

MANAGEMENT

LAVENDER SECRET
7163

PLATINUM ORCHID
NP071

NUR JAHAN
NP058

MARRAKECH HONEY
NP012



DISCUSSION & ANALYSIS

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KIMONO CREAM
NP009



MANAGEMENT DISCUSSION AND ANALYSIS

MACROECONOMIC LANDSCAPE

The year 2025 was characterised by a resilient but uncertain global macroeconomic environment. While the global growth at 3.4% remained below its historical average, it maintained the pace of last year. Global trade and manufacturing proved more resilient than expected in the face of trade and geopolitical uncertainty accentuated by US tariff announcements. The resilience of global growth reflects tailwinds of fiscal policy and accommodative financial conditions supported by AI-led investment.

Growth trends across major economies remained uneven. The US economy remained relatively resilient, supported by technology-led capital expenditure. Europe witnessed a services-led recovery, while manufacturing competitiveness remained exposed to energy-related risks. China continued to face weak domestic demand and stress in the property sector, although exports remained resilient.

Global financial conditions remained fluid during the year. Major central banks, including the US Federal Reserve

and the European Central Bank, moved towards policy easing as inflation pressures moderated from earlier peaks. Japan was an exception, with monetary tightening after a prolonged period of ultra-loose policy. Towards the end of FY 2025-26, escalation in West Asia led to a sharp rise in crude oil prices and renewed concerns around energy security, commodity inflation and supply-chain continuity. These developments brought imported input cost pressures back into focus, particularly for economies dependent on energy and commodity imports.





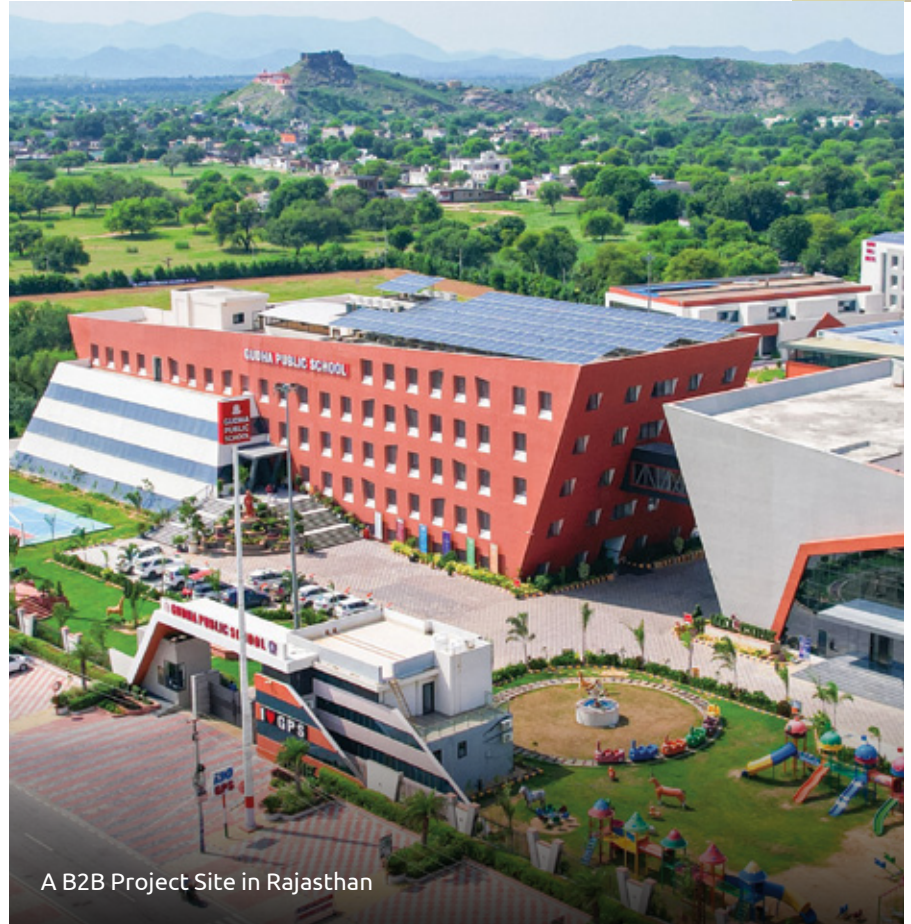
INDIAN ECONOMY

India's economy remained resilient through the external volatility. During FY 2025-26, India revised the base year for GDP estimates from 2011-12 to 2022-23 to better reflect the evolving structure of the economy. The revised series incorporates improved data sources and methodological refinements to strengthen sectoral representation, granularity and consistency of national accounts. Under the revised series, real GDP growth for FY 2025-26 is 7.7%, compared with 7.1% in FY 2024-25, while nominal GDP has grown by 8.7%.

Domestic activity was supported by private consumption, investment activity and growth in manufacturing and services-linked sectors. Recent policy measures strengthened the demand environment.

The restructuring of personal income tax and GST rate rationalisation were aimed at improving disposable income, easing the tax burden on households and supporting consumption across income segments. Monetary easing and favourable financial conditions further supported economic activity.

Investment activity was aided by continued government emphasis on infrastructure spending, structural reforms and improved credit flow. Bank credit growth improved and remained supportive of real economic activity, while financing from non-bank sources also increased. The consolidation of labour laws into four Labour Codes represents a structurally important reform for a labour-rich economy such as India. It is expected to support formalisation, simplify compliance, improve workforce flexibility and strengthen worker welfare, thereby



A B2B Project Site in Rajasthan

improving the operating framework for manufacturing and services-led growth.

Inflation conditions were largely supportive during FY 2025-26. Headline inflation rose from the historical low levels recorded in October 2025 but remained well below the RBI's target rate thereafter. Food prices moved out of deflation as base effects normalised, while fuel inflation remained moderate and core inflation stayed contained, barring precious metals. However, imported inflation and input cost pressures increased in March, following the spike in

global energy prices. High-frequency indicators were mixed towards the end of the year, with moderation in PMIs and power demand, even as broader domestic activity remained supported by consumption, investment and credit conditions.

Overall, the operating environment remained constructive, supported by improving demand conditions and stable inflation conditions for most of the year. At the same time, external volatility, commodity movements and supply-chain risks required continued discipline in demand management, cost control and execution.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Decorative business in India

Operating environment

FY 2025–26 was a year of disciplined execution for the Decorative business. The operating environment remained measured through much of the year, with demand in the category recovering gradually after a subdued FY 2024-25. While momentum improved in H1 FY 2025-26, an extended monsoon delayed painting activity and affected the festive demand window with a pickup witnessed again in the last quarter of FY 2025-26. In this context, the Company strengthened its market position through calibrated portfolio actions, sharper execution and sustained focus across geographies and categories.

The Company continued to shape its portfolio through differentiated propositions across segments, with a clear focus on innovation-led premiumisation and sharpening competitiveness.

In the premium segment, All Protek gained traction during the year, supported by a differentiated Lotus Effect technology proposition that focuses on preventing stain

absorption rather than removal, reinforced through strong marketing interventions. At the upper end, the Company strengthened its super-luxury positioning by building Nilaya over Royale, with Nilaya Arc emerging as a differentiated lime-based offering delivering an artisanal matte finish, gaining strong acceptance among architects and designers.

Innovation remained a key driver across categories. During the year, the Company introduced WoodTech PU Gold, a first-of-its-kind polyurethane wood finish with anti-termite properties, along with new offerings such as Aquadur, a water-based glossy product, and a value-for-money polyester paint, expanding the portfolio across use cases. These interventions were complemented by continued traction in exterior coatings, supported by campaigns around advanced material technologies such as Graphene in Apex Ultima Protek, reinforcing product differentiation.

The Company continued to build on the enduring strength of Har Ghar Kuch Kehta Hai. During the year, the proposition was refreshed through a contemporary campaign that stayed rooted in the lived reality of homes while appealing to a wider and younger audience. The campaign reinforced the idea that Asian Paints is associated not merely with surfaces, but with the identity, memories and aspirations that homes represent, thereby strengthening the brand's emotional relevance across consumer segments.

This was complemented by the warranty-led campaign, "Asian Paints ki Warranty, India ka Har Doosra Ghar Kehta Hai", which brought together the ideas of scale, credibility and durability. Built around real homes across the country, the campaign translated the Company's longstanding presence and warranty promise into a more tangible consumer proposition.

Regionalisation remained a key strategic anchor for decision-making and execution, enabling more targeted portfolio, communication and market interventions across geographies. Building on the limited-edition regional packaging initiative introduced in the previous year, the Company expanded the programme during FY 2025-26 across additional regions and strengthened it through more market-specific communication. This included targeted regional campaigns such as 'Garv se Haryana' for Apex Dust Proof, which reflected local cultural identity and strengthened consumer relevance in the market. The regional packs continued to create a more personalised consumer experience, with QR-enabled augmented reality bringing the narrative behind each design to life. Together, these initiatives helped deepen regional resonance, strengthen consumer association with the brand and extend the role of packaging and communication beyond functional product presentation.



THE COLOURS OF INDIA

asianpaints Colours that unite India.



The Company's association as the Colour Partner of Team India remained an important pillar of brand building during the year. Through its partnership with the BCCI, Asian Paints secured sustained visibility on one of the country's most widely followed platforms while also innovating within the format through distinctive integrations such as Colour Countdown and Colour Cam. The association was further amplified through contextual communication, including campaigns such as Meri Wali Blue during the Women's Cricket World Cup and through moments of national relevance such as celebrating the Indian women's team's tournament success. Together, these initiatives helped leverage the cultural salience of cricket to strengthen brand recall, engagement and consumer connect through the year.

Across the portfolio, this steady cadence of product launches and proposition-led interventions contributed to strengthening category depth, improving consumer relevance and

driving growth across both premium and mainstream segments. Waterproofing portfolio continued to make strong progress, supported by wider use across repair, renovation and terrace applications, as well as increasing consumer awareness of preventive solutions. The category benefited from a stronger mix of premium and upgrade offerings, including Infinia and a broadened Damp Proof range, helping deepen participation across segments. In wood finishes, category development was driven by deeper engagement with architects and furniture manufacturers, supported by the Company's field technologist network. While mainline products expanded penetration, the polyurethane segment gained further traction, reinforcing the Company's position in a specialised and growing segment.

Adjacencies such as adhesives and tile adhesives also progressed, supported by a broader strategy of offering more complete solutions to channel partners and applicators. This was complemented by tools and implements, strengthening the Company's overall proposition across the painting ecosystem.

Execution intensity on the ground remained a differentiator. Engagement with applicators was sharpened through revised incentive structures, targeted training and a greater push towards mechanisation and automation, improving both quality and cost efficiency. At the same time, top-end applicators were engaged through initiatives such as Colour Awards, strengthening their role as promoters of product propositions, colour and finish. These efforts, combined with coordinated efforts with the dealer network, supported demand conversion across markets.

The Company also deepened its engagement with design through ColourNext, which continues to evolve from a colour forecast into a broader

platform for design foresight. During the year, this was extended through the introduction of the ColourNext Lab, enabling research-led exploration across materials, finishes and textures, and strengthening the Company's engagement with architects, designers and specifiers. Through ColourNext 2026, Moonlit Silk was positioned not just as a shade but as an expression of a broader design sensibility that values presence, softness and enduring relevance in the spaces people inhabit.

Channel partnerships continue to be one of the Company's enduring strengths. During the year, investments in dealer engagement, lead generation through Beautiful Homes Painting Services, store upgrades, and access formats such as Colour Ideas and Colour Cubes helped strengthen consumer connect and improve network effectiveness. These efforts reflected the Company's continued belief that the progress of its network partners and the growth of the business are closely linked, reinforcing the strength of this partnership over time.

The Decorative business continues to be guided by a focus on building a balanced and sustainable ecosystem, one that supports dealer viability, delivers value for consumers and enables better outcomes for contractors and applicators.



MANAGEMENT DISCUSSION AND ANALYSIS

B2B business in decoratives and specialised products

India's macroeconomic environment during FY 2025-26 remained supportive of sustained investment activity, underpinned by policy measures focused on strengthening domestic manufacturing and infrastructure capacity. Government initiatives aimed at enhancing production capabilities, improving logistics efficiency, and attracting foreign direct investment continued to reinforce India's positioning within diversified global supply chain requirements. Programmes such as the Production Linked Incentive schemes and reforms aligned with the Atmanirbhar Bharat agenda contributed to this structural shift.

