Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

ii) Gratuity scheme :

The Parent Company, its Indian subsidiaries and some of its foreign subsidiaries operate a gratuity scheme for employees. The contribution is paid to a separate entity (a fund) or to a financial institution, towards meeting the Gratuity obligations.

iii) Pension and Leaving Indemnity Scheme :

The Parent Company and some of its foreign subsidiaries operate a pension and leaving indemnity plan for certain specified employees and is payable upon the employee satisfying certain conditions as approved by the Board of Directors.

iv) Post-Retirement Medical benefit plan :

The Parent Company and some of its foreign subsidiaries operate a post-retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

Recognition and measurement of defined benefit plans :

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognised in the Consolidated Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognised representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/(asset) are recognised in the Consolidated Statement of Profit and loss. Remeasurements of the net defined benefit liability/(asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Consolidated Statement of Profit and Loss in the subsequent periods.

The Group presents the above liability/ (asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however in case of the Parent entity of the Group, entire liability towards gratuity is considered as current as the Parent entity will contribute this amount to the gratuity fund within the next twelve months.

Other Long Term Employee Benefits :

Entitlements to deferred incentives, annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Group determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognised in the Consolidated Statement of Profit and Loss (including actuarial gain and loss).

q) Share based Payments

The Parent Company operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Parent Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (employee stock option reserve). At the end of each reporting period, the Parent Company revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss such that cumulative expense reflects the revision estimate, with a corresponding adjustments to the employee stock option reserve.

Market-based vesting conditions are reflected in the grant date fair value of the options and are not subsequently adjusted based on actual outcomes of such conditions. The expense is recognised irrespective of whether the market-based vesting conditions are ultimately satisfied, provided the service conditions are fulfilled.

One of the subsidiaries of the Group has entered into an agreement wherein the consideration for services taken will be paid through an equity-settled share-based arrangement upon achievement of the agreed milestones. Such equity-settled share-based payment is measured as per the fair value of the equity instruments granted as the fair value of service received cannot be measured reliably. The fair value of equity settled share based payment is recognised as capital work in progress as the same is related to property, plant and equipment along with a corresponding increase in the equity (Share based Payment Reserve).

r) Treasury shares

The Group has created an ESOP Trust (Asian Paints Employees Stock Ownership Trust) which acts as a vehicle to execute its ESOP plan. The ESOP trust is considered as an extension of the Parent Company and the shares held by the ESOP trust are treated as Treasury shares. The ESOP Trust purchases Parent Company's share from secondary market for issuance to the employees on exercise of the granted stock options. These shares are recognised at cost and is disclosed separately as reduction from Other Equity as treasury shares. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on purchase, sale, issuance, or cancellation of treasury shares.

s) Lease accounting Assets taken on lease

The Group mainly has lease arrangements for land and building for offices, warehouse spaces, retail stores, vehicles and others.

The Group assesses whether a contract is or contains a lease, at inception of a contract in accordance with Ind AS 116. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Group has substantially all the economic benefits from the use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially

recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term or useful life of the underlying asset if the Group expects to exercise a purchase option in the lease. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, generally discounted using an incremental borrowing rate specific to the Group, term and currency of the contract.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Consolidated Statement of Profit and Loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short term leases as well as low value assets and recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

t) Borrowing Cost

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost and hedging costs incurred pertaining to such borrowings.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised, if any. Such borrowing cost is net off any interest income earned on temporary investment of borrowing pending expenditure on qualifying assets. All other borrowing costs are expensed in the period in which they occur.

u) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

v) Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Consolidated Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

w) Investment in associate companies

An associate is an entity over which the Group has significant influence as defined under Ind AS 28, Investments in Associates and Joint Ventures.

The Group's investments in its associate is accounted for using the equity method. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The financial statements of the associate are prepared for the same reporting period as the

Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit in an associate' in the Consolidated Statement of Profit and loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in Consolidated Statement of Profit and loss.

x) Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent Company and its subsidiaries.

The Parent Company consolidates all the entities where control exists as per Ind AS 110, Consolidated Financial Statements from the date control commences until the date control ceases. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including :

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Parent Company's voting rights and potential voting rights,
- The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary. Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31st March.

The Consolidated Financial Statements of the Group have been combined on a line-by-line basis, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profits. Unrealised losses resulting from intra-group transactions are not eliminated unless cost cannot be recovered. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Consolidated Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount at which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Group.

The payments related to forward contracts entered/ options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognised at the estimated present value of gross obligations. Such forward contracts/ options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognised.

y) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders of the Parent Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

Diluted Earnings per share is calculated by dividing net profit attributable to the equity shareholders of the Parent Company with the weighted average number of shares outstanding during the financial year, adjusted for effects of diluting potential equity shares towards ESOP plan.

z) Exceptional items :

An ordinary item of income or expense which by its size, nature, occurrence or incidence requires a disclosure in order to improve understanding of the performance of the Group is treated as an exceptional item in the Consolidated Statement of Profit and loss.

1.5. Key accounting estimates and judgements

The preparation of the Consolidated Financial Statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below :

a) Income taxes

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions (Refer note 10).

b) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

c) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes or a change in market demand of the product or service output of the asset, manufacturers warranties and maintenance support, etc.

d) Impairment of goodwill and other Intangible assets with indefinite life

Goodwill and other intangible assets with indefinite useful life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins.

Cash flow projections take into account past experience and represent management's best estimate about future developments.

e) *Defined Benefit Obligation*

The costs of providing pensions and other post-employment benefits are charged to the Consolidated Statement of Profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 33, 'Employee benefits'.

f) *Share-based payment transactions*

The fair value of employee stock options is measured using the Black-Scholes model and Monte Carlo Model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds). Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 33(3).

g) *Fair value measurement of financial instruments*

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

h) *Right-of-use assets and lease liability*

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

Note 2A : Property, Plant and Equipment

(₹ in Crores)

	Gross carrying value						Depreciation/Amortisation						Net carrying value
	As at 01.04.2025	Translation Difference	Additions/ Adjustments	Deductions / Adjustments	Disposal of Subsidiaries #	As at 31.03.2026	As at 01.04.2025	Translation Difference	Additions Adjustments	Deductions / Adjustments	Disposal of Subsidiaries #	As at 31.03.2026	As at 31.03.2026
Land^	398.17	0.43	-	0.33	-	**398.27**	-	-	-	-	-	**-**	**398.27**
Buildings	2,452.46	33.57	307.39	17.81	-	**2,775.61**	490.69	3.90	82.58	17.63	-	**559.54**	**2,216.07**
Plant and Equipment	7,575.81	46.13	713.24	125.54	-	**8,209.64**	3,481.59	13.43	649.23	119.90	-	**4,024.35**	**4,185.29**
Scientific Research :													
Buildings	71.39	-	-	-	-	**71.39**	23.29	-	2.75	-	-	**26.04**	**45.35**
Equipment	84.89	-	3.16	0.99	-	**87.06**	66.46	-	5.22	0.95	-	**70.73**	**16.33**
Leasehold Improvements	0.31	-	-	0.27	-	**0.04**	0.18	-	0.02	0.18	-	**0.02**	**0.02**
Furniture and Fixtures	203.33	2.17	16.10	5.84	-	**215.76**	106.58	1.64	20.99	5.33	-	**123.88**	**91.88**
Vehicles	25.56	0.66	1.19	0.49	-	**26.92**	21.07	0.75	1.29	0.49	-	**22.62**	**4.30**
Office Equipment	169.05	1.95	28.37	6.75	-	**192.62**	101.62	1.32	22.06	6.53	-	**118.47**	**74.15**
Leasehold Improvements	119.92	0.07	41.56	8.47	-	**153.08**	22.09	0.02	25.06	8.47	-	**38.70**	**114.38**
Assets Given on Operating Lease : Tinting systems	2.09	0.08	-	0.01	-	**2.16**	1.79	0.07	0.12	0.01	-	**1.97**	**0.19**
Total	**11,102.98**	**85.06**	**1,111.01**	**166.50**	**-**	**12,132.55**	**4,315.36**	**21.13**	**809.32**	**159.49**	**-**	**4,986.32**	**7,146.23**

(₹ in Crores)

	Gross carrying value						Depreciation/Amortisation						Net carrying value
	As at 01.04.2024	Translation Difference	Additions/ Adjustments	Deductions / Adjustments	Disposal of Subsidiaries #	As at 31.03.2025	As at 01.04.2024	Translation Difference	Additions Adjustments	Deductions / Adjustments	Disposal of Subsidiaries #	As at 31.03.2025	As at 31.03.2025
Land^	444.57	0.10	14.94	-	61.44	398.17	-	-	-	-	-	-	398.17
Buildings	1,854.21	(13.10)	658.90	14.00	33.55	2,452.46	444.25	(3.64)	69.30	11.99	7.23	490.69	1,961.77
Plant and Equipment	5,421.51	(11.28)	2,247.74	24.06	58.10	7,575.81	3,044.54	(4.98)	495.20	23.56	29.61	3,481.59	4,094.22
Scientific Research :													
Buildings	71.39	-	-	-	-	71.39	20.55	-	2.74	-	-	23.29	48.10
Equipment	81.81	-	3.08	-	-	84.89	60.81	-	5.65	-	-	66.46	18.43
Leasehold Improvements	0.31	-	-	-	-	0.31	0.15	-	0.03	-	-	0.18	0.13
Furniture and Fixtures	175.17	(0.23)	36.44	7.11	0.94	203.33	93.86	(0.12)	19.50	5.75	0.91	106.58	96.75
Vehicles	27.11	(3.31)	1.93	0.17	-	25.56	21.44	(1.79)	1.59	0.17	-	21.07	4.49
Office Equipment	144.70	(1.01)	44.24	12.27	6.61	169.05	100.53	(0.58)	16.79	9.45	5.67	101.62	67.43
Leasehold improvements	27.44	0.01	92.90	0.43	-	119.92	16.43	0.01	6.10	0.45	-	22.09	97.83
Assets Given on Operating Lease : Tinting systems	3.68	0.11	-	1.70	-	2.09	3.14	0.10	0.18	1.63	-	1.79	0.30
Total	**8,251.90**	**(28.71)**	**3,100.17**	**59.74**	**160.64**	**11,102.98**	**3,805.70**	**(11.00)**	**617.08**	**53.00**	**43.42**	**4,315.36**	**6,787.62**

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 32 (b).

^ Includes leasehold land of ₹ 4.56 crores in Parent Company which is not being amortised as the Parent Company has an option to convert it into freehold on payment of a nominal amount.

As at 31st March 2026, ₹ 771.43 crores (Previous year - ₹ 174.10 crores) was hypothecated as security for borrowings.

Refer note 42 (d)

Note 2B : Right-of-Use Assets

(₹ in Crores)

Movement in net carrying amount	Year 2025-26						Year 2024-25					
	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Vehicles	Total	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Vehicles	Total
Balance as at 1st April	**636.92**	**1,198.29**	**0.07**	**0.01**	**8.43**	**1,843.72**	**670.45**	**1,177.20**	**0.10**	**0.02**	**8.50**	**1,856.27**
Additions	**174.38**	**418.33**	**-**	**0.06**	**15.12**	**607.89**	17.84	416.99	-	-	4.85	439.68
Depreciation	**17.90**	**377.11**	**0.01**	**0.01**	**5.51**	**400.54**	15.23	365.34	0.03	0.01	4.88	385.49
Deletions / Adjustments	**4.68**	**47.66**	**0.06**	**-**	**1.49**	**53.89**	30.00	28.20	-	-	0.14	58.34
Disposal of Subsidiaries #	**-**	**-**	**-**	**-**	**-**	**-**	-	0.17	-	-	0.02	0.19
Translation difference	**17.09**	**3.43**	**-**	**-**	**1.07**	**21.59**	(6.14)	(2.19)	-	-	0.12	(8.21)
Balance as at 31st March	**805.81**	**1,195.28**	**-**	**0.06**	**17.62**	**2,018.77**	**636.92**	**1,198.29**	**0.07**	**0.01**	**8.43**	**1,843.72**

For additions and movement in lease liabilities, Refer note 17. The amount of contractual commitments for the Right-of-Use Assets is disclosed in Note 32(b).

As at 31st March 2026, ₹ 70.28 crores (Previous year- Nil) was hypothecated as security for borrowings.

Refer note 42 (d)

Note 3 : Capital Work-in-Progress

Capital Work-In-Progress (CWIP) ageing schedule

(₹ in Crores)

CWIP	Amount in CWIP for a period of				As at 31.03.2026
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1,253.83	460.70	84.60	49.54	**1,848.67**
Projects temporarily suspended	-	-	-	-	**-**

(₹ in Crores)

CWIP	Amount in CWIP for a period of				As at 31.03.2025
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	998.21	170.74	48.89	36.65	1,254.49
Projects temporarily suspended	-	-	-	-	-

As at 31st March 2026, ₹ 1,446.56 crores (Previous year- ₹ 374.39 crores) was hypothecated as security for borrowings.

CWIP assets where completion is overdue and/or cost has exceeded its original plan

(₹ in Crores)

CWIP	To be completed in				As at 31.03.2026
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Manufacturing facility for Vinyl Acetate Ethylene Emulsion (VAE) and Vinyl Acetate Monomer (VAM)	676.16	-	770.40	-	**1,446.56**
Asian Paints Headquarter Building	-	40.90	-	-	**40.90**
Manufacturing facility at Ankleshwar Plant - 2	-	-	-	11.49	**11.49**

There were no CWIP assets where completion was overdue against original planned timelines or where estimated cost exceeds its original value as on 31st March 2025.

Note 4 : Intangible Assets

(₹ in Crores)

	Gross carrying value						Amortisation						Impairment						Net carrying value
	As at 01.04.2025	Translation Difference	Additions Adjustments	Deductions / Adjustments	Disposal of Subsidiaries #	As at 31.03.2026	As at 01.04.2025	Translation Difference	Additions/ Adjustments	Deductions / Adjustments	Disposal of Subsidiaries #	As at 31.03.2026	As at 01.04.2025	Translation Difference	Additions/ Adjustments*	Deductions / Adjustments	Disposal of Subsidiaries #	As at 31.03.2026	As at 31.03.2026
4A. GOODWILL (Refer note 1 below)																			
Goodwill on Consolidation	454.52	5.30	-	-	-	**459.82**	-	-	-	-	-	**-**	282.22	5.80	-	-	-	**288.02**	**171.80**
Goodwill acquired separately	47.28	-	-	-	-	**47.28**	-	-	-	-	-	**-**	-	-	-	-	-	**-**	**47.28**
Total (4A)	**501.80**	**5.30**	**-**	**-**	**-**	**507.10**	**-**	**-**	**-**	**-**	**-**	**-**	**282.22**	**5.80**	**-**	**-**	**-**	**288.02**	**219.08**
4B. OTHER INTANGIBLE ASSETS (acquired separately)																			
Brand (Refer note 2 below)	318.38	0.73	-	-	-	**319.11**	-	-	-	-	-	**-**	36.45	-	93.87	-	-	**130.32**	**188.79**
Trademark	6.39	-	-	-	-	**6.39**	5.32	-	1.07	-	-	**6.39**	-	-	-	-	-	**-**	**-**
Computer Software	248.77	0.80	5.86	1.44	-	**253.99**	207.04	0.68	20.03	1.44	-	**226.31**	-	-	-	-	-	**-**	**27.68**
Others	76.14	1.95	-	-	-	**78.09**	31.85	0.73	5.86	-	-	**38.44**	-	-	-	-	-	**-**	**39.65**
Scientific Research :																			
Computer Software	0.51	-	-	0.01	-	**0.50**	0.35	-	0.08	0.01	-	**0.42**	-	-	-	-	-	**-**	**0.08**
Total (4B)	**650.19**	**3.48**	**5.86**	**1.45**	**-**	**658.08**	**244.56**	**1.41**	**27.04**	**1.45**	**-**	**271.56**	**36.45**	**-**	**93.87**	**-**	**-**	**130.32**	**256.20**
Total (4A+4B)	**1,151.99**	**8.78**	**5.86**	**1.45**	**-**	**1,165.18**	**244.56**	**1.41**	**27.04**	**1.45**	**-**	**271.56**	**318.67**	**5.80**	**93.87**	**-**	**-**	**418.34**	**475.28**

(₹ in Crores)

	Gross carrying value						Amortisation						Impairment						Net carrying value
	As at 01.04.2024	Translation Difference	Additions Adjustments	Deductions / Adjustments	Disposal of Subsidiaries #	As at 31.03.2025	As at 01.04.2024	Translation Difference	Additions/ Adjustments	Deductions / Adjustments	Disposal of Subsidiaries #	As at 31.03.2025	As at 01.04.2024	Translation Difference	Additions/ Adjustments*	Deductions / Adjustments	Disposal of Subsidiaries #	As at 31.03.2025	As at 31.03.2025
4A. GOODWILL (Refer note 1 below)																			
Goodwill on Consolidation	465.78	(11.26)	-	-	-	454.52	-	-	-	-	-	-	93.87	1.55	186.80	-	-	282.22	172.30
Goodwill acquired separately	47.28	-	-	-	-	47.28	-	-	-	-	-	-	-	-	-	-	-	-	47.28
Total (4A)	**513.06**	**(11.26)**	**-**	**-**	**-**	**501.80**	**-**	**-**	**-**	**-**	**-**	**-**	**93.87**	**1.55**	**186.80**	**-**	**-**	**282.22**	**219.58**
4B. OTHER INTANGIBLE ASSETS (acquired separately)																			
Brand (Refer note 2 below)	330.85	(12.47)	-	-	-	318.38	-	-	-	-	-	-	-	-	36.45	-	-	36.45	281.93
Trademark	6.39	-	-	-	-	6.39	4.23	-	1.09	-	-	5.32	-	-	-	-	-	-	1.07
Computer Software	238.47	(0.35)	25.16	13.57	0.94	248.77	197.67	(0.22)	23.96	13.57	0.80	207.04	-	-	-	-	-	-	41.73
Others	77.96	(1.82)	-	-	-	76.14	27.06	(1.16)	5.95	-	-	31.85	-	-	-	-	-	-	44.29
Scientific Research :																			
Computer Software	0.51	-	-	-	-	0.51	0.26	-	0.09	-	-	0.35	-	-	-	-	-	-	0.16
Total (4B)	**654.18**	**(14.64)**	**25.16**	**13.57**	**0.94**	**650.19**	**229.22**	**(1.38)**	**31.09**	**13.57**	**0.80**	**244.56**	**-**	**-**	**36.45**	**-**	**-**	**36.45**	**369.18**
Total (4A+4B)	**1,167.24**	**(25.90)**	**25.16**	**13.57**	**0.94**	**1,151.99**	**229.22**	**(1.38)**	**31.09**	**13.57**	**0.80**	**244.56**	**93.87**	**1.55**	**223.25**	**-**	**-**	**318.67**	**588.76**

The amount of contractual commitments for the acquisition of intangible assets is disclosed in Note 32 (b).

* Refer note 2 below.

Refer note 42 (d).

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 4 : Intangible Assets (Contd.)

1. Goodwill :

. 'Goodwill' acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows :

(₹ in Crores)

	As at 31.03.2026	As at 31.03.2025
Goodwill on Consolidation		
Berger Paints Emirates LLC	**3.67**	3.22
Kadisco Paint and Adhesive Industry Share Company	**11.70**	13.00
Asian Paints (Vanuatu) Limited	**1.21**	1.09
Asian Paints (South Pacific) Pte Limited	**2.48**	2.23
SCIB Chemicals, S.A.E.	**15.87**	14.31
Causeway Paints Lanka (Pvt) Ltd (Refer note 40)	**32.08**	33.66
Asian Paints International Private Limited	**75.83**	75.83
Weatherseal Fenestration Private Limited	**11.09**	11.09
Harind Chemicals and Pharmaceuticals Private Limited	**17.87**	17.87
Goodwill acquired separately		
Asian Paints Limited (Bath Fittings Business)	**35.36**	35.36
Asian Paints Limited (Kitchen and Components Business)	**11.92**	11.92
Total	**219.08**	**219.58**

Impairment Assessment of Goodwill/Intangibles (with indefinite useful life) :

The recoverable amounts of all the CGUs are determined as per value-in-use calculations which uses cashflow projections based on the financial budgets approved by the management covering a five to seven years period (Previous year : five to eight years). The Group believes this to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows.

Key Assumptions used for value in use are as follows :

	As at 31.03.2026	As at 31.03.2025
Period considered for cash flow projections by management under Value-in-use method	**5 years to 7 years**	5 years to 8 years
Compounded average net sales growth rate (CAGR)	**3.3% - 42.7%**	4.9% - 42.7%
Terminal Growth Rate	**2.0% - 9.4%**	2.0% - 13.3%
Discount Rate	**10.9% - 28.2%**	11.4% - 34.9%

Taking into account the business performance, prevailing business conditions and revised expectations of the future performance, the Group has recognised impairment loss of ₹ 93.87 crores in respect of Intangibles (Refer note 1) recognised on acquisition of Obgenix Software Private Limited. The carrying value (Parent share) of the CGU is ₹ 14.00 crores (includes intangibles with indefinite useful life of ₹ 85.38 crores) and recoverable amount is ₹ 34.70 crores determined based on its value-in-use.

The same has been disclosed as an exceptional item in Note 40.

Note 4 : Intangible Assets (Contd.)

1. Goodwill (Contd.) :

As at 31st March 2026, changes to each of the key assumptions will lead to additional impairment as follows :

Intangibles on Consolidation	Assumption	Current Assumption	Change in Assumption	Additional impairment (₹ in Crores)
Obgenix Software Private Limited	Discount rate	15.4%	1% increase	17.90
Obgenix Software Private Limited	Compounded average net sales growth rate (CAGR)	17.1%	1% decrease	34.30

For other CGUs, management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates - Management estimates discount rates using post-tax rates that reflect current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on demand condition. The weighted average growth rates used are consistent with industry reports.

