

**FINANCIAL STATEMENTS
OF SUBSIDIARIES FOR THE
FINANCIAL YEAR 2025-26**

INDEX

Sr.No	Name of Subsidiaries
1	Asian Paints Industrial Coatings Limited
2	Weatherseal Fenestration Private Limited
3	Obgenix Software Private Limited
4	Harind Chemicals and Pharmaceuticals Private Limited
5	Nova Surface-Care Centre Private Limited
6	Asian White Cement Holding Limited
7	Asian White Inc. FZE
8	Asian Paints (Nepal) Private Limited
9	Asian Paints International Private Limited
10	Samoa Paints Limited
11	Asian Paints (South Pacific) Pte Limited
12	Asian Paints (S.I) Limited
13	Asian Paints (Vanuatu) Limited
14	Asian Paints (Middle East) SPC
15	Asian Paints (Bangladesh) Limited
16	SCIB Chemicals S.A.E.
17	Berger Paints Bahrain W.L.L.
18	Berger Paints Emirates Ltd Co (L.L.C)
19	Nirvana Investments Limited
20	Enterprise Paints Limited
21	Universal Paints Limited
22	Kadisco Paint and Adhesive Industry Share Company
23	Causeway Paints Lanka (Pvt) Limited
24	Asian Paints Doha Trading W.L.L

Note:

In accordance with Section 136 of the Companies Act, 2013, the Financial Statements of Asian Paints PPG Private Limited, Joint Venture for the Financial Year 2025-26 is available for inspection by the members of the Company up to the date of Annual General Meeting of the Company to be held on Thursday, 9th July 2026 at 11:00 am IST.



Asian Paints Industrial Coatings Limited

Board of Directors

Mr. Anurag Sahai	(Chairman and Non-Executive Director)
Mr. Hiral Raja	(Non-Executive Director)
Mr. Sagar Shrikrishna Khade	(Non-Executive Director)
Mr. Rajes Bardia	(Non-Executive Director)
Mr. Venkateswaran Gopalan	(Non-Executive Director)
Mr. Satyendra Kumar Patidar	(Non-Executive Director)

Key Managerial Personnel

Mr. Pramod Kumar Chand	(Manager)
Mr. Vikram Jain	(Chief Financial Officer)
Mr. Jay Shah	(Company Secretary)

Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants (till 30th April 2026)
S R B C & Co LLP, Chartered Accountants (with effect from 1st May 2026)

Registered Office

6A & 6B, Shantinagar,
Santacruz (East), Mumbai,
Maharashtra, India, 400 055

Factories

Plot No. 1914, 1916, GIDC,
Sarigam – 396 135,
Dist. Valsad, Gujarat, India

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Board's Report

for the financial year ended 31st March 2026

Dear Members,

The Board of Directors are pleased to present the 25th Annual Report of Asian Paints Industrial Coatings Limited ("the Company") along with the audited financial statements of the Company for the financial year ended 31st March 2026.

Financial Results

The financial performance of the Company for the financial year ended 31st March 2026 is summarised below:

(₹ in Lakhs)

Particulars	2025-26	2024-25
Revenue from operations	2,469.39	2,329.56
Other operating revenues	10.97	14.49
Other Income	246.36	242.43
Total revenue	2,726.72	2,586.48
Expenses	2,170.99	2,056.64
Earnings before Interest, Tax, Depreciation, and Amortization (EBITDA)	555.73	529.84
Less: Finance Cost	-	-
Less: Depreciation and Amortization Expenses	166.07	192.79
Profit Before Exceptional Item & Tax	389.66	337.04
Exceptional Item	41.10	-
Profit Before Tax	348.56	337.04
Less: Tax Expense	86.60	94.6
Profit After Tax	261.96	240.13
Other Comprehensive Income	(0.33)	12.05
Income tax (expense)/benefit on remeasurement of defined benefit plans	0.08	(3.03)
Total comprehensive Income/Loss	261.71	249.15

Overview of the Company's Performance and State of Affairs

During the financial year 2025-26:

- Net revenue from operations increased to ₹ 2,469.39 lakhs as against ₹ 2,329.56 lakhs in the previous year.
- The Company earned profit of ₹ 261.96 lakhs after tax as against a profit of ₹ 240.13 in the previous year.

The Company is engaged in toll manufacturing of powder coatings for Asian Paints PPG Private Limited and PPG Asian Paints Private Limited, associate companies of Asian Paints Limited ("APL"), holding company.

The Company's plant at Sarigam, Gujarat continues its normal operations and is sufficient to cater to the future requirements.

Confirmations:

- There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2025-26 and the date of this report;
- There has been no change in the nature of business of the Company; and
- There was no revision of financial statements and Board's Report of the Company during the year under review.

Industrial Relations

The Company has always considered its workforce as its valuable asset and continues to invest in their excellence and development programs. The industrial relations of the Company remained peaceful and cordial.

Share Capital

The Company has only one class of equity shares. The authorised share capital of the Company is ₹ 33,00,00,000 divided into 3,30,00,000 equity shares of ₹ 10 each, as on 31st March 2026.

The paid-up equity share capital of the Company as on 31st March 2026 is ₹ 30,45,00,000.

During the financial year 2025-26, there was no change in the authorised, issued, subscribed, and paid-up share capital of the Company.

Confirmations:

- During the year under review, the Company has not:
 - issued any shares, warrants, debentures, bonds, or any other convertible or non-convertible securities;
 - issued equity shares with differential rights as to dividend, voting or otherwise;
 - issued any sweat equity shares to its Directors or employees;
 - issued any equity shares under an employee stock option scheme and does not have any employee stock option scheme in place. However, certain Non-Executive Directors of the Company have been granted employee stock options of Asian Paints Limited ("APL"), the holding company, under

the Asian Paints Employee Stock Option Plan, 2021 ("2021 Plan"), as detailed in the disclosure titled Remuneration to Non-Executive Directors for the financial year 2025–26.

- v. made any change in voting rights;
 - vi. reduced its share capital or bought back shares;
 - vii. changed the capital structure resulting from restructuring; and
 - viii. failed to implement any corporate action.
- b. The Company's securities are not listed on any stock exchanges, hence there does not arise a scenario of its shares being suspended for trading during the year.
- c. The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company.

Dividend

During the year under review, the Board of Directors has not recommended dividend on the equity shares of the Company.

Unclaimed Dividend & IEPF

The Company does not have any unclaimed dividend outstanding for payment to shareholders of the Company. Further, the Company has not transferred any amount to the Investor Education and Protection Fund ("IEPF").

Transfer to Reserves

During the year under review, there was no amount transferred to any of the reserves of the Company.

Subsidiary Status

The Company continues to be a wholly owned subsidiary of APL. Further, the Company does not have any subsidiary, associate or joint venture company.

Deposits

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 ("the Act") read together with the Companies (Acceptance of Deposit) Rules, 2014.

Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees, and investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

Directors and Key Managerial Personnel

Change in Directorate

Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Anurag Sahai (DIN: 09346336) and Mr. Sagar Shrikrishna Khade (DIN: 08735274) of the Company are liable to retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment.

Based on performance evaluation, the Board of Directors recommends re-appointment of Mr. Anurag Sahai and Mr. Sagar Shrikrishna Khade as Non-Executive Director of the Company, liable to retire by rotation.

Declaration from Directors

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Sections 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).

Key Managerial Personnel

Mr. Pramod Kumar Chand was appointed as Manager of the Company for a period of 3 (three) years from 26th April 2023 to 25th April 2026, as approved by the shareholders of the Company at the 22nd Annual General Meeting ("AGM") held on 16th June 2023. Further, the Board of Directors at its meeting held on 24th April 2026 approved his re-appointment for a further period of 3 (three) years from 26th April 2026 to 25th April 2029, subject to Shareholders' approval at the ensuing 25th Annual General Meeting of the Company.

Mr. Pramod Kumar Chand, Manager, Mr. Vikram Jain, Chief Financial Officer, and Mr. Jay Shah, Company Secretary are the Key Managerial Personnel of the Company in terms of

Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

There was no change in the composition of Key Managerial Personnel during the financial year.

Disclosure relating to Remuneration of Directors, Key Managerial Personnel, and Particulars of Employees

Remuneration to Manager for financial year 2025-26

In accordance with the provisions of Sections 197, 203 Schedule V and other applicable provisions, if any, of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following are the details of the remuneration paid to Mr. Pramod Kumar Chand, Manager of the Company during the financial year 2025-26:

Particulars	Amount (in ₹)
Gross Salary	76,44,102
Others	6,07,582
Total	82,51,684

Details of fixed component and performance linked incentive, along with the performance criteria:

The remuneration includes performance linked incentive based on the predetermined performance parameters.

Service contracts, notice period, severance fees:

The Company has not entered into a service contract with the Manager, who was appointed with the approval of the shareholders for a period not exceeding 3 years with effect from 26th April 2023 and has been re-appointed with effect from 26th April 2026 for a period of 3 years. The applicable statutory provisions shall govern the notice period and severance fee.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

Not Applicable. The Company does not have any Employee Stock Option Plan in place.

Further, the details of remuneration, if any paid to Directors and Key Managerial Personnel of the Company are also being disclosed in the Annual Return of the Company under Section 92 of the Act.

The Company has not employed any individual other than as disclosed whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration to Certain Non-Executive Directors

The shareholders of APL, holding company had at their 75th AGM held on 29th June 2021, have authorised its Board to offer, issue and provide stock options to the eligible employees of the Company and its subsidiaries under the 2021 Plan. As per the 2021 Plan, the eligible employees also include Directors of APL and its subsidiaries.

The 2021 Plan was introduced by APL to incentivize, retain, and attract key talent through this performance based stock option grant program, and consequently enhance shareholder value. The 2021 Plan aims to create a sense of ownership among the eligible employees and to align their medium and long-term compensation with the Company's performance.

In accordance with the provisions of Sections 197, 198, and, other applicable provisions of the Act (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and the Rules made thereunder read with Schedule V of the Act, Articles of Association of the Company, the shareholders of the Company at their AGM held on 16th June 2023 had *inter alia* approved a cumulative value of ₹ 1 crore per annum for a period not exceeding three (3) years commencing from the financial year 2023-24. The same was approved by the shareholders of the Company at 22nd AGM of the Company held on 16th June 2023.

In view of the above, and considering that the earlier approval was valid for a period of three (3) years commencing from the financial year 2023-24, the Board of Directors of the Company at its meeting held on 24th April 2026 to increase the overall cap of remuneration from ₹1,00,00,000 (Rupees One Crore only) per annum to ₹1,50,00,000 (Rupees One Crore Fifty Lakhs only) per annum, for a further period not exceeding three (3) years commencing from the financial year 2026-27, subject to approval of the shareholders at the ensuing 25th AGM.

The following are the details of the value of stock options of APL granted to the Non-Executive Directors of the Company in financial year 2025-26 as per the 2021 Plan:

Name of Director	Designation	Amount (in ₹)*
Mr. Anurag Sahai	Non-Executive Director	32,40,824
Mr. Sagar Shrikrishna Khade	Non-Executive Director	11,40,821
Mr. Venkateswaran Gopalan	Non-Executive Director	12,22,272
Mr. Rajes Bardia	Non-Executive Director	9,28,304
Mr. Satyendra Kumar Patidar	Non-Executive Director	11,40,821

Note: Amount is equivalent to the apportionment made in the financial year 2025-26 for the grants received in the previous financial years.

Mr. Hiral Raja, Non-Executive Director is not entitled to the Stock Options in the capacity of Non-Executive Director of the Company as he is Nominee Director of APL and is already receiving Stock Options in his capacity as Associate Vice President – Accounts, SSC & Taxation of APL.

Performance Evaluation of the Board.

In accordance with the provisions of Section 134(3)(p) of the Act, the Company is required to carry out annual evaluation of the performance of the Board as a whole and of its individual Directors.

The annual performance evaluation of the Board and its individual Directors was carried out based on various aspects including level of flow of information, Board composition, participation of Directors, understanding the roles and responsibilities, business, and competitive environment. The structured assessment sheets were circulated among the Directors for rating the performance of the Board and other Directors.

The overall outcome of this exercise was positive, and the Directors expressed their satisfaction.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Act, the Directors confirm that:

- in the preparation of the annual accounts for the financial year ended 31st March 2026, the applicable accounting standards and Schedule III of the Act have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2026 and profit of the Company as on 31st March 2026;

- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a 'going concern' basis;
- proper internal financial controls laid down by the Directors were followed by the Company and that such financial controls are adequate and operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Meetings of the Board

During the financial year 2025-26, 5 (five) meetings of the Board of Directors were held, and the attendance of the Directors at the said meetings, conducted through video conference, is as follows:

Sr. No.	Name of the Directors	25 th April 2026	21 st July 2026	16 th October 2026	16 th January 2026	24 th March 2026	Total
1.	Anurag Sahai	✓	✗	✓	✓	✓	4
2.	Hiral Raja	✓	✓	✓	✓	✓	5
3.	Sagar Shrikrishna Khade	✓	✓	✓	✓	✓	5
4.	Rajes Bardia	✓	✓	✓	✓	✓	5
5.	Venkateswaran Gopalan	✓	✓	✓	✓	✓	5
6.	Satyendra Kumar Patidar	✓	✓	✓	✓	✓	5

The maximum time gap between 2 meetings did not exceed 120 as prescribed by the Act.

The Company has complied with the applicable Secretarial Standards in respect of all the above Board meetings.

Related Party Transactions

During the financial year 2025-26, the Company has entered into transactions with related parties as defined under Section 2(76) of the Act read with the Companies (Specification of Definitions Details) Rules, 2014 all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Act read with the Rules issued thereunder.

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing

Regulations"), the Audit Committee of APL is, *inter alia*, required to approve the related party transaction ("RPT") above ₹ 1,00,00,000 (Rupees One Crore Only), whether entered into individually or taken together with previous transactions during a financial year, to which the Company is a party but APL is not a party, such transaction will require prior approval of the Audit Committee of APL if the value of the transaction exceeds the lower of the following:

1. 10% of the annual standalone turnover of the Company, as per the last audited financial statements of the Company; or
2. The threshold for material RPT of the listed entity, as specified in Schedule XII of the Listing Regulations.

The Company as a matter of governance also seeks prior approval of Board of Directors of respective parties even though it is not required in terms of the provisions of the Act.

There are no materially significant RPT that may have potential conflict with interest of the Company at large.

The details of the RPT are set out in Notes to the financial statements of the Company.

The Form AOC-2 pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as Annexure (1).

Vigil Mechanism

The Company is not required to have Vigil Mechanism as per Section 177(10) of the Act. The Board of Directors of the Company in good governance on voluntarily basis have adopted the Whistle Blower Policy of APL, holding company.

The Policy provides for protection to the employees and business associates who report unethical practices and irregularities. Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy of APL.

Auditors and Auditors' Report

Deloitte Haskins & Sells LLP ("DHS"), Chartered Accountants (Firm Registration No. 117366W/W- 100018), were appointed as Statutory Auditors of the Company at the 21st AGM held on 13th June 2022, to hold office till the conclusion of the 26th AGM of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company.

DHS has issued an unmodified opinion on the financial statements for the financial year 2025-26 and the Statutory Auditors' Report forming part of this Annual Report does not contain any qualification, reservation, adverse remark or disclaimer.

Further, DHS vide their resignation letter dated 30th April 2026 resigned as the Statutory Auditors of the

Company with effect from 30th April 2026, pursuant to the Company's decision to align Statutory Auditors at the group level.

Consequent to the resignation by DHS, the Board of Directors of the Company at their meeting held on 30th April 2026, approved and recommended appointment of S R B C & CO LLP ("SRBC"), Chartered Accountants (Firm Registration No. 324982E/E300003), as Statutory Auditors of the Company to fill the Casual Vacancy caused as a result of the resignation of DHS, subject to approval of the shareholders of the Company, effective from the date of the meeting till the conclusion of the ensuing 25th Annual General Meeting of the Company.

Further, the Board of Directors at their said meeting also approved and recommended the appointment of SRBC, as Statutory Auditors of the Company for a term of 5 (Five) years to hold office from the conclusion of the ensuing 25th AGM till the conclusion of the 30th AGM, subject to the approval of the shareholders at the ensuing 25th Annual General Meeting of the Company.

The Company has received written consent and certificate of eligibility from SRBC confirming their eligibility for appointment in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder. They have also confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India ("ICAI") as required under the Listing Regulations.

The appropriate resolution in this regard has been placed for the consideration of the shareholders at the ensuing 25th AGM of the Company.

Reporting of frauds by Auditors

There was no incident of reporting fraud by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings

Conservation of Energy

A) Steps taken on conservation or impact on conservation of energy:

The manufacturing units continue their efforts to reduce the specific energy consumption. Apart from regular practices and measures for energy conservation, many new initiatives were driven across units. Further, the Company has redesigned parts of grinding mills to improve throughout leading to energy conservation.

B) Steps taken by the Company for utilising alternate source of energy:

The Company has been exploring possibilities of sourcing external solar power for usage at its manufacturing facility situated at Sarigam to improve energy efficiency and achieve energy savings.

C) Capital investment on energy conservation equipment

The Company has made minor investment on energy conservation equipment, but the same are not in the nature of capital investment.

Technology Absorption

A) Efforts made towards technology absorption:

The Research and Technology Function ("R & T") of the Company is carrying out various activities to fulfill short-term and long-term business goals of the Company which include energy savings and development of durable products.

B) Benefits derived as a result of the above efforts:

- Development of new specialty products for profitable opportunities.
- Significant cost reduction achieved as a result of use of cost effective local and imported raw materials have helped maintain cost competitiveness.
- The Company has retained its recognition from DSIR in respect of the research facilities.

C) The Company has not imported any technology and has not entered into any technology transfer agreement.

Foreign Exchange Earnings and Outgo

There are no earnings in foreign currency.

Outflow of foreign currencies during the financial year 2025-26 was ₹ 134.39 lakhs (equivalent value of various currencies).

Risk Management

The Board has put in place appropriate framework and mechanism to review the risks for the Company including the operational and business risks. The Board reviews the risk mitigation plans from time to time.

The Company recognises that risk is an integral and inevitable part of the business and is fully committed to

manage risks in a proactive and efficient manner. The Company has a Risk Management Policy which articulates the approach to address the uncertainties in its endeavor to achieve its stated and implicit objectives.

Policy on Prevention of Sexual Harassment at Workplace

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder and Internal Complaints Committee have also been set up to redress any such complaints received.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. Further, the Policy also gives shelter to contract workers, probationers, temporary employees, trainees, apprentices of the Company and any person visiting the Company at its office.

The details of complaints received and disposed of under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year are as follows:

- number of complaints of sexual harassment received in the year: NIL
- number of complaints disposed off during the year: Not applicable
- number of cases pending for more than ninety days: Not applicable
- Number of complaints unresolved during the year - NIL

Maternity Benefit Provided by the Company under the Maternity Benefit Act, 1961

The Company declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support such as nursing breaks and flexible return-to-work options, as applicable. The Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

Internal Controls

The Company has in place a well-established and robust internal control systems which are commensurate with the nature of its business, size & scale, and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of the Company's operations, safe keeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of the Company's operations.

Internal Financial Controls and their Adequacy

The Company has in place adequate internal financial controls with reference to financials. The same is subject to review periodically by the Board of Directors for its effectiveness. The control measures adopted by the Company have been found to be effective and adequate to the Company's requirements.

Maintenance of Cost Records

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

Significant and Material Orders passed by the Regulators or Courts

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations.

Annual Return

As the Company does not have its own website, the requirement to upload Annual Return of the Company on its website as on 31st March 2026 in Form MGT - 7 in accordance with Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014, is not applicable to the Company.

Compliance with Secretarial Standards

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meeting of Board of Directors and General Meeting.

Other Disclosures

- I. No credit rating has been obtained by the Company with respect to its securities.
- II. No application has been made under the Insolvency and Bankruptcy Code, hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.
- III. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.
- IV. The Company did not meet the thresholds prescribed under Section 135(1) of the Companies Act, 2013. Accordingly, the provisions relating to Corporate Social Responsibility were not applicable to the Company for the year under review.

Acknowledgments

Your Directors acknowledge with deep sense of appreciation the co-operation received from various other Central and State Government agencies, other Ministries, Customers, Bankers, and other stakeholders. Your Directors express deep sense of appreciation for the dedicated and sincere services rendered by the employees of the Company at all levels.

Your Directors also wish to express gratitude to all the shareholders for the confidence reposed by them in the Company and for the continued support and cooperation.

For and on behalf of the Board of Directors

Anurag Sahai
Chairman
(DIN: 09346336)

Place: Mumbai
Date: 30th April 2026

Annexure (1) to the Board's Report

Form AOC – 2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto

a. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements, or transactions entered into during the financial year ended 31st March 2026, which were not at arm's length basis.

b. Details of material contracts or arrangement or transactions at arm's length basis

There were no material contracts or arrangements, or transactions entered into during the financial year ended 31st March 2026.

All related party transactions were in the ordinary course of business and on arm's length basis and approved by the Board of Directors of the Company.

For and on behalf of the Board of Directors

Anurag Sahai
Chairman
(DIN: 09346336)

Place: Mumbai
Date: 30th April 2026

Independent Auditor's Report

To The Members of Asian Paints Industrial Coatings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Asian Paints Industrial Coatings Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income,

the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in

its financial statements - Refer Note 26 to the financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 33(vii) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 33(vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether

recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March

31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place: Mumbai
Date: April 30, 2026

Terence Lewis
Partner
(Membership No. 107502)
(UDIN: 26107502PRSTRF7048)

Annexure "A" to the Independent Auditors' Report

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

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

We have audited the internal financial controls with reference to financial statements of Asian Paints Industrial Coatings Limited (the "Company") as at March 31, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal

financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants
(Firm's Registration No. 117366W/
W-100018)

Terence Lewis

Partner

Place: Mumbai
Date: April 30, 2026

(Membership No. 107502)
(UDIN: 26107502PRSTRF7048)

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of Property, Plant and Equipment so as to cover all the items once every three (3) years which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the Balance Sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventories were physically verified during the year by the management at reasonable intervals. In our opinion and based on the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions, and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.
- iv. The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- vii. (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, duty of Excise, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, duty of Excise, cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)	Amount unpaid (₹ in lakhs)
Income Tax	IT Matters under dispute	Commissioner of Income Tax (Appeals) / Remanded back to Assessing Officer	AY 2017-18	95.21	95.21
Sales Tax/ VAT/ CST	Assessment Dues	High Court	FY 2003-04 & 2004-05	132.00	79.20
		First Appellate	FY 2006-07 & 2013-14	6.38	5.48
Central Goods and Services Tax Act, 2017	Assessment Dues	First Appellate	FY 2020-21	1.62	1.62
			FY 2018 - FY2021	8.55	8.12
Customs Act, 1962	Assessment Dues	Commissioner Appeals	FY2025-26	8.37	8.06

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debenture (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to Company.
- xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. The Company is not required to have an internal audit system under Section 138 of the Companies Act, 2013 and hence reporting under clause 3(xiv) of the Order is not applicable.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding Company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- xvii. The Company has not incurred any cash losses in the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of Balance Sheet date and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

Terence Lewis
Partner

Place: Mumbai
Date: April 30, 2026
(Membership No. 107502)
(UDIN: 26107502PRSTRF7048)

Balance Sheet

as at 31st March 2026

		(₹ in Lakhs)	
Particulars	Notes	As at 31.03.2026	As at 31.03.2025
ASSETS			
Non Current assets			
Property, Plant and Equipment	2A	830.98	1,009.01
Right of Use Assets	2B	9.27	9.41
Capital work-in-progress	3	1.75	-
Financial Assets			
Other Financial Assets	4	73.30	77.50
Income Tax Assets (Net)	5	215.07	225.15
Other Non Current Assets	6	141.90	138.20
		1,272.27	1,459.27
Current assets			
Inventories	7	227.55	168.77
Financial Assets			
Investments	8	3,883.00	3,385.43
Trade Receivables	9	377.35	443.22
Cash and Cash Equivalents	10	104.67	59.28
Other Financial Assets	4	320.60	303.87
Other Current Assets	6	97.59	98.21
		5,010.76	4,458.78
Total Assets		6,283.03	5,918.05
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	3,045.00	3,045.00
Other Equity	12	2,484.35	2,222.64
		5,529.35	5,267.64
LIABILITIES			
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	16	94.89	111.29
Provisions	13	88.47	131.03
		183.36	242.33
Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	14	377.69	329.53
Other Current Liabilities	15	64.84	53.82
Provisions	13	127.79	24.74
		570.32	408.09
Total Equity and Liabilities		6,283.03	5,918.05
Material accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to the financial statements	2-34		

As per our report of even date attached

For and on behalf of the Board of Directors of
Asian Paints Industrial Coatings Limited
CIN: U24220MH2001PLC133523

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

Anurag Sahai
Director
DIN: 09346336

Hiral Raja
Director
DIN: 08735226

Terence Lewis
Partner
Membership No: 107502

Jay Shah
Company Secretary

Vikram Jain
Chief Financial Officer

Mumbai
30th April, 2026

Mumbai
30th April, 2026

Statement of Profit and Loss

for the period ended 31st March, 2026

(₹ in Lakhs)

Particulars	Notes	Year 2025-26	Year 2024-25
REVENUE FROM OPERATIONS			
Revenue from sale of services	17(A)	2,469.39	2,329.56
Other Operating Revenues	17(B)	10.97	14.49
Other Income	18	246.36	242.43
TOTAL INCOME (I)		2,726.72	2,586.48
EXPENSES			
Employee Benefits Expense	19	1,052.84	976.79
Other Expenses	20	1,118.15	1,079.85
TOTAL EXPENSES (II)		2,170.99	2,056.64
EARNING BEFORE INTEREST,TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		555.73	529.84
Depreciation and Amortisation Expense	21	166.07	192.79
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		389.66	337.04
Exceptional Items	22	41.10	-
PROFIT BEFORE TAX		348.56	337.04
Tax expense			
(1) Current tax	16	102.93	2.32
(2) Deferred tax		(16.33)	94.60
PROFIT AFTER TAX		261.96	240.13
OTHER COMPREHENSIVE INCOME (OCI)			
(A) Items that will not be reclassified to profit or loss			
a) Remeasurement of defined benefit plans(net)		(0.33)	12.05
b) Income tax benefit/(expense) on remeasurement of defined benefit plans		0.08	(3.03)
Total Other Comprehensive Income		(0.25)	9.02
Total Comprehensive Income for the Year		261.71	249.15
Earnings per equity share (Face value of ₹ 10 each)			
Basic & Diluted (in ₹)	28	0.86	0.79
Material accounting policies and Key accounting estimates and judgements		1	
See accompanying notes to the financial statements		2-34	

As per our report of even date attached

For and on behalf of the Board of Directors of
Asian Paints Industrial Coatings Limited
CIN: U24220MH2001PLC133523

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

Anurag Sahai
Director
DIN: 09346336

Hiral Raja
Director
DIN: 08735226

Terence Lewis
Partner
Membership No: 107502

Jay Shah
Company Secretary

Vikram Jain
Chief Financial Officer

Mumbai
30th April, 2026

Mumbai
30th April, 2026

Statement of Changes in Equity

As at 31st March, 2026

A) EQUITY SHARE CAPITAL

Particulars	(₹ in Lakhs)	
	As at 31.03.2026	As at 31.03.2025
Balance at the beginning of the reporting year	3,045.00	3,045.00
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	3,045.00	3,045.00

B) OTHER EQUITY

Particulars	Reserves and Surplus		Total
	Retained Earnings	Remeasurement on defined benefit plans	
Balance as at 1st April, 2024	2,028.70	(55.21)	1,973.49
Additions during the year			
Profit for the year	240.13	-	240.13
Items of Other Comprehensive Income for the year, net of tax			
Remeasurement gain on defined benefit plans		9.02	9.02
Total Comprehensive Income for the year	240.13	9.02	249.15
Balance as on 31st March, 2025	2,268.83	(46.19)	2,222.64
Additions during the year			
Profit for the year	261.96	-	261.96
Items of Other Comprehensive Income for the year, net of tax			
Remeasurement gain on defined benefit plans		(0.25)	(0.25)
Total Comprehensive Income for the year	261.96	(0.25)	261.71
As at 31st March, 2026	2,530.79	(46.44)	2,484.35

Material accounting policies and Key accounting estimates and judgements 1

See accompanying notes to the financial statements 2-34

As per our report of even date attached

For and on behalf of the Board of Directors of
Asian Paints Industrial Coatings Limited
CIN: U24220MH2001PLC133523

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

Anurag Sahai
Director
DIN: 09346336

Hiral Raja
Director
DIN: 08735226

Terence Lewis
Partner
Membership No: 107502

Jay Shah
Company Secretary

Vikram Jain
Chief Financial Officer

Mumbai
30th April, 2026

Mumbai
30th April, 2026

Statement of Cash Flow

for the period ended 31st March, 2026

		(₹ in Lakhs)	
Particulars	Year 2025-26	Year 2024-25	
(A) Cash Flow From Operating Activities			
Profit before tax	348.56	337.04	
Adjustments for :			
Depreciation and amortisation expense	166.07	192.79	
Interest income	(24.62)	(16.59)	
Net unrealised foreign exchange loss	12.83	6.10	
Gain on sale of Property, Plant and Equipment (net)	(0.19)	(1.80)	
Gain from Mutual Funds	(216.73)	(222.43)	
Sundry balances (written back)/ written off	(0.92)	18.75	
Operating profit before working capital changes	285.00	313.86	
Adjustments for :			
Decrease/(Increase) in trade receivables	65.87	(93.71)	
Decrease/(Increase) in financial assets	3.95	(24.75)	
Decrease/(Increase) in other assets	(0.03)	(9.97)	
(Increase) in inventories	(54.14)	(23.98)	
Increase in financial liabilities	33.51	4.67	
Increase /(Decrease) in other liabilities	112.28	(52.37)	
Cash generated from Operating activities	446.44	113.76	
Net income tax paid (net)	(92.86)	59.28	
Cash generated from Operating activities	353.58	173.03	
(B) Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment	(13.59)	(18.39)	
Sale of Property, Plant and Equipment	2.74	1.80	
Term deposit movement	(16.50)	(16.81)	
Gain from Mutual Funds	216.73	222.43	
Net Cash generated from Investing activities	189.38	189.03	
(C) Net Increase in cash and cash equivalents:	542.96	362.06	
Cash and cash equivalents as at 1st April	3,444.71	3,082.65	
Less: Effect of exchange (gain)/ loss on cash and cash equivalents	-	-	
Cash and cash equivalents as at 31st March	3,987.67	3,444.71	
Cash and Cash equivalents comprises of:			
Cash on hand	0.10	0.10	
Balances with Bank:			
- Current Accounts	104.57	59.18	
Cash and cash equivalents (Refer Note 10)	104.67	59.28	
Add: Investment in liquid mutual Funds (Refer Note 8)	3,883.00	3,385.43	
Cash and cash equivalents in Cash Flow Statement	3,987.67	3,444.71	

Material accounting policies and Key accounting estimates and judgements (Refer Note 1)

Notes

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

See accompanying notes to the financial statements (2-34)

As per our report of even date attached

For and on behalf of the Board of Directors of
Asian Paints Industrial Coatings Limited
CIN: U24220MH2001PLC133523

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

Anurag Sahai
Director
DIN: 09346336

Hiral Raja
Director
DIN: 08735226

Terence Lewis
Partner
Membership No: 107502

Jay Shah
Company Secretary

Vikram Jain
Chief Financial Officer

Mumbai
30th April, 2026

Mumbai
30th April, 2026

Notes to the Financial Statements

for the year ended 31st March 2026

Company Overviews

Asian Paints Industrial Coatings Limited (the 'Company') was incorporated in India under the Indian Companies Act, 1956. The registered office of the company is located at 6A & 6B, Shantinagar, Santacruz East, Mumbai, India – 400055.

The Company has a manufacturing plant at Sarigam, Gujarat and is primarily engaged in toll manufacturing of powder coatings for some of its group companies.

1. Material Accounting Policies and Key accounting estimates and judgements

Material Accounting Policies:

1.1. Basis of preparation of Financial Statement

These financial statements of the company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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

The Financial Statement are presented in Indian Rupees (which is also the functional currency of the Company) and is rounded off to the nearest lakhs except otherwise indicated.

1.2. Current / Non-Current Classification

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

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

- in the case of a liability, the company does not have the right at the end of reporting period to defer settlement of the liability for at least twelve months after the reporting date.

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

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

1.3. Summary of Material accounting policies

a) Property, Plant and Equipment

Measurement at recognition:

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

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

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

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

Notes

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

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

Capital work in progress and Capital advances:

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

Depreciation:

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

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

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

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

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

Derecognition:

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

b) Other Intangible assets

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

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

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

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

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

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain

or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

c) Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Assets that have an indefinite useful life are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

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

An impairment loss is recognized whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

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

d) Revenue

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. It is measured

at transaction price (net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Rendering of services:

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Company.

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

e) Inventory

Stores & spares, components and consumables are carried at the lower of cost and net realizable value as these are mainly used for operational purpose. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

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

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

f) Financial Instruments

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

Notes

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

Financial assets

Initial recognition and measurement:

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

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

Subsequent measurement:

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

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

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

- i. Financial assets measured at amortized cost

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

- a. The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer note 29 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method. The effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset under other income in the Statement of Profit and Loss. The amortized cost of a financial asset is also adjusted for loss allowance, if any.

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

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

- a. The Company business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

This category applies to certain investments in debt instruments (Refer note 29 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

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

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer note 29 for further details). The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss when the right to receive payment is established, it is probable that

the economic benefits will flow to the Company and the amount can be measured reliably.

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

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

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company (Refer note 29 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

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

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

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

Impairment of financial assets:

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

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)

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

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

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

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

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

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

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

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

Financial Liabilities

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities

Notes

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

not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

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

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

Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method (Refer note 29 for further details). The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense under finance cost in the Statement of Profit and Loss.

Derecognition:

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

Offsetting of financial assets and financial liabilities:

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

g) Fair Value

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

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

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

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

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

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

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

h) Foreign Currency Translation

Initial Recognition:

On initial recognition, transactions in foreign currencies

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

Measurement of foreign currency items at reporting date:

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

Exchange differences arising out of foreign exchange translations and settlements during the year are recognized in the Statement of Profit and Loss.

i) Income Taxes

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

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with the applicable tax laws.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

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

Deferred tax assets and liabilities are generally recognized for all deductible and taxable temporary differences respectively. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor

the accounting profit or does not give rise to equal taxable and deductible temporary differences, deferred tax assets or liabilities are not recognized.

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

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

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

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

Uncertain tax positions:

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

Presentation of current and deferred tax:

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

The Company offsets tax assets and liabilities, where it has a legally enforceable right to set off the recognized

Notes

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

amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

j) Provisions and Contingencies

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

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

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

k) Measurement of EBITDA

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

l) Cash and Cash Equivalents

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

m) Employee Benefits

Short Term Employee Benefits:

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

Post-Employment Benefits:

I. Defined contribution plans:

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate. The Parent Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Parent Company operates a Superannuation scheme for eligible employees. A few Indian Subsidiaries also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

Recognition and measurement of defined contribution plans:

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

II. Defined benefit plans:

i) Provident fund scheme:

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Parent Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year.

The Parent Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

ii) Gratuity scheme:

Gratuity expense, a defined benefit scheme, is recognized based on contributions to the 'Asian Paints Industrial Coatings Limited Employee Group Gratuity Assurance Scheme' which in turn has taken a 'Group-Gratuity-cum-Life Assurance' policy from Life Insurance Corporation (LIC) of India. Besides the contribution made on the basis of LIC's demand which specifies the contribution to be made on an annual basis, the difference between liability determined on the basis of actuarial valuation done at the year end by an independent actuary and balance available with LIC has also been accrued.

Recognition and measurement of defined benefit plans:

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

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

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as

per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the entity will contribute this amount to the gratuity fund within the next twelve months.

Other Long Term Employee Benefits:

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

n) Lease accounting

Assets taken on lease:

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

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

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term or useful life of the underlying asset if the Company expects to exercise a purchase

Notes

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

option in the lease. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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

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

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

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

Short-term leases and leases of low-value assets

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

o) Earnings Per Share (EPS)

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

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

1.4. Key accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

a) Income taxes

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (Refer note 9).

b) Property, Plant and Equipment

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

c) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management.

These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 26, 'Employee benefits'.

d) Right-of-use assets and lease liability

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

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

Notes

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

NOTE 2A : PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Carrying Value				Depreciation				(₹ in Lakhs)
	As at 01.04.25	Additions	Adjustment/ Deductions	As at 31.03.26	As at 01.04.25	Additions	Adjustment/ Deductions	As at 31.03.26	Net Carrying value
Land :									
Freehold	-	-	-	-	-	-	-	-	-
Leasehold	-	-	-	-	-	-	-	-	-
Buildings	290.91	-	-	290.91	135.37	13.63	-	149.00	141.91
Plant and Equipment	1,677.23	8.05	30.13	1,655.15	959.35	148.40	27.60	1,080.15	575.00
Scientific Research :									
Buildings	12.00	-	-	12.00	4.78	0.73	-	5.51	6.49
Equipment	181.64	2.57	-	184.22	63.63	19.45	-	83.08	101.14
Furniture and Fixtures	10.75	-	-	10.75	8.29	0.75	-	9.04	1.71
Office Equipment	26.12	-	0.32	25.80	18.24	3.15	0.32	21.07	4.73
Information Technology Hardware	8.51	-	-	8.51	8.51	-	-	8.51	-
Total	2,207.17	10.62	30.45	2,187.34	1,198.17	186.11	27.92	1,356.36	830.98

Particulars	Gross Carrying Value				Depreciation				(₹ in Lakhs)
	As at 01.04.24	Additions	Adjustment/ Deductions	As at 31.03.25	As at 01.04.24	Additions	Adjustment/ Deductions	As at 31.03.25	Net Carrying value
Land :									
Freehold	-	-	-	-	-	-	-	-	-
Leasehold	-	-	-	-	-	-	-	-	-
Buildings	290.91	-	-	290.91	121.75	13.62	-	135.37	155.54
Plant and Equipment	1,678.04	5.00	5.81	1,677.23	791.35	173.81	5.81	959.35	717.88
Scientific Research :									
Buildings	12.00	-	-	12.00	4.05	0.73	-	4.78	7.22
Equipment	169.26	12.38	-	181.64	44.51	19.12	-	63.63	118.01
Furniture and Fixtures	11.10	-	0.35	10.75	7.79	0.84	0.35	8.29	2.47
Office Equipment	23.52	3.00	0.40	26.12	15.77	2.87	0.40	18.24	7.88
Information Technology Hardware	8.51	-	-	8.51	8.37	0.14	-	8.51	-
Total	2,193.34	20.39	6.56	2,207.17	993.59	211.13	6.56	1,198.17	1,009.01

NOTE 2B : RIGHT OF USE ASSETS

(₹ in Lakhs)

Movement in net carrying amount	2025-26		2024-25	
	Building	Leasehold Land	Building	Leasehold Land
Net Carrying Amount				
Balance at 1 st April	-	9.41	-	9.56
Additions	-	-	-	-
Depreciation	-	0.15	-	0.15
Deletions	-	-	-	-
Balance at 31st March 2026	-	9.27	-	9.41

NOTE 3: CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Details as on 31st March 2026

Particulars	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	1.75	-	-	-	1.75

(₹ in Lakhs)

Details as on 31st March 2025

Particulars	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	-	-	-	-	-

NOTE 4 : OTHER FINANCIAL ASSETS

(₹ in Lakhs)

	Non-Current		Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Unsecured & considered good				
(a) Security Deposits	71.80	75.75	-	-
(b) Term deposits held as margin money against bank guarantee and other commitments	1.50	1.75	192.76	182.74
(c) Term deposit with more than 12 months of original maturity	-	-	127.84	121.12
TOTAL	73.30	77.50	320.60	303.86

NOTE 5 : CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

	Non-Current		Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Advance payment of income tax (Net of provision for Tax ₹ 553.87 Lakhs)	215.07	225.15	-	-
TOTAL	215.07	225.15	-	-

Notes

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

NOTE 6 : OTHER ASSETS

(₹ in Lakhs)

	Non-Current		Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
(a) Capital Advances	3.05	-	-	-
(b) Advances other than capital advances				
(i) Balances with government authorities	136.12	135.38	-	-
(ii) Advances/claims recoverable in cash or in kind	-	-	59.03	88.95
(iii) Advances to employees	-	-	9.26	7.22
(iv) Prepaid expenses	2.43	2.52	2.40	2.04
(v) Refund receivable	0.30	0.30	-	-
(vi) Advances to Suppliers	-	-	26.90	-
TOTAL	141.90	138.20	97.59	98.21

NOTE 7 : INVENTORIES (At lower of cost and net realisable value)

(₹ in Lakhs)

	Current	
	As at 31.03.2026	As at 31.03.2025
Stores and spares	227.55	168.77
TOTAL	227.55	168.77

The cost of inventories recognised as an expense during the year is disclosed in Note 20 under head consumption of stores and spare parts. The cost of inventories recognised as an expense includes ₹ 4 Lakhs towards write down of inventory.

NOTE 8 : CURRENT INVESTMENTS

(₹ in Lakhs)

	As at 31.03.2026		As at 31.03.2025	
	Nos.	Amount	Nos.	Amount
Investments in Quoted Mutual Funds measured at FVTPL				
UTI Liquid Cash Plan - Direct Plan Growth	-	-	12,827	545.31
UTI Money Market Fund - Regular Plan Growth	10,728	346.00	10,728	324.49
Others		3,537.00		2,515.64
Total Quoted Current Investment		3,883.00		3,385.43
Aggregate amount of quoted investments at Cost		3,606.94		3,149.65
Aggregate amount of quoted investments at Market value		3,883.00		3,385.43

NOTE 9 : TRADE RECEIVABLES

(₹ in Lakhs)

	Current	
	As at 31.03.2026	As at 31.03.2025
Trade receivables		
(a) Unsecured, considered good (Refer Note 27)	377.35	443.22
(b) Unsecured, considered doubtful	68.76	68.76
	446.11	511.98
Less - Allowance for unsecured doubtful debts	(68.76)	(68.76)
TOTAL	377.35	443.22

Trade Receivable Ageing schedule

(₹ in Lakhs)

Trade receivables (unsecured) as on 31 st March 2026	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed, considered good	377.35	-	-	-	-	-	377.35
(b) Undisputed, considered doubtful						68.76	68.76
(c) Disputed, considered good	-	-	-	-	-	-	-
(d) Disputed, considered doubtful	-	-	-	-	-	-	-
Total	377.35	-	-	-	-	68.76	446.11
Less : Allowance for unsecured doubtful debts							68.76
Total Trade Receivables - Current							377.35

(₹ in Lakhs)

Trade receivables (unsecured) as on 31 st March 2025	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed, considered good	380.14	63.08		-	-	-	443.22
(b) Undisputed, considered doubtful	-	-	-	-	-	68.76	68.76
(c) Disputed, considered good	-	-	-	-	-	-	-
(d) Disputed, considered doubtful	-	-	-	-	-	-	-
Total	380.14	63.08	-	-	-	68.76	511.98
Less : Allowance for unsecured doubtful debts							68.76
Total Trade Receivables - Current							443.22

Notes

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

NOTE 10 : CASH AND BANK BALANCES

(₹ in Lakhs)

	Current	
	As at 31.03.2026	As at 31.03.2025
Cash and Cash equivalent		
(a) Balances with banks :		
(i) Current Accounts	104.57	59.18
(b) Cash on hand	0.10	0.10
TOTAL	104.67	59.28

NOTE 11 : EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31.03.2026	As at 31.03.2025
Authorised		
33,000,000 (Previous year 33,000,000) Equity Shares of ₹10/- each	3,300.00	3,300.00
	3,300.00	3,300.00
Issued, Subscribed and Paid up capital		
30,450,000 (Previous year 30,450,000) Equity Shares of ₹10/- each fully paid	3,045.00	3,045.00
	3,045.00	3,045.00

a) Reconciliation of the number of share outstanding at the beginning and at the end of the year

Fully paid Equity Shares	As at 31.03.2026		As at 31.03.2025	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
At the beginning of the year	3,04,50,000	3,045.00	3,04,50,000	3,045.00
Add : Issued during the year	-	-	-	-
At the end of the year	3,04,50,000	3,045.00	3,04,50,000	3,045.00

b) Details of Shareholders Holding more than 5% equity shares in the company

Name of Share holder	As at 31.03.2026		As at 31.03.2025	
	No. of Equity Shares	Percentage Holding	No. of Equity Shares	Percentage Holding
Asian Paints Limited (Holding Company) and its nominees	3,04,50,000	100%	3,04,50,000	100%

As per the records of the company, including its register of members

c) Terms/rights attached to shares

The Company has only one class of shares i.e. equity having par value of ₹10/- Per share. The shareholders have voting rights in the proportion of their shareholding. The shareholders are entitled to dividend, if declared and paid by the Company. In the event of liquidation, these shareholders are entitled to receive remaining assets of the Company after distribution of all preferential amount if any, in the proportion of their shareholding.

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

Promoter Name	As at 31 st March 2026		As at 31 st March 2025		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Asian Paints Limited (Holding Company) and its nominees	3,04,50,000	100%	3,04,50,000	100%	-

NOTE 12 : OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus		Total
	Retained Earnings	Remeasurement on defined benefit plans	
Balance as at 1st April, 2024	2028.70	(55.21)	1973.49
Additions during the year			
Profit for the year	240.13	-	240.13
Items of Other Comprehensive Income for the year, net of tax			
Remeasurement gain on defined benefit plans	-	9.02	9.02
Total Comprehensive Income for the year	240.13	9.02	249.15
Balance as on 31st March, 2025	2,268.83	(46.19)	2,222.64
Additions during the year			
Profit for the year	261.96	-	261.96
Items of Other Comprehensive Income for the year, net of tax			
Remeasurement gain on defined benefit plans	-	(0.25)	(0.25)
Total Comprehensive Income for the year	261.96	(0.25)	261.71
Balance as on 31st March, 2026	2,530.79	(46.44)	2484.35

NOTE 13 : PROVISIONS

(₹ in Lakhs)

	Non-Current		Current	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
(a) Provision for Employee Benefits (Refer Note 25)				
Provision for Compensated Absences	88.47	74.00	16.52	11.29
Provision for Gratuity	-	57.03	111.27	13.45
	88.47	131.03	127.79	24.74
TOTAL	88.47	131.03	127.79	24.74

Notes

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

NOTE 14 : OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	Current	
	As at 31.03.2026	As at 31.03.2025
Payable towards capital expenditure	10.27	8.44
Payable towards services received	85.61	82.64
Payable towards stores spares & consumables	-	4.82
Payable to employees	154.64	147.71
Payable towards other expenses	74.73	43.68
Payable towards MSME	52.44	42.24
TOTAL	377.69	329.53

NOTE 15 : OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	Current	
	As at 31.03.2026	As at 31.03.2025
Statutory Payables		
Payable towards Provident Fund and Profession tax	36.07	34.35
Payable towards Tax Deducted at Source	15.74	16.53
Balances with government authorities	13.03	2.94
TOTAL	64.84	53.82

NOTE 16 : INCOME TAXES

(₹ in Lakhs)

	Year 2025-26	Year 2024-25
A. The major components of income tax expense for the year are as under :		
(i) Income tax recognised in the Statement of Profit and Loss		
Current tax		
In respect of current year	102.93	2.32
Adjustments in respect of previous year	-	-
Deferred tax:		
In respect of current year	(16.33)	94.60
Income tax expense recognised in the Statement of Profit and Loss	86.60	96.92
(ii) Income tax expense recognised in OCI		
Deferred tax :		
Deferred tax benefit on remeasurement benefit of defined benefit plans	(0.08)	3.03
Income tax benefit recognised in OCI	(0.08)	3.03
B. Reconciliation of tax expense and the accounting profit for the year is as under :		
Profit before tax	348.56	337.04
Income tax expense calculated at corporate tax rate	87.73	84.83
Tax effect on non-deductible expenses	(0.41)	1.54
Effect of Income that is exempted from tax	-	-
Others	(0.72)	97.49
Unused tax loss and unabsorbed depreciation	-	(86.93)
Total	86.60	96.91
Adjustments in respect of current income tax of previous year	-	-
Tax expense as per Statement of Profit and Loss	86.60	96.91

The tax rate used for reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under Indian tax law.

C. The major components of deferred tax (liabilities)/assets arising on account of temporary differences as at 31st March, 2026 are as follows:

Particulars	(₹ in Lakhs)	
	Balance Sheet 31-Mar-26	Balance Sheet 31-Mar-25
Difference between Written Down Value of fixed assets as per the books of accounts and Income Tax Act,1961.	(82.48)	(110.22)
Expenses claimed for tax purposes on payment basis	56.95	61.30
Others (Fair valuation gain, etc)	(69.44)	(59.34)
Remeasurement of the defined benefit plans through OCI	0.08	(3.03)
Deferred tax Liability	(94.89)	(111.29)

Notes

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

NOTE 17 : REVENUE FROM OPERATIONS

	(₹ in Lakhs)	
	Year 2025-26	Year 2024-25
Revenue from Contract with Customers disaggregated based on nature of service		
(A) Revenue from sale of services		
Processing income (Refer Note 27)	2,469.39	2,329.56
Total	2,469.39	2,329.56
(B) Other operating revenues		
Scrap sales	10.97	14.49
Total	10.97	14.49
TOTAL (A+B)	2,480.36	2,344.05

NOTE 18 : OTHER INCOME

	(₹ in Lakhs)	
	Year 2025-26	Year 2024-25
(a) Interest Income		
Financial assets carried at amortised cost	17.32	16.59
(b) Other non-operating Income		
Sundry balances written back	1.63	-
Net gain arising on financial assets measured at FVTPL#	216.73	222.43
Others	10.49	1.61
(c) Other gains and losses		
Gain on sale of Property, Plant and equipment (Net)	0.19	1.80
TOTAL	246.36	242.43

Includes gain on sale of financial assets measured at FVTPL for ₹176.61 Lakhs (Previous year ₹60.22 lakhs)

NOTE 19 : EMPLOYEE BENEFITS EXPENSE

	(₹ in Lakhs)	
	Year 2025-26	Year 2024-25
Salaries and wages	927.57	853.46
Contribution to provident and other funds (Refer Note 25)	69.96	77.30
Staff welfare expenses	55.31	46.03
TOTAL	1,052.84	976.79

NOTE 20 : OTHER EXPENSES

	(₹ in Lakhs)	
	Year 2025-26	Year 2024-25
Consumption of stores and spare parts	248.78	223.02
Power and fuel	396.48	398.08
Repairs and maintenance:		
Buildings	12.93	4.99
Machinery	18.38	15.51
Others	14.65	12.85
	45.96	33.36
Rent	-	0.55
Rates and taxes	2.97	2.91
Water charges	8.08	8.74
Insurance	6.69	3.15
Printing, stationery and communication expenses	4.04	5.65
Travelling expenses	9.22	9.08
Payment to auditors	6.91	6.25
Bank charges	0.92	1.72
Legal and professional expenses	18.29	35.94
Training and recruitment	4.09	6.59
Factory laboratory expenses	13.62	17.21
Machinery cleaning expenses	245.38	230.49
Safety and security expenses	50.83	49.78
Sundry balances written off	-	13.34
Miscellaneous expenses	42.75	28.15
Foreign Exchange Loss (Net)	13.14	5.85
TOTAL	1,118.15	1,079.85

NOTE 21 : DEPRECIATION AND AMORTISATION EXPENSE

	(₹ in Lakhs)	
	Year 2025-26	Year 2024-25
Depreciation of property, plant and equipment (Refer Note 2A)	165.92	191.28
Amortisation of Intangible assets	-	1.36
Amortisation on RoU Assets (Refer Note 2B)	0.15	0.15
TOTAL	166.07	192.79

NOTE 22 : EXCEPTIONAL ITEMS

	(₹ in Lakhs)	
	Year 2025-26	Year 2024-25
Impact on Gratuity & Leave Encashment on account of New Labour codes*	41.10	-
TOTAL	41.10	-

* On November 21, 2025, the Government of India notified four new Labour Codes consolidating 29 existing labour laws. Based on the published FAQ's & in accordance with Ind AS 19 - Employee Benefits, the Company assessed the incremental financial impact and recognised one time expense of ₹41.10 Lakhs towards increase in gratuity by ₹38.12 lakhs and increase in liability towards compensated absences by ₹2.98 Lakhs for year ended 31st March 2026. On notification of the rules under Labour Codes the Company shall recognize additional impact, if any.

Notes

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

NOTE 23 (A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Lakhs)

	Non-Current	Current	Non-Current	Current
	As at 31.03.2026	As at 31.03.2026	As at 31.03.2025	As at 31.03.2025
Financial assets measured at fair value through profit and loss				
Quoted investments in Mutual Funds (Refer Note 8)	-	3,883.00	-	3,385.43
	-	3,883.00	-	3,385.43
Financial assets measured at amortised cost				
Trade receivables (Refer Note 9)	-	377.35	-	443.22
Cash and Cash Equivalents (Refer Note 10)	-	104.67	-	59.28
Term deposits held as margin money against bank guarantee and other commitments (Refer Note 4b)	1.50	192.76	1.75	182.74
Deposits with Banks with maturity more than 12 months (Refer Note 4c)	-	127.84	-	121.12
Sundry Deposits (Refer Note 4a)	71.80	-	75.75	-
	73.30	802.62	77.50	806.36
Financial liabilities recognised at amortised cost				
Payable towards capital expenditure (Refer Note 14)	-	10.27	-	8.44
Payable towards services received (Refer Note 14)	-	85.61	-	82.64
Payable towards stores spares and consumables (Refer Note 14)	-	-	-	4.82
Payable to employees (Refer Note 14)	-	154.64	-	147.71
Advance from customer (Refer Note 14)	-	1.35	-	-
Payable towards other expenses (Refer Note 14)	-	73.38	-	43.68
Payable- MSME (Refer Note 14)	-	52.44	-	42.24
	-	377.69	-	329.53

NOTE 23 (B) : FAIR VALUE MEASUREMENTS

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

As at 31st March, 2026

(₹ in Lakhs)

	Fair value	Fair value hierarchy		
Financial assets/ financial liabilities	As at 31.03.2026	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit and loss				
Quoted investments in mutual funds (Refer Note 8)	3,883.00	3,883.00	-	-

As at 31st March, 2025

(₹ in Lakhs)

	Fair value	Fair value hierarchy		
Financial assets/ financial liabilities	As at 31.03.2025	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit and loss				
Quoted investments in mutual funds (Refer Note 8)	3,385.43	3,385.43	-	-

- (ii) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

NOTE 23 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

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

The following disclosures summarize the Company's exposure to financial risks. Quantitative sensitivity analyses have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

1) Market Risk

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

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has no borrowings, there is no exposure to risk of changes in market interest rates.

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

	(₹ in Lakhs)			
	As at 31.03.2026	Floating rate	Fixed rate	Non- interest bearing
Financial assets	4,758.92	-	388.49	4,370.43
Financial liabilities	377.69	-	-	377.69

	As at 31.03.2025	Floating rate	Fixed rate	Non- interest bearing
Financial assets	4,269.29	-	381.36	3,887.93
Financial liabilities	329.53	-	-	329.53

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Since the Company has insignificant foreign currency transactions, exposure to the risk of changes in foreign currency rate is minimal.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

	(₹ in Lakhs)			
Currency	Liabilities		Assets	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
USD	31.80	14.66	-	-
EUR	10.40	4.59	-	-
GBP	12.60	(1.25)	-	-
CHF	26.30	25.17	-	-

The above table represents total exposure of the Company towards foreign exchange denominated assets and liabilities. None of the exposures have been hedged during the current year or previous year.