The institutionalisation of integrated multimodal planning through PM GatiShakti, which is driven by seven key engines: Railways, Roads, Ports, Waterways, Airports, Mass Transport, and Logistics Infrastructure, is supporting higher construction intensity across sectors.

Within this operating environment, Asian Paints' B2B business operates across a broad spectrum of institutional end markets in the paints and construction chemicals space. Over the past decade, the portfolio has evolved to include a wider range of construction chemical solutions, encompassing admixtures, waterproofing systems, floor coatings, and repair and restoration applications. This expanded offering structure enables participation across both maintenance and repair requirements as well as new construction activity.

Over the past decade, the B2B business has undergone a deliberate strategic pivot. While the real estate segment has remained the mainstay, the Company has built dedicated focus on two high-growth verticals - Industrial (Factories) and Government Infrastructure. These are sunrise segments characterised by a large and expanding addressable market. The Company has made steady inroads through progressive expansion of its product portfolio and service capabilities in both verticals.

The operating approach has centred on end-to-end solution delivery across the project lifecycle. For maintenance and repair requirements, the focus has been on addressing persistent, recurring challenges faced by institutional customers through comprehensive system-level interventions. For new construction projects, the emphasis has been on delivering effective, durable coating systems. The core real estate business has maintained sustained momentum, particularly in the premium and luxury segments across major urban centres. Concurrent traction in industrial and government infrastructure has contributed to the B2B business growing from strength to strength, with expanded market access across segments.

Integration across multiple businesses and operating units was advanced during the year through the "Juggernaut" initiative. This framework brought together Asian Paints PPG, PPG Asian Paints, Bath Fittings, Kitchen and Asian Paints B2B to facilitate coordinated solution delivery and unified customer engagement across project stages.



The 'Total Assure' service offering was further broadened during the year. The programme provides system recommendations based on structured visual assessment and identification of root causes, supported by technical oversight during execution. The approach is designed to support asset longevity, reduce operational disruptions, and enable planned maintenance execution within defined timelines.

FY 2025-26 also saw continued investment in technical engagement platforms targeted at industrial and infrastructure stakeholders. The Construction Chemicals Knowledge Leadership Initiative (CC KLI) was expanded as a structured industry engagement forum with emphasis on technical knowledge dissemination, material science, and application performance considerations relevant to large-scale construction projects.

Technical outreach efforts were supplemented through the CC Tech Credence Symposium. The symposium engaged consultants and architects from the building materials, industrial, and infrastructure domains. Discussions focused on system demonstrations, emerging application technologies, and evolving construction chemical requirements, led by experts from both academic and industry backgrounds.

In December 2025, the AP Assure digital platform was introduced to support institutional engagement. The platform provides access to structured solution pathways, product and system information, service frameworks, technical publications, event content, and sustainability-related initiatives. It is positioned as a reference interface for consultants, engineers, procurement professionals, and academic institutions across project categories.



With stronger operating frameworks and engagement platforms, Asian Paints B2B continues to pursue opportunities aligned with infrastructure development, industrial expansion, and institutional construction activity.

The business remains focused on disciplined execution, solution-led engagement, and expansion across priority segments, aligned with prevailing market conditions.

Beautiful Homes Painting Services

The Company continued to scale its Beautiful Homes Painting Service during the year, with reach extending to over 650 towns. The service

proposition was strengthened through technology-led interventions aimed at improving customer engagement, service delivery and execution visibility. AI-enabled tools were also introduced to improve responsiveness and consistency in the customer journey. These initiatives supported stronger adoption of the service model and improved the Company's ability to offer a more differentiated consumer experience.



MANAGEMENT DISCUSSION AND ANALYSIS

Asian Paints: Owning Homes

Asian Paints' home décor business operates across an integrated portfolio of products and services, delivered through a network of physical stores and digital platforms. During FY 2025-26, the business focused on operational consolidation and strengthening of service delivery capabilities supported by premium range introductions across multiple categories, including Struva -a system aluminium window range, Arazzo—luxury range of kitchens and wardrobes, decorative lightings developed in collaboration with Atelier Oï, Bellamore – premium range of faucets and showers, and Casuals—a range of premium furnishings.

Investments during the year were directed towards strengthening servicing capabilities, which remain central to execution in this complex made-to-measure world of home décor. Focus areas included

manpower augmentation, training, process reengineering and capital expenditure on service infrastructure. Organisational structures across multiple individual categories were consolidated into leaner, integrated teams. Common warehousing, transportation, digital marketing and servicing functions were streamlined to support cost discipline.



Engagement with the architect and interior designer (AID) community was deepened during the year across coatings and décor categories.

New launches were showcased at flagship industry events, including Design Democracy and India Design. Digital marketing and architect outreach investments contributed to improved same-store revenue performance. The omnichannel

Beautiful Homes model continued to integrate digital, social media and physical touchpoints, aligned with evolving consumer behaviour.

Beautiful Homes Stores

The Beautiful Homes Stores network expanded to 74 stores across 20 states during FY 2025-26. Business performance during the year was driven by same-store sales growth and deeper category-level expertise across décor segments. The integration of White Teak and Weatherseal into the broader décor ecosystem contributed to category expansion and revenue growth.

A dedicated post sales servicing team was introduced during the year, focused on installation quality and handover experience. This addressed a key requirement in the made-to-measure décor space, where post-purchase service delivery is integral to customer satisfaction.



The premium formats - Beautiful Homes Studio and Signature formats—were expanded into select identified geographies during the year. These clusters recorded a strong business trajectory, driven by positive consumer response to superlative in-store experience and after sales service delivery. These formats enabled a strong representation of the premium ranges across categories like furniture, fabrics, rugs and lighting.

Digital lead generation and architect-led referrals from the Décor Pro team remained important contributors to store-level business, reinforcing the omnichannel operating model.

Décor Pro

Décor Pro is Asian Paints' architect and interior designer outreach programme, engaging with key AIDs across the country. The programme serves as a direct interface to drive product preference across the full décor portfolio and reinforce Asian Paints as a preferred full-spectrum



décor solutions provider. During FY 2025-26, meaningful contributions from Décor Pro were recorded across our diverse portfolio of categories including PU+ premium wood finishes, paints, lighting, Weatherseal, kitchens and furnishings.

Deeper relationships have been established with critical large architects through various designer-

led engagement forums. These engagements have strengthened Asian Paints' positioning as an integrated décor solutions provider within the AID community.



MANAGEMENT DISCUSSION AND ANALYSIS



Nilaya Anthology at Lower Parel, Mumbai

Nilaya Anthology

Nilaya Anthology, launched in February 2025 in Mumbai, completed its first full year of operations during FY 2025-26. Spread across over 100,000 sq ft, the space operates as a curated platform for design, bringing together makers, artists, studios and brands across disciplines and geographies. This design destination is instrumental in building the Nilaya brand as a top end offering from Asian Paints and builds a super luxury eco framework.

During the year, Nilaya Anthology continued to evolve beyond a conventional retail format. The platform focused on curation, design engagement and long-term creative partnerships. Its programming brought together Indian and international designers, regional craft communities, emerging creators and collectible design within a single ecosystem.

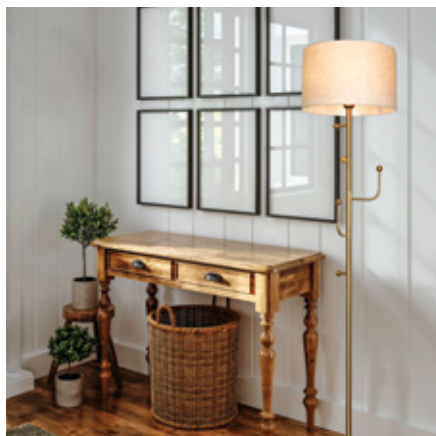
The platform builds on giving the Nilaya brand a unique framework with Nilaya extensions in Wall Paper, furnishings and textures. Since launch, Nilaya Anthology has introduced over 100 makers and artists to the Indian market

through curated presentations and initiatives. Key programme during the year included an exclusive presentation by ceramic artist Jane Yang D'Haene, recently shortlisted for the Loewe Craft Prize, and the India debut of Nina Yashar's Nilufar Gallery, which brought contemporary and collectible design to the platform. The platform also brings in World first innovations like the the 'largest global colour system' Chroma cosm which goes to build the equity of Asian Paints amongst the top designers & Architects.

Nilaya Anthology received attention from global design media and design commentators during the year. The platform continues to support Asian Paints' presence in the luxury interiors and design ecosystem, while contributing to the broader positioning of Indian design within an international context.

150+
Makers and
brands curated





White Teak

White Teak by Asian Paints operates in the decorative and architectural lighting space, with an expanded presence across related home décor categories. On 27th June 2025, the Company acquired the balance 40% stake in Obgenix Software Private Limited (White Teak) for ₹ 188 Crore, making it a wholly owned subsidiary.

In FY 2025-26, the business delivered a revenue of ₹ 99 Crore, with a decline of 7.1%. Revenue has remained under pressure over the past two years, reflecting subdued demand conditions in the decorative lighting category and residual impact of BIS-related disruptions in LED products experienced during FY 2024-25. The business continued to focus on portfolio diversification and channel expansion to address this trajectory.

Over 300 new products were introduced during the year. Three decorative lighting collections were launched - Ikebana (developed in house) and Anisora and Oina (developed in collaboration with international designer Atelier Oi). The architectural lighting portfolio recorded steady performance. During the year, the business further enhanced its lighting consultancy capabilities through Dialux based lighting design and simulation consultancy services.

FY 2025-26 also marked White Teak's entry into the fan category under the Make in India programme. The portfolio now comprises over 100 SKUs, all based on BLDC motor technology, designed for a balance of performance and energy efficiency. This category extension broadens the addressable market beyond decorative lighting.



Weatherseal

Weatherseal operates in the uPVC and system aluminium windows and doors segment. The business provides end-to-end solutions from precision manufacturing to installation, supported by manufacturing facilities in Rajasthan and Bengaluru and a pan-India presence across 80 stores. Since inception, Weatherseal has partnered with leading developers and architects, with cumulative installations crossing 10 Million square feet during the year doubling from, 5 Million square feet reported in FY 2024-25.

For FY 2025-26, revenue increased by 42.1% to ₹ 75 Crore. Growth was broad-based across channels.

The Struva series of system aluminium, launched in the prior year, gained acceptance among architects and interior designers and contributed strongly to the overall business growth in the year. A strong innovation-driven product line and scalable business model have been established for the system aluminium category,

reflected in a growing project pipeline reinforced further by digital leads and the architect-led Décor Pro channel. Servicing infrastructure was restructured, resulting in improved delivery timelines and service consistency.

Furnishings & Wallcoverings

The wallcoverings business consolidated its leadership position during FY 2025-26. The Terra collection—a clay based wallcovering - was launched, bringing material science applications to interior wall surfaces. This represented a category-level innovation in substrate technology. Product development continued along the pillars of Indian craft and material innovation, incorporating hand painting, block printing and embroidery techniques into wallcovering designs.

In furnishings, the business maintained its position among the leading players in the category. The Pure Casuals series was launched, designed around contemporary living requirements. The collections were introduced at India Design Week and Design Democracy events and received a positive response from the architect and stylist community. The Design Excellence team, established in FY 2024-25, continued to build awareness and traction for design forward collections. Investment in retail format innovation continued with the creation of a luxury shop in shop within a heritage property in Kolkata.



MANAGEMENT DISCUSSION AND ANALYSIS

Sleek - Kitchens and Wardrobes

Sleek operates across full modular kitchen solutions and components. The portfolio addresses premium, contemporary and customised requirements across consumer and project segments.

The kitchen business under the FKD vertical operates across full modular kitchens, wardrobes and fitted furniture, offering end-to-end solutions from design to execution. The business operates through a national network of 305 stores across 160 cities.

The business recorded revenue of ₹ 400 Crore during the year, registering a growth of 1.7%.

During FY 2025-26, portfolio architecture was sharpened to address distinct consumer segments spanning luxury, premium and value categories. Engagement with architects and interior designers continued to be a focus area, with customised solutions forming the core of the business proposition across segments. The Sleek components business distributes a comprehensive range of kitchen

hardware, accessories, appliances and wardrobe fittings through its national distribution network.