2. Brand :

'Brand' includes brands acquired pursuant to acquisition of subsidiaries. These have indefinite useful life as the registration of these brands can be renewed indefinitely and management assessed that they will continue to generate future cash flows for the Group indefinitely. Accordingly, the same is not amortised and is tested for impairment annually (Refer note 1). The breakup of Brand is as follows :

(₹ in Crores)

	As at 31.03.2026	As at 31.03.2025
'WhiteTeak' Brand (Refer note 1)	**85.38**	179.25
'Weatherseal' Brand	**16.53**	16.53
'Causeway' Brand	**47.36**	45.40
'Kadisco' Brand	**10.77**	12.00
'Sleek' Brand	**28.75**	28.75
Total	**188.79**	**281.93**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 5 : Investments

	Face value (₹)	As at 31.03.2026		As at 31.03.2025	
		Nos.	₹ in Crores	Nos.	₹ in Crores
I. NON-CURRENT INVESTMENTS					
A. Investments in Equity Instruments					
(a) Quoted equity shares measured at FVTOCI					
Akzo Nobel India Limited[$]	10	-	-	20,10,626	723.43
HDFC Bank Limited*	1	**15,62,400**	**114.31**	7,81,200	142.82
Apcotex Industries Limited	2	**34,180**	**1.07**	34,180	1.14
Total Investment in Quoted equity shares			**115.38**		**867.39**
(b) Unquoted equity shares					
(i) Associate Companies (accounted as per equity method, Refer note 37)					
PPG Asian Paints Private Limited	10	**2,85,18,112**	**656.09**	2,85,18,112	608.00
			656.09		**608.00**
(ii) Other equity shares measured at FVTPL					
Pattancheru Enviro-tech Limited	10	**12,900**	**0.01**	12,900	0.01
Cuddalore SIPCOT Common Utilities Limited	100	**2,830**	**0.03**	2,830	0.03
Narmada Clean Tech Limited	10	**4,97,833**	**0.49**	4,97,833	0.49
SKH Metals Limited	10	**62,500**	**0.50**	62,500	0.50
Amplus RJ Solar Private Limited	10	**8,50,000**	**0.85**	8,50,000	0.85
BEIL Infrastructure Limited	10	**5,600**	**0.01**	5,600	0.01
Paints and Coatings Skill Council	25,000	**20**	**0.05**	10	0.03
Saraswat Co-operative Bank [₹ 25,000/- (As at 31st March 2025 - ₹ 25,000)]	10	**2,500**	**0.00**	2,500	0.00
			1.94		**1.92**
Total Investment in Unquoted equity shares (i+ii)			**658.03**		**609.92**
Total Investments in Equity Instruments (a+b)	**A**		**773.41**		**1,477.31**
B. Investments in Unquoted Government securities measured at amortised cost					
National Savings & Defence Certificates [₹ 39,500/- (As at 31st March 2025 - ₹ 39,500)]	**B**		**0.00**		0.00
C. Investments in Debentures or Bonds					
a) Investments in Unquoted Debentures or Bonds measured at amortised cost					
7.50% Ethiopian Renaissance Dam Bond		**13**	**0.50**	12	0.48
Total Investment in Unquoted Debentures or Bonds			**0.50**		**0.48**
b) Investments in Unquoted Debentures or Bonds measured at FVTOCI					
Redeemable and Non-Convertible					
5.25% Bond of Indian Railway Finance Corporation Limited - Series VII 54EC	10,000	**500**	**0.50**	500	0.50
5.00% Bond of Rural Electrification Corporation Limited - Series XVI 54EC 31AG27	10,000	**500**	**0.50**	500	0.50
5.00% Bond of Rural Electrification Corporation Limited - Series XVI 54EC 31MY27	10,000	**500**	**0.50**	500	0.50
5.25% Bond of Power Finance Corporation Limited - Series VIII	10,000	**500**	**0.50**	500	0.50
			2.00		**2.00**
Total Investments in Debentures or Bonds (a + b)	**C**		**2.50**		**2.48**
Total Non-Current Investments (A+B+C)			**775.91**		**1,479.79**
Total Investments in Associate Companies			**656.09**		**608.00**
Total Investments in Other entities			**119.82**		**871.79**
Aggregate amount of quoted investments - At cost			**0.13**		41.43
Aggregate amount of quoted investments - At market value			**115.37**		867.39
Aggregate amount of unquoted investments			**660.54**		612.40

[$] During the year 20,10,626 shares were sold at net cash consideration of ₹ 729.42 crores and at a gain of ₹ 637.45 crores (net of tax of ₹ 50.67 crores) as a normal business transaction.

* During the year, HDFC Bank Limited issued bonus equity shares in the ratio of 1:1

Note 5 : Investments (Contd.)

		Face value (₹)	As at 31.03.2026		As at 31.03.2025	
			Nos.	₹ in Crores	Nos.	₹ in Crores
II.	**CURRENT INVESTMENTS**					
A.	**Investment in Government securities measured at amortised cost**					
	(a) Investments in quoted Government securities (with original maturity of more than 3 months)		**6**	**12.11**	-	-
	Total Investment in Government securities measured at amortised cost	**A**		**12.11**		**-**
B.	**Investments in Debentures or Bonds**					
	(a) Investments in Unquoted Debentures or Bonds measured at amortised cost					
	8.00% Ethiopian Renaissance Dam Bond		**-**	**-**	2	0.21
	7.50% Ethiopian Renaissance Dam Bond		**2**	**0.08**	-	-
	Total Investments in Debentures or Bonds measured at amortised cost			**0.08**		**0.21**
	(b) Investments in Debentures or Bonds measured at FVTOCI					
	(i) Quoted Debentures or Bonds					
	Redeemable and Non-Convertible					
	Zero Coupon Debentures of LIC Housing Finance Limited - Tranche 416	10,00,000	**-**	**-**	450	54.48
	Zero Coupon Debentures of Kotak Mahindra Investments Limited - Series III 29JN26	10,00,000	**-**	**-**	600	56.41
	Zero Coupon Debentures of HDB Financial Services Limited - Series 2022 A/0(ZC)/186_ Option 1	10,00,000	**-**	**-**	450	54.48
	7.14% Bond of National Highway Authority of India - Series IA	1,000	**-**	**-**	1,42,849	14.46
	7.11% Bond of Power Finance Corporation Limited - Series 1A	1,000	**-**	**-**	51,341	5.18
	7.11% Bond of National Thermal Power Corporation Limited - Series 1A	1,000	**-**	**-**	62,457	6.30
	7.07% Bond of Indian Railway Finance Corporation Limited - Series 102nd	1,000	**-**	**-**	2,26,500	22.60
				-		**213.91**
	(ii) Unquoted Debentures or Bonds					
	Redeemable and Non-Convertible					
	5.00% Bond of Indian Railway Finance Corporation Limited - Series IV	10,000	**-**	**-**	500	0.50
				-		**0.50**
	Total Investments in Debentures or Bonds measured at FVTOCI (i + ii)			**-**		**214.41**
	Total Investments in Debentures or Bonds (a + b)	**B**		**0.08**		**214.62**
C.	**Investments in Quoted Mutual Funds measured at FVTPL**					
	(a) Investments in Liquid Mutual Funds					
	UTI Liquid Fund (Formerly UTI Liquid Cash Plan) - Direct Plan		**9,41,614**	**425.33**	6,68,185	284.06
	UTI Money Market Fund - Regular Growth Plan		**10,728**	**3.46**	10,728	3.24
	Other Mutual Funds		**-**	**5,844.85**	-	2,743.04
				6,273.64		**3,030.34**
	Total Investments in Quoted Mutual Funds measured at FVTPL	**C**		**6,273.64**		**3,030.34**
Total Current Investments (A+B+C)				**6,285.83**		**3,244.96**
Aggregate amount of quoted investments - At cost				**5,870.88**		2,962.18
Aggregate amount of quoted investments - At market value				**6,285.75**		3,244.27
Aggregate amount of unquoted investments				**0.08**		0.71

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 6 : Trade Receivables

(₹ in Crores)

	Non Current		Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Trade receivables				
(a) Secured, considered good	**-**	-	**0.42**	0.12
(b) Unsecured, considered good*	**5.36**	8.71	**4,476.85**	4,410.12
(c) Unsecured, credit impaired	**-**	-	**664.57**	566.00
	5.36	**8.71**	**5,141.84**	**4,976.24**
Less : Allowance for expected credit loss (includes credit impaired) (Refer note 30(C)(2))	**-**	-	**(680.04)**	(662.59)
Total	**5.36**	**8.71**	**4,461.80**	**4,313.65**

* Trade Receivables includes dues from associate (Refer note 34)

As at 31st March 2026 , ₹ 67.38 crores (Previous year - ₹ 63.22 crores) was hypothecated as security for borrowings.

Trade Receivables ageing schedule

(₹ in Crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment					As at 31.03.2026
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
(a) Undisputed, considered good	1.56	3,784.63	641.14	55.30	-	-	-	**4,482.63**
(b) Undisputed, credit impaired	-	5.54	2.93	52.40	158.63	93.86	162.84	**476.20**
(c) Disputed, considered good	-	-	-	-	-	-	-	**-**
(d) Disputed, credit impaired	-	1.40	3.91	9.60	88.42	32.53	52.51	**188.37**
	1.56	**3,791.57**	**647.98**	**117.30**	**247.05**	**126.39**	**215.35**	**5,147.20**
Less : Allowance for expected credit loss (includes credit impaired)								**(680.04)**
Total								**4,467.16**

(₹ in Crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment					As at 31.03.2025
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables								
(a) Undisputed, considered good	4.50	3,293.60	953.18	166.89	0.46	0.22	0.10	4,418.95
(b) Undisputed, credit impaired	-	1.35	5.17	52.63	173.50	116.64	149.42	498.71
(c) Disputed, considered good	-	-	-	-	-	-	-	-
(d) Disputed, credit impaired	-	0.21	0.94	7.67	7.90	8.91	41.66	67.29
	4.50	**3,295.16**	**959.29**	**227.19**	**181.86**	**125.77**	**191.18**	**4,984.95**
Less : Allowance for expected credit loss (includes credit impaired)								(662.59)
Total								**4,322.36**

Note 7 : Loans

(₹ in Crores)

	Non Current		Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Secured, considered good				
Loan to third party	**1.57**	-	**0.46**	**-**
Total	**1.57**	**-**	**0.46**	**-**

Note 8 : Other Financial Assets*

(₹ in Crores)

	Non Current		Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Unsecured & considered good				
Security deposits (net)	**126.45**	88.24	**20.51**	14.88
Royalty receivable	**-**	-	**0.49**	0.40
Due from Associate Companies (Refer note 34)	**-**	-	**2.96**	3.91
Subsidy receivable from Governments (net)^	**233.61**	325.99	**172.77**	176.46
Term deposits held as margin money against bank guarantee and other commitments	**0.51**	0.68	**4.19**	2.82
Term deposits with more than 12 months of original maturity^^	**1,153.20**	458.13	**1,285.45**	713.38
Interest accrued on investments in debentures or bonds measured at FVTOCI	**-**	-	**0.07**	20.14
Quantity discount receivable	**0.19**	-	**321.38**	220.81
Foreign currency forward exchange contract (net)	**-**	-	**11.47**	-
Retention monies receivable from Customers	**4.14**	4.80	**0.53**	0.59
Derivative Asset towards External Commercial Borrowing (Refer note 30(b))	**18.84**	-	**-**	-
Other receivables (net)	**0.85**	-	**2.85**	4.72
Total	**1,537.79**	**877.84**	**1,822.67**	**1,158.11**

* Refer note 30(C) for information about credit risk of other financial assets.

^ Current and Non-Current portion of subsidy receivable from state governments is net of allowance for expected credit loss amounting to ₹ 3.45 crores (Previous Year - ₹ 6.68 crores) and ₹ 80.19 crores (Previous Year - ₹ 7.11 crores) respectively. (Refer note 30(C)(2)).

^^ Fixed deposits in one of the subsidiary amounting to ₹ 1.81 crores (Previous Year - ₹ 3.97 crores) have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 9 : Cash and Bank Balances

(₹ in Crores)

		Current	
		As at 31.03.2026	As at 31.03.2025
(A)	**Cash and Cash Equivalents**		
	(i) Balances with Banks		
	(a) Current Accounts	**270.23**	260.32
	(b) Cash Credit Accounts[&]	**15.10**	33.75
	(c) Deposits with original maturity of less than 3 months^	**301.97**	99.49
	(ii) Cheques, drafts on hand	**85.28**	50.72
	(iii) Cash on hand	**0.25**	1.00
	Total	**672.83**	**445.28**
(B)	**Other Balances with Banks**		
	(i) Term deposits with original maturity of more than 3 months but less than 12 months	**357.53**	288.55
	(ii) Unpaid dividend and sales proceeds of Fractional Bonus Shares account*	**40.76**	40.07
	(iii) Earmarked balances with banks	**2.56**	8.08
	Total	**400.85**	**336.70**

[&] The borrowings carry an interest rate of 8.40% p.a. - 8.90% p.a (Previous year - 9.00% p.a. - 9.40% p.a.).
Borrowings in certain subsidiaries is secured by hypothecation of building, plant and machinery, inventories, trade receivables, and other current assets.

^ Fixed deposits in one of the subsidiary have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary - as on 31st March 2026 - Nil (Previous Year - ₹ 0.63 crores).

* The Group can utilise these balances only towards settlement of unclaimed dividend and fractional bonus shares.

Note 10 : Income Taxes

A. The Major Components of Income Tax Expense for the year are as under :

(₹ in Crores)

		Year 2025-26	Year 2024-25
(i)	**Income tax recognised in Profit or Loss**		
	Current tax expense :		
	In respect of current year	**1,523.02**	1,388.98
	In respect of short/(excess) tax provision for earlier years	**27.05**	(13.39)
	Deferred tax expense :		
	In respect of current year	**58.68**	17.77
	Total	**1,608.75**	**1,393.36**
(ii)	**Income tax recognised in OCI**		
	Current tax :		
	Income Tax expense on sale of investments in equity instruments through OCI	**50.67**	-
	Deferred tax :		
	Income tax (benefit) on remeasurements of the defined benefit plans	**(6.17)**	(0.16)
	Income tax (benefit)/expense on net fair value gain on investments in equity instruments through OCI	**(54.64)**	42.86
	Income tax (benefit)/expense on net fair value gain on investments in debt instruments through OCI	**(2.72)**	0.96
	Income tax expense on net gain on cash flow hedges	**2.12**	-
	Total	**(10.74)**	**43.66**

Note 10 : Income Taxes (Contd.)

B. Reconciliation of Tax Expense and Effective Tax Rate :

The reconciliation between the statutory income tax rate applicable to the Group and the effective income tax rate of the Group and the resultant tax expense is as follows :

	Year 2025-26		Year 2024-25	
	₹ in Crores	Rate	₹ in Crores	Rate
Profit before Share of Profit in Associates (after exceptional items)	**5,837.85**		**4,962.36**	
Income tax expense calculated at corporate tax rate	**1,469.27**	**25.17%**	1,248.93	25.17%
Tax effect of :				
Non-deductible expenses	**93.01**	**1.59%**	144.96	2.92%
Incentive tax credits	**(1.25)**	**-0.02%**	(0.58)	-0.01%
Income taxed at special rates	**(0.93)**	**-0.02%**	(3.62)	-0.07%
Income exempted from tax	**(1.27)**	**-0.02%**	(6.09)	-0.12%
Different tax rates in the components	**(10.03)**	**-0.17%**	(8.77)	-0.18%
Deferred tax on undistributed profits (including effect of change in tax rate)	**9.01**	**0.15%**	5.83	0.12%
Deferred tax asset not recognised	**32.58**	**0.56%**	18.26	0.37%
Others	**(8.69)**	**-0.15%**	7.83	0.16%
Total	**1,581.70**	**27.09%**	**1,406.75**	**28.35%**
Short/(Excess) tax provision for earlier years	**27.05**	**0.46%**	(13.39)	-0.27%
Tax expense as per Consolidated Statement of Profit and Loss	**1,608.75**	**27.56%**	**1,393.36**	**28.08%**

The tax rate used for reconciliation above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under Indian tax law.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 10 : Income Taxes (Contd.)

C. The major components of Deferred Tax (Liabilities)/Assets arising on account of timing differences are as follows :

As at 31st March 2026

(₹ in Crores)

	Balance Sheet		Profit and loss	OCI	Balance Sheet	
	Deferred Tax Liabilities - Net	Deferred Tax Assets - Net			Deferred Tax Liabilities -Net	Deferred Tax Assets - Net
	01.04.2025	01.04.2025	2025-26	2025-26	31.03.2026	31.03.2026
Difference between written down value/ capital work in progress of fixed assets as per the books of accounts and income tax	(296.44)	(4.68)	**(0.40)**	**-**	**(301.15)**	**(1.73)**
Provision for expense allowed for tax purpose on payment basis (net)	54.45	2.71	**1.32**	**-**	**55.32**	**3.16**
Provision for expected credit losses and fair valuation of subsidy receivable from state governments	19.38	-	**10.88**	**-**	**30.26**	**-**
Allowance for expected credit losses on trade receivables	24.78	-	**(20.49)**	**-**	**4.29**	**-**
Remeasurement of the defined benefit plans	10.92	1.45	**0.23**	**6.17**	**17.64**	**1.17**
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(2.71)	-	**-**	**2.72**	**0.01**	**-**
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	(58.58)	(0.14)	**0.73**	**54.64**	**(3.35)**	**-**
Difference in carrying value and tax base of investments measured at FVTPL	(64.54)	-	**(40.09)**	**-**	**(104.37)**	**(0.25)**
Business losses carried forward under Income Tax	-	-	**0.38**	**-**	**-**	**0.41**
Undistributed profits of subsidiaries/ associates	(141.74)	-	**(8.56)**	**-**	**(150.75)**	**-**
Difference in Right-of-use asset and lease liabilities	36.39	12.63	**2.60**	**-**	**40.46**	**11.01**
Income tax expense on net gain on cash flow hedges	-	-	**-**	**(2.12)**	**(2.12)**	**-**
Others	13.18	4.15	**(5.28)**	**-**	**10.50**	**1.97**
Deferred tax (expense)/benefit			**(58.68)**	**61.41**		
Currency translation loss and other adjustments	-	-	**-**	**(1.46)**	**-**	**-**
Net Deferred tax (liabilities)/assets	**(404.91)**	**16.12**			**(403.26)**	**15.74**

Note 10 : Income Taxes (Contd.)

C. The major components of Deferred Tax (Liabilities)/Assets arising on account of timing differences are as follows (Contd.) :

As at 31st March 2025

(₹ in Crores)

	Balance Sheet		Profit and loss	OCI	Balance Sheet	
	Deferred Tax Liabilities -Net	Deferred Tax Assets - Net			Deferred Tax Liabilities -Net	Deferred Tax Assets - Net
	01.04.2024	01.04.2024	2024-25	2024-25	31.03.2025	31.03.2025
Difference between written down value/ capital work in progress of fixed assets as per the books of accounts and income tax	(266.09)	(2.15)	(38.50)	-	(296.44)	(4.68)
Provision for expense allowed for tax purpose on payment basis (net)	34.89	2.26	19.97	0.03	54.45	2.71
Provision for expected credit losses and fair valuation of subsidy receivable from state governments	18.35	-	1.03	-	19.38	-
Allowance for expected credit losses on trade receivables	-	-	24.78	-	24.78	-
Remeasurement of the defined benefit plans	10.66	1.60	0.33	0.13	10.92	1.45
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(1.74)	-	(0.01)	(0.96)	(2.71)	-
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	(15.44)	(0.10)	(0.40)	(42.86)	(58.58)	(0.14)
Difference in carrying value and tax base of investments measured at FVTPL	(42.72)	-	(21.75)	-	(64.54)	-
Business losses carried forward under Income Tax	0.82	0.10	(0.91)	-	-	-
Undistributed profits of subsidiaries/ associates	(134.24)	-	(7.43)	-	(141.74)	-
Difference in Right-of-use asset and lease liabilities	30.51	15.11	3.41	-	36.39	12.63
Others	12.83	6.50	1.71	-	13.18	4.15
Deferred tax expense			**(17.77)**	**(43.66)**		
Currency translation gain and other adjustments	-	-	-	1.48	-	-
Net Deferred tax (liabilities)/assets	**(352.17)**	**23.32**			**(404.91)**	**16.12**

Note 10 : Income Taxes (Contd.)

D. The Group has the following unused tax losses which arose on incurrence of capital losses and business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet.

As at 31st March 2026

(₹ in Crores)

Financial Year	Category	31.03.2026	Expiry Date
2011-2012	Depreciation	**0.16**	NA
2012-2013	Depreciation	**0.47**	NA
2013-2014	Depreciation	**0.37**	NA
2014-2015	Depreciation	**0.33**	NA
2015-2016	Depreciation	**0.28**	NA
2016-2017	Depreciation	**0.24**	NA
2017-2018	Business loss	**0.80**	31st March 2026
2017-2018	Depreciation	**0.21**	NA
2018-2019	Depreciation	**0.19**	NA
2018-2019	Business loss	**0.06**	31st March 2027
2022-2023	Business loss	**1.93**	31st March 2031
2022-2023	Depreciation	**3.55**	NA
2023-2024	Business loss	**0.41**	31st March 2032
2023-2024	Business loss	**7.77**	31st March 2032
2023-2024	Depreciation	**3.13**	NA
2024-2025	Business loss	**24.40**	31st March 2033
2024-2025	Depreciation	**3.08**	NA
2024-2025	Business loss	**32.26**	31st March 2033
2024-2025	Depreciation	**3.51**	NA
2024-2025	Business loss	**0.13**	31st March 2033
2025-2026	Business loss	**21.15**	31st March 2034
2025-2026	Depreciation	**2.57**	NA
2025-2026	Business loss	**0.04**	31st March 2034
2025-2026	Depreciation	**0.07**	NA
2025-2026	Business loss	**43.85**	31st March 2034
2025-2026	Depreciation	**3.39**	NA

Note 10 : Income Taxes (Contd.)

D. The Group has the following unused tax losses which arose on incurrence of capital losses and business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet (Contd.).

As at 31st March 2025

(₹ in Crores)

Financial Year	Category	31.03.2025	Expiry Date
2011-2012	Depreciation	0.16	NA
2012-2013	Depreciation	0.47	NA
2013-2014	Depreciation	0.37	NA
2014-2015	Depreciation	0.33	NA
2015-2016	Depreciation	0.28	NA
2016-2017	Business loss	1.30	31st March 2025
2016-2017	Depreciation	0.24	NA
2017-2018	Business loss	0.80	31st March 2026
2017-2018	Depreciation	0.21	NA
2018-2019	Depreciation	0.19	NA
2018-2019	Business loss	0.06	31st March 2027
2022-2023	Business loss	1.93	31st March 2031
2022-2023	Depreciation	3.55	NA
2023-2024	Business loss	0.41	31st March 2032
2023-2024	Business loss	7.77	31st March 2032
2023-2024	Depreciation	3.13	NA
2024-2025	Business loss	27.80	31st March 2033
2024-2025	Depreciation	2.99	NA
2024-2025	Business loss	32.29	31st March 2033
2024-2025	Depreciation	3.55	NA

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is ₹ 902.31 crores (Previous year - ₹ 756.39 crores). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding Company and it has no intention to distribute the earnings of the subsidiaries.

E. Pillar Two Income Taxes

The Organisation for Economic Co-operation and Development ('OECD') has published the model rules for global minimum tax (Pillar Two legislation). As per the provisions of Pillar Two legislation, the Group's Ultimate parent entity ('UPE') has consolidated revenues exceeding the threshold prescribed under the OECD framework. Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions where the Group operates. Based on the current assessment, the Group does not expect a material financial impact from the application of the Pillar Two legislation on its Consolidated Financial Statements.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 11 : Income Tax Assets (Net)

(₹ in Crores)

	Non Current	
	As at 31.03.2026	As at 31.03.2025
Advance payment of Income Tax (net)	**248.62**	221.62
Total	**248.62**	**221.62**

Note 12 : Other Assets

(₹ in Crores)

	Non Current		Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
(a) Capital advances	**86.11**	174.52	**-**	-
(b) Advances other than capital advances				
i) Advances/claims recoverable in cash or in kind	**51.33**	52.97	**316.97**	312.03
ii) Balances with government authorities	**133.72**	56.88	**452.14**	401.21
iii) Advances to employees	**4.75**	7.57	**23.50**	18.29
iv) Duty credit entitlement	**-**	-	**2.74**	4.02
	189.80	**117.42**	**795.35**	**735.55**
(c) Other receivables	**-**	9.08	**0.73**	32.05
(d) Contract assets (net)	**-**	-	**0.01**	6.11
(e) Employee benefits assets (Refer note 33)	**-**	-	**0.42**	-
Total	**275.91**	**301.02**	**796.51**	**773.71**

Note 13 : Inventories (At lower of cost and net realisable value)

(₹ in Crores)

	Current	
	As at 31.03.2026	As at 31.03.2025
(a) Raw materials	**1,940.60**	2,238.83
Raw materials-in-transit	**549.23**	609.42
	2,489.83	**2,848.25**
(b) Packing materials	**101.72**	91.61
(c) Work-in-progress	**200.61**	207.48
(d) Finished goods	**1,585.82**	2,468.96
(e) Stock-in-trade (acquired for trading)	**1,198.28**	932.65
Stock-in-trade (acquired for trading) in-transit	**68.91**	48.21
	1,267.19	**980.86**
(f) Stores, spares and consumables	**98.38**	121.36
Stores, spares and consumables-in-transit	**0.14**	0.75
	98.52	**122.11**
Total	**5,743.69**	**6,719.27**

The cost of inventories recognised as an expense during the year is disclosed in Note 25. It includes net expense of ₹ 57.68 crores (Previous year - ₹ 13.35 crores) towards write down of inventory.

As at 31st March 2026, ₹ 256.07 crores (Previous year - ₹ 207.37 crores) was hypothecated as security for Borrowings.

