Annexure (D) to Board's Report

Disclosure in relation to Asian Paints Employee Stock Option Plan 2021

[Pursuant to Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations")]

All the relevant details of the Company's Employee Stock Option Plan are provided below and are also available on the website of the Company at https://www.asianpaints.com/AnnualReports.html.

(A) Relevant disclosures in terms of the Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share based payments' issued in that regard from time to time:

Refer Note no. 34(3) forming part of the standalone financial statements and Note no. 33(3) of the consolidated financial statements for the financial year 2025-26. Please note that the said disclosure is provided in accordance with the Ind AS 102 – Share Based Payment.

(B) Diluted EPS on issue of shares pursuant to all the schemes covered under the SEBI SBEB Regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by the Central Government or any other relevant Accounting Standards as issued from time to time:

Refer Note no. 31 forming part of the standalone financial statements and Note no. 31 of the consolidated financial statements for the financial year 2025-26. Please note that the said disclosure is provided in accordance with the Ind AS 33 – Earnings per share.

(C) Details related to Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"):

Sr. No.	Particulars	Details of 2021 Plan
(i)	**General terms and conditions of 2021 Plan:**	
(a)	Date of shareholders' approval	29th June 2021
(b)	Total number of options approved under 2021 Plan	25,00,000 stock options will be granted over ten years period of the 2021 Plan.
(c)	Vesting requirements	The vesting period shall be decided by the Nomination and Remuneration Committee ("the Committee/NRC") from time to time in accordance with the 2021 Plan. As per the present norms, the minimum vesting period shall not be less than 12 months from the date of grant of the stock options (or such other minimum period as allowed under the SEBI SBEB Regulations) and the maximum vesting period shall not be more than 48 months from the date of grant of the stock options. Vesting may happen in one or more tranches. Vesting period excludes any unpaid long or sabbatical leave. In the event of disability or death or retirement of the Participant, there will be accelerated vesting. The vesting will be in accordance with the 2021 Plan and SEBI SBEB Regulations as in effect from time to time.
(d)	Exercise price or Pricing Formula	The exercise price for any stock options granted to eligible employee shall be 50% to the "Reference Share Price" of the shares of the Company (rounded off to the next whole number, if not a whole number). "Reference Share Price" means the average of the daily high and low of the volume weighted average prices of the shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made.
(e)	Maximum term of options granted	The maximum term of options shall not be more than 63 months.

Sr. No.	Particulars	Details of 2021 Plan
(f)	Source of shares (primary, secondary or combination)	The 2021 Plan envisages a combination of fresh issue of shares and secondary (market) purchase of shares of the Company [through Asian Paints Employee Stock Ownership Trust ("ESOP Trust") to the extent of the secondary market purchase] subject to the regulatory approvals. Since inception till date, shares are purchased through the secondary market purchase mechanism.
(g)	Variation in terms of options	No variation/modification/amendment was made in the term of options during the financial year 2025-26.
(ii)	**Method used to account for stock options**	Fair Value Method
(iii)	**Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company**	Not applicable
(iv)	**Option movement during the year:**	
	Number of options outstanding at the beginning of the period	4,12,240
	Number of options granted during the year	2,98,384#
	Number of options forfeited/lapsed during the year	40,162
	Number of options vested during the year	1,09,385
	Number of options exercised during the year	1,02,699
	Number of shares arising as a result of exercise of options	82,633
	Money realised by exercise of options (₹), if scheme is implemented directly by the Company	Not Applicable
	Loan repaid by the ESOP Trust during the year from exercise price received	₹ 17.66 crores*
	Number of options outstanding at the end of the year	5,67,763
	Number of options exercisable at the end of the year	30,996
(v)	**Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock**	Refer Annexure 1
(vi)	**Employee wise details of options granted during the FY 2025-26 to:**	
(a)	Senior managerial personnel as defined under Regulation 16(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Refer Annexure 2
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Refer Annexure 2
(c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None

Sr. No.	Particulars	Details of 2021 Plan
(vii)	**Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**	
(a)	Weighted-average values of share price	Refer Annexure 1
	Exercise price	
	Expected volatility	
	Expected option life	
	Expected dividends	
	Risk-free interest rate	
	Any other inputs to the model	
(b)	The method used and the assumptions made to incorporate the effects of expected early exercise	Refer Annexure 1
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Refer Annexure 1
(d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Incase of stock options granted with market linked vesting conditions, fair value has been determined using Monte Carlo simulation.
(viii)	**Disclosures in respect of grants made in three years prior to IPO under each ESOS**	Not Applicable

#Includes 1,49,879 stock options granted to Amit Syngle, Managing Director & CEO, for the financial year 2025-26, by the NRC at its meeting held on 28th April 2025 adjourned to 29th April 2025, subject to achievement of predetermined performance parameters.