During the year, in the luxury segment, the business introduced the Beautiful Homes Arazzo range of kitchens and wardrobes - an Italian-inspired kitchens and wardrobes proposition conceived for discerning consumers seeking refined design, precision craftsmanship, and elevated materiality. The launch was anchored by the first flagship Beautiful Homes Arazzo store in Ahmedabad, delivering an immersive, end-to-end luxury experience.



In the luxury segment, we introduced the Beautiful Homes Arazzo range of kitchens and wardrobes.

At the value-end, the Neo range of kitchens was introduced, offering contemporary design and functional layouts at accessible price points. New finishes, including Membrane,

were added to improve durability and ease of maintenance for value and mid-segment offerings. This balanced approach widened the addressable market while maintaining clear differentiation across segments.

Sustained focus was placed on last-mile installation and service quality through trained installer teams, standardised processes and quality audits. 'The Perfect Delivery' initiative was scaled during the year to ensure on-time and in-full delivery to consumers, strengthening delivery reliability across the network.

In the Components segment, the year saw the business undergoing a significant shift from imported to indigenised sourcing, driven by the implementation of Anti-dumping Duty and BIS certification requirements in certain large product categories. This transition was in line with broader industry level developments and required realignment of supply chains and vendor development efforts. New products and categories introduced in recent years continued to gain traction.



The Sleek Select retail format, which provides an enhanced consumer experience in the hardware and accessories category, continued its expansion alongside efforts to improve throughput at existing retail destinations.

During the year, the business initiated a structured carpenter engagement programme known as 'Sleek Saathi', built around an educate, engage and earn model. The programme is designed to enable identified carpenters to offer comprehensive solutions to consumers using the full Sleek product range.

The Kitchen Sense initiative, aimed at driving adoption of the complete range of products required for kitchen fitment through a single engagement, also gained traction during the year.

Bath Fittings and Sanitaryware

The bath fittings and sanitaryware business operates across the premium segment through Bathsense and value segment through ESSESS brand, serving both retail and project markets. During FY 2025-26, the operating environment was marked by elevated volatility in brass prices, which led to frequent pricing actions across the industry and influenced buying behaviour across channels. The business recorded revenue of ₹ 347 Crore during the year, registering a de-growth of 2.5%.

Focus during the year remained on strengthening relevance and differentiation across price tiers through a combination of product innovation and channel execution, leveraging the broader Asian Paints ecosystem.

The Company's emphasis on coating-led technologies, water-quality based solutions, and aesthetic customisations continued to resonate strongly with architects, project influencers and top-end channel partners.



The Bathsense CANVAS portfolio, underpinned by the in-house developed Lotus 25 hydrophobic coating and backed by a 25-year warranty, continued to gain traction. CANVAS Play, which enables greater colour and finish customisation, gained acceptance as a design enablement platform among architects and specifiers. The coatings expertise was extended to the ESSESS range with the launch of ESSESS PuraShield carrying an in-house developed coating solution positioned in the value for money segment. The range continued to gain relevance across both retail and project channels, responding to recognised consumer and developer requirements to address hard water and high TDS conditions. In Bathsense sanitaryware, a new concealed cistern series was launched, strengthening the overall Bathsense portfolio.

During the year, a new manufacturing plant was commissioned at Wada, Maharashtra. The facility has been set up with modern technology aimed at improving productivity and ensuring consistent product quality. Initial operations have commenced and ramp-up is progressing as planned. This expansion is expected to

strengthen supply capabilities, support future volume growth and improve responsiveness to market demand.

Investments in plumber training, accreditation-led capability building and after-sales service continued during the year. These initiatives are aimed at driving product adoption, building trust and supporting long-term brand preference at the point of installation.

The business continued to leverage the broader Asian Paints ecosystem spanning technology and R&T capabilities, the Beautiful Homes store network and engagement with architects and project partners, to support market presence and execution.



MANAGEMENT DISCUSSION AND ANALYSIS

SUPPLY CHAIN

Operating context

The supply chain operated in an environment characterised by improving but uncertain demand, evolving regulatory requirements and intermittent disruptions in mining and upstream sourcing. Upstream raw material costs remained largely stable for most of the year. However, changes in duty structures and regulatory frameworks in key categories required proactive navigation. Towards the end of the year, the Middle East conflict reintroduced volatility and supply chain uncertainty – an increasingly consistent feature of the global operating environment. Continuity of operations was maintained through proactive sourcing and procurement actions across the supply chain.

Cost control remained a sustained focus area throughout the year. The supply chain delivered significant value through formulation improvements, sourcing efficiencies and procurement optimisation. At the factory level, material loss control and structural reduction in overhead costs contributed to improved manufacturing efficiency.

As part of the Company's backward integration programme, the white cement plant in the UAE was successfully commissioned during the year and integrated into the India supply chain.

The supply chain supported multiple new product launches during the year, alongside significant enhancements to existing products from both cost and quality perspectives. A Right First-Time (RFT) approach was maintained to ensure adherence to the product launch calendar. New regional and festive packs were introduced, adding to product segmentation complexity handled by the network.

Customer service parameters remained strong during the year. Same-day order fill rate was maintained at high levels, with focused efforts on improving availability across long-tail SKUs.

Demand sensing processes were further enhanced to improve inventory productivity. Work continued on upgrading the Company's demand forecasting system to leverage emerging progress in technology and AI-led solutions. AI-based tools were deployed in upstream supply chain analysis, equipping procurement teams

with a comprehensive view of the vendor ecosystem.

A significant milestone was achieved during the year with the transformation of the Company's earliest factory at Ankleshwar. The facility was scaled up with a 2.5x increase in capacity, built around a Flex Scale Manufacturing Philosophy. The legacy facility was decommissioned, marking the transition to an automated and flexible manufacturing platform capable of delivering the complex and expanding product range of the company.

Factory operations continued to progress on the manufacturing excellence programme maturity curve, with strong engagement from shop floor teams. The Behaviour-based Quality (BBQ) initiative was launched across factories during the year to embed quality-centric practices in processes and workforce behaviour.

Under the Vyansamadhanam initiative, the Company continued its focus on safety and wellbeing across operations. Investments in the process safety domain continued during the year, alongside the deployment of technology for proactive detection of process safety incidents and escalation management.

Khandala Plant



INTERNATIONAL BUSINESS

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

Operating environment

The international business operated in a mixed macroeconomic environment during FY 2025-26. Raw material prices remained largely benign for most of the year, with a deflationary trend across several categories. This supported price stability in most markets and enabled subsidiaries to focus on business development amid intense competitive activity.

Supply chain pressures re-emerged towards the end of the year due to geopolitical disruptions. This resulted in significant increases in certain raw material and packaging material costs across geographies. Interest rates and inflationary pressure remained elevated in some of our markets.

Bangladesh experienced softening consumer demand and business sentiments due to uncertainty ahead of the general elections. Sentiment improved after peaceful elections. The Bangladeshi Taka remained stable during the year, while improved availability of US dollars supported consistent raw material supplies.

Nepal faced socio-political disruption during the year, with consequences for economic activity, business continuity and consumer sentiment. Immediate operational disruptions and election-related uncertainty weakened paint category demand. Stability improved after elections, although demand conditions remained cautious.

In Egypt, macroeconomic sentiment improved, supported by IMF assistance and government reforms. Construction activity and housing demand remained steady, supporting demand in the coatings market. The Egyptian Pound remained broadly stable for most of the year before turning volatile towards the year-end due to regional tensions.

Ethiopia continued to face currency devaluation and intermittent US dollar availability. While foreign exchange availability improved compared with earlier periods, inconsistency in access affected raw material availability. High inflation continued to affect demand and profitability, despite regular pricing actions.

Sri Lanka recorded strong macroeconomic conditions for most of the year. Cyclone Ditwah caused widespread disruption in central and eastern parts of the country in December, temporarily affecting demand sentiment. However, the market showed resiliency and recovered in the fourth quarter.

Business performance

Across regions, focused operational interventions supported profitability, cash flow and market share performance. Across markets, our units focused on efficiency, working capital optimisation and liquidity management to address competitive intensity and currency volatility.

International segment revenue for FY 2025-26 came in at ₹ 3,354 Crore and registered growth of 9.4%, led by South Asia.

Across the Middle East, Egypt and South Asia, the business continued to strengthen consumer engagement through product and service propositions. Network expansion, contractor enrolment and consumer



outreach remained key focus areas. Premium and luxury products supported mix improvement and deeper shop-share in identified retail counters. Product launches and product revamps strengthened quality, relevance and consumer choice across markets. Safe Painting Solutions supported customer experience and service-led differentiation in select geographies.

South Asia

Nepal faced political uncertainty, governance challenges and a slowdown in housing activity during the year. Despite this environment, the business delivered a resilient performance and gained market share through disciplined execution and targeted town-level strategies. Premium and waterproofing segments supported mix improvement. Cost optimisation and working capital discipline aided margins, profitability and cash flow.

Bangladesh operated in a subdued market environment. Consumer sentiment remained cautious for most of the year due to political uncertainty, inflation and elevated borrowing costs. Construction activity was also affected. Sentiment improved in the fourth quarter after the formation of an elected government.

MANAGEMENT DISCUSSION AND ANALYSIS

The business focused on the key categories of emulsions and waterproofing. Non-Stick Emulsion was supported through mass media initiatives to strengthen its position in the premium interior and exterior emulsion category. Our effort on establishing this innovative and groundbreaking product in Premium Emulsion category augurs very well not only with the consumer but also with the dealer and influencer. Safe Painting Service continued to improve its presence in the services segment. Revenue and profitability remained under pressure due to uncertain market conditions.

Sri Lanka recorded a strong macroeconomic environment during the year, supported by improved internal measures and externally mandated reform agenda. The business refreshed Classique Glow, its premium interior emulsion brand, with anti-smudge and anti-scurf features. The launch was supported by mass media and influencer campaigns and strengthened the premium interior emulsion proposition.

Aquasafe, the exterior waterproofing topcoat brand, was also revamped with improved dirt pick-up resistance and enhanced elastic strength. These interventions supported engagement with consumers and influencers.



Business performance remained strong across key parameters during the year, despite temporary disruption caused by cyclone Ditwah.

Africa

Egypt's economy remained supported by IMF assistance, government reforms and continued investment activity. Construction activity and housing demand remained steady, aiding demand in the coatings market.

The business intensified focus on premium and luxury products, which supported performance during the year. Contractor activation and brand-building initiatives were scaled. Currency stability for most of the year supported cost-efficient procurement of raw materials. Regional conflict towards the end of the year led to currency volatility and affected sourcing conditions. Competition remained intense, keeping margins under pressure. Cost efficiency initiatives continued across key areas to protect profitability.

In Ethiopia, commercial momentum improved through sharper market focus and better customer responsiveness. Project activity supported growth in priority segments. Execution improved through better planning and greater sourcing flexibility. Currency devaluation and high inflation continued to affect business conditions. Financial discipline remained focused on cost control and working capital management.

Middle East

The Middle East remained an important contributor to international operations during FY 2025-26. The region benefitted from stable currencies for most of the year, brand-building initiatives and consistent market execution. Regional conflict towards the end of the year affected consumer

sentiments and increased uncertainty across markets in the region.

The UAE construction market remained active, supported by new housing and infrastructure projects. The business worked closely with consultants and interior designers during the year. The first edition of ColourNext was launched in Dubai, driving engagement with consultants and interior designers. Kaleidoscope, an initiative focused on future designers, was introduced across the GCC region. Innovation in waterproofing and construction chemicals continued with the launch of Cure Assure. Digital campaigns were executed during Ramadan. Premium and luxury smooth emulsions recorded strong growth, supported by integrated market activation. Specification-led large projects remained a focus area. Expansion of décor lounges supported sales of premium products. Export business was muted in the last quarter due to the impact of regional conflict.

In Bahrain, the retail segment recorded growth, while institutional business remained below expectations. New marketing initiatives and premium product launches supported overall performance. In Qatar, customer experience and market presence improved during the year, although overall demand remained subdued.

Oman's construction sector was affected by a broader slowdown. Retail and protective coatings performed better relative to market conditions, while the projects segment was impacted.

The business inaugurated a solar power generation facility, supporting Oman's Vision 2040 sustainability agenda. Brand-building investments continued during the year. The Royale Smart Clean campaign supported strong growth in interior emulsions. Digital campaigns

improved brand recall and preference among women consumers in Oman. The Décor Ideas Signature store, launched in the previous year, continued to attract consumers and design professionals. The business also received recognition at local brand and customer experience forums during the year.