Note 14 : Equity Share Capital

(₹ in Crores)

	As at 31.03.2026	As at 31.03.2025
Authorised		
13,99,50,00,000 (Previous year - 99,50,00,000) Equity Shares of face value of ₹ 1 each*	**1,399.50**	99.50
50,000 11% Redeemable Cumulative Preference shares of face value of ₹ 100 each	**0.50**	0.50
	1,400.00	**100.00**
Issued, Subscribed and Paid up capital		
95,91,97,790 Equity Shares of face value of ₹ 1 each fully paid	**95.92**	95.92
	95.92	**95.92**

* During the year, the authorised share capital of the Parent Company increased by ₹ 1,300 crores on account of giving effect to the Scheme of Amalgamation of Asian Paints (Polymers) Private Limited ("APPPL") and the Company with effect from 31st March 2026.

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Fully paid Equity Shares	As at 31.03.2026		As at 31.03.2025	
	No. of Equity Shares	₹ in Crores	No. of Equity Shares	₹ in Crores
Balance at the beginning of the reporting year	**95,91,97,790**	**95.92**	95,91,97,790	95.92
Changes in Equity Share capital due to prior period errors	**-**	**-**	-	-
Restated balance at the beginning of the current reporting period	**95,91,97,790**	**95.92**	95,91,97,790	95.92
Changes in Equity Share capital during the year	**-**	**-**	-	-
Balance at the end of the reporting year	**95,91,97,790**	**95.92**	**95,91,97,790**	**95.92**

b) Terms/rights attached to equity shares

The Parent Company has only one class of shares referred to as equity shares having a face value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

The Parent Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(₹ in Crores)

Particulars	Year 2025-26	Year 2024-25
Dividend paid during the year		
Final dividend [₹ 20.55 (Previous year - ₹ 28.15) per equity share of face value of ₹ 1 each]	**1,971.21**	2,700.20
Interim dividend [₹ 4.50 (Previous year - ₹ 4.25) per equity share of face value of ₹ 1 each]	**431.66**	407.71
	2,402.87	**3,107.91**

Proposed dividend for FY 2025-26 is ₹ 23.00 per equity share of face value of ₹ 1 each amounting to ₹ 2206.15 crores (Previous year - ₹ 20.55 per equity share of face value of ₹ 1 each), subject to approval at the ensuing Annual General Meeting of the Parent Company and hence is not recognised as a liability. If approved, the total dividend (interim and final dividend) for the financial year 2025-26 will be ₹ 27.50 (Rupees Twenty Seven and Paisa Fifty only) per equity share of the face value of ₹ 1 each (₹ 24.80 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year)

As per the Companies Act 2013, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts in the event of liquidation of the Parent Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 14 : Equity Share Capital (Contd.)

c) Details of Shareholders holding more than 5% equity shares in the Parent Company@

Name of the Shareholders	As at 31.03.2026		As at 31.03.2025	
	No. of Equity Shares	% of Total shares	No. of Equity Shares	% of Total shares
Fully paid Equity Shares of face value of ₹ 1 each held by :				
1. Life Insurance Corporation of India	**7,78,22,006**	**8.11%**	7,94,75,946	8.29%
2. Sattva Holding and Trading Private Limited	**5,47,89,183**	**5.71%**	5,47,89,183	5.71%
3. Smiti Holding and Trading Company Private Limited	**5,14,42,638**	**5.36%**	5,17,67,638	5.40%
4. SBI Mutual Fund	**4,98,85,007**	**5.20%**	1,45,04,965	1.51%

@ As per the records of the Parent Company, including its register of members.

d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year.

Refer note 12 (d) of Standalone Financial Statements for disclosure on shares held by promoters of the Parent Company..

e) Reconciliation of Treasury shares outstanding at the beginning and at the end of the year

Treasury shares	As at 31.03.2026		As at 31.03.2025	
	No. of Equity Shares	₹ in Crores	No. of Equity Shares	₹ in Crores
Balance at the beginning of the year	**4,54,666**	**134.73**	3,55,575	110.19
Add : Purchased during the year	**2,09,299**	**48.63**	1,74,336	50.03
Less : Exercised/Sold during the year	**1,10,470**	**37.10**	75,245	25.49
Balance at the end of the year	**5,53,495**	**146.26**	**4,54,666**	**134.73**

In accordance with Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"), the ESOP Trust (Asian Paints Employees Stock Ownership Trust) purchased equity shares of the Parent Company from secondary market. The net outstanding shares held by the ESOP Trust are disclosed as Treasury Shares (Refer note 33(3)).

Note 15 : Other Equity

(₹ in Crores)

	Attributable to owners of the Company																			
	Reserves and Surplus												Items of Other comprehensive income (OCI)					Total attributable to owners of the Company	Non-Controlling Interests	Total
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associates	Share based Payment Reserve	Treasury Shares	Trust Reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in Associates	Cash Flow Hedge Reserve			
Balance as at 1st April 2025 (A)	**39.16**	**7.06**	**5.37**	**15.44**	**4,715.75**	**14,596.40**	**(21.45)**	**(22.40)**	**1.14**	**56.84**	**(134.73)**	**2.08**	**14.00**	**(433.94)**	**465.56**	**(2.39)**	**-**	**19,303.89**	**659.24**	**19,963.13**
Changes during the year :																				
Profit for the year	-	-	-	-	-	4,325.35	-	-	-	-	-	-	-	-	-	-	-	4,325.35	69.34	4,394.69
Items of OCI for the year, net of tax																				
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	16.29	-	-	-	16.29	6.38	22.67
Remeasurement of the defined benefit plans	-	-	-	-	-	-	(18.86)	-	-	-	-	-	-	-	-	-	-	(18.86)	0.09	(18.77)
Net fair value loss on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(18.62)	-	-	(18.62)	-	(18.62)
Net fair value loss on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	(16.27)	-	-	-	-	(16.27)	-	(16.27)
Net gain on cash flow hedges																	6.32	6.32	-	6.32
Share of OCI in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.69)	-	(2.69)	-	(2.69)
Total Comprehensive Income for the year 2025-26 (B)	**-**	**-**	**-**	**-**	**-**	**4,325.35**	**(18.86)**	**-**	**-**	**-**	**-**	**-**	**(16.27)**	**16.29**	**(18.62)**	**(2.69)**	**6.32**	**4,291.52**	**75.81**	**4,367.33**
Dividends (Refer note 14(b))	-	-	-	-	-	(2,402.87)	-	-	-	-	-	-	-	-	-	-	-	(2,402.87)	(22.48)	(2,425.35)
Amount infused by non-controlling shareholders in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.37	9.37
Effects of stake acquired from non-controlling interest	-	-	-	-	-	188.00	-	(107.97)	-	-	-	-	-	-	-	-	-	80.03	(80.03)	-
Equity/other changes in Associates	-	-	-	-	-	-	-	-	0.69	-	-	-	-	-	-	-	-	0.69	-	0.69
Share based payment expenses	-	-	-	-	-	-	-	-	-	29.35	-	-	-	-	-	-	-	29.35	-	29.35
Sweat Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	5.46	5.46
Effects of stake dilution in subsidiary	-	-	-	-	-	-	-	3.98	-	-	-	-	-	-	-	-	-	3.98	(3.98)	-
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	-	-	-	-	1.03	-	-	-	-	-	1.03	-	1.03
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	-	-	-	-	(48.63)	-	-	-	-	-	-	(48.63)	-	(48.63)
ESOP exercised during the year	-	-	-	-	-	-	-	-	-	(20.42)	37.10	-	-	-	-	-	-	16.68	-	16.68
Transfer to Retained Earning from Equity instruments through OCI on sale of equity shares of Akzo Nobel India Limited (Refer note 5)	-	-	-	-	-	396.24	-	-	-	-	-	-	-	-	(396.24)	-	-	-	-	-
Total (C)	**-**	**-**	**-**	**-**	**-**	**(1,818.63)**	**-**	**(103.99)**	**0.69**	**8.93**	**(11.53)**	**1.03**	**-**	**-**	**(396.24)**	**-**	**-**	**(2,319.74)**	**(91.66)**	**(2,411.40)**
Balance as at 31st March 2026 (A+B+C)	**39.16**	**7.06**	**5.37**	**15.44**	**4,715.75**	**17,103.12**	**(40.31)**	**(126.39)**	**1.83**	**65.77**	**(146.26)**	**3.11**	**(2.27)**	**(417.65)**	**50.70**	**(5.08)**	**6.32**	**21,275.67**	**643.39**	**21,919.06**

Note 15 : Other Equity (Contd.)

(₹ in Crores)

	Attributable to owners of the Company																			
	Reserves and Surplus												Items of Other comprehensive income (OCI)					Total attributable to owners of the Company	Non-Controlling Interests	Total
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associates	Share based Payment Reserve	Treasury Shares	Trust Reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in Associates	Cash Flow Hedge Reserve			
Balance as at 1st April 2024 (A)	**39.16**	**7.06**	**5.37**	**15.44**	**4,715.75**	**14,037.88**	**(19.25)**	**3.03**	**1.12**	**48.26**	**(110.19)**	**0.97**	**11.29**	**(356.61)**	**235.12**	**(2.02)**	**-**	**18,632.38**	**695.38**	**19,327.76**
Changes during the year :																				
Profit for the year	-	-	-	-	-	3,667.23	-	-	-	-	-	-	-	-	-	-	-	3,667.23	42.48	**3,709.71**
Items of OCI for the year, net of tax																				
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(77.33)	-	-	-	(77.33)	(38.62)	**(115.95)**
Remeasurement of the defined benefit plans	-	-	-	-	-	-	(2.20)	-	-	-	-	-	-	-	-	-	-	(2.20)	(0.07)	**(2.27)**
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	230.44	-	-	230.44	-	**230.44**
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	2.71	-	-	-	-	2.71	-	**2.71**
Share of OCI in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.37)	-	(0.37)	-	**(0.37)**
Total Comprehensive Income for the year 2024-25 (B)	-	-	-	-	-	**3,667.23**	**(2.20)**	-	-	-	-	-	**2.71**	**(77.33)**	**230.44**	**(0.37)**	**-**	**3,820.48**	**3.79**	**3,824.27**
Dividends (Refer note 14(b))	-	-	-	-	-	(3,107.91)	-	-	-	-	-	-	-	-	-	-	-	(3,107.91)	(30.71)	**(3,138.62)**
Effects of stake acquired from non-controlling interest	-	-	-	-	-	-	-	(25.43)	-	-	-	-	-	-	-	-	-	(25.43)	(9.22)	**(34.65)**
Equity/other changes in Associates	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	-	-	-	0.02	-	**0.02**
Share based payment expenses	-	-	-	-	-	-	-	-	-	21.25	-	-	-	-	-	-	-	21.25	-	**21.25**
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	-	-	-	-	1.11	-	-	-	-	-	1.11	-	**1.11**
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	-	-	-	-	(50.08)	-	-	-	-	-	-	(50.08)	-	**(50.08)**
ESOP exercised during the year	-	-	-	-	-	(0.80)	-	-	-	(12.67)	25.54	-	-	-	-	-	-	12.07	-	**12.07**
Total (C)	-	-	-	-	-	**(3,108.71)**	-	**(25.43)**	**0.02**	**8.58**	**(24.54)**	**1.11**	-	-	-	-	**-**	**(3,148.97)**	**(39.93)**	**(3,188.90)**
Balance as at 31st March 2025 (A+B+C)	**39.16**	**7.06**	**5.37**	**15.44**	**4,715.75**	**14,596.40**	**(21.45)**	**(22.40)**	**1.14**	**56.84**	**(134.73)**	**2.08**	**14.00**	**(433.94)**	**465.56**	**(2.39)**	**-**	**19,303.89**	**659.24**	**19,963.13**

Note 15 : Other Equity (Contd.)

1. Description of nature and purpose of each reserve

Capital Reserve on Consolidation -
During the year 2012-13, a Composite Scheme of Restructuring ('Scheme') as approved by Hon'ble High Court of Bombay was effected to transfer certain businesses between the Parent Company, PPG Asian Paints Pvt. Ltd. and Asian Paints PPG Pvt. Ltd. The Capital Reserve on Consolidation represents the additional net assets received by the Parent Company pursuant to the Scheme.

Capital Reserve -

a. Capital reserve of ₹ 5000/- credited on merger of ' Pentasia Chemicals Ltd ' with the Parent Company, pursuant to scheme of Rehabilitation-cum-Merger sanctioned by Board of Industrial and Financial Reconstruction in the financial year 1995-96.

b. Capital reserve of ₹ 44.38 crores credited on amalgamation of Asian Paints (International) Limited, Mauritius, wholly owned subsidiary of the Parent Company, with the Parent Company as per the order passed by the National Company Law Tribunal

c. Capital reserve of ₹ 2.91 crores debited on account of acquisition of business from Whitford India Private Limited by PPG Asian Paints Private Limited ('PPGAP'), associate Company.

d. Capital reserve of ₹ 34.41 crores debited on amalgamation of Sleek International Private Limited, wholly owned subsidiary of the Parent Company, with the Parent Company as per the order passed by the National Company Law Tribunal.

Capital Redemption Reserve - This reserve was created for redemption of preference shares by the Group prior to 2003.

Statutory Reserves - Certain subsidiaries of the Group are required to set aside a minimum amount of specified percentage of profits annually before distribution of dividends, in accordance with the local regulations. No further transfer is required when the reserve reaches certain percentage of the issued capital of the subsidiary. The statutory reserve may only be distributed to shareholders upon liquidation of the subsidiary or in the circumstances stipulated in the regulations.

General Reserve - General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Retained earnings - This represents surplus of Profit and Loss account.

Remeasurement of defined benefit plans - This represents the cumulative gains and losses arising on the remeasurement of defined benefit plans in accordance with Ind AS 19 that have been recognised in other comprehensive income.

Other Reserves - Other reserve represents non-controlling interest reserve for the below transactions

a. Increase in stake of 1.71% effected through buyback done by Asian Paints (Nepal) Private Limited
b. Buyout of 24.30% stake of certain minority shareholders in SCIB Chemicals S.A.E., Egypt
c. Reduction in Parent Company's shareholding by 10% in Asian White Cement Holdings Limited consequent to issuance of sweat equity shares on a non-cash basis to one of its other minority shareholder.
d. Acquisition of balance 40% of the equity share capital of Obgenix Software Private Limited.

Share of other reserves in Associate - This reserve is created during the year to recognise restricted stock units (RSUs) granted in PPG Asian Paints Private Limited ('PPGAP'), Associate Company of the Group.

Share based Payment Reserve - This represents the fair value of the stock options granted by the Parent Company under the 2021 Plan accumulated over the vesting period. The reserve will be utilized on exercise of the options.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 15 : Other Equity (Contd.)

1. Description of nature and purpose of each reserve (Contd.)

Treasury shares -This represents cost incurred by the Parent Company to purchase its own equity shares from secondary market through the Parent Company's ESOP trust for issuing the shares to the eligible employees on exercise of stock options granted under the 2021 Plan.

Trust Reserve - This represents net income of ESOP Trust.

Debt instruments through OCI -This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at FVTOCI that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off and for impairment losses on such instruments.

Foreign Currency Translation Reserve - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Equity instruments through OCI - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at FVTOCI, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Share of OCI in Associate - This reserve represents the share of OCI recognised in the books of PPGAP, Associate Company of the Group.

Cash Flow Hedge Reserve - This represents cumulative effective portion of cashflow hedges wherever the Parent Company applies cash flow hedge accounting. The amount recognised in the other comprehensive income is net of amounts reclassified to profit or loss to the extent of ineffective portion and when the hedged transaction affects the profit and loss.

2. The Group doesn't have any material subsidiary warranting a disclosure in respect of individual subsidiaries.

Note 16 : Borrowings^

(₹ in Crores)

	Maturity Date	Terms of Repayment	Interest Rate Current Year / (Previous Year)	Non-Current		Current	
				As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
I. NON-CURRENT BORROWINGS							
Secured							
(i) Term Loans from Government							
Deferred payment liabilities :							
- Loan from State of Haryana[1]	Apr-27 to Mar-31	One time payment at the end of the term of each drawdown	NA	**6.44**	3.04	**-**	1.96
- Loan from State of Karnataka[2]	Mar-34	One time payment at the end of the term	NA	**37.08**	34.21	**-**	-
				43.52	**37.25**	**-**	**1.96**
(ii) Term Loans - From banks							
- Loan from Standard Chartered Bank, Bangladesh[3]	Aug-27	Equal Quarterly Instalments	NA / (T-Bill + 2.76%)	**-**	7.12	**-**	4.74
- Loan from Hongkong and Shanghai Banking Corporation Limited (HSBC), India[4]	Jul-26 to Jan-28	Equal Quarterly Instalments	NA / (T- Bill + 2.15%)	**-**	7.80	**-**	9.20
- Loan from HSBC, Middle East[5]	Jun-26 to Mar-32	Equal Quarterly Instalments	EIBOR + 1.40% / (EIBOR + 1.40%)	**199.82**	101.72	**10.52**	-
- Loan from HSBC, Hong Kong[5]	Jun-26 to Mar-32	Equal Quarterly Instalments	SOFR+1.40% / (SOFR+1.40%)	**159.77**	102.48	**8.41**	-
- Loan form ICICI Bank, India[6]	Dec-25 to Mar-29	Equal Quarterly Instalments (Pending instalments - 8)	REPO + 2.40% / (REPO + 2.60%)	**3.00**	3.25	**2.00**	-
- Loan form ICICI Bank, India[6]	Jun-27 to Dec-29	Equal Quarterly Instalments	REPO + 2.85% / (NA)	**0.50**	-	**-**	-
- Loan form ICICI Bank, India[7]	Nov-26 to Jul-29	Equal Quarterly Instalments	REPO + 2.80% / (NA)	**35.14**	-	**4.38**	-
- External Commercial Borrowing from Sumitomo Mitsui Banking Corporation[8]	Jun-30 to Dec-30	One time payment at the end of the term of each drawdown	JPY TONAR+ 0.90% / (NA)	**741.42**	-	**-**	-
- Loan from State Bank of India[8]	Mar-29 to Jun-35	Equal quaterly instalments	T-Bill + 1.40% / (NA)	**64.00**	-	**-**	-
				1,203.65	**222.37**	**25.31**	**13.94**
Current maturities of Long term borrowings							
Secured				**-**	-	**(25.31)**	(15.90)
Unsecured				**-**	-	**-**	-
Total				**1,247.17**	**259.62**	**-**	**-**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 16 : Borrowings^ (Contd.)

Notes :

Interest free borrowings are recognised at fair value using prevailing market interest rate for equivalent borrowing. The difference between the gross proceeds and fair value of the borrowing is the benefit derived from the interest free borrowing and is treated as government grant and recognised as deferred income (Refer note 21).

[1] The Parent Company is eligible to avail interest free borrowing in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April 2010. As on 31st March 2026, the Parent Company has received total interest free borrowing of ₹ 44.97 crores for the period from April 2010 to March 2016. As on 31st March 2026, the Parent Company has repaid borrowing of ₹ 37.01 crores (Previous year - ₹ 35.06 crores). This borrowing is repayable after a period of 5 years from the date of receipt of interest free borrowing. For the year ended 31st March 2016 we have received partial sanction and for 31st March 2017, the Parent Company is awaiting sanction from the Haryana Government.

[2] The Parent Company is eligible to avail interest free borrowing for a period of 11 years in respect of 100% of Net SGST (upto the value of investment made in Fixed Asset) paid on the sale of goods within the state of Karnataka and produced at Mysuru plant beginning from 28th September 2018. The borrowing is repayable after a period of 11 years from the date of receipt of borrowing. As on 31st March 2026, the Parent Company has received total interest free borrowing of ₹ 70.62 crores (Previous Year - ₹ 70.62 crores) for the period from September 2018 to March 2020.
The above interest free borrowings represented in note 1 and 2 are secured by way of a bank guarantee issued by the Parent Company

[3] Secured against first priority *pari-passu* floating charge over trade receivables, inventories and property, plant and equipment of Asian Paints (Bangladesh) Limited.

[4] Secured against first priority *pari-passu* charge on present and future inventories and trade receivables of Obgenix Software Private Limited.

[5] Secured against first *pari-passu* charge over trade receivables, inventories and property plant and equipment of Asian White Inc. FZE

[6] Secured against first *pari-passu* charge on movable fixed assets and current assets of Weatherseal Fenestration Private Limited.

[7] Secured against first *pari-passu* charge on movable fixed assets and current assets of Obgenix Software Private Limited.

[8] Secured against *pari-passu* charge on moveable and immovable property, plant and equipment related to specific project of the Parent Company

^ No default in terms of repayment of principal and interest within the Group.

(₹ in Crores)

	Maturity Date	Terms of Repayment	Interest Rate Current Year / (Previous Year)	Current	
				As at 31.03.2026	As at 31.03.2025
II. CURRENT BORROWINGS					
Secured					
(i) Term Loans - From banks					
- Loan from Dutch-Bangla Bank Limited, Bangladesh[1]	Jun-26 to Sep-26	For a term of 180 days	9.75% / (10.50%)	**46.19**	16.83
- Loan from Standard Chartered Bank, Bangladesh[2]	Apr-26	For a term 90 days	9.25% / (11.00%)	**30.79**	14.01
- Loan from Citi Bank N.A., Bangladesh[1]	Jun-26	For a term 365 days	9.50% / (13.50%)	**15.40**	14.01
				92.38	**44.85**
(ii) Loan repayable on demand - Cash Credit / Overdraft Accounts					
- Overdraft from HSBC, Bangladesh[3]		Repayable on demand	12.00% / (11.00%)	**0.58**	12.10
- Overdraft from HSBC, Middle East[8]		Repayable on demand	EIBOR+1.10% / (NA)	**66.13**	-
- Overdraft from HSBC, India[5]		Repayable on demand	NA / (T-Bill + 2.05%)	**-**	37.69
- Overdraft from ICICI Bank, India[5]		Repayable on demand	REPO + 2.25% / (NA)	**79.27**	-
- Overdraft from Commercial Bank of Ethiopia[6]		Repayable on demand	15.00% / (14.00%)	**5.55**	3.34
- Overdraft from Standard Chartered Bank, Bangladesh[2]		Repayable on demand	12.00% / (11.00%)	**2.29**	11.94
- Overdraft from ICICI Bank, India[7]		Repayable on demand	REPO + 2.10% / (NA)	**42.13**	-
- Overdraft from Dutch-Bangla Bank Limited, Bangladesh[1]		Repayable on demand	9.75% / (10.50%)	**8.54**	18.87
				204.49	**83.94**

Note 16 : Borrowings^ (Contd.)