Notes

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

NOTE 23 (D) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

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

Change in foreign currency rate	Effect on profit after tax		Effect on total equity	
	As at	As at	As at	As at
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
5% (USD)	(1.19)	0.52	(1.19)	0.52
-5% (USD)	1.19	(0.52)	1.19	(0.52)
5% (EUR)	(0.39)	(0.16)	(0.39)	(0.16)
-5% (EUR)	0.39	0.16	0.39	0.16
5% (GBP)	(0.47)	0.04	(0.47)	0.04
-5% (GBP)	0.47	(0.04)	0.47	(0.04)
5% (CHF)	(0.99)	(0.90)	(0.99)	(0.90)
-5% (CHF)	0.99	0.90	0.99	0.90

(₹ in Lakhs)

2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, other balances with banks, loans and other receivables.

The Company's counterparties are limited to one of its fellow subsidiaries and associate of the holding company. Therefore the credit risk arising from Trade Receivables is limited.

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

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is given below.

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

Movement in expected credit loss allowance on trade receivables	Year	
	2025-26	2024-25
Balance at the beginning of the year	68.76	68.76
Loss allowance measured at lifetime expected credit losses	-	-
Balance at the end of the year	68.76	68.76

(₹ in Lakhs)

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

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

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

	(₹ in Lakhs)				
	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying Value
As at 31st March, 2026					
Lease Liabilities	-	-	-	-	-
Other financial liabilities (Refer Note 14)	377.69	-	-	377.69	377.69
As at 31st March, 2025					
Lease Liabilities	-	-	-	-	-
Other financial liabilities (Refer Note 14)	329.53	-	-	329.53	329.53

The Company does not have any derivative financial liabilities.

NOTE 23 (E) : CAPITAL MANAGEMENT

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

As at 31st March, 2026, the Company has only one class of equity shares and has no debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

Notes

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

NOTE 24 : KEY FINANCIAL RATIOS

Sr. No.	Ratios	Numerator	Denominator	FY 2025-26	FY 2024-25	% Variance
1	Current ratio	Current Assets	Current Liabilities	8.79	10.93	-19.59%
2	Debt-equity ratio	Total Debt (Borrowings)	Total Equity	NA	NA	
3	Debt service coverage ratio	Earning available for debt service	Finance Costs (excluding cost pertaining to lease liabilities) + Repayment of borrowings	NA	NA	
4	Return on Equity	Profits after tax	Average Total Equity	4.85%	4.67%	3.93%
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	
6	Trade receivables turnover ratio	Revenue from operations	Average Trade receivables	6.05	5.91	2.23%
7	Trade payables turnover ratio	Net Purchases of raw material, packing material and stock-in-trade	Average Trade payables	NA	NA	
8	Net capital turnover ratio	Revenue from operations	Working Capital (Current Assets - Current Liabilities)	0.56	0.58	-3.47%
9	Net profit ratio	Profit after tax	Revenue from operations	10.56%	10.24%	3.10%
10	Return on capital employed	Profit before interest and tax	Average Capital Employed [Total Equity + Total Debt (Borrowings)]	6.46%	6.55%	-1.48%
11	Return on investment (a) Fixed Deposit (b) Mutual Funds	Income during the year	Time weighted average of investment	6.40% 5.50%	6.21% 8.62%	

NOTE 25 : EMPLOYEE BENEFITS

1) Post-employment benefits :

The Company has the following post-employment benefit plans:

a) Defined benefit gratuity plan (Funded)

The Company has defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund which is managed by Life Insurance Corporation of India (LIC). It is governed by the Payment of Gratuity Act, 1972 ("Act"). Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Board of Trustees of the fund is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India.

The plan mentioned above typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk	These plans invest in long term debt instruments such as government securities and highly rated corporate bonds. The valuation of which is inversely proportionate to the interest rate movements. There is risk of volatility in assets due to market fluctuations and impairment of assets due to credit losses.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity Risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of defined obligation were carried out as at 31st March 2026 by M/s Thanawala Consultancy Services. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit or Loss and the funded status and amounts recognised in the Balance Sheet for gratuity plans:

		(₹ in Lakhs)	
Particulars		Gratuity (Funded Plan)	
		As at 31.03.2026	As at 31.03.2025
A	Opening defined benefit obligation	255.17	233.92
	Current service cost	27.44	22.21
	Interest cost	18.63	16.81
	Past Service Cost	38.12	-
	Sub-total included in Statement of Profit and Loss	84.19	39.02
	Actuarial (gain)/loss from :		
	Financial assumptions	(9.29)	(6.40)
	Demographic assumptions	-	0.16
	Experience adjustment	18.07	(1.81)
	Sub-total included in Other Comprehensive Income	8.78	(8.05)
	Benefits paid	(2.72)	(10.54)
	Intercompany transfer	0.40	0.81
	Closing defined benefit obligation	345.81	255.17
B	Opening fair value of plan assets	184.68	89.85
	Expected return on plan assets	14.13	6.37
	Sub-total included in Statement of Profit and Loss	14.13	6.37
	Actuarial gain/(loss)	8.45	4.00
	Sub-total included in Other Comprehensive Income	8.45	4.00
	Contributions by employer	30.00	95.00
	Benefits paid	(2.72)	(10.54)
	Closing fair value of plan assets	234.53	184.68
C	Amounts recognised in the Balance Sheet		
	Closing defined benefit obligation	345.81	255.17
	Closing fair value of plan assets	234.53	184.68
	Net Liability Recognised in the Balance Sheet	111.28	70.49
D	Expense recognised in:		
	Statement of Profit and Loss	70.06	32.65
	Statement of Other Comprehensive Income	0.33	(12.05)
E	Weighted average duration of defined benefit obligation	9.37	11.08
F	Maturity profile of defined benefit obligation		
	Within the next 12 months	43.58	13.90
	Between 1 and 5 years	135.26	96.54
	Between 5 and 10 years	72.41	96.77
	10 years onwards	550.11	335.42

Notes

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

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

Particulars	Gratuity (Funded Plan)	
	As at 31.03.2026	As at 31.03.2025
Government of India securities (Central and State)	-	-
High quality corporate bonds (including Public Sector Bonds)	-	-
Equity shares, Equity mutual funds and ETF	-	-
Cash (including liquid mutual funds)	-	-
Others	234.53	184.68

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	Gratuity (Funded Plan)	
	As at 31.03.2026	As at 31.03.2025
Discount Rate	7.00%	6.72%
Salary Escalation Rate	Operator: 8.00%, Others: 8.00%	Next one year : 8% Thereafter : 7%

Demographic Assumptions

Particulars	As at	
	31.03.2026	31.03.2025
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover	For Workmen / Operator : 3% For Others : 12%	For Workmen / Operator : 3% For Others : 12%
Retirement Age	58 years	58 years

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase.

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Gratuity (Funded Plan)	
	As at 31.03.2026	As at 31.03.2025
Defined Benefit Obligation - Discount Rate + 100 basis points	(29.91)	(21.04)
Defined Benefit Obligation - Discount Rate - 100 basis points	35.26	24.62
Defined Benefit Obligation – Salary Escalation Rate + 100 basis points	33.86	16.99
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(29.77)	(16.50)

(₹ in Lakhs)

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

The average duration of the defined benefit plan obligation at the end of the reporting period is 9.37 years (Previous Year: 11.08 years).

The Company expects to make a contribution of ₹ 111.27 Lakhs (Previous Year: ₹ 93.07 lakhs) to the defined benefit plans during the next financial years.

b) Defined Contribution plan:

Provident Fund

Provident Fund contributions are made to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss of ₹55.14 Lacs (Previous year ₹32.30 Lacs) as and when employee renders service to the Company. In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan.

c) Other Long term employee benefits:

Annual Leave and Sick Leave assumptions

The liability towards compensated absences (annual leave and sick leave) for the year ended 31st March, 2026 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in an increase by ₹19.71 Lakhs. (Previous Year there was a increase in liability by ₹9.17 lakhs)

Financial Assumptions

Particulars	As at 31.03.2026	As at 31.03.2025
Discount Rate	7.00%	6.72%
Basic salary increases allowing for Price inflation	8.00%	For First Year: 8% Thereafter: 7%

Demographic Assumptions

Particulars	As at 31.03.2026	As at 31.03.2025
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover	Workmen: 3%, Others: 12%	Workmen: 3%, Others: 12%
Leave Availment Ratio	4%	4%

NOTE 26 : CONTINGENT LIABILITIES AND COMMITMENTS:

(i) Contingent Liabilities

	As at 31.03.2026	(₹ in Lakhs) As at 31.03.2025
Claims against the company not acknowledged as debts		
i. Tax matters in dispute under appeal		
- Income Tax	95.21	95.21
- Value Added Tax	6.38	6.38
- Sales Tax, Entry Tax, Octroi & Trade Tax	150.54	133.62
Total	252.13	235.21

(ii) Commitments

	As at 31.03.2026	(₹ in Lakhs) As at 31.03.2025
A. Bank Guarantees issued by bankers towards dispute with tax authorities	75.13	75.13
B. Estimated amount of contracts remaining to be executed on capital account and not provided towards Property, plant and equipment.	43.25	9.04
Total	118.38	84.17

Notes

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

NOTE 27 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS – 24 ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED MARCH 31, 2026

a) Holding Company (Control exists):

Asian Paints Limited

b) Associate of Holding Company:

PPG Asian Paints Private Limited

c) Fellow Subsidiaries:

Asian Paints PPG Private Limited

d) Board of Directors

Anurag Sahai

Hiral Raja

Sagar Khade

Venkateswaran Gopalan

Satyendra Kumar Patidar

Rajes Bardia

e) Key Managerial Personnel

Pramod Kumar Chand - Manager

Jay Shah - Company Secretary

Vikram Jain - Chief Financial Officer

f) Other entities where significant influence exists Post-employment benefit plan entity:

Asian Paints Industrial Coatings Limited Employees' Gratuity Fund

g) Transactions with Related Parties during the year :

(₹ in Lakhs)

Name of the related party and nature of relationship	Nature of transaction	2025-26		2024-25	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Asian Paints Limited (Holding)	Other Services - paid	15.16	4.26	3.54	3.24
	Reimbursement of Expenses - paid*	90.46	68.33	106.47	72.59
	Reimbursement of Expenses - received	273.23	21.97	227.41	79.21
Asian Paints PPG Private Limited (Fellow Subsidiary)	Processing Income	2,773.69	269.41	2,543.54	289.30
	Reimbursement of Expenses - paid	0.43	-	1.33	-
	Reimbursement of Expenses - received	79.59	76.73	90.60	71.62
PPG Asian Paints Private Limited (Associate of Holding)	Processing Income	86.15	9.70	66.02	6.06
Pramod Kumar Chand	Remuneration	82.52	-	86.00	-
Asian Paints Industrial Coatings Limited Gratuity Fund	Contributions during the year (includes Employees' share and contribution)	30.00	-	93.35	-

*Includes payment of remuneration to certain Non-Executive Directors of the Company, in form of Stock Options of "Asian Paints Limited" Holding Company as per the Asian Paints Employee Stock Option plan 2021

h) Terms and conditions of transactions with related parties

The sales of services to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payables.

NOTE 28 : EARNINGS PER SHARE (EPS)

Particulars	2025-26	2024-25
Basic and Diluted Earnings per share in rupees (Face Value ₹ 10 per share)	0.86	0.79
Profit after tax as per Statement of Profit and Loss (₹ in Lakhs)	261.96	240.13
Weighted average number of equity shares outstanding during the year	3,04,50,000	3,04,50,000

Earning per share is calculated by dividing the Profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

NOTE 29 : SEGMENT REPORTING

The Company's business constitutes of processing of powder coatings which is a single business segment in the context of IND AS 108 – Operating Segments. Accordingly, no segmental information is disclosed. For information regarding major customers being related parties, Refer Note 29.

Notes

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

NOTE 30 : PAYMENTS TO AUDITORS (Excluding Taxes):

(₹ in Lakhs)		
Particulars	2025-26	2024-25
Statutory audit fee	4.63	4.25
Tax audit fee	2.18	2.00
For other services	-	-
For reimbursement of expenses	0.10	-
Total	6.91	6.25

NOTE 31 : THE COMPANY HAS INCURRED FOLLOWING EXPENDITURE ON RESEARCH AND DEVELOPMENTS:

(₹ in Lakhs)		
Particulars	2025-26	2024-25
a. Revenue Expenditure		
Employee cost	171.11	149.99
Materials Consumed	-	-
Repairs and Maintenance	6.93	3.04
Testing and Laboratory expenditure	4.83	5.76
Travelling Expenditure	9.42	6.75
Depreciation and amortisation	20.18	19.85
Others	9.33	5.02
	221.80	190.41
b. Capital Expenditure	2.57	12.38
Total (a+b)	224.37	202.79

NOTE 32 : DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2025-26, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT.

(₹ in Lakhs)		
Particulars	2025-26	2024-25
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year		
Principal amount due to micro and small enterprise*	52.44	42.24
Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) Interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

*Represents Amount Payable towards Other Financial Liabilities

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 33 Additional regulatory information required by Schedule III to the Companies Act, 2013

(i) Details of benami property held

The Company does not have any benami property. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Cash Credit/ Working Capital Demand Loan facility secured against current assets

The Company has no Cash Credit / Working Capital Demand Loan facility from banks.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iv) Struck off

The Company has no transactions with Companies struck off under Companies Act, 2013 or Companies Act, 1956

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact in current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

- I. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

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

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the year.

Notes

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

(x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year.

The Company does not have investment property.

(xi) Charge to be registered with ROC

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

NOTE 34 : The financial statements are approved for issue by the Board of Directors at its meeting held on 30th April, 2026

As per our report of even date attached

For and on behalf of the Board of Directors of
Asian Paints Industrial Coatings Limited
CIN: U24220MH2001PLC133523

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

Anurag Sahai
Director
DIN: 09346336

Hiral Raja
Director
DIN: 08735226

Terence Lewis
Partner
Membership No: 107502

Jay Shah
Company Secretary

Vikram Jain
Chief Financial Officer

Mumbai
30th April, 2026

Mumbai
30th April, 2026



Weatherseal Fenestration Private Limited

Board of Directors

Mr. Parag Rane	(Nominee Director)
Mr. Harish Munireddy	(Non- Executive Director)
Mr. Gagandeep Kalsi	(Nominee Director)

Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants (till 29th April 2026)
S R B C & CO LLP, Chartered Accountants (w.e.f. 30th April 2026)

Registered Office

Unit 706 and 707, 7th Floor,
Sakti Statesman, Sy. No. 34,
Iblur, Begur Hobli, Bellandur
Bangalore - 560103
Karnataka, India.

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Board's Report

for the financial year ended 31st March 2026

Dear Members,

The Board of Directors are pleased to present the 4th Annual Report of Weatherseal Fenestration Private Limited ("the Company") together with the audited financial statements for the financial year ended 31st March 2026.

Financial Results

The financial performance of the Company for the financial year ended 31st March 2026 is summarized below:

(₹ in Lakhs)		
Particulars	FY 2025-26	FY 2024-25
Revenue from Operations	7,474.22	5,261.61
Other Operating Revenues	25.79	15.94
Other Income	53.98	24.45
Total Revenue	7,553.99	5,302.00
Expenses	8,730.23	6,596.17
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	(1,176.24)	(1,294.17)
Less: Finance Cost	440.38	399.17
Less: Depreciation and Amortisation Expenses	707.04	624.16
Loss Before Tax	(2,323.66)	(2,317.50)
Less: Tax Expense	-	-
Loss After Tax	(2,323.66)	(2,317.50)
Other Comprehensive Income	8.95	5.86
Total comprehensive Income/ Loss	(2,314.71)	(2,311.64)

Overview of the Company's Performance and State of Affairs

During the financial year 2025-26, net revenue from operations is ₹ 7,474.22 lakhs. The Company incurred a loss after tax of ₹ (2,323.66) lakhs during the financial year under review.

The Company's brand 'Weatherseal' is one of the leading brands in uPVC & Aluminium Windows and Doors space and have established reputable presence in the retail and project customer segment in India. Weatherseal is a consortium to the efficient and superior quality of uPVC & Aluminium Windows & Doors for every purpose.

Confirmations:

- There were no material changes and commitments that affect the financial position of the Company which have occurred between the end of the financial year 2025-26 and the date of this report;
- There was no change in the nature of business of the Company; and
- There were no revision to the financial statements and Board's Report of the Company during the year under review.

Industrial Relations

The Company has always considered its workforce as its valuable asset and continues to invest in their excellence

and development programs. The industrial relations of the Company remained peaceful and cordial.

Share Capital

The Company has only one class of equity shares. The authorised share capital of the Company is ₹ 10,00,000/- divided into 1,00,000 equity shares of ₹ 10 each as on 31st March 2026.

The paid-up equity share capital as on 31st March 2026 is ₹ 2,04,090.

During the financial year 2025-26, there was no change in the authorised, issued, subscribed and paid-up share capital of the Company.

Confirmations:

- During the year under review, the Company has not:
 - issued any shares, warrants, debentures, bonds, or any other convertible or non-convertible securities;
 - issued equity shares with differential rights as to dividend, voting or otherwise;
 - issued any sweat equity shares to its Directors or employees;
 - issued any equity shares under the employees stock option scheme, further, the Company doesn't have any employees stock option scheme;

- v. made any change in voting rights;
 - vi. reduced its share capital or bought back shares;
 - vii. changed the capital structure resulting from restructuring; and
 - viii. failed to implement any corporate action.
- b. The Company's securities are not listed on any stock exchanges, hence there doesn't arise a scenario of its shares being suspended for trading during the year.
- c. The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company.

Dividend

During the year under review, the Board of Directors have not recommended dividend on the equity shares of the Company.

Unclaimed Dividend and Investor Education & Protection Fund ("IEPF")

The Company does not have any unclaimed dividend outstanding for payment to members of the Company. Further, the Company has not transferred any amount to the IEPF.

Transfer to Reserves

During the year under review, there was no amount transferred to any of the reserves of the Company.

Subsidiary Status

The Company is a Subsidiary of Asian Paints Limited. The Company does not have any subsidiary, associate or joint venture as on the date of this report.

Deposits

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 ("the Act"), read together with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Act read

with the Companies (Meetings of Board and its Powers) Rules, 2014 as on 31st March 2026, are given in Note No. 12 to the Financial Statements.

Directors and Key Managerial Personnel

Board of Directors

As on 31st March 2026, the Board of Directors of the Company comprised of 3 Non-Executive Directors.

Change in Directorate

i. Appointment of Director

During the year under review, Mr. Harish Munireddy (DIN: 06876848) completed his tenure of three years as the Whole-time Director & Chief Executive Officer of the Company on 12th June 2025. Accordingly, the Board at its meeting held on 11th June 2025 appointed Mr. Harish Munireddy (DIN: 06876848) as an Additional and Non-Executive Director of the Company with effect from 13th June 2025 and recommended his appointment as a Non-Executive Director, liable to retire by rotation, to the members of the Company. Subsequently, his appointment as a Non-Executive Director was approved by the members of the Company through Ordinary Resolution at 3rd Annual General Meeting ("AGM").

During the year under review, the members of the Company at 3rd AGM approved the appointment of Mr. Gagandeep Kalsi (DIN: 10473109) as a Non-Executive Director (Nominee Director) of the Company, liable to retire by rotation.

ii. Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Articles of Association of the Company, Mr. Gagandeep Kalsi (DIN: 10473109), Non-Executive Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment.

The Board of Directors recommends the re-appointment of Mr. Gagandeep Kalsi (DIN: 10473109) as a Non-Executive Director of the Company, liable to retire by rotation. Appropriate resolution for his re-appointment is being placed for the approval of the members of the Company at the ensuing AGM. The brief profile and the required information as stipulated under Secretarial Standard on General Meetings

issued by Institute of Company Secretaries of India ("ICSI") has been disclosed in the Annexure to the Notice of the AGM.

The Board of Directors of the Company has been validly constituted as per Section 149 of the Act and corresponding Rules thereunder.

Declaration from Directors

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Sections 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014. Further, as there is no Independent Director in the Company, a statement on declaration required to be given by Independent Director under Section 149(6) of the Act is not applicable.

Key Managerial Personnel

During the year under review, Mr. Harish Munireddy ceased to be the Whole-time Director and Chief Executive Officer of the Company with effect from 12th June 2025. Ms. Prathiba Munireddy ceased to be the Chief Operating Officer of the Company with effect from 11th June 2025. Consequently, they are no longer the Key Managerial Personnel of the Company in terms of Section 2(51) read with Section 203 of the Act.

The Company does not have any Key Managerial Personnel under the provisions of Section 203 of the Act as on 31st March 2026.

Disclosure relating to remuneration of Directors, Key Managerial Personnel and particulars of employees

During the year under review, no remuneration was paid to the Non-Executive Directors of the Company for the financial year 2025-26.

The Company paid remuneration of ₹ 4.83 lakhs to Mr. Harish Munireddy for services rendered in his capacity as Whole-time Director and Chief Executive Officer of the Company up to 12th June 2026. The Company also paid remuneration of ₹3.22 lakhs to Ms. Prathiba Munireddy for services rendered in her capacity as Chief Operating Officer of the Company up to 11th June 2025.

The Company has not employed any individual other than as disclosed whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Performance Evaluation of the Board

Provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014 in relation to the performance evaluation of the Board is not applicable to the Company.

Directors' Responsibility Statement

Pursuant to Section 134 of the Act, the Directors confirm that:

- in the preparation of the annual accounts for the financial year ended 31st March 2026, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2026 and of the loss of the Company for the financial year ended 31st March 2026;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a 'going concern' basis;
- proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and operating effectively.

Meetings of the Board

During the year under review, 7 (seven) meetings of the Board of Directors were held on 28th April 2025, 3rd May 2025, 11th June 2025, 17th July 2025, 27th October 2025, 20th January 2026 and 24th March 2026

The maximum interval between 2 meetings did not exceed 120 days, as prescribed under the Act.

The details of the meetings held during the financial year 2025-26 and attendance of Directors, is detailed below:

Sr. No.	Name of the Director(s)	Number of meeting(s) entitled to attend	Number of meeting(s) attended
1.	Parag Rane	7	7
2.	Harish Munireddy*	7	7
3.	Gagandeep Kalsi	7	6

*Mr. Harish Munireddy (DIN: 06876848) resigned as a Whole-time Director and Chief Executive Officer of the Company with effect from the close of business hours on 12th June 2025. He was appointed as a Non-Executive Director of the Company with effect from 13th June 2025.

The Company has complied with the applicable Secretarial Standards issued by ICSI in respect of all the above Board meetings.

Related Party Transactions

During the financial year 2025-26, the Company has entered into transactions with related parties as defined under Section 2(76) of the Act read with the Companies (Specification of Definitions Details) Rules, 2014 all of which were in the ordinary course of business and at arm's length basis and in accordance with the provisions of the Act read with the Rules issued thereunder.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. The details of the related party transactions are set out in Note No. 31 to the financial statements of the Company.

The Form AOC-2 pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in Annexure (1) of this report.

Vigil Mechanism

The Company is not required to have Vigil Mechanism as per section 177(10) of the Act. The Company promotes ethical behaviour in all its business activities and is in line with the best governance practices.

The Board of Directors of the Company in good governance on voluntarily basis have adopted the Whistle Blower Policy of Asian Paints Limited, Holding Company. The Policy provides for protection to the employees and business associates who report unethical practices and irregularities.

Auditors and Auditors' Report

Deloitte Haskins & Sells LLP ("DHS"), Chartered Accountants (Firm Registration No. 117366W/W-100018) were appointed as Statutory Auditors of the Company at the 1st AGM held on 26th June 2023, to hold the office till the conclusion of the 6th AGM on such remuneration as shall be fixed by the Board of Directors of the Company.

DHS has issued an unmodified opinion on the financial statements for the financial year 2025-26 and the Auditor's Report forms part of this Annual Report. The Auditor's Report does not contain any qualification, reservation, or adverse remark.

Further, DHS vide their resignation letter dated 29th April 2026 has resigned as the Statutory Auditors of the Company with effect from 29th April 2026, pursuant to the Company's decision to align statutory audits at the group level.

Consequent to the resignation of DHS as the Statutory Auditors of the Company, the Board of Directors of the Company, at its meeting held on 29th April 2026, approved and recommended to the members at ensuing AGM the appointment of S R B C & Co. LLP ("SRBC"), Chartered Accountants (Firm Registration No. 324982E/E300003), as under:

- Appointment of SRBC to fill the casual vacancy caused by the resignation of DHS, for the period from the closure of business hours on 29th April 2026 until the conclusion of the 4th AGM; and
- Appointment of SRBC as the Statutory Auditors of the Company for a term of five consecutive years commencing from the conclusion of the 4th AGM until the conclusion of the 9th AGM.

The Company has received written consent and certificate of eligibility from SRBC confirming their eligibility for appointment in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder. They have also confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India ("ICAI") as required under the Listing Regulations.

Reporting of frauds by Auditors

There were no incidence of reporting of fraud by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Conservation Of Energy

a. Steps taken on conservation or impact on conservation of energy

Energy conservation dictates how efficiently a Company can conduct its operations. The Company recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate

change. The Company has undertaken various energy efficient practices that have reduced the growth in carbon-dioxide (CO₂) emissions and strengthened the Company's commitment towards becoming an environment friendly organisation.

b. Steps taken by the Company for utilizing alternate Source of energy

Significant measures are taken to reduce energy consumption by using energy efficient equipments.

c. Capital investment on energy conservation equipment

During year under review, the Company had not made any investment on the energy conservation equipments as the same were not warranted.

Technology Absorption

a. Efforts made towards technology absorption

The Company is carrying out various activities to fulfil short term and long-term business goals of the Company which include energy savings and development of durable products.

b. Benefits derived as a result of the above efforts

Significant cost reduction achieved as a result of use of cost effective local raw materials have helped maintain cost competitiveness.

c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company has not imported any technology and has not entered into any technology transfer agreement.

D) Expenditure incurred on Research and Development: Nil

Foreign Exchange Earnings and Outgo

Details of Foreign Exchange Earnings and Outgo during the financial year 2025-26 are as follows:

(₹ in Lakhs)

Particulars	2025-26	2024-25
Foreign Earnings	Nil	Nil
Foreign Outgo	3.41	4.06

Risk Management

The Board has put in place appropriate framework and mechanism to review the risks for the Company including

the operational and business risks.

The Company recognizes that risk is an integral and inevitable part of the business and is fully committed to manage risks in a proactive and efficient manner. The Company has a Risk Management Policy which articulates the approach to address the uncertainties in its endeavor to achieve its stated and implicit objectives.

Policy on Prevention of Sexual Harassment at Workplace

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder and Internal Complaints Committee have also been set up to redress any such complaints received. The details of the complaints during the year are as follows:

- Number of complaints of sexual harassment received in the year – NIL
- Number of complaints disposed off during the year – Not Applicable
- Number of cases pending for more than ninety days – Not Applicable
- Number of complaints unsolved during the year - NIL

The Company is committed to provide a safe and conducive work environment to all of its employees and associates.

Internal Controls

The Company has in place a well-established and robust internal control systems which are commensurate with the nature of its business, size & scale, and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of the Company's operations, safe keeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of the Company's operations.

Internal Financial Controls and their Adequacy

The Company has in place adequate internal financial controls with reference to Financial Statements. The same is subject to review periodically by the Board of Directors for its effectiveness. The control measures adopted by the Company have been found to be effective and adequate to the Company's requirements.

Maintenance of Cost Records

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Act.

Significant and Material Orders, if any passed by the Regulators or Courts

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations.

Annual Return

In accordance with Section 92(3) read with Section 134(3) (a) of the Act and the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as of 31st March 2026 in Form MGT-7, is available on the Company's website at <https://weatherseal.com/investor/>. The Annual Return will be submitted to the Registrar of Companies within the timelines prescribed under the Act.

Compliance With Secretarial Standards

The Company has complied with Secretarial Standards issued by the ICSI on Meetings of Board of Directors and General Meetings.

Other Disclosures

During the year under review:

- The Company has complied with all the provisions of the Maternity Benefit Act, 1961;
- No credit rating has been obtained by the Company with respect to its securities;
- No application has been made under the Insolvency and Bankruptcy Code, 2016;

- Disclosures relating to difference between the amount of the valuation in case of one-time settlement is not applicable;
- The Company did not meet the thresholds prescribed under Section 135(1) of the Companies Act, 2013. Accordingly, the provisions relating to Corporate Social Responsibility were not applicable to the Company for the year under review; and
- The Company does not fall within the prescribed class of companies as specified in the Sections 177 & 178 of the Companies Act 2013 read with Rule 6 of Companies (Meetings of the Board and its Powers) Rules, 2014. Accordingly, the provisions relating to Audit Committee and Nomination and Remuneration Committee were not applicable to the Company for the year under review.

Acknowledgements

Your Directors acknowledge with deep sense of appreciation the co-operation received from various other Central and State Government agencies, other Ministries, Customers, Bankers and other stakeholders. Your Directors express deep sense of appreciation for the dedicated and sincere services rendered by the employees of the Company at all levels.

Your Directors also wish to express gratitude to all the members for the confidence reposed by them in the Company and for the continued support and cooperation.

For and on behalf of the Board of Directors

Parag Rane

Chairman

DIN: 08723015

Place: Mumbai

Date: 29th April 2026

Annexure (1) to Board's Report

Form AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 ("the Act") read with Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms' length transactions under fourth proviso thereto.

a. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements, or transactions entered into during the year ended 31st March 2026, which were not at arm's length basis.

b. Details of material contracts or arrangement or transactions at arm's length basis

a.	Corporate identity number (CIN) or any other registration number	CIN - L24220MH1945PLC004598
b.	Name of the related party and nature of relationship	Asian Paints Limited - Holding Company
c.	Nature of contracts/arrangements/transactions	Reimbursement of expenses paid
d.	Duration of the contracts / arrangements / transactions	1 Year
e.	Salient terms of the contracts or arrangements or transactions including actual/ expected contractual amount	Commercial terms as agreed between the parties ₹ 1,126.45 Lakhs
f.	Date(s) of approval by the Board, if any:	The Board of Directors of the Company approved the said material transaction on 25 th March 2025. However, the said transaction was in the ordinary course of business and at arm's length basis
g.	Amount paid as advances, if any	-

During the financial year ended 31st March 2026, all related party transactions were in the ordinary course of business and on arm's length basis and were approved by the Board of Directors of the Company.

For and on behalf of the Board of Directors

Parag Rane

Chairman

DIN: 08723015

Place: Mumbai

Date: 29th April 2026

Independent Auditor's Report

To The Members of Weatherseal Fenestration Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Weatherseal Fenestration Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible

for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company

or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 34(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 34(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended 31st March, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- 2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Terence Lewis

Partner

(Membership No. 107502)

UDIN No: 26107502MJUTRE3617

Place: Mumbai

Date: 29th April, 2026

Annexure “A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Weatherseal Fenestration Private Limited (“the Company”) as at March 31, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections

of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control

with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Terence Lewis

Partner
Membership No. 107502
UDIN No: 26107502MJUTRE3617

Place: Mumbai
Date: 29th April, 2026

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, plant and equipment were physically verified during the previous year by the management which, in our opinion provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property and has not registered sale deed/ transfer deed/ conveyance deed and hence reporting under clause (i)(c) of the order is not applicable.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from bank, on the basis of security of current assets, however the Company is not required to file to file any information with the lender as stipulated in the sanction letter.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order are not applicable.
- (iv) The Company has not granted any loans, made investments, or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.
 - (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2026.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been utilised during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) and (f) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debenture (fully or partly or optionally) during the year and hence reporting under clause (x)(b) of the Order is not applicable to Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and up to the date of this report).
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards. The Company is a private company and hence, the provisions of Section 177 of the Companies Act, 2013 are not applicable to the company.
- (xiv) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013 and hence reporting under clause (xiv) (a) and (b) of the Order is not applicable to Company.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company, subsidiary company, associate company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi) (d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs. 1,887.42 lakhs during the financial year covered by our audit and Rs. 1,905.62 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions and Letter of Support received by holding company, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the

facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the

year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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

Terence Lewis
Partner
Membership No. 107502
UDIN:26107502MJUTRE3617

Place: Mumbai
Date: 29th April, 2026

Balance Sheet

as at 31 March, 2026

		(₹ in Lakhs)	
Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, Plant and Equipment	2A	718.10	663.52
Right of Use Assets	2B	856.28	1,041.01
Other Intangible assets	3	326.74	607.21
Financial Assets			
Other financial assets	4	201.43	213.37
Other Non-Current assets	6	7.60	-
		2,110.15	2,525.11
Current assets			
Inventories	7	1,080.65	1,121.08
Financial Assets			
Trade Receivables	8	318.07	354.62
Cash and cash equivalents	9	59.01	22.76
Other Balances with Banks	9	-	5.13
Other financial assets	4	36.23	36.27
Other current assets	6	480.12	696.13
		1,974.08	2,235.99
Total Assets		4,084.23	4,761.10
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	10	2.04	2.04
Other Equity	11	(4,918.26)	(2,603.55)
Total Equity		(4,916.22)	(2,601.51)
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	350.00	325.00
Lease liabilities	13	719.40	899.76
Provisions	15	40.99	30.77
Total Non Current Liabilities		1,110.39	1,255.53
Current liabilities			
Financial Liabilities			
Borrowings	12	4,413.03	3,406.68
Lease liabilities	13	214.75	215.93
Trade Payables			
-Total Outstanding dues of Micro Enterprises and Small Enterprises	16	893.85	541.62
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	16	282.25	335.01
Other Financial liabilities	14	725.76	571.81
Other current liabilities	17	1,358.15	1,035.45
Provisions	15	2.27	0.58
Total Current Liabilities		7,890.06	6,107.08
Total Equity and Liabilities		4,084.23	4,761.10

Material accounting policies and key accounting estimates and judgements

1

The accompanying notes form an integral part of the financial statements

Refer Note 2 to 35

As per our report of even date attached :

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Reg. No: 117366W/W-100018

For and on behalf of the Board of Directors of

Weatherseal Fenestration Private Limited

Terence Lewis

Partner

Membership No: 107502

Gagandeep Kalsi

Director

DIN No. 10473109

Parag Rane

Director

DIN No. 08723015

Place : Mumbai

Date : 29 April 2026

Place : Ahmedabad

Date : 29 April 2026

Place : Mumbai

Date : 29 April 2026

Statement of Profit and Loss

for the year ended March 31, 2026

		(₹ in Lakhs)	
Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
INCOME			
Revenue from operations			
Revenue from sale of products and services	18	7,474.22	5,261.61
Other operating revenues	18	25.79	15.94
Other Income	19	53.98	24.45
Total Income (I)		7,553.99	5,302.00
EXPENSES			
Cost of materials consumed	20A	4,808.47	3,175.75
Purchases of stock in trade	20B	-	91.27
Changes in inventories of finished goods, Stock-in-trade and work in progress	20C	(16.21)	23.67
Employee benefits expense	21	1,714.15	1,330.95
Other expenses	24	2,223.82	1,974.53
Total expenses (II)		8,730.23	6,596.17
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (I-II)		(1,176.24)	(1,294.17)
Finance costs	22	440.38	399.17
Depreciation and amortisation expense	23	707.04	624.16
Loss before tax		(2,323.66)	(2,317.50)
Tax expenses		-	-
Current Tax		-	-
Deferred Tax	5	-	-
Loss for the year		(2,323.66)	(2,317.50)
Other Comprehensive Income (OCI)			
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement gains/(losses) on defined benefit plans		8.95	5.86
Income tax effect		-	-
Total Other Comprehensive Income		8.95	5.86
Total Comprehensive Loss for the year		(2,314.71)	(2,311.64)
Earnings per share (Face value of Rs. 10 each)			
Basic (in Rs.)	30	(11,341.61)	(11,326.57)
Diluted (in Rs.)	30	(11,341.61)	(11,326.57)

Material accounting policies and key accounting estimates and judgements

The accompanying notes form an integral part of the financial statements

1

Refer Note 2 to 35

As per our report of even date attached :
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Reg. No: 117366W/W-100018

For and on behalf of the Board of Directors of
Weatherseal Fenestration Private Limited

Terence Lewis
Partner
Membership No: 107502

Gagandeep Kalsi
Director
DIN No. 10473109

Parag Rane
Director
DIN No. 08723015

Place : Mumbai
Date : 29 April 2026

Place : Ahmedabad
Date : 29 April 2026

Place : Mumbai
Date : 29 April 2026

Statement of Cash Flows

for the year ended March 31, 2026

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) Cash Flow From Operating Activities		
Loss Before Tax	(2,323.66)	(2,317.50)
Adjustments for :		
Depreciation and Amortisation expense	707.04	624.16
Interest income on security deposit	(10.72)	(8.72)
Interest income on fixed deposit	(0.11)	(0.43)
Gain on termination of leases	(41.44)	(13.55)
Allowance for expected credit loss	35.02	187.16
Bad Debts	-	11.82
Finance costs	440.38	399.17
Operating loss before working capital changes	(1,193.49)	(1,117.89)
Changes in working capital		
Adjustments for changes in :		
(Increase) in inventories	40.43	(190.31)
(Increase) in trade receivables	1.53	(14.36)
(Increase) in financial assets	16.36	(29.22)
Decrease/(Increase) in Other assets	177.56	390.81
(Decrease)/ Increase in trade payables	299.47	(175.80)
Increase in other financial liabilities	158.55	151.00
Increase in other liabilities and provisions	343.56	630.27
Cash used in operating activities	(156.03)	(355.50)
Income Tax paid (net of refund)	22.28	25.57
Net Cash used in Operating activities	(133.75)	(329.93)
(B) Cash Flow from Investing Activities		
Purchase of Property, plant and equipment and other intangible assets	(207.57)	(233.79)
Proceeds from redemption of fixed deposits	5.24	-
Net Cash used in Investing activities	(202.33)	(233.79)
(C) Cash Flow from Financing Activities		
(Repayment)/Proceeds from Long Term Loans (net)	225.00	325.00
Repayment of principal portion of lease liabilities	(218.64)	(190.01)
Finance costs (including interest on lease liabilities) paid	(440.38)	(399.17)
Net Cash used in Financing activities	(434.02)	(264.18)
(D) Net decrease in cash and cash equivalents:	(770.10)	(827.90)
Add: Cash and cash equivalents as at 1st April	(3,383.92)	(2,556.02)
Cash and cash equivalents as at 31st March	(4,154.02)	(3,383.92)
Cash and Cash equivalents comprises of		
- Balances with Banks		
- Current Accounts	1.65	22.76
- Fund-in-Transit	57.36	-
Total cash and cash equivalents (Refer Note 9)	59.01	22.76
Less: Loan repayable on demand - Cash Credit /Overdraft Accounts	(4,213.03)	(3,406.68)
Cash and cash equivalents in Cash Flow Statement as per Note 9 and Note 12	(4,154.02)	(3,383.92)

The accompanying notes form an integral part of the financial statements

Refer Note 2 to 35

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at April 01, 2025	Cash Flows (net)	Non- cash changes		As at March 31, 2026
			Current/ Non-current classification	Addition (net)	
Borrowings (Refer Note 12)	325.00	225.00	-	-	550.00
Lease liabilities (Refer Note 13)	1,115.69	(218.64)	-	37.11	934.16

Particulars	As at April 01, 2024	Cash Flows (net)	Non- cash changes		As at March 31, 2025
			Current/ Non-current classification	Addition (net)	
Borrowings (Refer Note 12)	-	325.00	-	-	325.00
Lease liabilities (Refer Note 13)	1,423.12	(190.01)	-	(117.42)	1,115.69

Notes:

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

As per our report of even date attached :
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Reg. No: 117366W/W-100018

For and on behalf of the Board of Directors of
Weatherseal Fenestration Private Limited

Terence Lewis
Partner
Membership No: 107502

Gagandeep Kalsi
Director
DIN No. 10473109

Parag Rane
Director
DIN No. 08723015

Place : Mumbai
Date : 29 April 2026

Place : Ahmedabad
Date : 29 April 2026

Place : Mumbai
Date : 29 April 2026

Statement of Changes In Equity

for the year ended 31 March 2026

(₹ in Lakhs)

A) EQUITY SHARE CAPITAL

	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the reporting year (Refer note 10(a))	2.04	2.04
Changes in equity share capital during the year (Refer note 10(a))		
Balance at the end of the reporting year	2.04	2.04

B) OTHER EQUITY

	Reserves and Surplus				Total
	Capital Reserve	Securities premium	Retained earnings	Other Comprehensive Income- Remeasurement of defined benefit plans	
Balance as on 01st April 2024 (A)	-	1,883.09	(2,175.00)		(291.91)
Add: Loss for the year	-	-	(2,317.50)		(2,317.50)
Add: Items of OCI for the year, net of tax Remeasurement of the defined benefit plans	-	-		5.86	5.86
Total comprehensive income for the year (B)	-	-	-	5.86	(2,311.64)
Balance as on March 31, 2025 (C) = (A+B)	-	1,883.09	(4,492.50)	5.86	(2,603.55)
Add: Loss for the year		-	(2,323.66)		(2,323.66)
Add: Items of OCI for the year, net of tax Remeasurement of the defined benefit plans		-		8.95	8.95
Total comprehensive income for the year (D)	-	-	-	8.95	(2,314.71)
Balance as on March 31, 2026 (C+D)	-	1,883.09	(6,816.16)	14.81	(4,918.26)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached :
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Reg. No: 117366W/W-100018

For and on behalf of the Board of Directors of
Weatherseal Fenestration Private Limited

Terence Lewis
Partner
Membership No: 107502

Gagandeep Kalsi
Director
DIN No. 10473109

Parag Rane
Director
DIN No. 08723015

Place : Mumbai
Date : 29 April 2026

Place : Ahmedabad
Date : 29 April 2026

Place : Mumbai
Date : 29 April 2026

Notes to the Financial Statements

for the year ended 31 March 2026

Company Background

Weatherseal Fenestration Private Limited ('the Company') was incorporated in India as a private limited company on 9th March 2022 under the Companies Act, 1956. The registered office of the Company is located at Unit 706 and 707, 7th Floor, Sakti Statesman, Sy. No. 34, Iblur, Begur Hobli, Bellandur, Bangalore, Bangalore South, Karnataka, India, 560103. Asian Paints Limited is the parent company having majority stake and ultimate control.

The Company is engaged in the business of interior decoration/furnishing, including manufacturing uPVC Aluminium Windows and door systems.

1. Material Accounting Policies and Key accounting estimates and judgements Significant Accounting Policies: -

1.1 Basis of preparation of financial statements

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

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

The financial statements are presented in Indian Rupees (which is also the functional currency of the Company) and is rounded off to the nearest lakhs except otherwise indicated.

The management of the Company, based on board approved projections has formulated strategic plans for improving profitability of the Company which mainly includes increase in sales and reduction in operating expenses.

Considering the above and commitment of financial support from Parent Company to meet financial obligations as they fall due over the next twelve months, the financial statements of the Company are prepared on going concern basis.

1.2 Current / Non-Current Classification

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

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle.
- the asset is intended for sale or consumption.
- the asset/liability is held primarily for the purpose of trading.
- the asset/liability is expected to be realized/settled within twelve months after the reporting period.
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- the liability wherein the Company does not have the right at the end of reporting period to defer its settlement for at least twelve months after the reporting date

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

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

1.3. Summary of Significant accounting policies

a) Property, plant, and equipment Measurement at recognition:

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

The cost of an item of PPE comprises of its purchase price net of discounts, if any including import duties and other non-refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Cost

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includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses like plans, designs, and drawings of buildings or plant and machinery, borrowing cost on qualifying assets which directly attributable to new manufacturing facility during its construction period are capitalized under the relevant head of PPE if the recognition criteria are met.

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

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

Capital work in progress and Capital advances:

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

Depreciation:

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

Class of Assets	Years
Furniture and Fixtures	10
Plant and Equipment	15
Motor vehicles- lorries and cars	8
Office equipment	5
Computers (end user devices & Server Networks)	3

Leasehold land and Leasehold improvements are amortized over the period of the lease.

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

Derecognition:

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

b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are expensed in the Statement of Profit and Loss as incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Goodwill acquired in a business combination is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, in accordance with Ind AS 103.

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss. The estimated useful life of intangible assets is mentioned below:

Class of Assets	Years
Computer software	4
Customer Contracts	6
Non-Compete Fee	5

The amortization period and the amortization method for an intangible asset with finite useful

life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

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

c) Impairment

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

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

An impairment loss is recognized whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best

estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

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

d) Revenue

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. It is measured at transaction price (net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products:

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

Rendering of services:

Revenue from services is recognized when the stage of completion can be measured reliably. Stage of completion is measured by the services performed till balance sheet date as a percentage of total services contracted.

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

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e) Inventory

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

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

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

f) Financial Instruments

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

Financial assets

Initial recognition and measurement:

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

valuation technique that uses data from observable markets (i.e. level 2 input).

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

Subsequent measurement:

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

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

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

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through profit or loss (FVTPL)

I Financial assets measured at amortized cost:

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

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, and other financial assets of the Company (refer note 25A for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method. The effect of the amortization under effective interest method is recognized as interest income over the relevant period of the

financial asset under other income in the Statement of Profit and Loss. The amortized cost of a financial asset is also adjusted for loss allowance, if any.

II Financial assets measured at FVTPL:

This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

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

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

Impairment of financial assets:

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

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

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

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased

significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

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

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions. As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses.

Financial Liabilities

Initial recognition and measurement:

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

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the

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fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

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

Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method (refer note 25(A) for further details). The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense under finance cost in the Statement of Profit and Loss.

Derecognition:

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

Offsetting of financial assets and financial liabilities:

Financial assets and financial liabilities are offset and the net amount is reported in

the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

g) Fair Value

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

h) Foreign Currency Translation

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are

recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Measurement of foreign currency items at reporting date:

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

Exchange differences arising out of foreign exchange translations and settlements during the year are recognized in the Statement of Profit and Loss.

i) Income Taxes

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

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax assets and liabilities are generally recognized for all deductible and taxable temporary differences respectively. However, in case of temporary differences that arise from initial

recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit or does not give rise to equal taxable and deductible temporary differences, deferred tax assets or liabilities are not recognized.

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

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

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

Uncertain tax positions:

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

Presentation of current and deferred tax:

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

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

j) Provisions and Contingencies

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

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

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

k) Measurement of EBITDA

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

l) Cash and Cash Equivalents

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

m) Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified

as short term employee benefits and they are recognized as the employee renders the related service.

Post-Employment Benefits:

Defined benefit plans:

The Company provides a defined benefit gratuity plan for employees as per the requirements of the Payment of Gratuity Act, 1972.

Recognition and measurement of defined benefit plans:

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

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

The Company presents the above liability/ (asset) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary.

Defined contribution plan:

Provident fund scheme:

The Company makes specified monthly contributions towards Employee Provident Fund scheme to the Employees provident fund administered by the Government. The minimum interest payable is being notified by the Government every year.

Other Long Term Employee Benefits :

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

n) Lease accounting

Assets taken on lease:

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

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

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

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

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

Short-term leases and leases of low-value assets

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

o) Borrowing Cost

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

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

r) Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to the equity

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shareholders of the Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

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

s) Segment Reporting

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

t) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

1.4 Key accounting estimates and judgements

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

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

a. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted

profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b. Property, plant and equipment

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

c. Defined Benefit Obligation

The costs of post-employment benefits are charged to the Statement of Profit and Loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 29, 'Employee benefits'.

d. Fair value measurement of financial instruments

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

e. Right-of-use assets and lease liability

The Company has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of

options to extend or terminate the lease if it is reasonably certain to be exercised.

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

of the incremental borrowing rate requires estimation.

f. **Going Concern Assessment**

The financial statement is prepared on Going Concern basis as the Company is capable of meeting its liabilities existing at the date of Balance Sheet and when they fall due within a period of one year from the balance sheet date.

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NOTE 2A : PROPERTY, PLANT AND EQUIPMENT

	Gross carrying value				Depreciation				(₹ in Lakhs)
	As at April 1, 2025	Additions during the year	Deductions/ Adjustments	As at March 31, 2026	As at April 1, 2025	Additions during the year	Deductions/ Adjustments	As at March 31, 2026	Net carrying value
Plant and Equipment	540.59	157.60	-	698.19	59.10	100.27	-	159.37	538.83
Furniture and Fixtures	63.16	-	2.33	60.83	10.58	8.51	2.33	16.76	44.07
Vehicles	5.65	-	-	5.65	1.99	0.71	-	2.70	2.95
Office Equipment	57.13	-	-	57.13	19.75	10.70	-	30.45	26.67
Computer	29.31	9.06	-	38.37	14.90	8.04	-	22.94	15.43
Leasehold Improvements	95.38	43.88	11.79	127.47	21.38	27.73	11.79	37.32	90.15
Total	791.22	210.54	14.12	987.64	127.70	155.96	14.12	269.54	718.10

	Gross carrying value				Depreciation				(₹ in Lakhs)
	As at April 1, 2024	Additions during the year	Deductions/ Adjustments	As at March 31, 2025	As at April 1, 2024	Additions during the year	Deductions/ Adjustments	As at March 31, 2025	Net carrying value
Plant and Equipment	417.46	123.13	-	540.59	24.41	34.69	-	59.10	481.50
Furniture and Fixtures	52.42	18.45	(7.71)	63.16	5.78	6.81	(2.01)	10.58	52.58
Vehicles	5.65	-	-	5.65	1.28	0.71	-	1.99	3.66
Office Equipment	61.40	2.40	(6.67)	57.13	9.57	12.27	(2.08)	19.75	37.37
Computer	22.82	6.49	-	29.31	8.30	6.60	-	14.90	14.41
Leasehold Improvements	54.70	26.30	14.38	95.38	2.42	14.87	4.09	21.38	74.00
Total	614.45	176.77	-	791.22	51.76	75.95	-	127.70	663.52

Note :

For details of security on certain property, plant and equipment, refer note 12.

NOTE 2B : RIGHT OF USE ASSETS

	As at April 1, 2025				As at March 31, 2026			
	Additions	Deletions	Amortisation	As at March 31, 2025	Additions	Deletions	Amortisation	As at March 31, 2026
Leasehold Land	366.57	281.67	230.95	911.93	366.57	281.67	230.95	765.88
Building	-	-	38.68	129.08	-	-	38.68	90.40
Total	366.57	281.67	269.63	1,041.01	366.57	281.67	269.63	856.28

	As at April 1, 2024				As at March 31, 2025			
	Additions	Deletions	Amortisation	As at March 31, 2024	Additions	Deletions	Amortisation	As at March 31, 2025
Leasehold Land	-	99.19	223.12	1,234.24	-	99.19	223.12	911.93
Building	-	4.69	47.92	181.69	-	4.69	47.92	129.08
Total	-	103.88	271.04	1,415.93	-	103.88	271.04	1,041.01

All lease agreements are duly executed in favour of the Company.
For additions and movement in lease liabilities Refer note 13.

Notes

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

NOTE 4 : OTHER FINANCIAL ASSETS

	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Unsecured and Considered good:				
Security deposits	46.88	49.04	36.23	36.27
Retention Money	154.55	164.33	-	-
Total	201.43	213.37	36.23	36.27

NOTE 5 : INCOME TAXES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) The major components of income tax expense for the year are as under :		
(i) Income tax recognised in the statement of Profit and Loss		
In respect of current year	-	-
Deferred tax expense:		
In respect of current year	-	-
Income tax recognised in the statement of Profit and Loss	-	-
(ii) Income tax recognised in OCI		
Deferred Tax:	-	-
Income tax (expense)/benefit on remeasurement of defined benefit plans	-	-
Income tax benefit / (expense) recognised in OCI	-	-
(B) Reconciliation of Tax expense and the accounting profit for the year is as under:		
Profit before tax	(2,323.66)	(2,317.50)
Income tax expense calculated at 25.168%	(584.82)	(583.27)
Tax expense on non-deductible expenses	-	-
Deferred Tax Asset not recognised	584.82	583.27
Total	-	-

The tax rate used for reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits as per Income Tax Act, 1961.

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

As at 31 st March 2026				
Particulars	Opening Balance as at April 1, 2025	Profit and loss 2025-26	OCI 2025-26	Closing Balance as at March 31, 2026
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961.	-	-	-	-
Carry forward of losses	-	-	-	-
Difference in Right-of-use asset and lease liabilities	-	-	-	-
Net Deferred tax asset	-	-	-	-

As at 31 st March 2025				
Particulars	Opening Balance as at April 1, 2024	Profit and loss 2024-25	OCI 2024-25	Closing Balance as at March 31, 2025
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961.	-	-	-	-
Carry forward of losses	-	-	-	-
Difference in Right-of-use asset and lease liabilities	-	-	-	-
Net Deferred tax asset	-	-	-	-

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

Financial Category	As at March 31, 2026				
	Business Loss	Expiry Date	Depreciation Loss	Expiry Date	Total Loss
2022-23	193.45	March 31, 2031	355.03	NA	548.48
2023-24	776.56	March 31, 2032	313.37	NA	1,089.92
2024-25	2,439.52	March 31, 2033	308.38	NA	2,747.90
2025-26	2,114.61	March 31, 2034	256.95	NA	2,371.56

Notes

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

NOTE 6 : Other Current Assets

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Unsecured and Considered good:				
To parties other than related parties				
(a) Capital advances	7.60	-	-	-
(b) Advances other than capital advances				
i) Balance with government authorities	-	-	307.98	368.37
ii) Advances/claims recoverable in cash or in kind	-	-	18.25	14.08
iii) Advances paid to suppliers	-	-	148.62	88.14
iv) Advances to employees	-	-	4.45	14.27
c) Contract Assets				
i) Unsecured, considered good	-	-	0.82	-
ii) Unsecured, credit impaired	-	-	25.47	211.27
	-	-	26.29	211.27
Less: Impairment	-	-	25.47	-
Net Contract Assets	-	-	0.82	211.27
Total	7.60	-	480.12	696.13

Note:- No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other person.

NOTE 7 : INVENTORIES (At lower of cost and net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Raw materials	959.11	1,015.75
(b) Work-in-progress	13.64	-
(c) Finished goods	107.90	105.33
Total	1,080.65	1,121.08

The cost of Inventories recognised as an expense during the year is disclosed in Note 20 (A) & Note 20 (B)

There is inventory provision considered to the extent of 1.78 Cr in the current year no write-down or reversal thereof of inventory in previous year.

NOTE 8 : TRADE RECEIVABLES

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Unsecured, considered good	318.04	354.62
(b) Unsecured, credit impaired	264.14	254.56
	582.17	609.18
Less : Allowance for expected credit loss (Refer Note 25(C)(2))	(264.11)	(254.56)
Total	318.07	354.62

Note :- There are no outstanding trade receivables from any directors or other officers of the Company or any of them either severally or jointly with any other person.

For details of trade receivables from firms or private companies in which any director is a partner, a director or a member, subsidiary and associate companies, Refer note 31.