South Pacific

The South Pacific business operated in a subdued retail environment, particularly in Fiji. Recovery in tourism supported market share sustenance. Contractor activation and project sales remained key focus areas during the year. Cost optimisation initiatives supported profitability despite muted retail conditions.

INDUSTRIAL BUSINESS IN INDIA

Automotive, Industrial, Refinish, Packaging and Marine Coatings

PPG Asian Paints Private Limited (PPGAP), a joint venture between PPG Industries Inc., USA and Asian Paints Limited serves paints, coatings, adhesives and sealants across automotive original equipment manufacturers (OEMs), the automotive refinish segment, industrial applications, packaging and marine segments.

Operating environment

FY 2025-26 was a year of two distinct halves for the Indian automobile industry. While the Indian automotive industry recorded its highest-ever OEM builds of 5.6 Million units during the year, registering year-on-year growth of 10.3%, the growth strengthened only in the second half, with the second half building growth of 15.7% compared to 4.6% in the first half.

The second half saw a sharp recovery following the Government's GST rate rationalisation with the passenger vehicle demand improving materially.

The two wheeler industry recorded builds growth of 11.8%, with the first-half growth of 5.8% and the second-half growth of 17.9%, similarly benefiting from the GST-led demand recovery in the second half. The increasing adoption of electric scooters, particularly in urban markets, continued to support structural growth in this high-potential segment.

Exports also remained an important contributor to industry growth during the year, supporting overall volumes alongside the domestic recovery.

The automotive industry in India continued to invest in capacity expansion, electric vehicles and battery infrastructure to cater to the long-term domestic growth potential as well as being supported by government initiatives such as the Production Linked Incentive programme.

The operating environment for marine coatings is being supported by a stronger policy push towards

building a broader domestic maritime ecosystem, backed by Maritime India Vision 2030 and the Maritime Amrit Kaal Vision 2047. Over time, these measures should help expand domestic shipbuilding and repair activity, creating a larger addressable opportunity.

Business performance

PPGAP revenue stood at ₹ 2,468 Crore, grew by 15.5% during FY 2025-26 while maintaining profitability, despite adverse currency fluctuations. Raw material costs remained largely stable during the year.

Profitability was supported by innovation in product formulations, improvements in manufacturing and sourcing efficiencies, localisation initiatives and sustained cost optimisation across the value chain.

The business continued to leverage the technological capabilities and operational practices of both parent companies to support product differentiation and customer value delivery.



A B2B project site of a manufacturing plant in Punjab

MANAGEMENT DISCUSSION AND ANALYSIS

Non-automotive industrial coatings

Asian Paints PPG Private Limited (APPPG) the second 50:50 joint venture of the Company with PPG Industries Inc., USA, serves India's non-automotive industrial coatings market. The business operates across protective coatings, powder coatings and traffic solutions, catering to customers in the infrastructure, energy, construction and manufacturing sectors, among others.

Operating environment

Government-led infrastructure spending, energy transition projects and private capital expenditure supported industrial coatings demand during the year. However, project execution remained uneven across segments.

The protective coatings segment recorded strong demand across infrastructure, construction, oil and gas, energy and manufacturing end markets. The powder coatings segment was adversely affected by weather conditions in the first half of the year. Demand, while recovered in the second half, remained subdued.

Overall, the operating environment was characterised by intensified competition, pricing pressures and downtrading tendencies across segments.

Business performance

APPPG revenue stood at ₹ 1,334 Crore registering a growth of 11.8% in FY26. The growth was driven by strong performance of the protective segment partially offset by the growth in the powder coating segment. Input costs remained benign during the year. However, margin expansion was constrained by competitive pricing dynamics and the margin resilience was driven primarily by cost discipline with price realisation under challenge.

Focus during the year remained on delivering customer value through product quality, portfolio breadth, service standards and delivery capabilities. Network expansion, a partner loyalty programme and digitisation initiatives contributed to share gains in select segments. The Company also scaled Metacare during the year as an asset protection service for industrial customers. The service is

designed to support industries through periodic maintenance solutions aimed at protecting plant assets, including corrosion management and related applications. This engagement model strengthened the Company's presence with large industrial customers and provided deeper access for its industrial coatings portfolio. It also expanded the service basket beyond product supply to lifecycle-based asset maintenance.

The business continued to leverage global and India-based R&D capabilities to maintain a steady pipeline of products tailored to industrial coatings applications.

During the year, APPPG executed its largest capacity expansion programme to date, increasing in-house manufacturing capacity in Taloja by 60%. This investment is aimed at strengthening supply responsiveness and supporting future volume requirements.



Taloja plant upgrade inauguration



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established a robust, integrated and adequate internal control framework designed to safeguard assets, ensure reliable financial reporting, support operational excellence and sustainable value creation, and ensure compliance with applicable laws, regulations and internal policies. The internal control framework is aligned to the scale, complexity and geographic footprint of the Company's operations and is embedded into day-to-day business processes. Controls are designed as an integral part of operations rather than

standalone checks, enabling effective risk management and value protection.

A well-defined governance structure clearly assigns roles and responsibilities across the Board and its Committees, management, functional leaders and process owners, promoting accountability, ownership of risks and timely remediation across all levels of the organisation.

The Company has implemented standardised policies and procedures, which are periodically reviewed and updated to reflect evolving business requirements and regulatory developments. The internal control environment is supported by a strong ERP-enabled digital

backbone, with a growing focus on automated- preventive controls and data analytics-driven monitoring. Progressively this is reducing manual interventions and improving overall control effectiveness.

Compliance with statutory and regulatory requirements is monitored through a centralised compliance management system, providing real-time visibility of compliance status and ensuring timely updates in line with legislative changes.

Ethical conduct and a strong control culture remain key pillars of the internal control framework. Regular communication, awareness programmes and mandatory trainings on the Code of Conduct, whistleblower mechanism, and key policies are conducted through digital learning platforms and instructor-led sessions to foster a culture of integrity, transparency and ethical behaviour.

The Internal Audit function, independent of business operations, provides objective assurance on the adequacy and operating effectiveness of the internal control environment. A risk-based internal audit plan, aligned with enterprise risks and approved by the Audit Committee, is executed during the year. Significant audit observations, control gaps and remediation status are periodically reviewed by the Audit Committee to ensure continuous strengthening of the control environment.

Management is responsible for establishing, maintaining and monitoring the internal control framework. Based on the internal audit evaluations, management representations and Audit Committee oversight, the Company believes that its internal control systems, including internal financial controls, are adequate and operating effectively during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW[^]

Standalone results

	(In ₹ Crores)	
	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Revenue from sale of products and services	30,680.2	29,421.1
EBITDA	7,113.1	6,326.9
Net profit	4,244.2	3,588.1
Basic EPS (in ₹)	44.27	37.43

Consolidated revenue from sale of products and services

	(In ₹ Crores)	
	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Decorative & home décor business	30,830.4	29,545.3
International business	3,353.6	3,066.4
Industrial business	1,332.4	1,185.7

Key financial ratios

Ratios	Standalone		Consolidated	
	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Debtors turnover ratio	9.5	8.5	8.1	7.4
Inventory turnover ratio (on COGS)	3.2	3.1	3.2	3.1
Interest coverage ratio ¹	168.3	95.3	72.2	45.9
Current ratio	2.46	2.30	2.2	2.1
Debt equity ratio ²	0.059	0.004	0.106	0.045
Operating profit margin (%)	20.1%	18.8%	18.8%	17.7%
Net profit margin (%) ³	13.8%	12.1%	12.4%	10.9%
Return on net worth (%) ³	21.3%	19.3%	20.9%	18.8%

Notes

[^] The Standalone figures for FY 2024-25 have been restated on account of amalgamation of Asian Paints (Polymers) Private Limited with the Company.

¹ Variance in ratio is due to higher operating margins.

² Borrowings availed during the year for financing of capital expenditure and working capital has resulted in increase in Debt Equity ratio.

³ Net profit margin and return on net worth increased due to improved profitability.

Creating long-term investor value

Our disciplined financial stewardship has enabled us to create enduring shareholder value while maintaining a consistent and progressive dividend track record.

While FY 2025-26 saw our market capitalisation moderate from ₹ 224,232 Crores to ₹ 207,618 Crores amid heavy foreign portfolio outflows and subdued equity market conditions, our long-term performance remains compelling. Over the past decade, our market capitalisation has increased by 169.5%, reflecting the strength of our business model and our ability to deliver sustained value through market cycles. Our commitment to shareholder returns is equally evident in our progressive dividend policy. Over the last 10 years, dividend per share has risen from ₹ 7.5 to ₹ 27.5, reflecting our commitment on sharing the benefits of our growth with our shareholders. For FY 2025-26, we have maintained the dividend payout ratio at 60% (excluding exceptional items), in line with our Dividend Distribution Policy and consistent with the last three years.

We have robust shareholder support mechanisms such as the Stakeholders' Relationship Committee and the Investors' Grievance Redressal Policy, designed to address shareholder concerns promptly and efficiently.

Economic value creation

All figures here are on Standalone basis

	(In ₹ Crores)	
	FY 2025-26	FY 2024-25
Direct economic value generated¹	31,702.1	30,323.0
Revenue from sale of products and services	30,680.2	29,421.1
Other operating revenue	89.2	131.5
Other income	932.7	770.3
Economic value distributed	29,647.4	28,728.6
Operating cost	23,475.6	22,919.4
Employee Wages and Benefits	2,176.7	2,013.6
Payments to Providers of Capital	2,437.1	2,378.9
Payments to Government ²	1,442.5	1,307.9
Community Investments	115.5	108.8
Economic value retained	2,054.7	1,594.4

Notes

¹ Direct Economic Value generated includes financial assistance/grants accrued from Government authorities by our Company in the form of subsidies and export duty credits amounting to ₹ 8.9 Crores for FY 2025-26 and ₹ 58.8 Crores for FY 2024-25.

² It does not include the amount paid by our Company towards Goods and Services Tax ₹ 2,571.2 Crores for FY 2025-26 and ₹ 2,281.3 Crores for FY 2024-25.



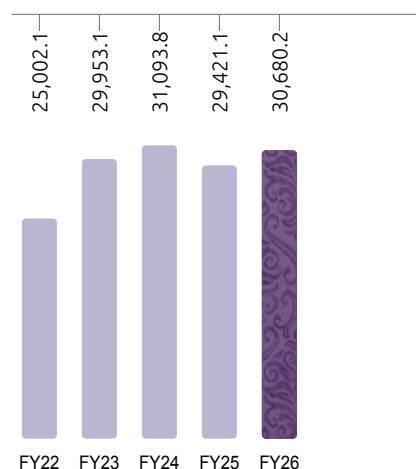
MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

All figures here are on Standalone basis

Revenue from sales of products and services

(₹ in Crores)

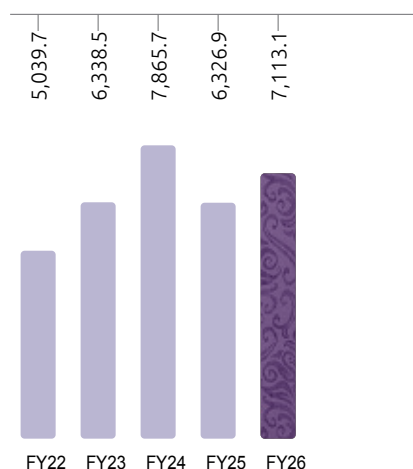


4.3%
y-o-y growth

10.9%
5-year CAGR

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

(₹ in Crores)

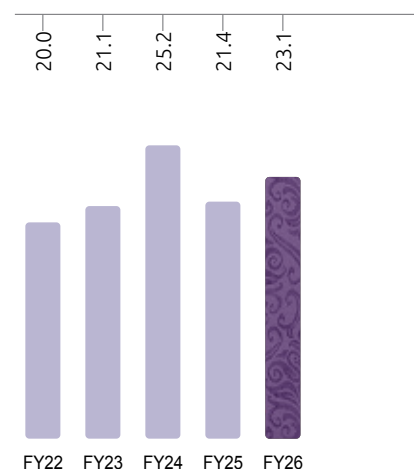


12.4%
y-o-y growth

7.9%
5-year CAGR

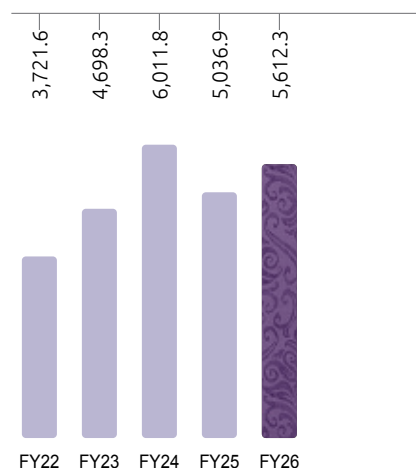
EBITDA margin

(%)