(₹ in Crores)

	Maturity Date	Terms of Repayment	Interest Rate Current Year / (Previous Year)	Current	
				As at 31.03.2026	As at 31.03.2025
(iii) Supplier finance arrangement					
- Loan from Standard Chartered Bank, Bangladesh[2]	Apr-26 to May-26	For a term of 30 days to 180 days	SOFR + 3.50% / (SOFR + 3.50%)	**4.10**	13.96
- Loan from HSBC, Bangladesh[3]	Apr-25	For a term of 60 days to 90 days	NA / (SOFR + 3.25%)	**-**	0.73
- Loan from Citibank N.A., Bangladesh[1]	Apr-25 to Jun-25	For a term of 365 days	NA / (SOFR + 3.50%)	**-**	1.28
- Loan from HSBC, UAE[4]	Apr-26 to Jul-26	For a term of 120 days	EIBOR+1.50% / (EIBOR + 1.75%)	**17.25**	3.84
- Loan from Commercial Bank of Ceylon, Bangladesh[3]	Apr-26	For a term of 30 days to 180 days	SOFR+3.50% / (NA)	**0.91**	-
- Loan from HSBC, Middle East[8]	Apr-26	For a term of 60 days	SOFR+0.80% / (NA)	**11.70**	-
				33.96	**19.81**
Unsecured					
(i) Term loans - from banks or financial institutions					
- Loan from HSBC, India	Oct-25	For a term of 180 days	NA / (T-Bill + 2.05%)	**-**	4.00
- Loan from HSBC, India	Oct-25	For a term of 180 days	NA / (T-Bill + 3.15%)	**-**	6.00
- Loan from HSBC, Singapore	Apr-26	For a term of 90 days	SORA + 0.40% / (SORA + 0.40%)	**184.01**	191.05
- Loan from Standard Chartered Bank, Singapore	Apr-26 to Jun-26	For a term of 90 days	SOFR + 0.60% or SORA + 0.40% / (SORA + 0.60%)	**117.11**	33.75
- Loan from Citibank N.A., Singapore	Apr-26 to Sep-26	For a term of 90 days to 365 days	SOFR + 0.60% or SORA + 0.50% / (SOFR + 0.60% or SORA + 0.50%)	**28.29**	155.88
- Loan from HSBC, Egypt	Apr-25 to Jun-25	For a term of 90 days	NA / (CBE rate + 1.00%)	**-**	2.64
- Loan from HSBC, Egypt	May-26	For a term of 90 days	15.00% / (15.00%)	**5.36**	5.30
- Loan from National Bank of Kuwait, Egypt	Jul-26	For a term of 120 days	15.00% / (15.00%)	**3.56**	6.75
- Loan from HSBC, Egypt	May-26 to Jun-26	For a term of 120 days	SOFR +1.25% / (NA)	**9.77**	-
				348.10	**405.37**
(ii) Loan repayable on demand - Cash Credit / Overdraft Accounts					
- Overdraft from Bank of America, India		Repayable on demand	NA / (8.50%)	**-**	34.07
- Overdraft from ICICI Bank, India		Repayable on demand	NA / (7.50%)	**-**	0.15
- Overdraft from Citibank, India		Repayable on demand	NA / (7.50%)	**-**	0.04
- Overdraft from HSBC, Qatar		Repayable on demand	QMR + 2.50% / (NA)	**1.12**	-
				1.12	**34.26**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 16 : Borrowings^ (Contd.)

(₹ in Crores)

	Maturity Date	Terms of Repayment	Interest Rate Current Year / (Previous Year)	Current	
				As at 31.03.2026	As at 31.03.2025
(iii) Supplier Finance arrangements					
- Loan from State Bank of India	Apr-26 to Jun-26	For a term of 90 Days	T-Bill + 0.50% / (NA)	**308.62**	**-**
- Loan from HSBC, India	Apr-26 to Jun-26	For a term of 90 Days	T-Bill + 0.95% / (NA)	**32.11**	**-**
				340.73	**-**
Current maturities of Long term borrowings					
Secured				**25.31**	15.90
Unsecured				**-**	-
Total				**1,046.09**	**604.13**

Notes :

[1] Secured against all the fixed and floating assets of Asian Paints (Bangladesh) Limited.

[2] Secured by first priority *pari-passu* floating charge over trade receivables, inventories and property, plant and equipment of Asian Paints (Bangladesh) Limited.

[3] Secured by first priority *pari-passu* floating charge by way of hypothecation over trade receivables and inventories of Asian Paints (Bangladesh) Limited.

[4] Secured against charge over inventories of Berger Paints Emirates Ltd Co (L.L.C).

[5] Secured against first *pari-passu* charge on present and future inventory and trade receivables of Obgenix Software Private Limited.

[6] Secured against property, plant and equipment of Kadisco Paints and Adhesive Industry Share Company.

[7] Secured against first *pari-passu* charge on present and future inventory and trade receivables of Weatherseal Fenestration Private Limited.

[8] Secured against first *pari-passu* charge over trade receivables, inventories and property plant and equipment of Asian White Inc. FZE.

^ No default in terms of repayment of principal and interest within the Group.

The aggregate maturities of borrowings, based on contractual maturities -

(₹ in Crores)

	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying Value
As at 31st March 2026					
Borrowings	1,046.09	1,144.81	137.41	**2,328.31**	**2,293.26**
As at 31st March 2025					
Borrowings	604.13	157.93	138.69	**900.75**	**863.75**

Note 17 : Lease Liabilities

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Lease liabilities	**1,306.94**	1,123.30	**328.73**	303.24
Total	**1,306.94**	**1,123.30**	**328.73**	**303.24**

The aggregate maturities of lease liabilities, based on contractual undiscounted cash flows are as follows :

(₹ in Crores)

	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying Value
As at 31st March 2026					
Lease Liabilities	424.93	1,043.56	1,225.33	**2,693.82**	**1,635.67**
As at 31st March 2025					
Lease Liabilities	402.85	978.57	584.96	**1,966.38**	**1,426.54**

(₹ in Crores)

Movement in lease liabilities	Year 2025-26	Year 2024-25
Balance as at 1st April	**1,426.54**	**1,367.24**
Additions	**585.07**	409.33
Deletions	**58.24**	26.35
Disposal of Subsidiaries (Refer note 42 (d))	**-**	0.02
Finance cost	**119.32**	113.23
Repayment (Including interest on lease liabilities)	**459.10**	437.85
Translation Difference	**22.08**	0.96
Balance as at 31st March	**1,635.67**	**1,426.54**

Amounts with respect to leases recognised in the Consolidated Statement of Profit & Loss and Consolidated Statement of Cash Flows

(₹ in Crores)

	Year 2025-26	Year 2024-25
Amounts recognised in Consolidated Statement of Profit and Loss		
Interest on lease liabilities (Refer note 28)*	**111.26**	108.45
Depreciation of Right-of-Use assets (Refer note 29)*	**392.49**	378.17
Expenses relating to short-term leases and leases of low-value assets (Refer note 27)	**67.34**	58.49
Variable lease payments (Refer note 27)	**146.71**	137.95
Net gain on modification or termination of leases (Refer note 24)	**(6.87)**	(2.07)
Amounts recognised in Consolidated Statement of Cash Flows		
In Financing activity		
Repayment of lease liabilities	**339.78**	324.62
Interest paid on lease liabilities	**119.32**	113.23
In Operating activity		
Variable lease payments	**147.11**	148.33
Total	**606.21**	**586.18**

Note : For additions and movement in right-of-use assets Refer note 2B.

*Net of ₹ 16.11 crores (Previous year- ₹ 12.10 crores) recognised in CWIP in the course of construction.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 18 : Other Financial Liabilities

(₹ in Crores)

		Non-Current		Current	
		As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
(a)	**Investor Education and Protection Fund***				
	Unpaid/ Unclaimed dividend	**-**	-	**26.75**	26.09
(b)	**Others**				
	Retention monies	**65.06**	32.47	**55.94**	43.92
	Deposits Received (including Trade Deposits)	**4.39**	2.70	**0.39**	0.04
	Payable towards capital expenditure	**-**	-	**213.34**	146.63
	Payable towards services received	**-**	-	**921.06**	867.81
	Payable towards stores, spares and consumables	**-**	-	**19.36**	16.87
	Payable to employees [including due to Managing Director - ₹ 15.40 crores (as at 31st March 2025 - Nil)]	**-**	-	**372.69**	252.09
	Payable towards other expenses [including ₹ 6.47 crores due to Non-Executive Directors (as at 31st March 2025 - ₹ 4.66 crores)]	**-**	-	**1,400.26**	1,179.74
	Gross obligation towards further stake acquisition in subsidiary companies (Refer note 42(a))	**41.75**	44.76	**34.93**	197.00
	Derivative Liability towards External Commercial Borrowing (Refer note 30(b))	**2.46**	-	**-**	-
	Foreign currency forward exchange contract (net)	**-**	-	**-**	11.41
	Others	**-**	-	**-**	0.44
		113.66	**79.93**	**3,017.97**	**2,715.95**
Total		**113.66**	**79.93**	**3,044.72**	**2,742.04**

*** Investor Education and Protection Fund ('IEPF')** - As at 31st March 2026 and 31st March 2025, there is no amount due and outstanding to be transferred to the IEPF by the Parent Company. Unpaid/Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

Note 19 : Trade Payables

(₹ in Crores)

		Current	
		As at 31.03.2026	As at 31.03.2025
Trade Payables*			
	Total Outstanding dues of Micro Enterprises and Small Enterprises (MSME)	**258.56**	208.58
	Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	**3,604.48**	3,639.42
Total		**3,863.04**	**3,848.00**

* Includes acceptances where operational suppliers of goods and services are initially paid by banks while the Parent Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days - as on 31st March 2026 - Nil (Previous year - ₹ 419.90 crores).

Note 19 : Trade Payables (Contd.)

Trade Payables ageing schedule

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2026
		Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	
Trade Payables						
MSME	240.46	17.70	0.37	0.02	0.01	**258.56**
Other than MSME	3,414.75	189.44	0.17	0.09	0.03	**3,604.48**
Disputed Dues - MSME	-	-	-	-	-	**-**
Disputed Dues - Other than MSME	-	-	-	-	-	**-**
Total	**3,655.21**	**207.14**	**0.54**	**0.11**	**0.04**	**3,863.04**

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2025
		Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	
Trade Payables						
MSME	196.68	11.86	0.03	0.01	-	208.58
Other than MSME	3,444.04	195.18	0.17	0.01	0.02	3,639.42
Disputed Dues - MSME	-	-	-	-	-	**-**
Disputed Dues - Other than MSME	-	-	-	-	-	**-**
Total	**3,640.72**	**207.04**	**0.20**	**0.02**	**0.02**	**3,848.00**

Note 20 : Provisions

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
(a) Provision for Employee Benefits (Refer note 33)				
Provision for Compensated absences	**223.76**	212.91	**41.97**	31.86
Provision for Gratuity	**-**	0.57	**41.97**	4.08
Provision for Provident Fund	**-**	-	**14.35**	-
Provision for Pension, Leaving Indemnity, Medical Plan and Others (unfunded)	**48.90**	42.90	**11.49**	5.97
Provision for Post retirement medical and other benefits	**1.14**	1.40	**6.51**	7.00
	273.80	**257.78**	**116.29**	**48.91**
(b) Others				
Provision for Indirect Taxes	**-**	-	**100.29**	15.99
Provision for Warranties	**-**	-	**-**	2.25
Total	**273.80**	**257.78**	**216.58**	**67.15**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 20 : Provisions (Contd.)

Disclosure relating to movement in other provisions is as follows :

(₹ in Crores)

	Provision for Indirect Taxes^		Provision for Warranties	
	Year 2025-26	Year 2024-25	Year 2025-26	Year 2024-25
Balance as at 1st April	**15.99**	**14.84**	**2.25**	**2.01**
Additions/Adjustments	**85.83**	4.75	**-**	0.31
Utilisations	**(1.49)**	(0.54)	**-**	(0.07)
Reversals	**-**	(3.06)	**(2.25)**	-
Translation Difference	**(0.04)**	0.00	**-**	-
Balance as at 31st March	**100.29**	**15.99**	**-**	**2.25**

^ Provisions for Indirect taxes includes provision for matters towards excise, sales tax, VAT, customs, GST disputed at various appellate levels.

These provisions represent estimates made for probable claims arising out of litigations/disputes pending with authorities. The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Group is not able to reasonably ascertain the timing of the outflow. The Group does not expect any reimbursements in respect of these provisions.

Note 21 : Other Liabilities

(₹ in Crores)

		Non-Current		Current	
		As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
(a)	**Revenue received in advance**				
	Advance received from customers (Refer note 23 C(iv))	**-**	-	**107.47**	173.34
(b)	**Others**				
	Statutory dues payable	**-**	-	**339.10**	261.83
	Deferred income arising from government grant (Refer note 16)	**27.43**	30.42	**4.24**	4.06
	Others (Deferred revenue arising from sale of services, etc.)	**10.22**	15.13	**7.05**	10.78
	Other advances	**-**	-	**-**	0.57
		37.65	**45.55**	**350.39**	**277.24**
Total		**37.65**	**45.55**	**457.86**	**450.58**

Note 22 : Income Tax Liabilities (Net)

(₹ in Crores)

	Current	
	As at 31.03.2026	As at 31.03.2025
Provision for Income Tax (net)	**180.01**	126.09
Total	**180.01**	**126.09**

Note 23A : Revenue From Operations

(₹ in Crores)

	Year 2025-26	Year 2024-25
Revenue from sale of products	**35,416.25**	33,626.82
Revenue from sale of services	**100.12**	170.54
Other operating revenue (including government grant)	**67.17**	108.26
Total	**35,583.54**	**33,905.62**

Note 23B : Revenue from Contracts with Customers

(₹ in Crores)

		Year 2025-26	Year 2024-25
A.	**REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON NATURE OF PRODUCT OR SERVICES**		
	Revenue From Sale of Products		
	Paints, décor and related products	**35,416.25**	33,626.82
	Revenue from Sale of Services		
	Painting, décor and related services	**100.12**	170.54
	Other operating revenue		
	Processing and service income	**24.53**	17.81
	Scrap sales	**34.85**	36.43
	Others	**1.44**	3.12
	Other Income		
	Royalty received		
	- From Associate Companies (Refer note 34)	**2.90**	2.88
	- From Others	**0.35**	0.34
	Total	**35,580.44**	**33,857.94**
B.	**Revenue from Contracts with Customers Disaggregated Based on Geography**		
	Home market	**35,309.77**	33,616.69
	Exports	**270.67**	241.25
	Total	**35,580.44**	**33,857.94**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 23C : Reconciliation of Gross Revenue with the Revenue from Contracts with Customers

(₹ in Crores)

	Year 2025-26	Year 2024-25
Gross Revenue	**44,743.74**	41,888.66
Less : Discounts/Rebates/Credits/Incentives	**9,163.30**	8,030.72
Net Revenue recognised from Contracts with Customers	**35,580.44**	**33,857.94**

i) The amounts receivable from customers become due after expiry of credit period which is maximum 180 days. There is no significant financing component in any transaction with the customers.

ii) The Group provides agreed upon performance warranty for selected range of products and services. The amount of liability towards such warranty is immaterial.

iii) The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration and sale of service contracts are measured as per output method.

iv) The Group has recognised revenue of ₹ 136.03 crores (Previous year - ₹ 135.56 crores) from the amounts included under advance received from customer at the beginning of the year.

Note 24 : Other Income

(₹ in Crores)

		Year 2025-26	Year 2024-25
(a)	**Interest Income**		
	Investments in debt instruments measured at FVTOCI	**8.54**	28.01
	Other financial assets carried at amortised cost	**172.39**	151.83
		180.93	**179.84**
(b)	**Dividends from quoted equity investments measured at FVTOCI***	**2.13**	20.64
(c)	**Other non-operating income**		
	Insurance claims received	**4.66**	3.59
	Royalty received		
	- From associate companies (Refer note 34)	**2.90**	2.88
	- From Others	**0.35**	0.34
		3.25	**3.22**
	Net gain arising on financial assets measured at FVTPL^	**286.50**	182.43
	Reversal of provision for expected credit loss on government grants	**2.10**	1.78
	Others[&]	**237.36**	158.89
		533.87	**349.91**
(d)	**Other gains and losses**		
	Net gain on foreign currency transactions (Other than considered as finance cost)	**-**	16.78
	Net gain on disposal of property, plant and equipment and other intangible assets	**-**	3.37
	Net gain on modification/ termination of leases	**6.87**	2.07
		6.87	**22.22**
Total		**723.80**	**572.61**

* Relates to investments held at the end of reporting period

^ Includes gain on sale of financial assets measured at FVTPL for ₹ 35.34 crores (Previous year- ₹ 39.98 crores).

& Previous year includes fair valuation gain on gross obligation towards further stake acquisition in subsidiary companies amounting to ₹ 18.29 crores.

Note 25A : Cost of Materials Consumed

(₹ in Crores)

	Year 2025-26	Year 2024-25
Raw Materials Consumed		
Opening Stock (including goods-in-transit)	**2,848.25**	2,246.78
Add : Purchases	**12,769.54**	14,212.11
	15,617.79	**16,458.89**
Less : Closing Stock (including goods-in-transit)	**2,489.83**	2,848.25
	13,127.96	**13,610.64**
Less : Pursuant to disposal (Refer note 42(d))	**-**	32.99
	13,127.96	**13,577.65**
Packing Materials Consumed		
Opening Stock	**91.61**	102.11
Add : Purchases	**2,266.20**	2,210.17
	2,357.81	**2,312.28**
Less : Closing Stock	**101.72**	91.61
	2,256.09	**2,220.67**
Less : Pursuant to disposal (Refer note 42(d))	**-**	4.40
	2,256.09	**2,216.27**
Total Cost of Materials Consumed	**15,384.05**	**15,793.92**

Note 25B : Purchases of Stock-in-Trade	**4,014.05**	**3,926.86**

Note 25C : Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		
Stock at the beginning of the year		
Finished Goods	**2,468.96**	2,337.14
Work-in-Progress	**207.48**	184.07
Stock-in-trade-acquired for trading (including goods-in-transit)	**980.86**	939.45
	3,657.30	**3,460.66**
Less : Pursuant to disposal (Refer note 42(d))	**-**	8.36
Total	**3,657.30**	**3,452.30**
Stock at the end of the year		
Finished Goods	**1,585.82**	2,468.96
Work-in-Progress	**200.61**	207.48
Stock-in-trade-acquired for trading (including goods-in-transit)	**1,267.19**	980.86
Total	**3,053.62**	**3,657.30**
Changes In Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	**603.68**	**(205.00)**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 26 : Employee Benefits Expense

(₹ in Crores)

	Year 2025-26	Year 2024-25
Salaries and wages	**2,441.64**	2,281.94
Contribution to provident and other funds (Refer note 33(1) and 33(2))	**145.67**	112.43
Staff welfare expenses	**182.93**	181.61
Share based payment expenses (Refer note 33(3))	**29.35**	21.25
Total	**2,799.59**	**2,597.23**

Note 27 : Other Expenses

(₹ in Crores)

	Year 2025-26	Year 2024-25
Consumption of stores, spares and consumables	**117.71**	76.58
Power and fuel	**167.10**	148.58
Processing charges	**220.15**	201.38
Repairs and maintenance :		
Buildings	**15.70**	22.68
Machinery	**63.71**	67.66
Other assets	**93.75**	102.83
	173.16	**193.17**
Rates and taxes	**37.55**	31.61
Corporate social responsibility expenses	**117.35**	111.02
Commission to Non Executive Directors	**6.47**	4.66
Directors' sitting fees	**3.67**	3.89
Auditors' Remuneration	**7.14**	6.94
Net loss on foreign currency transactions (Other than considered as finance cost)	**12.26**	-
Net loss on disposal of property, plant and equipment and other intangible assets	**3.81**	-
Freight and handling charges	**2,360.06**	2,242.02
Advertisement and Sales Promotion expenses	**1,422.20**	1,296.97
Bad debts written off	**121.95**	6.06
Allowance for expected credit losses on receivables (trade and others) and advances (net)	**5.70**	245.18
Insurance	**37.93**	30.98
Travelling expenses	**247.19**	266.42
Miscellaneous expenses*	**1,024.85**	920.94
Total	**6,086.25**	**5,786.40**

Note : Other expenses include variable lease payments (Refer note 17).

* Includes fair valuation loss on gross obligation towards further stake acquisition in subsidiary companies amounting to ₹ 19.96 crores (Previous Year - NIL).

Note 28 : Finance Costs

(₹ in Crores)

	Year 2025-26	Year 2024-25
Interest on bank borrowings*	**45.40**	60.65
Interest on bill discounting	**18.80**	31.56
Interest on loan from State Governments	**3.19**	3.63
Interest on lease liabilities ^	**111.26**	108.45
Other interest expense	**4.56**	22.00
Interest on income tax	**12.20**	0.73
Total	**195.41**	**227.02**

*Net of ₹ 31.44 crores (Previous Year - NIL) recognised in CWIP in the course of construction.

^Net of ₹ 8.06 crores (Previous Year - ₹ 4.78 crores) recognised in CWIP in the course of construction.

Note 29 : Depreciation And Amortisation Expense

(₹ in Crores)

	Year 2025-26	Year 2024-25
Depreciation of Property, Plant and Equipment (Refer note 2A)	**809.32**	617.08
Depreciation of Right-of-Use assets (net) (Refer note 2B)*	**392.49**	378.17
Amortisation of Other Intangible assets (Refer note 4B)	**27.04**	31.09
Total	**1,228.85**	**1,026.34**

* Net of ₹ 8.05 crores (Previous year - ₹ 7.32 crores) recognised in CWIP in the course of construction.

Note 30 (A) : Category-Wise Classification of Financial Instruments

Financial Assets and Financial Liabilities in the Consolidated Balance Sheet are as follows :

(₹ in Crores)

Financial Assets/ Financial Liabilities	Refer note	Non-Current		Current	
		As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Financial assets measured at FVTPL					
Designated upon initial recognition					
Investments in unquoted equity shares	5(I)(A)(b)(ii)	**1.94**	1.92	**-**	-
Mandatory					
Investments in quoted mutual funds	5(II)(C)(a)	**-**	-	**6,273.64**	3,030.34
Foreign currency forward exchange contract (net)	8	**-**	-	**11.47**	-
		1.94	**1.92**	**6,285.11**	**3,030.34**
Financial assets measured at FVTOCI					
Designated upon initial recognition					
Investments in quoted equity shares*	5(I)(A)(a)	**115.38**	867.39	**-**	-
Investments in unquoted debentures or bonds	5(I)(C)(b) & 5(II)(B)(b)(ii)	**2.00**	2.00	**-**	0.50
Investments in quoted debentures or bonds	5(II)(B)(b)(i)	**-**	-	**-**	213.91
		117.38	**869.39**	**-**	**214.41**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 30 (A) : Category-Wise Classification of Financial Instruments (Contd.)

Financial Assets and Financial Liabilities in the Consolidated Balance Sheet are as follows: (Contd.)

(₹ in Crores)

Financial Assets/ Financial Liabilities	Refer note	Non-Current		Current	
		As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Financial assets measured at amortised cost					
Investments in unquoted government securities	5(I)(B)	**0.00**	0.00	**-**	-
Investments in quoted government securities	5(II)(A)	**-**	-	**12.11**	-
Investments in unquoted debentures or bonds	5(I)(C)(a) & 5(II)(B)(a)	**0.50**	0.48	**0.08**	0.21
Trade receivables	6	**5.36**	8.71	**4,461.80**	4,313.65
Loan to third party	7	**1.57**	-	**0.46**	-
Security deposits	8	**126.45**	88.24	**20.51**	14.88
Royalty receivable	8	**-**	-	**0.49**	0.40
Due from Associate Companies	8	**-**	-	**2.96**	3.91
Subsidy receivable from Governments (net)	8	**233.61**	325.99	**172.77**	176.46
Term deposits held as margin money against bank guarantee and other commitments	8	**0.51**	0.68	**4.19**	2.82
Term deposits with more than 12 months of original maturity	8	**1,153.20**	458.13	**1,285.45**	713.38
Interest accrued on investments in debentures or bonds measured at FVTOCI	8	**-**	-	**0.07**	20.14
Quantity discount receivable	8	**0.19**	-	**321.38**	220.81
Retention monies receivable from Customers	8	**4.14**	4.80	**0.53**	0.59
Other receivables	8	**0.85**	-	**2.85**	4.72
Cash and Cash Equivalents	9(A)	**-**	-	**672.83**	445.28
Other Balances with Banks	9(B)	**-**	-	**400.85**	336.70
		1,526.38	**887.03**	**7,359.33**	**6,253.95**
Derivatives designated as hedging instruments					
Derivative Asset towards External Commercial Borrowing	8	**18.84**	-	**-**	-
		18.84	**-**	**-**	**-**
Financial liabilities measured at FVTPL					
Mandatory					
Gross obligation towards further stake acquisition in subsidiary companies	18	**41.75**	44.76	**34.93**	197.00
Foreign currency forward exchange contract (net)	18	**-**	-	**-**	11.41
		41.75	**44.76**	**34.93**	**208.41**

Note 30 (A) : Category-Wise Classification of Financial Instruments (Contd.)

Financial Assets and Financial Liabilities in the Consolidated Balance Sheet are as follows: (Contd.)