Trade receivable ageing schedule for the year ended 31 March 2026:

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	96.41	128.07	93.55	-	-	-	318.04
ii) Undisputed Trade receivables - credit impaired	-	-	-	142.77	86.98	34.38	264.14
Less : Allowance for expected credit loss							(264.11)
Net Trade receivables							318.07

Trade receivable ageing schedule for the year ended 31 March 2025:

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	-	173.00	181.62	-	-	-	354.62
ii) Undisputed Trade receivables - credit impaired	-	-	-	199.66	54.90	-	254.56
Less : Allowance for expected credit loss							(254.56)
Net Trade receivables							354.62

NOTE 9 : CASH AND BANK BALANCES

Particulars	As at March 31, 2026	As at March 31, 2025
(A) Cash and Cash Equivalents		
(a) Balances with Banks		
i) Current account	1.65	22.76
(b) Fund-in-Transit	57.36	-
Total	59.01	22.76
(B) Other Balances with Banks		
Term deposits with original maturity of more than 3 month but less than 12 months	-	5.13
Total	-	5.13

NOTE 10 : EQUITY SHARE CAPITAL

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
100,000 Equity Shares of ₹ 10 each	10.00	10.00
	10.00	10.00
Issued, subscribed and fully paid up shares		
20,409 Equity Shares of ₹ 10 each	2.04	2.04
	2.04	2.04

Notes

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

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

Fully paid Equity Shares	For the year ended March 31, 2026		For the year ended March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	20,409	2.04	20,409	2.04
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	20,409	2.04	20,409	2.04

b) Details of Shareholder holding more than 5% equity shares

Name of Shareholder#	As at March 31, 2026		As at March 31, 2025	
	No of Equity Shares	% holding	No of Equity Shares	% holding
Equity shares of ₹ 10 each				
- Asian Paints Limited	10,409	51.00%	10,409	51.00%
- Harish Munireddy	9,000	44.10%	9,000	44.10%

As per records of the Company, including its Register of Members

c) Shares held by promoters as defined in the Companies Act, 2013

As on 31st March 2026

Promoter Name	As at 31 March 2026		% change during the year
	No. of Shares	% of total shares	
Asian Paints Limited	10,409	51.00%	No change
Prathiba SB Balashankar Reddy	1,000	4.90%	No change
Harish Munireddy	9,000	44.10%	No change

As on 31st March 2025

Promoter Name	As at 31 March 2025		% change during the year
	No. of Shares	% of total shares	
Asian Paints Limited	10,409	51.00%	No change
Prathiba SB Balashankar Reddy	1,000	4.90%	No change
Harish Munireddy	9,000	44.10%	No change

d) Terms/rights attached to equity shares

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

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

NOTE 11 : OTHER EQUITY

	Securities premium	Retained earnings	Remeasurement of defined benefits	Total
Balance as on March 31, 2024 (A)	1,883.09	(2,174.93)	(0.07)	(291.91)
Add: Loss for the year	-	(2,317.50)	5.86	(2,311.64)
Total Comprehensive Income for the year (B)	-	(2,317.50)	5.86	(2,311.64)
Balance as on Mar 31, 2025 (C)	1,883.09	(4,492.43)	5.79	(2,603.55)
Add: Loss for the year	-	(2,323.66)	8.95	(2,314.71)
Total Comprehensive Income for the year (D)	-	(2,323.66)	8.95	(2,314.71)
Balance as on Mar 31, 2026 (E) = (C+D)	1,883.09	(6,816.09)	14.74	(4,918.26)

Description of nature & purpose of each reserve

Retained earnings - This represents surplus of profit and loss account.

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

Securities premium: Securities premium has been created pursuant to the issue of shares at a premium by the Company. The reserve can be utilized according to the provision of the Act.

NOTE 12 : BORROWINGS

Particulars	Maturity Date	Terms of Repayment	Interest rate	Non Current		Current	
				As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
I Non Current Borrowings							
Secured							
(i) Term Loans - from banks or financial institutions							
ICICI Term Loan	20-03-2028	Fixed Tenure	Repo Rate + 240 basis points	162.50	325.00	162.50	-
ICICI Term Loan	20-03-2028	Fixed Tenure	Repo Rate + 240 basis points	37.50	-	37.50	-
ICICI Term Loan	01-03-2029	Fixed Tenure	Repo Rate + 240 basis points	100.00	-	-	-
ICICI Term Loan	31-12-2029	Fixed Tenure	Repo Rate + 285 basis points	50.00	-	-	-
				350.00	325.00	200.00	-
Current Maturities of Long Term Borrowings							
Secured						(200.00)	
Unsecured							
Total	-	-	-	350.00	325.00	-	-

Notes

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

Particulars	Maturity Date	Terms of Repayment	Interest rate	Current	
				As at 31.03.2026	As at 31.03.2025
II Current Borrowings					
Secured					
(i) Loan repayable on demand- Cash Credit/ Overdraft Accounts					
ICICI Overdraft Facility		On Demand	Repo Rate + 210 basis points	4,213.03	-
				4,213.03	-
Un Secured					
(i) Loan repayable on demand- Cash Credit/ Overdraft Accounts					
Bank of America Overdraft Facility		On Demand	8.50%		3,406.68
Current Maturities of Long Term Borrowings					
Secured				200.00	-
Unsecured					
Total	-	-	-	4,413.03	3,406.68

Notes

- 1) No default in terms of repayment of principal and interest within the company.
- 2) The Company has not used borrowings for purpose other than specified purpose of the borrowing.
- 3) Secured term loans facility as on March 31 2026 and March 31, 2025 are secured against the Fixed assets and current assets of the company. The facility is carrying interest rate of Repo Rate plus 240 basis points. The borrowings have quarterly repayments starting from 2026 and ending with 2029.

NOTE 13 : LEASE LIABILITIES

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Lease liabilities	719.40	899.76	214.75	215.93
Total	719.40	899.76	214.75	215.93

The maturity analysis of lease liabilities is disclosed in Note 25 (C).

Movement in lease liabilities

	As at March 31, 2026	As at March 31, 2025
Opening Balance	1,115.68	1,423.11
Additions	360.21	-
Deletions	(323.10)	(117.42)
Finance cost	96.66	110.41
Repayment (including interest on lease liabilities)	(315.30)	(300.42)
Closing Balance	934.15	1,115.68

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

Particulars	As at March 31, 2026	As at March 31, 2025
Amounts recognised in Statement of Profit and Loss		
Interest on lease liabilities (Refer Note. 22)	96.66	110.41
Depreciation expense (Refer Note. 23)	269.63	271.03
Amounts recognised in Cash Flow Statement		
In Financing activity		
Repayment of lease liabilities	(218.64)	(190.01)
Interest paid on lease liabilities	(96.66)	(110.41)

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

NOTE 14 : OTHER FINANCIAL LIABILITIES

Particulars	Current As at March 31, 2026	As at March 31, 2025
(a) Others (Refer note 28)		
Payable towards services received	628.84	492.99
Payable towards other expenses	45.85	50.00
Payable to employees	41.64	14.79
Payable towards capital expenditure	9.43	14.03
Total	725.76	571.81

NOTE 15 : PROVISIONS

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Provision for Employee Benefits (Refer Note 29)				
Provision for Gratuity	35.19	25.85	1.38	0.04
Provision for Compensated absences	5.80	4.92	0.89	0.54
Total	40.99	30.77	2.27	0.58

NOTE 16 : TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Payables		
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 28)	893.85	541.62
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	282.25	335.01
Total	1,176.10	876.63

Trade payables ageing schedule for the year ended as on 31 March 2026:

Particulars	Not due	Outstanding for following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed dues - MSME	59.24	796.09	35.50	2.13	0.89	893.85
ii) Undisputed dues - Others	3.83	274.40	-	3.32	0.69	282.25

Notes

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

Trade payables ageing schedule for the year ended as on 31 March 2025:

Particulars	Not due	Outstanding for following period from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed dues - MSME	187.27	350.56	2.42	1.36	-	541.62
ii) Undisputed dues - Others	179.18	148.53	7.29	-	-	335.01

NOTE 17 : OTHER LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2026	As at March 31, 2025
(a) Revenue received in advance		
Advance received from customers (Refer note 18)	1,327.78	1,004.31
(b) Others		
Statutory Payables	30.37	31.14
Total	1,358.15	1,035.45

NOTE 18 : REVENUE FROM OPERATIONS

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from sale of products and services	7,474.22	5,261.61
Other operating revenues	25.79	15.94
Total	7,500.01	5,277.55

*Sale of products and services includes UPVC, Aluminium Windows and Doors in the domestic market.

(I) Revenue from Contracts with Customers disaggregated based on nature of product or services

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from sale of products and services		
UPVC, Aluminium Windows and Doors*	7,474.22	5,261.61
Other operating revenues		
Scrap sales	25.79	15.94
Total	7,500.01	5,277.55

*Revenue from operations is generated from domestic market. It also includes the revenue from installation services.

There is no significant financing component in any transaction with the customers.

The Company provides "agreed upon warranty" for a range of its products. The amount of liability towards such warranty is immaterial.

The Company does not have any material remaining performance obligation as contracts entered for sale of goods and services are for a shorter duration.

NOTE 19 : OTHER INCOME

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Interest income		
(i) Interest income on fixed deposits	0.11	0.43
(ii) Interest income on security deposit	10.72	8.72
(iii) Interest income on tax refunds	1.71	1.75
	12.54	10.90
(b) Other gains and losses		
(i) Net gain on modification/ termination of leases	41.44	13.55
	41.44	13.55
Total	53.98	24.45

NOTE 20A : COST OF MATERIALS CONSUMED

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw Materials Consumed		
Opening Stock	1,015.75	801.77
Add : Purchases	4,751.83	3,389.73
	5,767.58	4,191.50
Less: Closing Stock	959.11	1,015.75
Total	4,808.47	3,175.75

NOTE 20B: Purchases of stock in trade

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchases of stock in trade	-	91.27
Total	-	91.27

Notes

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

NOTE 20C: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Stock at the beginning of the year		
Finished Goods	105.33	72.53
Work-in-Progress	-	56.47
Total	105.33	129.00
Stock at the end of the year		
Finished Goods	107.90	105.33
Work-in-Progress	13.64	-
Total	121.54	105.33
Changes in Inventories of Finished Goods, Work-In-Progress	(16.21)	23.67

NOTE 21 : EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	1,576.91	1,184.60
Contribution to Provident and other Funds (Refer note 29)	64.37	66.81
Staff welfare expenses	72.87	79.54
Total	1,714.15	1,330.95

NOTE 22 : FINANCE COSTS

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Costs		
(a) Interest on borrowings from banks	316.15	288.46
(b) Interest on lease liabilities	96.66	110.41
(c) Loan Processing and other charges	27.54	0.30
(d) Interest on income tax	0.03	-
Total	440.38	399.17

NOTE 23 : Depreciation and amortisation

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of Property, Plant and Equipment (Refer note 2A)	155.95	75.95
Depreciation of Right-Of-Use assets (Refer note 2B)	269.63	271.03
Amortisation of Other Intangible assets (Refer note 3)	281.46	277.18
Total	707.04	624.16

NOTE 24 : OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Freight and handling charges	650.29	570.60
Installation charges	446.43	340.84
Advertisement and Sales Promotion expenses	209.32	183.56
Legal and Professional expenses	169.72	146.60
Materials Handling Charges	201.08	177.09
Travelling Expenses	246.63	109.82
Repair & Maintenance	64.45	70.74
Royalty	67.93	45.86
Miscellaneous Expenses	50.46	42.35
Electricity & Water Charges	42.30	34.16
Bad Debts	-	11.82
Auditors Remuneration (Refer Note 27)	9.81	11.50
Rates & taxes	8.23	10.90
Postage & Courier	1.27	7.46
Printing & Stationery	3.98	6.13
Telephone & Internet Expenses	5.64	5.12
Bank Charges	0.22	2.63
Rent Expenses	11.04	10.19
Allowances for doubtful debts and advances	35.02	187.16
Total	2,223.82	1,974.53

Note

No donation has been made by the Company to any political party or any other organizations linked to any political party.

NOTE 25 (A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

Particulars	Refer note	Non-Current		Current	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial assets carried at amortised cost					
Security Deposits	4	46.88	49.04	36.23	36.27
Retention Money	4	154.55	164.33	-	-
Trade receivables	8	-	-	318.07	354.62
Cash and cash equivalents	9a	-	-	59.01	22.76
Other Balances with Banks	9b	-	-	-	5.13
		201.43	213.37	413.31	418.78
Financial liabilities carried at amortised cost					
Term Loan from banks	12	350.00	325.00	200.00	-
Loan repayable on demand from banks	12	-	-	4,213.03	3,406.68
Trade Payables	16	-	-	1,176.10	876.63
Payable towards services received	14	-	-	628.84	492.99
Payable towards other expenses	14	-	-	45.85	50.00
Payable to employees	14	-	-	41.64	14.79
Payable towards capital expenditure	14	-	-	9.43	14.03
Lease liabilities	13	719.40	899.76	214.75	215.93
		1,069.40	1,224.76	6,529.64	5,071.05

Notes

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

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

Income, Expenses, Gains or losses on Financial Instruments	Refer note	As at March 31, 2026	As at March 31, 2025
Financial assets measured at amortised cost			
Interest income	19	10.83	9.15
Allowance for doubtful debts and advances (net)	24	35.02	187.16
Bad debts written off (net)	24	-	11.82
Financial liabilities carried at amortised cost			
Interest on borrowings from banks	22	316.15	288.46
Interest on lease liabilities	22	96.66	110.41

NOTE 25 (B) : FAIR VALUE MEASUREMENTS

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

NOTE 25 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, trade and other receivables and other financial assets.

The Company is exposed to Market risk, Credit risk and Liquidity risk.

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

1) Market Risk

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

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk but doesn't uses any derivative instrument to hedge the same.

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

	As at 31 March 26	Floating Rate	Fixed Rate	Non-Interest Bearing Securities
Financial Assets	614.74	-	46.88	567.86
Financial Liabilities	7,599.04	4,763.03	934.15	1,901.86
	As at 31 March 25	Floating Rate	Fixed Rate	Non-Interest Bearing Securities
Financial Assets	632.15	-	5.13	627.02
Financial Liabilities	6,295.81	3,731.68	1,115.69	1,448.44

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The functional currency of the Company is Indian Rupee. The Company does not enter into any derivative instruments for trading or speculative purposes. There is no amount outstanding as payables/receivables in foreign currency.

2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other financial assets and other balances with bank.

Credit risk arising from other balances with banks is limited and there is no collateral held against these because the counterparties are banks with high credit ratings assigned by the international credit rating agencies.

Trade receivables largely includes receivables from Project customer which are prominent developers. Credit quality of a customer is assessed based on internal assessment and accordingly individual credit limits are defined.

For trade receivables, as a practical expedient, the Company computes credit loss allowance for amounts outstanding for more than a year. There is a provision of Rs. 264.11 Lacs created in the current year. The Company believes that the carrying value of trade receivables reflects the fair value/ recoverable values.

For contract assets, as a practical expedient, the Company computes credit loss allowance for amounts outstanding for more than a year. There is a provision of Rs. 25.47 Lacs created in the current year. The Company believes that the carrying value of contract assets reflects the fair value/ recoverable values.

3) Liquidity risk

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

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

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

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
As at March 31, 2026					
Borrowings (Refer note 12)	4,413.03	350.00	-	4,763.03	4,763.03
Trade Payables (Refer note 16)	1,133.57	42.53	-	1,176.10	1,176.10
Other financial liabilities (Refer note 14)	725.76	-	-	725.76	725.76
Lease liabilities (Refer note 13)	284.68	806.10	-	1,090.78	934.15
As at March 31, 2025					
Borrowings (Refer note 12)	3,406.68	325.00	-	3,731.68	3,731.68
Trade Payables (Refer note 16)	869.34	7.29	-	876.63	876.63
Other financial liabilities (Refer note 14)	571.81	-	-	571.81	571.81
Lease liabilities (Refer note 13)	306.70	1,034.41	-	1,341.12	1,115.69

The Company does not have any derivative financial liabilities.

Notes

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

NOTE 25 (D) : CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies, or processes during the year end. Capital comprises of equity and debt. The Company is not exposed to any externally imposed capital requirements.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Particulars	As at March 31, 2026	As at March 31, 2025
Debt #	4,763.03	3,731.68
Less: Cash and cash equivalents	59.01	22.76
Net debt	4,704.02	3,708.92
Total equity	(4,916.22)	(2,601.51)
Net debt to equity ratio	(0.96)	(1.43)
# Debt is defined as long term and short term borrowings.		

NOTE 26 : CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Commitments:		
Bank Guarantees issued by bankers	49.66	166.77

NOTE 27 : Payment to Auditors (excluding taxes)

Particulars	For the year ended 31 March 26	For the year ended 31 March 25
Statutory audit fees	7.63	7.00
For reimbursement of expenses	-	2.50
Tax audit Fees	2.18	2.00
Total	9.81	11.50

NOTE 28 : Micro, Small and Medium Enterprises

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are provided to the extent the Company has received intimation from the "Suppliers" regarding their status thereunder.

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
- Principal amount due to micro and small enterprise	1,078.15	648.38
- Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 29 : EMPLOYEE BENEFITS

1) Post-employment benefits:

The Company has the following post-employment benefit plans:

a) Defined Benefit Gratuity Plan (Unfunded)

The Company's defined benefit gratuity plan is a final salary plan for its employees. It is governed by the Payment of Gratuity Act, 1972 and Code on Social Security, 2020. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. There is no separate contribution by the employee in the fund. Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest Risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa.
Longevity Risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of defined obligation were carried out as at March 31, 2026 by Thanawala Consultancy Services (March 31, 2025 by TransValue Consultants). The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

Notes

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

The following tables summarise the components of net benefit expense recognised in the Statement of Profit or Loss/OCI and the funded status and amounts recognised in the balance sheet for the gratuity plan:

	Gratuity (Unfunded Plan)	Gratuity (Unfunded Plan)
	As at March 31, 2026	As at March 31, 2025
(i) Opening defined benefit obligation	25.89	14.39
(ii) Current service cost	17.78	15.86
(iii) Interest cost	1.85	1.58
(iv) Sub-total included in statement of profit and loss (ii+iii)	19.63	17.44
(v) Actuarial (gain) / loss from changes in experience adjustments	(7.54)	(6.70)
Actuarial (gain) / loss from changes in financial assumptions	(1.41)	0.76
(vi) Sub-total included in other comprehensive income(v)	(8.95)	(5.94)
(vii) Benefits paid	-	-
(viii) Closing defined benefit obligation (i+ii+iii+v+vii)	36.57	25.89
Expense recognized in:		
Statement of profit and loss(iii)	19.63	17.44
Statement of other comprehensive income(v)	(8.95)	(5.94)
(viii) Weighted average duration of defined benefit obligation	8.67 years	13.18 years
(ix) Maturity profile of defined benefit obligation		
Within the next 12 months	1.38	0.05
Between 1 and 5 years	16.05	7.69
Between 5 and 10 years	14.85	15.31
More than 10	48.44	31.97

The principal assumptions used in determining post-employment gratuity benefit obligations for the Company's plans are shown below:

Particulars	Gratuity (Unfunded Plan)	Gratuity (Unfunded Plan)
	As at March 31, 2026	As at March 31, 2025
Discount rate	7.20%	6.77%
Salary escalation rate	8.00%	8.00%
Demographic Assumptions		
Particulars	As at 31 March 2026	As at 31 March 2025
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover	12%	12%
Retirement Age	60 Years	60 Years

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

Particulars	Gratuity (Unfunded Plan)	Gratuity (Unfunded Plan)
	As at 31 March 2026	As at 31 March 2025
Defined Benefit Obligation - Discount Rate + 100 basis points	(2.96)	(2.26)
Defined Benefit Obligation - Discount Rate - 100 basis points	3.42	2.60
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	3.32	2.22
Defined Benefit Obligation - Salary Escalation Rate -100 basis points	(2.94)	(2.13)
Defined Benefit Obligation - Employee Turnover + 100 basis points	(0.63)	(0.81)
Defined Benefit Obligation - Employee Turnover - 100 basis points	0.65	0.81

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

b) Defined Contribution Plan:

Provident Fund contributions are made to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred. In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan.

c) Other Long term employee benefits:

Annual Leave assumptions

The liability towards compensated absences (annual leave) for the year ended 31st March, 2026 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability to ₹6.64 lacs as on March 31, 2026 (₹ 5.46 lacs as on March 31, 2025).

The principal assumptions used in determining compensated absences benefit obligations for the Company's plans are shown below:

i) Financial Assumptions

Particulars	As at 31 March 2026
Discount rate	7.20%
Salary escalation rate	8.00%

ii) Demographic Assumptions

Particulars	As at 31 March 2026
Mortality	IALM (2012-14) Ultimate
Employee Turnover	12%
Leave Availment Ratio	1%
Retirement Age	60 Years

Notes

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

Note 30: EARNINGS PER SHARE*

Particulars	As at March 31, 2026	As at March 31, 2025
a) Basic and diluted earnings per share in rupees (Face value ₹10 per share) (In ₹)	(11,341.61)	(11,326.57)
b) (Loss) after tax as per Statement of Profit and Loss (₹ In Lakhs)	(2,314.71)	(2,311.64)
c) Weighted average number of equity shares outstanding during the year	20,409.00	20,409.00

* Earnings per share is calculated by dividing the (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

NOTE 31: RELATED PARTY DISCLOSURE

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

(a) Parent Company – Asian Paints Limited (Control exists)

(b) Key Managerial Personnel (KMP):

Name of the person	Designation
Harish Munireddy	Director
Prathiba S B (upto 11 th June 2025)	Chief Operating Officer
Shyam Swamy (upto 17 th December 2024)	Director
Gagandeep Kalsi (w.e.f 18 th December 2024)	Director
Parag Rane	Director

(c) Entities where directors/ close family members of directors/ directors of parent company having control/ significant influence

Pratan Fenestration LLP

(d) Compensation of key management personnel of the company

Particulars	2025-26	2024-25
Short term employee benefits	8.05	40.33
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-

(e) Details of transactions with and balances outstanding of parent company:

Name of the related party	Nature of transaction	2025-26		2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints Limited	Revenue from Sale of Products and Services	68.88	1.58	779.47	(12.76)
Asian Paints Limited	Reimbursement of expenses paid	1,126.45	120.52	510.26	118.77
Asian Paints Limited	Other services paid	84.05	6.35	175.19	77.02
Asian Paints Limited	Royalty	80.15	53.64	53.83	9.93

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

Name of the related party	Nature of transaction	2025-26		2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Harish Munireddy	Remuneration	4.83	-	24.01	-
Prathiba S B	Remuneration	3.22	-	16.32	-

(g) Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/Close Family Members of Directors:

Name of the related party	Nature of transaction	2025-26		2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Pratan Fenestration LLP	Revenue from sale of products and services	-	12.51	-	12.51
Pratan Fenestration LLP	Reimbursement of expenses paid	-	-	-	-

(h) Details of transactions with and balances outstanding of group entities

Name of the related party	Nature of transaction	2025-26		2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Obgenix Software Private Limited	Reimbursement of expenses paid	13.73	13.73	-	-

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured, interest free and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payables.

All the amounts reported in Note 31 (Related Party Transactions) are inclusive of GST wherever applicable.

Also refer note 1.1

NOTE 32: SEGMENT REPORTING

The Company is in the business of manufacturing uPVC, Aluminium Windows and door system components, which in terms of Ind AS 108 "Operating Segments", constitute a single reporting segment. The Company mainly operates in a single geographical environment i.e. in India.

Notes

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

NOTE 33: FINANCIAL RATIOS

No.	Ratios	Numerator	Denominator	FY 2025-26	FY 2024-25	% Variance	Reason for variation
1	Current ratio	Current Assets	Current Liabilities	0.25	0.37	-32%	Decrease in current ratio is due to increased trade payables and current borrowings.
2	Debt-equity ratio	Total Debt (Borrowings)	Total Equity	(0.97)	(1.43)	-32%	Increase in borrowings supplemented by increase in losses.
3	Debt service coverage ratio	Earning available for debt service #	Finance Costs (excluding cost pertaining to lease liabilities) + Repayment of borrowings	(3.82)	(4.91)	-22%	Increase in losses
4	Return on Equity	Profit/ (loss) after tax	Average Total Equity	-62%	-160%	-61%	Increase in losses
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	4.35	3.21	36%	Increase in ratio is mainly due to decrease in average inventory balance.
6	Trade receivables turnover ratio	Revenue from sale of products and services	Average Trade receivables	22.22	11.77	89%	Increase in the receivable days.
7	Trade payables turnover ratio	Net Purchases of raw material, packing material and stock-in-trade	Average Trade payables	4.63	3.61	28%	Increase in the payable days.
8	Net capital turnover ratio	Revenue from operations	Working Capital (Current Assets - Current Liabilities)	(1.27)	(1.36)	-7%	Decrease in ratio is mainly due to increase in current borrowings.
9	Net profit ratio	Profit/(loss) after tax	Revenue from operations	-31.0%	-43.9%	-29%	Increase in Sales
10	Return on capital employed	Profit/(Loss) before interest (excluding interest on lease liabilities) and tax	Average Capital Employed [Total Equity + Total Debt (Borrowings)]	-405.3%	-112.0%	262%	Increase in Sales
11	Return on investment (Return on fixed deposits)	Income during the year	Time weighted average of investment	4.5%	4.5%	0%	FD Interest

Earning for Debt Service = Profit after tax + Depreciation and Amortisation Expense + Finance costs - Gain on sale of property, plant and equipment (net)
- Net gain on modification/ termination of leases.

Impact of labour code

The Government of India notified the provisions of the four new Labour Codes ("Labour Codes") on 21st November 2025, thereby consolidating twenty-nine existing labour laws into a comprehensive and unified framework. Among other changes, the Labour Codes provide a unified definition of "wages" to be applied across various employee benefit computations. In accordance with Ind AS 19- Employee Benefits and considering the materiality as well as non-recurring nature of this impact, the Company has recognised one time expense of Rs. Nil.

Note 34: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (ix) The Company has not entered into any transactions during the year or balances payable or receivable with struck off companies.
- (x) The Company has maintained proper books of accounts as required by law.

Note 35: APPROVAL & ADOPTION

The Financial statements are approved for issue by the Board of Directors at meeting conducted on 29th April 2026

Signatures to notes to financial statements (Note 1 to 35)

For and on behalf of the Board of Directors of

Weatherseal Fenestration Private Limited

Gagandeep Kalsi

Director

DIN No. 10473109

Parag Rane

Director

DIN No. 08723015

Place : Ahmedabad

Date : 29 April 2026

Place : Mumbai

Date : 29 April 2026



Obgenix Software Private Limited

Board of Directors

Mr. Ashish Rae	(Non-Executive Director)
Mr. Gagandeep Kalsi	(Non-Executive Director)
Mr. Kirti Oswal	(Independent Director)
Mr. Rajat Talati	(Independent Director)

Key Managerial Personnel

Mr. Siddhartha Jain	(Chief Financial Officer)

Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants (till 29th April 2026)

S R B C & CO LLP, Chartered Accountants (w.e.f. 30th April 2026)

Secretarial Auditors

Vinod Kothari & Company, Practicing Company Secretary

Registered Office

Velocity Block, Prestige Technology Park - III,
Marathahalli Sarjapur Outer Ring Road,
Bellandur, Bangalore South,
Karnataka, India, 560103

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Board's Report

for the financial year ended 31st March 2026

Dear Members,

The Board of Directors are pleased to present the 27th Annual Report of Obgenix Software Private Limited ("the Company") together with the audited financial statements for the financial year ended 31st March 2026.

Financial Results

The financial performance of the Company for the financial year ended 31st March 2026 is summarized below:

Particulars	(₹ In Lakhs)	
	2025-26	2024-25
Revenue from Operations	9,923.81	10,683.52
Other Income	216.41	70.89
Total Revenue	10,140.22	10,754.41
Expenses	12,163.93	11,970.68
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	(2,023.71)	(1,216.27)
Less: Finance Cost	1,151.57	1,024.56
Less: Depreciation and Amortisation Expenses	2,307.46	1,958.33
Less: Exceptional Items	76.61	-
Loss Before Tax	(5,559.35)	(4,199.16)
Less: Tax Expense	-	310.32
Loss After Tax	(5,559.35)	(4,509.48)
Other Comprehensive Income	37.55	24.11
Total comprehensive Income/ Loss	(5,521.80)	(4,485.37)

Overview of the Company's Performance and State of Affairs

During the financial year 2025-26, net revenue from operations is ₹ 9,923.81 lakhs. The Company incurred a loss after tax of ₹ (5,559.35) lakhs during the financial year under review.

The Company provides Indian consumers with an extensive range of decorative and architectural lighting products under its brand "White Teak" to help them take complete control of their spaces. In addition to lighting, the Company also provides a broad range of fans and home accessories. Its tech-enabled website www.whiteteak.com delivers across India from its warehouses in Bangalore, Delhi and Mumbai. 14 Flagship Stores are designed as Experience Centres where people can interact with the Company's products and get to know them before making them integral parts of their spaces.

The Company continues to operate in an environment shaped by global geopolitical uncertainties and evolving local regulatory requirements. The year has ended with slight reduction in the revenue of the Company and resultant loss after tax of ₹ (5,559.35) lakhs. In order to improve the financial performance, the Company has taken efforts to

rationalise the costs across the spectrum along with certain other financial measures. The directors believe that these efforts would help the Company going forward.

In the future, being a tech-enabled Company, it will continue to evolve and always be on the lookout for cutting edge ideas on the technology front that will provide its customers with a seamless shopping experience. In addition to that the Company is setting up more experience centres throughout the country, increasing the range of products available and improving our operational capability so that the Company can deliver its products faster with all quality controls.

Confirmations:

- There were no material changes and commitments that affect the financial position of the Company which have occurred between the end of the financial year 2025-26 and the date of this report;
- There was no change in the nature of business of the Company; and
- There were no revision to the financial statements and Board's Report of the Company during the year under review.

Industrial Relations

The Company has always considered its workforce as its valuable asset and continues to invest in their excellence and development programs. The industrial relations of the Company remained peaceful and cordial.

Share Capital

The Company has only one class of equity shares. The authorised share capital of the Company is ₹ 1,00,00,000/- divided into 10,00,000 equity shares of ₹ 10 each as on 31st March 2026.

The paid-up equity share capital as on 31st March 2026 is ₹ 40,10,000.

During the financial year 2025-26, there was no change in the authorised, issued, subscribed and paid-up share capital of the Company.

Confirmations:

- a. During the year under review, the Company has not:
 - i. issued any shares, warrants, debentures, bonds, or any other convertible or non-convertible securities;
 - ii. issued equity shares with differential rights as to dividend, voting or otherwise;
 - iii. issued any sweat equity shares to its Directors or employees;
 - iv. issued any equity shares under the employees stock option scheme, further, the Company doesn't have any employees stock option scheme;
 - v. made any change in voting rights;
 - vi. reduced its share capital or bought back shares;
 - vii. changed the capital structure resulting from restructuring; and
 - viii. failed to implement any corporate action.
- b. The Company's securities are not listed on any stock exchanges, hence there doesn't arise a scenario of its shares being suspended for trading during the year.
- c. The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company.

Dividend

During the year under review, the Board of Directors have not recommended dividend on the equity shares of the Company.

Unclaimed Dividend and Investor Education & Protection Fund ("IEPF")

The Company does not have any unclaimed dividend outstanding for payment to members of the Company. Further, the Company has not transferred any amount to the IEPF.

Transfer to Reserves

During the year under review, there was no amount transferred to any of the reserves of the Company.

Subsidiary Status

On 27th June 2025, Asian Paints Limited, the Holding Company, acquired the remaining stake of 40% of the equity share capital of the Company from the promoters of the Company for a consideration of ₹ 188 crores. Consequently, the Company become a wholly owned subsidiary of Asian Paints Limited from the said date.

The Company does not have any subsidiary, associate or joint venture as on the date of this report.

Deposits

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 ("the Act"), read together with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 as on 31st March 2026, are given in Note No. 12 to the Financial Statements.

Directors and Key Managerial Personnel

Board of Directors

As on 31st March 2026, the Board of Directors of the Company comprised of 4 Directors, 2 of which are Independent Directors and 2 Non-Executive Directors.

Change in Directorate

i. Resignation of Director

During the year under review, Mr. Pawan Mehta (DIN: 00349200) resigned as Non – Executive Director of the Company with effect from close of business hours on 27th June 2025. The directors place on record their appreciation for valuable contribution made by Mr. Pawan Mehta during his association with the Company.

ii. Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, Mr. Ashish Rae (DIN: 09540164), Non-Executive Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting (“AGM”) and being eligible has offered himself for re-appointment.

The Board of Directors recommends re-appointment of Mr. Ashish Rae (DIN: 09540164) as a Non-Executive Director of the Company, liable to retire by rotation. Appropriate resolution for his re-appointment is being placed for the approval of the members of the Company at the ensuing AGM. The brief profile and the required information as stipulated under Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India (“ICSI”) has been disclosed in the Annexure to the Notice of the AGM.

The Board of Directors of the Company has been validly constituted as per Section 149 of the Act and corresponding Rules thereunder.

Declaration from Directors

The Company has, *inter alia*, received the following declarations from all the Independent Directors confirming that:

- they meet the criteria of independence as prescribed under the provisions of the Act, read with Schedule IV and Rules issued thereunder. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and
- they have registered themselves with the Independent Director’s Database maintained by the Indian Institute of Corporate Affairs and have qualified the online

proficiency self-assessment test or are exempted from passing the test as required in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Key Managerial Personnel

There was no change in the composition of Key Managerial Personnel during the year under review.

Mr. Siddhartha Jain, Chief Financial Officer, is the Key Managerial Personnel of the Company in terms of Section 2(51) read with Section 203 of the Act.

Disclosure relating to remuneration of Directors, Key Managerial Personnel and particulars of employees

During the year under review, no remuneration was paid to the Non-Executive Directors of the Company.

The Company paid remuneration of ₹ 84.26 lakhs to Mr. Siddhartha Jain, Chief Financial Officer of the Company for the financial year 2025-26.

The Company has not employed any individual other than as disclosed whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Performance Evaluation of the Board

Provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, in relation to the performance evaluation of the Board are not applicable to the Company.

Directors’ Responsibility Statement

Pursuant to Section 134 of the Act, the Directors confirm that:

- in the preparation of the annual accounts for the financial year ended 31st March 2026, the applicable

accounting standards and Schedule III of the Act, have been followed and there are no material departures from the same;

- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2026 and of the loss of the Company for the financial year ended 31st March 2026;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a 'going concern' basis;
- e. proper internal financial controls laid down by the Directors were followed by the Company and that such financial controls are adequate and operating effectively; and
- f. proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and operating effectively.

Meetings of the Board

During the financial year 2025-26, 8 (eight) meetings of the Board of Directors were held on 30th April 2025, 2nd May 2025, 27th June 2025, 22nd July 2025, 30th October 2025, 19th January 2026, 6th March 2026 and 23rd March 2026

The maximum time gap between 2 meetings did not exceed 120 days, as prescribed under the Act. The details of the meetings held during the financial year 2025-26 and attendance of Directors, is detailed below:

Sr. No.	Name of the Director(s)	Number of meeting(s) entitled to attend	Number of meeting(s) attended
1.	Ashish Rae	8	8
2.	Pawan Mehta*	3	3
3.	Gagandeep Kalsi	8	8
4.	Kirti Oswal	8	8
5.	Rajat Talati	8	8

*Mr. Pawan Mehta (DIN: 00349200) resigned as a Director of the Company with effect from the close of business hours on 27th June 2025.

The Company has complied with the applicable Secretarial Standards issued by ICSI in respect of all the above Board meetings.

Committees

During the year under review, the Company had two Committees of the Board of Directors, namely the Audit Committee and the Nomination and Remuneration Committee. Consequent upon the Company becoming a wholly owned subsidiary of Asian Paints Limited, the aforesaid Committees were discontinued with effect from 27th June 2025.

Related Party Transactions

During the financial year 2025-26, the Company has entered into transactions with related parties as defined under Section 2(76) of the Act read with the Companies (Specification of Definitions Details) Rules, 2014 all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Act read with the Rules issued thereunder.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. The details of the related party transactions are set out in Note No. 31 to the financial statements of the Company.

The Form AOC-2 pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in Annexure (1) of this report.

Vigil Mechanism

The Company is not required to have Vigil Mechanism as per section 177(10) of the Act. The Company promotes ethical behavior in all its business activities and is in line with the best governance practices.

The Board of Directors of the Company in good governance on voluntarily basis have adopted the Whistle Blower Policy of Asian Paints Limited, Holding Company. The Policy provides for protection to the employees and business associates who report unethical practices and irregularities.

Auditors and Auditors' Report

i. Statutory Auditors

Deloitte Haskins & Sells LLP ("DHS"), Chartered Accountants (Firm Registration No. 117366W/W-100018) were appointed as Statutory Auditors of the Company

at the 23rd AGM held on 30th September 2022, to hold office till the conclusion of the 28th AGM on such remuneration as shall be fixed by the Board of Directors of the Company.

DHS has issued an unmodified opinion on the financial statements for the financial year 2025-26 and the Statutory Auditor's Report forming part of this Annual Report does not contain any qualification, reservation, adverse remark or disclaimer.

Further, DHS vide their resignation letter dated 29th April 2026 has resigned as the Statutory Auditors of the Company with effect from 29th April 2026, pursuant to the Company's decision to align statutory audits at the group level.

Consequent to the resignation of DHS as the Statutory Auditors of the Company, the Board of Directors of the Company, at its meeting held on 29th April 2026, approved and recommended to the members at ensuing AGM the appointment of S R B C & Co. LLP ("SRBC"), Chartered Accountants (Firm Registration No. 324982E/E300003), as under:

- a. Appointment of SRBC to fill the casual vacancy caused by the resignation of DHS, for the period from the closure of business hours on 29th April 2026 until the conclusion of the 27th AGM; and
- b. Appointment of SRBC as the Statutory Auditors of the Company for a term of five consecutive years commencing from the conclusion of the 27th AGM until the conclusion of the 32nd AGM.

The Company has received written consent and certificate of eligibility from SRBC confirming their eligibility for appointment in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder. They have also confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India ("ICAI") as required under the Listing Regulations.

ii. Secretarial Auditors

Vinod Kothari & Company ("VKC"), Practicing Company Secretary, (Certificate of Practice No. 11902), were appointed as the Secretarial Auditors of the Company by the Board of Directors at its meeting held on 29th April 2026 to conduct an audit of the secretarial records for the financial year ending 31st March 2027, based on the confirmation of the eligibility and consent received from

VKC. The Secretarial Auditors have confirmed that they are not disqualified to be appointed as such.

Reporting of frauds by Auditors

There were no incidence of fraud reported by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Conservation of Energy

a. Steps taken on conservation or impact on conservation of energy

Energy conservation dictates how efficiently a Company can conduct its operations. The Company recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company has undertaken various energy efficient practices that have reduced the growth in carbon-dioxide (CO₂) emissions and strengthened the Company's commitment towards becoming an environment friendly organisation.

b. Steps taken by the company for utilizing alternate Source of energy

Significant measures are taken to reduce energy consumption by using energy efficient equipment.

c. Capital investment on energy conservation equipment

During year under review, the Company did not make any investment on the energy conservation equipment as the same was not warranted.

Technology Absorption

a. Efforts made towards technology absorption

The Company is carrying out various activities to fulfill short term and long-term business goals of the Company which include energy savings and development of durable products.

b. Benefits derived as a result of the above efforts

Significant cost reduction achieved as a result of use of cost effective local and imported raw materials have helped maintain cost competitiveness.

c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company has not imported any technology and has not entered into any technology transfer agreement.

d. Expenditure incurred on research and development: Nil

Foreign Exchange Earnings And Outgo

Details of Foreign Exchange Earnings and Outgo during the financial year 2025-26 are as follows:

(₹ In Lakhs)		
Particulars	2025-26	2024-25
Foreign Earnings	305.61	495.43
Foreign Outgo	2,530.94	2,288.52

Risk Management

The Board has put in place appropriate framework and mechanism to review the risks for the Company including the operational and business risks.

The Company recognizes that risk is an integral and inevitable part of the business and is fully committed to manage risks in a proactive and efficient manner. The Company has a Risk Management Policy which articulates the approach to address the uncertainties in its endeavor to achieve its stated and implicit objectives.

Policy on Prevention of Sexual Harassment at Workplace

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder and Internal Complaints Committee have also been set up to redress any such complaints received. The details of the complaints during the year are as follows:

- Number of complaints of sexual harassment received in the year – NIL
- Number of complaints disposed off during the year – Not Applicable
- Number of cases pending for more than ninety days – Not Applicable
- Number of complaints unsolved during the year – NIL

The Company is committed to provide a safe and conducive work environment to all of its employees and associates.

Internal Controls

The Company has in place a well-established and robust internal control systems which are commensurate with the nature of its business, size & scale, and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of the Company's operations, safe keeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of the Company's operations.

Internal Financial Controls and their Adequacy

The Company has in place adequate internal financial controls with reference to financials. The same is subject to review periodically by the Board of Directors for its effectiveness. The control measures adopted by the Company have been found to be effective and adequate to the Company's requirements.

Maintenance of Cost Records

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Act

Significant and Material Orders, if any, passed by the Regulators or Courts

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations.

Annual Return

In accordance with Section 92(3) read with Section 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as of 31st March 2026 in Form MGT-7, is available on the Company's website at <https://www.whiteteak.com./investor>. The Annual Return will be submitted to the Registrar of Companies within the timelines prescribed under the Act.

Compliance with Secretarial Standards

The Company has complied with Secretarial Standards issued by the ICSI on Meetings of Board of Directors and General Meetings.

Other Disclosures

During the year under review:

- a. The Company has complied with all the provisions of the Maternity Benefit Act, 1961;
- b. No credit rating has been obtained by the Company with respect to its securities;
- c. No application has been made under the Insolvency and Bankruptcy Code, 2016;
- d. Disclosures relating to difference between the amount of the valuation in case of one-time settlement is not applicable; and
- e. The Company did not meet the thresholds prescribed under Section 135(1) of the Companies Act, 2013. Accordingly, the provisions relating to Corporate Social Responsibility were not applicable to the Company for the year under review.

Acknowledgements

Your Directors acknowledge with deep sense of appreciation the co-operation received from various other Central and State Government agencies, other Ministries, Customers, Bankers and other stakeholders. Your Directors express deep sense of appreciation for the dedicated and sincere services rendered by the employees of the Company at all levels.

Your Directors also wish to express gratitude to all the members for the confidence reposed by them in the Company and for the continued support and co-operation.

For and on behalf of the Board of Directors

Ashish Rae

Chairman

DIN: 09540164

Date: 29th April 2026

Place: Mexico City, Mexico

Annexure (1) to Board's Report

FORM AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 ("the Act") and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Act including certain arms' length transactions under fourth proviso thereto.

a. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements, or transactions entered into during the financial year ended 31st March 2026, which were not at arm's length basis.

b. Details of material contracts or arrangement or transactions at arm's length basis

a.	Corporate identity number (CIN) or any other registration number	CIN - L24220MH1945PLC004598	CIN - L24220MH1945PLC004598
b.	Name of the related party and nature of relationship	Asian Paints Limited-Holding Company	Asian Paints Limited-Holding Company
c.	Nature of contracts/arrangements/transactions	Reimbursement of expenses paid	Revenue from Sale of Products and Services
d.	Duration of the contracts / arrangements / transactions	1 year	1 year
e.	Salient terms of the contracts or arrangements or transactions including actual/ expected contractual amount	Commercial terms as agreed between the parties ₹ 1,105.07 Lakh	Commercial terms as agreed between the parties ₹ 1,517.86 Lakh
f.	Date(s) of approval by the Board, if any:	The Board of Directors of the Company approved the said material transactions on 23 rd March 2025. However, the said transactions were in the ordinary course of business and at arm's length basis	
g.	Amount paid as advances, if any	-	-

During the financial year ended 31st March 2026, all related party transactions were in the ordinary course of business and on arm's length basis and were approved by the Board of Directors of the Company.

For and on behalf of the Board of Directors

Ashish Rae
Chairman
DIN: 09540164

Date: 29th April 2026
Place: Mexico City, Mexico

Independent Auditor's Report

To The Members of
Obgenix Software Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Obgenix Software Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not

include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company does not pay remuneration to the of its Director Consequently, this clause has not been reported thereon.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 36(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 36(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Based on our examination, which included test checks, the Company has used accounting softwares systems for maintaining its books of account for the financial year ended 31st March, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Terence Lewis
Partner
(Membership No. 107502)
UDIN No: 26107502SFWGOV5124

Place: Mumbai
Date: 29th April 2026

Annexure A to the Independent Auditor's Report

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

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

We have audited the internal financial controls with reference to financial statements of Obgenix Software Private Limited ("the Company") as at March 31, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Terence Lewis

Partner

Membership No. 107502

UDIN No: 26107502SFWGOV5124

Place: Mumbai

Date: 29th April, 2026

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, plant and equipment were physically verified during the previous year by the management which, in our opinion provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property and has not registered sale deed/ transfer deed/ conveyance deed and hence reporting under clause (i)(c) of the order is not applicable.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debts statements, credit monitoring arrangements reports, statements on ageing analysis by the company with such banks are in agreement with unaudited books of account of the Company for the quarter ended 30th June 2025. For the quarters ended 30th September 2025, 31st December 2025 and 31st March 2026, the Company is not required to file any information with the lender as stipulated in the sanction letter.
- (iii) The Company has not made any investments in, provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has not granted loans, secured or unsecured, to companies, Limited Liability Partnership or any other parties during the year.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act 2013.
- (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.
 - (c) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2026.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed

as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been utilised during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) and (f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debenture (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable to Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and up to the date of this report).
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

- (xiii) In our opinion, the Company is in compliance with Section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards. The Company is a private company and hence, the provisions of Section 177 of the Companies Act, 2013 are not applicable to the company.
- (xiv) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013 and hence reporting under clause 3(xiv) (a) and (b) of the Order is not applicable to Company.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company, subsidiary company, associate company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi) (d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs. 4,687.65 lakhs during the financial year covered by our audit and Rs. 3,279.12 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions and Letter of Support received by holding company, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date

of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

Terence Lewis

Partner

Membership No. 107502

UDIN: 26107502SFWGOV5124

Place: Mumbai

Date: 29th April, 2026

Balance Sheet

as at 31 March 2026

(All amount in Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, Plant and Equipment	2A	1,404.51	2,149.85
Right of Use Assets	2B	3,951.92	5,472.28
Other Intangible assets	2C	12.36	18.53
Financial Assets			
Other financial assets	3	281.24	365.99
Income Tax Assets (net)	4	21.37	21.51
Total Non-Current Assets		5,671.40	8,028.16
Current assets			
Inventories	7	3,051.39	3,155.93
Financial Assets			
Trade receivables	8	1,780.55	1,559.28
Cash and cash equivalents	9	178.91	83.24
Other financial assets	3	242.45	168.11
Other current assets	6	975.73	711.29
Total Current Assets		6,229.03	5,677.84
Total Assets		11,900.43	13,706.00
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	10	40.10	40.10
Other Equity	11	(7,368.55)	(1,846.75)
Total Equity		(7,328.45)	(1,806.65)
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	3,513.75	780.00
Lease liabilities	13	3,539.93	4,948.47
Provisions	15	263.22	148.49
Total Non Current Liabilities		7,316.90	5,876.96
Current liabilities			
Financial Liabilities			
Borrowings	12	8,366.20	5,688.94
Lease liabilities	13	1,144.73	1,154.30
Trade Payables			
-Total Outstanding dues of Micro Enterprises and Small Enterprises	16	556.67	407.50
-Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	16	752.28	1,201.28
Other Financial liabilities	14	445.41	769.42
Other current liabilities	17	610.32	366.93
Provisions	15	36.37	47.32
Total Current Liabilities		11,911.98	9,635.69
Total Equity and Liabilities		11,900.43	13,706.00

Material accounting policies and key accounting estimates and judgements

1

The accompanying notes form an integral part of the financial statements

As per our report of even date attached :

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

For and on behalf of the Board of Directors of
Obgenix Software Private Limited

Terence Lewis
Partner
Membership No: 107502

Gagandeep Singh Kalsi
Director
DIN No. 10473109

Kirti Kantilal Oswal
Director
DIN No. 11017887

Siddhartha Jain
Chief Financial Officer

Place : Mumbai
Date : 29 April 2026

Place : Ahmedabad
Date : 29 April 2026

Place : Mumbai
Date : 29 April 2026

Place : Bengaluru
Date : 29 April 2026

Statement of Profit and Loss

for the year ended 31 March 2026

(All amount in Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
INCOME			
Revenue from operations	18A	9,923.81	10,683.52
Other Income	19	216.41	70.89
Total Income (I)		10,140.22	10,754.41
EXPENSES			
Purchases of Stock-in-trade	20	5,715.02	5,201.11
Changes in inventories of Stock-in-trade	21	104.54	(100.11)
Employee benefits expense	22	2,788.69	2,709.68
Other expenses	24	3,555.68	4,160.00
Total expenses (II)		12,163.93	11,970.68
Earning Before Interest, Tax, Depreciation and Amortisation (I-II)		(2,023.71)	(1,216.27)
Finance costs	23	1,151.57	1,024.56
Depreciation and amortisation expenses	2D	2,307.46	1,958.33
Profit Before Exceptional Item and Tax		(5,482.74)	(4,199.16)
Exceptional Items	33	76.61	-
Profit Before Tax		(5,559.35)	(4,199.16)
Tax expenses			
Current tax	5	-	-
Current tax for earlier years	5	-	(6.16)
Deferred tax	5	-	316.48
Profit After Tax		(5,559.35)	(4,509.48)
Other Comprehensive Income (OCI)			
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement gains/(losses) on defined benefit plans		37.55	24.11
Total Other Comprehensive Income		37.55	24.11
Total Comprehensive Income for the year		(5,521.80)	(4,485.37)
Earnings per share (Face value of Rs. 10 each)			
(1) Basic and Diluted (in Rs.)	30	(1,386.37)	(1,124.56)

Material accounting policies and key accounting estimates and judgements

1

The accompanying notes form an integral part of the financial statements

As per our report of even date attached :

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

For and on behalf of the Board of Directors of
Obgenix Software Private Limited

Terence Lewis
Partner
Membership No: 107502

Gagandeep Singh Kalsi
Director
DIN No. 10473109

Kirti Kantilal Oswal
Director
DIN No. 11017887

Siddhartha Jain
Chief Financial Officer

Place : Mumbai
Date : 29 April 2026

Place : Ahmedabad
Date : 29 April 2026

Place : Mumbai
Date : 29 April 2026

Place : Bengaluru
Date : 29 April 2026

Statement of Cash flows

for the year ended 31 March 2026

(All amount in Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) Cash Flow From Operating Activities		
Profit Before Tax	(5,559.35)	(4,199.16)
Adjustments for :		
Depreciation and Amortisation expense	2,307.46	1,958.33
Finance costs	1,151.57	1,024.56
Interest income on security deposit	(46.75)	(42.89)
Excess liabilities written back	(19.82)	-
Gain on sale of property, plant and equipment (net)	(7.10)	-
Provision for doubtful debts and Advances	218.70	247.80
Bad debts written off	12.27	13.89
Gain on termination of leases	(116.75)	1.88
Operating profit before working capital changes	(2,059.77)	(995.59)
Changes in working capital		
Adjustments for changes in :		
Inventories	104.54	(100.11)
Trade receivables	(452.24)	1,397.41
Financial assets	65.30	(68.81)
Other current assets	(264.43)	(159.66)
Trade payables	(299.83)	639.64
Other financial liabilities	(180.92)	204.92
Other liabilities and provisions	404.54	173.07
Cash generated from/ (used in) operating activities	(2,682.82)	1,090.87
Income Tax paid (net of refund)	0.14	23.17
Net cash generated from / (used in) operating activities	(2,682.68)	1,114.04
(B) Cash Flow from Investing Activities		
Purchase of Property, plant and equipment	(274.65)	(678.30)
Proceeds from sale of Property, plant and equipment	7.10	-
Payment for acquiring right of use assets	-	(77.51)
Net cash used in investing activities	(267.55)	(755.81)
(C) Cash Flow from Financing Activities		
Repayment of borrowings (Net)	(1,700.00)	(855.00)
Proceeds from non-current borrowings	3,513.75	780.00
Proceeds from current borrowings	(561.25)	1,330.00
Repayment of principal portion of lease liabilities	(1,213.54)	(1,012.40)
Finance costs (including interest on lease liabilities) paid	(1,151.57)	(1,024.56)
Net cash used in financing activities	(1,112.61)	(781.96)

(All amount in Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(D) Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(4,062.84)	(423.73)
Add: Cash and cash equivalents at the beginning of the year	(3,685.70)	(3,261.97)
Cash and cash equivalents at the end of the year	(7,748.54)	(3,685.70)
Cash and Cash equivalents comprises of		
- Cash on hand	7.51	23.71
- Balances with Banks		
- Current Accounts	2.12	3.73
- Fund-in-Transit	169.28	55.80
Total cash and cash equivalents (Refer Note 9)	178.91	83.24
Less: Loan repayable on demand - Cash Credit /Overdraft Accounts	(7,927.45)	(3,768.94)
Cash and cash equivalents in Cash Flow Statement as per Note 9 and Note 12	(7,748.54)	(3,685.70)

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at 1 April 2025	Cash Flows (net)	Non- cash changes		As at March 31, 2026
			Current/ Non-current classification	Addition (net)	
Borrowings	6,468.94	5,411.01	-	-	11,879.95
Lease liabilities	6,102.77	(1,213.54)	-	(204.58)	4,684.66

Particulars	As at 1 April 2024	Cash Flows (net)	Non- cash changes		As at 31 March 2025
			Current/ Non-current classification	Addition (net)	
Borrowings	4,782.31	1,686.63	-	-	6,468.94
Lease liabilities	4,552.15	(1,012.40)	-	2,563.02	6,102.77

The accompanying notes form an integral part of the financial statements

Notes:

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

As per our report of even date attached :

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

For and on behalf of the Board of Directors of
Obgenix Software Private Limited

Terence Lewis
Partner
Membership No: 107502

Gagandeep Singh Kalsi
Director
DIN No. 10473109

Kirti Kantilal Oswal
Director
DIN No. 11017887

Siddhartha Jain
Chief Financial Officer

Place : Mumbai
Date : 29 April 2026

Place : Ahmedabad
Date : 29 April 2026

Place : Mumbai
Date : 29 April 2026

Place : Bengaluru
Date : 29 April 2026

Statement of Changes in equity

For the year ended 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

(A) Equity share capital :

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the reporting year (Refer note 11(a))	40.10	40.10
Changes in equity share capital during the year (Refer note 11(a))	-	-
Balance at the end of the reporting year	40.10	40.10

(B) Other equity :

Remeasurement of the defined benefit plans (net of tax)	Reserves and Surplus	Other Comprehensive Income	Total Equity attributable to equity share holder of the Company
	Retained earnings	Remeasurement of defined benefit plans	
Balance as on April 1, 2024	2,636.20	2.42	2,638.62
Add: Profit for the year	(4,509.48)	-	(4,509.48)
Remeasurement of the defined benefit plans (net of tax)	-	24.11	24.11
Balance as on March 31, 2025	(1,873.28)	26.53	(1,846.75)
Add: Profit for the year	(5,559.35)	-	(5,559.35)
Remeasurement of the defined benefit plans (net of tax)	-	37.55	37.55
Balance as on March 31, 2026	(7,432.63)	64.08	(7,368.55)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached :

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Reg. No: 117366W/W-100018

For and on behalf of the Board of Directors of

Obgenix Software Private Limited

Terence Lewis

Partner

Membership No: 107502

Place : Mumbai

Date : 29 April 2026

Gagandeep Singh Kalsi

Director

DIN No. 10473109

Place : Ahmedabad

Date : 29 April 2026

Kirti Kantilal Oswal

Director

DIN No. 11017887

Place : Mumbai

Date : 29 April 2026

Siddhartha Jain

Chief Financial Officer

Place : Bengaluru

Date : 29 April 2026

Notes to Financial Statements

for the year ended 31st March 2026

Company Background

Obgenix Software Private Limited ('the Company') having company identification number U51909KA1999PTC198298 was incorporated as a private company on 6th January 1999 under the Companies Act, 1956. The registered office of the Company is located at Velocity Block, Prestige Technology Park - In, Marathaballi Sarjapur Outer Ring Road, Bellandur, Bangalore, Bangalore South, Karnataka, India, 560103.

The Company is engaged in the business to design, trade or otherwise deal in all types and description of decorative lighting products, fans, and artifacts etc.

1. Material Accounting Policies and Key accounting estimates and judgements

Material Accounting Policies: -

1.1 Basis of preparation of financial statements

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

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

The financial statements are presented in Indian Rupees (which is also the functional currency of the Company) and is rounded off to the nearest lakhs except otherwise indicated.

The management of the Company, based on board approved projections has formulated strategic plans for improving profitability of the Company which mainly includes increase in sales and reduction in operating expenses.

Considering the above and commitment of financial support from Holding Company to meet financial obligations as they fall due over the next twelve months, the financial statements of the Company are prepared on going concern basis.