Cash profit

(₹ in Crores)

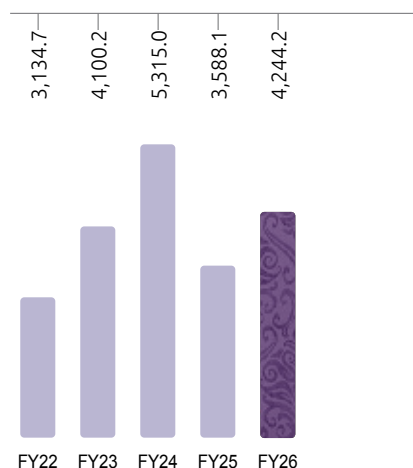


11.4%
y-o-y growth

9.3%
5-year CAGR

Profit After Tax (PAT)

(₹ in Crores)

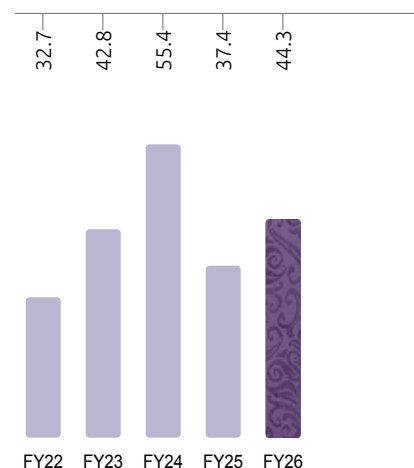


18.3%
y-o-y growth

6.8%
5-year CAGR

Earnings Per Share (EPS)

(₹)



18.3%
y-o-y growth

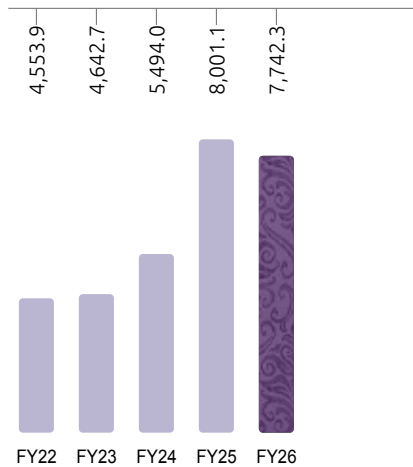
6.8%
5-year CAGR

Note: The figures for FY 2024-25 have been restated on account of amalgamation of Asian Paints (Polymers) Private Limited with the Company.

All figures here are on Standalone basis

Net fixed assets

(₹ in Crores)

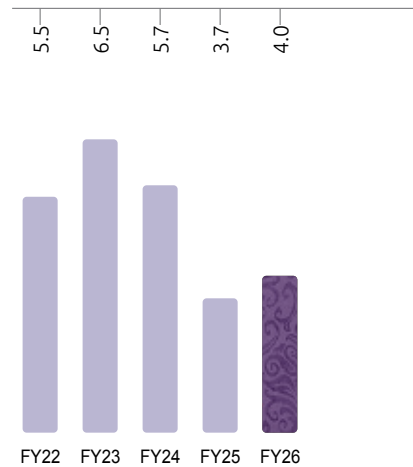


(3.2)%
y-o-y growth

13.9%
5-year CAGR

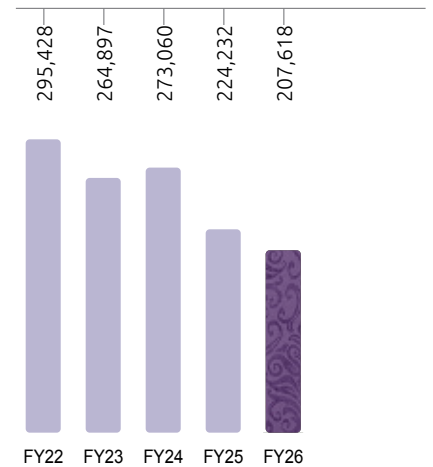
Asset turnover ratio

(X times)



Market capitalisation

(₹ in Crores)



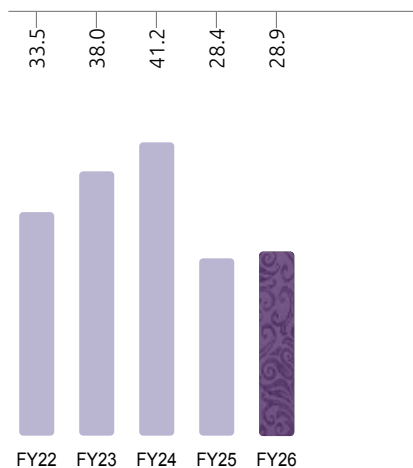
(7.4)%
y-o-y growth

(3.1)%
5-year CAGR

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

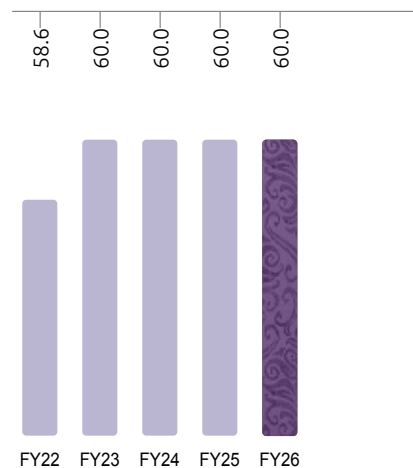
Return on Capital Employed (RoCE)

(%)



Dividend payout ratio*

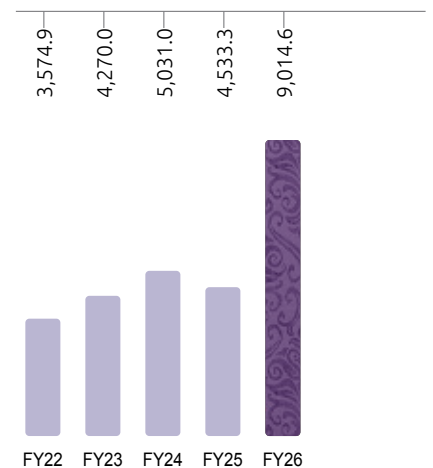
(%)



*Before exceptional items

Surplus cash

(₹ in Crores)



98.9%
y-o-y growth

14.3%
5-year CAGR

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGING RISKS

The Company actively fosters a risk-aware environment by working closely with functional leaders to identify and manage risks specific to their domains. By incorporating strategic oversight, policy implementation and continuous monitoring, our framework empowers employees and leadership to manage risks effectively while seizing opportunities for growth. Regular risk assessments and collaborative efforts reinforce our enterprise-wide preparedness and resilience. This culture encourages teams to view risks not only as challenges to be mitigated but also as opportunities for growth and innovation.

Risk management framework and governance

The risk management policy and framework is designed to identify, assess and mitigate both current and emerging risks, while reinforcing strong governance across the Company. This approach creates an ecosystem where risk sensitivity and opportunity recognition are integrated at every level, ensuring that risk management practices align with our risk appetite and governance standards.

The Risk Management Committee (RMC), chaired by an Independent Director, comprising of Independent

and Non-Executive Directors along with senior management, provides strategic guidance and oversight. The RMC reviews key risks and evaluates mitigation strategies. It also oversees the implementation of risk management policy and periodically assesses the effectiveness of the overall risk management governance.

During FY 2025-26, the RMC met three times to review existing practices, evaluate mitigation effectiveness and recommend improvements. The Board was also appraised on the risk management efforts taken by the Company.

The Company operates under a risk governance framework that features dedicated risk management roles:

Oversight by Risk Management Committee

Oversight of the overall risk management process of the Company and evaluate the adequacy of the risk management system.

Steering Committee

Responsible for identification of the key strategic and business risks and put in place their treatment plans.

Senior Management members

Assist Steering Committee in implementation of the risk treatment plans.



Alignment with ISO 31000

Our risk governance is benchmarked against ISO 31000 standards, ensuring consistency with international best practices and reinforcing our commitment to robust, transparent and effective risk management.

Risk management approach

Our risk management approach is governed by a comprehensive Risk Management Policy which references risk appetite and the balance between risk mitigation and opportunity pursuit.

A materiality-based prioritisation framework is used to identify and rank key risks, with clearly assigned ownership and control mechanisms embedded within a structured governance framework. This ensures accountability, transparency and consistency in risk oversight.

We also monitor evolving risks across PESTLE dimensions – Political, Economic, Social, Technological, Legal and Environmental. These include macroeconomic trends, regulatory developments, technological shifts and competitive dynamics that may influence business performance.

The RMC and the Board also reviewed global developments and emerging risks affecting our operations, including tariff movements, demand volatility, foreign exchange fluctuations, multiple

facets linked to Artificial Intelligence and deglobalisation, among others, along with other external factors that may influence business performance.

These reviews are designed not only to mitigate potential threats but also to identify opportunities arising from evolving market conditions.

Risk management process

We have implemented a five-stage risk management process to ensure structured identification, evaluation and mitigation of risks. The process captures both threats and opportunities, enabling timely responses and continuous improvement.

Key organisational risks are identified through inputs from top management and prioritised based on impact, likelihood, and the Company's risk appetite. The RMC strengthens preparedness for these risks through scenario-based mitigation plans and dynamic scenario planning.

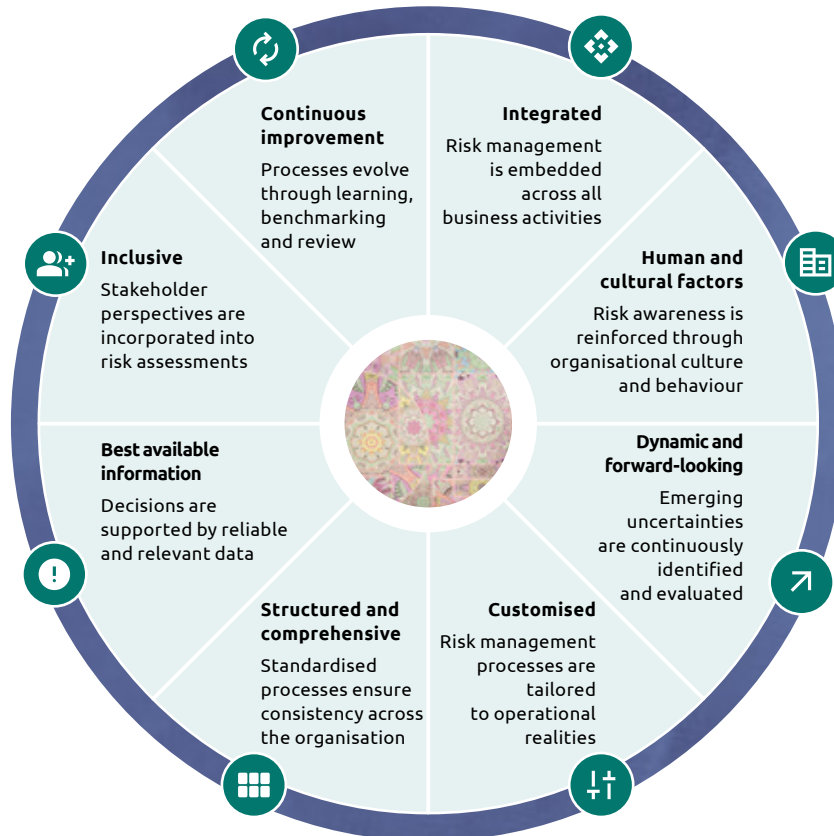
Identified risks are mapped to business functions/those responsible for developing and implementing of mitigation plans as necessary. Progress is monitored periodically at the Risk Management Committee meetings.