*Does not include repayment of financial assistance amount of ₹ 20.41 crores given by the Company for the options exercised and shares credited to the eligible employees during the year.

(D) Details related to Trust:

Given below are the details, *inter alia,* in connection with transactions made by the Trust meant for the purpose of administering the 2021 Plan under the SEBI SBEB Regulations:

(i) General information on 2021 Plan:

Sr. No.	Particulars	Details
(a)	Name of the Trust	Asian Paints Employee Stock Ownership Trust
(b)	Details of the Trustee(s)	1. Barclays Wealth Trustees (India) Private Limited - Designated Trustee 2. Amit Kumar Singh - Other Trustee 3. Sachin Singh - Other Trustee
(c)	Amount of loan disbursed by the Company/any company in the Group, during the year	₹ 48.63 crores*
(d)	Amount of loan outstanding (repayable to Company / any company in the Group) as at the end of the year	₹ 165.58 crores
(e)	Amount of loan, if any, taken from any other source for which Company/any company in the group has provided any security or guarantee	Nil
(f)	Any other contribution made to the Trust during the year	Nil

*During the year, the Company disbursed financial assistance amount of ₹ 50 crores out of which unutilised amount of ₹ 1.37 crores was refunded back to the Company.

(ii) Brief details of transactions in shares by the Trust:

Sr. No.	Particulars	Details
(a)	Number of shares held at the beginning of the year (1st April 2025)	4,54,666
(b)	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Number of shares acquired: 2,09,299 equity shares through secondary acquisition Percentage of paid-up share capital: 0.02% Weighted average cost of acquisition per share: ₹ 2,323.38
(c)	Number of shares transferred to the employees/sold along with the purpose thereof	Number of shares sold by the ESOP Trust in FY 2025-26: 41,045 Number of shares transferred to the employees in FY 2025-26 pursuant to exercise: 69,425
(d)	Number of shares held at the end of the year (31st March 2026)	5,53,495

(iii) In case of secondary acquisition of shares by the Trust:

Sr. No.	Shares	In number	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained (%)
(a)	Held at the beginning of the year	4,54,666	0.05
(b)	Acquired during the year	2,09,299	0.02
(c)	Sold during the year	41,045	*
(d)	Transferred to the employees during the year	69,425	0.01
(e)	Held at the end of the year	5,53,495	0.06

*Less than 0.01%

Notes:

1. There was no change in the 2021 Plan since its implementation and the 2021 Plan is in compliance with the SEBI SBEB Regulations.
2. 1,51,330 stock options were granted to the eligible employees for the financial year 2025-26, by the NRC at its meeting held on 27th April 2026, basis their performance for the financial year 2025-26.
3. 1,54,257 stock options were granted to Amit Syngle, Managing Director & CEO, for the financial year 2026-27, by the NRC at its meeting held on 11th May 2026, subject to achievement of predetermined performance parameters.

For and on behalf of the Board of Directors

R Seshasayee
Chairman
(DIN: 00047985)

Place: Mumbai
Date: 29th May 2026

Annexure 1

a) Details of stock options granted during the year:

Particulars	Grant 9 (excluding Managing Director & CEO)	Grant 10 (Managing Director & CEO)		
		Tranche 1	Tranche 2	Tranche 3
Financial Year	2024-25	2025-26	2025-26	2025-26
Grant Date	29th April 2025	29th April 2025	29th April 2025	29th April 2025
Vesting Date	1st April 2028	30th June 2026 or date of Annual General meeting for the FY 2025-26, whichever is later	30th June 2027 or date of Annual General meeting for the FY 2026-27, whichever is later	30th June 2028 or date of Annual General meeting for the FY 2027-28, whichever is later
Fair Value at Grant Date (₹)	1,409	1,354/851#	1,398/829#	1,441/846#
Exercise Price (₹)*	1,188	1,188	1,188	1,188
Options outstanding at the beginning of the year	-	-	-	-
Options granted during the year	1,48,505	50,781	50,211	48,887
Options exercised during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options lapsed during the year$	8,399	4,670	4,596	4,459
Balance as at year end	1,40,106	46,111	45,615	44,428
Exercisable at period end	-	-	-	-
Weighted-average remaining contractual life (years)	3	2.25	3.25	4.25

*Represents weighted average exercise price.