(₹ in Crores)

Financial Assets/ Financial Liabilities	Refer note	Non-Current		Current	
		As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Financial liabilities measured at amortised cost					
Term Loans from Government	16	**43.52**	37.25	**-**	1.96
Term loans - from banks	16	**1,203.65**	222.37	**465.79**	464.16
Loan repayable on demand - Cash Credit / Overdraft Accounts	16	**-**	-	**205.61**	118.20
Supplier Finance Arrangements	16	**-**	-	**374.69**	19.81
Lease Liabilities	17	**1,306.94**	1,123.30	**328.73**	303.24
Unpaid/Unclaimed dividend	18	**-**	-	**26.75**	26.09
Retention monies	18	**65.06**	32.47	**55.94**	43.92
Deposits Received (including Trade Deposits)	18	**4.39**	2.70	**0.39**	0.04
Payable towards capital expenditure	18	**-**	-	**213.34**	146.63
Payable towards services received	18	**-**	-	**921.06**	867.81
Payable towards stores, spares and consumables	18	**-**	-	**19.36**	16.87
Payable to employees	18	**-**	-	**372.69**	252.09
Payable towards other expenses	18	**-**	-	**1,400.26**	1,179.74
Others	18	**-**	-	**-**	0.44
Trade payables	19	**-**	-	**3,863.04**	3,848.00
		2,623.56	**1,418.09**	**8,247.65**	**7,289.00**
Derivatives designated as hedging instruments					
Derivative Liability towards External Commercial Borrowing	18	**2.46**	-	**-**	-
		2.46	**-**	**-**	**-**

* Investments in these equity instruments are not held for trading. Upon application of Ind AS 109 - Financial Instruments, the Group has chosen to measure these investments in equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains or losses relating to these investments in the Consolidated Statement of Profit and Loss may not be indicative of the performance of the Group.

Note 30 (A) : Category-Wise Classification of Financial Instruments (Contd.)

Income, Expenses, Gains or Losses recognised on Financial Instruments in the Consolidated Statement of Profit and Loss are as follows :

(₹ in Crores)

Income, (Expenses), Gains or (losses) on Financial Instruments	Refer note	Year 2025-26	Year 2024-25
Financial assets measured at FVTPL			
Mandatory			
Fair value gain on quoted mutual funds	24	**286.50**	182.43
		286.50	**182.43**
Financial assets measured at amortised cost			
Interest income	24	**172.39**	151.83
Allowance for expected credit loss on government grants (net)	24 & 27	**(70.17)**	1.78
Allowance for expected credit losses on receivables (trade and others) and advances (net)	27	**(5.70)**	(245.18)
		96.52	**(91.57)**
Financial assets measured at FVTOCI			
Designated upon initial recognition			
Interest income on Investments in debt instrument	24	**8.54**	28.01
Dividend income from quoted equity investments	24	**2.13**	20.64
Net fair value (loss)/gain on investments in debt instruments		**(18.99)**	3.67
Net fair value (loss)/gain on investments in equity instruments		**(22.59)**	273.30
		(30.91)	**325.62**
Financial liabilities measured at FVTPL			
Mandatory			
Fair value (loss)/gain on Gross obligation towards further stake acquisition in subsidiary companies	27 & 24	**(19.96)**	18.29
		(19.96)	**18.29**
Financial liabilities measured at amortised cost			
Interest on lease liabilities	28	**(111.26)**	(108.45)
Interest expense on bank borrowings	28	**(45.40)**	(60.65)
Interest on bill discounting and loan from State Governments	28	**(21.99)**	(35.19)
		(178.65)	**(204.29)**
Derivatives designated as hedging instruments			
Net Gain on Derivative towards External Commercial Borrowing recognised in OCI		**8.44**	-
Net loss on foreign currency transactions of Financial Liabilities and Financial Assets	27, 24, & 40	**(12.26)**	(39.36)

Note 30 (B) : Fair Value Measurements

(i) The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities :

As at 31st March 2026

(₹ in Crores)

Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2026	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at FVTOCI				
Investments in quoted equity shares (Refer note 5(I)(A)(a))	**115.38**	**115.38**	**-**	**-**
Investments in unquoted debentures or bonds (Refer note 5(I)(C)(b) & 5(II)(B)(b)(ii))	**2.00**	**-**	**2.00**	**-**
Financial assets measured at FVTPL				
Investments in quoted mutual funds (Refer note 5(II)(C)(a))	**6,273.64**	**6,273.64**	**-**	**-**
Foreign currency forward exchange contract (net) (Refer note 8)	**11.47**	**-**	**11.47**	**-**
Investments in unquoted equity shares (Refer note 5(I)(A)(b)(ii))	**1.94**	**-**	**-**	**1.94**
Financial liabilities measured at FVTPL				
Gross obligation towards further acquisition in subsidiary companies (Refer note 18)	**76.68**	**-**	**-**	**76.68**
Derivatives designated as hedging instruments				
Derivative Asset towards External Commercial Borrowing (Refer note 8)	**18.84**	**-**	**18.84**	**-**
Derivative Liability towards External Commercial Borrowing (Refer note 18)	**2.46**	**-**	**2.46**	**-**

As at 31st March 2025

(₹ in Crores)

Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2025	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at FVTOCI				
Investments in quoted equity shares (Refer note 5(I)(A)(a))	867.39	867.39	-	-
Investments in quoted debentures or bonds (Refer note 5(II)(B)(b)(i))	213.91	-	213.91	-
Investments in unquoted debentures or bonds (Refer note 5(I)(C)(b) & 5(II)(B)(b)(ii))	2.50	-	2.50	-
Financial assets measured at FVTPL				
Investments in quoted mutual funds (Refer note 5(II)(C)(a))	3,030.34	3,030.34	-	-
Investments in unquoted equity shares (Refer note 5(I)(A)(b)(ii))	1.92	-	-	1.92
Financial liabilities measured at FVTPL				
Gross obligation towards further acquisition in Subsidiary Company (Refer note 18)	241.76	-	-	241.76
Foreign currency forward exchange contract (net) (Refer note 18)	11.41	**-**	11.41	**-**

Note 30 (B) : Fair Value Measurements (Contd.)

(ii) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Consolidated Financial Statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(iii) Investments in debentures or bonds measured at FVTOCI

The debentures or bonds are fair valued using various market observable inputs.

(iv) Level 2 - Fair value hierarchy

The financial instruments are fair valued using various market observable inputs. Inputs used to measure fair value of bonds and debentures include estimated cash flows, movement in yield. Inputs used to measure fair value of derivatives include credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity etc.

(v) There were no transfers between Level 1 and Level 2 in the current year and previous year.

(vi) Significant Techniques and Unobservable Inputs Used for Level 3 Fair Valuation Measurement

As at 31st March 2026	Valuation techniques	Significant Unobservable Inputs	Sensitivity of input to fair value measurement	
			Increase of volatility by 5%	Decrease of volatility by 5%
Fair Value of gross obligation towards further stake acquisition in subsidiaries (Weatherseal Fenestration Private Limited and Harind Chemicals and Pharmaceuticals Private Limited)	Monte Carlo Simulation	Forecast EBITDA	**Net increase in liability by ₹ 0.15 crores**	**Net decrease in liability by ₹ 0.15 crores**

As at 31st March 2025	Valuation techniques	Significant Unobservable Inputs	Sensitivity of input to fair value measurement	
			Increase of volatility by 5%	Decrease of volatility by 5%
Fair Value of gross obligation towards further stake acquisition in subsidiaries (Weatherseal Fenestration Private Limited, Harind Chemicals and Pharmaceuticals Private Limited and Obgenix Software Private Limited)	Monte Carlo Simulation	Forecast EBITDA	Net increase in liability by ₹ 0.02 crores	Net decrease in liability by ₹ 0.02 crores

(vii) Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below :

(₹ in Crores)

Movements in Level 3 valuations	Year 2025-26	Year 2024-25
Balance as at 1st April	**(239.84)**	**(242.71)**
Additions	**(2.94)**	(15.42)
Settled / Payments during the year	**188.00**	-
Fair value gain recorded in Consolidated Statement of Profit and Loss	**(19.96)**	18.29
Balance as at 31st March	**(74.74)**	**(239.84)**

Note 30 (B) : Fair Value Measurements (Contd.)

(viii) Movement of Cash Flow hedging reserve

(₹ in Crores)

Movement	Year 2025-26	Year 2024-25
Balance as at 1st April	**-**	-
Amount recognised in Other Comprehensive Income	**9.67**	-
Hedge ineffectiveness recognised in Consolidated Statement of Profit and Loss	**-**	-
Amount Reclassified to Consolidated Statement of Profit and Loss during the year	**(3.35)**	-
Balance as at 31st March	**6.32**	**-**

There are no instruments for which hedge accounting is discontinued.

Note 30 (C) : Financial Risk Management - Objectives and Policies

The Group's financial assets comprise mainly of investments, loans, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables.

The Group is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Group formulated by the Risk Management Committee and approved by the Board, states the Group's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Group's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

The following disclosures summarize the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analyses has been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Group.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks : interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Parent Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate.

The Parent Company has taken Cross Currency Interest Rate Swap in order to hedge floating interest rate risk exposure related to its JPY denominated external commercial borrowing. The interest rate changes in line with change in compounded TONA rates. The Parent Company economically hedges the risk of volatility in floating interest rate on JPY External Commercial Borrowings with an Cross Currency Interest Rate Swap (Interest Rate Swap) with matched terms and matched JPY notional. The Parent Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross Currency Interest Rate Swap is identical to the hedged risk component. To test the hedge effectiveness, the Parent Company uses dollar offset method, where the change in the value of the swap and the JPY cashflow is calculated by giving a shock to the spot rate as on the valuation date. The Parent Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. There is no impact on effectiveness of its hedges.

Note 30 (C) : Financial Risk Management - Objectives and Policies (Contd.)

1) Market Risk (Contd.)

a) Interest Rate Risk (Contd.)

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit before tax for the year ended 31st March 2026 would decrease/increase by ₹ 5.67 crores (Previous Year- ₹ 4.93 crores).

The Exposure of Group's financial assets and liabilities to interest rate risk is as follows :

As at 31st March 2026

(₹ in Crores)

	As at 31.03.2026	Floating rate	Fixed rate	Non- interest bearing
Financial assets	**15,308.98**	**22.00**	**3,665.28**	**11,621.70**
Financial liabilities	**10,950.35**	**1,781.31**	**2,147.62**	**7,021.42**

As at 31st March 2025

(₹ in Crores)

	As at 31.03.2025	Floating rate	Fixed rate	Non- interest bearing
Financial assets	**11,257.04**	19.40	2,380.52	8,857.12
Financial liabilities	**8,960.26**	733.45	1,556.84	6,669.97

The following table details the nominal amounts of Cross Currency Interest Rate Swap contracts to hedge fluctuations in interest rates on borrowing outstanding at the year-end.

As at 31st March 2026

	Number of contracts	Nominal value (FC in Crores)	Indian Rupee Equivalent (₹ in Crores)	Average Hedge Rate
Cross Currency Interest Rate Swap	**3**	**JPY 1260**	**744.73**	**2.41%**

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Parent Company and a certain Indian subsidiary has a foreign exchange risk management policy which is approved by the Board to hedge cash flows up to a specific tenure using forward exchange contracts and options in order to hedge exchange rate risk. As per the policy, forward exchange contracts are entered for crystalised foreign exchange and firm commitment exposure falling due in next 90 days and into a call spread option (in case of Parent Company) to hedge foreign exchange risk exposure related to JPY denominated external commercial borrowing. The Group does not enter into any derivative instruments for trading or speculative purposes.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Call Spread Option match the terms external commercial borrowing (i.e., notional amount, maturity and payment dates). The Parent Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Call Spread Option is identical to the hedged risk component. To test the hedge effectiveness, the Parent Company uses dollar offset method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk. The Parent Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. There is no impact on effectiveness of its hedges.

Note 30 (C) : Financial Risk Management - Objectives and Policies (Contd.)

1) Market Risk (Contd.)

b) Foreign Currency Risk (Contd.)

The Group's foreign currency denominated monetary items are as follows :

(in Millions FC)

Currency	Liabilities		Assets	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
USD	**156.24**	145.08	**30.66**	31.79
EUR	**11.69**	13.79	**3.08**	1.27
SGD	**0.07**	0.36	**2.52**	2.11
GBP	**0.20**	0.30	**0.22**	0.19
SEK	**0.34**	0.20	**-**	-
JPY	**12,594.48**	113.08	**-**	281.43
AED	**6.35**	8.67	**22.86**	20.50
BDT	**-**	-	**620.73**	596.49

(₹ in Crores)

Currency	Liabilities		Assets	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
USD	**1,481.80**	1,240.18	**290.82**	271.77
EUR	**126.28**	127.70	**33.24**	11.78
SGD	**0.52**	2.31	**18.30**	13.44
GBP	**2.46**	3.29	**2.67**	2.11
SEK	**0.34**	0.17	**-**	-
JPY	**742.07**	6.43	**-**	16.01
AED	**16.16**	20.17	**58.19**	47.71
BDT	**-**	-	**47.78**	41.79
Others	**48.48**	15.78	**45.95**	38.70
Total	**2,418.11**	**1,416.03**	**496.95**	**443.31**

The above table represents total exposure of the Group towards foreign exchange denominated monetary items.

Out of the above, details of exposures hedged using forward exchange contracts are given below :

Currency	Number of Contracts	Buy Amount (In USD Million)	Indian Rupee Equivalent (₹ in Crores)	Avg Hedge Rate
Forward contract to buy USD - **As at 31.03.2026**	**94**	**49.03**	**454.17**	**92.63**
Forward contract to buy USD - As at 31.03.2025	39	67.41	589.00	87.38

JPY Currency Hedge	Number of Contracts	Transaction Amount (In JPY Million)	Indian Rupee Equivalent (₹ in Crores)	Avg Hedge Rate
Call Put option to buy JPY - **As at 31.03.2026**	**3**	**12,600.00**	**739.26**	**0.5867**
Call Put option to sell JPY - **As at 31.03.2026**	**3**	**12,600.00**	**945.00**	**0.7500**

Additionally, the Cross Currency Interest Rate Swap entered into by the Parent Company to hedge its exposure to foreign currency risk as well, thereby eliminating risk of variability in cash flows arising from movements in foreign exchange rates.

Note 30 (C) : Financial Risk Management - Objectives and Policies (Contd.)

1) Market Risk (Contd.)

b) Foreign Currency Risk (Contd.)

The Group is mainly exposed to changes in USD and EUR. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and EUR against INR, with all other variables and currencies held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in Crores)

Change in USD Rate	Effect on profit after tax		Effect on total equity	
	Year 2025-26	Year 2024-25	Year 2025-26	Year 2024-25
+5%	**(33.14)**	(16.83)	**(33.14)**	(16.83)
-5%	**33.14**	16.83	**33.14**	16.83

(₹ in Crores)

Change in EUR Rate	Effect on profit after tax		Effect on total equity	
	Year 2025-26	Year 2024-25	Year 2025-26	Year 2024-25
+5%	**(3.55)**	(4.41)	**(3.55)**	(4.41)
-5%	**3.55**	4.41	**3.55**	4.41

c) Other Price Risk

i) Equity/Investment Risk

Equity/Investment risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Equity/Investment risk arises from financial assets such as investments in equity instruments and bonds. The Parent Company is exposed to equity risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March 2026, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 115.38 crores (Previous year - ₹ 867.39 crores). The details of such investments in equity instruments are given in Note 5 (I)(A)(a).

The Parent Company is also exposed to Investment risk arising from investments in bonds and debentures recognised at FVTOCI. As at 31st March 2026, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 2.00 crores (Previous year - ₹ 216.41 crores). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds and debentures are given in Note 5(I)(C)(b) & 5(II)(B)(b)(ii).

The Parent Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below :

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March 2026, Other Comprehensive Income for the year ended 31st March 2026 would increase by ₹ 9.89 crores (Previous year - ₹ 74.33 crores) and decrease by ₹ 9.89 crores (Previous year - ₹ 74.33 crores) respectively with a corresponding increase/decrease in Total Equity of the Parent Company as at 31st March 2026. 10% represents management's assessment of reasonably possible change in equity prices.

Note 30 (C) : Financial Risk Management - Objectives and Policies (Contd.)

1) Market Risk (Contd.)

c) Other Price Risk (Contd.)

ii) Commodity rate risk

Material cost is the largest cost component for the Group, thus exposing it to the risk of price fluctions based on the supply and demand conditions of those materials. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Group has put in place a mix of long-term and short-term mitigation plans. During the year ended 31st March 2026 and 31st March 2025, the Group had not entered into any derivative contracts to hedge exposure to fluctuations in commodity prices.

2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, loans to third parties, investment in mutual funds, derivative financial instruments, other balances with banks and other receivables. The Group's exposure to credit risk is disclosed in note 5 (except equity shares, bonds and debentures), 6,7, 8, 9A and 9B.

The Group has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit risk arising from investment in mutual funds, derivative financial instruments, term deposits and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The average credit period on sales of products and services is a maximum of 180 days. Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables.

For trade receivables, as a practical expedient, the Parent Company and certain subsidiaries computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix followed is given below.

Net Outstanding > 365 days	% Collection to gross outstanding in current year	Credit loss allowance
Yes	< 25%	Yes, to the extent of lifetime expected credit losses outstanding as at reporting date.
Yes	> 25%	Yes, to the extent of lifetime expected credit losses pertaining to balances outstanding for more than one year.

Note 30 (C) : Financial Risk Management - Objectives and Policies (Contd.)

2) Credit Risk (Contd.)

Additional allowance is made where default rate changes as per the performance of the receivables.

(₹ in Crores)

Movement in expected credit loss allowance on trade receivables	Year 2025-26	Year 2024-25
Balance as at 1st April	**662.59**	**422.17**
Less : Disposal of Subsidiaries	**-**	5.23
Add : Loss allowance measured at lifetime expected credit losses	**17.45**	245.65
Balance as at 31st March	**680.04**	**662.59**

In accordance with Ind AS 109 – Financial Instruments, the Parent Company has re-assessed expected timing of cashflow towards subsidy receivable from the State Governments. Additionally, any amount outstanding beyond the expected due date is fully provided for. The Parent Company is confident about the ultimate realisation of the dues from the State governments. There is no credit risk attached to these receivables.

(₹ in Crores)

Movement in expected credit loss allowance on subsidy receivable from the State Governments	Year 2025-26	Year 2024-25
Balance as at 1st April	**13.47**	**15.25**
Additions	**72.27**	-
Unwinding of interest resulting in reversal of expected credit losses	**(2.10)**	(1.78)
Balance as at 31st March	**83.64**	**13.47**

3) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The Group has entered into supplier finance arrangements to manage its working capital and liquidity risk categorised as follows :

a. Some suppliers enter into arrangements with Banks to get early payment. As per the supplier's instruction, the Group makes payment to the Banks on due date of invoice. The credit period offered by these suppliers is in line with the general credit period from similar suppliers (generally in the range of 15 to 150 days). These arrangement continue to hold characteristics of trade payables and are disclosed as such.

b. The Group, in case of certain suppliers, enjoys extended credit period by using its credit line after the due date of the invoice. The interest cost in such case is borne by the Group and is disclosed as finance cost. Since these are in nature of working capital loan/ short term loan, such amounts are disclosed as borrowings (Refer note 16). These amounts are recognised as trade payables till they are due to the supplier and thereafter are disclosed as borrowings during the extended credit period from the Bank. Such suppliers offer credit period of 30 to 120 days, which by way of borrowings gets further extended to 60 to 240 days.

Note 30 (C) : Financial Risk Management - Objectives and Policies (Contd.)

3) Liquidity Risk (Contd.)

Below table summarises the liabilities forming part of Supplier Finance Arrangements disclosed under trade/ other payables :

(₹ in Crores)

As at 31.03.2026	Trade Payables (Refer note 19)
Carrying amount of liabilities that are part of supplier finance arrangement	**298.21**
- for which suppliers have already received the payment from Financial Institutions	**81.76**

The Company has applied transitional relief and accordingly comparative information, wherever applicable, for the above disclosures is not presented in the first year of adoption of the amendment.

The Group believes that its liquidity position (₹ 9,762.11 crores as at 31st March 2026 (Previous Year- ₹ 5,176.43 crores)), anticipated future internally generated funds from operations, and its fully available revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Group believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements.

The liquidity position of the Group mentioned above, includes :

i) Cash and cash equivalents and Other Balances with Banks (excluding earmarked balances).

ii) Current/ Non-Current term deposits as disclosed in Other Financial Assets.

iii) Investments in debentures or bonds (including interest accrued on the same) and mutual funds.

The Group's liquidity management process as monitored by management, includes-

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met;
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows;
- Maintaining diversified credit lines.

The table below analyses financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Crores)

	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying Value
As at 31st March 2026					
Borrowings (Refer note 16)	1,046.09	1,144.81	137.41	**2,328.31**	**2,293.26**
Lease Liabilities (Refer note 17)	424.93	1,043.56	1,225.33	**2,693.82**	**1,635.67**
Other financial liabilities (Refer note 18)	3,044.72	113.66	-	**3,158.38**	**3,158.38**
Trade Payables (Refer note 19)	3,863.04	-	-	**3,863.04**	**3,863.04**

(₹ in Crores)

	Less than 1 year	Between 1 - 5 years	More than 5 years	Total	Carrying Value
As at 31st March 2025					
Borrowings (Refer note 16)	604.13	157.93	138.69	**900.75**	**863.75**
Lease Liabilities (Refer note 17)	402.85	978.57	584.96	**1,966.38**	**1,426.54**
Other financial liabilities (Refer note 18)	2,742.04	79.93	-	**2,821.97**	**2,821.97**
Trade Payables (Refer note 19)	3,848.00	-	-	**3,848.00**	**3,848.00**

Note 30 (D) : Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 16 and equity attributable to owners of the Parent Company, comprising issued capital, reserves and accumulated profits as presented in the Consolidated Statements of changes in Equity.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

Note 31 : Earnings Per Share

	Year 2025-26	Year 2024-25
Basic earnings per share in rupees (face value – ₹1 per share) (in ₹)	**45.12**	**38.25**
Diluted earnings per share in rupees (face value – ₹1 per share) (in ₹)	**45.11**	**38.25**
Profit used as Numerator		
Profit after tax attributable to owners of the Parent Company as per Consolidated Statement of Profit and Loss (₹ in crores)	**4,325.35**	3,667.23
Weighted Average Number of Shares used as Denominator		
Basic EPS	**95,86,16,565**	95,87,21,421
Diluted EPS	**95,87,91,026**	95,88,73,609
Reconciliation of Weighted Average Number of Shares Outstanding		
Number of equity shares outstanding during the year	**95,91,97,790**	95,91,97,790
Less : Weighted average shares held by ESOP trust as treasury shares	**(5,81,225)**	(4,76,369)
Weighted average number of equity shares outstanding during the year used for computing Basic EPS	**95,86,16,565**	**95,87,21,421**
Add : Options granted to employees*	**1,74,461**	1,52,188
Weighted average number of equity shares outstanding during the year used for computing Diluted EPS	**95,87,91,026**	**95,88,73,609**

*Represents the dilutive impact of Employee Stock Option Plan.