01 Risk identification	02 Risk assessment	03 Risk recording	04 Risk mitigation	05 Risk monitoring & reviewing
Utilise 'top-down' and 'bottom-up' approaches to identify risks across the organisation	Analyse and assess identified risks to determine potential triggers and impacts	Establish, prioritise, and document key risks in a structured manner	Develop and implement action plans across businesses to mitigate identified risks	Monitor mitigation actions on an ongoing basis, with periodic reviews by the Board and RMC

MANAGEMENT DISCUSSION AND ANALYSIS

Enterprise Risk Management

Our Enterprise Risk Management (ERM) framework strengthens governance, enhances organisational resilience and enables informed decision-making in an uncertain environment. The framework is guided by eight core principles:



This integrated and forward-looking approach enables us to mitigate risks, strengthen organisational resilience and harness opportunities for innovation and sustainable growth.

Risk assessment

We leverage quantitative risk assessment tools, including Key Risk Indicators and the Value at Risk methodologies, to evaluate risk exposure and potential business impact.

Key Risk Indicators (KRIs)

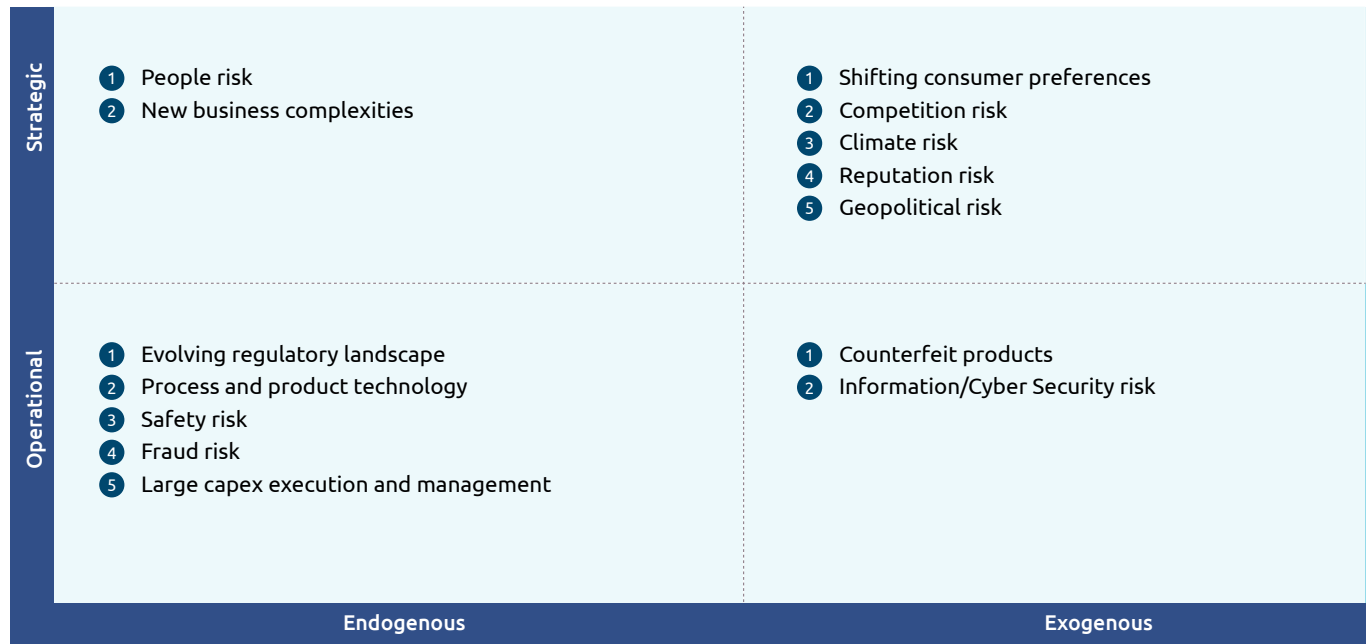
Key Risk Indicators (KRIs) are quantifiable metrics that serve as early warning signals to help organisations identify emerging risks and initiate timely mitigation. Our KRIs cover financial performance, operational matrix, regulatory compliance, cybersecurity and market dynamics and evaluate risks based on their impact on strategic objectives, operational effectiveness and reputational integrity.

Value at Risk (VaR) methodology

To support data-driven risk assessment, we apply the Value at Risk (VaR) methodology, a statistical technique that estimates the risk-wise maximum exposure. VaR quantification enables us to better understand downside risk and incorporate this insight into our strategic and operational planning.

Risk likelihood matrix

Risks are categorised using a matrix with two axis and four relevant quadrants. The horizontal axis includes endogenous factors (internal business factors) and exogenous factors (external events), while the vertical axis covers strategic and operational considerations.



Critical risks and mitigation measures

All identified material topics are directly connected to the risks assessed by the RMC. Under the guidance of RMC, we have formulated comprehensive mitigation strategies to effectively address these risks.

These risks are linked to identified material topics:

Linkage to materiality matrix

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> Climate Change Mitigation Air Emission Pollution Waste Management End-of-Life Management of Product and Packaging Water Management Occupational Health, Safety and Wellbeing Talent Management | <ul style="list-style-type: none"> Employee Engagement and Wellbeing Community Engagement Customer Delight Business Ethics and Corporate Governance Supplier Sustainability Human Rights – Value Chain Counterfeit Products | <ul style="list-style-type: none"> Sustainable Product and Service Offerings Product Chemistry Supply Chain Disruptions Competitive Landscape and Market Position Consumer Health and Safety |
|--|--|---|

MANAGEMENT DISCUSSION AND ANALYSIS

Critical risks and mitigation strategies

Shifting consumer preferences



Impact

Increase/Decrease in sales
Gain/Loss in market share

Description

Consumer preferences are shifting towards eco-friendly products, comprehensive solutions, niche offerings and socially responsible brands impacting consumer delight

Rationale for identifying as

Risk/Opportunity

Evolving consumer preferences necessitate continuous product adaptation, presenting both risks and opportunities to deliver differentiated solutions

Mitigation strategies

- Sustain a pipeline of cost-effective, consumer-centric product innovations, including offerings with differentiated features such as lotus-effect technology and air-purifying paints
- Drive new product development by exploring innovative technologies through patent landscaping, customer insights, academic collaborations, and competitive benchmarking
- Emphasise differentiated offerings such as Beautiful Home Painting Services. Expand presence in the home décor and services segment through Beautiful Homes Stores, providing customised furniture, furnishings, and lighting solutions
- Strengthen the portfolio of environmentally sustainable products with certified low-VOC formulations, high durability, cool coatings, and other eco-friendly alternatives
- Build strategic partnerships to broaden product range and pricing options within the décor segment
- Enhance packaging by incorporating heritage-inspired designs that reflect cultural diversity and human stories
- Deliver end-to-end solutions addressing consumer needs across the entire painting lifecycle—from waterproofing and undercoats to final top coats

Linkage for material topics :    

Competition



Impact

Increase/Decrease in sales
Gain/Loss in market share

Description

Migration of end consumers/dealers due to a higher number of choices

Rationale for identifying as Risk

Loss of market share on account of increased competition

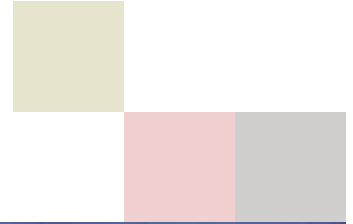
Opportunity

Upgrading consumers from the unorganised market to branded product offerings. Introduce differentiated solutions tailored to meet evolving consumer needs

Mitigation strategies

- Rolled out differentiated offerings and new variants with strong emphasis on ease of use and distinctive features
- Introduced décor and end-to-end painting solutions to elevate customer experience and create clear competitive differentiation.
- Prioritised long-term dealer partnerships, with a focus on enabling their growth and sustaining profitability
- Continued strategic focus on Project Sales (B2B) to drive volume and institutional penetration
- Strengthened influencer ecosystem through continuous upskilling, engagement programmes, and incentive schemes
- Executed region-specific initiatives tailored to local market dynamics and demand patterns
- Amplified brand visibility and recall through a range of targeted marketing initiatives
- Enhanced brand salience through new partnerships and integrated campaign-led outreach

Linkage for material topics :   



Reputation



Impact

Increase/Decrease in brand value and market capitalisation

Description

Positive or negative perceptions regarding our Company and our products/services can significantly influence on customer relations, revenues, and interactions with regulatory bodies

Rationale for identifying as Risk

Negative publicity from any news/reports arising out of any act/inaction by our Company

Opportunity

Improved brand presence and reputation through proactive engagement with stakeholders

Mitigation strategies

- Maintained regular and structured engagement with Public Relations agencies and influencers in line with defined guidelines
- Closely monitored social media channels and ensured timely response to customer feedback and concerns
- Proactively addressed product-related complaints with a focus on improving overall customer experience during resolution.
- Ensured consistent delivery of products and services in line with commitments made to customers
- Adhered strictly to all applicable regulatory requirements and compliance standards
- Reinforced corporate governance practices, including strict adherence to the Code of Conduct
- Promoted transparency by regularly sharing key information with relevant stakeholders through structured updates

Linkage for material topics :    

Climate



Impact

Positive or negative impact on our operations

Description

Climate change-related impact on operations

Rationale for identifying as Risk

Risk

Variations in climate conditions present heightened physical and transition risks, which, if not effectively managed, could adversely impact business operations

Opportunity

Minimise the negative environmental impact of our operations and maximise the positive impact

Mitigation strategies

- Expanded green product portfolio through the introduction of environmentally friendly products and formulations with safer ingredients.
- Established a robust Business Continuity and Emergency Preparedness framework, supported by regular training programmes and mock drills.
- Identified and evaluated climate-related physical and transition risks in alignment with TCFD recommendations.
- Implemented both short-term and long-term mitigation strategies to address climate change impacts on operations.
- Continuously tracked evolving climate regulations, conducted employee training, and ensured timely compliance with new and amended requirements.
- Integrated climate considerations into long-term strategic planning and decision-making processes.
- Drove sustainability initiatives focused on energy conservation, increasing renewable energy usage, optimising alternative water sources, achieving water neutrality, reducing emissions across operations and logistics, and engaging suppliers on emission reduction.
- Extended producer responsibility to manage plastic waste.

Linkage for material topics :       

MANAGEMENT DISCUSSION AND ANALYSIS

Critical risks and mitigation strategies

Evolving regulatory landscape



Impact

Penalties and other impacts due to non-compliance

Description

Changes to existing regulations or the introduction of new regulatory requirements may impact our operations and compliance landscape

Rationale for identifying as Risk

Non-compliance and penalties may have a direct impact on our operations and cause financial stress

Mitigation strategies

- Ensured adherence to existing regulatory requirements and maintain agility to respond promptly to new and evolving legislation
- Leveraged updated compliance checklists for real-time tracking and monitoring of statutory compliance
- Conducted periodic reviews of applicable compliances using a third-party compliance management tool
- Facilitated quarterly oversight of compliance status by senior management and the Board
- Strengthened the compliance framework through well-defined governance structures and internal controls
- Maintained active engagement with policymakers and industry associations
- Proactively tracked and prepared for emerging regulations, including Labour Codes and Data Privacy laws, to ensure readiness and compliance

Linkage for material topics :

Process and product technology



Impact

Significant decrease in cost

Description

Rapid advancements in technology is a key source of disruption, with the digital economy reshaping customer engagement across industries. Innovations in product development and manufacturing processes provide opportunities to deliver enhanced, reliable, and efficient customer solutions

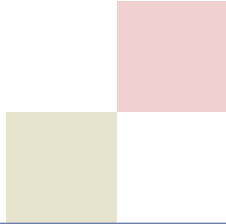
Rationale for identifying as Opportunity

Product and manufacturing technologies continually provide opportunities to deliver efficient and reliable offerings to customers

Mitigation strategies

- Drove industry leadership through consumer-centric innovations addressing both stated and latent customer needs
- Embedded 'Right First Time' and 'Inimitability' as foundational principles in product development
- Maintained a strong and structured pipeline of ideas for patenting and implementation
- Benchmarked products and innovations against global players, including internationally patented solutions and launches in paints and allied sectors
- Identified and pursued strategic partnerships to bridge technology gaps within the product portfolio
- Invested selectively in emerging digital technologies to build first-mover advantage and differentiated value propositions
- Continuously scouted and adopted advanced, efficient processing technologies at early stages to stay ahead of the curve

Linkage for material topics :



People



Impact

- Increase in diversity of thought through introduction of laterals
- Loss of talent