1.2 Current / Non-Current Classification

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

- i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle.
- ii. the asset is intended for sale or consumption.
- iii. the asset/liability is held primarily for the purpose of trading.
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period.
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- vi. the liability wherein the Company does not have the right at the end of reporting period to defer its settlement for at least twelve months after the reporting date

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

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

1.3. Summary of Significant accounting policies

a) Property, plant, and equipment

Measurement at recognition:

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

The cost of an item of PPE comprises of its purchase price net of discounts, if any including import duties and other non-refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses like plans, designs, and drawings of

buildings or plant and machinery, borrowing cost on qualifying assets which directly attributable to new manufacturing facility during its construction period are capitalized under the relevant head of PPE if the recognition criteria are met.

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

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

The Company had elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April 2022.

Capital work in progress and Capital advances:

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

Depreciation:

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

Class of Assets	Years
Furniture and Fixtures	10
Motor vehicles- lorries and cars	8
Office equipment	5
Computers (end user devices & Server Networks)	3

Leasehold land and Leasehold improvements are amortized over the period of the lease.

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

Derecognition:

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

b) Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Assets that have an indefinite useful life are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

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

An impairment loss is recognized whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their

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present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

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

c) Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. It is measured at transaction price (net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products:

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

Rendering of services:

Revenue from services is recognized when the, stage of completion can be measured reliably. The

Company uses output method for measurement of revenue from installation service as it is based on completion of installation of the product.

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

d) Inventory

Finished goods (stock-in-trade) are carried at the lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-by item basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

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

e) Financial Instruments

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

Financial assets

Initial recognition and measurement:

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

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

Subsequent measurement:

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

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

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

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through profit or loss (FVTPL)

I Financial assets measured at amortized cost:

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

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, and other financial assets of the Company (refer note 25(A) for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method. The effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset under other income in the Statement of Profit and Loss. The amortized cost of a financial asset is also adjusted for loss allowance, if any.

II Financial assets measured at FVTPL:

This is a residual category applied to all other investments of the Company excluding investments

in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

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

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

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

Impairment of financial assets:

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

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

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

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

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

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions. As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses.

Financial Liabilities

Initial recognition and measurement:

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

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

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction

price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method (refer note 27(A) for further details). The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense under finance cost in the Statement of Profit and Loss.

Derecognition:

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

Offsetting of financial assets and financial liabilities:

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

f) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market

participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

g) Foreign Currency Translation

Initial Recognition:

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

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical

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

Exchange differences arising out of foreign exchange translations and settlements during the year are recognized in the Statement of Profit and Loss.

h) Income Taxes

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

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax assets and liabilities are generally recognized for all deductible and taxable temporary differences respectively. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit or does not give rise to equal taxable and deductible temporary differences, deferred tax assets or liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

The Company recognises a deferred tax asset arising from unused tax losses or tax credits only

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to the extent it has a sufficient taxable temporary difference or there is convincing evidence that sufficient taxable profits will be available.

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

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

Uncertain tax positions:

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

Presentation of current and deferred tax:

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

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

i) Provisions and Contingencies

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

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

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

j) Measurement of EBITDA

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

k) Cash and Cash Equivalents

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

l) Employee Benefits

Short Term Employee Benefits:

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

Post-Employment Benefits:

Defined benefit plans:

The Company provides a defined benefit gratuity plan for employees as per the requirements of the Payment of Gratuity Act, 1972.

Recognition and measurement of defined benefit plans:

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

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

The Company presents the above liability/ (asset) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary.

Other Long Term Employee Benefits :

Entitlements to earned leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while earned leave can either be availed or encashed at the end of the calendar year. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method. Expenses related to other long term employee benefits are recognized in the Statement of Profit and loss.

Defined contribution plan:

Provident fund scheme:

The Company makes specified monthly contributions towards Employee Provident Fund scheme to the Employees provident fund administered by the Government. The minimum interest payable is being notified by the Government every year.

m) Lease accounting

Assets taken on lease:

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

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

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

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

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

Short-term leases and leases of low-value assets

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

n) Borrowing Cost

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

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

o) Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to the equity

shareholders of the Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

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

p) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

q) Exceptional items:

An ordinary item of income or expense which by its size, nature, occurrence or incidence requires a disclosure in order to improve understanding of the performance of the Company is treated as an exceptional item in the statement of profit and loss account

1.5 Key accounting estimates and judgements

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

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

a. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax,

determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b. Property, plant and equipment

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

c. Defined Benefit Obligation

The costs of post-employment benefits are charged to the Statement of Profit and Loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 31, 'Employee benefits'.

d. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using

valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

e. Right-of-use assets and lease liability

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

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

1.6. Application of New Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has notified following new standards or amendments to the existing standards.

1. Ind AS 7 - Statement of Cash Flows and Ind AS 107 - Financial Instruments: Disclosures: There is no impact of this amendment on the Financial Statements of the entity.
2. Ind AS 1 - Presentation of Financial Statements: in line with the amendment, the Company has applied the requirements for classification of liabilities as current or non-current including compliance with covenants, where applicable. There is no impact of the amendment on the Financial Statements of the entity.
3. Ind AS 12 - Income Taxes: There is no impact of this amendment on the Financial Statements of the entity.

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2A Property, plant and equipment

(All amount in Rupees Lakhs, unless otherwise stated)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 01, 2025	Additions during the year	Deductions/ Adjustments	As at March 31, 2026	"As at April 01, 2025	Additions during the year	Deductions/ Adjustments	As at March 31, 2026
Furniture and Fixtures	207.76	0.06	-	207.82	72.97	18.59	-	116.26
Vehicles	65.64	-	-	65.64	34.18	7.74	-	23.72
Office Equipment	201.43	14.36	-	215.79	112.32	30.30	-	73.17
Computers	157.89	12.02	-	169.91	101.28	32.89	-	35.74
Leasehold Improvements	2,917.73	105.12	846.47	2,176.38	1,079.85	787.38	846.47	1,155.62
Total	3,550.45	131.56	846.47	2,835.54	1,400.60	876.90	846.47	1,404.51

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 01, 2024	Additions during the year	Deductions/ Adjustments	As at March 31, 2025	As at April 01, 2024	Additions during the year	Deductions/ Adjustments	As at March 31, 2025
Furniture and Fixtures	183.49	24.27	-	207.76	48.11	24.86	-	134.79
Vehicles	65.64	-	-	65.64	27.55	6.63	-	31.46
Office Equipment	155.93	45.50	-	201.43	90.44	21.88	-	89.11
Computers	123.01	34.88	-	157.89	61.24	40.04	-	56.61
Leasehold Improvements	1,672.09	1,245.64	-	2,917.73	675.74	404.11	-	1,837.88
Total	2,200.16	1,350.29	-	3,550.45	903.08	497.52	-	2,149.85

2B Right of use assets

Particulars	As at April 01, 2025	Additions	Deletions	Amortisation	As at March 31, 2026
Building	5,472.28	663.18	759.15	1,424.39	3,951.92
Total	5,472.28	663.18	759.15	1,424.39	3,951.92

Particulars	As at April 01, 2024	Additions	Deletions	Amortisation	As at March 31, 2025
Building	4,288.73	2,660.87	22.26	1,455.06	5,472.28
Total	4,288.73	2,660.87	22.26	1,455.06	5,472.28

All lease agreements are duly executed in favour of the Company.

For additions and movement in lease liabilities Refer note 13.

2C Other Intangible assets

(All amount in Rupees Lakhs, unless otherwise stated)

Particulars	Gross Block			Accumulated Amortisation			Net Block	
	As at April 01, 2025	Additions during the year	Deductions/ Adjustments	As at March 31, 2026	As at April 01, 2025	Additions during the year	As at March 31, 2026	As at March 31, 2026
Software	24.28	-	-	24.28	5.75	6.17	11.92	12.36
Total	24.28	-	-	24.28	5.75	6.17	11.92	12.36

Particulars	Gross Block			Accumulated Amortisation			Net Block	
	As at April 01, 2024	Additions during the year	Deductions/ Adjustments	As at March 31, 2025	As at April 01, 2024	Additions during the year	As at March 31, 2025	As at March 31, 2025
Software	-	24.28	-	24.28	-	5.75	5.75	18.53
Total	-	24.28	-	24.28	-	5.75	5.75	18.53

2D Depreciation expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of Property, Plant and Equipment (Refer note 2A)	876.90	497.52
Depreciation of Intangible Assets (Refer note 2C)	6.17	5.75
Depreciation of Right-of-Use Assets (Refer note 2B)	1,424.39	1,455.06
Total	2,307.46	1,958.33

Notes

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

3 Other Financial Assets

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Unsecured and Considered good:				
Security deposits	281.24	365.99	236.87	149.24
Other receivables	-	-	5.58	18.87
Total	281.24	365.99	242.45	168.11

4 Current Tax Assets

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Balances with Government authorities				
- Advance payment of income tax (net)/ TDS Receivable	21.37	21.51	-	-
Total	21.37	21.51	-	-

5 Income Taxes

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) The major components of income tax expense for the year are as under :		
(i) Income tax recognised in the statement of Profit and Loss		
Current tax:		
In respect of current year	-	-
In respect of earlier year	-	(6.16)
Deferred tax expense:		
In respect of current year	-	316.48
Income tax recognised in the statement of Profit and Loss	-	310.32
(ii) Income tax recognised in OCI		
Deferred Tax:	-	-
Income tax (expense)/benefit on remeasurement of defined benefit plans	-	-
Income tax benefit / (expense) recognised in OCI	-	-
(B) Reconciliation of Tax expense and the accounting profit for the year is as under:		
Profit before tax	(5,482.74)	(4,199.16)
Income tax expense calculated at 25.168%	-	-
Tax expense on non-deductible expenses	-	-
Others	-	310.32
Total	-	310.32

The tax rate used for reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under Indian tax law.

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

Particulars	Opening Balance as at April 01, 2025	Profit and loss 2025-26	OCI 2025-26	Closing Balance as at March 31, 2026
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961.	-	-	-	-
Provision for gratuity expense	-	-	-	-
Provision for Leave Encashment	-	-	-	-
Remeasurement of the defined benefit plans through OCI	-	-	-	-
Difference in Right-of-use asset and lease liabilities	-	-	-	-
Provision for Doubtful Debts	-	-	-	-
Deferred tax (expense)/benefit		-	-	
Net Deferred tax asset	-			-

As at 31st March 2025

Particulars	Opening Balance as at April 01, 2024	Profit and loss 2024-25	OCI 2024-25	Closing Balance as at March 31, 2025
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961.	168.95	(168.95)	-	
Provision for gratuity expense	33.78	(33.78)	-	-
Provision for Leave Encashment	2.26	(2.26)	-	-
Remeasurement of the defined benefit plans through OCI	(0.81)	0.81	-	-
Difference in Right-of-use asset and lease liabilities	103.16	(103.16)	-	-
Provision for Doubtful Debts	9.14	(9.14)	-	-
Deferred tax (expense)/benefit		(316.48)	-	
Net Deferred tax asset	316.48			-

At the reporting date, The Company has unused tax losses of Rs.3226.49 Lakhs available for offset against future profits. No deferred tax asset has been recognised in respect of Rs.2901.94 Lakhs as it is not considered probable that there will be future taxable profits available.

Ageing of Unused tax losses and depreciation.

Financial Category	As at March 31,2026	Category	Expiry Date
2024-25	3,226.49	Business Loss	March 31, 2033
2024-25	350.87	Depreciation	NA

Notes

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

6 Other Current Assets

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Advances other than capital advances		
i) Advances to suppliers	203.19	73.17
ii) Balance with government authorities	697.92	575.07
- Goods and services tax credit receivable	697.92	547.42
- Others	-	27.65
iii) Advances to employees	23.14	20.53
iv) Advances/claims recoverable in cash or in kind	40.14	31.18
v) Other advances	11.34	11.34
Total	975.73	711.29

7 Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Stock-in-trade (acquired for trading)	2,923.88	3,062.07
(b) Stock-in-trade (acquired for trading) in transit	127.51	93.86
Total	3,051.39	3,155.93

The cost of Inventories recognised as an expense during the year is disclosed in Note 20 & Note 21. It includes expense of Rs. 458.57 Lakhs (previous year reversal Rs. 12.06 Lakhs) towards Inventories (At lower of cost and net realisable value)

8 Trade Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good	1,780.55	1,559.28
Unsecured, considered doubtful	502.70	284.10
	2,283.25	1,843.38
Less : Allowance for unsecured doubtful debts	(502.70)	(284.10)
Total	1,780.55	1,559.28

Trade receivable ageing schedule at March 31, 2026:

Particulars	Not due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed, considered good	486.25	1,149.44	144.78	-	0.07	-	1,780.55
ii) Undisputed, considered doubtful	-	-	420.14	68.37	7.56	6.63	502.70
iii) Disputed, considered good	-	-	-	-	-	-	-
iv) Disputed, considered doubtful	-	-	-	-	-	-	-

Trade receivable ageing schedule at March 31, 2025:

Particulars	Not due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed, considered good	1,186.29	243.79	115.01	13.24	0.95	-	1,559.28
ii) Undisputed, considered doubtful	-	-	232.28	39.96	11.86	-	284.10
iii) Disputed, considered good	-	-	-	-	-	-	-
iv) Disputed, considered doubtful	-	-	-	-	-	-	-

Trade receivable as at 31st March 2026, Rs. 1780.55 Lakhs (Previous year Rs.1559.28 Lakhs) was hypothecated as security for Overdraft/working capital loan.

9 Cash and Bank Balances

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Balances with Banks		
- Current account	2.12	3.73
(b) Cash on hand	7.51	23.71
(c) Fund-in-Transit	169.28	55.80
Total	178.91	83.24

10 Equity Share Capital

Particulars	As at March 31, 2026	As at March 31, 2025
<u>Authorised</u>		
1,000,000 Equity Shares of ₹ 10 each	100.00	100.00
	100.00	100.00
<u>Issued, subscribed and fully paid up shares</u>		
401,000 Equity Shares of ₹ 10 each	40.10	40.10
	40.10	40.10

Notes

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

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

Equity Shares	For the year ended March 31, 202		For the year ended March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	401,000	40.10	401,000	40.10
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	401,000	40.10	401,000	40.10

b) Details of Shareholder holding more than 5% equity shares

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No of Equity Shares	% holding	No of Equity Shares	% holding
Equity shares of ₹ 10 each				
- Asian Paints Limited (jointly with its nominees)	401,000	100.00	240,600	60.00
- Pawan Mehta	-	-	80,200	20.00
- Gagan Mehta	-	-	80,200	20.00

As per records of the Company, including its Register of Members

c) Shares held by promoters as defined in the Companies Act, 2013

As on March 31, 2026

Promoter Name	As at March 31, 2026		As at March 31, 2025		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Pawan Mehta	-	0.00%	80,200	20.00%	-20.0%
Gagan Mehta	-	0.00%	80,200	20.00%	-20.0%

As on March 31, 2025

Promoter Name	As at March 31, 2025		As at 31 March 2024		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Pawan Mehta	80,200	20.00%	80,200	20.00%	0.0%
Gagan Mehta	80,200	20.00%	80,200	20.00%	0.0%

d) Terms/rights attached to equity shares

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

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

11 Other Equity

Particulars	Reserve and Surplus		Total
	Retained earnings	Remeasurement of defined benefit plans #	
Balance as on 1 April 2024 (A)	2,636.20	2.42	2,638.62
Add: Profit for the year	(4,509.48)	-	(4,509.48)
Items of Other Comprehensive Income for the year, net of tax	-	-	-
Remeasurement of the defined benefit plans	-	24.11	24.11
Total Comprehensive Income for the year (B)	(4,509.48)	24.11	(4,485.37)
Balance as on March 31, 2025 (C) = (A+B)	(1,873.28)	26.53	(1,846.75)
Balance as on 1 April 2025 (D)	(1,873.28)	26.53	(1,846.75)
Add: Profit for the year	(5,559.35)	-	(5,559.35)
Items of Other Comprehensive Income for the year, net of tax	-	-	-
Remeasurement of the defined benefit plans	-	37.55	37.55
Total Comprehensive Income for the year (E)	(5,559.35)	37.55	(5,521.80)
Balance as on March 31, 2026 (F) = (D+E)	(7,432.63)	64.08	(7,368.55)

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

Notes

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

Note 12 : Borrowings

Particulars	Maturity Date	Terms of Repayment	Interest Rate Current Year	Non-Current		Current	
				As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
I. NON-CURRENT BORROWINGS							
Secured							
(i) Term loans - from banks or financial institutions							
HSBC Term Loan	01/Feb/26	Fixed tenure	1Month T bill+215 BPS	-	-	-	590.00
HSBC Term Loan	26/Jul/26	Fixed tenure	1Month T bill+215 BPS	-	205.00	-	205.00
HSBC Term Loan	04/Sep/27	Fixed tenure	3Month T bill+215 BPS	-	375.00	-	125.00
HSBC Term Loan	10/Jan/28	Fixed tenure	3Month T bill+215 BPS	-	200.00	-	-
ICICI Ruppe Loan	01/Jul/29	Fixed tenure	3Month Repo Rate + 2.80%	1,668.75	-	333.75	-
ICICI working capital loan	01/Aug/28	Fixed tenure	3Month Repo Rate + 2.80%	630.00	-	70.00	-
ICICI working capital loan	01/Nov/28	Fixed tenure	3Month Repo Rate + 2.80%	665.00	-	35.00	-
ICICI working capital loan	01/Feb/29	Fixed tenure	3Month Repo Rate + 2.80%	550.00	-	-	-
Current maturities of Long term borrowings				3513.75	780	438.75	920
Secured				-	-	(438.75)	(920.00)
Unsecured				-	-	-	-
Total				-	-	(438.75)	(920.00)

Particulars	Maturity Date	Terms of Repayment	Interest Rate Current Year	Current	
				As at 31.03.2026	As at 31.03.2025
II. CURRENT BORROWINGS					
Secured					
(i) Loan repayable on demand - Cash Credit / Overdraft Accounts					
HSBC Overdraft Facility		On demand	1Month T bill+205 BPS	-	3,768.94
ICICI Bank Overdraft facility		On demand	3Month Repo Rate + 2.25%	7,927.45	-
Unsecured					
(i) Term loans - from banks or financial institutions					
HSBC working capital loan	24/Oct/25	Fixed tenure	3Month T bill+205 BPS	-	400.00
HSBC working capital loan	24/Oct/25	Fixed tenure	3Month T bill+315 BPS	-	600.00
				-	1,000.00
Current maturities of Long term borrowings					
Secured				438.75	920.00
Unsecured				-	-
				438.75	920.00
Total				8,366.20	5,688.94

Notes

- 1) The Company has not defaulted in repayment of principle and interest.
- 2) The Company has not used borrowings for purpose other than specified purpose of the borrowing.
- 3) The Company has been sanctioned Borrowing limits of Rs. 16,900 lakhs from ICICI Bank, based on security of current assets and fixed assets.

13 Lease liabilities

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Lease liabilities	3,539.93	4,948.47	1,144.73	1,154.30
Total	3,539.93	4,948.47	1,144.73	1,154.30

The maturity analysis of lease liabilities is disclosed in Note 25 (C).

Movement in lease liabilities

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	6,102.77	4,552.17
Additions	653.64	2,575.93
Deletions	(858.22)	(12.93)
Finance cost	468.01	567.99
Repayment of principal portion of lease liabilities	(1,213.54)	(1,012.40)
Repayment of interest portion of lease liabilities	(468.01)	(567.99)
Closing Balance	4,684.65	6,102.77

Notes

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

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Amounts recognised in Statement of Profit and Loss		
Interest on lease liabilities	468.01	567.99
Depreciation expense	1,424.39	1,455.06
Amounts recognised in Cash Flow Statement		
In Financing activity		
Repayment of lease liabilities	(1,213.54)	(1,012.40)
Interest paid on lease liabilities	(468.01)	(567.99)

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

14 Other financial liabilities

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Payable towards other expenses	-	-	284.60	304.27
Payable towards capital expenditure	-	-	72.83	215.92
Payable to employees	-	-	47.30	53.45
Refund Liability	-	-	40.68	195.78
Total	-	-	445.41	769.42

15 Provision

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Provision for Employee Benefits (Refer Note 29)				
Provision for Gratuity	216.12	148.49	29.46	15.70
(b) Others				
Provision for Leave Encashment	47.10	-	6.91	31.62
Total	263.22	148.49	36.37	47.32

16 Trade Payables

Particulars	As at March 31, 2026	"As at March 31, 2025
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 28) ("MSME")	556.67	407.50
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	752.28	1,201.28
Total	1,308.95	1,608.78

Trade payables ageing schedule for the year ended as on March 31, 2026:

Particulars	Outstanding for following period from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed dues - MSME	129.33	425.54	1.81	-	-	556.67
ii) Undisputed dues - Others	597.02	135.23	15.64	4.38	-	752.28

Trade payables ageing schedule for the year ended as on March 31, 2025:

Particulars	Outstanding for following period from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed dues - MSME	123.47	283.68	0.36	-	-	407.50
ii) Undisputed dues - Others	707.34	481.14	12.80	-	-	1,201.28

17 Other Liabilities

Particulars	As at March 31, 2026	"As at March 31, 2025
(a) Revenue received in advance		
Advance received from customers (Refer note 18)	570.52	323.08
(b) Others		
Statutory Payables -		
- Payable towards Goods and Services Tax	0.28	-
- Payable towards others	39.52	43.85
Total	610.32	366.93

18A Revenue from Operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from sale of products- Traded goods		
Decorative lightings and other products	9,810.60	10,532.65
Revenue from sale of services- Traded goods		
Decorative lightings and other products	113.21	150.87
Total	9,923.81	10,683.52

Sale of products includes decorative lightings, Furnitures, Fans and other décor products in the domestic market.

Sale of services includes installation of decorative lightings and other décor products.

18B Reconciliation of Gross Revenue with the Revenue from Contracts with Customers

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gross Revenue	12,825.73	12,786.04
Less: Discounts/Rebates/Credits/Incentives	(2,901.92)	(2,102.52)
Total	9,923.81	10,683.52

Notes

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

18C Revenue From Contracts With Customers Disaggregated Based On Geography

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Home market	9,467.96	10,259.60
Exports	455.85	423.92
Total	9,923.81	10,683.52

The amounts receivable from 'Business to Business' customers becomes due after expiry of credit period which ranges from 15 to 180 days. There is no significant financing component in any transaction with the customers. For the 'Business to Customer' sales amount becomes receivable on or before delivery of goods to the customers.

The Company provides agreed upon specification warranty for a range of its products. The amount of liability towards such warranty is immaterial.

The Company does not have any remaining performance obligation as contracts entered for sale of goods and services are for a shorter duration.

The Company has recognised revenue of ₹ 39.64 Lakhs as on 31st March 2026 from the amounts included under advance received from customers at the beginning of the year.

19 Other Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Interest income		
(i) Interest on security deposit (Carried at amortised cost)	46.75	42.89
(ii) Interest on income tax refund	2.23	2.87
	48.98	45.76
(b) Other non-operating income		
(i) Liabilities written back	19.82	-
(ii) Insurance claims received	8.18	7.84
(iii) Foreign Exchange gain (Net)	-	11.17
(iv) Miscellaneous Income	15.58	6.12
	43.58	25.13
(c) Other gains and losses		
(i) Net gain on sale of property, plant and equipment	7.10	-
(ii) Gain or Loss on termination of lease	116.75	-
	123.85	-
Total (a+b+c)	216.41	70.89

20 Purchases of Stock-in-trade

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of stock-in-trade	5,715.02	5,201.11
Total	5,715.02	5,201.11

21 Changes in inventories of Stock-in-trade

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Stock at the beginning of the year		
Stock-in-trade acquired for trading (including goods in transit)	3155.93	3055.82
Total	3155.93	3055.82
Stock at the end of the year	7.10	-
Stock-in-trade acquired for trading (including goods in transit)	3051.39	3155.93
Total	3051.39	3155.93
Changes in inventories of Stock-in-trade	104.54	(100.11)

22 Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Salaries and wages	2,569.20	2,435.81
(b) Contribution to Provident and other Funds (Refer note 29)	83.95	93.55
(c) Staff welfare expenses	62.24	117.38
(d) Gratuity Expenses	73.30	62.94
Total	2,788.69	2,709.68

23 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Interest on borrowings from banks	683.56	455.38
(b) Interest on lease liabilities	468.01	567.99
(c) Other Interest expenses	-	1.19
Total	1,151.57	1,024.56

Notes

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

24 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Advertisement expenses	1,208.36	1,784.70
Courier charges	412.14	453.45
Electricity expenses	169.85	188.96
Legal and professional expenses	243.50	361.06
Software expenses	193.26	152.15
Payment gateway charges	75.97	76.86
Store operating expense	179.15	178.02
Travelling expenses	286.81	103.75
Transportation expenses	31.60	38.78
Rent	138.11	180.49
Repairs and maintenance	61.65	48.83
Allowance for expected credit loss	218.70	247.80
Bad debts written off	12.27	13.89
Rates and taxes	19.55	31.54
Bank charges	6.57	4.41
Insurance	25.27	29.72
Auditor remuneration (Refer Note 27)	15.20	16.19
Commission and brokerage	-	11.67
Printing, stationery and communication expenses	3.30	5.12
Gain or Loss on termination of lease	-	1.88
Foreign Exchange loss (Net)	33.87	-
Miscellaneous expenses	220.55	230.73
Total	3,555.68	4,160.00

Note

1. No donation has been made by the Company to any political party or any other organizations linked to any political party
2. Total cash flows for leases is disclosed as financing activities in the cash flow statement. Maturity analysis of lease payments is disclosed in note 25 (C).

25A Category-wise classification of financial instruments

Particulars	Note No.	Non-Current		Current	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial assets carried at amortised cost					
Security deposits	3	281.24	365.99	236.87	149.24
Other receivables	3	-	-	5.58	18.87
Trade receivables	8	-	-	1,780.55	1,559.28
Cash and cash equivalents	9	-	-	178.91	83.24
		281.24	365.99	2,201.91	1,810.63
Financial liabilities carried at amortised cost					
Borrowings	12	3,513.75	780.00	438.75	5,688.94
Lease liabilities	13	3,539.93	4,948.47	1,144.73	1,154.30
Trade Payables	17	-	-	1,308.95	1,608.78
Payable towards other expenses	14	-	-	284.60	304.27
Payable towards capital expenditure	14	-	-	72.83	215.92
Payable to Employees	14	-	-	47.30	53.45
Refund Liability	14	-	-	40.68	195.78
Total		7,053.68	5,728.47	3,337.84	9,221.44

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

Income, Expenses, Gains or losses on Financial Instruments	Refer note	As at March 31, 2026	As at March 31, 2025
Financial assets measured at amortised cost			
Allowance for doubtful debts and advances (net)	24	218.70	247.80
Bad debts written off (net)	24	12.27	13.89
Financial liabilities carried at amortised cost			
Interest on borrowings from banks	23	683.56	455.38
Interest on lease liabilities	23	468.01	567.99

25B FAIR VALUE MEASUREMENTS

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

25C FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, other financials assets, trade receivable and other receivables.

The Company is exposed to Market risk, Credit risk and Liquidity risk.

The Company's has established process to identify and analyse the risks faced, to set appropriate risk limits and controls and to monitor risks. The Company, through its standards and procedures, aims to maintain a disciplined and constructive control environment.

Notes

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

25C FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (contd.)

1) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables. The Company is exposed to market risk primarily related to foreign exchange rate risk. The objective of market risk management is to avoid excessive exposure in our foreign currency costs.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on borrowings but doesn't uses any derivative instrument to hedge the same. The company's debt equity ratio is -1.60 in FY 2025-26 (-3.53 in FY 2024-25) (Refer Note- 26D).

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

Particulars	As at 31 March 26	Floating Rate	Fixed Rate	Non-Interest Bearing Securities
Financial Assets	2,483.15	-	523.69	1,959.46
Financial Liabilities	18,318.97	11,879.95	4,684.66	1,754.36

Particulars	As at 31 March 25	Floating Rate	Fixed Rate	Non-Interest Bearing Securities
Financial Assets	2,176.62	-	-	2,176.62
Financial Liabilities	14,949.91	6,468.94	-	8,480.97

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company did not enter into any derivative instruments during the year.

The company pays advances to vendors in foreign currency for procurement of Stock in trade for each consignment during the financial year. The Company is mainly exposed to changes in USD & EUR.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows :

(In FC)				
Currency	Liabilities		Assets	
	As at 31 March 26	As at 31 March 25	As at 31 March 26	As at 31 March 25
EUR	757	-	26,310	853.30
USD	240,834	192,461	21,492	-

(In INR Lakhs)				
Currency	Liabilities		Assets	
	As at 31 March 26	As at 31 March 25	As at 31 March 26	As at 31 March 25
EUR	0.82	-	29.03	0.78
USD	236.99	163.73	19.78	-

25C FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (contd.)

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

Change in USD Rate	Effect on profit after tax		Effect on total equity	
	As at 31 March 26	As at 31 March 25	As at 31 March 26	As at 31 March 25
	(10.86)	(8.19)	(10.86)	(8.19)
+5%				
-5%	10.86	8.19	10.86	8.19

Change in EUR Rate	Effect on profit after tax		Effect on total equity	
	As at 31 March 26	As at 31 March 25	As at 31 March 26	As at 31 March 25
	1.41	0.04	1.41	0.04
+5%				
-5%	(1.41)	(0.04)	(1.41)	(0.04)

2) Liquidity risk

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

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

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

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
As at March 31, 2026					
Borrowings (Refer note 12)	8,366.20	3,513.75	-	11,879.95	11,879.95
Trade Payables (Refer note 16)	1,308.95	-	-	1,308.95	1,308.95
Other financial liabilities (Refer note 14)	445.41	-	-	445.41	445.41
Lease liabilities (Refer note 13)	1,498.42	3,587.49	507.49	5,593.40	4,684.66
As at March 31, 2025					
Borrowings (Refer note 12)	5,688.94	780.00	-	6,468.94	6,468.94
Trade Payables (Refer note 16)	1,608.78	-	-	1,608.78	1,608.78
Other financial liabilities (Refer note 14)	769.42	-	-	769.42	769.42
Lease liabilities (Refer note 13)	1,637.64	4,786.02	1,214.08	7,637.74	6,102.77

The Company does not have any derivative financial instruments.

Notes

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

25C FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (contd.)

3) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks and other receivables.

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

The Company's customer mix predominantly consists of walk-in customers from the whom the consideration are recovered in advance before dispatch of goods. The average credit period offered to dealer customer ranges from 15 to 180 days on sales of products.

The Company has created Provision for Doubtful debts of Rs 2.186 crores as per the provisioning policy of Company

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at 1 st April	284.10	36.30
Expected credit loss	218.60	247.80
Balance as at 31 st March	502.70	284.10

25D CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies, or processes during the year end. Capital comprises of equity and debt. The Company is not exposed to any externally imposed capital requirements.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Particulars	As at March 31, 2026	As at March 31, 2025
Debt #	11,879.95	6,468.94
Less: Cash and cash equivalents	178.91	83.24
Net debt	11,701.04	6,385.70
Total equity	(7,328.45)	(1,806.65)
Net debt to equity ratio	(1.60)	(3.53)

Debt is defined as long term and short term borrowing.

26 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments as at March 31, 2026.

Particulars	As at March 31, 2026	As at March 31, 2025
Claims against the Company not acknowledged as debts	-	-
Commitments:		
1. Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
2. Letters of Credit and Bank Guarantees issued by bankers	-	-

27 Payment to Auditors (excluding taxes)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Statutory audit fees	10	11.00
Tax audit fees	3.61	3.61
For reimbursement of expenses	1.59	1.59
Total	15.20	16.20

28 Micro, Small and Medium Enterprises

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2025-26 to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at March 31, 2026	As at March 31, 2025
Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
- Principal amount due to micro and small enterprise	556.67	623.42
- Interest due on above	-	-
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

*includes Rs. 0.49 Lakhs (Previous year -Rs. 215.92 Lakhs) payable towards other financial liabilities Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

29 Employee Benefits

1) Post-employment benefits :

The Company has the following post-employment benefit plans:

a) Defined Benefit Gratuity Plan (Unfunded)

The Company's defined benefit gratuity plan is a final salary plan for its employees. It is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially set off by an increase in the return on the plan's investments.
Longevity Risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

Notes

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

29 Employee Benefits (contd.)

The most recent actuarial valuation of the plan assets and the present value of defined obligation were carried out as at March 31, 2026 by Thanawala Consultancy Services. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

The following tables summaries the components of net benefit expense recognised in the Statement of Profit or Loss/OCI and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Particulars	Gratuity (Unfunded Plan) As at March 31, 2026	Gratuity (Unfunded Plan) As at March 31, 2025
(i) Opening defined benefit obligation	164.19	130.99
(ii) Current service cost	60.81	52.05
(iii) Interest cost	12.50	10.89
(iv) Past Service Cost	67.70	-
(v) Sub-total included in statement of profit and loss (ii+iii+iv)	141.01	62.94
(vi) Actuarial gain from changes in financial assumptions	(37.55)	(24.11)
(vii) Sub-total included in other comprehensive income(vi)	(37.55)	(24.11)
(viii) Benefits paid	(22.07)	(5.63)
(ix) Closing defined benefit obligation (i+v+vii+viii)	245.57	164.19
Expense recognized in:	245.58	-
(x) Statement of profit and loss(v) (Note 22 and 33)	141.01	62.94
(xi) Statement of other comprehensive income(vii)	(37.55)	(24.11)
(xii) Weighted average duration of defined benefit obligation	7.37	9.98
(xiii) Maturity profile of defined benefit obligation		
Within the next 12 months	29.46	16.22
Between 1 and 5 years	107.64	63.16
Between 5 and 10 years	97.90	83.43
More than 10	229.07	122.77

The principal assumptions used in determining post-employment gratuity benefit obligations for the Company's plans are shown below:

Particulars	Gratuity (Unfunded Plan) As at March 31, 2026	Gratuity (Unfunded Plan) As at March 31, 2025
Discount rate	7.20%	6.66%
Salary escalation rate	15.00% until year 4 inclusive, then 12.50% until year 9 inclusive, then 10.00%"	First 5 years : 15.00% Next 5 years : 12.50% Thereafter :10.00%

Demographic Assumptions

Particulars	As at March 31, 2026	As at March 31, 2025
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Normal retirement age	58 years	58 years
Employee Turnover	15.00%	15.00%

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

Particulars	Gratuity (Unfunded Plan) As at March 31, 2026
Defined Benefit Obligation - Discount Rate + 100 basis points	(16.48)
Defined Benefit Obligation - Discount Rate - 100 basis points	18.67
Defined Benefit Obligation – Salary Escalation Rate + 100 basis points	15.87
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(14.88)

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

b) Defined Contribution Plan:

Provident Fund contributions are made to the Employees Provident Fund organisation (EPFO) which are charged to the Statement of Profit and Loss as incurred. In respect of contribution to EPFO, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan.

c) Other Long term employee benefits:

Annual Leave assumptions

The liability towards compensated absences (annual leave) for the year ended 31st March, 2026 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 54.01 lakhs.

The principal assumptions used in determining compensated absences benefit obligations for the Company's plans are shown below:

i) Financial Assumptions

Particulars	As at March 31, 2026
Discount rate	7.20%
Salary escalation rate	15.00% until year 4 inclusive, then 12.50% until year 9 inclusive, then 10.00%

ii) Demographic Assumptions

Particulars	As at March 31, 2026
Mortality	IALM (2012-14) Ultimate
Employee Turnover	15%
Leave Availment Ratio	1%
Retirement Age	58 Years

Notes

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

30 Earnings per share

Particulars	As at March 31, 2026	As at March 31, 2025
a) Basic and diluted earnings per share in rupees (Face value ₹10 per share) (In ₹) (b/c)	(1,386.37)	(1,124.56)
b) Profit after tax as per Statement of Profit and Loss (₹ In Lakhs)	(5,559.35)	(4,509.48)
c) Weighted average number of equity shares outstanding during the year	401,000	401,000

* Earnings per share is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

31 Related party disclosure

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

(a) Entity having significant influence over company – Asian Paints Limited

(b) Key Managerial Personnel (KMP) and relatives of KMP:

Name of the person	Designation
Gagandeep Singh Kalsi	Director
Ashish Rae	Director
Rajat Bhaskar Talati	Director
Kirti Kantilal Oswal	Director
Siddhartha Jain	Chief Financial Officer
Amit Syngle	Managing Director and CEO of ultimate holding company
Manish Choksi	Director of Holding Company
Asian Paints (Polymers) Private Limited	Fellow Subsidiary
Weatherseal Fenestration Pvt Ltd	Fellow Subsidiary
Pawan Mehta	20 % shareholder (Upto 26 th June 2025)
Gagan Mehta	20 % shareholder (Upto 26 th June 2025)
Anupriya Mehta	Wife of Pawan Mehta
Mamta Mehta	Wife of Gagan Mehta
PGM Initiatives Trading LLC	Entity in which Shareholder (Upto 26 th June 2025) is having significant influence
PGM Ventures LLP	Entity in which Shareholder (Upto 26 th June 2025) is having significant influence

(c) Compensation of key management personnel of the company

Particulars	2025-26	2024-25
Short term employee benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-

(d) Details of transactions with and balances outstanding of investee company:

Name of the related party	Nature of transaction	2025-26		2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints Limited	Revenue from Sale of Products and Services	1,517.86	(249.88)	2,034.20	43.86
Asian Paints Limited	Reimbursement of expenses paid	1,105.07	115.57	1,006.16	635.65
Asian Paints Limited	Other services paid	144.04	12.46	104.33	45.75
Asian Paints Limited	Royalty	24.33	18.09	30.37	10.95
Asian Paints (Polymers) Private Limited	Revenue from Sale of Products	10.04	2.00	-	-
Weatherseal Fenestration Pvt Ltd	Reimbursement of expenses paid	13.73	13.73	-	-

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

Name of the related party	Nature of transaction	2025-26		2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Anupriya Mehta	Revenue from Sale of Products and Services	0.54	-	-	-
Mamta Mehta	Revenue from Sale of Products and Services	-	-	(0.31)	-
PGM Initiatives Trading LLC	Revenue from Sale of Products and Services	67.65	-	436.77	(140.73)
	Reimbursement of expenses received	-	-	5.55	5.55
PGM Ventures LLP	Revenue from Sale of Products and Services	-	-	9.13	-
Rajat Bhaskar Talati	Director Sitting Fee	2.00	-	-	-
Kirti Kantilal Oswal	Director Sitting Fee	1.80	-	-	-
Manish Choksi	Revenue from Sale of Products and Services	-	-	0.17	-

Terms and conditions of transactions with related parties

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

All the amounts reported in Note 31 (Related Party Transactions) are inclusive of GST wherever applicable.

Also Refer note 1.1

32 Segment Reporting

The Company is in the business of trading decorative lighting and lighting system components, which in terms of Ind AS 108 "Operating Segments", constitute a single reporting segment. The Company operates in a single geographical environment i.e. in India.

Notes

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

33 Exceptional Items –Employee Benefit Adjustments

“The Government of India notified the provisions of the four new Labour Codes (“Labour Codes”) on 21st November 2025, thereby consolidating twenty-nine existing labour laws into a comprehensive and unified framework. Among other changes, the Labour Codes provide a unified definition of “wages” to be applied across various employee benefit computations. In accordance with Ind AS 19 – Employee Benefits and considering the materiality as well as non-recurring nature of this impact, the Company has recognised one-time expense of ₹ 76.61 Lakhs (increase in the gratuity liability by ₹ 67.70 Lakhs and increase in the liability towards compensated absences by ₹ 8.91 Lakhs).

On notification of the rules under Labour Codes, the Company recognized impact in accordance with the applicable accounting principles.

34 Financial Ratios

Sr. No.	Ratios	Numerator	Denominator	FY 2025-26	FY 2024-25	% Variance	Reason for variation
1	Current ratio	Current Assets	Current Liabilities	0.52	0.59	-11%	Decrease in Trade Receivables and inventories.
2	Debt-equity ratio	Total Debt (Borrowings)	Total Equity	(1.62)	(3.58)	-55%	Increase in debt and Decrease in profit
3	Debt service coverage ratio	Earning available for debt service #	Finance Costs (excluding cost pertaining to lease liabilities) + Repayment of borrowings for current year	(0.88)	(1.16)	-24%	Decrease on account of losses
4	Return on Equity	Profit after tax	Average Total Equity	-	-1034.20%	-	Not applicable, as the company's net worth has been fully eroded due to losses incurred during the financial year.
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	1.88	1.64	14%	Increase in inventories
6	Trade receivables turnover ratio	Revenue from operations	Average Trade receivables	5.94	4.47	33%	Decrease in Revenue
7	Trade payables turnover ratio	Net Purchases of stock-in-trade	Average Trade payables	3.92	4.04	-3%	Decrease in Debtors
8	Net capital turnover ratio	Revenue from operations	Working Capital (Current Assets - Current Liabilities)	(1.75)	(2.70)	-35%	Increase in payables balances
9	Net profit ratio	Profit after tax	Revenue from operations	-56.02%	-42.21%	33%	Decrease in net profits
10	Return on capital employed	Profit before interest and tax	Average Capital Employed [Total Equity + Total Debt (Borrowings)]	-95.16%	-68.09%	40%	Decrease in net profits

Earning for Debt Service = Profit after tax + Depreciation and Amortisation Expense + Finance costs - Gain on sale of property, plant and equipment (net) - Net gain on modification/ termination of leases.

35 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

A. Gross amount required to be spent by the Company during the year 2025-26 - NIL (2024-25 - NIL).

B. Amount spent during the year on:

Particulars	2025-26	Yet to be paid in cash	Total	2024-25	Yet to be paid in cash	Total
	In cash*			In cash*		
i Construction/Acquisition of any assets	-	-	-	-	-	-
ii Purposes other than (i) above	-	-	-	-	-	-
	-	-	-	-	-	-

C. Details of unspent amount

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	-	-

D. Nature of CSR activities undertaken by the Company

The CSR initiatives of the Company aim towards inclusive development of the communities largely around the vicinity of its plants and registered office and at the same time ensure environmental protection through a range of structured interventions in the areas of :

- (i) creating employability & enhancing the dignity of the painter/ carpenter/ plumber community
- (ii) focus on water conservation, replenishment and recharge
- (iii) enabling access to quality primary health care services
- (iv) Disaster relief measures. "

36 A ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

Notes

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

- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The requirement with respect to number of layers as prescribed under Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017 is not applicable to the Company.
- (ix) Details of struck off companies with whom the Company has transaction during the year or outstanding balance as on balance sheet date:

Name of Struck off Company	Nature of transactions with struck-off Company	Balance Outstanding as on March 31, 2026	Balance Outstanding as on March 31, 2025	Relationship with the Struck off Company, if any
		-	-	

36 B The Company has maintained proper books of accounts as required by law.

37 The Board of Directors duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on April 29, 2026

For and on behalf of the Board of Directors of

Obgenix Software Private Limited

Gagandeep Singh Kalsi

Director

DIN No. 10473109

Kirti Kantilal Oswal

Director

DIN No. 11017887

Siddhartha Jain

Chief Financial Officer

Place : Ahmedabad

Date : 29 April 2026

Place : Mumbai

Date : 29 April 2026

Place : Bengaluru

Date : 29 April 2026



Harind Chemicals and Pharmaceuticals Private Limited

Board of Directors

Mr. Rahul Bhatnagar	(Chairman & Non-Executive Director)
Mr. Gagandeep Singh Kalsi	(Non-Executive Director)
Dr. Swapan Kumar Ghosh	(Whole Time Director & CEO)

Key Managerial Personnel

Dr. Swapan Kumar Ghosh	(Whole Time Director & CEO)
Mr. Suhel Chaklawala	(Chief Financial Officer – with effect from 30 th December 2025)
Ms. Jahnvi Kodali	(Chief Financial Officer – till 29 th December 2025)
Ms. Bhavna Udhwani	(Chief Financial Officer – till 14 th July 2025)

Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants (till 24th April 2026)
S R B C & Co LLP, Chartered Accountants (with effect from 25th April 2026)

Registered Office

A/204, 2nd Floor, Kailash Industrial
Complex, Building No 2, Park site,
Vikhroli West, Maharashtra, India, 400079

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Board's Report

for the financial year ended 31st March 2026

Dear Members,

The Board of Directors are pleased to present the 31st Annual Report of Harind Chemicals and Pharmaceuticals Private Limited along with the audited financial statements (standalone and consolidated) for the financial year ended 31st March 2026.

Financial Results

The financial performance of the Company for the financial year ended 31st March 2026 is summarised below:

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
	(₹ in Lakhs)			
Revenue from Operations	4,645.38	3,787.04	4,650.22	3,795.33
Other Income	47.24	29.91	48.48	23.22
Total Revenue	4,692.62	3,816.95	4,698.70	3,818.55
Less: Expenses	3,078.94	2,692.88	3,079.11	2,689.50
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	1,613.68	1,124.07	1,619.60	1,129.05
Less: Finance Cost	7.95	2.25	19.46	2.95
Less: Depreciation and Amortisation Expenses	32.11	26.87	42.91	37.79
Profit Before Exceptional Item & Tax	1,573.62	1,094.95	1,557.23	1,088.31
Exceptional Item	21.77	-	21.77	-
Profit Before Tax	1,551.85	1,094.95	1,535.46	1,088.31
Less: Tax Expense	402.97	281.13	402.97	281.13
Profit After Tax	1,148.88	813.82	1,132.49	807.17
Other Comprehensive Income	2.98	(3.45)	2.98	(3.45)
Total comprehensive Income/ Loss	1,151.86	810.36	1,135.47	803.72

Overview of the Company's Performance and State of Affairs

During the financial year 2025-26 (on Standalone basis):

- Net revenue from operations increased to ₹ 4,645.38 lakhs as against ₹ 3,787.04 lakhs in the previous year.
- The Company incurred profits of ₹ 1,148.88 lakhs after tax as against a profit of ₹ 813.82 lakhs in the previous year.

During the financial year 2025-26 (on Consolidated basis):

- Net revenue from operations increased to ₹ 4,650.22 lakhs as against ₹ 3,795.33 lakhs in the previous year.
- The Company incurred profits of ₹ 1,132.49 lakhs after tax as against a profit of ₹ 807.17 lakhs in the previous year.

The Company is engaged in the business of manufacturing/dealing in Chemical and other related products related to paints and chemicals.

Confirmations:

- a. There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2025-26 and the date of this report;
- b. There was no change in the nature of business of the Company; and
- c. There was no revision of financial statements and Board's Report of the Company during the year under review.

Industrial Relations

The Company has always considered its workforce as its valuable asset and continues to invest in their excellence and development programs. The industrial relations of the Company remained peaceful and cordial.

Share Capital

The Company has only one class of equity shares. The authorised and paid-up share capital of the Company stands ₹ 20,00,000/- divided into 2,00,000 equity shares of ₹ 10 each as on 31st March 2026.

During the financial year 2025-26, there was no change in the authorised, issued, subscribed, and paid-up share capital of the Company.

Confirmations

- a. During the year under review, the Company has not:
 - (i) issued any warrants, debentures, bonds, or any other convertible or non-convertible securities;
 - (ii) issued equity shares with differential rights as to dividend, voting or otherwise;
 - (iii) issued any sweat equity shares to its Directors or employees;
 - (iv) issued any equity shares under the employee stock option scheme, further, the Company doesn't have any employees stock option scheme;
 - (v) made any change in voting rights;
 - (vi) reduced its share capital or bought back shares;
 - (vii) changed the capital structure resulting from restructuring; and
 - (viii) failed to implement any corporate action.
- b. The Company's securities are not listed on any stock exchanges, hence there doesn't arise a scenario of its shares being suspended for trading during the year.
- c. The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company.

Dividend

During the year under review, the Company paid an interim dividend for the financial year 2025-26 of ₹ 150 (1500%) per equity share of ₹ 10/- each to the shareholders of the Company. The record date for the payment of interim

dividend was 18th July 2025, and the same was paid to the members on 8th August 2025.

Unclaimed Dividend & IEPF

The Company does not have any unclaimed dividend outstanding for payment to shareholders of the Company. Further, the Company has not transferred any amount to the Investor Education & Protection Fund ("IEPF").

Transfer to Reserves

During the year under review, there was no amount transferred to any of the reserves of the Company.

Subsidiary Status

a. Subsidiary Company

The Company has one subsidiary Company as on 31st March 2026, as follow:

Nova Surface-Care Centre Private Limited

Nova Surface-Care Centre Private Limited ("Nova") is a wholly owned subsidiary of the Company. Nova is engaged in the business of testing and analysis, project consultancy, contract research for polymers, paints, coating & allied services.

Revenue of Nova in financial year 2025-26 was ₹ 4.84 lakhs with a Loss After Tax of ₹ 16.40 lakhs.

The Board of Directors of the Company and Nova, wholly owned subsidiary of the Company, at their respective Board meetings held on 24th March 2026, approved the Scheme of Amalgamation of Nova with the Company, pursuant to the provisions of Section 233 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder, with effect from 1st April 2026, being the Appointed Date, subject to receipt of requisite approvals, including approval of the Regional Director, Mumbai, and such other statutory and regulatory approvals as may be required.

Upon the Scheme of Amalgamation becoming effective, Nova shall stand dissolved without winding up.

b. Holding Company

The Company had become a subsidiary company of Asian Paints Limited upon acquisition of 51% of the equity share capital of the Company as detailed in the Share Purchase Agreement executed in this regard on 14th February 2024.

Accordingly, Nova is subsidiary of Asian Paints Limited.

c. The Company does not have any Associate or Joint Venture Company

A separate statement containing the salient features of financial statements of the subsidiary of the Company in the prescribed Form AOC-1 forms a part of Consolidated Financial Statements, in compliance with Section 129(3) and other applicable provisions, if any, of the Act read with the Rules issued thereunder.

Deposits

During the year under review, the Company has not accepted any deposit within the meaning of Section 73 and 74 of the Act read together with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees, and investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules 2014 as on 31st March 2026, are given in the notes to the Financial Statements.

Directors and Key Managerial Personnel

Board of Directors

As of 31st March 2026, the Board of Directors comprised of 3 Directors, 2 Non-Executive Directors and a Whole Time Director & CEO.

Key Managerial Personnel

Dr. Swapan Kumar Ghosh, Whole Time Director & CEO, and Mr. Suhel Chaklawala, CFO, are the Key Managerial Personnel ("KMP") of the Company in accordance with the provision of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review, there were changes in the Key Managerial Personnel of the Company, the details of which are set out below:

- a. Ms. Bhavna Udhvani resigned from the office of Chief Financial Officer of the Company with effect from closure of business hours on 14th July 2025. Pursuant thereto, the Board of Directors at its meeting held on 14th July 2025 appointed Ms. Jahnavi Kodali as Chief

Financial Officer of the Company with effect from 15th July 2025.

- b. Subsequently, Ms. Jahnavi Kodali resigned from the position of Chief Financial Officer with effect from closure of business hours on 29th December 2025. The Board of Directors, at its meeting held on 29th December 2025, appointed Mr. Suhel Chaklawala as Chief Financial Officer of the Company with effect from 30th December 2025.

The Directors & KMP on Board of Harind Chemicals and Pharmaceuticals Private Limited remained as follows for the financial year 2025-26:

Sr. No.	Name of the Director	Designation
1.	Rahul Bhatnagar	Non-Executive Director
2.	Gagandeep Singh Kalsi	Non-Executive Director
3.	Swapan Kumar Ghosh	Whole Time Director & CEO
4.	Suhel Chaklawala	Chief Financial Officer (with effect from 30 th December 2025)
5.	Jahnavi Kodali	Chief Financial Officer (up to 29 th December 2025)
6.	Bhavna Udhvani	Chief Financial Officer (up to 14 th July 2025)

Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Rahul Bhatnagar (DIN: 09660086), of the Company is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, have offered himself for re-appointment.

The Board of Directors recommends re-appointment of Mr. Rahul Bhatnagar (DIN: 09660086), as Non-Executive Director of the Company, liable to retire by rotation. Appropriate resolution for his re-appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM.

Details with respect to his experience, attributes, skills, disclosure of the relationship between Directors *inter se*, directorships held in other companies etc., as stipulated under Secretarial Standard on General Meetings, have been disclosed in the Annexure to the Notice of the AGM.

As per the resolution passed by the shareholders of the Company at its Extra Ordinary General Meeting held on 6th March 2024 and the employment agreement dated

14th February 2024 executed between Dr. Swapan Kumar Ghosh and the Company, Dr. Ghosh, Whole Time Director & CEO of the Company is not liable to retire by rotation.

The Board of Directors of the Company has been validly constituted as per Section 149 of the Act and corresponding Rules issued thereunder.

Declaration from Directors

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).

Disclosure Relating To Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

During the year under review, no remuneration was paid to the Non-Executive Directors of the Company.

Remuneration to Whole Time Director and CEO for the financial year 2025-26

In accordance with the provisions of Sections 197, 203, Schedule V and other applicable provisions, if any, of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following are the details of the remuneration paid to Dr. Swapan Kumar Ghosh, Whole time Director and CEO of the Company during the financial year 2025-26:

Particulars	Amount (in ₹)
Fixed Remuneration	1,59,00,000
Variable Pay	53,21,170
Gross salary	2,12,21,170
Others	2,59,505
Total*	2,14,80,675

Note: The shareholders of the Company at their Extra-Ordinary General Meeting held on 6th March 2024 had approved the appointment of Dr. Swapan Kumar Ghosh as Whole Time Director & CEO of the Company and terms and conditions of his appointment including remuneration.

Details of fixed component and performance linked incentive, along with the performance criteria:

The remuneration includes performance linked incentive based on the predetermined performance parameters.

Service contracts, notice period, severance fees:

Dr. Swapan Kumar Ghosh has been appointed as Whole Time Director & CEO of the Company for a period of 5 years

commencing from 14th February 2024 to 13th February 2029. Further, the details of service contract, notice period, and severance fees shall apply in accordance such terms and conditions as laid down in the employment agreement mutually agreed and executed between the Company and Dr. Swapan Kumar Ghosh. The same was also approved by the shareholders of the Company at its Extra Ordinary General Meeting held on 6th March 2024.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

Not Applicable. The Company does not have any Employee Stock Option Plan in place.

Dr. Swapan Kumar Ghosh, Whole Time Director & CEO of the Company has not received any remuneration or commission from any of the subsidiary or holding company.

Key Managerial Personnel

The details of remuneration paid to Key Managerial Personnel of the Company have been set out below:

		Amount (in ₹)
Name of Chief Financial Officer	Tenure	Remuneration
Bhavna Udhwani*	01-04-2025 to 14-07-2025	2,99,184
Jahnvi Kodali	15-07-2025 to 29-12-2025	12,99,094
Suhel Chaklawala	30-12-2025 to 31-03-2026	9,56,802
Total		25,55,080

Note: Remuneration paid to Ms. Bhavna Udhwani pertains only to the period during which she actively discharged the duties of Chief Financial Officer, and no remuneration was paid for the remainder of the reported tenure.

Disclosure relating to remuneration of directors, key managerial personnel and employees pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not required to give disclosure in this regard, being an unlisted company.

Performance evaluation of the Board

Provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, in relation to the performance evaluation of the Board are not applicable to the Company.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) (including any statutory modification(s) and/or re-enactment(s) thereof for the time

being in force) of the Act, the Directors of the Company confirm that:

- in the preparation of the annual accounts for the financial year ended 31st March 2026, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2026 and loss of the Company as on 31st March 2026;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a 'going concern' basis;
- proper internal financial controls laid down by the Directors were followed by the Company and that such financial controls are adequate and operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Meetings of the Board

During the financial year 2025-26, 7 (seven) meetings of the Board of Directors were held, and the attendance of the Directors at the said meetings, conducted through video conference, is as follows:

Sr. No.	Date of Board Meeting	Rahul Bhatnagar	Gagandeep Singh Kalsi	Swapan Kumar Ghosh
1.	30 th April 2025	✓	✗	✓
2.	14 th July 2025	✗	✓	✓
3.	21 st July 2025	✗	✓	✓
4.	16 th October 2025	✓	✓	✓
5.	29 th December 2025	✓	✓	✓
6.	16 th January 2026	✓	✓	✓
7.	24 th March 2026	✓	✗	✓
Total		5	5	7

The maximum time gap between 2 meetings did not exceed 120 days, as prescribed by the Act.