Note 32 : Contingent Liabilities and Commitments

a. Contingent Liabilities :

(₹ in Crores)

		As at 31.03.2026	As at 31.03.2025
A	**Performance Bonds and Immigration Bonds given by Subsidiaries**	**3.54**	4.19
B	**Claims against the Group not acknowledged as debts^**		
	i. Tax matters in dispute under appeal		
	- Income Tax	**214.31**	136.16
	- Value Added Tax, Goods & Service Tax, Sales Tax, Entry Tax, Octroi & Trade Tax	**220.74**	219.56
	- Excise, Service Tax & Customs	**17.90**	15.63
	ii. Labour related disputes	**19.88**	22.79
	iii. Others (includes disputes on matters pertaining to rent deposits, electricity, consumer cases, etc.)	**20.24**	23.67
C	**Other monies for which the Group is Contingently Liable***	**68.36**	59.64
D	During the year, one of the competitors of the Parent Company had filed a complaint with the Competition Commission of India ('CCI') alleging that the Parent Company is hindering its entry in the decorative paints market through the abuse of the Parent Company's dominant position. The CCI had passed a *prima facie* order dated 1st July 2025 directing the Director General ('DG') to conduct an investigation against the Parent Company under the provisions of the Competition Act, 2002. The Parent Company has filed its responses from time to time with respect to the information sought by the DG. Based on the present status and the Parent Company's assessment of the proceedings, the Parent Company believes that it has a reasonable basis to defend its position in this matter. Considering the early stage of the investigation and inherent uncertainties associated with such proceedings, it is not possible to estimate the likelihood of potential financial impact, if any.	**-**	-
Total		**564.97**	**481.64**

^The above claims are pending before various Appellate Authorities. The management, including its advisors, expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's Financial Statements.

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/authorities. The Group does not expect any reimbursements in respect of the contingent liabilities.

*Towards custom duty and IGST for capital goods imported under Manufacturing & Other operation in Warehouse Regulation (MOOWR) scheme against which the Parent Company has executed a bond which is three times of the custom duty calculated at the time of import. The amount and timing of liability towards such custom duty and IGST will crystalise at the time of filing of ex-bond bill of entry at the time of removal of goods from the bonded warehouse.

b. Commitments :

(₹ in Crores)

		As at 31.03.2026	As at 31.03.2025
A	**Estimated amount of contracts remaining to be executed on capital account and not provided for**		
	i. Towards Property, Plant and Equipment	**840.50**	1,127.09
	ii. Towards Intangible Assets	**16.91**	4.75
	iii. Towards Right-to-use assets&	**652.90**	652.90
B.	**Letters of Credit and Bank guarantees issued by bankers and outstanding as at year end**	**214.33**	157.71

&Represents estimated undiscounted amount of lease liability towards lease agreement with future commencement date.

Note 33 : Employee Benefits

1 Post-employment benefits :

The Group has the following post-employment benefit plans :

a) Defined benefit gratuity plan

The Parent Company and Indian subsidiaries operate defined benefit gratuity plan for its employees, wherein contribution are made to a separately administered fund. The plan is governed by the Code on Social Security, 2020. There is no separate contribution by the employee in the fund. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. In case of Indian subsidiaries, the fund is managed by Life Insurance Corporation (LIC) and every year the required contribution amount is paid to LIC.

Each year, the Board of Trustees and the Parent Company/certain Indian subsidiaries review the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Parent Company/certain Indian subsidiaries (employer) contributes to the fund based on the results of this annual review and ensures that the trust is adequately funded. Generally, it aims to have a portfolio mix of sovereign debt instruments, debt instruments of Corporates and equity instruments. The Parent Company aims to keep annual contributions relatively stable at a level such that no significant plan deficits (based on valuation performed) will arise.

As the plan assets include significant investments in quoted debt and equity instruments, the Parent Company/certain Indian subsidiaries are exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

The International subsidiaries operate an unfunded gratuity scheme; provision in respect of which is made annually covering all its permanent eligible employees and workers who have completed stipulated years of their service with the respective subsidiaries.

Fair value of the Parent Company's/certain Indian subsidiaries own transferable financial instruments held as plan assets : ₹ 0.42 crores (Previous year - NIL)

b) Defined benefit pension plan (Unfunded)

The Parent Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

c) Defined benefit post-retirement medical benefit plan (Unfunded)

The Parent Company operates a defined post-retirement medical benefit plan for certain specified employees and payable upon the employee satisfying certain conditions.

d) Leaving Indemnity plan

Certain overseas subsidiaries provide Leaving Indemnity plan benefits based on last drawn basic salary at the time of separation in accordance with the local labour laws. These defined benefit plans are unfunded.

Note 33 : Employee Benefits (Contd.)

1 Post-employment benefits (Contd.) :

Aforesaid post-employment benefit plans typically expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk	These Plans invest in long term debt instruments such as Government securities and highly rated corporate bonds. The valuation of such long term debt instruments is inversely proportionate to the interest rate movements. There is risk of volatility in asset values due to market fluctuations and impairment of assets due to credit losses.
Interest Risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa.
Longevity Risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

The following tables summarise the components of net defined benefit expense recognised in the Consolidated Statement of Profit and Loss/OCI and the funded status and amounts recognised in the Consolidated Balance Sheet for the respective plans :

(₹ in Crores)

		Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
		As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
A	**Opening defined benefit obligation**	**316.68**	**284.74**	**1.20**	**1.30**	**47.95**	**43.06**
	Obligation on disposal of subsidiaries	**-**	-	**-**	-	**-**	(1.78)
	Current service cost	**30.90**	24.35	**0.01**	0.03	**6.16**	5.24
	Interest cost	**23.19**	20.12	**0.08**	0.09	**3.37**	3.17
	Past service cost	**68.07**	-	**-**	-	**2.39**	(0.65)
	Amount included in Consolidated Statement of Profit and Loss	**122.16**	**44.47**	**0.09**	**0.12**	**11.92**	**7.76**
	Remeasurement Losses/(Gains)						
	Actuarial (Gain)/Loss from changes in financial assumptions	**(17.38)**	9.02	**(0.03)**	(0.03)	**(1.24)**	1.41
	Actuarial Loss from changes in demographic assumptions	**-**	-	**-**	-	**0.45**	0.05
	Experience adjustment Loss/(Gain)	**15.26**	(0.40)	**(0.05)**	(0.05)	**2.24**	1.46
	Amount included in Other Comprehensive Income	**(2.12)**	**8.62**	**(0.08)**	**(0.08)**	**1.45**	**2.92**
	Inter-Company Transfer	**0.09**	(0.64)	**-**	-	**-**	-
	Benefits paid	**(23.61)**	(20.51)	**(0.15)**	(0.14)	**(6.20)**	(3.55)
	Exchange Difference on Foreign Plans	**-**	-	**-**	-	**3.92**	(0.46)
	Closing defined benefit obligation	**413.20**	**316.68**	**1.06**	**1.20**	**59.04**	**47.95**
B	**Opening fair value of plan assets**	**312.03**	**279.89**	**-**	**-**	**-**	**-**
	Return on plan assets	**21.87**	19.84	**-**	-	**-**	-
	Amount included in Consolidated Statement of Profit and Loss	**21.87**	**19.84**	**-**	**-**	**-**	**-**
	Actuarial (Loss)/Gain	**(11.39)**	5.45	**-**	-	**-**	-
	Amount included in Other Comprehensive Income	**(11.39)**	**5.45**	**-**	**-**	**-**	**-**
	Contributions by employer	**72.74**	27.37	**-**	-	**-**	-
	Benefits paid	**(23.60)**	(20.52)	**-**	-	**-**	-
	Closing fair value of plan assets	**371.65**	**312.03**	**-**	**-**	**-**	**-**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 33 : Employee Benefits (Contd.)

1) Post-employment benefits (Contd.) :

(₹ in Crores)

		Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
		As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
C	**Amounts Recognised in the Balance Sheet**						
	Closing defined benefit obligation	**413.20**	316.68	**1.06**	1.20	**59.04**	47.95
	Closing fair value of plan assets	**371.65**	312.03	**-**	-	**-**	-
	Net Liability Recognised in the Balance Sheet	**41.55**	**4.65**	**1.06**	**1.20**	**59.04**	**47.95**
D	**Expense/(Income) recognised in :**						
	Consolidated Statement of Profit and Loss	**100.29**	**24.63**	**0.09**	**0.12**	**11.92**	**7.76**
	Statement of Other Comprehensive Income	**9.27**	**3.17**	**(0.08)**	**(0.08)**	**1.45**	**2.92**
E	**Weighted average duration of defined benefit obligation**	**3.98 to 9.37**	**5.20 to 11.08**	**5.66**	**10.90**	**5.6 to 15.67**	**7.37 to 16.08**
F	**Maturity profile of defined benefit obligation**						
	Within the next 12 months	**57.68**	34.99	**0.10**	0.14	**10.94**	5.46
	Between 1 and 5 years	**134.18**	93.81	**0.42**	0.43	**28.14**	21.21
	Between 5 and 10 years	**126.58**	179.26	**0.56**	0.62	**23.63**	23.05
	10 years onwards	**632.57**	354.77	**0.61**	0.43	**44.00**	124.07

The major categories of plan assets of the fair value of the total plan assets are as follows :

(₹ in Crores)

	Gratuity (Funded Plan)	
	As at 31.03.2026	As at 31.03.2025
Quoted		
Government of India securities (Central and State)	**164.04**	142.13
High quality corporate bonds (including Public Sector Bonds)	**132.24**	105.45
Equity shares, Equity mutual funds and ETF	**46.84**	41.20
Total (A)	**343.12**	**288.78**
Unquoted		
Cash Balance	**1.42**	1.69
Others	**27.11**	21.56
Total (B)	**28.53**	**23.25**
Total (A+B)	**371.65**	**312.03**

Note 33 : Employee Benefits (Contd.)

1) Post-employment benefits (Contd.) :

The principal assumptions used in determining gratuity, pension and post-employment medical benefit obligations for the Group plans are shown below :

(i) Financial Assumptions

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Discount Rate	**6.65% to 7.15%**	6.47% to 6.72%	**7.15%**	6.70%	**4.05% to 10.70%**	4.77% to 10.91%
Salary Escalation Rate	**All Grades-8%**	All Grades-8% for first year 7% thereafter	**-**	-	**4.00% to 15.00%**	4.00% to 15.00%

(ii) Demographic Assumptions

	As at 31.03.2026	As at 31.03.2025
Employee Turnover	**1.80% to 20.00%**	1.00% to 20.00%
Mortality Rate	**IALM (2012-14) Ultimate**	IALM (2012-14) Ultimate
Retirement Age	**58 to 60 Years**	58 to 60 Years

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Crores)

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)*	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Defined Benefit Obligation - Discount Rate + 100 basis points	**(34.86)**	(23.34)	**(0.07)**	(0.07)	**(0.31)**	(0.24)
Defined Benefit Obligation - Discount Rate - 100 basis points	**40.83**	27.04	**0.07**	0.07	**0.36**	0.27
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	**27.56**	20.92	**-**	-	**0.23**	0.15
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	**(27.36)**	(19.91)	**-**	-	**(0.21)**	(0.15)

* Sensitivity analysis does not include impact of overseas subsidiaries as the same is not material

Note 33 : Employee Benefits (Contd.)

1) Post-employment benefits (Contd.) :

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Consolidated Balance Sheet.

The Group expects to make a contribution of ₹ 72.36 crores (Previous year- ₹ 31.04 crores) to the defined benefit plans during the next financial years.

e) Provident Fund

The provident fund assets and liabilities of the Parent Company is managed by its provident fund trusts. The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Parent Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below.

Participation by all employees in provident funds plans is mandatory. Contribution to Provident Fund is made @ 12% of wages (computed in accordance with the prevalent regulations) by the employee. Similarly, the Parent Company also contributes to the Provident Fund specified percentage of salary as per the prevalent regulations. Employees have the option to voluntarily contribute a higher amount.

The details of benefit obligation and plan assets of the provident funds is as given below :

(₹ in Crores)

	As at 31.03.2026	As at 31.03.2025
Present value of benefit obligation at period end (a)	**1,084.81**	997.60
Plan assets at period end, at fair value, restricted to present value of benefit obligation (b)	**1,070.46**	997.60
Deficit considered in OCI (a-b)	**14.35**	**-**

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM) :

	As at 31.03.2026	As at 31.03.2025
Discounting Rate	**7.15%**	6.70%
Expected Guaranteed interest rate	**8.25%***	8.25%

* Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2025-26 and the same is used for valuation purpose. The Trust has provisionally declared interest rate of 8.25% for FY 2025-26.

Note 33 : Employee Benefits (Contd.)

2) Other long term employee benefits :

Annual Leave and Sick Leave assumptions

The liability towards compensated absences (annual leave and sick leave) for the year ended 31st March 2026 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 20.96 crores (Previous Year - ₹ 32.95 crores)

(a) Financial Assumptions

	As at 31.03.2026	As at 31.03.2025
Discount Rate	**4.05% to 20.46%**	4.77% to 21.88%
Salary Escalation Rate	**4.00% to 17.00%**	4.00% to 15.00%

(b) Demographic Assumptions

	As at 31.03.2026	As at 31.03.2025
Mortality Rate	**IALM (2012-14) Ultimate**	IALM (2012-14) Ultimate
Employee Turnover	**1.80% to 20.00%**	1.00% to 20.00%
Leave Availment Ratio	**1.00% to 5.00%**	1.00% to 5.00%

3) Employee share based payment plans :

During the year ended 31st March 2021, the Group implemented Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"). The plan was approved by the shareholders in the Parent Company's 75th AGM held on 29th June 2021. The 2021 Plan enables grant of stock options to the eligible employees of the Parent Company and its subsidiaries not exceeding 25,00,000 Shares, which is 0.26 % of the paid up equity share capital of the Parent Company as on 12th May 2021. Further, the stock options to any single employee under the Plan shall not exceed 5,00,000 Shares of the Parent Company during the tenure of the Plan, subject to compliance with Applicable Law.

The process for determining the eligibility of employees for the grant of stock options under the 2021 Plan shall be determined by the Nomination and Remuneration Committee (Administrator of the 2021 Plan) in consultation with Managing Director & CEO and based on employee's grade, performance rating and such other criteria as may be considered appropriate. The employees shall be entitled to receive one equity share of the Parent Company on exercise of each stock option, subject to performance of the employees and continuation of employment over the vesting period. The options granted under 2021 Plan have a maximum vesting period of 4 years. The options granted are based on the performance of the employees during the year of the grant and their continuing to remain in service over the next 3 years. During the year, the Managing Director & CEO is granted options based on market linked and non-market linked performance conditions along with service condition.

The exercise price for stock options granted are at a discount of 50% to the Reference Share Price (the average of the daily high and low of the volume weighted average prices of the Shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made) of the shares of the Parent Company as defined under 2021 Plan.

The Administrator approved secondary purchase of shares equivalent to the options granted in August 2021 through Asian Paints Employees Stock Ownership Trust ("ESOP Trust" or "Trust") which is shown as treasury shares in the Consolidated Statement of Changes in Equity.

Note 33 : Employee Benefits (Contd.)

3) Employee share based payment plans (Contd.) :

(a) Details of stock options granted :

	Grant Date	Vesting Date	Options outstanding at the beginning of the year 2025-26	Options granted during the year 2025-26	Options exercised during the year 2025-26	Options forfeited during the year 2025-26	Options lapsed during the year 2025-26	Options outstanding at the end of the year 2025-26	Exercisable as at 2025-26	Weighted Average remaining contractual life (years)
Grant 1	16th August 2021	31st March 2024	4,320	-	3,840	-	480	-	-	-
Grant 2	16th August 2021	31st March 2025 and 1st April 2025	92,834	-	91,914	-	920	-	-	-
Grant 3	10th February 2022	1st April 2025	3,693	-	3,665	-	28	-	-	-
Grant 4	6th June 2022	31st March 2026 and 1st April 2026	1,23,059	-	1,584	-	8,744	1,12,731	30,996	1
Grant 5	8th September 2022	1st April 2026	5,485	-	-	-	304	5,181	-	1
Grant 6	19th January 2023	1st April 2026	396	-	-	-	-	396	-	1
Grant 7	31st March 2023	1st April 2026	672	-	-	-	-	672	-	1
Grant 8	27th April 2024	1st April 2027	1,81,781	-	1,696	-	7,562	1,72,523	-	2
Grant 9	29th April 2025	1st April 2028	-	1,48,505	-	-	8,399	1,40,106	-	3
Grant 10-Tranche 1	29th April 2025	30th June 2026 or date of AGM for FY 25-26, whichever is later	-	50,781	-	-	4,670	46,111	-	2.25
Grant 10-Tranche 2	29th April 2025	30th June 2027 or date of AGM for FY 26-27, whichever is later	-	50,211	-	-	4,596	45,615	-	3.25
Grant 10-Tranche 3	29th April 2025	30th June 2028 or date of AGM for FY 27-28, whichever is later	-	48,887	-	-	4,459	44,428	-	4.25

Note 33 : Employee Benefits (Contd.)

3) Employee share based payment plans (Contd.) :

(a) Details of stock options granted (Contd.) :

	Grant Date	Vesting Date	Options outstanding at the beginning of the year 2024-25	Options granted during the year 2024-25	Options exercised during the year 2024-25	Options forfeited during the year 2024-25	Options lapsed during the year 2024-25	Options outstanding at the end of the year 2024-25	Exercisable at period end 2024-25	Weighted Average remaining contractual life (years)
Grant 1	16th August 2021	31st March 2024	94,208	-	89,769	119	-	4,320	3,840	0.5
Grant 2	16th August 2021	31st March 2025 and 1st April 2025	1,03,244	-	3,990	-	6,420	92,834	20,470	1
Grant 3	10th February 2022	1st April 2025	3,850	-	73	-	84	3,693	-	1
Grant 4	6th June 2022	31st March 2026 and 1st April 2026	1,31,083	-	1,121	-	6,903	1,23,059	-	2
Grant 5	8th September 2022	1st April 2026	5,968	-	-	-	483	5,485	-	2
Grant 6	19th January 2023	1st April 2026	584	-	-	-	188	396	-	2
Grant 7	31st March 2023	1st April 2026	830	-	-	-	158	672	-	2
Grant 8	27th April 2024	1st April 2027	-	1,90,744	-	-	8,963	1,81,781	-	3

Weighted average exercise price for respective option series towards all the movement including opening and closing outstanding options is same as exercise price on grant date.

b) Fair Value of Share Options granted :

Fair Value of stock options was calculated using the Black Scholes Model (for non-market linked vesting condition). The key assumptions used for calculating the option fair value are as below :

		Risk free interest rate	Expected life	Expected volatility	Dividend Yield			Exercise price
	Grant Date	Zero Coupon Sovereign Bond Interest Rate equivalent for option life	Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period	Based on daily volatility for period equivalent for option life	Dividend yield is calculated as dividend paid in last FY divided by current share price	Fair Value at Grant Date (₹)	Market price at the time of grant of the option (₹)	50% of Reference Share Price
Grant 1	16th August 2021	5.07%	3.12 years	34.67%	0.60%	1,685.13	2,987.55	1,518.70
Grant 2	16th August 2021	5.50%	4.12 years	32.17%	0.60%	1,752.87	2,987.55	1,518.70
Grant 3	10th February 2022	5.57%	3.63 years	33.93%	0.55%	1,884.83	3,228.35	1,632.53
Grant 4	6th June 2022	7.17%	4.32 years	33.76%	0.66%	1,768.00	2,886.90	1,478.00
Grant 5	8th September 2022	7.08%	4.06 years	34.71%	0.56%	2,098.00	3,400.35	1,706.00
Grant 6	19th January 2023	7.22%	3.69 years	34.75%	0.65%	1,769.00	2,945.25	1,505.00
Grant 7	31st March 2023	7.28%	3.50 years	34.59%	0.69%	1,649.00	2,770.50	1,412.00

Note 33 : Employee Benefits (Contd.)

3) Employee share based payment plans (Contd.) :

b) Fair Value of Share Options granted (Contd.) :

	Grant Date	Risk free interest rate	Expected life	Expected volatility	Dividend Yield	Fair Value at Grant Date (₹)	Market price at the time of grant of the option (₹)	Exercise price
		Zero Coupon Sovereign Bond Interest Rate equivalent for option life	Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period	Based on daily volatility for period equivalent for option life	Dividend yield is calculated as dividend paid in last FY divided by current share price			50% of Reference Share Price
Grant 8	27th April 2024	7.21%	3.42 years	28.36%	0.93%	1,652.00	2,844.15	1,433.00
Grant 9	29th April 2025	6.05%	3.42 years	26.37%	1.04%	1,409.00	2,451.10	1,188.00
Grant 10 -Tranche 1	29th April 2025	5.99%	2.17 years	23.28%	1.04%	1,354.00	2,451.00	1,188.00
Grant 10 -Tranche 2	29th April 2025	6.04%	3.17 years	26.02%	1.04%	1,398.00	2,451.00	1,188.00
Grant 10 -Tranche 3	29th April 2025	6.09%	4.17 years	27.35%	1.04%	1,441.00	2,451.00	1,188.00

(c) For Grant 10, Fair Value of Share Options (market linked vesting conditions) was calculated using the Monte Carlo simulations model. The key assumptions used for calculating the option fair value are as below :

	Grant Date	Risk free interest rate	Expected life	Expected volatility		Fair Value at Grant Date (₹)	Market price at the time of grant of the option (₹)	Exercise price
		Zero Coupon Sovereign Bond Interest Rate equivalent for option life	Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period	Based on daily volatility of Company for period equivalent for option life	Based on daily volatility of NIFTY 50 for period equivalent for option life			50% of Reference Share Price
Grant 10 - Tranche 1	29th April 2025	5.96%	2.17 years	26.57%	18.11%	851.00	2,451.00	1,188.00
Grant 10 - Tranche 2		5.99 %	3.17 years	23.29%	15.33%	829.00	2,451.00	1,188.00
Grant 10 - Tranche 3		6.11%	4.17 years	24.89%	15.85%	846.00	2,451.00	1,188.00

During the year, the Group has recognised an expense of ₹ 29.35 crores (Previous year - ₹ 21.25 crores).

Note 34 : Related Party Transactions

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below :

a) Associates :

1) PPG Asian Paints Private Limited

Wholly owned subsidiaries of PPG Asian Paints Private Limited :

a) Revocoat India Private Limited

b) PPG Asian Paints Lanka Private Limited *

* The Company has ceased its business operations and the Company is under liquidation.

b) Key Managerial Personnel :

Name	Designation
Amit Syngle	Managing Director & CEO
R J Jeyamurugan	CFO & Company Secretary

Non-Executive Directors	
R Seshasayee (Chairman)	Nehal Vakil
Manish Choksi (Vice Chairman)	Ireena Vittal
Malav Dani	Soumitra Bhattacharya
Amrita Vakil	Gopichand Katragadda (w.e.f 1st April 2024)
Jigish Choksi (upto 31st March 2025)	Varun Berry (w.e.f 23rd October 2024)
Milind Sarwate	Ashish Choksi (w.e.f 1st April 2025)

c) Names of Close Family Members of Key Managerial Personnel (apart from those who are in employment of the Parent Company) where transactions have taken place during the year :

ACC AP Trust	Manjiri Milind Oak
Ami Manish Choksi	Prafullika Shailesh Choksi
Ashish Ashwin Choksi $	Ragini Varun Vakil
Bhairavi Abhay Vakil	Rhea Amit Sethi
Binita Ashish Choksi	Richa Manish Choksi
Dipika Amar Vakil	Rita Mahendra Choksi
Druhi Ashish Choksi	Ruma Chandra
Hasit Ashwin Dani $	Rupal Anant Bhat
Ina Ashwin Dani	Rupen Ashwin Choksi
Jalaj Ashwin Dani $	Shalinie Syngle
Jigish Shailesh Choksi	Seema S Katragadda
Late. Abhay Arvind Vakil	Urvashi Ashwin Choksi
Late. Amar Arvind Vakil	Vishal Shailesh Choksi
Late. Shailesh Chimanlal Choksi $	Vivek Abhay Vakil $
Mahendra Chimanlal Choksi $	
Manish Mahendra Choksi $	

$ Includes HUF of which he is the karta

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 34 : Related Party Transactions (Contd.)