Description

Potential challenges and uncertainties associated with employees

Rationale for identifying as

Risk

Attrition of key talent impacting the succession pipeline

Opportunity

Infusion of lateral talent within the workforce and create growth opportunities for existing employees

Mitigation strategies

- Strengthened the leadership pipeline by systematically identifying and developing talent across critical roles
- Enhanced employee engagement through structured organisational listening
- Established functional academies for new incumbents to build essential general and functional capabilities
- Aligned compensation and benefits with industry benchmarks to ensure competitiveness and retention
- Fostered a safe, inclusive, and open workplace culture through focused organisational initiatives
- Reinforced learning and development programme to equip employees with the necessary skills and knowledge

Linkage for material topics :   

Counterfeit products



Impact

Decrease in revenue

Description

Counterfeit and spurious products pose a widespread global challenge, impacting nearly every sector and resulting in substantial losses to both industries and governments

Rationale for identifying as

Risk

Counterfeit and duplicate products pose a serious risk to the entire industry, leading to revenue loss, poor product performance, and reduced brand reliability

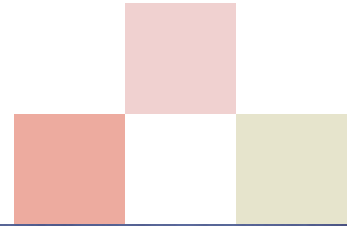
Mitigation strategies

- Cross-functional collaboration to proactively identify leads related to counterfeit activities
- Partnered with agencies and local authorities across states to detect and act against counterfeit manufacturers, including label printers
- Initiated and pursued post-raid legal actions through criminal and civil proceedings
- Strengthened anti-counterfeiting safeguards through enhanced packaging controls and features
- Increased awareness among key stakeholders to prevent, identify, and report counterfeit products

Linkage for material topics :   

MANAGEMENT DISCUSSION AND ANALYSIS

Critical risks and mitigation strategies



Safety



Impact

Increase in the number of incidents occurred

Description

Our manufacturing operations involve employees interacting with machinery and material handling equipment, presenting inherent risks of injury and potential exposure to hazardous materials or waste

Rationale for identifying as

Risk

Injury or occupational health hazard

Mitigation strategies

- Ensured strict adherence to Occupational Health & Safety standards, EHS policies, and best-in-class practices for handling hazardous materials
- Maintained continuous engagement with suppliers to identify emerging risks and explore improved mitigation alternatives
- Conducted periodic quantitative risk assessments and ensured timely closure of identified action plans
- Designed plants based on inherent safety principles, aligned with applicable standards, embedding Process Safety frameworks and closed-loop handling of hazardous materials
- Implemented customised safety management systems for new facilities handling complex petrochemical operations
- Comprehensive Emergency Response Plan (ERP) to enable effective incident preparedness and response is in place
- Advanced the Behaviour-Based Safety (BBS) journey across all plants through ongoing initiatives and interventions

Linkage for material topics :

Fraud



Impact

Financial loss

Description

Financial loss and reluctance to report fraud

Rationale for identifying as

Risk

Frauds lead to financial losses and strain on control systems

Mitigation strategies

- Established a comprehensive Fraud Risk Framework to drive actions across identified risk areas
- Conducted awareness sessions and training programmes to encourage reporting of fraud and malpractices
- Promoted a zero-tolerance culture for Code of Conduct violations through mandatory e-learning and structured manager-led team discussions
- Reinforced ethical decision-making through weekly communications such as 'CoC Compass – Make the Wise Choice'
- Institutionalised investigation protocols with clearly defined guidelines for conducting enquiries and disciplinary actions
- Enforced strict disciplinary measures against employees and external entities involved in misconduct
- Strengthened fraud detection capabilities and conducted periodic Fraud Risk Assessments (FRA) under the governance framework

Linkage for material topics :

New business complexities



Impact

Financial loss

Description

Tackling complexities of new business:

- Requirement of specialised technical expertise across multiple domains
- Managing diverse raw materials along with their specific safety and handling requirements
- Adherence to evolving laws and regulatory requirements to ensure compliance

Rationale for identifying as

Risk

Difficulty in managing issues due to lack of experience in the new business, leading to delayed commencement or financial loss

Mitigation strategies

- Leveraged external advisors with specialised expertise to support niche and complex business areas
- Integrated technical and safety experts from the plant design stage to proactively mitigate safety-related risks
- Engaged subject matter experts to ensure adherence to all applicable regulatory and compliance requirements
- Targeted training on products, processes, and technologies to equip employees to manage business complexities effectively
- Undertook focused initiatives to enhance profitability and drive sustainable performance in these businesses

Linkage for material topics :

Information/cyber security



Impact

Leakage of information

Description

Threats from external cyber-attacks/hacking and internal leakage/modification of information, or failure to protect information

Rationale for identifying as

Risk

Loss of sensitive and confidential information and its impact on the reputation of our Company

Mitigation strategies

- 6-level architecture in place to curb information and cyber security risk – Identity, Data Centre, Network, Application, Device, and User Security
- Centralised identity and access management across systems, with automated provisioning/deprovisioning and authentication via active directory
- Comprehensive endpoint and device security, controlled VPN access and restrictions on personal devices
- Advanced network and communication security, including secure web access, email threat protection and firewalls
- Rigorous application and infrastructure security through secure coding, regular patching, and vulnerability assessments
- Strong data protection framework including information classification, rights management, restrictions on data sharing, and controlled external access
- Business continuity and resilience ensured through disaster recovery systems and drills and ongoing security awareness initiatives ('Kavach')
- Access to consumer-grade AI applications is restricted, with all AI usage governed through secure, enterprise-grade platforms

Linkage for material topics :

MANAGEMENT DISCUSSION AND ANALYSIS

Critical risks and mitigation strategies

Large capex execution and management ↔

Impact

- Delay in completion
- Cost overrun
- Safety incidents

Description

- Delay in commissioning due to design changes/ rework, vendor delays, manpower constraints, and other unforeseeable reasons, or an increase in capex costs due to delays or other factors.
- Safety incidents that cause harm to people, property and interrupt operations

Rationale for identifying as

Risk

Overrun in the budgeted capital expenditure and timeline and safety incidents

Mitigation strategies

- Defined clear project outcomes and aligned timelines upfront prior to initiation of any capex project
- Monitored project execution through periodic progress reports in collaboration with the Project Management team, tracking actual spends against budgets
- Integrated safety considerations early at the design stage to minimise inherent risks
- Maintained a comprehensive Safety Manual outlining detailed procedures and precautionary measures
- Conducted structured risk assessments such as Failure Mode and Effects Analysis (FMEA) and Hazard and Operability (HAZOP) to identify potential risks to personnel, equipment, and operations.
- Implemented permit-to-work systems to evaluate and control risks before undertaking critical activities.
- Deployed a dedicated on-site safety team at construction locations, comprising contractor safety engineers and internal safety representatives
- Proactive efforts to ensure regulatory compliances/approvals are in place

Linkage for material topics : 

Geo-political risks +

Impact

- Material price inflation
- Material unavailability

Description

- Geopolitical tensions and tariff changes may lead to supply chain disruptions.
- Unpredictable costs, regulatory challenges, and delays in sourcing critical materials.

Rationale for identifying as

Risk

Material unavailability leading to disruption in production and ultimately sales loss
Higher cost of production leading to reduced profitability

Mitigation strategies

- Regular assessment of vendor or geographic dependency and ensuring minimal single vendor or region dependency
- Development of new vendor and engagement with them in the regions with lower risks
- Using cutting-edge technology-enabled Raw Material Procurement Planning solution to get an integrated view of the entire network, optimising procurement cost
- Hedging of foreign currency risks.
- Regularly monitor the global situation coupled with inventory management/stocking levels to ensure continued material availability.

Linkage for material topics : 

Residual risks

While we strive to manage risks within established tolerance levels, some low-probability yet high-impact events—including natural disasters, macroeconomic shocks, regional conflicts or political instability—may surpass these levels. We proactively monitor such residual risks and remain committed to enhancing our systems and response strategies to minimise their potential effects.

Emerging risks

Our Company remains alert to evolving risks that may not yet be fully quantifiable but hold potential implications for our operations. Among the uncertainties identified

are the emergence of multiple facets linked to Artificial Intelligence (AI) and deglobalisation, among others. Increasing usage of AI may present risks relating to data confidentiality and information security, particularly where sensitive or proprietary information is processed through such systems. Wherever necessary, proactive measures are being implemented to mitigate the impact of these uncertainties and unlock potential opportunity.

Business Continuity Plan (BCP)

We have established a comprehensive and systematic BCP to ensure operational resilience in case of major disruptions.

The BCP framework adopts a structured, multi-dimensional approach covering customers, supply chain, information technology and human resources, with each dimension independently evaluated. Scenario-based assessments and simulated disruption exercises were used to test response readiness, escalation mechanisms, and decision-making agility across functions. Key observations from these exercises highlighted the importance of cross-functional coordination, real-time monitoring and rapid communication protocols, which have since been further strengthened to enhance operational resilience and preparedness.

The BCP undergoes continuous review and enhancement, encompassing the following elements:

Risk/Scenario identification Identify various scenarios and potential risks associated with it.	Business impact analysis Various impacts that might occur in case the scenarios are not addressed/prevented.	Solution design and implementation plan Develop policies and response plans.	Train and maintain Conduct different types of drills for additional preparedness.
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AWARDS AND RECOGNITIONS

Our pursuit of excellence across functions has earned us prestigious accolades year on year, spanning across governance practices, environmental stewardship, marketing, HR, and operational milestones. These recognitions validate our industry leadership and inspire us to continue advancing innovation and sustainable growth nationwide.



Asian Paints was awarded Conscious Corporate of the Year 2025 by Economic Times reflecting consistency and authenticity of our commitment to responsible business



Asian Paints received recognition for its efforts in advancing LGBTQ+ inclusion within the Manufacturing and Paints industry at the Bombay Chamber of Commerce & Industry DEI Awards 2025

Sriperumbudur plant achieved Arogya world healthy workplaces - 2025



Asian Paints Plants has been recognised at the 7th ICC Occupational Health & Safety Awards 2025 for outstanding performance in workplace safety (Khandala–Platinum, Kasna–Gold, Mysuru – Gold)



FICCI Chemicals and Petrochemicals Award 2025 – Best Green Product of the Year for Ultima Air-O-Clean

Ankleshwar received Gold Award at 13th Annual Convention by Quality Circle Forum of India



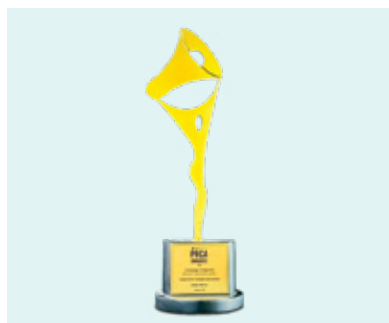
Khandala plant achieved Silver recognition in 8th CII IQ National Safety Practice Competition



Asian Paints has been recognised under the 'Leadership' category of Indian Corporate Governance Scorecard assessment 2025 by Institutional Investor Advisory Services.



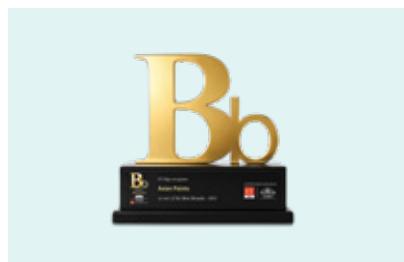
FICCI CSR Award – environmental sustainability for the watermark journey



Asian Paints' Chromacosc launch won Gold at the PR & Communication Aces Awards 2025, organised by Indiantelevision.com group



Winner in the 'Most Creative Limited-Edition Packaging' for the Royale Matt Delhi Pack & Apex Dust Proof Haryana Pack



Recognised as one of India's Best Brands -2025 by ET Edge

Best Use of Creativity and Innovation at PR & Communication Aces Awards & Winner of Experiential PR Category at IMAGEXX Summit Adgully

Awarded Bhavishya Nidhi Award 2025 (Best Exempted Trust) by EPFO, Ministry of Labour and Employment, Government of India.