The Company has complied with the applicable Secretarial Standards in respect of all the above Board meetings.

Related Party Transactions

During the financial year 2025-26, the Company has entered into transactions with related parties as defined under Section 2(76) of the Act read with the Companies (Specification of Definitions Details) Rules, 2014 all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Act read with the Rules issued thereunder.

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Audit Committee of Asian Paints Limited ("APL"), Holding Company is, *inter alia*, required to approve the related party transaction ("RPT") above ₹ 1,00,00,000 (Rupees One Crore Only), whether entered into individually or taken together with previous transactions during a financial year, to which the Company is a party but APL is not a party, such transaction will require prior approval of the Audit Committee of APL if the value of the transaction exceeds the lower of the following:

- 10% of the annual standalone turnover of the Company, as per the last audited financial statements of the Company; or
- The threshold for material related party transactions of the listed entity, as specified in Schedule XII of the Listing Regulations.

The Company as a matter of Governance also seek prior approval of Board of Directors of respective parties even though it is not required in terms of the provisions of the Act.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

The details of the related party transactions are set out in Notes to the financial statements of the Company.

The Form AOC-2 pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as Annexure (1).

Vigil Mechanism

The Company is not required to have Vigil Mechanism as per Section 177(10) of the Act. The Company promotes ethical behaviour in all its business activities and is in line with the best governance practices.

The Board of Directors of the Company in good governance on voluntarily basis have adopted the Whistle Blower Policy

of APL. The Policy provides for protection to the employees and business associates who report unethical practices and irregularities.

Auditors and Auditors' Report

Deloitte Haskins & Sells LLP ("DHS"), Chartered Accountants (Firm Registration No. 117366W/W-100018), were appointed as Statutory Auditors of the Company at the 29th Annual General Meeting ("AGM") held on 14th June 2024, to hold office till the conclusion of the 34th AGM of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company.

DHS has issued an unmodified opinion on the financial statements for the financial year 2025-26 and the Statutory Auditors' Report forming part of this Annual Report does not contain any qualification, reservation, adverse remark or disclaimer.

Further, DHS vide their resignation letter dated 24th April 2026 resigned as the Statutory Auditors of the Company with effect from 24th April 2026, pursuant to the Company's decision to align Statutory Audits at the group level.

Consequent to the resignation by DHS, the Board of Directors of the Company at their meeting held on 24th April 2026, approved and recommended appointment of S R B C & Co LLP ("SRBC"), Chartered Accountants (Firm Registration No. 324982E/E300003), as Statutory Auditors of the Company to fill the Casual Vacancy caused as a result of the resignation of DHS with effect from closure of business hours on 24th April 2026, subject to approval of the shareholders of the Company, till the conclusion of the ensuing 31st Annual General Meeting of the Company.

Further, the Board of Directors at their said meeting also approved and recommended the appointment of SRBC as Statutory Auditors of the Company for a term of 5 (five) consecutive years to hold office from the conclusion of the ensuing 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting, subject to the approval of the shareholders at the ensuing 31st Annual General Meeting of the Company.

The Company has received written consent and certificate of eligibility from SRBC confirming their eligibility for appointment in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder. They have also confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India ("ICAI") as required under the Listing Regulations.

The appropriate resolutions in this regard have been placed for the consideration of the shareholders at the ensuing 31st Annual General Meeting of the Company.

Reporting of frauds by Auditors

There was no incident of reporting fraud by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

Corporate Social Responsibility

During the year under review, the Company had spent ₹ 18,25,487 towards CSR expenditure, in terms of the CSR annual action plan approved by the Board of Directors, from time to time. The CSR initiatives of the Company were under the thrust area of Health & Hygiene and Promoting Education.

The CSR Policy of the Company and Annual Action Plan are available on the website of the Company at www.nanovacarecoat.com.

The Company's CSR Policy statement and Annual Report on the CSR activities undertaken during the financial year ended 31st March 2026, in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") is set out in Annexure No. (2) to this Report.

Particulars of Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings & Outgo

Conservation of Energy: NIL

Technology Absorption: NIL

Foreign Exchange Earnings and Outgo

Details of Foreign Exchange Earnings and Outgo are as follows:

Particulars	(₹ in Lakhs)	
	2025-26*	2024-25*
Foreign exchange earned in terms of actual inflows	77.37	3.42
Foreign exchange outgo in terms of actual outflows	NIL	NIL

*amount(s) are equivalent to value of various currencies

Risk Management

The Board has put in place appropriate framework and mechanism to review the risks for the Company including the

operational and business risks. The Board reviews the risk mitigation plans from time to time.

The Company recognises that risk is an integral and inevitable part of the business and is fully committed to manage risks in a proactive and efficient manner. The Company has a Risk Management Policy which articulates the approach to address the uncertainties in its endeavour to achieve its stated and implicit objectives.

Policy on Prevention of Sexual Harassment at Workplace

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder and Internal Complaints Committee have also been set up to redress any such complaints received.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. Further, the Policy also gives shelter to contract workers, probationers, temporary employees, trainees, apprentices of the Company, and any person visiting the Company at its office.

The details of complaints received and disposed of under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year are as follows:

- a) number of complaints of sexual harassment received in the year: NIL
- b) number of complaints disposed off during the year: Not applicable
- c) number of cases pending for more than ninety days: Not applicable
- d) Number of complaints unresolved during the year - NIL

Maternity Benefit Provided by the Company Under the Maternity Benefit Act, 1961

The Company declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support such as nursing breaks and flexible return-to-work options, as applicable. The Company remains committed to fostering an inclusive and supportive

work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

Internal Controls

The Company has in place a well-established and robust internal control systems which are commensurate with the nature of its business, size & scale, and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of the Company's operations, safe keeping of its assets, optimal utilisation of resources, reliability of its financial information, and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of the Company's operations.

Internal Financial Controls and their Adequacy

The Company has in place adequate internal financial controls with reference to financials. The same is subject to review periodically by the Board of Directors for its effectiveness. The control measures adopted by the Company have been found to be effective and adequate to the Company's requirements.

Maintenance of Cost Records

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

Significant and Material Orders passed by the Regulators or Courts

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations.

Annual Return

In accordance with Section 92(3) read with Section 134(3) (a) of the Act and the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as of 31st March 2026 in Form MGT-7, is available on the Company's website at www.nanovacarecoat.com. The Annual Return will be submitted to the Registrar of Companies within the timelines prescribed under the Act.

The Board of Directors of the Company, at its meetings held during the year, *inter alia*, appointed the following Chief Financial Officers of the Company as Designated Persons for the purpose of providing information to the Registrar of Companies or any other authorised officer in respect of

beneficial interest in shares of the Company, pursuant to the provisions of Section 89 of the Companies Act, 2013 read with Rule 9 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Act, with effect from their respective dates of appointment:

1. Ms. Bhavna Udhvani (Period: up to 14th July 2025)
2. Ms. Jahnavi Kodali (Period: with effect from 15th July 2025 till 29th December 2025)
3. Mr. Suhel Chaklawala (Period: with effect from 30th December 2025)

Compliance with Secretarial Standards

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meeting of Board of Directors and General Meeting.

Other Disclosures

During the year under review:

- I. No credit rating has been obtained by the Company with respect to its securities;
- II. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and

- III. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

Acknowledgements

Your Directors acknowledge with deep sense of appreciation the co-operation received from various other Central and State Government agencies, other Ministries, Customers, Bankers and other stakeholders. Your Directors express deep sense of appreciation for the dedicated and sincere services rendered by the employees of the Company at all levels.

Your Directors also wish to express gratitude to all the Shareholders for the confidence reposed by them in the Company and for their continued support and co-operation.

For and on behalf of the Board of Directors

Rahul Bhatnagar
Chairman
(DIN: 09660086)

Place: Mexico
Date: 24th April 2026

Annexure (1) to the Board's Report

Form AOC – 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 ("the Act") and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Act including certain arms' length transactions under fourth proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements, or transactions entered into during the year ended 31st March 2026, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

a.	Corporate identity number (CIN) or any other registration number	CIN - L24220MH1945PLC004598
b.	Name(s) of the related party and nature of relationship	Asian Paints Limited, Holding Company
c.	Nature of contracts/arrangements/transactions	Sale of goods and services
d.	Duration of the contracts/arrangements/transactions	1 year
e.	Salient terms of the contracts or arrangements or transactions including the value, if any	Commercial term as agreed between the parties ₹ 17,39,16,180
f.	Amount paid as advance, if any	-
g.	Dates(s) of approval by the Board, if any	The Board of Directors of the Company approved the said material transactions on 18 th March 2025. However, the said transactions were in the ordinary course of business and at arm's length basis.

During the financial year ended 31st March 2026, all related party transactions entered into by the Company were in the ordinary course of business and on arm's length basis and were approved by the Board of Directors of the Company.

For and on behalf of the Board of Directors

Rahul Bhatnagar
Chairman
(DIN: 09660086)

Place: Mexico

Date: 24th April 2026

Annexure (2) to Board's Report

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

The Company has identified the five thrust areas i.e. Health & Hygiene, Disaster Management, Enhancing Vocational Skills, Water, and, Education around which the Company shall be focusing its CSR initiatives and channelizing the resources on a sustained basis and to make the Company a responsible & a caring organization. During the year under review, the Company has undertaken CSR expenditure in the thrust areas of Health & Hygiene and Education.

2. Composition of CSR Committee:

The Company is not required to form a CSR Committee as the amount to be spent in one financial year under CSR Activities is less than ₹50 lakhs. The functions of the CSR Committee are discharged by the Board of Directors of the Company.

3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:

The CSR Policy and CSR Annual Action Plan of the Company is uploaded on the website of the Company at www.nanovacarecoat.com.

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Not Applicable

5.	Sr. No.	Particulars	Amount (in ₹)
	a.	Average net profit of the company as per sub-section (5) of section 135	9,12,74,341
	b.	Two percent of average net profit of the company as per sub-section (5) of Section 135	18,25,487
	c.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	-
	d.	Amount required to be set-off for the financial year, if any	-
	e.	Total CSR obligation for the financial year [(5b)+(5c)-(5d)]	18,25,487
6.	Sr. No.	Particulars	Amount (in ₹)
	a.	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	18,25,488
	b.	Amount spent in Administrative Overheads	-
	c.	Amount spent on Impact Assessment, if applicable	-
	d.	Total amount spent for the Financial Year [(6a)+(6b)+(6c)]	18,25,488

e. CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
18,25,488	-	-	-	-	-

f. Excess amount for set-off:

Sr. No. Particulars	Amount (in ₹)
i. Two percent of average net profit of the company as per sub-section (5) of section 135	18,25,487
ii. Total amount spent for the Financial Year	18,25,488
iii. Excess amount spent for the Financial Year [(b)-(a)]	1
iv. Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
v. Amount available for set off in succeeding Financial Years [(c)-(d)]	-

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under Section 135(6) of the Act (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) of the Act as on 1 st April 2025 (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act, if any	Amount remaining as on 31 st March 2026 to be spent in succeeding financial years (in ₹)		Deficiency, if any
						Amount (in ₹)	Amount (in ₹)	
-	-	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

For and on behalf of the Board of Directors

Rahul Bhatnagar
Chairman
(DIN: 09660086)

Swapan Kumar Ghosh
Whole Time Director & CEO
(DIN: 03434036)

Place: Mexico
Date: 24th April 2026

Place: Mumbai
Date: 24th April 2026

Independent Auditor's Report

To The Members of

Harind Chemicals and Pharmaceuticals Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Harind Chemicals and Pharmaceuticals Private Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, its profit and other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises

the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate

the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 34B to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, disclosed in the Note 34B to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended 31st March, 2026 which have the feature of recording audit trail (edit log) facility and the same

has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Terence Lewis
Partner
Membership No. 107502
UDIN: 26107502BBYDZB5587

Place: Mumbai
Date: 24th April 2026

Annexure “A” To The Independent Auditor’s Report

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

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls with reference to standalone financial statements of Harind Chemicals and Pharmaceuticals Private Limited (the “Company”) as at 31st March 2026 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

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

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements

due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March 2026, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Terence Lewis

Partner

(Membership No. 107502)

UDIN: 26107502BBYDZB5587

Place: Mumbai

Date: 24th April 2026

Standalone Balance Sheet

as at 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

Particulars	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	2A	9,971.06	12,805.71
Right of Use Assets	2C	44,561.62	41,085.11
Capital work in progress	2B	25,430.75	2,730.41
Financial assets			
Investments	3	6,877.61	6,877.61
Other financial assets	4	2,237.24	2,036.18
Deferred Tax Assets (Net)	29	2,836.30	1,843.61
Income Tax Assets (Net)	5C	4,231.93	3,560.49
Other Non-Current Assets	5A	12,227.85	-
		108,374.36	70,939.12
Current assets			
Inventories	6	45,696.13	31,277.92
Financial assets			
Trade receivables	7	93,506.65	69,520.24
Investments	3	11,095.06	10,444.86
Cash and cash equivalents	8	23,748.21	13,591.04
Other Balances with Banks	9	72,302.34	40,344.27
Other Current Assets	5B	1,804.40	3,802.78
Assets classified as held for sale	2D	4,443.58	-
		252,596.37	168,981.11
Total assets		360,970.73	239,920.23
EQUITY AND LIABILITIES			
Equity share capital	10	2,000.00	2,000.00
Other equity	11	271,334.62	186,147.85
		273,334.62	188,147.85
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	16	4,331.42	1,859.19
Provisions	12	6,203.81	7,606.46
		10,535.23	9,465.65
Current liabilities			
Financial liabilities			
Lease Liabilities	16	3,158.40	1,712.21
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	13	14,007.98	9,189.49
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		35,804.03	16,308.57
Other financial liabilities	14	16,791.03	13,694.46
Other current liabilities	15	3,001.20	803.77
Provisions	12	4,338.24	598.23
		77,100.88	42,306.73
Total Equity & Liabilities		360,970.73	239,920.23

Summary of material accounting policies and key accounting estimates and judgements
See accompanying notes to the Standalone Financial Statements

1
2 - 39

As per our attached Report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Regn No. 117366W/W 100018

For and on behalf of the Board of Directors of

Harind Chemicals And Pharmaceuticals Private Limited

CIN : U24110MH1995PTC089205

Terence Lewis

Partner

Membership No. 107502

Rahul Bhatnagar

Chairman

DIN: 09660086

Swapan Kumar Ghosh

Whole Time Director and CEO

DIN: 03434036

Suhel Chaklawala

Chief Financial Officer

Place: Mumbai

Date : 24-04-2026

Place: Mexico

Date : 24-04-2026

Place: Mumbai

Date : 24-04-2026

Place: Mumbai

Date : 24-04-2026

Standalone Statement of Profit and Loss

for the year ended 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

Particulars	Note	Year ended 31 March 2026	Year ended 31 March 2025
Continuing operations			
Income			
Revenue from operations			
Revenue from Sale of products	17A	457,179.14	371,553.50
Revenue from Sale of services	17A	7,359.17	7,150.69
Other income	18	4,724.18	2,990.60
Total Income (I)		469,262.49	381,694.79
Expenses			
Cost of Materials Consumed	19	203,149.83	172,678.70
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress	20	(1,737.27)	1,596.91
Employee benefits expense	21	60,264.26	58,303.79
Other expenses	24	46,217.07	36,708.20
Total Expenses (II)		307,893.89	269,287.60
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		161,368.60	112,407.19
Finance costs	22	794.66	224.98
Depreciation and amortisation expense	23	3,210.93	2,687.06
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		157,363.01	109,495.15
Exceptional Items	37	2,177.14	-
PROFIT BEFORE TAX		155,185.87	109,495.15
Tax Expenses			
Current tax		41,804.05	27,326.41
Short/ (excess) provision of tax		(414.13)	947.49
Deferred tax		(1,092.89)	(160.45)
PROFIT AFTER TAX		114,888.84	81,381.70
Other comprehensive income			
A) Items that will not be re-classified subsequently to Profit and Loss			
Re-measurement of defined benefit obligation		398.13	(461.35)
Tax expense on Re-measurement of Defined Benefit Obligation		(100.20)	116.11
B) Items that will be re-classified subsequently to Profit and Loss			
Total Other Comprehensive Income (A+B)		297.93	(345.24)
Total comprehensive income for the period		115,186.77	81,036.46
Earnings per equity share - INR	25		
Basic		574.44	406.91
Diluted		574.44	406.91
Face value per ordinary share - INR		10.00	10.00

Summary of material accounting policies and key accounting estimates and judgements

1

See accompanying notes to the Standalone Financial Statements

2 - 39

As per our attached Report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Regn No. 117366W/W 100018

For and on behalf of the Board of Directors of

Harind Chemicals And Pharmaceuticals Private Limited

CIN : U24110MH1995PTC089205

Terence Lewis

Partner

Membership No. 107502

Rahul Bhatnagar

Chairman

DIN: 09660086

Swapan Kumar Ghosh

Whole Time Director and CEO

DIN: 03434036

Suhel Chaklawala

Chief Financial Officer

Place: Mumbai

Date : 24-04-2026

Place: Mexico

Date : 24-04-2026

Place: Mumbai

Date : 24-04-2026

Place: Mumbai

Date : 24-04-2026

Standalone Statement of Cash flows

for the year ended 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A. Cash flow from operating activities		
Profit before tax	155,185.87	109,495.15
Adjustments for:		
Liabilities written back	(77.19)	-
Depreciation and amortisation expense	874.66	649.79
Depreciation of Right of use assets	2,336.27	2,037.27
Interest on Lease Liability	329.03	145.25
Interest on Security Deposit	(33.25)	(32.55)
Sundry Balances Written off	-	93.24
Gain/Loss on Mutual Fund	(650.20)	(445.36)
Interest on Fixed Deposit	(3,235.56)	(1,762.65)
Provision for Stock Obsolescence	901.10	3,129.20
Provision for doubtful debts	13.88	1,115.07
Operating profit before working capital changes	155,644.61	114,424.41
Adjustments for working capital changes:		
(Increase) in inventories	(15,319.30)	(832.81)
(Increase) in trade receivables	(24,000.28)	(10,855.69)
(Increase)/decrease in other assets	(10,229.47)	(2,124.37)
(Increase)/decrease in other financial assets	(167.81)	(55.43)
Increase/(decrease) in trade payables	24,391.13	(6,320.45)
Increase in other financial liabilities	3,096.57	6,581.93
Increase in provisions	2,735.49	1,250.25
(Decrease)/increase in other current liabilities	2,197.43	(5,760.42)
	138,348.37	96,307.42
Income tax paid (net of refund)	(42,061.38)	(28,838.02)
Net cash (used in) / generated from operating activities (A)	96,286.99	67,469.40
B. Cash flow from investing activities		
Purchase of Property, plant and equipment	(24,912.47)	(4,656.81)
Payment for acquiring right-of-use asset	-	(37,800.49)
Net Gain arising on financial assets measured at FVTPL	650.20	445.36
Interest received	5,735.56	3,821.81
Proceeds from maturity of fixed deposits	(34,456.32)	57,500.00
Net cash (used in) / generated from investing activities (B)	(52,983.03)	19,309.87

(All amounts in thousands of INR, unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
C. Cash flow from financing activities		
Repayments of working capital term loan	-	-
Payment of Dividend	(30,000.00)	(72,500.00)
Payment of Lease Liabilities (including interest)	(2,496.59)	(2,213.40)
Interest and finance charges	-	-
Net cash used in financing activities (C)	(32,496.59)	(74,713.40)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	10,807.37	12,065.87
Cash and cash equivalents at the beginning of the year	24,035.90	11,970.03
Cash and cash equivalents at the end of the year	34,843.27	24,035.90
Components of cash and cash equivalents:		
Cash in hand	5.25	7.92
Balance in fixed deposits	-	-
Balance in current account	23,742.96	13,583.12
Investment in liquid mutual funds	11,095.06	10,444.86
Total	34,843.27	24,035.90
Net debt position - Refer Annexure 1	34,843.27	24,035.90

Summary of material accounting policies and key accounting estimates and judgements 1

See accompanying notes to the Standalone Financial Statements 2 - 39

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'. Refer Note 16 for reconciliation of financial liabilities as required under Ind AS 7

As per our attached Report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Regn No. 117366W/W 100018

For and on behalf of the Board of Directors of
Harind Chemicals And Pharmaceuticals Private Limited
CIN : U24110MH1995PTC089205

Terence Lewis
Partner
Membership No. 107502

Rahul Bhatnagar
Chairman
DIN: 09660086

Swapan Kumar Ghosh
Whole Time Director and CEO
DIN: 03434036

Suhel Chaklawala
Chief Financial Officer

Place: Mumbai
Date : 24-04-2026

Place: Mexico
Date : 24-04-2026

Place: Mumbai
Date : 24-04-2026

Place: Mumbai
Date : 24-04-2026

Notes to Standalone Financial Statements

for the year ended 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

Annexure 1

Net Debt Reconciliation

	As at 31 March 2026	As at 31 March 2025
Cash and cash equivalents	23,748.21	13,591.04
Liquid investments	11,095.06	10,444.86
Non current borrowings	-	-
Current borrowings	-	-
Net (debt) / Cash & Cash Equivalents	34,843.27	24,035.90

Particulars	Other Assets		Liabilities from financing activities		Total
	Cash and bank overdraft	Liquid Investments	Non-current borrowings	Current borrowings	
(Net debt) / Cash & Cash Equivalents as at 1 April 2024	11,970.03	-	-	-	11,970.03
Cash Flows	12,065.87	-	-	-	12,065.87
Repayment of Loans	-	-	-	-	-
Interest expense	-	-	-	-	-
Interest paid	-	-	-	-	-
(Net debt) / Cash & Cash Equivalents as at 31 March 2025	24,035.90	-	-	-	24,035.90
(Net debt) / Cash & Cash Equivalents as at 1 April 2025	24,035.90	-	-	-	24,035.90
Cash Flows	10,807.37	-	-	-	10,807.37
Repayment of Loans	-	-	-	-	-
Interest expense	-	-	-	-	-
Interest paid	-	-	-	-	-
(Net debt) / Cash & Cash Equivalents as at 31 March 2026	34,843.27	-	-	-	34,843.27

Standalone Statement of Changes in equity

For the year ended 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

(A) Equity share capital :

	Equity share capital
As at 31 March 2024	2,000.00
Issue of share capital	-
As at 31 March 2025	2,000.00
Issue of share capital	-
As at 31 March 2026	2,000.00

(B) Other equity :

	Securities Premium	Retained earnings	Other comprehensive income	Revaluation reserve	Total
As at 1 April 2024	98,980.00	76,795.30	(749.93)	2,586.02	177,611.39
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	98,980.00	76,795.30	(749.93)	2,586.02	177,611.39
Profit for the year	-	81,381.70	-	-	81,381.70
Other Comprehensive income for the year ended March 31, 2025, net of taxes	-	(72,500.00)	(345.24)	-	(72,500.00)
Utilization of retained earning for dividend	-	-	-	-	-
As at 31 March 2025	98,980.00	85,677.00	(1,095.17)	2,586.02	186,147.85
As at 1 April 2025	98,980.00	85,677.00	(1,095.17)	2,586.02	186,147.85
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	98,980.00	85,677.00	(1,095.17)	2,586.02	186,147.85
Profit for the year	-	114,888.84	-	-	114,888.84
Other Comprehensive income for the year ended March 31, 2026, net of taxes	-	(30,000.00)	297.93	-	297.93
Utilization of retained earning for dividend	-	-	-	-	-
As at 31 March 2026	98,980.00	170,565.84	(797.24)	2,586.02	271,334.62

Summary of material accounting policies and key accounting estimates and judgements 1

See accompanying notes to the Standalone Financial Statements

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As per our attached Report of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Regn No. 117366W/W 100018

For and on behalf of the Board of Directors of

Harind Chemicals And Pharmaceuticals Private Limited

CIN : U24110MH1995PTC089205

Terence Lewis

Partner

Membership No. 107502

Place: Mumbai

Date : 24-04-2026

Rahul Bhatnagar

Chairman

DIN: 09660086

Place: Mexico

Date : 24-04-2026

Swapan Kumar Ghosh

Whole Time Director and CEO

DIN: 03434036

Place: Mumbai

Date : 24-04-2026

Suhel Chakrawala

Chief Financial Officer

Place: Mumbai

Date : 24-04-2026

Notes to Standalone Financial Statements

for the year ended 31 March 2026

Company Background

Harind Chemicals and Pharmaceuticals Private Limited (the 'Company') is a private limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is located at A/204, Kailash Industrial Complex, Veer Savarkar Marg, Vikhroli West, Mumbai, India.

The company is engaged in the business of Manufacturing/Dealing in Chemical and other related products related to paints and chemicals.

1. Material Accounting Policies and Key accounting estimates and judgements

Material Accounting Policies:

1.1. Basis of preparation of financial statements

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The financial statements are presented in Indian Rupees (which is also the functional currency of the Company) and is rounded off to the nearest thousands except otherwise indicated.

Application of New Accounting Pronouncements :

The Company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2023 with effect from 1st April, 2023. The effect is described below:

- a. Ind AS 1 – Presentation of Financial Statements – The amendment requires disclosure of material accounting policies instead of significant accounting policies. In the Financial Statements the disclosure of accounting policies has been accordingly modified . The impact of such modifications to the accounting policies is insignificant.
- b. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The amendment has defined accounting estimate as well as laid down the treatment of accounting estimate to achieve the objective set out by accounting policy. There is no impact of the amendment on the financial statements.
- c. Ind AS 12 – Income taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the financial statements.

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

- a. Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures: The Company has disclosed the effects of supplier finance arrangements on the Company's liabilities, cash flows and exposure to liquidity risk in line with the amendment. There is no impact of the amendment on the Financial Statements.
- b. Ind AS 1 – Presentation of Financial Statements: in line with the amendment, the Company has applied the requirements for classification of liabilities as current or non current including compliance with covenants, where applicable. There is no impact of the amendment on the Consolidated Financial Statements.
- c. Ind AS 12 – Income Taxes: The Company has adopted the requirements pertaining to recognition and disclosure of current and deferred taxes related to income taxes arising from Pillar Two model rules issued by the Organisation for Economic Co-operation and Development (OECD). There is no impact of the amendment on the Financial Statements.

Notes

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

1.2. Current / Non-Current Classification

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

- i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. the liability wherein the company does not have the right at the end of reporting period to defer its settlement for at least twelve months after the reporting date.

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

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

1.3. Summary of Material accounting policies

a) Property, plant and equipment

Measurement at recognition:

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

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

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

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

The Company had elected to consider the carrying value of all its PPE appearing in the financial statements and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April, 2017.

Capital work in progress and Capital advances:

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

Depreciation:

During the previous year ended 31 March, 2025, the Company has changed its method of depreciation from Written Down value method to Straight Line method in line with the method followed by the ultimate holding company. Accordingly, depreciation on each part of an item / component of PPE is provided as per Straight Line Method based on the expected useful life of the asset and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimated useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The estimated useful life of items of PPE is mentioned below:

	Years
Factory Building	30
Plant and Machineries	20
Furniture and Fixtures	4-10
Office Equipment	5
Computer	4
vehicle	10

The Freehold land is not depreciated and Leasehold improvements are amortized over the period of the lease. The freehold Land has been revalued as at April 1st, 2017 and the revalued amount has been considered as deemed cost on transition to Ind AS in accordance with para D5 of Ind AS 101.

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

Derecognition:

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

b) Revenue

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. It is measured at transaction price (net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products:

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

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

c) Inventory

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated

Notes

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

are expected to be sold at or above cost. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

Cost is ascertained on a First in First Out (FIFO) basis. Cost of inventory comprises all costs of purchase, non-refundable duties and taxes, cost of conversion and all other costs incurred in bringing the inventory to their present location and condition.

The Company considers factors like estimated shelf life, product discontinuances and ageing of inventory in determining the write down for slow moving, obsolete and other non-saleable inventory.

d) Financial Instruments

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

Financial assets

Initial recognition and measurement:

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

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

Subsequent measurement:

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

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

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

- i. Financial assets measured at amortized cost

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

- a. The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. The effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset under other income in the Statement of Profit and Loss. The amortized cost of a financial asset is also adjusted for loss allowance, if any.

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

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

- a. The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

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

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

This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

- i. A financial asset is derecognized when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets:

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

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

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

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

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of

Notes

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

trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

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

Financial Liabilities

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

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

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

Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. The effect of the amortization under effective interest method is recognized as interest expense under finance cost in the Statement of Profit and Loss over the relevant period of the financial liability.

Derecognition:

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

Offsetting of financial assets and financial liabilities:

Financial assets and financial liabilities are off-set and the net amount is reported in the balance sheet wherever there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

e) Fair Value

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

f) Investment in subsidiary and associate Companies

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost includes cash consideration paid on initial recognition, adjusted for embedded derivative and estimated contingent consideration (earn out), if any.

g) Foreign Currency Translation

Initial Recognition:

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

Measurement of foreign currency items at reporting date:

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

Exchange differences arising out of foreign exchange translations and settlements during the year are recognized in the Statement of Profit and Loss.

h) Income Taxes

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

Current tax:

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

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax assets and liabilities are generally recognized for all deductible and taxable temporary differences respectively. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit or does not give rise to equal taxable and deductible temporary differences, deferred tax assets or liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred

Notes

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

tax liabilities are not recognized. The Company has elected to apply the exception for recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two Income Taxes.

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

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

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

Uncertain tax positions:

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

Presentation of current and deferred tax:

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

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

i) Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources will be required and the amount of outflow can be reliably estimated. The increase in the provision due to the passage of time is recognized as a finance cost.

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

j) Measurement of EBITDA

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

k) Cash and Cash Equivalents

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

l) Employee Benefits

Short Term Employee Benefits:

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

Post-Employment Benefits:

I. Defined contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans:

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

II. Defined benefit plans:

i) Provident fund scheme:

Provident Fund is a defined contribution scheme and is paid to the regulatory authorities on monthly basis at the prescribed rates both by the employer and employee and the Company has no further obligations. The company's contributions to the provident fund is charged to the Statement of profit and loss as and when they are due.

ii) Gratuity scheme:

The Company provides for gratuity liability and compensated absences of employees on the basis of actuarial valuation determined under projected unit credit method.

Recognition and measurement of defined benefit plans:

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

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

The Company presents the above liability/(asset) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary.

Other Long Term Employee Benefits:

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

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

m) Lease accounting

Assets taken on lease:

The Company assesses whether a contract is or contains a lease, at inception of a contract in accordance with Ind AS 116, Leases. The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term or useful life of the underlying asset if the Company expects to exercise a purchase option in the lease. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment.

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

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

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

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

n) Earnings Per Share (EPS)

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

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

o) Exceptional items:

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

p) Asset classified as held for sale :

Company has classified certain non current assets (Khopoli factory related) as Held for Sale, comprising primarily of land and factory building.

Basis of classification :

The classification is based on management's assessment that:

1. the assets are available for immediate sale in their present condition,
2. management is committed to a plan to sell the assets,
3. an active program to locate a buyer has been initiated, and

4. the sale is expected to be completed within 12 months.

Accordingly, the assets meet the criteria specified in paragraphs 6–8 of Ind AS 105. Transaction does not represent a disposal group or discontinued operation.

The assets have been measured at the lower of their carrying amount and fair value less costs to sell.

Fair value has been determined based on:

1. tentative pricing received from an external buyer, and
2. reference to an independent valuation obtained, adjusted for management's assessment of current market conditions.

Depreciation on these assets has been discontinued from the date of classification as Held for Sale.

Management has assessed whether any impairment loss is required to be recognized on assets classified as Held for Sale.

Based on the comparison of carrying amount and recoverable value, impairment to be recognized during the year on assets classified as held for sale.

1.4. Key accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

a) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Property, plant and equipment

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

c) Defined Benefit Obligation

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

Notes

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

d) Fair value measurement of financial instruments

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

e) Right-of-use assets and lease liability

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

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

f) Asset classified as held for sale :

Classification as Held for Sale: The Company has exercised significant judgement in classifying certain factory related non current assets as Held for Sale in accordance with Ind AS 105.

Fair value assessment: Management relied on indicative pricing from the potential buyers and an earlier valuation, combined with internal market assessment.

Also, Management has assessed that the carrying value of these assets will be recovered principally through sales rather than through continuing use, and that the sale is highly probable within twelve months from the date of classification.

2A Property, plant and equipment

Assets	Gross Carrying Value (Cost / Deemed Cost)				Depreciation			Net Carrying Value
	As at 01-04-2025	Additions During the Year	Deductions/ Adjustments	As at 31-03-2026	As at 01-04-2025	Additions During the Year	Deductions/ Adjustments	
					As at 31-03-2026			As at 31-03-2026
Freehold Land	3,250.00	-	3,250.00	-	-	-	-	-
Building	2,368.99	-	2,368.99	-	1,135.80	39.62	1,175.42	-
Plant and Machinery	14,394.57	2,200.70		16,595.27	6,629.61	608.33		7,237.94
Computers	1,266.86	77.30	-	1,344.16	871.84	112.65	-	359.67
Office Equipments	498.82	96.33	-	595.15	412.94	32.02	-	150.19
Furniture and Fixtures	842.11	15.00	-	857.11	765.45	72.58	-	19.08
Vehicles	-	94.25		94.25	-	9.46		84.79
Total	22,621.35	2,483.58	5,618.99	19,485.94	9,815.64	874.66	1,175.42	9,514.88
								9,971.06

Assets	Gross Carrying Value (Cost / Deemed Cost)				Depreciation			Net Carrying Value
	As at 01-04-2024	Additions During the Year	Deductions/ Adjustments	As at 31-03-2025	As at 01-04-2024	Additions During the Year	Deductions/ Adjustments	
					As at 31-03-2025			As at 31-03-2025
Freehold Land	3,250.00	-	-	3,250.00	-	-	-	3,250.00
Building	2,368.99	-	-	2,368.99	1,083.21	52.59	-	1,233.19
Plant and Machinery	12,703.84	1,690.73	-	14,394.57	6,211.93	417.68	-	7,764.96
Computers	869.09	397.77	-	1,266.86	803.29	68.55	-	395.02
Office Equipments	426.81	72.01	-	498.82	387.62	25.32	-	85.88
Furniture and Fixtures	842.11	-	-	842.11	679.80	85.65	-	76.66
Total	20,460.84	2,160.51	-	22,621.35	9,165.85	649.79	-	12,805.71

Notes

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

2B Capital work in progress

(All amounts in thousands of INR, unless otherwise stated)

Details as on 31st March 2026

Particulars	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Project in progress	22,700.35	2,730.41	-	-	25,430.76

Details as on 31st March 2025

Particulars	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Project in progress	2,730.41	-	-	-	2,730.41

*There are no projects in capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan. No project suspended during the year.

2C Right-of-Use Assets

Movement in net carrying amount	Year 2025-26			Year 2024-25		
	Leasehold Land	Factory and Office Building	Total	Leasehold Land	Factory and Office Building	Total
Balance as at 1 April	37,566.38	3,518.73	41,085.11	-	2,153.50	2,153.50
Additions		6,687.71	6,687.71	37,800.49	3,402.50	41,202.99
Depreciation	427.25	2,336.27	2,763.52	234.11	2,037.27	2,271.38
Deletions	-	447.68	447.68	-	-	-
Balance as at 31 March	37,139.13	7,422.49	44,561.62	37,566.38	3,518.73	41,085.11

All lease agreements are duly executed in favour of the company.

Refer Note 16 for additions and movement in lease liability

Refer Note 27 for disclosures as per Ind AS 116

2D Assets classified as held for sale

Land and building at Khopoli factory has been classified as held for sale with effect from 31st December 2025. These non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipments and intangible assets once classified as held for sale are not depreciated or amortised.

A. Carrying Value (CV) of Assets Classified as Held for Sale as at 31st March 2026

Particulars	Gross carrying value	Accumulated depreciation	Net carrying value
Building	4,636.14	3,442.56	1,193.58
Freehold Land	3,250.00	-	3,250.00
Total	7,886.14	3,442.56	4,443.58

B. Measurement of Held for Sale Assets

Particulars	As at 31 March 2026
Net carrying amount	4,443.58
Fair value less cost to sell (FVLCS)	14,000.00
Lower of above (Recognised value)	4,443.58
Impairment loss recognised during the year	Nil

C. Movement during the year

Particulars	FY 25-26
Carrying amount at beginning of the year	-
Assets newly classified as Held for Sale	4,443.58
Impairment loss recognized	-
Assets disposed during the year	-
Carrying amount at year end	4,443.58

3 Investments

	As at 31 March 2026	As at 31 March 2025
Non-current		
Unquoted		
Investment in subsidiary (at cost) : 6,180,818 Equity Shares of INR 10/- each of Nova Surface-Care Centre Private Limited	6,877.61	6,877.61
Current		
Investments in Quoted Mutual Funds measured at FVTPL		
Investment in Liquid Mutual Funds	11,095.06	10,444.86
Holding - No' of units 1968.37 (PY- Nil)		
	17,972.67	17,322.47
Aggregate amount of quoted investments - At cost	9,999.50	9,999.50
Aggregate amount of quoted investments - At market value	11,095.06	10,444.86
Aggregate amount of unquoted investments	6,877.61	6,877.61

4 Other financial assets

	As at 31 March 2026	As at 31 March 2025
Unsecured and considered good		
Security deposits	2,237.24	2,036.18
	2,237.24	2,036.18

Refer Note 33 on credit risk of financial assets

Notes

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

5 Other assets

5A Non-current

	As at 31 March 2026	As at 31 March 2025
Capital advances	12,227.85	-
	12,227.85	-

5B Current

	As at 31 March 2026	As at 31 March 2025
a) Advances other than capital advances	1,092.03	3,433.74
i) Advances/ claims recoverable in cash or in kind	25.61	90.00
ii) Advances to employees		
b) Prepaid expenses	686.76	279.04
	1,804.40	3,802.78

5C Income Tax Assets (Net)

	As at 31 March 2026	As at 31 March 2025
Advance payment of income tax (net)	4,231.93	3,560.49
	4,231.93	3,560.49

6 Inventories (Valued at lower of cost and Net Realisable Value)

	As at 31 March 2026	As at 31 March 2025
a) Raw materials	28,500.16	15,819.22
	28,500.16	15,819.22
b) Work-in-progress	1,724.71	1,272.14
c) Finished goods	15,471.26	14,186.56
Total	45,696.13	31,277.92

The cost of inventories recognised as an expense during the year is disclosed in Note 19. It includes INR 901.10 thousands (Previous year- INR 3,129.20 thousands) in respect of write down of inventory.

7 Trade receivables

	As at 31 March 2026	As at 31 March 2025
Secured - considered good		
Unsecured - considered good	93,506.65	69,520.24
Unsecured -considered doubtful	1,460.37	1,446.49
	94,967.02	70,966.73
Less : Allowance for doubtful debts	(1,460.37)	(1,446.49)
	93,506.65	69,520.24
Movement of allowance for doubtful receivables		
Opening balance	1,446.49	331.43
Addition during the period	1,460.37	1,446.49
Utilisation/Reversals during the period	1,446.49	331.43
Closing balance	1,460.37	1,446.49

Trade receivables (Unsecured, considered good) include INR 53.89 thousands (Previous FY 24-25 INR 256.67 thousands) due from a private company in which directors of the company are directors as disclosed in Note no 28.

There are no outstanding trade receivables from any directors or other officers of the company or any of them either severally or jointly with any other person.

Trade Receivables Ageing Schedule

As at 31 March 2026

Particulars	Outstanding for following periods from due date of Invoice						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	60,266.03	33,238.38	2.23	-	-	-	93,506.64
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	295.18	919.47	245.73	1,460.38
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Total	60,266.03	33,238.38	2.23	295.18	919.47	245.73	94,967.02

As at 31 March 2025

Particulars	Outstanding for following periods from due date of Invoice						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	22,739.93	46,136.77	643.54	-	-	-	69,520.24
(ii) Undisputed Trade Receivables – considered doubtful	-	-	738.77	462.00	-	245.72	1,446.49
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Total	22,739.93	46,136.77	1,382.31	462.00	-	245.72	70,966.73

Notes

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

8 Cash and cash equivalents

	As at 31 March 2026	As at 31 March 2025
Balances with banks		
In current accounts	23,742.96	13,583.12
Cash in hand	5.25	7.92
	23,748.21	13,591.04

9 Bank Balances Other than Cash and Cash Equivalents

	As at 31 March 2026	As at 31 March 2025
Fixed Deposits	72,302.34	40,344.27
(Having Original maturity more than 3 months but less than 12 months)		
	72,302.34	40,344.27

10 Equity share capital

	As at 31 March 2026		As at 31 March 2025	
Authorised Share Capital				
Equity Share Capital				
2,00,000 equity shares of INR.10/- each	200,000	2,000.00	200,000	2,000.00
Issued, subscribed and paid-up share capital				
2,00,000 equity shares of INR.10/- each	200,000	2,000.00	200,000	2,000.00
Movement in respect of equity shares :				
Issued, subscribed and fully paid-up equity shares outstanding at the beginning of the year	200,000	2,000.00	200,000	2,000.00
Add: Increase in number of equity shares	-	-	-	-
Issued, subscribed and fully paid-up equity shares outstanding at the end of the year	200,000	2,000.00	200,000	2,000.00

The Company has only one class of equity share having par value of INR 10/- per share. Each shareholder is eligible for one vote per share held. The holder of the equity shares are entitled to receive dividend as declared from time to time, and are entitled to voting rights proportionate to their shareholding, at the meeting of shareholder. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shareholders holding more than 5% of shares

	As at 31 March 2026	As at 31 March 2025
Asian Paints Limited	102,000 51.00%	102,000 51.00%
Dr. Swapan Kumar Ghosh	72,000 36.00%	72,000 36.00%
Prapti Swapan Kumar Ghosh	20,000 10.00%	20,000 10.00%

Details of Number of shares held by Promoters in the Company

	As at 31 March 2026	As at 31 March 2025
Asian Paints Limited	102,000	102,000
Mr. Swapan Kumar Ghosh	72,000	72,000

11 Other equity

	Securities Premium	Retained earnings	Other comprehensive income	Revaluation reserve	Total
As at 1 April 2024	98,980.00	76,795.30	(749.93)	2,586.02	177,611.39
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	98,980.00	76,795.30	(749.93)	2,586.02	177,611.39
Profit for the year	-	81,381.70	-	-	81,381.70
Dividend	-	(72,500.00)	-	-	(72,500.00)
Other Comprehensive income for the year ended 31 March, 2025, net off taxes	-	-	(345.24)	-	(345.24)
As at 31 March 2025	98,980.00	85,677.00	(1,095.17)	2,586.02	186,147.85
As at 1 April 2025	98,980.00	85,677.00	(1,095.17)	2,586.02	186,147.85
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	98,980.00	85,677.00	(1,095.17)	2,586.02	186,147.85
Profit for the year	-	114,888.84	-	-	114,888.84
Dividend	-	(30,000.00)	-	-	(30,000.00)
Other Comprehensive income for the year ended 31 March, 2026, net off taxes	-	-	297.93	-	297.93
As at 31 March 2026	98,980.00	170,565.84	(797.24)	2,586.02	271,334.62

Nature and purpose of reserves

a) Securities premium:

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

b) Retained earnings:

Retained earnings are profits that the Company has earned till date, less any dividends or other distributions paid to shareholders.

c) Revaluation reserve:

Revaluation reserve is used to record the increase/decrease in the value of property, plant and equipment determined basis the fair valuation report.

Notes

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

12 Provisions

	As at 31 March 2026	As at 31 March 2025
Non-current		
Provision for employee benefits (Refer Note 26)		
Gratuity	4,164.03	5,141.55
Compensated absences	2,039.78	2,464.91
	6,203.81	7,606.46
Current		
Provision for employee benefits (Refer Note 26)		
Gratuity	2,724.40	383.26
Compensated absences	1,613.84	214.97
	4,338.24	598.23

13 Trade payables

	As at 31 March 2026	As at 31 March 2025
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer Note 32)	14,007.98	9,189.49
Total outstanding dues of creditors other than micro enterprises and small enterprises	35,804.03	16,308.57
	49,812.01	25,498.06

Trade Payables ageing schedule

As at 31 March 2026

₹ thousands

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	12,645.28	1,362.70	-	-	-	14,007.98
(ii) Undisputed dues - Others	30,439.06	5,347.31	9.54	7.26	0.86	35,804.03
(iii) Accrued Expenses	-	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	43,084.34	6,710.01	9.54	7.26	0.86	49,812.01

Trade Payables ageing schedule

As at 31 March 2025

₹ thousands

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	6,270.09	2,918.80	0.60	-	-	9,189.49
(ii) Undisputed dues - Others	13,033.44	3,253.39	16.00	1.47	4.27	16,308.57
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	19,303.53	6,172.19	16.60	1.47	4.27	25,498.06

14 Other financial liabilities

	As at 31 March 2026	As at 31 March 2025
Current liabilities		
Payable to employees	221.18	189.66
Payable towards services received	5,908.53	4,138.76
Payable towards capital expenditure	22.27	-
Bonus Payable	6,543.30	5,671.65
Retention money	545.75	144.39
Other payables	3,550.00	3,550.00
	16,791.03	13,694.46

15 Other liabilities

	As at 31 March 2026	As at 31 March 2025
Current liabilities		
Advance from customers*	2,169.71	152.77
Statutory payables	831.49	651.00
	3,001.20	803.77

*The Company has recognised revenue of ₹ 20.81 thousands (Previous year- ₹ 1,749.08 thousands) from the amounts included under advance received from customer at the beginning of the year.

Statutory payables includes dues towards GST, provident fund and TDS.

16 Lease Liabilities

	Non Current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Lease Liabilities	4,331.42	1,859.19	3,158.40	1,712.21
Total	4,331.42	1,859.19	3,158.40	1,712.21

The aggregate maturities of long term leases, based on contractual undiscounted cash flows are as follows :

	Less than 1 Year	Between 1-5 year	More than 5 year	Total	Carrying Value
As at 31 March 2026					
Lease Liabilities	3,515.06	4,959.72		8,474.78	7,489.82
As at 31 March 2025					
Lease Liabilities	1,926.84	1,756.92	-	3,683.76	3,571.39
Movement in Lease Liabilities				FY 2025-26	FY 2024-25
Balance as at 1 April				3,571.40	2,287.90
Addition				6,550.85	3,351.65
Deletions				(449.25)	-
Finance Cost				329.16	145.25
Repayments (including interest on lease liabilities)				(2,512.34)	(2,213.40)
Balance as at 31 March				7,489.82	3,571.40

Notes

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

17A Revenue from operations

	Year ended 31 March 2026	Year ended 31 March 2025
Sale of products	457,179.14	371,553.50
Sale of Services	7,359.17	7,150.69
	464,538.31	378,704.19

17B Revenue From Contracts With Customers

a) Revenue from Contracts with Customers disaggregated based on nature of Product or Services:

	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from sale of Products	457,179.14	371,553.50
Revenue from sale of services	7,359.17	7,150.69
Total	464,538.31	378,704.19

b) Revenue from Contracts with Customers disaggregated based on Geography:

	Year ended 31 March 2026	Year ended 31 March 2025
Home Market	456,801.05	378,361.98
Exports	7,737.26	342.21
Total	464,538.31	378,704.19

17C Reconciliation of Gross Revenue with the Revenue from Contracts with Customers:

	Year ended 31 March 2026	Year ended 31 March 2025
Gross Revenue	464,538.31	378,704.19
Less : Discounts	-	-
Net Revenue recognised from Contracts with Customers	464,538.31	378,704.19

The amounts receivable from customers become due after expiry of credit period which on an average ranges around from 30 to 60 days. There is no significant financing component in any transaction with the customers

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

18 Other income

	Year ended 31 March 2026	Year ended 31 March 2025
a) Interest Income		
On Security Deposit	33.25	32.55
On Fixed Deposit	3,235.56	1,762.65
	3,268.81	1,795.20
b) Other Non Operating Income		
Sundry balances written back	77.19	-
Net Gain arising on financial assets measured at FVTPL	650.20	445.36
Other income	594.93	750.04
Gain or loss on sale of Property, plant and equipment	17.80	-
	1,340.12	1,195.40
c) Other Gains and Losses		
Net foreign exchange gain	115.25	-
	115.25	-
	4,724.18	2,990.60

19 Cost of Materials Consumed

	Year ended 31 March 2026	Year ended 31 March 2025
Opening stock of Raw Materials	15,819.22	16,518.70
Add: Purchases	215,830.77	171,979.22
Less: Closing stock of Raw Materials	(28,500.16)	(15,819.22)
Total Cost of Materials Consumed	203,149.83	172,678.70

20 Changes in inventories of Finished Goods and Work-in-progress

	Year ended 31 March 2026	Year ended 31 March 2025
Stock at the beginning of the year		
Finished Goods (including goods-in-transit)	14,186.56	16,244.20
Work in Progress	1,272.14	811.41
Total	15,458.70	17,055.61
Stock at the end of the year		
Finished Goods (including goods-in-transit)	15,471.26	14,186.56
Work in Progress	1,724.71	1,272.14
Total	17,195.97	15,458.70
Changes in inventories of Finished Goods and Work-in-progress	(1,737.27)	1,596.91

Notes

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

21 Employee benefits expense

	Year ended 31 March 2026	Year ended 31 March 2025
Salaries and Wages	57,516.03	56,012.62
Contribution to provident fund and others (Refer note 26)	1,820.55	1,538.53
Staff welfare expenses	927.68	752.64
	60,264.26	58,303.79

22 Finance costs

	Year ended 31 March 2026	Year ended 31 March 2025
Interest on financial liabilities carried at amortised cost		
Interest on bank borrowings	-	-
Interest on lease liabilities	329.03	145.25
Interest on delay in payment of statutory dues	465.63	79.73
	794.66	224.98

23 Depreciation and Ammortisation Expense

	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of Property, Plant and Equipment (Refer note 2A)	874.66	649.79
Depreciation of Right-of-Use Assets (Refer note 2C)	2,336.27	2,037.27
Total	3,210.93	2,687.06

24 Other expenses

	Year ended 31 March 2026	Year ended 31 March 2025
Labour charges	3,167.50	3,175.22
Processing charges	14,049.94	10,719.75
Testing charges	600.45	1,189.15
Transportation expenses	3,959.72	2,342.13
Power And Fuel	490.95	514.02
Rent	1,251.80	1,210.51
Rates and Taxes	63.55	51.69
Freight and Handling Charges	8,558.12	4,853.13
Advertisement and Sales Promotion expenses	1,486.07	182.12
Travelling and conveyance	2,115.93	2,616.61
Provision for Doubtful Debts	13.88	1,115.07
Repairs and maintenance	666.63	401.16
Corporate social responsibility expenditure	1,825.49	1,110.00
Legal & professional fee	3,667.67	4,100.31
Payments to auditors (refer footnote below)	1,883.08	1,100.00
Insurance premium	535.67	371.67
Sundry balances written off	-	93.24
Miscellaneous expenditure	1,880.62	1,562.42

24 Other expenses (Contd.)

	Year ended 31 March 2026	Year ended 31 March 2025
	46,217.07	36,708.20
Footnote :		
Payments to auditors		
Statutory audit fee	926.50	850.00
Tax audit fee	272.51	250.00
Other certification services	630.00	-
Reimbursement of expenses	54.07	-
	1,883.08	1,100.00

25 Earnings per share (EPS)

The following reflects the profit and share data used in EPS computation:

	Year ended 31 March 2026	Year ended 31 March 2025
Net Profit after tax	114,888.84	81,381.70
Number of equity shares outstanding at the beginning of the year	200,000	200,000
Adjustment pursuant to issue of equity shares during the year	-	-
Number of equity shares outstanding at the end of the year	200,000	200,000
Weighted average number of equity shares outstanding considered for calculating basic and diluted earnings per share	200,000	200,000
Earnings per share - basic - Face value INR 10/- per share (INR)	574.44	406.91
Earnings per share - diluted - Face value INR 10/- per share (INR)	574.44	406.91

26 Employee benefit plans

	Year ended 31 March 2026	Year ended 31 March 2025
(a) Defined contribution plan		
During the year, the Company has recognised the following amounts in the statement of profit and loss:		
Employer's contribution to provident fund	714.84	744.93
Employer's contribution to employee state insurance	-	-
(b) Gratuity and other post employment benefit plan		
Actuarial valuation was done in respect of the aforesaid defined benefit plan using the following assumptions:		
Discount rate	7.59%	6.82%
Salary escalation	8.00%	8.00%
Note : Mortality has been assumed as per published notes under the Indian Assured Lives Mortality (2012-14 - Urban)		
Amount recognized in the Balance Sheet		
Net (Liability) / Asset at the end of the year	(6,888.43)	(5,524.81)
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet [Asset / (Liability)]	(6,888.43)	(5,524.81)
Reconciliation of defined benefit obligation		
Opening defined benefit obligation	5,524.81	4,271.88
Current service cost	614.22	483.58
Interest cost	416.88	308.00

Notes

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

26 Employee benefit plans (Contd.)

	Year ended 31 March 2026	Year ended 31 March 2025
Expenses recognised in Other Comprehensive Income	(398.13)	461.35
Past service cost	1,153.72	
Remeasurements due to actuarial loss/ (gain) arising from		
• Changes in financial assumptions		
• Changes in demographic assumptions		
• Experience adjustments		
Benefits Paid	(423.07)	-
Closing defined benefit obligation	6,888.43	5,524.81
Reconciliation of Plan Assets		
Fair value of plan assets at the beginning of the year	-	-
Contribution by employer	-	-
Benefits paid	-	-
Assets acquired / (settled)	-	-
Fair value of Plan Assets at the end of the year	-	-
Expenses recognized in the Statement of Profit and Loss		
(Refer note 20 and 33)		
Current service cost	614.22	483.58
Past service cost	1,153.72	-
Interest cost	416.88	308.00
Expense / (Reversal) recognized in the Statement of Profit and Loss	2,184.82	791.58
(Refer note 21 and 37)		
Amount recorded in Other Comprehensive Income		
Actuarial (Gains) / Losses on obligation for the period	(398.13)	461.35
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (Income) / Expense for the period recognized in Other Comprehensive Income	(398.13)	461.35
Balance Sheet Reconciliation		
Opening Net Liability	5,524.81	4,271.88
Expenses Recognized in Statement of Profit or Loss	2,184.82	791.58
Expenses Recognized in Other Comprehensive Income	(398.13)	461.35
Net Liability/(Asset) Transfer In	-	
Net (Liability)/Asset Transfer Out	-	
(Benefit Paid Directly by the Employer)	(423.07)	-
(Employer's Contribution)	-	
Net Liability/(Asset) Recognized in the Balance Sheet	6,888.43	5,524.81
Maturity Analysis of the Benefit Payments: From the Employer		
Projected Benefits Payable in Future Years From the Date of Reporting		
1 st Following Year	2,724.40	383.26
2 nd Following Year	121.77	131.42
3 rd Following Year	132.02	2348.44
4 th Following Year	144.75	77.78
5 th Following Year	156.37	86.29
Sum of Years 6 To 10	893.25	565.83
Sum of Years 11 and above	14,136.44	9982.24

26 Employee benefit plans (Contd.)

	Year ended 31 March 2026	Year ended 31 March 2025
Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	6,888.43	5,524.81
Delta Effect of +1% Change in Rate of Discounting	(547.64)	(479.90)
Delta Effect of -1% Change in Rate of Discounting	664.73	581.004
Delta Effect of +1% Change in Rate of Salary Increase	417.79	351.378
Delta Effect of -1% Change in Rate of Salary Increase	(356.17)	(312.45)
Delta Effect of +1% Change in Rate of Employee Turnover	117.57	3.228
Delta Effect of -1% Change in Rate of Employee Turnover	(133.54)	(5.05)

(c). Privileged leave encashment (compensated absences for employees)

The Company permits encashment of privileged leave accumulated by their employees on retirement, separation and during the course of service. The liability for unexpired leave is determined and provided on the basis of actuarial valuation at the Balance Sheet date. The privileged leave liability is not funded.