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below (Contd.) :

d) Close family members of Key Managerial Personnel who are under the employment of the Parent Company and with whom transactions have taken place during the year :

Varun Vakil ++

Aashay Choksi

++ includes HUF of which he is the karta

e) Entities where Key Managerial Personnel / Close family members of Key Managerial Personnel have control/ significant influence and where transactions have taken place or balance is outstanding during the year :

Addverb Technologies Ltd.	Indian Foundation For Quality Management	Ricinash Renewable Materials Pvt. Ltd.
Ankleshwar Industrial Development Society	Hydra Trading Pvt. Ltd.	Rupen Investment and Industries Pvt. Ltd.
AR Interact	Jalaj Trading And Investment Company Pvt. Ltd.	Sattva Holding and Trading Pvt. Ltd.
Asteroids Trading And Investments Pvt. Ltd.	Jaldhar Investments And Trading Company Pvt. Ltd.	Satyadharma Investments And Trading Company Pvt Ltd.
Ball Bearing And Machinery Corporation *	Lambodar Investments And Trading Company Ltd.	Shubhit Holdings Pvt Ltd. (previously known as Gujarat Organics Pvt. Ltd.)
Castle Investment & Industries Pvt. Ltd.	Lyon Investment and Industries Pvt. Ltd.	Stack Pack Ltd.
Centaurus Trading And Investments Pvt. Ltd.	Murahar Investments And Trading Company Ltd.	Smiti Holding And Trading Company Pvt. Ltd.
Dani Finlease Pvt. Ltd.	Navbharat Packaging Industries Pvt. Ltd.	Sudhanva Investments And Trading Company Pvt. Ltd.
Doli Trading and Investments Pvt. Ltd.	Nehal Trading and Investments Pvt. Ltd.	Suptaswar Investments And Trading Company Ltd.
Elcid Investments Ltd.	Paladin Paints And Chemicals Pvt. Ltd.	Tru Trading And Investments Pvt. Ltd.
ELF Trading And Chemical Manufacturing Pvt. Ltd.	Piramal Swasthya Management and Research Institute	Upnishad Trustee Advisory Services Pvt. Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Rayirth Holding And Trading Company Pvt. Ltd.	Unnati Trading And Investments Pvt. Ltd.
Hitech Corporation Ltd.	Resins and Plastics Ltd.	Vikatmev Containers Ltd.
Hitech Specialities Solutions Ltd.	Riash Renewable Materials Pvt. Ltd. ^^	

^^ Transactions upto 31st March 2025.

* w.e.f. 8th February 2026

f) Other entities where significant influence exists :

i) Post employment-benefit plan entity :

Asian Paints (I) Limited Employees' Gratuity Fund

Asian Paints Industrial Coatings Limited Employees' Gratuity Fund

ii) Other :

Asian Paints Office Provident Fund (Employee benefit plan)

Asian Paints Factory Employees' Provident Fund (Employee benefit plan)

Asian Paints Management Cadres' Superannuation Scheme (Employee benefit plan)

Note 34 : Related Party Transactions (Contd.)

Terms and conditions of transactions with related parties :

1. The Group has been entering into transactions with related parties for its business purposes. The process followed for entering into transactions with related party is same as followed for unrelated party. Vendors are selected competitively having regard to strict adherence to quality, timely servicing and cost advantage. Further related party vendors provide additional advantages in terms of :

   (a) Supplying products primarily to the Group,

   (b) Advanced and innovative technology,

   (c) Customisation of products to suit the Group's specific requirements, and

   (d) Enhancement of the Group's purchase cycle and assurance of just in time supply with resultant benefits - notably on working capital.

2 . The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.

3. The assessment of receivables is undertaken in each financial year through examining the financial position of related parties, the market and regulatory environment in which related parties operate and is in accordance with the accounting policy of the Group.

Compensation to key managerial personnel of the Parent Company :

(₹ in Crores)

	Year 2025-26	Year 2024-25
Short-term employee benefits**	**40.95**	23.34
Post-employment benefits	**-**	-
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share-based payments*	**3.95**	0.40
Total compensation paid to key managerial personnel	**44.90**	**23.74**

** Includes remuneration (sitting fees and commission) paid to Non-executive directors amounting to ₹ 8.66 crores (Previous year- ₹ 7.22 crores)

* Represents perquisite value of ESOPs exercised in accordance with the approved Employee Stock option plan.

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 34 : Related Party Transactions (Contd.)

Details of transactions with and balances outstanding of Associate companies :

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
PPG Asian Paints Private Limited	Revenue from Sale of Products	**10.73**	**2.54**	8.05	1.74
	Revenue from Sale of Services	**0.25**	**-**	-	(0.03)
	Purchase of Goods	**5.10**	**1.57**	5.77	1.32
	Processing Income	**0.49**	**0.12**	1.80	0.28
	Royalty Income	**3.44**	**0.40**	3.42	0.32
	Other Non Operating Income	**5.24**	**0.59**	4.49	0.94
	Reimbursement of Expenses Received	**6.89**	**2.41**	4.66	2.74
	Reimbursement of Expenses Paid	**0.83**	**0.07**	1.06	0.02
	Sale of Assets	**-**	**-**	0.00	0.00
	Dividend received	**115.50**	**-**	115.50	-
Revocoat India Private Limited	Other Non Operating Income	**0.08**	**0.01**	0.11	0.02
	Reimbursement of Expenses Received	**0.05**	**0.01**	0.12	0.02

Details of transactions with and balances outstanding of Key Managerial Personnel / Close Family Member of Key Managerial Personnel :

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Amit Syngle	Remuneration ^	**31.24**	**15.40**	11.20	-
	Dividend paid	**0.04**	**-**	0.00	-
R J Jeyamurugan	Remuneration ^^	**5.00**	**-**	5.32	-
	Dividend paid	**0.00**	**-**	0.00	-
R Seshasayee	Remuneration	**1.37**	**1.10**	0.86	0.50
	Dividend paid	**0.00**	**-**	0.00	-
Manish Choksi	Remuneration	**0.80**	**0.56**	0.79	0.46
	Dividend paid	**5.98**	**-**	7.74	-
	Revenue from Sale of Products	**-**	**-**	0.00	-
Malav Dani	Remuneration	**0.70**	**0.54**	0.66	0.44
	Dividend paid	**9.14**	**-**	11.83	-
Amrita Vakil	Remuneration	**0.67**	**0.51**	0.64	0.42
	Dividend paid	**6.43**	**-**	8.32	-
Jigish Choksi	Remuneration	**-**	**-**	0.56	0.42
	Dividend paid $	**5.00**	**-**	6.46	-
Milind Sarwate	Remuneration	**0.80**	**0.59**	0.73	0.48
	Dividend paid	**0.00**	**-**	0.00	-

Note 34 : Related Party Transactions (Contd.)

Details of transactions with and balances outstanding of Key Managerial Personnel / Close Family Member of Key Managerial Personnel (Contd.) :

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Nehal Vakil	Remuneration	**0.65**	**0.51**	0.57	0.42
	Dividend paid	**14.37**	**-**	18.59	-
Ireena Vittal	Remuneration	**0.73**	**0.54**	0.67	0.44
Soumitra Bhattacharya	Remuneration	**0.90**	**0.56**	0.88	0.46
Gopichand Katragadda	Remuneration	**0.72**	**0.54**	0.61	0.44
Varun Berry	Remuneration	**0.67**	**0.51**	0.25	0.18
	Dividend paid	**0.00**	**-**	0.00	-
Ashish Choksi	Remuneration	**0.65**	**0.51**	-	-
	Dividend paid [&]	**2.22**	**-**	-	-
Varun Vakil (Close Family Members of KMP)	Remuneration	**1.15**	**-**	1.17	-
	Dividend paid	**18.65**	**-**	24.13	-
Aashay Choksi (Close Family Members of KMP)	Remuneration	**0.21**	**-**	-	-
	Dividend paid [%]	**0.31**	**-**	-	-
Rupal Anant Bhat	Revenue from sale of products & services	**-**	**-**	0.20	-
	Dividend paid [@]	**4.82**	**-**	6.23	-
Others *					
- Close Family members of KMP	Dividend paid	**136.67**	**-**	198.32	-
- Other Promoter Group		**50.12**	**-**	46.56	-

[^] Remuneration does not include :
Stock options (Year 2025-26 - ₹ 14.12 crores, Year 2024-25 - NIL) which will be subject to vesting conditions in accordance with the approved Employee Stock Option plan.

[^^] Remuneration does not include :
Stock options (Year 2025-26 - ₹ 0.61 crores, Year 2024-25 - ₹ 0.61 crores) which will be subject to vesting conditions in accordance with the approved Employee Stock Option plan.

[%] Mr. Aashay Choksi, being a close family member of Key Managerial Personnel, is a related party of the Parent Company and became an employee of the Parent Company during the year, to whom remuneration was paid. Accordingly, dividend paid to him during the current year is disclosed separately. Dividend paid in the previous year was included under "Others", as he was not employed by the Parent Company during that period and the amount was less than 10% of the total dividend paid to related parties.

[$] Mr. Jigish Choksi resigned as a Director of the Parent Company on 31st March 2025. Accordingly, dividend paid to him during the current year is disclosed solely for the purpose of comparability with the previous year.

[&] Mr. Ashish Choksi was appointed as a Director of the Parent Company on 1st April 2025. Accordingly, dividend paid to him during the current year is disclosed separately. Dividend paid in the previous year was included under "Others", as he did not hold any directorship during that period and the amount was less than 10% of the total dividend paid to related parties.

[@] No related party transactions were undertaken during the current year with Ms. Rupal Anant Bhat. Accordingly, dividend is disclosed in the current year solely for comparability purposes.

* Dividend paid to Close Family Members of Key Managerial Personnel has been shown under others, which are less than 10% of overall dividend paid to Related parties. Additionally dividend paid to Other Promoter Group members amounted to ₹ 50.12 crores in FY 2025–26 (FY 2024-25: ₹ 46.56 crores).

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 34 : Related Party Transactions (Contd.)

Details of transactions with and balances outstanding of Entities Controlled/ significantly influenced by Key Managerial Personnel / Close Family Members of Key Managerial Personnel :

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
AR Interact	Issue of gift vouchers under marketing Schemes	**0.01**	**-**	-	(0.00)
Addverb Technologies Ltd.	Services Received	**0.56**	**0.20**	0.01	0.03
	Revenue from sale of products & services	**-**	**-**	0.17	0.07
Ankleshwar Industrial Development Society	Corporate Social Responsibility Expenses	**0.01**	**-**	0.04	-
	Services Received	**0.06**	**0.00**	0.15	(0.01)
ELF Trading And Chemical Manufacturing Pvt. Ltd.	Revenue from sale of products & services	**-**	**-**	-	0.02
	Dividend paid %	**5.28**	**-**	6.83	-
Hitech Corporation Ltd.	Purchase of goods & services	**438.13**	**106.13**	428.86	106.99
	Reimbursement of expenses received	**0.00**	**-**	-	-
Hitech Specialities Solutions Ltd.	Purchase of goods	**0.03**	**0.01**	0.02	-
Hydra Trading Pvt. Ltd.	Revenue from sale of products & services	**(0.00)**	**-**	0.08	(0.01)
Navbharat Packaging Industries Pvt. Ltd.	Purchase of goods	**4.23**	**0.41**	4.85	0.27
Paladin Paints And Chemicals Pvt. Ltd.	Purchase of goods	**2.02**	**0.22**	2.60	0.06
Piramal Swasthya Management and Research Institute	Corporate Social Responsibility Expenses	**2.59**	**-**	2.76	-
Resins and Plastics Ltd.	Purchase of goods	**67.30**	**16.31**	61.18	16.65
	Revenue from sale of products	**-**	**-**	0.08	-
Ricinash Renewable Materials Pvt. Ltd.	Purchase of goods	**7.23**	**0.89**	13.19	0.09
Stack Pack Ltd.	Purchase of goods	**16.80**	**1.30**	13.81	2.23
Vikatmev Containers Ltd.	Purchase of goods	**15.24**	**2.40**	16.20	1.44
	Dividend paid	**0.28**	**-**	0.36	-
Riash Renewable Materials Pvt. Ltd.	Revenue from sale of products & services	**-**	**-**	1.67	-
Sattva Holding and Trading Pvt. Ltd.	Dividend paid	**137.25**	**-**	177.52	-
Smiti Holding and Trading Company Pvt. Ltd.	Dividend paid	**129.68**	**-**	167.73	-
Indian Foundation For Quality Management	Subscription Fees	**0.06**	**(0.00)**	-	-
Ball Bearing And Machinery Corporation	Purchase of goods	**0.01**	**0.02**	-	-
Other entities controlled/significantly influenced by **	Dividend paid				
- KMP/Close Family Members of KMP		**630.82**	**-**	794.89	-
- Other Promoter Group		**107.46**	**-**	160.01	-

% No related party transactions were undertaken during the current year with ELF Trading And Chemical Manufacturing Pvt. Ltd. Accordingly, dividend is disclosed in the current year solely for comparability purposes.

** Dividend paid has been shown under others, which is less than 10% of overall dividend paid to related parties.

Note 34 : Related Party Transactions (Contd.)

Details of transactions with and balances outstanding for other entities where significant influence exist :

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints (I) Limited Employees' Gratuity Fund *	Contributions during the year	**69.19**	**-**	23.00	-
Asian Paints Industrial Coatings Limited Employees' Gratuity Fund *	Contributions during the year (includes Employees' share and contribution)	**0.30**	**-**	0.93	-
Asian Paints Office Provident Fund**	Contributions during the year (includes Employees' share and contribution)	**90.78**	**7.46**	79.44	6.86
Asian Paints Factory Employees' Provident Fund **	Contributions during the year (includes Employees' share and contribution)	**54.54**	**5.53**	49.26	4.14

* The above does not include the amount that the Group pays to the employees on behalf of Trust which is subsequently reimbursed by the Trust.

** In addition to the above, the Parent Company has received NIL (Previous year - ₹ 1.98 crores) from Asian Paints Office Provident Fund and NIL (Previous year - 1.61 crores) from Asian Paints Factory Employees' Provident Fund towards reimbursement of interim distribution from IL&FS Financial Services Limited Bond.

All the amounts reported in Note 34 are inclusive of GST wherever applicable.

Note 35 : Lease Receivables

I) Assets given on operating lease

a) A subsidiary had provided tinting systems to its dealers on an operating lease basis. The lease term was four years. The lease rentals were payable monthly by the dealers. A refundable security deposit was collected at the time of signing the agreement.

b) During the year there are no tinting machines having future minimum lease rentals receivable as per the lease agreements.

c) The initial direct cost relating to acquisition of tinting system is capitalised.

d) The information on gross amount of leased assets and accumulated depreciation is given in Note 2A.

II) Assets given on finance lease

a) Certain subsidiaries have given few of its tinting machines on finance lease which effectively transfers all risks and benefits incidental to the ownership.

b) The total gross investment in these leases and the present value of minimum lease payment receivable as on 31st March 2026 and 31st March 2025 is as under :

(₹ in Crores)

	As at 31.03.2026			As at 31.03.2025		
	Gross investments in lease	Unearned finance income	Present value receivables	Gross investments in lease	Unearned finance income	Present value receivables
Not later than 1 year	**1.30**	**0.16**	**1.14**	0.31	0.04	0.27
Later than 1 year and not later than 5 years	**1.11**	**0.09**	**1.02**	-	-	-
Later than 5 years	**-**	**-**	**-**	-	-	-
Total	**2.41**	**0.25**	**2.16**	**0.31**	**0.04**	**0.27**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 36 : Segment Reporting

The Group is primarily engaged in the business of 'Paints and Home Decor'. There is no separate reportable segment as per Ind AS 108 - Operating Segments.

Note 37 : Investment in Associate Companies

a) PPG Asian Paints Private Limited

The Group has 50% interest in PPG Asian Paints Private Limited, which is involved in the manufacture of original equipment manufacturer coatings. PPG Asian Paints Private Limited is a private entity that is not listed on any public exchange. The Group's interest in PPG Asian Paints Private Limited is accounted for using the equity method in the Consolidated Financial Statements. The following table illustrates the summarised financial information of the Group's investment in PPG Asian Paints Private Limited :

(₹ in Crores)

	As at 31.03.2026	As at 31.03.2025
Current Assets	**1,371.33**	1,232.79
Non-current Assets	**477.95**	481.18
Current Liabilities	**(490.13)**	(455.98)
Non-current Liabilities	**(46.97)**	(41.99)
Equity	**1,312.18**	**1,216.00**
Proportion of the Group's ownership interest	**50%**	**50%**
Carrying amount of the Group's interest*	**656.09**	**608.00**
Dividend received during the year	**115.50**	115.50

* Includes share of capital reserve and other reserves in Associate Company amounting to ₹ 0.69 crores (Previous year : ₹ 0.02 crores) (Refer note 15)

(₹ in Crores)

	Year 2025-26	Year 2024-25
Total Income	**2,495.13**	2,165.45
Cost of raw material and components consumed	**(1,445.06)**	(1,266.68)
Depreciation & amortisation	**(44.34)**	(40.40)
Finance cost	**(2.69)**	(2.26)
Employee benefit	**(202.54)**	(182.56)
Other expenses	**(349.86)**	(298.33)
Profit before exceptional items and tax	**450.64**	**375.22**
Exceptional Items	**(1.55)**	-
Profit before tax	**449.09**	**375.22**
Income tax expense	**(117.90)**	(93.80)
Profit for the year	**331.19**	**281.42**
Other comprehensive income	**(5.38)**	(0.74)
Total comprehensive income for the year	**325.81**	**280.68**
Group's share of profit for the year	**165.59**	**140.71**
Group's share of Other Comprehensive Income for the year	**(2.69)**	**(0.37)**
Group's Total Comprehensive Income for the year	**162.90**	**140.34**

Note 37 : Investment in Associate Companies (Contd.)

a) PPG Asian Paints Private Limited (Contd.)

The Associate had the following contingent liabilities and capital commitments :

a. Contingent Liabilities

(₹ in Crores)

	As at 31.03.2026	As at 31.03.2025
Claims against the Company not acknowledged as debts		
i. Tax matters in dispute under appeal		
- Income Tax	**167.66**	150.83
- Value Added Tax, Central Sales Tax and GST	**7.42**	13.70
Total	**175.08**	**164.53**

b. Capital Commitments :

(₹ in Crores)

	As at 31.03.2026	As at 31.03.2025
Estimated amount of contracts remaining to be executed on capital account and not provided for		
i. Towards Property, Plant and Equipment	**9.34**	4.86

Note 38 : Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013 :

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		OCI		TCI	
	Year 2025-26		Year 2025-26		Year 2025-26		Year 2025-26	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profit or loss	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company								
Asian Paints Limited	**94.40**	**20,781.56**	**96.6**	**4,244.17**	**167.8**	**(45.92)**	**96.1**	**4,198.25**
Indian Subsidiaries								
Direct Subsidiaries								
Asian Paints Industrial Coatings Limited	**0.3**	**55.29**	**0.1**	**2.62**	**-**	**-**	**0.1**	**2.62**
Asian Paints PPG Private Limited	**1.2**	**259.05**	**0.9**	**39.14**	**-**	**-**	**0.9**	**39.14**
Weatherseal Fenestration Private Limited	**(0.1)**	**(25.07)**	**(0.3)**	**(11.85)**	**(0.2)**	**0.05**	**(0.3)**	**(11.80)**
Obgenix Software Private Limited*	**(0.3)**	**(73.28)**	**(1.3)**	**(55.59)**	**(1.4)**	**0.38**	**(1.3)**	**(55.21)**
Harind Chemicals and Pharmaceuticals Private Limited*	**0.1**	**13.94**	**0.1**	**5.86**	**(0.1)**	**0.02**	**0.1**	**5.88**
Indirect Subsidiaries								
Nova Surface-Care Centre Private Limited*	**0.0**	**0.16**	**(0.0)**	**(0.08)**	**-**	**-**	**(0.0)**	**(0.08)**

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 38 : Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013 (Contd.) :

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		OCI		TCI	
	Year 2025-26		Year 2025-26		Year 2025-26		Year 2025-26	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profit or loss	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Foreign Subsidiaries								
Direct Subsidiaries								
Asian Paints (Nepal) Private Limited	1.1	247.31	0.7	30.37	-	-	0.7	30.37
Asian Paints International Private Limited	2.6	567.00	2.1	91.32	-	-	2.1	91.32
Asian White Cement Holding Limited	0.6	128.21	(0.0)	(0.40)	0.1	(0.03)	(0.0)	(0.43)
Indirect Subsidiaries								
Samoa Paints Limited	0.0	3.02	(0.0)	(0.90)	-	-	(0.0)	(0.90)
Asian Paints (South Pacific) Pte Limited	0.2	49.48	0.2	9.44	-	-	0.2	9.44
Asian Paints (S.I) Limited	0.0	4.15	0.1	3.98	-	-	0.1	3.98
Asian Paints (Vanuatu) Limited	0.0	2.62	0.0	0.47	-	-	0.0	0.47
Asian Paints (Middle East) SPC	0.8	174.06	1.0	44.63	1.0	(0.27)	1.0	44.36
Asian Paints (Bangladesh) Limited	0.3	63.70	(0.3)	(12.24)	2.0	(0.55)	(0.3)	(12.79)
SCIB Chemicals S.A.E.	0.2	50.40	0.3	15.31	-	-	0.4	15.31
Berger Paints Bahrain W.L.L.	0.2	46.05	0.3	11.55	(0.1)	0.03	0.3	11.58
Berger Paints Emirates LLC	0.4	93.84	0.5	21.32	1.4	(0.37)	0.5	20.95
Nirvana Investments Limited	0.0	1.67	-	-	-	-	-	-
Enterprise Paints Limited	(0.1)	(17.80)	-	-	-	-	-	-
Universal Paints Limited	0.1	26.62	0.3	14.00	-	-	0.3	14.00
Kadisco Paint and Adhesive Industry Share Company	0.1	28.51	0.3	12.53	(0.2)	0.06	0.3	12.59
Causeway Paints Lanka (Pvt.) Ltd.	1.0	225.43	0.9	40.56	3.1	(0.84)	0.9	39.72
Asian White Inc. FZE	0.4	91.63	(0.6)	(28.44)	-	-	(0.7)	(28.44)
Asian Paints Doha Trading W.L.L	(0.0)	(2.00)	(0.1)	(3.93)	(0.0)	0.01	(0.1)	(3.92)
Minority Interests in all subsidiaries	2.9	643.39	1.6	69.34	(23.6)	6.47	1.7	75.81
Associate								
Indian								
PPG Asian Paints Private Limited (Consolidated)	3.0	656.09	3.8	165.59	9.8	(2.69)	3.7	162.90
Consolidation adjustments and Foreign Currency Translation Reserve (FCTR)	(9.4)	(2,080.05)	(7.1)	(314.08)	(59.5)	16.29	(6.8)	(297.79)
Total	**100.0**	**22,014.98**	**100.0**	**4,394.69**	**100.0**	**(27.36)**	**100.0**	**4,367.33**

* Refer note 42

Note : The above figures are before eliminating intragroup transactions and intragroup balances as at 31st March 2026. Total of intragroup adjustments (including Foreign Currency Translation Reserve) is shown as separate line item.