Awarded 'Compliance Team of the Year' at the 7th Edition Future of Legal and Compliance Summit & Awards 2025



Recognised among Businessworld's 'India's Most Sustainable Companies'



MANAGEMENT DISCUSSION AND ANALYSIS

TEN-YEAR REVIEW

Standalone

RESULTS FOR THE FINANCIAL YEAR										
INCOME STATEMENT										
Revenue from sale of products and services (Net Sales)	30,680.2	29,421.1	31,093.8	29,953.1	25,002.1	18,280.1	17,025.6	16,209.4	13,923.3	12,524.5
Other operating revenue	89.2	131.5	133.2	125.3	186.4	236.8	168.5	182.3	230.4	198.3
Revenue from Operations	30,769.5	29,552.7	31,227.0	30,078.4	25,188.5	18,516.9	17,194.1	16,391.8	14,153.7	12,722.8
Growth Rates (%)	4.1%	(5.4%)	3.8%	19.4%	36.0%	7.7%	4.9%	15.8%	11.2%	7.5%
Materials Cost	17,067.7	16,791.8	17,471.9	18,327.5	15,609.0	10,082.5	9,506.2	9,410.6	7,982.7	6,944.1
% to Net Sales	55.6%	57.1%	56.2%	61.2%	62.4%	55.2%	55.8%	58.1%	57.3%	55.4%
Gross Margin (Net Sales - Material Cost)	13,612.5	12,629.3	13,621.9	11,625.6	9,393.1	8,197.5	7,519.4	6,798.8	5,940.6	5,580.4
Gross Margin % to Net Sales	44.4%	42.9%	43.8%	38.8%	37.6%	44.8%	44.2%	41.9%	42.7%	44.6%
Gross Contribution	13,701.8	12,760.8	13,755.1	11,750.9	9,579.6	8,434.3	7,687.9	6,981.2	6,171.0	5,778.7
(Revenue from Operations - Material Cost)										
Gross Contribution % to Revenue from Operations	44.5%	43.2%	44.0%	39.1%	38.0%	45.5%	44.7%	42.6%	43.6%	45.4%
Overheads	7,521.3	7,204.3	6,711.3	5,930.4	4,991.8	3,941.6	3,831.4	3,476.4	3,250.5	3,107.9
Operating Profit (EBITDA)	7,113.1	6,326.9	7,865.7	6,338.5	5,039.7	4,858.8	4,214.1	3,789.6	3,198.0	2,971.0
Finance Costs	127.4	143.8	124.1	93.1	70.3	71.7	78.4	78.6	21.1	18.9
Depreciation and Amortisation Expense	1,085.7	901.9	742.9	755.8	721.6	697.5	690.0	540.8	311.1	295.4
Profit Before Tax and Exceptional Items	5,900.1	5,281.2	6,998.7	5,489.6	4,247.9	4,089.7	3,445.7	3,170.3	2,865.8	2,656.7
% to Revenue from Operations	19.2%	17.9%	22.4%	18.3%	16.9%	22.1%	20.0%	19.3%	20.2%	20.9%
Growth Rates (%)	11.7%	(24.5%)	27.5%	29.2%	3.9%	18.7%	8.7%	10.6%	7.9%	7.6%
Exceptional Item	(166.5)	(379.6)	-	-	(53.7)	-	(33.2)	-	-	-
Profit Before Tax and after Exceptional Items	5,733.6	4,901.6	6,998.7	5,489.6	4,194.1	4,089.7	3,412.5	3,170.3	2,865.8	2,656.7
% to Revenue from Operations	18.6%	16.6%	22.4%	18.3%	16.7%	22.1%	19.8%	19.3%	20.2%	20.9%
Profit After Tax	4,244.2	3,588.1	5,315.0	4,100.2	3,134.7	3,051.8	2,653.5	2,132.2	1,894.8	1,801.7
Return on average capital employed (ROCE) (%)	28.9%	28.4%	41.2%	38.0%	33.5%	38.1%	37.8%	38.4%	38.7%	40.9%
Return on average net worth (RONW) (%)	21.3%	19.3%	31.4%	28.3%	24.6%	28.3%	29.0%	25.6%	25.4%	27.7%
BALANCE SHEET										
Share Capital	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9
Other Equity	20,685.6	18,891.8	18,192.7	15,489.6	13,253.2	11,993.3	9,356.2	8,747.0	7,702.2	6,998.8
Borrowings	1,221.3	73.9	192.0	93.8	19.6	27.4	31.3	13.5	14.9	17.1
Tangible Fixed Assets and Intangible Assets	9,496.4	8,872.8	8,055.1	5,620.7	4,779.4	4,882.0	5,237.5	5,400.5	3,960.4	2,824.4
(incl. Right-of-Use Assets)										
Investments	7,510.2	5,296.2	5,471.0	4,911.7	3,810.6	5,179.3	2,496.5	2,964.0	2,577.3	2,913.6
Debt-Equity Ratio	0.059:1	0.004:1	0.01:1	0.006:1	0.001:1	0.002:1	0.003:1	0.002:1	0.002:1	0.002:1
Market Capitalisation	207,618	224,232	273,060	264,897	295,428	243,387	159,850	143,180	107,469	102,970
PER SHARE DATA										
Basic Earnings Per Share (EPS) (₹)*	44.3	37.4	55.4	42.8	32.7	31.8	27.7	22.2	19.8	18.8
Diluted Earnings Per Share (EPS) (₹)*	44.3	37.4	55.4	42.8	32.7	31.8	27.7	22.2	19.8	18.8
Dividend (%)	2750%	2480%	3330.0%	2565.0%	1915.0%	1785.0%	1200.0%	1050.0%	870.0%	1030.0%
Dividend Payout Ratio (%)	60.0%*	60.0%*	60.0%	60.0%	58.6%	56.1%	51.1%	56.7%	53.0%	53.1%
Book Value (₹)	216.7	198.0	190.7	162.5	139.2	126.0	98.5	92.2	81.3	74.0
OTHER INFORMATION										
Number of Employees	11,162	11,111	9,482	8,056	7,423	7,134	6,751	6,456	6,238	6,156
Number of Shareholders	1,034,007.0	1,254,984.0	1,148,193	1,129,040	987,176	522,165	315,626	220,538	191,561	202,988

* EPS is calculated on Net Profit after Exceptional items.

\$ Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years.

~ The figures for FY 2018-19 have been restated on account of retrospective application of Ind AS 116 - Leases. The cumulative impact of this retrospective application in prior years has been adjusted in opening retained earnings as at 1st April, 2018 (reducing the same by ₹ 42.0 Crores).

** The figures for FY 2019-20 and FY 2020-21 have been restated on account of amalgamation of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited with the Company with the appointed date of 1st April, 2019.

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

The figures for FY 2024-25 have been restated on account of amalgamation of Asian Paints (Polymers) Private Limited (APPL) with the Company with the appointed date of 1st April, 2025.

@ Dividend payout ratio is before adjusting exceptional item.

Consolidated

RESULTS FOR THE FINANCIAL YEAR	(₹ in Crores except per share data and ratios)									
	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
INCOME STATEMENT										
Revenue from sale of products and services (Net Sales)	35,516.4	33,797.4	35,382.1	34,367.8	28,923.5	21,485.2	20,048.3	19,070.7	16,619.8	14,978.7
Other operating revenue	67.2	108.3	112.6	120.8	177.8	227.6	162.9	177.8	224.0	189.5
Revenue from Operations	35,583.5	33,905.6	35,494.7	34,488.6	29,101.3	21,712.8	20,211.3	19,248.5	16,843.8	15,168.2
Growth Rates (%)	4.9%	(4.5%)	2.9%	18.5%	34.0%	7.2%	5.0%	14.3%	11.0%	6.3%
Material Cost	20,001.8	19,515.8	20,090.2	21,156.5	18,300.8	12,097.2	11,383.5	11,272.9	9,710.4	8,435.1
% to Net Sales	56.3%	57.7%	56.8%	61.6%	63.3%	56.3%	56.8%	59.1%	58.4%	56.3%
Gross Margin (Net Sales - Material Cost)	15,514.6	14,281.6	15,291.9	13,211.3	10,622.7	9,388.0	8,664.9	7,797.8	6,909.4	6,543.6
Gross Margin % to Net Sales	43.7%	42.3%	43.2%	38.4%	36.7%	43.7%	43.2%	40.9%	41.6%	43.7%
Gross Contribution (Revenue From Operations - Material Cost)	15,581.8	14,389.8	15,404.5	13,332.1	10,800.5	9,615.6	8,827.8	7,975.6	7,133.4	6,733.1
Gross Contribution % to Revenue from Operations	43.8%	42.4%	43.4%	38.7%	37.1%	44.3%	43.7%	41.4%	42.4%	44.4%
Overheads	8,885.8	8,383.6	7,819.5	7,072.3	5,996.9	4,760.0	4,666.0	4,210.0	3,935.8	3,746.7
Operating Profit (EBITDA)	7,419.7	6,578.8	8,272.9	6,646.3	5,183.6	5,158.7	4,466.1	3,998.6	3,418.2	3,248.9
Finance Costs	195.4	227.0	205.2	144.5	95.4	91.6	102.3	105.3	35.1	30.0
Depreciation and Amortisation Expense	1,228.9	1,026.3	853.0	858.0	816.4	791.3	780.5	622.1	360.5	334.8
Profit Before Tax and Exceptional Items (including share of profit in associates)	6,161.0	5,466.2	7,347.8	5,737.7	4,303.4	4,304.4	3,634.0	3,311.9	3,068.5	2,933.7
% to Revenue from Operations	17.3%	16.1%	20.7%	16.6%	14.8%	19.8%	18.0%	17.2%	18.2%	19.3%
Growth Rates (%)	12.7%	(25.6%)	28.1%	33.3%	0.0%	18.4%	9.7%	7.9%	4.6%	8.7%
Exceptional Items	(157.6)	(363.1)	-	(48.9)	(115.7)	-	-	-	-	-
Profit Before Tax and after Exceptional Items	6,003.4	5,103.1	7,347.8	5,688.8	4,187.7	4,304.4	3,634.0	3,311.9	3,068.5	2,933.7
% to Revenue from Operations	16.9%	15.1%	20.7%	16.5%	14.4%	19.8%	18.0%	17.2%	18.2%	19.3%
Profit after Tax and Minority interest	4,325.3	3,667.2	5,460.2	4,106.5	3,030.6	3,139.3	2,705.2	2,155.9	2,038.9	1,939.4
Return on average capital employed (ROCE) (%)	27.6%	26.9%	39.7%	35.9%	30.4%	35.4%	34.4%	34.1%	34.8%	37.6%
Return on average net worth (RONW) (%)	20.9%	18.8%	31.0%	27.4%	22.8%	27.4%	27.6%	24.1%	25.5%	27.5%
BALANCE SHEET										
Share Capital	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9
Other Equity	21,275.7	19,303.9	18,632.4	15,896.3	13,715.6	12,710.4	10,034.2	9,374.6	8,314.3	7,508.0
Borrowings	2,324.9	898.2	1,146.3	1,016.7	779.1	353.8	361.6	629.2	533.4	560.3
Tangible Fixed Assets and Intangible Assets (incl. Right-of-Use Assets)	11,489.0	10,474.6	9,845.0	6,790.1	5,945.5	6,041.5	6,412.6	6,706.2	4,857.4	3,415.1
Investments	7,061.7	4,724.8	4,587.9	4,261.7	3,247.5	4,736.8	2,018.9	2,568.6	2,140.7	2,652.0
Debt-Equity Ratio	0.11 : 1	0.04 : 1	0.06 : 1	0.06 : 1	0.06 : 1	0.03 : 1	0.04 : 1	0.07 : 1	0.06 : 1	0.07 : 1
PER SHARE DATA										
Basic Earnings Per Share (EPS) (₹)*	45.1	38.3	56.9	42.8	31.6	32.7	28.2	22.5	21.3	20.2
Diluted Earnings Per Share (EPS) (₹)*	45.1	38.2	56.9	42.8	31.6	32.7	28.2	22.5	21.3	20.2
Book Value (₹)	222.8	202.2	195.2	166.7	144.0	133.5	105.6	98.7	87.7	79.3

* EPS is calculated on Net Profit (including share of profit in associates) after exceptional items.

§ Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years.

~ The figures for FY 2018-19 have been restated on account of retrospective application of Ind AS 116 - Leases. The cumulative impact of this retrospective application in prior years has been adjusted in opening retained earnings as at 1st April, 2018 (reducing the same by ₹ 46.9 Crores).