Actuarial valuation was done in respect of the aforesaid defined benefit plan using the following assumptions:

	Year ended 31 March 2026	Year ended 31 March 2025
Discount rate	7.59%	6.82%
Salary escalation	8.00%	8.00%
Note : Mortality has been assumed as per published notes under the Indian Assured Lives Mortality 2012-14 (Urban)		
Amount recognized in the Balance Sheet		
Net (Liability) / Asset at the end of the year	(3,653.62)	(2,679.88)
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet [Asset / (Liability)]	(3,653.62)	(2,679.88)

Discount rate - The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligations.

Salary escalation rate - The estimates of future salary increase considered take into account the inflation, seniority, promotion and other relevant factors.

27 Leasing arrangements

Operating lease

The Company has applied practical expedient option for short term leases and accordingly no Right of use asset has been recognised. Amount recognised as lease rental expense in respect of short term leases in Statement of Profit and Loss account is INR. 292.52 thousands (PY INR 255.25 thousands).

Particulars	Office Premises	
	Year ended 31 March 2026	Year ended 31 March 2025
Right of Use Asset	44,561.62	41,085.11
Lease Liability		
Current	3,158.40	1,712.21
Non Current	4,331.42	1,859.19

Notes

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

27 Leasing arrangements (Contd.)

- The Company has taken an office premises on operating lease. Non-cancellable term of the leases is 5 years.
- The following amounts were recognised as expense in Profit and Loss during the year -

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of right-of-use assets	2,336.27	2,037.27
Interest on lease liabilities	329.03	145.25
Total Recognised in Statement of Profit and Loss	2,665.30	2,182.52

- Amount recognised in cash flow statement

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Minimum Lease Payments	(2,450.62)	(2,213.40)

- Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities.

Maturity Analysis	Year ended 31 March 2026	Year ended 31 March 2025
Less than 1 year	3,515.06	1,926.84
Between 1 and 2 years	2,361.70	1,756.92
Between 2 and 5 years	2,598.02	-
More than 5 years	-	-
Total	8,474.78	3,683.76

28 RELATED PARTY TRANSACTIONS

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

a) Holding Company

Name of the Company	Country of Incorporation
Asian Paints Limited	India

b) Details of shareholders holding more than 5% of shares apart from Holding Company

Name of the Company	Country of Incorporation
Dr. Swapan Kumar Ghosh	India
Prapti Swapan Kumar Ghosh	India

c) Associates of Holding Company :

Name of the Company
PPG Asian Paints Private Limited

d) Subsidiaries : (where control exists)

Direct Subsidiaries:

Name of the Company	Country of Incorporation	% of Holding as at 31 March 2026	% of Holding as at 31 March 2025
Nova Surface Care Centre Private Limited	India	100.00	100.00

Fellow Subsidiaries:

Name of the Company
Asian Paints PPG Private Limited
Asian Paints (Bangladesh) Limited
Berger Paints Emirates Ltd Co. LLC
Causeway Paints Lanka (Pvt) Ltd
Asian Paints (Nepal) Private Limited
Asian Paints (South Pacific) Pte Limited
Asian Paints (Middle East) SPC
SCIB Chemicals S.A.E.
Berger Paints Emirates L.L.C.
Berger Paints Bahrain W.L.L.

e) Key Managerial Personnel:

Name	Designation
Dr. Swapan Kumar Ghosh	Whole Time Director and Chief Executive Officer
Bhavna Udhwani	Chief Financial Officer (w.e.f 14 February 2024 to 14 July 2025)
Jahanvi Kodali	Chief Financial Officer (w.e.f 15 July 2025 to 29 December 2025)
Suhel Chaklawala	Chief Financial Officer (w.e.f 30 December 2025)

Non-Executive Directors

Rahul Bhatnagar (w.e.f 14 February 2024)
Gagandeep Kalsi (w.e.f 14 February 2024)

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

Name
Siddhani Ghosh (Intern)

Terms and conditions of transactions with related parties:

- The Company has been entering into transactions with related parties for its business purposes. The process followed for entering into transactions with related party is same as followed for unrelated party.
- The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.

Notes

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

Compensation of key managerial personnel of the Company:

Particulars	Year 2025-26	Year 2024-25
Short-term employee benefits	20,262.50	19,362.00
Post-employment benefits	-	-
Reimbursement of Expenses	259.51	22.43
Total compensation paid to key managerial personnel	20,522.01	19,384.43

Compensation of Relative of key managerial personnel of the Company:

Particulars	Year 2025-26	Year 2024-25
Short-term employee benefits	-	-
Post-employment benefits	-	-
Total compensation paid to Relative of key managerial personnel	-	-

Details of transactions with and balances outstanding of Holding companies: (₹ in thousands)

Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints Limited	Revenue from Sale of Products	205,059.67	35,990.42	105,444.79	17,140.82
	Revenue from Sale of Services	148.68	-	-	-
	Other Non Operating Expenses (including Reimbursement of Expenses Paid)	6,692.10	113.73	5,104.04	506.80
	Dividend Paid	15,300.00	-	36,975.00	-

Details of transactions with and balances outstanding of Associate of Holding companies:

Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
PPG Asian Paints Private Limited	Revenue from Sale of Products	2,382.75	-	4,474.09	506.22
Asian Paints PPG Private Limited		19,370.89	1,334.09	19,056.26	7,173.06
		7,144.41	2,508.58	10,627.55	3,865.31
Asian Paints (Bangladesh) Limited	Revenue from Sale of Products	277.14	-	104.78	-
Berger Paints Emirates Ltd Co. LLC	Revenue from Sale of Products	3247.00	61.02	115.32	-
Causeway Paints Lanka Pvt. LTD.	Revenue from Sale of Products	137.64	62.65	-	-
ASIAN PAINTS NEPAL PVT LTD.	Revenue from Sale of Products	1,080.87	865	-	-
ASIAN PAINTS (SOUTH PACIFIC) PTE LTD	Revenue from Sale of Products	52.20	-	-	-
Asian Paints (Middle East)SPC	Revenue from Sale of Products	1,260.16	1,260.16	-	-

Details of transactions with and balances outstanding of subsidiary companies:

Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Nova Surface-Care Centre Private Limited	Other Non Operating Expenses	1,491.84	74.02	1,983.43	120.3
	Other Non Operating Income	295.72	53.01	438.45	191.69
	Reimbursement of Expenses Paid	329.55	15.73	106.54	20.21
	Reimbursement of Expenses Received	98.97	-	474.96	64.98
	Purchase of Fixed Asset	-	-	189.51	-

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

Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Dr. Swapan Kumar Ghosh	Remuneration	20,262.50	-	19,362.00	4,632.00
	Reimbursement of Expenses Paid	259.51	24.00	-	-
	Dividend paid	10,800.00	-	-	-
Prapti Swapan Kumar Ghosh	Dividend paid	3,000.00	-	-	-
Siddhani Ghosh (Intern)	Stipend	5.31	-	9.32	-

Details of transactions with and balances outstanding for Other Entities where significant influence exist: NIL

All the amounts reported in Note 28 are inclusive of GST wherever applicable.

29 Deferred tax asset

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Deferred Tax Liability		
Difference between written down value as per the books of accounts and Income Tax Act, 1961	1,048.94	811.31
Unrealized gain on Mutual Fund	(275.73)	112.09
Total A	773.21	923.40
Deferred Tax Assets		
Gratuity and Leave Encashment	2,653.22	2,064.96
Allowance for Doubtful Debts	367.55	364.05
Difference in right of use asset and lease liabilities	(80.13)	13.26
MSME Creditors	668.87	324.75
Total B	3,609.51	2,767.01
Net Deferred Tax (Assets) / Liabilities (A-B)	(2,836.30)	(1,843.61)

Notes

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

29 Deferred tax asset (Contd.)

Effective tax rate reconciliation :

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Profit Before Tax	155,185.87	109,495.15
Applicable Tax Rate @ 25.168%		
Tax asset on above	39,057.18	27,557.74
Deferred tax asset/expense not recognised	-	-
Tax Effect of Non Deductible Expenses	1,653.98	(391.76)
Tax expense for the year	40,711.16	27,165.98
Effective tax rate	26.23%	24.81%
(Excess)/Short tax provision for earlier years	(414.13)	947.49
Tax Expense as per statement of Profit and Loss	40,297.03	28,113.47

The tax rate used for reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under Indian tax rates.

30 Segment Reporting

The Company identifies operating segments based on the internal reporting provided to the management of the Company. Disclosure of segment wise information is not applicable as manufacturing / dealing in chemical and other related products related to paints and chemicals is the Company's only business segment.

Concentration of revenue to any single customer exceeding 10% of total revenue as on the reporting date - 31st March 2026 in 2 Cases amounts to INR 2,28,228 thousands. (PY 2 case amounting to INR 1,36,496.11 thousands)

31 Contingent Liabilities and Commitments:

(i) Contingent Liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Claims against the company not acknowledged as debts	-	-
Total	-	-

(ii) Commitments

Particulars	As at 31 March 2026	As at 31 March 2025
Estimated amount of contracts remaining to be executed on capital account and not provided towards Property, plant and equipment.	54,807.19	7,605.92
Estimated undiscounted amount of lease liability towards lease agreement with future commencement date	-	-
Total	54,807.19	7,605.92

32 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) the amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor. Also includes ₹ 1967.46 towards other financial liabilities.

33 Financial Instruments

33.1 Capital Management

The Company's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

The company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of equity shares (refer note 10). The Company is not subject to any externally imposed capital requirements as on 31 March 2025.

33.1.1 Categories of financial instruments

Particulars	As at 31 March 2026	As at 31 March 2025
Financial assets		
Financial assets at amortised cost		
Investments	11,095.06	10,444.86
Trade receivables	93,506.65	69,520.24
Cash and cash equivalents	23,748.21	13,591.04
Other Bank Balances	72,302.34	40,344.27
Loans and advances	-	-
Other financial assets	2,237.24	2,036.18
Total carrying value	202,889.50	135,936.59

Notes

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

33.1.1 Categories of financial instruments (Contd.)

Particulars	As at 31 March 2026	As at 31 March 2025
Financial liabilities		
Financial liabilities at amortised cost		
Borrowings	-	-
Lease Liabilities	7,489.82	3,571.39
Trade payables	35,804.03	16,308.57
Other financial liabilities	16,791.03	13,694.46
Total carrying value	60,084.88	33,574.42

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

33.2 Details of financial assets pledged as collateral :

33.3 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's management also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

33.4 Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

33.5 Foreign currency risk management

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	As at 31 March 2026		As at 31 March 2025	
	USD	INR	USD	INR
Payables	-	-	-	-
Receivables	15.45	1,383.83	-	-
Net Exposure	15.45	1,383.83	-	-

33.6 Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables. As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

	(Amount in INR)	
	As at 31 March 2026	As at 31 March 2025
USD sensitivity at year end		
Effect on net exposure		
Weakening of INR by 5%	75,129.30	-
Strengthening of INR by 5%	(67,974.10)	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

33.7 Interest rate risk management

The Company is exposed to interest rate risk to the extent of fluctuation in market rate of interest as interest terms of all loans are variable in nature.

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

	(₹ in thousands)			
	As at 31 March 2026	Floating rate	Fixed rate	Non- interest bearing
Financial assets	202,889.50	-	72,000.00	130,889.50
Financial liabilities	60,084.88	-	7,489.82	52,595.06

	As at 31 March 2025	Floating rate	Fixed rate	Non- interest bearing
Financial assets	135,936.59	-	40,000.00	95,936.59
Financial liabilities	33,574.42	-	3,571.39	30,003.03

33.8 Price risks

The Company is not exposed to any price risk that could adversely affect the value of the Company's financial assets or expected future cash flows considering the product pricing methodology.

The Company's equity investment is held for strategic rather than trading purposes. The Company is not having any investments in quoted equity instruments, hence is not exposed to any equity related price risk.

33.9 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Only high rated banks are considered for placement of deposits.

Notes

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

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Concentration of credit risk to any single customer did not exceed 10% of total debtors as on the reporting date except two customer (PY - four customer) amounting to 52.30% of total debtors (PY - 57%).

	(₹ in thousands)	
Movement in expected credit loss allowance on trade receivables	FY 2025-26	FY 2024-25
Balance as at 1 April	1,446.50	331.43
Loss allowance measured at lifetime expected credit losses	13.88	1,115.07
Balance as at 31 March	1,460.38	1,446.50

33.10 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

33.11 Liquidity and interest risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

As at 31 March 2026	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
Borrowings	-	-	-	-	-
Lease Liabilities	7,489.82	3,515.06	4,959.72	-	8,474.78
Trade payables	49,812.01	49,794.35	17.66	-	49,812.01
Other financial liabilities	16,791.03	16,791.03	-	-	16,791.03
	74,092.86	70,100.44	4,977.38	-	75,077.82

As at 31 March 2025	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
Borrowings	-	-	-	-	-
Lease Liabilities	3,571.39	1,926.84	1,756.92	-	3,683.76
Trade payables	25,498.06	25,475.72	22.34	-	25,498.06
Other financial liabilities	13,694.46	13,694.46	-	-	13,694.46
	42,763.91	41,097.02	1,779.26	-	42,876.28

33.11 Liquidity and interest risk tables (Contd.)

The following table details the Company's expected maturity for its financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

As at 31 March 2026	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
Trade Receivables	93,506.65	93,506.65	-	-	93,506.65
Cash and cash equivalents	23,748.21	23,748.21	-	-	23,748.21
Other Balances with Banks	72,302.34	72,302.34	-	-	72,302.34
Other financial assets	2,237.24	-	2,237.24	-	2,237.24
	191,794.44	189,557.20	2,237.24	-	191,794.44

As at 31 March 2025					
Trade Receivables	69,520.24	69,520.24	-	-	69,520.24
Cash and cash equivalents	13,591.04	13,591.04	-	-	13,591.04
Other Balances with Banks	40,344.27	40,344.27	-	-	40,344.27
Other financial assets	2,036.18	-	2,036.18	-	2,036.18
	125,491.73	123,455.55	2,036.18	-	125,491.73

34A Additional Regulatory Information as mandated by SCH III (Division II) of Companies Act, 2013 vide MCA notification dated March 24, 2021 (to the extent applicable)

Financial Ratios

Sr. No.	Particulars	31 March 2026	31 March 2025	% Variance	Reasons for Variation
(a)	Current ratio (in times)				
	Current Ratio = Current Assets / Current Liabilities	3.28	3.99	(18%)	Relatively higher increase in current liabilities in comparison with current assets. Major Increase in current liabilities on account of higher payables as on reporting date towards capital expenditure expansion, and lease liabilities about to mature in next reporting period.
(b)	Debt-Equity ratio (in times)				
	Debt Equity Ratio = Long Term & Short Term Borrowings ((including CCD) / Net Worth	NA	NA	NA	NA
(c)	Debt Service Coverage ratio (DSCR) (in times)				
	DSCR = Earnings available for debt service (PAT + depreciation and amortizations + finance cost - finance cost on lease + loss on sale of fixed assets / Finance cost - finance cost on lease + repayment of borrowings	NA	NA	NA	NA
(d)	Return on Equity				
	Return on Equity = Profit after tax / Average Net Worth	50%	44%	8%	Increase in profit compared to last year
(e)	Trade Receivable turnover ratio (in times)				

Notes

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

34A Additional Regulatory Information as mandated by SCH III (Division II) of Companies Act, 2013 vide MCA notification dated March 24, 2021 (to the extent applicable) (Contd.)

Sr. No.	Particulars	31 March 2026	31 March 2025	% Variance	Reasons for Variation
	Trade Receivable turnover = Income from operations / Average Trade Receivable	5.70	5.86	(1%)	
(f)	Net Capital Turnover Ratio				
	Net Capital turnover = Income from operations / Net Working Capital Employed (Current Assets - Current Liabilities)	2.65	2.99	33%	i) Proportionately lower YoY growth in turnover for FY 25-26 in comparison to YoY growth in net working capital ii) Net working capital majorly increased on account of higher payables and lease liabilities
(g)	Net Profit margin (in %)				
	Net Profit margin = Profit after tax / Income from operations	25%	21%	22%	Increase in income from operations
(h)	Return on Capital Employed				
	Return on Capital Employed = Earning before interest and taxes / Average Capital Employed [Total Equity + Total Debt (Borrowings)]	68%	60%	8%	Increase in profit and net worth
(i)	Return on Investment				
	Return on Investment = (Market value at end - Market value at beginning - net of Inflow/Outflow) / Market value at beginning + Sum of weighted net cash flow				
	Fixed Deposit	5.74%	5.00%	NA	
	Investment in Mutual Fund	6.04%	7.34%	NA	

34B a) Disclosure relating to intermediary investments/lending.

During the current year the company has not entered into any such transactions.

b) Benami Property

The Company does not have any Benami property held in its name. No proceedings have been initiated on or are pending against the company for holding benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

c) Relationship with struck off companies

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

Name of struck off company	Nature of transactions with struck off companies	Amount in thousands	
		As at 31.03.2026	As at 31.03.2025
BC Components India Private Limited	Receivables	Nil	Nil

d) Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

e) Undisclosed income

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

f) Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

g) Utilisation of borrowed funds and share premium

I. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

h) Number of layers of company

The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

i) Other matters

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

35 Disclosure with regards to Corporate Social Responsibility (CSR) activities

Particulars	FY 2025-26	FY 2024-25
Gross Amount required to be spent	1,825.49	1,107.45
Amount approved by the Board to be spent	1,825.49	1,110.00
Amount spent during the year on:		
Construction/acquisition of any asset		
Purpose other than (i) above	1,825.49	1,110.00
In case of Section 135(5) unspent amount		
Opening Balance	-	-
Amount deposited in Specified Fund of Sch. VII within 6 months*	-	-
Amount required to be spent during the year	-	-
Amount spent during the year	-	-
Closing Balance*	-	-

Notes

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

36 Nature of Corporate Social Responsibility (CSR) activities undertaken by the company

The CSR activities undertaken by the company in the field of health and education.

37 Exceptional item

Exceptional items of INR 2177.14 thousands in the Standalone Financial Results for the period ended 31st March 2026 comprises of below:

The Government of India notified the provisions of the four new Labour Codes ("Labour Codes") on 21st November 2025, thereby consolidating twenty nine existing labour laws into a comprehensive and unified framework. Among other changes, the Labour Codes provide a unified definition of "wages" to be applied across various employee benefit computations. In accordance with Ind AS 19 – Employee Benefits and considering the materiality as well as non-recurring nature of this impact, the Company has recognised one-time expense of INR 2177.14 thousands (increase in the gratuity liability by INR 1081.35 thousands and increase in the liability towards compensated absences by INR 1095.79 thousands).

On notification of the rules under Labour Codes, the Company will recognize impact, if any, in accordance with the applicable accounting principles.

38 Mergers, Acquisitions and Divestments :

Amalgamation of Subsidiary

the Board of Directors of the Company, at its meeting held on 24th March 2026, approved the Scheme of Amalgamation ("the Scheme") of Nova Surface-Care Centre Private Limited, a wholly owned subsidiary, with the Company pursuant to the provisions of Section 233 of the Companies Act, 2013 and other applicable laws, through the fast-track merger route. The appointed date of the Scheme is 1st April 2026. There is no impact of the Scheme on the Standalone Financial Statements for the year ended 31 March 2026.

39 Approval of financial statements:

These financial statements for the year ended 31 March 2026 were authorized and approved by the Board of Directors on 24 April 2026.

For and on behalf of the Board of Directors of

Harind Chemicals And Pharmaceuticals Private Limited

CIN : U24110MH1995PTC089205

Rahul Bhatnagar

Chairman

DIN: 09660086

Place: Mexico

Date : 24-04-2026

Swapan Kumar Ghosh

Whole Time Director and CEO

DIN: 03434036

Place: Mumbai

Date : 24-04-2026

Suhel Chaklawala

Chief Financial Officer

Place: Mumbai

Date : 24-04-2026

Independent Auditor's Report

To The Members of

Harind Chemicals and Pharmaceuticals Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Harind Chemicals and Pharmaceuticals Private Limited (the "Parent") and its subsidiary, (the Parent and its subsidiary together referred to as the "Group") which comprise the Consolidated Balance Sheet as at 31st March 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2026, their consolidated profit and their consolidated other comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

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

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for

ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures

that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group including relevant records so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating

effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary company incorporated in India, the remuneration paid by the Parent to their respective directors during the year is in accordance with the provisions of section 197 of the Act. The subsidiary company does not pay remuneration to any of its Directors
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Group does not have any pending litigations which would impact the consolidated financial position of the Group.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India.
 - iv) (a) The respective Managements of the Parent and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us as disclosed in the Note no 34 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding,

whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Parent and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us, to the best of their knowledge and belief, as disclosed in the Note no 34 to the consolidated financial statements, no funds have been received by the Parent or such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Parent whose financial statements have been audited under the Act,

during the year is in accordance with section 123 of the Act, as applicable.

- vi) Based on our examination which included test checks, the Parent and its subsidiary company incorporated in India have used accounting software systems for maintaining their respective books of account for the financial year ended 31st March 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent, have not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Parent/ Holding Company and above referred subsidiary company incorporated in India as per the statutory requirements for record retention.

- 2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

Terence Lewis

Partner

Membership No. 107502

UDIN: 26107502ZRQKNI7291

Place: Mumbai

Date: 24th April 2026

Annexure “A” To The Independent Auditor’s Report

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

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended 31st March 2026, we have audited the internal financial controls with reference to consolidated financial statements of Harind Chemicals & Pharmaceuticals Private Limited (hereinafter referred to as “the Parent”) and its subsidiary company, which are companies incorporated in India, as of that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial

statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were

operating effectively as at 31st March 2026, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company which is a company incorporated in India, is based solely on the corresponding reports of the auditors of such company incorporated in India.

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

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Terence Lewis

Partner

(Membership No. 107502)

UDIN: 26107502ZRQKNI7291

Place: Mumbai

Date: 24th April 2026

Consolidated Balance Sheet

as at 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	2A	11,796.47	14,755.78
Right of Use Assets	2C	44,561.62	42,040.24
Capital work in progress	2B	25,430.75	2,730.41
Intangible Assets	3	-	-
Financial assets			
Other financial assets	5	2,252.24	2,363.63
Deferred Tax Assets (Net)	28	2,836.31	1,843.62
Income Tax Assets (Net)	6C	4,366.46	4,290.82
Other Non-Current Assets	6A	12,227.85	-
		103,471.70	68,024.50
Current assets			
Inventories	7	45,696.13	31,277.92
Financial assets			
Trade receivables	8	93,756.59	69,280.09
Investments	4	11,095.06	10,444.86
Cash and cash equivalents	9A	24,848.26	14,844.36
Other Balances with Banks	9B	72,355.28	41,364.29
Other financial assets	5	350.00	-
Other Current Assets	6B	1,898.30	3,901.07
Assets classified as held for sale	2D	4,443.58	-
		254,443.20	171,112.59
Total assets		357,914.90	239,137.09
EQUITY AND LIABILITIES			
Equity share capital	10	2,000.00	2,000.00
Other equity	11	267,683.56	184,136.71
		269,683.56	186,136.71
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	16	4,331.42	1,859.19
Provisions	12	6,203.81	7,606.46
		10,535.23	9,465.65
Current liabilities			
Financial liabilities			
Lease Liabilities	16	3,158.40	2,670.79
Trade payables	13	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		14,007.98	9,189.50
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		35,795.88	16,186.61
Other financial liabilities	14	17,009.65	14,186.46
Other current liabilities	15	3,385.96	703.14
Provisions	12	4,338.24	598.23
		77,696.11	43,534.73
Total Equity & Liabilities		357,914.90	239,137.09

Summary of material accounting policies and key accounting estimates and judgements

1

See accompanying notes to the Consolidated Financial Statements

2 - 37

As per our attached Report of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Regn No. 117366W/W 100018

For and on behalf of the Board of Directors of

Harind Chemicals And Pharmaceuticals Private Limited

CIN : U24110MH1995PTC089205

Terence Lewis

Partner

Membership No. 107502

Place: Mumbai

Date : 24-04-2026

Rahul Bhatnagar

Chairman

DIN: 09660086

Place: Mexico

Date : 24-04-2026

Swapan Kumar Ghosh

Whole Time Director and CEO

DIN: 03434036

Place: Mumbai

Date : 24-04-2026

Suhel Chakrawala

Chief Financial Officer

Place: Mumbai

Date : 24-04-2026

Consolidated Statement of Profit and Loss

for the year ended 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

	Note	Year ended 31 March 2026	Year ended 31 March 2025
Income			
Revenue from operations			
Revenue from Sale of products	17A	457,179.14	371,553.50
Revenue from Sale of services	17A	7,843.23	7,979.59
Other income	18	4,848.13	2,321.65
Total Income (I)		469,870.50	381,854.74
Expenses			
Cost of Materials Consumed	19A	203,149.83	172,678.70
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress	19B	(1,737.27)	1,596.91
Employee benefits expense	20	60,535.93	58,303.79
Other expenses	23	45,962.12	36,370.39
Total Expenses (II)		307,910.61	268,949.79
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		161,959.89	112,904.95
Finance costs	21	1,946.06	295.35
Depreciation and amortisation expense	22	4,290.74	3,778.79
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		155,723.09	108,830.82
Exceptional Items	33	2,177.14	-
PROFIT BEFORE TAX		153,545.95	108,830.81
Tax Expenses			
Current tax		41,804.05	27,326.41
Short / (excess) provision of tax		(414.13)	947.49
Deferred tax		(1,092.89)	(160.45)
PROFIT AFTER TAX		113,248.92	80,717.36
Other comprehensive income			
A) Items that will not be re-classified subsequently to Profit and Loss			
Re-measurement of defined benefit obligation		398.13	(461.35)
Tax expense on Re-measurement of Defined Benefit Obligation		(100.20)	116.11
Total Other Comprehensive Income (A+B)		297.93	(345.24)
Total comprehensive income for the period		113,546.85	80,372.12
Earnings per equity share - INR	24		
Basic		566.24	403.59
Diluted		566.24	403.59
Face value per ordinary share - INR		10.00	10.00

Summary of material accounting policies and key accounting estimates and judgements

1

See accompanying notes to the Consolidated Financial Statements

2 - 37

As per our attached Report of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Regn No. 117366W/W 100018

For and on behalf of the Board of Directors of

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Place: Mumbai

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Rahul Bhatnagar

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Date : 24-04-2026

Swapan Kumar Ghosh

Whole Time Director and CEO

DIN: 03434036

Place: Mumbai

Date : 24-04-2026

Suhel Chaklawala

Chief Financial Officer

Place: Mumbai

Date : 24-04-2026

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A. Cash flow from operating activities		
Profit before tax	153,545.95	108,830.81
Adjustments for:		
Liabilities written back	(77.19)	-
Depreciation and amortisation expense	999.34	897.12
Depreciation of Right of use assets	3,291.40	2,881.67
Interest on Lease Liability	383.20	215.40
Interest on Security Deposit	(70.95)	(71.39)
Interest on IT Refund	(11.60)	(20.97)
Sundry Balances Written off	-	93.24
Gain/Loss on Mutual Fund	(650.20)	(445.36)
Interest on Fixed Deposit	(3,259.69)	(1,782.66)
Provision for Stock Obsolescence	(901.10)	3,129.20
Provision for doubtful debts	13.88	1,115.07
Operating profit before working capital changes	153,263.04	114,842.13
Adjustments for working capital changes:		
(Increase) in inventories	(13,517.11)	(832.80)
(Increase) in trade receivables	(24,490.38)	(13,259.08)
(Increase) in other financial assets	(12,395.50)	(14.85)
(Increase)/decrease in other assets	2,002.77	(1,538.42)
Increase/(decrease) in trade payables	24,504.93	(2,989.03)
Increase in other financial liabilities	2,823.19	6,886.08
(Decrease)/increase in other current liabilities	2,682.82	(6,096.40)
Increase in provisions	2,735.49	1,250.25
	137,609.25	98,247.88
Income tax paid (net of refund)	(41,453.97)	(28,751.50)
Net cash (used in) / generated from operating activities (A)	96,155.28	69,496.38
B. Cash flow from investing activities		
Purchase of Property, plant and equipment and intangible asset	(24,949.07)	(4,719.09)
Payment for acquiring right-of-use asset	-	(37,837.59)
Purchase of Fixed Deposit	-	-
Net Gain arising on financial assets measured at FVTPL	650.20	445.36
Interest received	4,257.93	3,821.81
Sale of Property, plant and equipment	-	160.60
Purchase/Proceeds from maturity of fixed deposits	(31,989.23)	56,500.00
FD Placed with Bank	-	-
Net cash generated from / (used in) investing activities (B)	(52,030.17)	18,371.09

(All amounts in thousands of INR, unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
C. Cash flow from financing activities		
Payment of Dividend	(30,000.00)	(72,500.00)
Repayments of working capital term loan	-	-
Payment of Lease Liabilities (including interest)	(3,471.01)	(3,185.82)
Interest and finance charges	-	-
Net cash used in financing activities (C)	(33,471.01)	(75,685.82)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	10,654.10	12,181.65
Cash and cash equivalents at the beginning of the year	25,289.22	13,107.57
Cash and cash equivalents at the end of the year	35,943.32	25,289.22
Components of cash and cash equivalents:		
Cash in hand	8.40	16.60
Balance in fixed deposits	-	-
Balance in current account	24,839.86	14,827.76
Investment in liquid mutual funds	11,095.06	10,444.86
	35,943.32	25,289.22
Net debt position - Refer Annexure 1	35,943.32	25,289.22

Summary of material accounting policies and key accounting estimates and judgements 1

See accompanying notes to the Consolidated Financial Statements 2 - 37

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (Ind AS 7) - 'Statement of Cash Flows

As per our attached Report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Regn No. 117366W/W 100018

For and on behalf of the Board of Directors of
Harind Chemicals And Pharmaceuticals Private Limited
CIN : U24110MH1995PTC089205

Terence Lewis

Partner
Membership No. 107502
Place: Mumbai
Date : 24-04-2026

Rahul Bhatnagar

Chairman
DIN: 09660086
Place: Mexico
Date : 24-04-2026

Swapn Kumar Ghosh

Whole Time Director and CEO
DIN: 03434036
Place: Mumbai
Date : 24-04-2026

Suhel Chaklawala

Chief Financial Officer
Place: Mumbai
Date : 24-04-2026

Annexure 1

for the year ended 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

Net Debt Reconciliation

	As at 31 March 2026		As at 31 March 2025	
Cash and cash equivalents	24,848.26		14,844.36	
Liquid investments	11,095.06		10,444.86	
Non current borrowings	-		-	
Current borrowings	-		-	
Net (debt) / Cash & Cash Equivalents	35,943.32		25,289.22	

Particulars	Other Assets		Liabilities from financing activities		Total
	Cash and bank overdraft	Liquid Investments	Non-current borrowings	Current borrowings	
(Net debt) / Cash & Cash Equivalents as at 01 April 2024	13,107.57	-	-	-	13,107.57
Cash Flows	12,181.65	-	-	-	12,181.65
Repayment of Loans	-	-	-	-	-
Interest expense	-	-	-	-	-
Interest paid	-	-	-	-	-
(Net debt) / Cash & Cash Equivalents as at 31 March 2025	25,289.22	-	-	-	25,289.22
(Net debt) / Cash & Cash Equivalents as at 01 April 2025	25,289.22	-	-	-	25,289.22
Cash Flows	10,654.10	-	-	-	10,654.10
Repayment of Loans	-	-	-	-	-
Interest expense	-	-	-	-	-
Interest paid	-	-	-	-	-
(Net debt) / Cash & Cash Equivalents as at 31 March 2026	35,943.32	-	-	-	35,943.32

Consolidated Statement of Changes in equity

For the year ended 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

(A) Equity share capital :

	Equity share capital
As at 31 March 2024	2,000.00
Issue of share capital	-
As at 31 March 2025	2,000.00
Issue of share capital	-
As at 31 March 2026	2,000.00

(B) Other equity :

	Securities Premium	Retained earnings	Other comprehensive income	Revaluation reserve	Total
As at 1 April 2024	98,980.00	75,448.49	(749.92)	2,586.02	176,264.59
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	98,980.00	75,448.49	(749.92)	2,586.02	176,264.59
Profit for the year		80,717.36			80,717.36
Other Comprehensive Income for the year			(345.24)		(345.24)
Dividend		(72,500.00)	-		(72,500.00)
As at 31 March 2025	98,980.00	83,665.85	(1,095.16)	2,586.02	184,136.71
As at 1 April 2025	98,980.00	83,665.85	(1,095.16)	2,586.02	184,136.71
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	98,980.00	83,665.85	(1,095.16)	2,586.02	184,136.71
Profit for the year		113,248.92			113,248.92
Other Comprehensive Income for the year			297.93		297.93
Dividend		(30,000.00)	-		(30,000.00)
As at 31 March 2026	98,980.00	166,914.77	(797.23)	2,586.02	267,683.56

Summary of material accounting policies and key accounting estimates and judgements

1

See accompanying notes to the Consolidated Financial Statements

2 - 37

As per our attached Report of even date

For **Deloitte Haskins & Sells LLP** For and on behalf of the Board of Directors of

Chartered Accountants

Harind Chemicals And Pharmaceuticals Private Limited

Firm Regn No. 117366W/W 100018

CIN : U24110MH1995PTC089205

Terence Lewis

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DIN: 09660086

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Swapan Kumar Ghosh

Whole Time Director and CEO

DIN: 03434036

Place: Mumbai

Date : 24-04-2026

Suhel Chakrawala

Chief Financial Officer

Place: Mumbai

Date : 24-04-2026

Notes to Consolidated Financial Statements

for the year ended 31 March 2026

Group's Background

Harind Chemicals and Pharmaceuticals Private Limited (along with its subsidiaries together referred to as the "Group") is a private limited. Group is domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Group's is located at A/204, Kailash Industrial Complex, Veer Savarkar Marg, Vikhroli West, Mumbai, India.

The Group's is engaged in the business of Manufacturing/Dealing in Chemical and other related products related to paints and chemicals.

1. Material Accounting Policies and Key accounting estimates and judgements

Material Accounting Policies:

1.1. Basis of preparation of financial statements

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

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

The financial statements are presented in Indian Rupees (which is also the functional currency of the group) and is rounded off to the nearest crores except otherwise indicated.

Application of New Accounting Pronouncements :

The Group has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2023 with effect from 1st April, 2023. The effect is described below:

- Ind AS 1 – Presentation of Financial Statements – The amendment requires disclosure of material accounting policies instead of significant accounting policies. In the Financial Statements the disclosure of accounting policies has been accordingly modified . The impact of such modifications to the accounting policies is insignificant.
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The amendment has defined accounting estimate as well as laid down the treatment of accounting estimate to achieve the objective set out by accounting policy. There is no impact of the amendment on the financial statements.
- Ind AS 12 – Income taxes – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the financial statements.

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

- Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures: The Group has disclosed the effects of supplier finance arrangements on the Group's liabilities, cash flows and exposure to liquidity risk in line with the amendment. There is no other impact of the amendment on the Consolidated Financial Statements.
- Ind AS 1 – Presentation of Financial Statements: in line with the amendment, the Group has applied the requirements for classification of liabilities as current or non current including compliance with covenants, where applicable. There is no impact of the amendment on the Consolidated Financial Statements.
- Ind AS 12 – Income Taxes: The Group has adopted the requirements pertaining to recognition and disclosure of current and deferred taxes related to income taxes arising from Pillar Two model rules issued by the Organisation for Economic Co-operation and Development (OECD). There is immaterial impact of the amendment on the Consolidated Financial Statements.

Notes

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

1.2. Current / Non-Current Classification

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

- i. the asset/liability is expected to be realized/settled in the Group's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. the liability wherein the group does not have the right at the end of reporting period to defer its settlement for at least twelve months after the reporting date.

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

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

1.3. Summary of Material accounting policies

a) Property, plant and equipment

Measurement at recognition:

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

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

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

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

The Group had elected to consider the carrying value of all its PPE appearing in the financial statements and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April, 2017.

Capital work in progress and Capital advances:

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

Depreciation:

During the previous year ended 31 March, 2025, the group has changed its method of depreciation from Written Down value method to Straight Line method in line with the method followed by the ultimate holding company. Accordingly, depreciation on each part of an item / component of PPE is provided on pro-rata basis using the Written Down Value Method based on the expected useful life of the asset and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimated useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The estimated useful life of items of PPE is mentioned below:

	Years
Factory Building	30
Plant and Machineries	20
Furniture and Fixtures	4-10
Office Equipment	5
Computer	4
Electrical Installments and equipments	5
Vehicle	10

The Freehold land is not depreciated and Leasehold improvements are amortized over the period of the lease. The freehold Land has been revalued as at April 1st, 2017 and the revalued amount has been considered as deemed cost on transition to Ind AS in accordance with para D5 of Ind AS 101.

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

Derecognition:

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

b) Revenue

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services. It is measured at transaction price (net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products:

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

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

Notes

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

c) Inventory

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

Cost is ascertained on a First in First Out (FIFO) basis. Cost of inventory comprises all costs of purchase, non-refundable duties and taxes, cost of conversion and all other costs incurred in bringing the inventory to their present location and condition.

The Group considers factors like estimated shelf life, product discontinuances and ageing of inventory in determining the write down for slow moving, obsolete and other non-saleable inventory.

d) Financial Instruments

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

Financial assets

Initial recognition and measurement:

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

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

Subsequent measurement:

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

- i. The Group's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

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

- i. Financial assets measured at amortized cost

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

- a. The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method. The effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset under other income in the Statement of Profit and Loss. The amortized cost of a financial asset is also adjusted for loss allowance, if any.

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

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

- a. The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

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

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

This is a residual category applied to all other investments of the Group excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

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

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

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

Impairment of financial assets:

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

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

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

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

Notes

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

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

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

Financial Liabilities

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

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

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

Subsequent measurement:

All financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method. The effect of the amortization under effective interest method is recognized as interest expense under finance cost in the Statement of Profit and Loss over the relevant period of the financial liability.

Derecognition:

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

Offsetting of financial assets and financial liabilities:

Financial assets and financial liabilities are off-set and the net amount is reported in the balance sheet wherever there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

e) Fair Value

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

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

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

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

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

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

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

f) Foreign Currency Translation

Initial Recognition:

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

Measurement of foreign currency items at reporting date:

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

Exchange differences arising out of foreign exchange translations and settlements during the year are recognized in the Statement of Profit and Loss.

g) Income Taxes

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

Current tax:

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

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

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

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

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

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

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

Uncertain tax positions:

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

Presentation of current and deferred tax:

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

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

h) Provisions and Contingencies

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources will be required and the amount of outflow can be reliably estimated. The increase in the provision due to the passage of time is recognized as a finance cost.

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

i) Measurement of EBITDA

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

j) Cash and Cash Equivalents

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

k) Employee Benefits

Short Term Employee Benefits:

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

Post-Employment Benefits:

I. Defined contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans:

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

II. Defined benefit plans:

i) Provident fund scheme:

Provident Fund is a defined contribution scheme and is paid to the regulatory authorities on monthly basis at the prescribed rates both by the employer and employee and the Group has no further obligations. The Group's contributions to the provident fund is charged to the Statement of Profit and Loss as and when they are due.

ii) Gratuity scheme:

The Group provides for gratuity liability and compensated absences of employees on the basis of actuarial valuation determined under projected unit credit method.

Recognition and measurement of defined benefit plans:

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

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

The Group presents the above liability/(asset) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary.

Other Long Term Employee Benefits:

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

I) Lease accounting

Assets taken on lease:

The Group assesses whether a contract is or contains a lease, at inception of a contract in accordance with Ind AS 116, Leases. The Group recognized a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term or useful life of the underlying asset if the Group expects to exercise a purchase option in the lease. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment.

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

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

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

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

m) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders of the Group with the weighted average number of equity shares outstanding during the financial year.

Diluted Earnings per share is calculated by dividing net profit attributable to the equity shareholders of the Group with the weighted average number of shares outstanding during the financial year, adjusted for all diluting effect of potential equity shares.

n) Exceptional items:

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

o) Asset classified as held for sale :

The Group has classified certain non current assets (Khopoli factory related) as Held for Sale, comprising primarily of land and factory building.

Basis of classification :

The classification is based on management's assessment that:

1. the assets are available for immediate sale in their present condition,
2. management is committed to a plan to sell the assets,
3. an active program to locate a buyer has been initiated, and
4. the sale is expected to be completed within 12 months.

Accordingly, the assets meet the criteria specified in paragraphs 6–8 of Ind AS 105. Transaction does not represent a disposal group or discontinued operation.

The assets have been measured at the lower of their carrying amount and fair value less costs to sell.

Fair value has been determined based on:

1. tentative pricing received from an external buyer, and
2. reference to an independent valuation obtained, adjusted for management's assessment of current market conditions.

Depreciation on these assets has been discontinued from the date of classification as Held for Sale.

Management has assessed whether any impairment loss is required to be recognized on assets classified as Held for Sale.

Based on the comparison of carrying amount and fair value less costs to sell, no impairment has been recognized during the year on assets classified as held for sale.

1.4. Key accounting estimates and judgements

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGroup'sing disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Critical accounting estimates and assumptions

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

a) Income taxes

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Property, plant and equipment

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

c) Defined Benefit Obligation

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

d) Fair value measurement of financial instruments

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

e) Right-of-use assets and lease liability

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

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

Notes

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

f) Asset classified as held for sale :

Classification as Held for Sale: The Company has exercised significant judgement in classifying certain factory related non current assets as Held for Sale in accordance with Ind AS 105.

Fair value assessment: Management relied on indicative pricing from the potential buyers and an earlier valuation, combined with internal market assessment.

Also, Management has assessed that the carrying value of these assets will be recovered principally through sales rather than through continuing use, and that the sale is highly probable within twelve months from the date of classification.

2A Property, plant and equipment

Assets	Gross Carrying Value (Cost / Deemed Cost)				Depreciation		Net Carrying Value
	As at 01-04-2025	Additions During the Year	Deductions/ Adjustments	As at 31-03-2026	As at 01-04-2025	Additions During the Year	As at 31-03-2026
Freehold Land	3,250.00	3,250.00	3,250.00	-	-	-	-
Building	2,368.99	2,368.99	2,368.99	-	1,135.82	39.62	1,175.44
Plant and Machinery	21,501.43	21,501.43		23,702.13	11,821.16	716.82	11,164.15
Computers	1,266.86	1,266.86		1,344.15	871.84	112.65	359.66
Office Equipment	584.96	584.96		681.29	482.62	32.02	166.65
Furniture and Fixtures	2,119.65	2,119.65		2,134.65	2,026.81	88.76	19.08
Electrical Installments and Equipments	24.80	24.80		24.80	22.66	-	2.14
Vehicles	-	-		94.25		9.46	84.79
Total	31,116.69	31,116.69	5,618.99	27,981.27	16,360.91	999.34	11,796.47

Assets	Gross Carrying Value (Cost / Deemed Cost)				Depreciation		Net Carrying Value
	As at 01-04-2024	Additions During the Year	Deductions/ Adjustments	As at 31-03-2025	As at 01-04-2024	Additions During the Year	As at 31-03-2025
Freehold Land	3,250.00	-		3,250.00	-	-	3,250.00
Building	2,368.99			2,368.99	1,083.23	52.59	1,233.17
Plant and Machinery	21,586.90	1,732.53	1,818.00	21,501.43	12,824.84	653.72	9,680.27
Computers	869.09	397.77		1,266.86	803.29	68.55	395.02
Office Equipment	512.95	72.01		584.96	457.30	25.32	102.34
Furniture and Fixtures	2,099.15	20.50		2,119.65	1,929.87	96.94	92.84
Electrical Installments and Equipments	24.80			24.80	22.66		2.14
Total	30,711.88	2,222.81	1,818.00	31,116.69	17,121.19	897.12	14,755.78

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

(All amounts in thousands of INR, unless otherwise stated)

2B Capital work in progress

Details as on 31st March 2026

Particulars	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Project in progress	22,700.35	2,730.41	-	-	25,430.75

Details as on 31st March 2025

Particulars	Amount in Capital work in progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Project in progress	2,730.41	-	-	-	2,730.41

*There are no projects in capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan. No project suspended during the year.

2C Right-of-Use Assets

Movement in net carrying amount	Year 2025-26			Year 2024-25		
	Leasehold Land	Factory and Office Building	Total	Leasehold Land	Factory and Office Building	Total
Balance as at 1 st April	37,566.38	4,473.86	42,040.24	37,566.38	4,473.86	42,040.24
Additions		6,687.71	6,687.71		6,687.71	6,687.71
Depreciation	427.25	3,291.40	3,718.65	427.25	3,291.40	3,718.65
Deletions		447.68	447.68		447.68	447.68
Balance as at 31 st March	37,139.13	7,422.49	44,561.62	37,139.13	7,422.49	44,561.62

All lease agreements are duly executed in favour of the group.

Refer Note 16 for additions and movement in lease liability

Refer Note 26 for disclosures as per Ind AS 116

2D Assets classified as held for sale

Land and building at Khopoli factory has been classified as held for sale with effect from 31st December 2025. These non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipments and intangible assets once classified as held for sale are not depreciated or amortised.

A. Carrying Value (CV) of Assets Classified as Held for Sale as at 31st March 2026

Particulars	Gross carrying value	Accumulated depreciation	Net carrying value
Building	4,636.14	3,442.56	1,193.58
Freehold Land	3,250.00	-	3,250.00
Total	7,886.14	3,442.56	4,443.58

B. Measurement of Held for Sale Assets

Particulars	As at 31 March 2026
Net carrying amount	4,443.58
Fair value less cost to sell (FVLCS)	14,000.00
Lower of above (Recognised value)	4,443.58
Impairment loss recognised during the year	Nil

C. Movement during the year

Particulars	FY 25-26
Carrying amount at beginning of the year	-
Assets newly classified as Held for Sale	4,443.58
Impairment loss recognized	-
Assets disposed during the year	-
Carrying amount as at 31.03.2026	4,443.58

4 Investments

	As at 31 March 2026	As at 31 March 2025
Current		
Investments in Quoted Mutual Funds measured at FVTPL		10,444.86
Investment in Liquid Mutual Funds	11,095.06	
Holding - No' of units 1968.37 (PY- Nil)	11,095.06	10,444.86
Aggregate amount of quoted investments - At cost	9,999.50	9,999.50
Aggregate amount of quoted investments - At market value	11,095.06	10,444.86
Aggregate amount of unquoted investments		-

5 Other financial assets

	As at 31 March 2026	As at 31 March 2025
Non-current		
Unsecured and Considered good		
Security deposits	2,252.24	2,036.18
	2,252.24	2,036.18

Refer Note 33 on credit risk of financial assets

	As at 31 March 2026	As at 31 March 2025
Current		
Security deposits	350.00	-
	350.00	-

Notes

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

6 Other assets

6A Non-current

	As at 31 March 2026	As at 31 March 2025
Capital advances	12,227.85	-
	12,227.85	-

6B Current

	As at 31 March 2026	As at 31 March 2025
a) Advances other than capital advances		
i) Advances/ claims recoverable in cash or in kind	1,146.24	2,853.37
ii) Advances to employees	25.61	90.00
b) Prepaid expenses	726.46	957.70
	1,898.30	3,901.07

6C Income tax Assets (Net)

	As at 31 March 2026	As at 31 March 2025
Advance payment of income tax (net)	4,366.46	4,290.82
	4,366.46	4,290.82

7 Inventories (Valued at lower of cost and Net realizable value)

	As at 31 March 2026	As at 31 March 2025
a) Raw materials	28,500.16	15,819.22
	28,500.16	15,819.22
b) Work-in-progress	1,724.71	1,272.14
c) Finished goods	15,471.26	14,186.56
Total	45,696.13	31,277.92

The cost of inventories recognised as an expense during the year is disclosed in Note 19A. It includes INR 901.10 thousands (Previous year- INR 3,129.20) in respect of write down of inventory.

8 Trade receivables

	As at 31 March 2026	As at 31 March 2025
Secured - considered good	-	-
Unsecured - considered good	93,756.59	69,280.09
Unsecured -considered doubtful	1,460.37	1,446.49
	95,216.96	70,726.58
Less : Allowance for doubtful debts	(1,460.37)	(1,446.49)
	93,756.59	69,280.09
Movement of allowance for doubtful receivables		
Opening balance	1,446.49	331.43
Addition during the period	1,460.37	1,446.49
Utilisation/Reversals during the period	1,446.49	331.43
Closing balance	1,460.37	1,446.49

There are no outstanding trade receivables from any directors or other officers of the Group's or any of them either severally or jointly with any other person.

Trade Receivables Ageing Schedule

As at 31 March 2026

Particulars	Outstanding for following periods from due date of Invoice						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	60,266.03	33,485.81	2.23	2.52	-	-	93,756.59
(ii) Undisputed Trade Receivables – considered doubtful				919.47	295.18	245.73	1,460.37
(iii) Disputed Trade Receivables - considered good							-
(iv) Disputed Trade Receivables – considered doubtful							-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Total	60,266.03	33,485.81	2.23	921.99	295.18	245.73	95,216.96

As at 31 March 2025

Particulars	Outstanding for following periods from due date of Invoice						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	22,563.90	46,087.26	628.92	-	-	-	69,280.08
(ii) Undisputed Trade Receivables – considered doubtful	-	-	905.59	295.18		245.73	1,446.50
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Total	22,563.90	46,087.26	1,534.51	295.18	-	245.73	70,726.58

Notes

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

9A Cash and cash equivalents

	As at 31 March 2026	As at 31 March 2025
Balances with banks		
In current accounts	24,839.86	14,827.76
Cash in hand	8.40	16.60
	24,848.26	14,844.36

9B Bank Balances Other than Cash and Cash Equivalents

	As at 31 March 2026	As at 31 March 2025
Fixed Deposits	72,355.28	41,364.29
(Having Original maturity more than 3 months but less than 12 months)		
	72,355.28	41,364.29

10 Equity share capital

	As at 31 March 2026		As at 31 March 2025	
Authorised Share Capital				
Equity Share Capital				
2,00,000 equity shares of INR.10/- each	200,000	2,000.00	200,000	2,000.00
Issued, subscribed and paid-up share capital				
2,00,000 equity shares of INR.10/- each	200,000	2,000.00	200,000	2,000.00
Movement in respect of equity shares :				
Issued, subscribed and fully paid-up equity shares outstanding at the beginning of the year	200,000	2,000.00	200,000	2,000.00
Add: Increase in number of equity shares	-	-	-	-
Issued, subscribed and fully paid-up equity shares outstanding at the end of the year	200,000	2,000.00	200,000	2,000.00

The Parent company has only one class of equity share having par value of INR 10/- per share. Each shareholder is eligible for one vote per share held. The holder of the equity shares are entitled to receive dividend as declared from time to time, and are entitled to voting rights proportionate to their shareholding, at the meeting of shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shareholders holding more than 5% of shares

	As at 31 March 2026	As at 31 March 2025
Asian Paints Limited	102,000	102,000
	51.00%	51.00%
Dr. Swapan Kumar Ghosh	72,000	72,000
	36.00%	36.00%
Prapti Swapan Kumar Ghosh	20,000	20,000
	10.00%	10.00%

Details of Number of shares held by Promoters in the Company

	As at 31 March 2026	As at 31 March 2025
Asian Paints Limited	102,000	102,000
Mr. Swapan Kumar Ghosh	72,000	72,000

11 Other equity

	Securities Premium	Retained earnings	Other comprehensive income	Revaluation reserve	Total
As at 1 April 2024	98,980.00	75,448.49	(749.92)	2,586.02	176,264.59
Profit for the year		80,717.36			80,717.36
Other Comprehensive income for the year ended 31 March, 2025, net off taxes			(345.24)		(345.24)
Dividend		(72,500.00)			(72,500.00)
As at 31 March 2025	98,980.00	83,665.85	(1,095.16)	2,586.02	184,136.71
As at 1 April 2025	98,980.00	83,665.85	(1,095.16)	2,586.02	184,136.71
Changes in accounting policy/prior period errors	-	-			-
Restated balance at the beginning of the reporting period	98,980.00	83,665.85	(1,095.16)	2,586.02	184,136.71
Profit for the year		113,248.92			113,248.92
Other Comprehensive income for the year ended 31 March, 2026, net off taxes			297.93		297.93
Dividend		(30,000.00)			(30,000.00)
As at 31 March 2026	98,980.00	166,914.77	(797.23)	2,586.02	267,683.56

Nature and purpose of reserves

a) Securities premium:

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

b) Retained earnings:

Retained earnings are profits that the Company has earned till date, less any dividends or other distributions paid to shareholders.

c) Revaluation reserve:

Revaluation reserve is used to record the increase/decrease in the value of property, plant and equipment determined basis the fair valuation report.

Notes

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

12 Provisions

	As at 31 March 2026	As at 31 March 2025
Non-current		
Provision for employee benefits (Refer Note 25)		
Gratuity	4,164.03	5,141.55
Compensated absences	2,039.78	2,464.91
	6,203.81	7,606.46
Current		
Provision for employee benefits (Refer Note 25)		
Gratuity	2,724.40	383.26
Compensated absences	1,613.84	214.97
	4,338.24	598.23

13 Trade payables

	As at 31 March 2026	As at 31 March 2025
Total outstanding dues of micro enterprises and small enterprises (MSME)	14,007.98	9,189.50
Total outstanding dues of creditors other than micro enterprises and small enterprises	35,795.88	16,186.61
	49,803.86	25,376.11

Trade Payables ageing schedule

As at 31 March 2026

₹ thousands

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	12,645.28	1,362.70	-	-	-	14,007.98
(ii) Undisputed dues - Others	30,518.90	5,257.55	9.54	9.03	0.86	35,795.88
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	43,164.18	6,620.25	9.54	9.03	0.86	49,803.86

Trade Payables ageing schedule

As at 31 March 2025

₹ thousands

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	6,232.04	2,956.86	0.60	-	-	9,189.50
(ii) Undisputed dues - Others	12,909.72	3,253.39	17.77	1.46	4.27	16,186.61
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	19,141.76	6,210.25	18.37	1.46	4.27	25,376.11

14 Other financial liabilities

	As at 31 March 2026	As at 31 March 2025
Current liabilities		
Payable to employees	221.18	189.66
Payable towards services received	6,127.15	4,630.76
Payable towards capital expenditure	22.27	-
Bonus Payable	6,543.30	5,671.65
Retention money	545.75	144.39
Other payables	3,550.00	3,550.00
Total	17,009.65	14,186.46

15 Other liabilities

	As at 31 March 2026	As at 31 March 2025
Current		
Advance from customers		
Other Liabilities*	2,519.71	152.77
Statutory payables	866.25	550.37
	3,385.96	703.14

*The Company has recognised revenue of ₹ 20.81 thousands (Previous year- ₹ 1,749.08 thousands) from the amounts included under advance received from customer at the beginning of the year.

Statutory payables includes dues towards GST, provident fund and TDS.

16 Lease Liabilities

	Non Current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Lease Liabilities	4,331.42	1,859.19	3,158.40	2,670.79
Total	4,331.42	1,859.19	3,158.40	2,670.79

The aggregate maturities of long term leases, based on contractual undiscounted cash flows are as follows :

	Less than 1 Year	Between 1-5 year	More than 5 year	Total	Carrying Value
As at 31 March 2026					
Lease Liabilities	3,515.06	4,959.72		8,474.78	7,489.82
As at 31 March 2025					
Lease Liabilities	2,947.92	1,756.92	-	4,704.84	4,529.98
Movement in Lease Liabilities				FY 2025-26	FY 2024-25
Balance as at 1 April				4,529.98	3,200.40
Addition				6,550.84	4,300.00
Deletions				(449.25)	
Finance Cost				383.33	215.39
Repayments (including interest on lease liabilities)				(3,525.09)	(3,185.82)
Balance as at 31 March				7,489.82	4,529.98

Notes

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

17A Revenue from operations

	Period ended 31 March 2026	Period ended 31 March 2025
Sale of products	457,179.14	371,553.50
Sale of Services	7,843.23	7,979.59
	465,022.37	379,533.09

17B Revenue From Contracts With Customers

a) Revenue from Contracts with Customers disaggregated based on nature of Product or Services:

	Period ended 31 March 2026	Period ended 31 March 2025
Revenue from sale of Products	457,179.14	371,553.50
Revenue from sale of services	7,843.23	7,979.59
Total	465,022.37	379,533.09

b) Revenue from Contracts with Customers disaggregated based on Geography:

	Period ended 31 March 2026	Period ended 31 March 2025
Home Market	457,285.10	457,285.10
Exports	7,737.26	7,737.26
Total	465,022.37	465,022.37

17C Reconciliation of Gross Revenue with the Revenue from Contracts with Customers:

	Period ended 31 March 2026	Period ended 31 March 2025
Gross Revenue	465,022.37	379,533.09
Less : Discounts	-	-
Net Revenue recognised from Contracts with Customers	465,022.37	379,533.09

The amounts receivable from customers become due after expiry of credit period which on an average ranges around from 30 to 60 days. There is no significant financing component in any transaction with the customers

The Group's does not have any remaining performance obligation as contracts entered for sale of service contracts are measured as per output method.