Fair value differs for stock options granted for market/non-market linked vesting conditions.

$ Stock options have lapsed due to non fulfilment of vesting conditions.

b) Fair Value of stock options granted during the year:

Fair Value of stock options was calculated using the Black Scholes Model. The key assumptions used for calculating the option fair value are as below:

Grant date	Risk free interest rate	Expected option life	Expected volatility	Expected dividend	Market price at the time of grant of the option (₹)	Exercise price
Assumptions	Zero Coupon Sovereign Bond Interest Rate equivalent for option life (%)	Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period (years)	Based on daily volatility for period equivalent for option life (%)	Dividend yield is calculated as dividend paid in last FY divided by current share price (%)		50% of Reference Share Price (₹)
Grant 9 29th April 2025	6.05	3.42	26.37	1.04	2,451	1,188
Grant 10 29th April 2025 Tranche 1	5.99	2.17	23.28	1.04	2,451	1,188
Grant 10 29th April 2025 Tranche 2	6.04	3.17	26.02	1.04	2,451	1,188
Grant 10 29th April 2025 Tranche 3	6.09	4.17	27.35	1.04	2,451	1,188

Fair Value of stock options (market linked vesting conditions) was calculated using the Monte Carlo simulations. The key assumptions used for calculating the option fair value are as below:

Grant date	Risk free interest rate	Expected volatility		Exercise price
Assumptions	Zero Coupon Sovereign Bond Interest Rate equivalent for option life (%)	Based on daily volatility for period equivalent for option life (%)	Market price at the time of grant of the option (₹)	50% of Reference Share Price (₹)
Grant 10 29th April 2025 Tranche 1	5.96	26.57 (APL)/ 18.11 (NIFTY 50)	2,451	1,188
Grant 10 29th April 2025 Tranche 2	5.99	23.29 (APL)/ 15.33 (NIFTY 50)	2,451	1,188
Grant 10 29th April 2025 Tranche 3	6.11	24.89 (APL)/ 15.85 (NIFTY 50)	2,451	1,188

Annexure 2

Details of stock options granted during the year to senior managerial personnel as on 31st March 2026 and details of employee to whom stock options granted during the year amounting to 5% or more of the options granted during the year:

(i) Details of employee to whom stock options granted during the year amounting to 5% or more of the options granted during the year

Sr. No.	Participants	Designation	Grant 10
1.	Amit Syngle	Managing Director & CEO	**1,49,879**

(ii) Details of stock options granted during the year to senior managerial personnel as on 31st March 2026

Sr. No.	Participants	Designation	Grant 9
1.	Rahul Bhatnagar	President – Project Sales, R&T, Industrial JVs, Home Improvement, Supply Chain	**6,743**
2.	R J Jeyamurugan	CFO, Company Secretary & Compliance Officer	**4,330**
3.	Aashish Kshetry	Vice President – Systems	**2,130**
4.	Sameer Salvi	Vice President – Backward Integration Businesses, Mantech & Strategy	**3,407**
5.	Pragyan Kumar	Senior Vice President – Retail Sales, Marketing & Commercial	**3,052**
6.	Savitha Shivsankar	Chief Human Resources Officer	**4,330**
7.	Gagandeep Kalsi	Vice President – Strategy, Business Development, Décor and Services	**2,556**
8.	Amit Kumar Singh	Vice President – Corporate Affairs & CSR	**2,556**
9.	Alok Agrawal	General Manager – Internal Audit & Risk (Chief Internal Auditor)	**1,562**
10.	Joseph Eapen	Chief Executive – APIPL	**1,562**

Notes:

1. The exercise price of Grant 9 is ₹ 1,188. The exercise price of stock options granted to eligible employees is at 50% of the "Reference Share Price" of the Company, as defined under the 2021 Plan.
2. 32,204 stock options were granted to the senior management personnel for the financial year 2025-26, by the NRC at its meeting held on 27th April 2026, basis their performance for the financial year 2025-26.