

Translating Strategy into Performance

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Managing Director & CEO



Dear Shareholders,

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

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



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



Strengthening brand equity and consumer connect

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

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

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



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

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

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

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

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



Dialling up the innovation quotient

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

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

MD & CEO'S MESSAGE



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

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

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

Our innovation agenda also moved beyond products into design foresight and material intelligence. During the year, we introduced the ColourNext Lab, a dedicated platform for research, experimentation and dialogue across colour, surfaces, finishes, craft and cultural context. Building on the 23-year legacy of ColourNext, the Lab

explores future possibilities through research-led inquiry rather than ready-made solutions. ColourNext 2026, with Moonlit Silk as the Colour of the Year, captures emerging shifts in how people seek presence, meaning and emotional grounding in their spaces. It reinforces Asian Paints' role as a thought leader in colour, materials and design.



Scaling the service platform

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

Our Beautiful Homes Painting Service continued to scale across the country and remains the largest organised painting service platform globally. Its strength lies in the operating model that supports it: a retailer-led franchise

structure, trained painters, and contractors, standardised processes and technology-enabled execution.

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

9.45 Lakhs+ Painters and contractors trained during the year

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



management service for industrial customers, supported plant maintenance, corrosion management and lifecycle asset protection.

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



Deepening regional market execution

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

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

Rural markets demonstrated relative resilience during the year, aided by favourable rainfall and improving sentiment. Urban market also saw some improvement especially in the second

half of the year. Our distribution depth helped us capture this opportunity. During the year, we added nearly 6,000 new retail touchpoints. The overall network strength remains one of our

strongest competitive advantages. It allows us to convert brand salience, local relevance and product availability into market performance across the length and breadth of the country.



Widening the net in B2B and industrial opportunities

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

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

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

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

MD & CEO'S MESSAGE



Advancing backward integration and supply chain resilience

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

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

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

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



Building the integrated home décor ecosystem

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

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

Our strategy in home décor is clear. We are building a differentiated ecosystem that brings together products, services, design assistance, fulfilment capability

and technology-enabled consumer experience. Our focus remains on scaling this opportunity with discipline, improving execution and steadily strengthening the path to profitability.

Navigating international markets

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

In Bangladesh and Nepal, we remained disciplined on liquidity and working capital management while calibrating demand generation to local conditions. In Sri Lanka, refreshed propositions in premium interior emulsions and exterior waterproofing helped sustain engagement through the year. In Egypt, premiumisation, contractor activation and tighter cost management

supported mix improvement in a competitive environment. In Ethiopia, pricing action, sourcing flexibility and cost discipline remained central to navigating inflation and currency pressures. In the Middle East, premium activations, specification-led projects and décor-led retail initiatives helped strengthen visibility and market access. Together, these interventions improved the operating performance of the portfolio and reinforced the long-term position of our international business.

Technology-enabled capacity building

We are also using technology more deliberately to reshape both customer experience and execution. Our focus is on deploying AI, analytics and automation in areas where they can create clear business differentiation, whether through more immersive visualisation, sharper recommendation engines, more consistent service delivery or stronger frontline productivity. During the year, these interventions were expanded across painting services, project sales, décor and sales operations, while integrated digital platforms improved coordination

across categories and touchpoints. Alongside this, we continued to strengthen the resilience of our digital backbone through high-availability systems, observability frameworks and a more robust cybersecurity architecture. The result is a business that is becoming more responsive at the front end and reliable at its core.

FY 2025-26 performance

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

Looking ahead

The business environment will remain dynamic. Competitive intensity, commodity movements, external volatility and supply-chain risks will

continue to require discipline. The recent escalation in West Asia has added to the uncertainty clouding the global economy and in particularly on markets like ours with heavy import dependency, especially through its effects on energy, logistics and broader cost structures.

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

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

Warm regards,

Amit Syngle

Managing Director & CEO



Khandala Plant