18 Other income

	Period ended 31 March 2026	Period ended 31 March 2025
a) Interest Income		
On Security Deposit	70.95	71.39
On Income tax refund	11.60	20.97
On Fixed Deposit	3,259.69	1,782.66
	3,342.24	1,875.02
b) Other Non Operating Income		
Sundry balances written back	77.19	-
Net Gain arising on financial assets measured at FVTPL	650.20	-
Other income	645.45	2,321.65
Gain or loss on sale of Property, plant and equipment	17.80	-
	1,390.64	1,195.40
c) Other Gains and Losses		
Net foreign exchange gain	115.25	-
	115.25	-
	4,848.13	2,321.65

19A Cost of Materials consumed

	Period ended 31 March 2026	Period ended 31 March 2025
Opening stock of Raw Materials	15,819.22	16,518.70
Add: Purchases	215,830.77	171,979.22
Less: Closing stock of Raw Materials	(28,500.16)	(15,819.22)
Total Cost of Materials Consumed	203,149.83	172,678.70

19B (Increase) / decrease in inventories of Finished goods & work in progress

	Period ended 31 March 2026	Period ended 31 March 2025
Stock at the beginning of the year		
Finished Goods (including goods-in-transit)	14,186.56	16,244.20
Work in Progress	1,272.14	811.41
Total	15,458.70	17,055.61
Stock at the end of the year		
Finished Goods (including goods-in-transit)	15,471.26	14,186.56
Work in Progress	1,724.71	1,272.14
Total	17,195.97	15,458.70
	(1,737.27)	1,596.91

Notes

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

20 Employee benefits expense

	Period ended 31 March 2026	Period ended 31 March 2025
Salaries and Wages	58,857.85	58,857.85
Contribution to provident fund and others (Refer note 25)	724.77	724.77
Staff welfare expenses	953.31	752.64
	60,535.93	58,303.79

21 Finance costs

	Period ended 31 March 2026	Period ended 31 March 2025
Interest on financial liabilities carried at amortised cost		
a) Interest on bank borrowings	-	-
b) Interest on lease liabilities	383.20	215.40
c) Interest on delay in payment of statutory dues	1,562.86	79.95
	1,946.06	295.35

22 Depreciation and Amortisation Expense

	Period ended 31 March 2026	Period ended 31 March 2025
Depreciation of Property, Plant and Equipment (Refer note 2A)	999.34	897.12
Depreciation of Right-of-Use Assets (Refer Note 2C)	3,291.40	2,881.67
Total	4,290.74	3,778.79

23 Other expenses

	Period ended 31 March 2026	Period ended 31 March 2025
Consumption of stores, spares and consumables	-	-
Labour charges	3,167.50	3,175.22
Processing charges	14,049.94	10,719.75
Testing charges	753.71	1,265.71
Transportation expenses	3,959.72	2,342.13
Power And Fuel	687.90	714.67
Rent	292.52	247.81
Rates and Taxes	75.71	54.19
Freight and Handling Charges	8,558.12	4,853.13
Advertisement and Sales Promotion expenses	1,486.07	182.12
Travelling and conveyance	2,090.30	2,616.61
Repairs and maintenance	709.49	476.53
Loss on write off of Property, Plant and Equipment	-	-
Provision for Doubtful Debts	13.88	1,115.07
Corporate Social responsibility Expenditure	1,825.49	1,110.00
Legal & professional expenses	3,753.47	4,401.52
Payments to auditors (refer footnote below)	2,390.08	1,399.99
Bad debts written off	-	-
Insurance premium	547.46	386.72
Sundry balances written off	-	93.24
Miscellaneous expenditure	1,600.76	1,215.98
	45,962.12	36,370.39
Footnote :		
Payments to auditors		
Statutory audit fee	1,253.50	1,150.00
Tax audit fee	272.50	250.00
Other certification services	810.01	-
Reimbursement of expenses	54.07	
	2,390.08	1,400.00

24 Earnings per share (EPS)

The following reflects the profit and share data used in EPS computation:

	Year ended 31 March 2026	Year ended 31 March 2025
Net profit after tax	113,248.92	80,717.36
Number of equity shares outstanding at the beginning of the year	200,000	200,000
Adjustment pursuant to issue of equity shares during the year	-	-
Number of equity shares outstanding at the end of the year	200,000	200,000
Weighted average number of equity shares outstanding considered for calculating basic and diluted earnings per share	200,000	200,000
Earnings per share - basic - Face value INR 10/- per share (INR)	566.24	403.59
Earnings per share - diluted - Face value INR 10/- per share (INR)	566.24	403.59

Notes

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

25 Employee benefit plans

	Year ended 31 March 2026	Year ended 31 March 2025
(a) Defined contribution plan		
During the year, the Company has recognised the following amounts in the statement of profit and loss:		
Employer's contribution to provident fund	714.84	744.93
Employer's contribution to employee state insurance	-	-
(b) Gratuity and other post employment benefit plan		
Actuarial valuation was done in respect of the aforesaid defined benefit plan using the following assumptions:		
Discount rate	7.59%	6.82%
Salary escalation	8.00%	8.00%
Note : Mortality has been assumed as per published notes under the Indian Assured Lives Mortality (2012-14 - Urban)		
Amount recognized in the Balance Sheet		
Net (Liability) / Asset at the end of the year	(6,888.43)	(5,524.81)
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet [Asset / (Liability)]	(6,888.43)	(5,524.81)
Reconciliation of defined benefit obligation		
Opening defined benefit obligation	5,524.81	4,271.88
Current service cost	614.22	483.58
Interest cost	416.88	308.00
Expenses recognised in Other Comprehensive Income	(398.13)	461.35
Past service cost	1,153.72	-
Remeasurements due to actuarial loss/ (gain) arising from		
• Changes in financial assumptions		
• Changes in demographic assumptions		
• Experience adjustments		
Benefits Paid	(423.07)	-
Closing defined benefit obligation	6,888.43	5,524.81
Reconciliation of Plan Assets		
Fair value of plan assets at the beginning of the year	-	-
Contribution by employer	-	-
Benefits paid	-	-
Assets acquired / (settled)	-	-
Fair value of Plan Assets at the end of the year	-	-
Expenses recognized in the Statement of Profit and Loss		
(Refer note 20 and 33)		
Current service cost	614.22	483.58
Past service cost	1,153.72	-
Interest cost	416.88	308.00
Expense / (Reversal) recognized in the Statement of Profit and Loss	2,184.82	791.58
(Refer note 21 and 37)		
Amount recorded in Other Comprehensive Income		
Actuarial (Gains) / Losses on obligation for the period	(398.13)	461.35
Return on plan assets, excluding interest income	-	-

25 Employee benefit plans (Contd.)

	Year ended 31 March 2026	Year ended 31 March 2025
Change in asset ceiling	-	-
Net (Income) / Expense for the period recognized in Other Comprehensive Income	(398.13)	461.35
Balance Sheet Reconciliation		
Opening Net Liability	5,524.81	4,271.88
Expenses Recognized in Statement of Profit or Loss	2,184.82	791.58
Expenses Recognized in Other Comprehensive Income	(398.13)	461.35
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(423.07)	-
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	6,888.43	5,524.81
Maturity Analysis of the Benefit Payments: From the Employer		
Projected Benefits Payable in Future Years From the Date of Reporting		
1 st Following Year	2,724.40	383.26
2 nd Following Year	121.77	131.42
3 rd Following Year	132.02	2348.44
4 th Following Year	144.75	77.78
5 th Following Year	156.37	86.29
Sum of Years 6 To 10	893.25	565.83
Sum of Years 11 and above	14,136.44	9982.24
Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	6,888.43	5,524.81
Delta Effect of +1% Change in Rate of Discounting	(547.64)	(479.90)
Delta Effect of -1% Change in Rate of Discounting	664.73	581.004
Delta Effect of +1% Change in Rate of Salary Increase	417.79	351.378
Delta Effect of -1% Change in Rate of Salary Increase	(356.17)	(312.45)
Delta Effect of +1% Change in Rate of Employee Turnover	117.57	3.228
Delta Effect of -1% Change in Rate of Employee Turnover	(133.54)	(5.05)

(c). Privileged leave encashment (compensated absences for employees)

The Group permits encashment of privileged leave accumulated by their employees on retirement, separation and during the course of service. The liability for unexpired leave is determined and provided on the basis of actuarial valuation at the Balance Sheet date. The privileged leave liability is not funded.

Actuarial valuation was done in respect of the aforesaid defined benefit plan using the following assumptions:

	Year ended 31 March 2026	Year ended 31 March 2025
Discount rate	7.59%	6.82%
Salary escalation	8.00%	8.00%
Note : Mortality has been assumed as per published notes under the Indian Assured Lives Mortality 2012-14 (Urban)		
Amount recognized in the Balance Sheet		
Net (Liability) / Asset at the end of the year	(6,888.43)	(2,679.88)
Fair value of plan assets at the end of the year	-	-
Amount recognized in the Balance Sheet [Asset / (Liability)]	(6,888.43)	(2,679.88)

Notes

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

Discount rate - The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligations.

Salary escalation rate - The estimates of future salary increase considered take into account the inflation, seniority, promotion and other relevant factors.

26 Leasing arrangements

26.1 Short term leases

The Group has applied practical expedient option for short term leases and accordingly no ROU asset has been recognised. Amount recognised as lease rental expense in respect of short term leases in Statement of Profit and Loss is INR. 292.52 thousands (PY INR 255.25 thousands).

26.2 Other than short term leases

Particulars	Office Premises	
	Year ended 31 March 2026	Year ended 31 March 2025
Right of Use Assets	44,561.62	41,085.11
Lease Liability		
Current	3,158.40	1,712.21
Non Current	4,331.42	1,859.19

- The Company has taken an office premises on operating lease. Non-cancellable term of the leases is 5 years.
- The following amounts were recognised as expense in Profit and Loss during the year -

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of right-of-use assets	3,718.65	3,115.78
Interest on lease liabilities	383.20	215.40
Waiver of lease rent	-	-
Total Recognised in Statement of Profit and Loss	4,101.85	3,331.18

- Amount recognised in cash flow statement

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Minimum lease payments	3,425.04	3,185.82

- Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities.

Maturity Analysis	Year ended 31 March 2026	Year ended 31 March 2025
Less than 1 year	3,515.06	1,926.84
Between 1 and 2 years	2,361.70	1,756.92
Between 2 and 5 years	2,598.02	-
More than 5 years	-	-
Total	8,474.78	3,683.76

27 RELATED PARTY TRANSACTIONS

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

a) Holding Company

Name of the Company	Country of Incorporation
Asian Paints Limited	India

b) Details of shareholders holding more than 5% of shares apart from Holding Company

Name of the Company	Country of Incorporation
Dr. Swapan Kumar Ghosh	India
Prapti Swapan Kumar Ghosh	India

c) Associates of Holding Company :

Name of the Company
PPG Asian Paints Private Limited

d) Fellow Subsidiaries:

Name of the Company
Asian Paints PPG Private Limited
Asian Paints (Bangladesh) Limited
Berger Paints Emirates Ltd Co. LLC
Causeway Paints Lanka (Pvt) Ltd
Asian Paints (Nepal) Private Limited
Asian Paints (South Pacific) Pte Limited
Asian Paints (Middle East) SPC
SCIB Chemicals S.A.E.
Berger Paints Emirates L.L.C.
Berger Paints Bahrain W.L.L.

e) Key Managerial Personnel:

Name	Designation
Dr. Swapan Kumar Ghosh	Whole Time Director and Chief Executive Officer
Bhavna Udhwani	Chief Financial Officer (w.e.f 14 February 2024 to 14 July 2025)
Jahanvi Koddali	Chief Financial Officer (w.e.f 15 July 2025 to 29 December 2025)
Suhel Chaklawala	Chief Financial Officer (w.e.f 30 December 2025)

Non-Executive Directors
Rahul Bhatnagar (w.e.f 14 February 2024)
Gagandeep Kalsi (w.e.f 14 February 2024)

Notes

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

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

Name
Siddhani Ghosh (Intern)

g) Other entities where significant influence exist : **NIL**

Terms and conditions of transactions with related parties:

- 1 The Group's has been entering into transactions with related parties for its business purposes. The process followed for entering into transactions with related party is same as followed for unrelated party.
- 2 The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.

Compensation of key managerial personnel of the Company:

Particulars	Year 2025-26	Year 2024-25	Year 2023-24
Short-term employee benefits	20,262.50	19,362.00	20,000.00
Post-employment benefits	-	-	-
Reimbursement of Expenses	259.51	22.43	-
Total compensation paid to key managerial personnel	20,489.90	19,384.43	20,000.00

Compensation of Relative of key managerial personnel of the Company:

Particulars	Year 2025-26	Year 2024-25	Year 2023-24
Short-term employee benefits	-	-	218.37
Post-employment benefits	-	-	-
Total compensation paid to Relative of key managerial personnel	-	-	218.37

Details of transactions with and balances outstanding of Holding companies:

Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints Limited	Revenue from Sale of Products	205,059.67	35,990.42	105,444.79	17,140.82
	Revenue from Sale of Services	148.68	-	-	-
	Other Non Operating Expenses (including Reimbursement of Expenses Paid)	6,692.10	113.73	5,104.04	506.80
	Dividend Paid	15,300.00	-	36,975.00	-

Details of transactions with and balances outstanding of Associate of Holding companies:

Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
PPG Asian Paints Private Limited	Revenue from Sale of Products	2,382.75	-	4,474.09	506.22
Asian Paints PPG Private Limited		19,370.89	1,334.09	19,056.26	7,173.06
		7,144.41	2,508.58	10,627.55	3,865.31
Asian Paints (Bangladesh) Limited	Revenue from Sale of Products	277.14	-	104.78	-
Berger Paints Emirates Ltd Co. LLC	Revenue from Sale of Products	3247.00	61.02	115.32	-
Causeway Paints Lanka Pvt. LTD.	Revenue from Sale of Products	137.64	62.65	-	-
ASIAN PAINTS NEPAL PVT LTD.	Revenue from Sale of Products	1,080.87	865	-	-
ASIAN PAINTS (SOUTH PACIFIC) PTE LTD	Revenue from Sale of Products	52.20	-	-	-
Asian Paints (Middle East)SPC	Revenue from Sale of Products	1,260.16	1,260.16	-	-

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

Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Dr. Swapan Kumar Ghosh	Remuneration	20,262.50	-	19,362.00	4,632.00
	Reimbursement of Expenses Paid	259.51	24.00	-	-
	Dividend paid	10,800.00	-	-	-
Prapti Swapan Kumar Ghosh	Dividend paid	3,000.00	-	-	-
Siddhani Ghosh (Intern)	Stipend	5.31	-	9.32	-

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

Details of transactions with and balances outstanding for Other Entities where significant influence exist: NIL

All the amounts reported in Note 27 are inclusive of GST wherever applicable.

28 Deferred tax (Asset) / Liabilities (Net)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Deferred Tax Liability		
Difference between written down value as per the books of accounts and Income Tax Act, 1961	1,048.94	811.31
Unrealized gain on Mutual Fund	(275.73)	112.09
Total A	773.21	923.40
Deferred Tax Assets		
Gratuity and Leave Encashment	2,653.22	2,064.96
Allowance for Doubtful Debts	367.55	364.05
Difference in right of use asset and lease liabilities	(80.13)	13.26
MSME Creditors	668.87	324.75
Total B	3,609.51	2,767.01
Net Deferred Tax (Assets) / Liabilities (A-B)	(2,836.30)	(1,843.61)

Notes

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

28 Deferred tax (Asset) / Liabilities (Net) (Contd.)

Effective tax rate reconciliation :

Particulars	Rate (%)	Year ended 31 March 2026	Year ended 31 March 2025
Profit/(Loss) Before Tax		153,545.95	108,830.81
Applicable Tax Rate	25.17%		
Tax asset on above		38,644.45	27,390.55
Tax Effect of Non Deductible Expenses		2,066.73	(224.56)
Tax expense for the year		40,711.17	27,165.99
Effective tax rate		26.51%	24.96%
(Excess)/Short tax provision for earlier years		-	947.49
Tax Expense as per statement of Profit and Loss		40,711.16	28,113.46

The tax rate used for reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under Indian tax rates.

29 Deferred tax (Asset) / Liabilities (Net) - continued

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

As at 31 March 2026

(₹ in Thousands)

Financial Year	Category	As at 31 March 2026	Expiry Date
2011-2012	Depreciation	1,565.83	NA
2012-2013	Depreciation	4,696.22	NA
2013-2014	Depreciation	3,725.01	NA
2014-2015	Depreciation	3,294.33	NA
2015-2016	Depreciation	2,796.34	NA
2016-2017	Business loss	13,022.82	3/31/2025
2016-2017	Depreciation	2,393.13	NA
2017-2018	Business loss	8,033.73	3/31/2026
2017-2018	Depreciation	2,110.04	NA
2018-2019	Depreciation	1,860.00	NA
2018-2019	Business loss	559.00	3/31/2027
2023-2024	Business loss	4,064.91	3/31/2032
2024-2025	Business loss	1,335.35	3/31/2033

As at 31 March 2025

(₹ in Thousands)

Financial Year	Category	As at 31 March 2025	Expiry Date
2011-2012	Depreciation	1,565.83	NA
2012-2013	Depreciation	4,696.22	NA
2013-2014	Depreciation	3,725.01	NA
2014-2015	Depreciation	3,294.33	NA
2015-2016	Depreciation	2,796.34	NA
2016-2017	Business loss	13,022.82	3/31/2025
2016-2017	Depreciation	2,393.13	NA
2017-2018	Business loss	8,033.73	3/31/2026
2017-2018	Depreciation	2,110.04	NA
2018-2019	Depreciation	1,860.00	NA
2018-2019	Business loss	559.00	3/31/2027
2023-2024	Business loss	4,064.91	3/31/2032

30 Segment Reporting

The Group is engaged in manufacturing of Chemical, testing services, and other products related to paints and chemicals.

Concentration of revenue to any single customer exceeding 10% of total revenue as at reporting date is 31/03/2026 in 2 Cases amounts to INR 1,36,496.11 thousands. (PY 2 case amounting to INR 1,22,142.82 thousands)

31 Contingent Liabilities and Commitments:

(i) Contingent Liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Claims against the company not acknowledged as debts	-	-
Total	-	-

(ii) Commitments

Particulars	As at 31 March 2026	As at 31 March 2025
Estimated amount of contracts remaining to be executed on capital account and not provided towards Property, plant and equipment.	54,807.19	7,605.92
Estimated undiscounted amount of lease liability towards lease agreement with future commencement date	-	-
Total	54,807.19	7,605.92

32 Financial Instruments

32.1 Capital Management

The Group's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the Group is able to provide maximum return to stakeholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of equity shares (refer note 9). The Group is not subject to any externally imposed capital requirements as on 31 March 2025.

Notes

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

32.2 Categories of financial instruments

Particulars	As at 31 March 2026	As at 31 March 2025
Financial assets		
Financial assets at amortised cost		
Investments	11,095.06	10,444.86
Trade receivables	93,756.59	69,280.09
Cash and cash equivalents	24,848.26	14,844.36
Other Balances with Banks	72,355.28	41,364.29
Other financial assets	2,602.24	2,363.63
Total carrying value	204,657.42	138,297.23
Particulars	As at 31 March 2026	As at 31 March 2025
Financial liabilities		
Financial liabilities at amortised cost		
Borrowings	-	-
Lease Liabilities	7,489.82	4,529.98
Trade payables	49,803.85	25,376.11
Other financial liabilities	17,009.65	14,186.46
Total carrying value	74,303.32	44,092.55

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

32.3 Details of financial assets pledged as collateral :

32.4 Financial risk management objectives

While ensuring liquidity is sufficient to meet Group's operational requirements, the Group's management also monitors and manages key financial risks relating to the operations of the Group by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

32.5 Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

32.6 Foreign currency risk management

The Group undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	As at 31 March 2026		As at 31 March 2025	
	USD	INR	USD	INR
Payables	-	-	-	-
Receivables	15.45	1,383.83	-	-
Net Exposure	15.45	1,383.83	-	-

32.7 Foreign currency sensitivity analysis

The Group is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables. As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

	(Amount in INR)	
	As at 31 March 2026	As at 31 March 2025
USD sensitivity at year end		
Effect on net exposure		
Weakening of INR by 5%	75,129.30	-
Strengthening of INR by 5%	(67,974.10)	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

32.8 Interest rate risk management

The Group is exposed to interest rate risk to the extent of fluctuation in market rate of interest as interest terms of all loans are variable in nature.

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

	(₹ in thousands)			
	As at 31 March 2026	Floating rate	Fixed rate	Non- interest bearing
Financial assets	204,657.42	-	72,050.00	132,607.42
Financial liabilities	74,303.32	-	7,489.82	66,813.50
	As at 31 March 2025	Floating rate	Fixed rate	Non- interest bearing
Financial assets	138,297.23	-	41,000.00	97,297.23
Financial liabilities	44,092.55	-	4,529.98	39,562.56

32.9 Price risks

The Group is not exposed to any price risk that could adversely affect the value of the Group's financial assets or expected future cash flows considering the product pricing methodology.

The Group is not having any investments in quoted equity instruments, hence is not exposed to any equity related price risk.

Notes

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

32.10 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Only high rated banks are considered for placement of deposits.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Concentration of credit risk to any single customer did not exceed 10% of total debtors as on the reporting date except two customer (PY - four customer) amounting to 52.17% of total debtors (PY - 57%).

	(₹ in thousands)	
Movement in expected credit loss allowance on trade receivables	FY 2025-26	FY 2024-25
Balance as at 1 April	1,446.50	331.43
Loss allowance measured at lifetime expected credit losses	13.88	1,115.07
Balance as at 31 March	1,460.38	1,446.50

32.11 Liquidity risk management

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

32.12 Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

As at 31 March 2026	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
Borrowings	-	-	-	-	-
Lease Liabilities	7,489.82	3515.061	4959.72	-	8,474.78
Trade payables	49,803.85	49,784.43	19.43	-	49,803.85

32.12 Liquidity and interest risk tables (Contd.)

Other financial liabilities	17,009.65	17,009.65	-	-	17,009.65
	74,303.32	70,309.14	4,979.15	-	75,288.28

As at 31 March 2025	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
Borrowings	-	-	-	-	-
Lease Liabilities	4,529.98	2,947.92	1,756.92	-	4,704.84
Trade payables	25,376.11	25,352.00	24.10	-	25,376.11
Other financial liabilities	14,186.46	14,186.46	-	-	14,186.46
	44,092.55	42,486.38	1,781.02	-	44,267.40

The following table details the Group's expected maturity for its financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

As at 31 March 2026	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
Trade Receivables	93,756.59	93,754.07	1,462.9	-	95,216.96
Cash and cash equivalents	24,848.26	24,848.26			24,848.26
Other Balances with Banks	72,355.28	72,355.28			72,355.28
Other financial assets	2,602.24	2,602.24			2,602.24
	193,562.36	193,559.84	1,462.89	-	195,022.73

As at 31 March 2025	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
Trade Receivables	69,280.09	70,185.67	540.9	-	70,726.58
Cash and cash equivalents	14,844.36	14,844.36	-	-	14,844.36
Other Balances with Banks	41,364.29	41,364.29	-	-	41,364.29
Other financial assets	2,363.63	-	2,363.6	-	2,363.63
	127,852.37	126,394.32	2,904.54	-	129,298.86

33 Exceptional items of INR 2177.14 thousands in the Consolidated Financial Results for the period ended 31st March 2026 comprises of below:

The Government of India notified the provisions of the four new Labour Codes ("Labour Codes") on 21st November 2025, thereby consolidating twenty nine existing labour laws into a comprehensive and unified framework. Among other changes, the Labour Codes provide a unified definition of "wages" to be applied across various employee benefit computations. In accordance with Ind AS 19 – Employee Benefits and considering the materiality as well as non-recurring nature of this impact, the Company has recognised one-time expense of INR 2177.14 thousands (increase in the gratuity liability by INR 1081.35 thousands and increase in the liability towards compensated absences by INR 1095.79 thousands). On notification of the rules under Labour Codes, the Company will recognize impact, if any, in accordance with the applicable accounting principles.

Notes

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

34 Additional Regulatory Information as mandated by SCH III (Division II) of Companies Act, 2013 vide MCA notification dated March 24, 2021 (to the extent applicable)

a) Benami Property

The Group's does not have any Benami property held in its name. No proceedings have been initiated on or are pending against the Group's for holding benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b) Relationship with struck off companies

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

Name of struck off company	Nature of transactions with struck off companies	Amount in thousands	
		As at 31.03.2026	As at 31.03.2025
BC Components India Private Limited	Receivables	Nil	Nil

c) Registration of charges or satisfaction with Registrar of Companies

The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d) Undisclosed income

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

e) Wilful Defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

f) Utilisation of borrowed funds and share premium

- I. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group's (Ultimate Beneficiaries) or

- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- II. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

h) Number of layers of Group's

The Group has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

i) Other matters

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

35 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to schedule III to the Companies Act, 2013

Name of the entity	Net assets i.e. total assets minus total liability as at 31 March 2026		Share of profit or loss for the year ended 31 March 2026	
	As % of consolidated net assets	Amount	As % of consolidated net profit / (loss)	Amount
Parent				
Harind Chemicals & Pharmaceuticals Private Limited	98.83%	273,334.63	101.07%	155,185.88
Indian subsidiary				
Nova Surface-Care Center Private Limited	1.17%	3,226.36	-1.07%	(1,639.91)
	100%	276,561.00	100.00%	153,545.97

Name of the entity	Net assets i.e. total assets minus total liability as at 31 March 2025		Share of profit or loss for the year ended 31 March 2025	
	As % of consolidated net assets	Amount	As % of consolidated net profit / (loss)	Amount
Parent				
Harind Chemicals & Pharmaceuticals Private Limited	97.48%	188,147.84	100.61%	109,495.14
Indian subsidiary				
Nova Surface-Care Center Private Limited	2.52%	4,866.48	-0.61%	(664.33)
	100%	193,014.32	100.00%	108,830.81

Notes

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

36 Mergers, Acquisitions and Divestments :

Amalgamation of Subsidiary

the Board of Directors of the Company, at its meeting held on 24th March 2026, approved the Scheme of Amalgamation ("the Scheme") of Nova Surface-Care Centre Private Limited, a wholly owned subsidiary, with the Company pursuant to the provisions of Section 233 of the Companies Act, 2013 and other applicable laws, through the fast-track merger route. The appointed date of the Scheme is 1st April 2026. There is no impact of the Scheme on the Consolidated Financial Statements for the year ended 31 March 2026.

37 Approval of financial statements:

These financial statements for the year ended 31 March 2026 were authorized and approved by the Board of Directors on 24 April 2026.

For and on behalf of the Board of Directors of

Harind Chemicals And Pharmaceuticals Private Limited

CIN : U24110MH1995PTC089205

Rahul Bhatnagar

Chairman

DIN: 09660086

Place: Mexico

Date : 24-04-2026

Swapn Kumar Ghosh

Whole Time Director and CEO

DIN: 03434036

Place: Mumbai

Date : 24-04-2026

Suhel Chaklawala

Chief Financial Officer

Place: Mumbai

Date : 24-04-2026



Nova Surface-Care Centre Private Limited

Board of Directors

Mr. Rahul Bhatnagar	(Chairman and Non-Executive Director)
Mr. Gagandeep Singh Kalsi	(Non-Executive Director)
Dr. Swapan Kumar Ghosh	(Non-Executive Director)

Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants (till 24th April 2026)
S R B C & Co LLP, Chartered Accountants (with effect from 25th April 2026)

Registered Office

A/108, 1st Floor, Kailash Industrial Complex,
Building No 2, Veer Savarkar Marg, Parksite,
Vikhroli West, Mumbai, Maharashtra, India, 400 079

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Board's Report

for the financial year ended 31st March 2026

Dear Members,

The Board of Directors are pleased to present the 15th Annual Report of Nova Surface-Care Centre Private Limited along with the audited financial statements for the financial year ended 31st March 2026.

Financial Results

The financial performance of the Company for the year ended 31st March 2026 is summarised below:

	(₹ in Lakhs)	
Particulars	2025-26	2024-25
Revenue from Operations	4.84	8.29
Other Income	17.51	15.57
Total Revenue	22.35	23.86
Less: Expenses	19.02	18.88
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	3.34	4.98
Less: Finance Cost	8.94	0.70
Less: Depreciation and Amortisation Expenses	10.80	10.92
Profit Before Exceptional Item & Tax	(16.40)	(6.64)
Profit Before Tax	(16.40)	(6.64)
Less: Tax Expense	-	-
Profit After Tax	(16.40)	(6.64)
Other Comprehensive Income	-	-
Total comprehensive Income/ Loss	(16.40)	(6.64)

Overview of the Company's Performance and State of Affairs

During the financial year 2025-26

- Net revenue from operations decreased to ₹ 4.84 lakhs as against ₹ 8.29 lakhs in the previous year.
- The Company incurred losses of ₹ 16.40 lakhs after tax as against a loss of ₹ 6.64 lakhs in the previous year.

The Company is engaged in the business of testing and analysis, project consultancy, contract research for polymers, paints, coating & allied services.

Confirmations

- There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2025-26 and the date of this report;
- There was no change in the nature of business of the Company; and

- There was no revision of financial statements and Board's Report of the Company during the year under review.

Amalgamation of the Company with Harind Chemicals and Pharmaceuticals Private Limited, Holding Company

The Board of Directors of the Company, wholly owned subsidiary of Harind Chemicals and Pharmaceuticals Private Limited ("Harind"), holding company and Harind, at their respective Board meetings held on 24th March 2026, *inter alia*, approved the Scheme of Amalgamation of Nova with Harind, pursuant to the provisions of Section 233 and other applicable provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder, with effect from 1st April 2026, being the Appointed Date, subject to receipt of requisite approvals, including approval of the Regional Director, Mumbai, and such other statutory and regulatory approvals as may be required.

Upon the Scheme of Amalgamation becoming effective, the Company shall stand dissolved without winding up.

Industrial Relations

The Company has always considered its workforce as its valuable asset and continues to invest in their excellence and development programs. The industrial relations of the Company remained peaceful and cordial.

Share Capital

The Company has only one class of equity shares. The authorised share capital of the Company is ₹ 6,20,00,000/- divided into 62,00,000 equity shares of ₹ 10 each.

The issued, subscribed and paid-up equity share capital of the Company is ₹ 6,18,08,180 divided into 61,80,818 equity shares of ₹ 10 each as on 31st March 2026.

During the financial year 2025-26, there was no change in the authorised, issued, subscribed and paid-up share capital of the Company.

Confirmations

- During the year under review, the Company has not:
 - issued any warrants, debentures, bonds, or any other convertible or non-convertible securities;
 - issued equity shares with differential rights as to dividend, voting or otherwise;
 - issued any sweat equity shares to its Directors or employees;
 - issued any equity shares under the employee stock

option scheme, further, the Company doesn't have any employees stock option scheme;

- (v) made any change in voting rights;
- (vi) reduced its share capital or bought back shares;
- (vii) changed the capital structure resulting from restructuring;
- (viii) failed to implement any corporate action;
- b. The Company's securities are not listed on any stock exchanges, hence there does not arise a scenario of its shares being suspended for trading during the year.
- c. The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company.

Dividend

During the year under review, the Board of Directors has not recommended any dividend on the equity shares of the Company.

Unclaimed Dividend & IEPF

The Company does not have any unclaimed dividend outstanding for payment to shareholders of the Company. Further, the Company has not transferred any amount to the Investor Education & Protection Fund ("IEPF").

Transfer to Reserves

During the year under review, there was no amount transferred to any of the reserves of the Company.

Subsidiary Status

Harind had entered into Share Purchase Agreements on 14th February 2024, wherein Asian Paints Limited ("APL") had acquired 51% of equity share capital of Harind.

Accordingly, the Company being the wholly owned subsidiary of Harind, is the subsidiary Company of APL with effect from 14th February, 2024. Hence, Harind is the holding Company and APL is the Ultimate Holding Company of the Company.

The Company does not have any subsidiary, associates or joint ventures as on the date of this report.

Deposits

During the year under review, the Company has not accepted any deposit within the meaning of Section 73 and 74 of "the Act" read together with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing

of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the act are given in the notes to the financial statements.

Directors and Key Managerial Personnel

During the year under review there was no change in the composition of Board of Directors of the Company.

Sr. No.	Name of the Director	Designation
1.	Rahul Bhatnagar	Non-Executive Director
2.	Gagandeep Singh Kalsi	Non-Executive Director
3.	Swapan Kumar Ghosh	Non-Executive Director

Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Gagandeep Singh Kalsi (DIN: 10473109), of the Company is liable to retire by rotation at the ensuing AGM and being eligible, have offered himself for re-appointment.

The Board of Directors recommends re-appointment of Mr. Gagandeep Singh Kalsi (DIN: 10473109), as Non-Executive Director of the Company, liable to retire by rotation. Appropriate resolution for his re-appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM.

Declaration from Directors

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Sections 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).

The Board of Directors of the Company has been validly constituted as per Section 149 of the Act and corresponding Rules thereunder.

Key Managerial Personnel

During the financial year 2025-26, there was no Key Managerial Personnel of the Company.

Disclosures Relating to Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

During the year under review, no remuneration was paid to the Non-Executive Directors of the Company.

Disclosure relating to remuneration of Directors, key managerial personnel and employees pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not required to be given in this regard, being an unlisted Company.

Performance evaluation of the Board

Provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, in relation to the performance evaluation of the Board are not applicable to the Company.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) of the Act, the Directors of the Company confirm that:

- in the preparation of the annual accounts for the financial year ended 31st March 2026, the applicable accounting standards and Schedule III of the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2026 and profit/loss of the Company as on 31st March 2026;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a 'going concern' basis;

- proper internal financial controls laid down by the Directors were followed by the Company and that such financial controls are adequate and operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Meetings of the Board

During the financial year 2025-26, 5 meetings of the Board of Directors were held, and the attendance of the Directors at the said meetings, conducted through video conference, is as follows:

Sr. No.	Date of Board Meeting	Rahul Bhatnagar	Gagandeep Singh Kalsi	Swapan Kumar Ghosh
1.	30 th April 2025	✓	✗	✓
2.	21 st July 2025	✓	✓	✓
3.	16 th October 2025	✓	✓	✓
4.	16 th January 2026	✓	✓	✓
5.	24 th March 2026	✓	✗	✓
Total		5	3	5

The maximum time gap between two meetings did not exceed 120 days, as prescribed by the Act.

The Company has complied with the applicable Secretarial Standards in respect of all the above Board meetings.

Related Party Transactions

During the financial year 2025-26, the Company has entered into transactions with related parties as defined under Section 2(76) of the Act read with the Companies (Specification of Definitions Details) Rules, 2014 all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Act read with the Rules issued thereunder.

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Audit Committee of Asian Paints Limited ("APL"), ultimate holding company is, *inter alia*, required to approve the related party transaction ("RPT") above Rs. 1,00,00,000 (Rupees One Crore Only), whether entered into individually or taken together with previous transactions during a financial year, to which the Company is a party but APL is not a party, such transaction will require prior approval of the Audit Committee of APL if the value of the transaction exceeds the lower of the following:

1. 10% of the annual standalone turnover of the Company, as per the last audited financial statements of the Company; or
2. The threshold for material RPT of the listed entity, as specified in Schedule XII of the Listing Regulations.

The Company as a matter of Governance also seek prior approval of Board of Directors of respective parties even though it is required in terms of the provisions of the Act.

There are no materially significant RPT that may have potential conflict with interest of the Company at large.

The details of the RPT are set out in Notes to the financial statements of the Company.

The Form AOC-2 pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as Annexure (1).

Vigil Mechanism

The Company is not required to have Vigil Mechanism as per Section 177(10) of the Act. The Company promotes ethical behaviour in all its business activities and is in line with the best governance practices.

The Board of Directors of the Company in good governance on voluntarily basis have adopted the Whistle Blower Policy of Asian Paints Limited, ultimate holding company. The Policy provides for protection to the employees and business associates who report unethical practices and irregularities.

Auditors and Auditors' Report

Deloitte Haskins & Sells LLP ("DHS"), Chartered Accountants (Firm Registration No. 117366W/W-100018), were appointed as Statutory Auditors of the Company at the 13th Annual General Meeting ("AGM") held on 14th June 2024, to hold office till the conclusion of the 18th AGM of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company.

DHS has issued an unmodified opinion on the financial statements for the financial year 2025-26 and the Statutory Auditors' Report forming part of this Annual Report does not contain any qualification, reservation, adverse remark or disclaimer.

Further, DHS vide their resignation letter dated 24th April 2026 resigned as the Statutory Auditors of the Company with effect from 24th April 2026, pursuant to the Company's decision to align Statutory Audits at the group level.

Consequent to the resignation by DHS, the Board of Directors of the Company at their meeting held on 24th April 2026, approved and recommended appointment of S R B C & Co LLP, ("SRBC") Chartered Accountants (Firm Registration No. 324982E/E300003), as Statutory Auditors of the Company to fill the casual vacancy caused as a result of the resignation of DHS, with effect from closure of business hours on 24th April 2026, subject to approval of the shareholders of the Company, till the conclusion of the ensuing 15th AGM Company.

Further, the Board of Directors at the said meeting also approved and recommended the appointment of SRBC, Chartered Accountants (Firm Registration No. 324982E/E300003), as Statutory Auditors of the Company for a term of 5 (Five) years to hold office from the conclusion of the ensuing 15th Annual General Meeting till the conclusion of the 20th Annual General Meeting, subject to the approval of the shareholders at the ensuing 15th Annual General Meeting of the Company.

The Company has received written consent and certificate of eligibility from SRBC confirming their eligibility for appointment in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder. They have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India ("ICAI") as required under the Listing Regulations.

The appropriate resolutions in this regard have been placed for the consideration of the shareholders at the ensuing 15th Annual General Meeting of the Company.

Reporting of frauds by Auditors

There was no incident of reporting fraud by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Conservation of Energy: NIL

Technology Absorption: NIL

Foreign Exchange Earnings and Outgo

Details of Foreign Exchange Earnings and Outgo are as follows:

Particulars	₹ in Lakhs	
	2025-26	2024-25
Foreign exchange earned in terms of actual inflows	NIL	NIL
Foreign exchange outgo in terms of actual outflows	NIL	NIL

Risk Management

The Board has put in place appropriate framework and mechanism to review the risks for the Company including the operational and business risks. The Board reviews the risk mitigation plans from time to time.

The Company recognises that risk is an integral and inevitable part of the business and is fully committed to manage risks in a proactive and efficient manner. The Company has a Risk Management Policy which articulates the approach to address the uncertainties in its endeavour to achieve its stated and implicit objectives.

Policy on Prevention of Sexual Harassment at Workplace

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder and Internal Complaints Committee have also been set up to redress any such complaints received.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. Further, the Policy also gives shelter to contract workers, probationers, temporary employees, trainees, apprentices of the Company and any person visiting the Company at its office.

The details of complaints received and disposed of under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year are as follows:

- a) number of complaints of sexual harassment received in the year: NIL
- b) number of complaints disposed off during the year: Not applicable
- c) number of cases pending for more than ninety days: Not applicable
- d) Number of complaints unresolved during the year - NIL

The Company does not have any employees on its roll, however, the employees of the holding company, conduct the operations of the Company's Research and Development center.

Maternity Benefit Provided by the Company under the Maternity Benefit Act, 1961

The Company declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the statutory benefits prescribed under the said Act, including paid

maternity leave, continuity of salary and service during the leave period, and post-maternity support such as nursing breaks and flexible return-to-work options, as applicable. The Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

The Company does not have any employees on its roll, however, the employees of the holding company, conduct the operations of the Company's Research and Development center.

Internal Controls

The Company has in place a well-established and robust internal control systems which are commensurate with the nature of its business, size & scale, and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of the Company's operations, safe keeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of the Company's operations.

Internal Financial Controls and their Adequacy

The Company has in place adequate internal financial controls with reference to financials. The same is subject to review periodically by the Board of Directors for its effectiveness. The control measures adopted by the Company have been found to be effective and adequate to the Company's requirements.

Maintenance of Cost Records

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

Significant and Material Orders passed by the Regulators or Courts

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations.

Annual Return

In accordance with Section 92(3) read with Section 134(3) (a) of the Act and the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as of 31st March 2026 in Form MGT-7, is available on the Company's website at www.nsccindia.com. The Annual Return will be submitted to the Registrar of Companies within the timelines prescribed under the Act.

The Board of Directors at their meeting held on 14th February 2024 had, *inter alia*, appointed all Directors of the Company namely Mr. Swapan Kumar Ghosh (DIN: 03434036), Mr. Rahul Bhatnagar (DIN: 09660086), and Mr. Gagandeep Singh Kalsi (DIN: 10473109) as the designated person with respect to providing information to the Registrar or any other authorised officer with respect to beneficial interest in shares of the Company in accordance with provisions of Section 89 of the Act read with Rule 9 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Act.

Compliance with Secretarial Standards

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meeting of Board of Directors and Shareholders..

Other Disclosures

- I. No credit rating has been obtained by the Company with respect to its securities;
- II. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and
- III. The requirement to disclose the details of difference between amount of the valuation done at the time

of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

- IV. The Company did not meet the thresholds prescribed under Section 135(1) of the Act. Accordingly, the provisions relating to Corporate Social Responsibility were not applicable to the Company for the year under review.

Acknowledgements

Your Directors acknowledge with deep sense of appreciation the co-operation received from various other Central and State Government agencies, other Ministries, Customers, Bankers and other stakeholders. Your Directors express deep sense of appreciation for the dedicated and sincere services rendered by the employees of the Company at all levels.

Your Directors also wish to express gratitude to all the Shareholders for the confidence reposed by them in the Company and for their continued support and co-operation.

For and on behalf of the Board of Directors

Rahul Bhatnagar
Chairman
DIN: 09660086

Place: Mexico
Date: 24th April 2026

Annexure (1) to the Board's Report

Form AOC – 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 ("the Act") and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Act including certain arms' length transactions under fourth proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements, or transactions entered into during the financial year ended 31st March 2026, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

There were no material contracts or arrangements, or transactions entered into during the financial year ended 31st March 2026.

During the financial year ended 31st March 2026, all related party transactions entered into by the Company were in the ordinary course of business and on arm's length basis and were approved by the Board of Directors of the Company.

For and on behalf of the Board of Directors

Rahul Bhatnagar
Chairman
DIN: 09660086

Place: Mexico
Date: 24th April 2026

Independent Auditor's Report

To The Members of Nova Surface-Care Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Nova Surface-Care Private Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, its loss and other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's

report, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income,

the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company does not pay remuneration to any of its Directors. Consequently, this clause has not been reported thereon.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and

belief, as disclosed in the note 29B to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 29B to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination, which included test checks, the Company has used accounting software systems for

maintaining its books of account for the financial year ended 31st March, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central

Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

Terence Lewis

Partner

(Membership No. 107502)

UDIN: 26107502XXLLRW1372

Place: Mumbai

Date: 24th April 2026

Annexure “A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls with reference to financial statements of Nova Surface-care Private Limited (the “Company”) as at 31st March 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with

reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2026, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control

stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

Terence Lewis

Partner

(Membership No. 107502)

UDIN: 26107502XXLLRW1372

Place: Mumbai

Date: 24th April 2026

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right-of-use assets.
- (B) The Company does not have any intangible assets and hence reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The Company has a program of verification of property, plant and equipment, so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.
- (c) The Company does not have any immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) during the year.
- (e) No proceedings have been initiated or is pending against the Company as at 31st March 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Hence, reporting on the quarterly returns or statements filed by the Company with such banks or financial institutions is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees’ State Insurance, Income Tax, cess and other material statutory dues in arrears as at 31st March 2026, for a period of more than six months from the date they became payable.
- (c) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as at 31st March 2026.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilized funds as at the beginning of the year of the funds raised through issue of shares or borrowings in the previous year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debenture (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013 and hence reporting under clause (xiv) (a) and (b) of the Order is not applicable to Company.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding Company, subsidiary Company, associate Company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi) (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors of the Company during the year. The predecessor statutory auditors have confirmed to us that they were not aware of reasons as to why we should not accept the statutory audit of the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans including the proposed merger with the Parent Company and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year

from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

Terence Lewis

Partner

(Membership No. 107502)

UDIN: 26107502XXLLRW1372

Place: Mumbai

Date: 24th April 2026

Balance Sheet

As at 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

Particulars	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	2A	1,825.42	1,950.10
Right of Use Assets	2B	-	955.13
Intangible Assets	3	-	-
Financial assets			
Other financial assets	4A	15.00	327.45
Income Tax Assets (Net)	5	134.51	730.33
		1,974.93	3,963.01
Current assets			
Financial assets			
Trade receivables	6	388.94	165.98
Cash and cash equivalents	7	1,100.05	1,253.32
Other Balances with Banks	8	52.93	1,020.02
Other financial assets	4B	350.00	-
Other assets	5	121.30	200.62
		2,013.22	2,639.94
Total assets		3,988.15	6,602.95
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	61,808.18	61,808.18
Other equity	10	(58,581.62)	(56,941.70)
		3,226.56	4,866.48
Liabilities			
Current liabilities			
Financial liabilities			
Lease Liabilities	14	(0.00)	958.58
Trade payables	11		
(a) Total outstanding dues of micro enterprises and small enterprises		129.07	225.97
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1.77	18.63
Other financial liabilities	12	568.61	491.94
Other current liabilities	13	62.14	41.35
		761.59	1,736.47
Total equity and liabilities		3,988.15	6,602.95

Summary of material accounting policies and key accounting estimates and judgements

1

See accompanying notes to the Standalone Financial Statements

2 - 31

As per our attached report of even date

For and on behalf of the Board of Directors of

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Regn No. 117366W/W 100018

Nova Surface - Care Centre Private Limited

CIN: U73100MH2011PTC221653

Terence Lewis

Partner

Membership No. 107502

Rahul Bhatnagar

Director

DIN: 09660086

Swapan Kumar Ghosh

Director

DIN: 03434036

Place: Mumbai

Date: 24-04-2026

Place: Mexico

Date: 24-04-2026

Place: Mumbai

Date: 24-04-2026

Statement of Profit and Loss

for the year ended 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)			
	Note	Year ended 31 March 2026	Year ended 31 March 2025
Income			
Revenue from operations	16A	484.06	828.90
Other income	17	1,751.36	1,557.33
Total Income (I)		2,235.42	2,386.23
Expenses			
Other expenses	20	1,901.85	1,888.48
Total Expenses (II)		1,901.85	1,888.48
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		333.57	497.75
Finance costs	18	893.68	70.35
Depreciation and amortisation expense	19	1,079.81	1,091.73
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		(1,639.92)	(664.33)
Exceptional Items			
PROFIT BEFORE TAX		(1,639.92)	(664.33)
Income tax expense			
Current tax		-	-
Profit for the year		(1,639.92)	(664.33)
Other comprehensive income			
Total comprehensive income for the period		(1,639.92)	(664.33)
Earnings per equity share in INR			
Basic	21	(0.27)	(0.11)
Diluted		(0.27)	(0.11)
Face value per ordinary share in INR		10.00	10.00

Summary of material accounting policies and key accounting estimates and judgements

1

See accompanying notes to the Standalone Financial Statements

2 - 31

As per our attached report of even date

For and on behalf of the Board of Directors of

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Regn No. 117366W/W 100018

Nova Surface - Care Centre Private Limited
CIN: U73100MH2011PTC221653

Terence Lewis
Partner
Membership No. 107502

Rahul Bhatnagar
Director
DIN: 09660086

Swapan Kumar Ghosh
Director
DIN: 03434036

Place: Mumbai
Date: 24-04-2026

Place: Mexico
Date: 24-04-2026

Place: Mumbai
Date: 24-04-2026

Statement of Changes In Equity

for the year ended 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

(A) Equity share capital :

	Equity share capital
As at 1 April 2024	61,808.18
Issue of share capital	-
As at 31 March 2025	61,808.18
As at 1 April 2025	61,808.18
Issue of share capital	-
As at 31 March 2026	61,808.18

(B) Other equity :

	Retained earnings
As at 1 April 2024	(56,277.37)
Restated balance at the beginning of the reporting period	(56,277.37)
Profit/(Loss) for the year	(664.33)
As at 31 March 2025	(56,941.70)
As at 1 April 2025	(56,941.70)
Restated balance at the beginning of the reporting period	(56,941.70)
Profit/(Loss) for the year	(1,639.92)
As at 31 March 2026	(58,581.62)

Summary of material accounting policies and key accounting accounting estimates and judgements

1

See accompanying notes to the Standalone Financial Statements

2 - 31

As per our attached report of even date

For and on behalf of the Board of Directors of

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Regn No. 117366W/W 100018

Nova Surface - Care Centre Private Limited
CIN: U73100MH2011PTC221653

Terence Lewis
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Director
DIN: 09660086

Swapan Kumar Ghosh
Director
DIN: 03434036

Place: Mumbai
Date: 24-04-2026

Place: Mexico
Date: 24-04-2026

Place: Mumbai
Date: 24-04-2026

Statement of Cash Flows

for the year ended 31 March 2026

(All amounts in thousands of INR, unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
A. Cash flow from operating activities		
Profit before tax	(1,639.92)	(664.33)
Adjustments for:		
Depreciation and amortisation expense	124.68	247.33
Impairment loss on property, plant & equipment	-	-
Depreciation of Right of use assets	955.13	844.40
Interest on Lease Liability	54.16	70.14
Interest Income	-	-
Interest on Security deposit	(37.70)	(38.84)
Interest on income tax refund	-	(20.97)
Interest on Fixed deposit	(24.13)	(20.02)
Bad debts and deposits written off	-	-
Asset written off	-	-
Operating profit before working capital changes	(567.78)	417.71
Adjustments for working capital changes:		
Decrease/(Increase) in trade receivables	(222.95)	3,624.85
Decrease/(Increase) in other current assets	117.03	(141.93)
Decrease/(Increase) in other financial assets	(13.42)	81.58
(Decrease)/Increase in trade payables	(113.76)	(2,107.30)
(Decrease)/Increase in other financial liabilities	76.68	304.03
(Decrease)/Increase in other current liabilities	20.79	(194.00)
	(703.41)	1,984.94
Income tax paid (net of refund)	595.82	65.55
Net cash generated from / (used in) operating activities (A)	(107.59)	2,050.49
B. Cash flow from investing activities		
Purchase of Property, plant and equipment	-	(62.30)
Purchase of term deposits	967.08	(1,020.02)
Payment for acquiring right-of-use asset	-	(40.58)
Sale of Property, plant and equipment	-	160.60
Net cash used in investing activities (B)	967.08	(962.30)
C. Cash flow from financing activities		
Repayment of current borrowings	-	-
Repayment of Lease Liabilities (including Interest)	(1,012.76)	(972.42)
Proceeds from issue of shares	-	-
Net cash outflow from financing activities (C)	(1,012.76)	(972.42)
Net increase in cash and cash equivalents (A+B+C)	(153.27)	115.77
Cash and cash equivalents at the beginning of the year	1,253.32	1,137.55
Cash and cash equivalents at the end of the year	1,100.05	1,253.32

(All amounts in thousands of INR, unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
Components of cash and cash equivalents:		
Cash in hand	3.15	8.68
Balance in current account	1,096.90	1,244.64
	1,100.05	1,253.32
Net debt position - Annexure 1	1100.05	1253.32

Note:

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

Summary of material accounting policies and key accounting estimates and judgements

1

See accompanying notes to the Standalone Financial Statements

2 - 31

As per our attached report of even date

For and on behalf of the Board of Directors of

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Regn No. 117366W/W 100018

Nova Surface - Care Centre Private Limited

CIN: U73100MH2011PTC221653

Terence Lewis

Partner

Membership No. 107502

Rahul Bhatnagar

Director

DIN: 09660086

Swapan Kumar Ghosh

Director

DIN: 03434036

Place: Mumbai

Date: 24-04-2026

Place: Mexico

Date: 24-04-2026

Place: Mumbai

Date: 24-04-2026

Notes to the Financial Statements

for the year ended 31 March 2026

Company Background

Nova Surface-Care Centre Private Limited (the 'Company') is a private limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is located at A/108, Kailash Industrial Complex, Veer Savarkar Marg, Vikhroli West, Mumbai, India.

The Company is engaged in the business of testing services of paints and related chemicals.

1. Material Accounting Policies and Key accounting estimates and judgements Material Accounting Policies:

1.1. Basis of preparation of financial statements

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

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

The financial statements are presented in Indian Rupees (which is also the functional currency of the Company) and is rounded off to the nearest crores except otherwise indicated.

1.2. Application of New Accounting Pronouncements

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

- a. Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures: The Company has disclosed the effects of supplier finance arrangements on the company's liabilities, cash

flows and exposure to liquidity risk in line with the amendment. There is no impact of the amendment on the Financial Statements.

- b. Ind AS 1 – Presentation of Financial Statements: in line with the amendment, Company has applied the requirements for classification of liabilities as current or non-current including compliance with covenants, where applicable. There is no impact of the amendment on the Consolidated Financial Statements.
- c. Ind AS 12 – Income Taxes: Company has adopted the requirements pertaining to recognition and disclosure of current and deferred taxes related to income taxes arising from Pillar Two model rules issued by the Organisation for Economic Co-operation and Development (OECD). There is no impact of the amendment on the Consolidated Financial Statements.

1.3. Current / Non-Current Classification

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

- i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. the liability wherein the company does not have the right at the end of reporting period to defer its settlement for at least twelve months after the reporting date.

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

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

Notes

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

1.4. Summary of Material accounting policies

a) Property, plant and equipment Measurement at recognition:

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

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

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

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

The Company had elected to consider the carrying value of all its PPE appearing in the financial statements and used the same as deemed cost in the opening Ind AS Balance sheet prepared on 1st April, 2017.

Depreciation:

During the previous year ended March 31 2025, the Company has changed its method of depreciation from Written Down value method to Straight Line method in line with the method followed by the ultimate holding company. Accordingly, depreciation on each part of an item / component of PPE is provided as per Straight Line Method based on the expected useful life of the asset and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimated useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The estimated useful life of items of PPE is mentioned below:

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

Derecognition:

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

b) Revenue

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

outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Rendering of services:

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company uses output method for measurement of revenue from testing services.

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

c) Financial Instruments

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

Financial assets

Initial recognition and measurement:

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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

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

Subsequent measurement:

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

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

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

- i. Financial assets measured at amortized cost

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

- a. The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. The effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset under other income in the Statement of Profit and Loss. The amortized cost of a financial asset is also adjusted for loss allowance, if any.

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

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

- a. The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of

Notes

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

principal and interest on the principal amount outstanding

This category applies to certain investments in debt instruments. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

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

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

This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

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

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

On derecognition of a financial asset, (except as mentioned in (ii) above for financial assets

measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

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

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

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

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

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

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

Financial Liabilities

Initial recognition and measurement:

All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

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

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

Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. The effect of the amortization under effective interest method is recognized as interest expense under finance cost in the Statement of Profit and Loss over the relevant period of the financial liability.