Note 38 : Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013 (Contd.) :

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		OCI		TCI	
	Year 2024-25		Year 2024-25		Year 2024-25		Year 2024-25	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profit or loss	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company								
Asian Paints Limited	94.7	18,987.75	96.7	3,588.07	203.8	233.50	99.9	3,821.57
Indian Subsidiaries								
Direct Subsidiaries								
Asian Paints Industrial Coatings Limited	0.3	52.68	0.1	2.40	0.1	0.09	0.1	2.49
Asian Paints PPG Private Limited	1.1	219.90	1.0	37.63	(0.0)	(0.05)	1.0	37.58
Weatherseal Fenestration Private Limited	(0.1)	(13.27)	(0.3)	(11.82)	0.0	0.03	(0.3)	(11.79)
Obgenix Software Private Limited*	(0.1)	(10.84)	(0.7)	(27.06)	0.1	0.14	(0.7)	(26.92)
Harind Chemicals and Pharmaceuticals Private Limited	0.0	9.60	0.1	4.15	(0.0)	(0.02)	0.1	4.13
Indirect Subsidiaries								
Nova Surface-Care Centre Private Limited	0.0	0.25	(0.0)	(0.03)	-	-	(0.0)	(0.03)
Foreign Subsidiaries								
Direct Subsidiaries								
Asian Paints (Nepal) Private Limited	1.2	233.86	0.6	21.67	-	-	0.6	21.67
Asian Paints International Private Limited	2.1	411.59	0.3	11.18	-	-	0.3	11.18
Asian White Cement Holding Limited	0.6	112.68	(0.0)	(0.33)	-	-	(0.0)	(0.33)
Indirect Subsidiaries								
Samoa Paints Limited	0.0	4.04	0.0	0.81	-	-	0.0	0.81
Asian Paints (South Pacific) Pte Limited	0.2	41.87	0.2	7.81	-	-	0.2	7.81
Asian Paints (S.I) Limited	0.0	3.99	0.1	2.36	-	-	0.1	2.36
Asian Paints (Vanuatu) Limited	0.0	3.22	0.0	0.05	-	-	0.0	0.05
Asian Paints (Middle East) SPC	0.9	178.47	1.3	50.04	0.2	0.24	1.3	50.28
Asian Paints (Bangladesh) Limited	0.4	70.41	(0.5)	(19.21)	(0.8)	(0.96)	(0.5)	(20.17)
SCIB Chemicals S.A.E.	0.2	38.34	0.2	7.83	-	-	0.2	7.83
Berger Paints Bahrain W.L.L.	0.2	44.55	0.2	7.51	0.3	0.40	0.2	7.91
Berger Paints Emirates LLC	0.3	65.14	0.5	18.03	(1.6)	(1.80)	0.4	16.23
Nirvana Investments Limited	0.0	1.47	-	-	-	-	-	-
Enterprise Paints Limited	(0.1)	(15.89)	-	-	-	-	-	-
Universal Paints Limited	0.1	23.61	0.3	9.57	-	-	0.3	9.57

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 38 : Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013 (Contd.) :

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		OCI		TCI	
	Year 2024-25		Year 2024-25		Year 2024-25		Year 2024-25	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profit or loss	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Indirect Subsidiaries (Contd.)								
Kadisco Paint and Adhesive Industry Share Company	0.1	22.17	0.2	6.02	(0.1)	(0.07)	0.2	5.95
PT Asian Paints Indonesia*	-	-	(1.3)	(47.34)	-	-	(1.2)	(47.34)
PT Asian Paints Color Indonesia*	-	-	(0.0)	(0.22)	-	-	(0.0)	(0.22)
Causeway Paints Lanka (Pvt.) Ltd.	1.0	204.23	0.3	9.26	(0.5)	(0.58)	0.2	8.68
White Inc. FZE	0.5	103.84	(0.1)	(4.86)	-	-	(0.1)	(4.86)
Asian Paints Doha Trading W.L.L	0.0	1.97	0.0	0.50	-	-	0.0	0.50
Minority Interests in all subsidiaries	3.3	659.24	1.1	42.48	(33.8)	(38.69)	0.1	3.79
Associate								
Indian								
PPG Asian Paints Private Limited (Consolidated)	3.0	608.00	3.8	140.71	(0.3)	(0.37)	3.7	140.34
Consolidation adjustments and Foreign Currency Translation Reserve (FCTR)	(10.0)	(2,003.84)	(4.0)	(147.50)	(67.5)	(77.30)	(5.9)	(224.80)
Total	**100.0**	**20,059.05**	**100.0**	**3,709.70**	**100.0**	**114.56**	**100.0**	**3,824.27**

* Refer note 42

Note : The above figures are before eliminating intragroup transactions and intragroup balances as at 31st March 2025. Total of intragroup adjustments (including Foreign Currency Translation Reserve) is shown as separate line item.

Note 39 : Details of Subsidiaries and Associates

A) Subsidiaries:

The subsidiary companies considered in the Consolidated Financial Statements are :

i) Direct Subsidiaries

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2026	% of Holding as at 31.03.2025	Accounting period
Asian Paints (Nepal) Private Limited	Nepal	**52.71**	52.71	14th Mar 2025 -14th Mar 2026
Asian Paints International Private Limited (APIPL)	Singapore	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026
Asian Paints Industrial Coatings Limited	India	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026
Asian Paints PPG Private Limited	India	**50.00**	50.00	1st Apr 2025 - 31st Mar 2026
Weatherseal Fenestration Private Limited	India	**51.00**	51.00	1st Apr 2025 - 31st Mar 2026
Obgenix Software Private Limited (Refer No. 42 (a))	India	**100.00**	60.00	1st Apr 2025 - 31st Mar 2026
Asian White Cement Holding Limited (AWCHL) *	U.A.E.	**60.00**	70.00	1st Apr 2025 - 31st Mar 2026
Harind Chemicals and Pharmaceuticals Private Limited	India	**51.00**	51.00	1st Apr 2025 - 31st Mar 2026

* On 16th January 2026, AWCHL issued sweat equity shares on non-cash basis to one of its minority shareholders pursuant to the Joint Venture agreement entered into by the Parent Company. Consequently, stake of the Parent Company was diluted by 10%.

Note 39 : Details of Subsidiaries and Associates (Contd.)

A) Subsidiaries (Contd.) :

ii) Indirect Subsidiaries

a) Subsidiaries of Asian Paints (International) Private Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2026	% of Holding as at 31.03.2025	Accounting period
Enterprise Paints Limited	Isle of Man, U.K.	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026
Universal Paints Limited	Isle of Man, U.K.	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026
Kadisco Paint and Adhesive Industry Share Company	Ethiopia	**51.00**	51.00	1st Apr 2025 - 31st Mar 2026
Asian Paints (S.I) Limited	Solomon Islands	**75.00**	75.00	1st Apr 2025 - 31st Mar 2026
Asian Paints (Bangladesh) Limited	Bangladesh	**95.09**	95.09	1st Apr 2025 - 31st Mar 2026
Asian Paints (Middle East) SPC	Sultanate of Oman	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026
SCIB Chemicals S.A.E.*	Egypt	**85.60**	85.60	1st Apr 2025 - 31st Mar 2026
Samoa Paints Limited	Samoa	**80.00**	80.00	1st Apr 2025 - 31st Mar 2026
Asian Paints (Vanuatu) Limited	Republic of Vanuatu	**60.00**	60.00	1st Apr 2025 - 31st Mar 2026
Causeway Paints Lanka (Pvt.) Ltd.	Sri Lanka	**99.98**	99.98	1st Apr 2025 - 31st Mar 2026
Asian Paints Doha Trading W.L.L.	Qatar	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026

* On 26th May 2024, Asian Paints International Private Limited (APIPL) completed a buyout of 24.30% stake of certain minority shareholders in SCIB Chemicals S.A.E., Egypt, subsidiary of APIPL.

APIPL, subsidiary of the Parent Company divested its stake in wholly owned subsidiaries, PT Asian Paints Indonesia ('PTAPI') & PT Asian Paints Color Indonesia ('PTAPCI'). The said transaction was concluded on 20th March 2025.

A P International Doha Trading W.L.L has been voluntarily liquidated on 26th November 2024.

b) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2026	% of Holding as at 31.03.2025	Accounting period
Nirvana Investments Limited	Isle of Man, U.K.	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026

c) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2026	% of Holding as at 31.03.2025	Accounting period
Berger Paints Emirates LLC	U.A.E.	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026

Notes

to the Consolidated Financial Statements for the year ended 31st March 2026 (Contd.)

Note 39 : Details of Subsidiaries and Associates (Contd.)

A) Subsidiaries (Contd.) :

ii) Indirect Subsidiaries (Contd.)

d) Subsidiary of Universal Paints Limited :

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2026	% of Holding as at 31.03.2025	Accounting period
Berger Paints Bahrain W.L.L.	Bahrain	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026

e) Subsidiary of Asian White Cement Holding Limited :

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2026	% of Holding as at 31.03.2025	Accounting period
Asian White Inc. FZE	U.A.E.	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026

f) Subsidiary of Harind Chemicals and Pharmaceuticals Private Limited :

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2026	% of Holding as at 31.03.2025	Accounting period
Nova Surface-Care Centre Private Limited	India	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026

B) Associates :

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2026	% of Holding as at 31.03.2025	Accounting period
PPG Asian Paints Private Limited	India	**50.00**	50.00	1st Apr 2025 - 31st Mar 2026
Subsidiaries of PPG Asian Paints Private Limited:				
Revocoat India Private Limited	India	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026
PPG Asian Paints Lanka Private Limited *	Sri Lanka	**100.00**	100.00	1st Apr 2025 - 31st Mar 2026

* The Company is under the process of liquidation

Note 40 : Exceptional Items

(₹ in Crores)

		Year 2025-26	Year 2024-25
1.	Impairment loss on Intangibles in Obgenix Software Private Limited (Previous year - Impairment loss on Goodwill on consolidation and Intangibles in Obgenix Software Private Limited) ^	**93.87**	201.78
2.	Impact of new labour codes*	**63.74**	-
3.	Exchange loss on devaluation of Ethiopian Currency	**-**	56.14
4.	Impairment loss on Goodwill on consolidation in Causeway Paints Lanka (Pvt.) Limited	**-**	21.47
5.	Loss on disposal of subsidiaries - PT Asian Paints Indonesia & PT Asian Paints Color Indonesia	**-**	83.71
Total		**157.61**	**363.10**

^ Refer note 4B

* The Government of India notified the provisions of the four new Labour Codes ("Labour Codes") on 21st November 2025, thereby consolidating twenty-nine existing labour laws into a comprehensive and unified framework. Among other changes, the Labour Codes provide a unified definition of "wages" to be applied across various employee benefit computations. In accordance with Ind AS 19 - Employee Benefits, the Group has recognised one-time expense of ₹ 63.74 crores towards increase in the gratuity liability by ₹ 52.88 crores and increase in the liability towards compensated absences by ₹ 10.86 crores.

Note 41 :

During the financial year 2019-20, one of the competitors of the Parent Company had filed a complaint with the CCI alleging that the Parent Company is hindering its entry in the decorative paints market through the abuse of the Parent Company's dominant position. The CCI, following a detailed investigation, had passed a favourable order on 8th September 2022 dismissing the allegations made by the competitor. The competitor has now filed an appeal against CCI's order before the National Company Law Appellate Tribunal. The said appeal is pending in the NCLAT.

Note 42 : Mergers, Acquisitions and Incorporations

(a) Acquisition of stake in Obgenix Software Private Limited (White teak)

On 27th June 2025 in accordance with the Share Purchase agreement and other definitive documents, balance 40% of the equity share capital of White teak was acquired. Accordingly, gross obligation of ₹ 188.00 crores towards further stake acquisition along with Non-Controlling interest of ₹ 80.03 crores was derecognised (Refer note 15). Consequently, White teak is now a wholly owned subsidiary of the Parent Company.

(b) Amalgamation of Asian Paints (Polymers) Private Limited ('AP Polymers')

The Hon'ble National Company Law Tribunal, Mumbai ('NCLT'), vide its order dated 10th March 2026, approved the scheme of Amalgamation ('the Scheme') of AP Polymers, a wholly owned subsidiary of the Parent Company, with the Parent Company. The Scheme became effective on 31st March 2026, with an appointed date of 1st April 2025. The Scheme has no impact on the Consolidated Financial Results.

(c) Stake Dilution in Asian White Cement Holdings Limited ('AWCHL')

On 16th January 2026, AWCHL, a subsidiary of the Parent Company, issued and allotted 12,08,891 sweat equity shares on a non-cash basis to one of its other shareholders pursuant to the Joint Venture Agreement. Consequently the Parent Company's shareholding in AWCHL reduced from 70% to 60% (Refer note 15). The aforesaid allotment represented 16.66% of the pre-issue paid-up share capital of AWCHL.

(d) Divestment of PT Asian Paints Indonesia ('PTAPI') and PT Asian Paints Color Indonesia ('PTAPCI')

On 14th February 2025, Asian Paints International Private Limited (APIPL), Singapore, a wholly-owned subsidiary of the Parent Company entered into a Share Purchase Agreement with Berger Paints Singapore Pte Limited, Singapore, subsidiary of Omega Property Investments Pty Ltd., Australia, for sale of 100% stake held in PTAPI and PTAPCI, wholly owned subsidiaries of APIPL.

Note 43 : Additional Regulatory Information Required by Schedule III to the Companies Act, 2013

(i) Details of struck off companies with whom the Group has transaction during the year or outstanding balance as on Balance Sheet date :

(₹ in Crores)

Name of the Entity	Name of Struck off Company	Nature of transactions with struck-off Company	As at 31.03.2026	As at 31.03.2025
Asian Paints Limited	K.A.S. Housing Private Limited [1]	Receivables	-	0.01
Asian Paints Limited	Citi Square Modular Industries Private Limited[1]	Receivables	-	0.09
Asian Paints Limited	D.R. Retails Private Limited[1]	Receivables	-	0.01
Asian Paints Limited	Tirupati Suppliers Private Limited[1]	Receivables	-	0.25
Asian Paints Limited	B.F. Fashions Private Limited	Receivables	**0.19**	0.12
Asian Paints Limited	Vanshika Tours And Travels Private Limited[1]	Payables	**(0.01)**	(0.01)
Asian Paints Limited	Khatushyam Engineers Private Limited[1]	Payables	-	(0.01)
Asian Paints Limited	Swarna Homes Private Limited	Payables	-	0.04
Asian Paints Limited	Empyrean Consultant Private Limited	Unclaimed Dividend	**0.01**	0.01
Asian Paints Limited	Fairgrowth Financial Services Limited	Unclaimed Dividend	**0.01**	0.01
Asian Paints Limited	Fairgrowth Investments Limited	Unclaimed Dividend	**0.00**	0.00
Asian Paints Limited	Fairtrade Securities Limited	Unclaimed Dividend	**0.00**	0.00
Asian Paints Limited	Kinnari Investments Private Limited	Unclaimed Dividend	**0.01**	0.01
Asian Paints Limited	Mulraj Holdings & Finance Private Limited[1]	Unclaimed Dividend	-	0.00
Asian Paints Limited	Unicon Fincap Private Limited	Unclaimed Dividend	**0.00**	0.00
Asian Paints PPG Private Limited	Shree Gurukrupa Minerals Private Limited	Receivables	-	0.01
Asian Paints PPG Private Limited	Surface Care Technologist Private Limited[2]	Receivables	**0.21**	0.21
Asian Paints PPG Private Limited	Ssangyong Engineering & Construction Co	Payables	-	(0.01)

[1] There were no new transactions with these companies during the year.

[2] The Parent Company has made provision for doubtful debts for the balances.

Below struck off companies are equity shareholders of the Parent Company as on the Balance Sheet date

Name of Struck off Company	Nature of transactions with struck-off Company
Shanti Credit And Holdings Pvt. Ltd.	Shares held by struck off Company
Unicon Fincap Private Ltd.	Shares held by struck off Company
Siddha Papers Pvt. Ltd.	Shares held by struck off Company
Fairgrowth Investments Ltd.	Shares held by struck off Company
Fairgrowth Financial Services Ltd.	Shares held by struck off Company
Empyrean Consultant Pvt. Ltd.	Shares held by struck off Company
Gat Enterprises Private Limited	Shares held by struck off Company
Fairtrade Securities Ltd.	Shares held by struck off Company

None of the above mentioned struck off companies are related party of the Group.

Note 43 : Additional Regulatory Information Required by Schedule III to the Companies Act, 2013 (Contd.)

(ii) The Parent and Indian subsidiaries do not have any benami property held in its name. No proceedings have been initiated on or are pending against the Parent and Indian subsidiaries for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iii) The Parent and Indian Subsidiaries have not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iv) The Parent and Indian Subsidiaries have complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(v) Utilisation of borrowed funds and share premium

I The Parent and Indian Subsidiaries have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

II The Parent and Indian Subsidiaries have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Parent and Indian Subsidiaries shall :

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vi) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(vii) The Group has not traded or invested in crypto currency or virtual currency during the year.

(viii) The Parent and Indian Subsidiaries do not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

(ix) Indian Subsidiaries have working capital facilities sanctioned by bank on the basis of security of current assets, inventories and trade receivables. Quarterly statements of current assets filed by the Indian subsidiaries with bank are in agreement with the books of accounts. The Group has not used borrowings for purpose other than specified purpose of the borrowing.

Note 44 :

The Consolidated Financial Statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 29th May 2026.

FORM AOC-I : Statement containing salient features of the Financial Statements of Subsidiaries and Joint Ventures (Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART "A" : SUBSIDIARIES

All figures except exchange rates in ₹ Crores

Sl No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Date since when subsidiary was acquired / incorporated	Reporting period	Share Capital	Reserves & Surplus	Total Liabilities	Total Assets	Investments ^	Turnover	PBT	Tax provision	PAT *	Dividends for the year	% of Share holding
1	Asian Paints (Bangladesh) Limited	BDT	0.77	04-Oct-00	Apr 25 to Mar 26	142.24	(75.25)	308.49	375.48	-	433.12	(3.90)	(9.84)	(13.74)	-	95.09
2	Asian Paints (Middle East) SPC	OMR	242.94	13-Oct-97	Apr 25 to Mar 26	27.26	146.80	137.15	311.21	-	370.76	55.61	(8.35)	47.26	68.14	100.00
3	Asian Paints (Nepal) Private Limited	NPR	0.62	31-May-83	14 Mar 25 to 14 Mar 26	3.80	465.39	170.61	639.80	-	391.35	71.15	(14.33)	56.82	25.11	52.71
4	Asian Paints (S.I) Limited	SBD	11.59	10-Nov-83	Apr 25 to Mar 26	0.73	4.80	1.79	7.32	-	16.73	5.75	0.08	5.83	6.43	75.00
5	Asian Paints (South Pacific) Pte Limited	FJD	41.05	18-Oct-76	Apr 25 to Mar 26	5.89	85.62	28.51	120.02	-	141.19	24.39	(5.56)	18.83	15.60	54.07
6	Asian Paints (Vanuatu) Limited	VUV	0.77	06-Aug-92	Apr 25 to Mar 26	2.37	1.99	1.65	6.01	-	6.41	0.84	-	0.84	2.59	60.00
7	Asian Paints Industrial Coatings Limited	INR	1.00	01-Oct-01	Apr 25 to Mar 26	30.45	24.84	7.54	62.83	38.83	24.80	3.49	(0.87)	2.62	-	100.00
8	Asian Paints International Private Limited	SGD	72.73	01-Nov-02	Apr 25 to Mar 26	1,326.89	(759.89)	377.12	944.12	-	-	102.92	(5.99)	96.93	-	100.00
9	Berger Paints Bahrain W.L.L.	BHD	247.84	01-Nov-02	Apr 25 to Mar 26	10.36	35.69	36.32	82.37	-	142.60	13.66	(1.43)	12.23	14.87	100.00
10	Berger Paints Emirates LLC	AED	25.46	01-Nov-02	Apr 25 to Mar 26	45.31	91.29	495.93	632.53	-	740.25	25.31	(2.74)	22.57	-	100.00
11	Kadisco Paint and Adhesive Industry Share Company	ETB	0.61	09-Feb-15	Apr 25 to Mar 26	28.68	27.23	66.59	122.50	0.49	206.36	35.33	(11.21)	24.12	7.42	51.00
12	Enterprise Paints Limited	GBP	123.71	01-Nov-02	Apr 25 to Mar 26	1.80	(19.60)	17.81	0.01	-	-	-	-	-	-	100.00
13	Nirvana Investments Limited	GBP	123.71	01-Nov-02	Apr 25 to Mar 26	0.00	0.96	-	0.96	-	-	-	-	-	-	100.00
14	Samoa Paints Limited	WST	33.48	29-Aug-03	Apr 25 to Mar 26	0.30	3.47	2.19	5.96	-	6.08	(1.66)	0.45	(1.21)	0.75	80.00
15	SCIB Chemicals S.A.E.	EGP	1.79	17-Dec-02	Apr 25 to Mar 26	3.23	55.65	150.22	209.10	12.11	385.82	24.75	(6.29)	18.46	7.17	85.604
16	Universal Paints Limited	GBP	123.71	01-Nov-02	Apr 25 to Mar 26	5.31	17.45	-	22.76	-	-	14.63	-	14.63	14.63	100.00
17	Causeway Paints Lanka (Pvt) Limited	LKR	0.30	03-Apr-17	Apr 25 to Mar 26	62.60	162.87	168.71	394.18	-	632.97	60.34	(18.30)	42.04	28.82	99.98
18	Weatherseal Fenestration Private Limited	INR	1.00	14-Jun-22	Apr 25 to Mar 26	0.02	(49.18)	90.00	40.84	-	75.00	(23.24)	-	(23.24)	-	51.00
19	Asian Paints Doha Trading WLL	QAR	25.70	05-Nov-23	Apr 25 to Mar 26	2.57	(4.57)	23.89	21.89	-	41.07	(4.15)	(0.02)	(4.17)	-	100.00
20	Harind Chemicals & Pharmaceuticals Private Limited	INR	1.00	14-Feb-24	Apr 25 to Mar 26	0.20	27.13	8.76	36.09	1.11	46.45	15.52	(4.03)	11.49	7.25	51.00
21	Nova Surface-Care Centre Private Limited	INR	1.00	14-Feb-24	Apr 25 to Mar 26	6.18	(5.86)	0.08	0.40	-	0.05	0.16	-	0.16	-	51.00
22	Asian White Cement Holding Limited [1]	AED	25.46	02-May-23	Apr 25 to Mar 26	215.51	(1.83)	1.66	215.34	-	-	(0.64)	-	(0.64)	-	60.00
23	Asian White Inc. FZE	AED	25.46	26-Jun-23	Apr 25 to Mar 26	191.03	(38.31)	571.96	724.68	-	34.45	(45.24)	-	(45.24)	-	60.00
24	Obgenix Software Private Limited [2]	INR	1.00	23-Jun-23	Apr 25 to Mar 26	0.40	(73.69)	192.29	119.00	-	99.24	(55.59)	-	(55.59)	-	100.00

1. Names of subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year - NIL

FORM AOC-I : Statement containing salient features of the Financial Statements of Subsidiaries and Joint Ventures (Contd.)

PART "A" : SUBSIDIARIES (Contd.)

Notes:

1. On 16th January 2026, Asian White Cement Holdings Limited ('AWCHL') issued and allotted sweat equity shares on a non-cash basis to one of its other shareholders. Consequently the Parent Company's shareholding in AWCHL reduced from 70% to 60%.
2. On 27th June 2025, the Parent Company has acquired balance 40% stake of the equity share capital of Obgenix Software Private Limited.
3. Asian Paints (Polymers) Private Limited has merged with the Parent Company with effect from 31st March 2026 with appointed date as 01st April 2025.
4. Figures reported above are for full reporting period.

^ Investments other than in subsidiary companies.

0.00 represents amounts less than ₹ 50,000/-.

* PAT does not include Other Comprehensive Income.

Note : Indian rupees equivalent of the foreign currency translated at the exchange rate as at 31st March 2026.

Part "B" : Joint Ventures

Sl. No.	Name of Joint Ventures	Asian Paints PPG Private Limited	PPG Asian Paints Private Limited (Consolidated)
1.	Latest audited Balance Sheet Date	31st March 2026	31st March 2026
2.	Shares of Joint Ventures held by the Company as at year end (number of shares)	5,243,961	28,518,112
	Amount of Investment in Joint Venture	₹ 30.47 Crores	₹ 81.43 Crores
	Extent of Holding %	50%	50%
3.	Description of how there is significant influence	Not Applicable	Not Applicable
4.	Reason why the joint venture is not consolidated	Consolidated	Consolidated
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 259.05 Crores	₹ 656.09 Crores
6.	Profit for the year		
	i. Considered in Consolidation	₹ 78.29 Crores	₹ 165.59 Crores
	ii. Not Considered in Consolidation	NIL	₹ 165.59 Crores

Notes:

1. Names of joint ventures which are yet to commence operations - NIL
2. Names of joint ventures which have been liquidated or sold during the year - NIL

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN : L24220MH1945PLC004598

R Seshasayee
Chairman
DIN : 00047985

Amit Syngle
Managing Director & CEO
DIN : 07232566

Milind Sarwate
Chairman of Audit Committee
DIN : 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
29th May 2026