Derecognition:

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

Offsetting of financial assets and financial liabilities:

Financial assets and financial liabilities are off-set and the net amount is reported in the balance sheet wherever there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

d) Fair Value

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

Notes

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

e) Foreign Currency Translation

Initial Recognition:

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

Measurement of foreign currency items at reporting date:

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

Exchange differences arising out of foreign exchange translations and settlements during the year are recognized in the Statement of Profit and Loss.

f) Income Taxes

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

Current tax:

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

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax assets and liabilities are generally recognized for all deductible and taxable temporary differences respectively. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction

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

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

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

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

Uncertain tax positions:

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

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and

Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

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

g) Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources will be required and the amount of outflow can be reliably estimated. The increase in the provision due to the passage of time is recognized as a finance cost.

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

h) Measurement of EBITDA

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

i) Cash and Cash Equivalents

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

j) Lease accounting

Assets taken on lease:

The Company assesses whether a contract is or contains a lease, at inception of a contract

in accordance with Ind AS 116, Leases. The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term or useful life of the underlying asset if the Company expects to exercise a purchase option in the lease. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment.

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

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

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

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

k) Earnings Per Share (EPS)

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

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

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

l) Exceptional items:

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

1.5.Key accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

a) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Property, plant and equipment

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

c) Fair value measurement of financial instruments

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

d) Right-of-use assets and lease liability

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

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

2A Property, plant and equipment

Assets	Gross Carrying Value (Cost / Deemed Cost)				Depreciation		Net Carrying Value	
	As at 01-04-2025	Additions During the Year	Deductions/ Adjustments	As at 31-03-2026	As at 01-04-2025	Additions During the Year	Deductions/ Adjustments	As at 31-03-2026
Plant & Machinery	7,106.86			7,106.86		108.50		5,300.04
Office Equipments	86.14	-	-	86.14	69.69	-		69.69
Furniture & Fixtures	1,277.54	-	-	1,277.54	1,261.36	16.18		1,277.54
Electrical Instalments and Equipments	24.80	-	-	24.80	22.65	-		22.65
Total	8,495.34	-	-	8,495.34	6,545.24	124.68	-	6,669.92
								1,825.42

Assets	Gross Carrying Value (Cost / Deemed Cost)				Depreciation		Net Carrying Value	
	As at 01-04-2024	Additions During the Year	Deductions/ Adjustments	As at 31-03-2025	As at 01-04-2024	Additions During the Year	Deductions/ Adjustments	As at 31-03-2025
Plant & Machinery	8,883.06	41.80	1,818.00	7,106.86	6,612.90	236.04	1,657.40	5,191.54
Office Equipments	86.14	-	-	86.14	69.69	-	-	69.69
Furniture & Fixtures	1,257.04	20.50	-	1,277.54	1,250.07	11.29	-	1,261.36
Electrical Instalments and Equipments	24.80	-	-	24.80	22.65	-	-	22.65
Total	10,251.04	62.30	1,818.00	8,495.34	7,955.31	247.33	1,657.40	6,545.24
								1,950.10

2B Right -of - Use Assets

Movement in net carrying amount	Year 2025-26		Year 2024-25	
	Office Building	Total	Office Building	Total
Balance as at 1st April	955.13	955.13	814.06	814.06
Additions	0.00	0.00	985.47	985.47
Depreciation	955.13	955.13	844.40	844.40
Deletions	0.00	0.00	-	-
Balance as at 31st March	0.00	0.00	955.13	955.13

All lease agreements are duly executed in favour of the company.

Refer Note 14 for additions and movement in lease liability

Refer Note 22 for disclosures as per Ind AS 116

Notes

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

3 Intangible assets (Acquired seperately)

Assets	Gross Carrying Value				Amortisation			Net Carrying Value	
	As at	Additions	Deductions/	As at	As at	Additions	Deductions/	As at	As at
	01-04-2025	During the Year	Adjustments	31-03-2026	01-04-2025	During the Year	Adjustments	31-03-2026	31-03-2026
Computer software	72.80	-	-	72.80	72.80	-	-	72.80	-
Total	72.80	-	-	72.80	72.80	-	-	72.80	-
Assets	Gross Carrying Value				Amortisation			Net Carrying Value	
	As at	Additions	Deductions/	As at	As at	Additions	Deductions/	As at	As at
	01-04-2024	During the Year	Adjustments	31-03-2025	01-04-2024	During the Year	Adjustments	31-03-2025	31-03-2025
Computer software	72.80	-	-	72.80	72.80	-	-	72.80	-
Total	72.80	-	-	72.80	72.80	-	-	72.80	-

4 Other financial assets

(₹ thousands)		
	As at 31 March 2026	As at 31 March 2025
4A Non-current		
Unsecured and Considered good		
Security Deposits	15.00	327.45
	15.00	327.45
4B Current		
Unsecured and Considered good		
Security Deposits	350.00	-
	350.00	-

Refer Note 27 on credit risk of financial assets

5 Income Tax Assets (Net)

(₹ thousands)		
	As at 31 March 2026	As at 31 March 2025
Non-Current		
Advance payment of income tax (net)	134.51	730.33
	134.51	730.33
Current		
a) Advances other than capital advances		
i) Advances/ claims recoverable in cash or in kind	93.92	98.29
ii) Balance with Government authorities	27.38	102.33
	121.30	200.62

6 Trade receivables

(₹ thousands)		
	As at 31 March 2026	As at 31 March 2025
Secured - considered good	-	-
Unsecured - considered good	388.94	165.98
Unsecured -considered doubtful	-	-
	388.94	165.98
Less: Allowance for doubtful debts	-	-
	388.94	165.98

Trade receivables(Unsecured, considered good) include INR 94.39 thousands (Previous FY 24-25 INR 149.96 thousands) due from a private company in which directors of the company are directors as disclosed in Note no 24

Notes

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

Trade Receivables Ageing Schedule

As at March 31, 2026

Outstanding for following periods from due date of Invoice

(₹ thousands)

Particulars	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2.52	386.42	-	-	-	388.94
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered doubtful	-	-	-	-	-	-
Total	2.52	386.42	-	-	-	388.94

As at March 31, 2025

Outstanding for following periods from due date of Invoice

(₹ thousands)

Particulars	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	165.98	-	-	-	-	165.98
(ii) Undisputed Trade receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered doubtful	-	-	-	-	-	-
Total	165.98	-	-	-	-	165.98

7 Cash and cash equivalents

(₹ thousands)

	As at 31 March 2026	As at 31 March 2025
Balances with banks		
In current accounts	1,096.90	1,244.64
Cash in hand	3.15	8.68
	1,100.05	1,253.32

8 Other Balances with Banks

(₹ thousands)

	As at 31 March 2026	As at 31 March 2025
Term deposits with original maturity of more than 3 months but less than 12 months	52.93	1,020.02
	52.93	1,020.02

9 Equity share capital

	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Authorised Share Capital				
Equity Share Capital				
62,00,000 Equity Shares of INR 10/- each	62,00,000	62,000.00	62,00,000	62,000.00
Issued, Subscribed and paidup Share Capital				
61,80,818 Equity Shares of INR 10/- each	61,80,818	61,808.18	61,80,818	61,808.18
Movement in respect of equity shares :				
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	61,80,818	61,808.18	61,80,818	61,808.18
Add: Increase in number of equity shares				
Issued, subscribed and fully paidup equity shares outstanding at the end of the year	61,80,818	61,808.18	61,80,818	61,808.18

The Company has only one class of equity share having par value of INR 10/- per share. Each shareholder is eligible for one vote per share held. The holder of the equity shares are entitled to receive dividend as declared from time to time, and are entitled to voting rights proportionate to their shareholding, at the meeting of shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shareholders holding more than 5% of shares

	(₹ thousands)	
	As at 31 March 2026	As at 31 March 2025
Harind Chemicals and Pharamceuticals Private Limited and its nominees	61,80,818	61,80,818
	100.00%	100.00%

As per records of the company including its register of members

Details of Number of shares held by Promoters in the Company

	(₹ thousands)	
	As at 31 March 2026	As at 31 March 2025
Mr. Swapan Kumar Anandamohan Ghosh	-	-
Mr. Mohammed Faisal Mohammed Yamin Ansari (upto 14 th February 2024)	-	-
Mr. Rajesh Kumar Kotha (upto 14 th February 2024)	-	-

10 Other equity

	(₹ thousands)	
	As at 1 st April 2024	As at 31 March 2025
Loss for the year		(56,277.37)
		(664.33)
As at 31 March 2025		(56,941.70)
Loss for the year		(1,639.92)
As at 31 March 2026		(58,581.62)

Notes

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

Nature and purpose of reserves

Retained earnings:

Retained earnings are profits that the Company has earned till date, less any dividends or other distributions paid to shareholders.

11 Trade payables

	(₹ thousands)	
	As at 31 March 2026	As at 31 March 2025
Total outstanding dues of micro enterprises and small enterprises (MSME)	129.07	225.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.77	18.63
Total	130.84	244.60

Trade Payables ageing schedule

As at March 31, 2026

	(₹ thousands)					
Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
(i) Undisputed dues MSME	49.24	79.83	-	-	-	129.07
(ii) Undisputed dues others	-	-	-	1.77	-	1.77
(iv) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	49.24	79.83	-	1.77	-	130.84

As at March 31, 2025

	(₹ thousands)					
Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
(i) Undisputed dues MSME	-	225.97	-	-	-	225.97
(ii) Undisputed dues others	16.86	-	1.77	-	-	18.63
(iv) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	16.86	225.97	1.77	-	-	244.60

12 Other financial liabilities

	(₹ thousands)	
	As at 31 March 2026	As at 31 March 2025
Payable towards services received	568.61	491.94
Total	568.61	491.94

13 Other current liabilities

	(₹ thousands)	
	As at 31 March 2026	As at 31 March 2025
Statutory Payables	62.14	41.35
Total	62.14	41.35

Statutory payables includes dues towards GST, provident fund and TDS.

14 Lease Liabilities

	As at 31 March 2026	As at 31 March 2025
Current		
Lease Liabilities	(0.00)	958.58
Total	(0.00)	958.58

(₹ thousands)

The aggregate maturities of long term leases, based on contractual undiscounted cash flows are as follows :

Particulars	Carrying Values	Less than 1 year	Between 1 - 5 years	Total
As at 31 March 26				
Lease Liabilities	(0.00)	-	-	-
As at 31 March 25				
Lease Liabilities	958.58	1,021.08	-	1,021.08
Movement in Lease Liabilities				
			FY 2025-26	FY 2024-25
Balance as at 1 April			958.58	912.50
Addition				948.36
Deletions				
Finance Cost			54.16	70.14
Repayments			(1,012.74)	(972.42)
Balance as at End of 31 March 2026			0	958.58

15 Deferred tax liabilities (net)

In the absence of probability on availability of taxable surplus in near future, the Company has not recorded the net cumulative deferred tax assets on unabsorbed losses and depreciation amounting to INR.12,447.27 thousands (31 March 2024: INR 12,111.18 thousands) arising on account of temporary differences, as stipulated in Ind AS 12 - Income taxes.

Effective tax rate reconciliation :	Rate (%)	For the year ended 31 March 2026	For the year ended 31 March 2025
Profit/(Loss) Before Tax		(1,639.92)	(664.33)
Applicable Tax Rate	25.17%	-	-
Tax expense / (asset) on above		-	(167.20)
Deferred tax asset not recognised on above		-	167.20
Less : Adjusted against deferred tax asset on brought forward business loss		-	-
Tax expense for the year		-	-
Effective tax rate		NA	NA

Notes

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

16A Revenue from operations

	Year ended 31 March 2026	Year ended 31 March 2025
Sale of services	484.06	828.90
Total	484.06	828.90

16B Revenue From Contracts With Customers

	Year ended 31 March 2026	Year ended 31 March 2025
a) Revenue from Contracts with Customers disaggregated based on nature of Product or Services:		
Revenue from sale of services	484.06	828.90
Total	484.06	828.90
b) Revenue from Contracts with Customers disaggregated based on Geography		
Home Market	484.06	828.90
Exports	-	-
Total	484.06	828.90

16C Reconciliation of Gross Revenue with the Revenue from Contracts with Customers

	Year ended 31 March 2026	Year ended 31 March 2025
Gross Revenue	484.06	828.90
Less : Discounts	-	-
Net Revenue recognised from Contracts with Customers	484.06	828.90

The amounts receivable from customers become due after expiry of credit period which on an average ranges around from 30 to 60 days. There is no significant financing component in any transaction with the customers.

The Company does not have any remaining performance obligation as contracts entered for sale of service contracts are measured as per output method.

17 Other income

	Year ended 31 March 2026	Year ended 31 March 2025
a) Interest Income		
On Security Deposit	37.70	38.84
On Income Tax Refund	-	20.97
On Fixed Deposit	24.13	20.02
	61.83	79.83
b) Other Non Operating Income		
Other Income	1,689.53	1,477.50
	1,689.53	1,477.50
c) Other Gains and Losses		
Net foreign exchange gain	-	-
	-	-
Total	1,751.36	1,557.33

(₹ thousands)

18 Finance costs

(₹ thousands)

	Year ended 31 March 2026	Year ended 31 March 2025
Interest on Lease Liabilities	54.16	70.14
Interest on delay in payment of statutory dues	839.52	0.21
Total	893.68	70.35

19 Depreciation and Amortisation Expense

(₹ thousands)

	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of Property, Plant and Equipment (Refer Note 2A)	124.68	247.33
Depreciation of Right-of-Use Assets (Refer Note 2B)	955.13	844.40
Total	1,079.81	1,091.73

20 Other expenses

(₹ thousands)

	Year ended 31 March 2026	Year ended 31 March 2025
Testing Charges	153.25	76.56
Legal and professional expenses	85.80	301.21
Power and Fuel	196.95	200.65
Payments to auditors (Refer footnote)	507.00	300.00
Repairs and maintenance	42.86	75.37
Rent	-	-
Advertisement and Sales Promotion expenses	-	-
Rates and taxes	12.17	2.50
Insurance premium	11.79	15.05
Assets Written Off	-	-
Bad debts written off	-	-
Other Non Operating Expenses	-	-
Miscellaneous expenditure	892.03	917.14
Total	1,901.85	1,888.48
Footnote :		
Payments to auditors		
Statutory Audit	327.00	300.00
Other certification services	180.00	-
Total	507.00	300.00

Notes

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

21 Earning per share (EPS)

	(₹ thousands)	
	Year ended 31 March 2026	Year ended 31 March 2025
The following reflects the profit and share data used in EPS computation:		
Net profit / (loss) loss after tax	(1,639.92)	(664.33)
Number of equity shares outstanding at the beginning of the year	61,80,818	61,80,818
Adjustment pursuant to issue of equity shares during the year	-	-
Number of equity shares outstanding at the end of the year	61,80,818	61,80,818
Weighted average number of equity shares outstanding considered for calculating basic and diluted earnings per share	61,80,818	61,80,818
Earnings per share - basic - Face value INR 10/- per share (INR)	(0.27)	(0.11)
Earnings per share - diluted - Face value INR 10/- per share (INR)	(0.27)	(0.11)

22 Leasing arrangements

Other than short term leases

Particulars	Office Premises	
	Year ended 31 March 2026	Year ended 31 March 2025
Right of Use Assets	-	955.13
Lease Liability		
Current	-0.00	958.58
Non Current	-	-

- The Company has taken an office premises on operating lease towards the financial year end. Non-cancellable term of the leases is 5 years.

2. Amounts with respect to leases recognised in the Statement of Profit & Loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of right-of-use Assets	955.13	844.40
Interest on Lease Liabilities	54.16	70.14
Total Recognised in Statement of Profit & Loss	1,009.29	914.54

3. Amount recognised in Statement of Cash Flows

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Minimum Lease Payments	974.42	972.42

4. Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities.

Maturity Analysis	Year ended 31 March 2026	Year ended 31 March 2025
Less than 1 year	-	1,021.08
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
More than 5 years	-	-
Total	-	1,021.08

23 Deferred tax liabilities (net) - continued

The company has the following unused tax losses which arose on incurrance of capital losses and business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet. Also refer Note 15

(₹ thousands)

As at 31 March 2026			
Financial Year	Category	As at 31 March 2026	Expiry Date
2011-2012	Depreciation	1,565.83	NA
2012-2013	Depreciation	4,696.22	NA
2013-2014	Depreciation	3,725.01	NA
2014-2015	Depreciation	3,294.33	NA
2015-2016	Depreciation	2,796.34	NA
2016-2017	Business loss	13,022.82	31-03-2025
2016-2017	Depreciation	2,393.13	NA
2017-2018	Business loss	8,033.73	31-03-2026
2017-2018	Depreciation	2,110.04	NA
2018-2019	Depreciation	1,860.00	NA
2018-2019	Business loss	559.00	31-03-2027
2023-2024	Business loss	4,064.91	31-03-2032
2024-2025	Business loss	1,335.35	31-03-2033

(₹ thousands)

As at 31 March 2025			
Financial Year	Category	As at 31 March 2025	Expiry Date
2011-2012	Depreciation	1,565.83	NA
2012-2013	Depreciation	4,696.22	NA
2013-2014	Depreciation	3,725.01	NA
2014-2015	Depreciation	3,294.33	NA
2015-2016	Depreciation	2,796.34	NA
2016-2017	Business loss	13,022.82	31-03-2025
2016-2017	Depreciation	2,393.13	NA
2017-2018	Business loss	8,033.73	31-03-2026
2017-2018	Depreciation	2,110.04	NA
2018-2019	Depreciation	1,860.00	NA
2018-2019	Business loss	559.00	31-03-2027
2023-2024	Business loss	4,064.91	31-03-2032

Notes

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

24 RELATED PARTY TRANSACTIONS

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

a) Holding Company

Name of the Company

Harind Chemicals and Pharmaceuticals Private Limited

b) Ultimate Holding Company

Name of the Company

Asian Paints Limited

a) Key Managerial Personnel:

Name

Designation

Dr. Swapan Kumar Ghosh

Director

Non-Executive Directors

Rahul Bhatnagar

Gagandeep Kalsi

Terms and conditions of transactions with related parties:

- 1 The Company has been entering into transactions with related parties for its business purposes. The process followed for entering into transactions with related party is same as followed for unrelated party.
- 2 The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.

Compensation of key managerial personnel of the Company: NIL

Details of transactions with and balances outstanding of Holding companies:

		(₹ thousands)			
Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Harind Chemicals and Pharmaceuticals Private Limited	Other Non Operating Income	1,491.84	78.39	1,983.43	128.90
	Other Non Operating Expenses	295.72	49.24	438.45	162.09
	Reimbursement of Expenses received	329.55	16.00	106.54	20.56
	Reimbursement of Expenses paid	98.97	-	474.96	63.88
	Sale of Asset	-	-	189.51	-

Details of transactions with and balances outstanding of Ultimate Holding companies:

		(₹ thousands)			
Name of the related party	Nature of transaction	Year 2025-26		Year 2024-25	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints Limited	Revenue from sale of products & services	12.74	-	73.16	-

25 Segment Reporting

During the year ended 31 March 2026 and 31 March 2025, the Company is engaged in providing testing services of paints and related chemicals which is the only business segment and risk and rewards are uniform for the entire business. Accordingly, the Company does not have separate reportable segments in its financial statements.

Concentration of revenue to any single customer exceeding 10% of total revenue for the reporting period - INR 370.26 thousand in 2 cases (PY 2 customers amounting to INR 313.00 thousands.)

26 Contingent liabilities and committments

There are no contingent liabilities and committments as at 31 March 2026. (As at -31 March 2025: Nil)

27 Financial Instruments

27.1 Capital Management

The Company's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of equity shares (refer note 8). The Company is not subject to any externally imposed capital requirements as on 31st March 2026

27.2 Categories of financial instruments

	As at 31 March 2026	As at 31 March 2025
Financial assets		
Financial assets at amortised cost		
Trade receivables	388.94	165.98
Cash and cash equivalents	1,100.05	1,253.32
Other Balances with Banks	52.93	1,020.02
Other financial assets	15.00	327.45
Total carrying value	1,556.92	2,766.77
Financial liabilities		
Financial liabilities at amortised cost		
Borrowings	-	-
Lease Liabilities	-0.00	958.58
Trade payables	130.84	244.60
Other financial liabilities	568.61	491.94
Total carrying value	699.45	1,695.12

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

27.3 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's management also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Notes

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

27.4 Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

27.5 Foreign currency risk management

The Company is not exposed to any foreign currency risk as on balance sheet date.

27.6 Interest rate risk management

In absence of interest bearing debt, the Company is not exposed to any interest rate risk.

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

	(₹ thousands)			
	As at 31 March 2026	Floating rate	Fixed rate	Non-interest bearing
Financial assets	1,556.92		50.00	1,506.92
Financial liabilities	699.45		-0.00	699.45
	As at 31 March 2025	Floating rate	Fixed rate	Non-interest bearing
Financial assets	2,766.77		1,000.00	1,766.77
Financial liabilities	1,695.12		958.58	736.54

27.7 Price risks

The Company is not exposed to any price risk that could adversely affect the value of the Company's financial assets or expected future cash flows considering the product pricing methodology.

The Company is not having any investments in quoted equity instruments, hence is not exposed to any equity related price risk.

27.8 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Only high rated banks are considered for placement of deposits.

Concentration of credit risk to any single customer exceeding 10% of total debtors as on the reporting date - 2 case amounting to INR 385.67 thousands. (PY 2 case amounting to INR 735.66 thousands.).

	(₹ in thousands)	
Movement in expected credit loss allowance on trade receivables	Year 2025-26	Year 2025-26
Balance as at 1 April	-	-
Loss allowance measured at lifetime expected credit losses	-	-
Balance as at 31 March	-	-

27.9 Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

27.10 Liquidity and interest risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
As at 31 March 2026					
Trade payables	130.84	130.84	-	-	130.84
Other financial liabilities	568.61	568.61	-	-	568.61
	699.45	699.45	-	-	699.45
	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
As at 31 March 2025					
Lease liabilities	958.58	1,021.08	-	-	1,021.08
Trade payables	244.60	244.60	-	-	244.60
Other financial liabilities	491.94	491.94	-	-	491.94
	1,695.12	1,757.62	-	-	1,757.62

The following table details the Company's expected maturity for its financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
As at 31 March 2026					
Trade Receivables	388.94	388.94	-	-	388.94
Cash and cash equivalents	1,100.05	1,100.05	-	-	1,100.05
Other Balances with Banks	52.93	52.93	-	-	52.93
Other financial assets	15.00	-	15.00	-	15.00
	1,556.92	1,541.92	15.00	-	1,556.92
	Carrying Amount	Less than 1 Year	1-5 years	More than 5 years	Total
As at 31 March 2025					
Trade Receivables	165.98	165.98	-	-	165.98
Cash and cash equivalents	1,253.32	1,253.32	-	-	1,253.32
Other Balances with Banks	1,020.02	1,020.02	-	-	1,020.02
Other financial assets	327.45	-	327.45	-	327.45
	2,766.77	2,439.32	327.45	-	2,766.77

Notes

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

28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	129.07	225.97
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) the amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

*Out of this, No amount is payable towards other financial liabilities.

29A Additional Regulatory Information as mandated by SCH III (Division II) of Companies Act, 2013 vide MCA notification dated March 24, 2021 (to the extent applicable)

Financial Ratios

Sr. No.	Particulars	31 March 2026	31 March 2025	% Variance	Reasons
(a)	Current ratio (in times)				
	Current Ratio = Current Assets / Current Liabilities	2.64	1.52	74%	Reduction in Current Liabilities due to reduction in Lease Liability and Trade Payable
(b)	Debt-Equity ratio (in times)				
	Debt Equity Ratio = Long Term & Short Term Borrowings ((including CCD) / Net Worth	NA	NA	NA	
(c)	Debt Service Coverage ratio (DSCR) (in times)				
	DSCR = Earnings available for debt service (PAT + depreciation and amortizations + finance cost - finance cost on lease / Finance cost - finance cost on lease + repayment of borrowings	NA	NA	NA	
(d)	Return on Equity				
	Return on Equity = Profit after tax / Average Net Worth	-41%	-13%	217%	Due to Increase in losses
(e)	Inventory turnover (in times)				
	Inventory turnover = Income from operations / Average Inventory	NA	NA	NA	

Sr. No.	Particulars	31 March 2026	31 March 2025	% Variance	Reasons
(f)	Trade Receivable turnover ratio (in times)				
	Trade Receivable turnover = Income from operations / Average Trade Receivable	1.74	0.42	316%	Increase in Trade Receivable coupled with Decline in revenue
(g)	Trade Payable turnover ratio (in times)				
	Trade Payable turnover = (Operating Cost+ Other Expenses)/ Average Trade Payable	10.13	1.45	596%	Improvement due to reduction in Trade payable
(h)	Net Capital Turnover Ratio				
	Net Capital turnover = Income from operations / Net Working Capital Employed (Current Assets - Current Liabilities)	0.39	0.92	-58%	decline in Income from Operations
(i)	Net Profit margin (in %)				
	Net Profit margin = Profit after tax / Income from operations	-339%	-80.15%	323%	Increase in Loss due to no Improvement in Sales
(j)	Return on Capital Employed				
	Return on Capital Employed = Earning before interest and taxes / Average Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	-18%	-11.43%	-84%	increase in operating losses and decline in capital employed
(k)	Return on Investment				
	Return on Investment = (Market value at end - Market value at beginning - net of Inflow/Outflow)/ Market value at beginning+ Sum of weighted net cash flow				
	Fixed Deposit	6.15%	5.87%	NA	

29B a) Corporate Social Responsibility

Provisions of Section 135 of the Companies Act, 2013 ("the Act"), regarding the corporate social responsibility is not applicable to the company for the financial year 2025-26

b) Benami Property

The Company does not have any Benami property held in its name. No proceedings have been initiated on or are pending against the company for holding benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

c) Relationship with struck off companies

The Company has no transactions with companies struck off under Companies Act, 2013.

d) Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

e) Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

Notes

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

f) Utilisation of borrowed funds and share premium

- I. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

g) Undisclosed income

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

h) Number of layers of company

The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

i) Other matters

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

30 Proposed Amalgamation with Holding Company

Board of Directors of the Company, at its meeting held on 24th March 2026, approved the Scheme of Amalgamation ("the Scheme") of the Company with its holding company, Harind Chemicals & Pharmaceuticals Private Limited, pursuant to the provisions of Section 233 of the Companies Act, 2013 and other applicable laws, through the fast-track merger route. The appointed date of the Scheme is 1st April 2026. There is no impact of the Scheme on the Financial Statements for the year ended 31 March 2026.

31 Approval of financial statements:

These financial statements for the year ended 31 March 2026 were authorized and approved by the Board of Directors on 24 April 2026.

For and on behalf of the Board of Directors of
Nova Surface - Care Centre Private Limited
CIN: U73100MH2011PTC221653

Rahul Bhatnagar
Director
DIN: 09660086

Place: Mexico
Date: 24-04-2026

Swapan Kumar Ghosh
Director
DIN: 03434036

Place: Mumbai
Date: 24-04-2026



Asian White Cement Holding Limited

Board of Directors

Sameer Salvi

Pragyan Kumar

Joseph Eapen

Chinmay Bohara

Rajendra Pareek

Auditors

BDO Chartered Accountants and Advisors

Registered Office

Unit 410A, Level 4, Park Towers,
Dubai International Financial Centre,
Dubai, United Arab Emirates

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Directors' Report

The Board of Directors are pleased to present the 3rd Annual Report along with the consolidated financial statements of Asian White Cement Holding Limited (the "Company") and its subsidiary namely Asian White Inc. FZE (together referred to as the "Group") for the financial year ended 31st March 2026, which comprise the consolidated statement of financial position as on 31st March 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31st March 2026 and report as follows:

Directors

The following individuals served as Directors of the Group during the financial year ended 31st March 2026 and at the date of this report:

1. Sameer Salvi
2. Pragyan Kumar
3. Jospeh Eapen
4. Chinmay Bohara
5. Rajendra Pareek

Principal Activities

The principal activities of the Group during the financial year 2025-26 were manufacturing, trading, and export of White Cement Clinker and White Cement.

Results

The total comprehensive loss of the Group for the year ended 31st March 2026 was AED 18,020,322 (31st March 2025: AED 3,216,993).

Share Capital

The Company was incorporated with an authorized share capital of AED 60,000,000 divided into 6,000,000 equity shares of AED 10 each and subscribed and paid-up equity share capital of AED 5,000,000 divided into 500,000 equity shares of AED 10 each.

During the year under review, the authorized share capital of the Company was increased from AED 60,000,000 divided into 6,000,000 equity shares of AED 10 each to AED 85,000,000 divided into 8,500,000 equity shares of AED 10 each. Consequent to the same, the Articles of Association of the Company was amended with the approval of the shareholders to reflect the revised authorized share capital.

During the year under review, the paid-up equity share capital of the Company was increased from AED 59,700,000 divided into 5,970,000 equity shares of AED 10 each to AED 84,651,410 divided into 8,465,141 equity shares of AED 10 each. Consequent to the same, the Articles of Association of the Company was amended with the approval of the shareholders to reflect the revised paid-up equity share capital, pursuant to allotment of equity shares from time to time as stated below:

- (i) 514,500 equity shares of AED 10 each, aggregating to AED 5,145,000, were allotted to the existing shareholders of the Company in proportion to their respective shareholding on 10th September 2025.
- (ii) 771,750 equity shares of AED 10 each aggregating to AED 7,717,500 were allotted to the existing shareholders of the Company in proportion to their respective shareholding on 9th January 2026.
- (iii) 1,208,891 equity shares of AED 10 each were allotted to RS Holdings Limited on 16th January 2026 for consideration other than cash, pursuant to the fulfilment of its agreed equity commitment.

Further, during the year, there were inter-se transfers of equity shares amongst the shareholders of the Company. However, such transfer did not result in any change in the paid-up equity share capital of the Company.

Basis of Accounting

The Directors believe that the basis of the preparation of the financial statements is appropriate, and the Group will be able to continue its operations for at least twelve months from the date of this report. Accordingly, the Directors believe that the classification and carrying amount of assets and liabilities as stated in the financial statements are appropriate.

Events Subsequent to the Balance Sheet date

No matters or circumstances have occurred since the end of the financial year 31st March 2026 till the date of this report, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Auditors

The Board of Directors has appointed BDO Chartered Accountants & Advisors (Firm Registration No. 522) as the Statutory Auditors of the Company for conducting statutory audit for the financial year 2025-26.

Others

The standalone and consolidated financial statements for the financial year ended 31st March 2026 have been audited by BDO Chartered Accountants and Advisors (Firm Registration No. 522).

For the financial year ended 31st March 2026, the Directors of the Group state that in their opinion:

- i. the accompanying statement of profit or loss and other comprehensive income of the Group is drawn up to give a true and fair view of the results of the Group for the financial year ended 31st March 2026;
- ii. the accompanying statement of changes in equity of the Group is drawn up to give a true and fair view of the changes in equity of the Group for the financial year ended 31st March 2026;

- iii. the accompanying statement of financial position of the Group is drawn up to give a true and fair view of the state of affairs of the Group for the financial year ended 31st March 2026; and
- iv. the accompanying statement of cash flows of the Group is drawn up to give a true and fair view of the cash flows of the Group for the financial year ended 31st March 2026.

For and on behalf of the Board of Directors

Sameer Salvi
Chairman

Place: Mumbai
Date: 27th April 2026

Independent Auditor's Report

To the Shareholders of

Asian White Cement Holding Limited, Dubai

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Asian White Cement Holding Limited (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at March 31st, 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the consolidated financial statements of the Group give a true and fair view of the financial position of the Group as at March 31st, 2026, and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards, and their presentation in compliance with the applicable provisions of DIFC Companies Law no. (5) of 2018, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability

to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the management among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, we report that these consolidated financial statements of the Group comply, in all material respects, with the applicable provisions of the DIFC Companies Law no. (5) of 2018.

BDO CHARTERED ACCOUNTANTS & ADVISORS

Dubai

Mohamed Afzal Koya Ali

Reg. No. 522

April 27, 2026

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31st March 2026

Particulars	Notes	FY 25-26	FY 24-25
		AED	AED
REVENUE FROM OPERATIONS			
Revenue from Sale of Products	8	13,533,415	-
Other Income	9	558,640	417,359
Total Income (I)		14,092,055	417,359
EXPENSES			
Cost of Materials Consumed	10	8,331,977	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	11	(9,144,370)	-
Employee Benefit Expenses	12	8,141,666	1,039,746
Other Expenses	13	13,331,743	2,200,597
Total Expenses (II)		20,661,016	3,240,343
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		(6,568,961)	(2,822,984)
Finance Costs	14	4,937,277	29,685
Depreciation and Amortisation Expense	15	6,514,084	364,324
LOSS BEFORE TAX		(18,020,322)	(3,216,993)
Tax Expense	30	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(18,020,322)	(3,216,993)

The notes set out on pages 12 to 32 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 6 to 7.

These financial statements were approved by the Directors of the Group on 27th April 2026.

Sameer Salvi
Director
Date: 27th April 2026

Rajendra Pareek
Director
Date: 27th April 2026

Consolidated statement of financial position

As at 31st March 2026

Particulars	Notes	FY 25-26	FY 24-25
		AED	AED
ASSETS			
Non-current assets			
Property, Plant and equipment	16	231,177,689	161,157,266
Right-of-use assets	17	19,704,082	19,243,524
Intangible assets	18	169,124	247,182
Total non-current assets		251,050,895	180,647,972
Current assets			
Inventories	20	23,885,464	-
Other Assets	19	1,265,805	2,954,826
Trade and other receivables	21	6,067,242	2,089,390
Due from related parties	22	2,637,791	180,189
Other financial assets	23	470,088	158,060
Cash and cash equivalents	24	1,944,283	3,709,469
Total current assets		36,270,673	9,091,934
Total assets		287,321,568	189,739,906
Equity			
Share capital		84,651,413	59,700,000
Share based payment reserve		-	9,946,020
Retained earnings		(22,485,217)	(4,464,895)
Total Equity		62,166,196	65,181,125
Non-current liabilities			
Interest Bearing Loans and Borrowings	25	141,243,790	87,457,784
Lease liability	26	22,243,604	22,113,644
Long term Provision for employees	27	451,979	315,511
Total non-current liabilities		163,939,373	109,886,939
Current liabilities			
Interest Bearing Loans and Borrowings	25	38,554,168	293,131
Current maturity of lease liability	26	2,418,912	241,656
Trade and other payables	27	19,768,335	14,081,273
Due to related parties	22	474,584	55,782
Total current liabilities		61,215,999	14,671,842
Total liabilities		225,155,372	124,558,781
Total Equity and liabilities		287,321,568	189,739,906

The notes set out on pages 12 to 32 form an integral part of these consolidated financial statements.

To the best of our knowledge, the financial statements present fairly, in all material respects, the financial position, results of operations and cashflows of the Group as of and for the year ended 31st March 2026.

These financial statements were approved by the Directors of the Group on 27th April 2026.

Sameer Salvi

Director

Date: 27th April 2026

Rajendra Pareek

Director

Date: 27th April 2026

Consolidated statement of Cash Flows

For the year ended 31st March 2026

Particulars	Notes	FY 25-26	FY 24-25
		AED	AED
Cash flows from operating activities			
Loss for the year		(18,020,322)	(3,216,993)
Adjustments for:			
Depreciation of right-of-use assets	17	1,353,067	253,352
Depreciation of property, plant and equipment	16	5,082,959	46,067
Interest accrued on lease liability	26	751,826	29,685
Provision for employees' end of service indemnity	27	451,979	51,616
Amortisation of intangible assets	18	78,058	64,981
Operating cash flows before changes in operating assets and liabilities		(10,302,432)	(2,771,292)
Changes in Working Capital:			
Other receivables		(266,640)	(1,826,713)
Inventories		(23,885,464)	-
Trade receivables		(4,023,239)	-
Change in ROU		1,301,262	-
Trade and other payables		5,677,140	2,603,326
Due from related parties		(2,876,404)	(713,934)
Cash generated from operations		(34,375,776)	(2,888,803)
Net cash used in operating activities		(34,375,776)	(2,888,803)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assests		(70,000,324)	(113,003,917)
Payment for Right of Use	26	(1,546,802)	(648,790)
Purchase of intangible assets		-	(80,795)
Net cash used in investing activities		(71,547,126)	(113,733,502)
Cash flows from financing activities			
Disbursement of bank borrowings	25	92,047,043	87,750,915
Issuance of equity shares		12,862,500	-
Interest paid on lease liability		(751,826)	(29,685)
Net cash generated from financing activities		104,157,716	87,721,230
Net decrease in cash and cash equivalents		(1,765,186)	(28,901,075)
Cash and cash equivalents at the beginning of the year		3,709,469	32,610,544
Cash and cash equivalents at the end of the year		1,944,283	3,709,469
Cash and bank balances	24	1,944,283	3,709,469

The notes set out on pages 12 to 32 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on page 6-7.

These financial statements were approved by the Directors of the Group on 27th April 2026.

Sameer Salvi

Director

Date: 27th April 2026

Rajendra Pareek

Director

Date: 27th April 2026

Consolidated statement of Changes in Equity

For the year ended 31st March 2026

	Share Capital	Accumulated Loss	Share based payment reserve	Total
	AED	AED	AED	AED
At 01st April 2024	59,700,000	(1,247,902)	9,946,020	68,398,118
Total Comprehensive loss for the year	-	(3,216,993)	-	(3,216,993)
At 31st March 2025	59,700,000	(4,464,895)	9,946,020	65,181,125
Equity Infusion	12,862,500	-	-	12,862,500
Share Based Payment Reserve	-	-	2,142,893	2,142,893
Share Based Payment Reserve Transferred to Equity	12,088,913	-	(12,088,913)	-
Total Comprehensive Loss for the year	-	(18,020,322)	-	(18,020,322)
At 31st March 2026	84,651,413	(22,485,217)	-	62,166,196

The notes set out on pages 12 to 32 form an integral part of these consolidated financial statement.

These financial statements were approved by the Directors of the Group on 27th April 2026.

Sameer Salvi

Director

Date: 27th April 2026

Rajendra Pareek

Director

Date: 27th April 2026

Notes to the Consolidated financial statements

for the year ended 31st March 2026

1. Status and activity

The Consolidated financial statements comprise financial statements of Asian White Cement Holding Ltd ("the Parent" or 'the Company') and its subsidiary (collectively, 'the Group') for the period ended 31st March, 2026. The Parent is a DIFC Company domiciled and incorporated in UAE under the DIFC Laws. The registered office of the Parent is located at Unit 214, Park Towers, Dubai International Financial Center. Asian Paints Limited, India is the Ultimate Parent Company.

The principal activities of the Group are manufacturing, trading and exporting of white cement and white cement clinker.

During the year the parent issued new shares to its shareholders and current shareholders structure as follows:

Name of Shareholder	As of 31 st March 2026,		As of 31 st March 2025,	
	No of Shares	%	No of Shares	%
Asian Paints Limited	5,079,375	60%	4,179,000	70%
RS Holdings Limited	2,115,995	25%	895,500	15%
Associated Soapstone Distributing Company Pvt Ltd	1,269,771	15%	895,500	15%
	8,465,141		5,970,000	

2. Financial year

These financial statements of the Group related to the period from April 01st, 2025, to March 31st, 2026, with comparatives from April 01st, 2024, to March 31st, 2025.

3. Basis of preparation of Consolidated financial statements

These financial statements of the Group are prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ('IASB') and Interpretation (IFRS Accounting Standards).

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except where otherwise stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Group's

functional and presentation currency.

4. Adoption of new and revised International Financial Reporting Standards (IFRS Accounting Standards)

a. New standards, interpretations and amendments adopted at April 01st, 2025

The Group has adopted the following new standards and amendments in the financial statements for the year ended 31st March 2026 which have not had a significant effect:

- Supplier finance arrangements (Amendments to IAS 7 Statement of cash flows and IFRS 7 financial instruments: Disclosures);
- Lease liability in a sale and leaseback (Amendments to IFRS 16 Leases);
- Classification of liabilities as current or non-current (Amendments to IAS 1 presentation of financial statements); and
- Non-current liabilities with covenants (Amendments to IAS 1 presentation of financial statements).

b. New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1st April 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in foreign exchange Rates).

The following amendments are effective for the period beginning 1st April 2026:

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 Financial instruments and IFRS 7).

The following amendments are effective for the period beginning 1st April 2027:

- IFRS 18 Presentation and Disclosure in Financial statements.
- IFRS 19 Subsidiaries without Public Accountability : Disclosures.

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Group.

5. Material accounting policies

The material accounting policies adopted by the Group are as follows:

Basis of combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in the profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the profit or loss.

Subsidiaries

De-facto control exists in situations where the Group has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Group considers all relevant facts and circumstances, including:

- The size of the Group's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the Group and by other parties;
- Other contractual arrangements;
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the Company and its subsidiary.

("the Group") as if they formed a single entities. Intercompany transactions and balances between group entities are therefore eliminated in full.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Groups holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have,
- the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary. Transactions eliminated on consolidation Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Revenue Recognition

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

Notes

to the Consolidated financial statements for the year ended 31st March 2026 (Contd.)

performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products

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

Capital work-in-progress and capital advances

Capital work in progress is stated at cost and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment or intangible assets.

Capital advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

Property plant and equipment and depreciation

Recognition and measurement

Items of property plant and equipment are measured at cost less accumulated depreciation, and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property plant and equipment.

Depreciation

Items of property plant and equipment are depreciated from the date that they are available for use or, in

respect of self-constructed assets, from the date that the asset is ready for use.

Depreciation is calculated to write off the cost of items of property plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives and is recognised in profit or loss. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is provided consistently on the straight line basis to write off the cost of property plant and equipment over their estimated useful lives as follows:

Assets	Life (years)
Building	6-30
Plant & Machinery	10-20
Motor Vehicle	10
IT Hardware	4
Lab Equipment	2-10
Electronic Equipment	4
Fixtures and office equipment	4 - 8

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The operating entity's plant of the Group was commissioned on 11 October 2025, and accordingly, the related property, plant and equipment were capitalised and depreciation was commenced from that date.

Intangible assets

Recognition and measurement

Intangible assets primarily include expenditure incurred towards the Group's enterprise resource planning system and related software applications. These intangible assets that are acquired / developed by the Group, have finite useful lives and are measured at cost less accumulated amortization and accumulated impairment losses (if any).

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it is related. All other expenditure is recognized in profit or loss as incurred.

Amortization

Amortization is based on the cost of an asset less its residual value. Amortization is recognized in profit or

loss on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The Group has estimated a useful life of 4 years for these intangible assets.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a year in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any material initial direct costs incurred and an estimate of material costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases which are less than 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Foreign currencies

a. Functional and presentation currency

Items included in the financial statements of Group is measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Arab Emirates Dirham' (AED), which is the Group's functional and presentation currency.

Notes

to the Consolidated financial statements for the year ended 31st March 2026 (Contd.)

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Employee benefits

a. Provision for employees end of service benefits.

Provision is made for employees' end of service benefits on the basis prescribed in the UAE Labor Law, for the accumulated period of service at the date of statement of financial position.

For Deputed Employees from Asian Paints Ltd., the Group makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by Asian Paints Ltd. The Group also makes contribution to Asian Paints Ltd. operated defined benefit gratuity plan for employees.

The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

b. Short term employee benefits

Short-term employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

c. Post-employment obligation

The Company operates a single post-employment benefit scheme of defined benefit plan driven by the UAE Federal Law which is based on most recent salary and number of service years. The post-employment benefits plan is not funded. Accordingly, valuations of the obligations under the plan are carried out by qualified actuaries engaged

by the management and are based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed to each year of service and the interest in this obligation in respect of employee service in previous years.

Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance expense.

Finance expenses

Finance expenses comprise of bank charges and interest expense accrued on lease liabilities.

Interest expense is recognised as they accrue, using the effective interest method.

Finance expense that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period to get ready for its intended use or sale. Capitalisation of finance expense ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

Financial Instruments

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

Under IFRS 9, on initial recognition, a financial asset is classified as measured at amortised cost, FVOCI - debt instruments, at FVOCI - equity instruments or at FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Of the aforementioned, only the 'amortised cost' category is relevant to the Group.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Financial assets at amortised cost

Financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and

losses and impairment are recognised in profit or loss.

Financial assets at amortised cost comprise cash and cash equivalents, other financial assets and other receivables.

Non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Other financial liabilities include trade and other payables, due to related party and borrowings, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Share capital

Ordinary shares

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

Sweat Equity Shares

Sweat equity shares are issued by the Group to Riddhi Siddhi Holdings Ltd. pursuant to the terms of the Joint Venture Agreement, upon the achievement and completion of specified milestones and defined conditions precedent as set out in the agreement. Such issuance represents consideration for non-cash contributions rendered by the joint venture partner.

Under IFRS 2, the Group recognized equity-settled share-based payment transactions in accordance with the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services received, the entity measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Inventory

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components,

Notes

to the Consolidated financial statements for the year ended 31st March 2026 (Contd.)

consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

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

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

Value added tax (VAT)

VAT asset/liability is recorded in the financial statements of the Group based on the requirements of the regulations as defined by the Federal Tax Authority (FTA).

Expenses and assets are recognised net of the amount of value added tax, except:

- a. When the value added tax incurred on a purchase of assets or services is not recoverable from the tax authority in case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- b. When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax receivable from the tax authority is included as part of receivables and prepayments and other receivables in the financial statements.

Share Based Payment Reserve / Sweat Equity

Under IFRS 2, the Group recognizes equity-settled share-based payment transactions in accordance with the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably

the fair value of the goods or services received, the entity measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Contingent liabilities

Contingent liabilities are a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Income tax

Income tax expense comprises current tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is not recognized for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.
- In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.
- Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to corporate taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they

intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Global Minimum Top-up Tax

As part of our compliance with OECD Pillar 2 requirements, management has completed an assessment of the Group's exposure under the Global Minimum Tax framework. Based on the evaluation of current operations, jurisdictional tax positions, and applicable exemptions, no additional financial impact has been identified.

Accordingly, no adjustments to the standalone financial statements are required, and existing accounting policies remain unchanged. The Group will continue to monitor developments in Pillar 2 implementation across relevant jurisdictions and reassess as necessary.

Borrowing Cost

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

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

6. Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk; and
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the group and oversight of the Group's risk management framework and is responsible for developing and monitoring the Group's risk management policies. The Group's senior management reports to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is mainly attributable to the Group's other receivables, other financial assets and cash placed with banks.

Cash at banks

The Group limits its exposure to credit risk by only dealing with banks of repute. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated as A1, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly relates to trade and other payables, due to related parties, lease liabilities.

Notes

to the Consolidated financial statements for the year ended 31st March 2026 (Contd.)

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group's overall liquidity risks are monitored on an ongoing basis by the Board of Directors of the Holding Group.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Group's income or the value of its holding of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Currency risk

The Group is mainly exposed to currency risk on purchases and payables that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Dirham ("AED") and United States Dollar ("USD").

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

Interest rate risk

The Group's exposure to interest rate risk is primarily on lease liabilities. The interest rate on the Group's financial instruments is based on market rates. Interest rate risk arises from the possibility that changes in interest rates will affect the interest expense / income of the Group.

Capital management.

The Board of the Holding Group's policy is to maintain a strong capital base to maintain bankers, creditors and market confidence and to sustain future development of the business. The Board of Directors of the Holding Group monitors the return on capital through operating cash flow management. There was no change in the Group's approach to capital management during year.

7. Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a. Estimates and judgments

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the future years mainly comprise the following:

Current/ Non-Current Classification

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

- i. the asset/liability is expected to be realized/settled in the Group's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

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

Estimated useful life and residual values of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives and related amortisation / depreciation charge for its property, plant and equipment and intangible assets on an annual basis. The Group has carried out a review of the residual values and useful lives of property, plant and equipment and intangible assets as at reporting date. Management has not highlighted any requirement for an adjustment to the residual lives and remaining useful lives of the assets for the current or future periods.

Impairment losses on property, plant and equipment, right-of-use assets and intangible asset

The Group reviews its property, plant and equipment, right-of-use assets, and intangible assets to assess if there is an indication of impairment. In determining whether impairment losses should be reported in the profit or loss, the Group makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of property, plant and equipment, right-of-use assets, and intangible assets. Accordingly, a provision for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property, plant and equipment, right-of-use assets, and intangible assets.

Lease term

In determining the lease term, the Group applies the definition of a lease contract to determine the period for which the contract is enforceable. The lease term is the non-cancellable period of the lease, together with:

- Optional renewable periods if the lessee is reasonably certain to extend; and

- Periods after an optional termination date if the lessee is reasonably certain not to terminate early.

A lease is no longer enforceable when the lessee and the lessor each has the right to terminate the lease without permission from the other party, with no more than an insignificant penalty.

The management considers various facts and circumstances that create an economic incentive to exercise the renewal option. Extension / renewal options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are most relevant:

- If there are significant penalties (contractual) to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- If the lease improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate); and
- The Group also considers other factors including current market conditions, historical impairments on related CGUs, business strategy, etc.

In determining the lease term where the enforceability of the option solely rests with the Group, the management considers all facts and circumstances that create an economic incentive to exercise the option.

Discount rate used for initial measurement of lease liability

The management has considered the prevailing market rate as the incremental borrowing rate for discounting the lease payments. The management has assessed that the Group would have to pay to borrow at a similar rate and term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar economic environment.

Notes

to the Consolidated financial statements for the year ended 31st March 2026 (Contd.)

8. Revenue

	FY 25-26	FY 24-25
	AED	AED
Local Sales	2,714,823	-
Export Sales (refer note 8.1)	10,783,592	-
Sale of Raw Materials	35,000	-
	13,533,415	-

8.1 Revenue by geographical segments is summarized below

	FY 25-26	FY 24-25
	AED	AED
South Asia region	10,274,681	-
Gulf region	481,759	-
African region	27,152	-
	10,783,592	-

9. Other Income

	FY 25-26	FY 24-25
	AED	AED
Group Service Charges	407,217	417,359
Scrap Sales	48,670	-
Other Recoveries	102,753	-
	558,640	417,359

10. Cost of Material Consumed

	FY 25-26	FY 24-25
	AED	AED
Raw Material and Packing Material Consumed		
Raw materials and work in progress at the beginning of the year	-	-
Add: Raw materials purchased during the year	21,822,054	-
Less: Cost of raw materials sold	-	-
Less: Raw materials and work in progress at the end of the year	(13,490,077)	-
Cost of raw materials consumed	8,331,977	-

11. Changes in Inventories of Finished Goods, Work in Progress

	FY 25-26	FY 24-25
	AED	AED
Finished Goods inventory (Raw Material and Packing Material)	-	-
Semi-Finished Good inventory (Raw Material and Packing Material)	-	-
Direct Cost Loading		
Employee Benefit Expenses	-	-
Other Expenses	-	-
Depreciation and Amortisation Expense	-	-
Finished goods at the beginning of the year	-	-
Add: Finished goods purchased during the year	-	-
Finished Good Material Cost	3,882,780	-
Semi-Finished Good Material Cost	120,525	-
Direct Cost Loading		
Employee Benefit Expenses	856,728	-
Other Expenses	2,973,599	-
Depreciation and Amortisation Expense	1,310,738	-
Less: Finished goods at the end of the year	(9,144,370)	-
Changes in Inventories of Finished Goods, Work in Progress	(9,144,370)	-

Inventory is valued at cost, which includes direct costs attributable to the production of finished goods and is appropriately loaded to inventory. The corresponding costs recognized in the Statement of Profit and Loss are presented on a gross basis.

12. Employee Benefit Expenses

	FY 25-26	FY 24-25
	AED	AED
Salaries and wages	3,196,785	307,993
Contribution to provident and other funds	251,092	113,514
Staff welfare expenses	4,663,374	568,652
Employee Stock Options Expense	30,415	49,587
	8,141,666	1,039,746

Notes

to the Consolidated financial statements for the year ended 31st March 2026 (Contd.)

13. Other Expenses

	FY 25-26	FY 24-25
	AED	AED
Power and fuel	3,167,711	20,388
Repair and maintenance	177,254	-
Auditors' Remuneration	90,000	83,000
Advertisement expenses	199,794	-
Insurance	134,630	-
Travelling expenses	168,052	48,274
Royalty	1,749,998	750,000
Electricity expenses	73,608	-
Bank charges	333,768	503,482
Rent and amenity charges	125,085	-
Printing, stationery and communication expenses	40,404	7,119
Legal and professional expenses	466,984	375,222
Training and recruitment	96,985	38,886
Security expenses	204,446	75,968
Miscellaneous expenses	3,749,015	298,259
Selling & Distribution Expense	2,490,438	-
Laboratory expenses	63,571	-
	13,331,743	2,200,597

14. Finance Costs

	FY 25-26	FY 24-25
	AED	AED
Interest on bank borrowings	4,186,225	-
Interest on lease liabilities (Refer Note 26)	751,052	29,685
	4,937,277	29,685

15. Depreciation and Amortisation Expense

	FY 25-26	FY 24-25
	AED	AED
Depreciation of Property, Plant and Equipment	5,082,959	45,991
Depreciation of Right-Of-Use assets	1,353,067	253,352
Amortisation of Other Intangible assets	78,058	64,981
	6,514,084	364,324

16. Property, Plant and Equipment

Property, Plant and Equipment	Building	Plant & Machinery	Motor Vehicles	IT Hardware	Lab Equipment	Electronic Equipment	Fixtures and Office equipment	Capital Work in Progress	Total AED
Cost									
At 01 st April 2024	-	-	-	-	-	-	121,287	14,429,810	14,551,097
Additions	60,000	-	-	-	-	-	145,735	146,460,514	146,666,249
At 31 st March 2025	60,000	-	-	-	-	-	267,022	160,890,324	161,217,346
At 01 st April 2025	60,000	-	-	-	-	-	267,022	160,890,324	161,217,346
Additions	-	-	-	-	-	-	-	75,103,382	75,103,382
Transfers	75,530,433	151,368,106	744,000	361,214	246,984	563,076	441,469	(229,255,282)	-
As at 31 st March 2026	75,590,433	151,368,106	744,000	361,214	246,984	563,076	708,491	6,738,424	236,320,728
Depreciation									
At 01 st April 2024	-	-	-	-	-	-	14,013	-	14,013
Charge for the year	3,534	-	-	-	-	-	42,533	-	46,067
At 31 st March 2025	3,534	-	-	-	-	-	56,546	-	60,080
At 01 st April 2025	3,534	-	-	-	-	-	56,546	-	60,080
Charge for the year	1,199,941	3,632,350	28,962	110,198	21,408	70,660	19,440	-	5,082,959
As at 31 st March 2026	1,203,475	3,632,350	28,962	110,198	21,408	70,660	75,986	-	5,143,039
At 31 st March 2026	74,386,958	147,735,756	715,038	251,016	225,576	492,416	632,505	6,738,424	231,177,689
At 31 st March 2025	56,466	-	-	-	-	-	210,476	160,890,324	161,157,266

During the year, an amount of AED 12,088,913 representing the sweat equity portion was capitalized as part of Property, Plant and Equipment. The amount relates to internally contributed non-cash consideration and has been recognized at its fair value in accordance with the applicable accounting policies.

Notes

to the Consolidated financial statements for the year ended 31st March 2026 (Contd.)

17. Right-of-use assets

	FY 25-26	FY 24-25
	AED	AED
Cost		
Opening Balance	20,655,680	20,043,743
Additions	2,459,698	955,833
Lease termination / expiration	(500,797)	(343,896)
Closing Balance	22,614,581	20,655,680
Accumulated depreciation		
Opening Balance	1,412,156	596,671
Additions	2,007,081	1,103,081
Lease termination / expiration	(508,738)	(287,596)
Closing Balance	2,910,499	1,412,156
At 31st March 2026	19,704,082	19,243,524

17.1 Reconciliation of amortization during the year

	FY 25-26	FY 24-25
	AED	AED
Reconciliation of amortization during the year		
Amortization accrued for the year	1,891,661	1,103,081
Less: Amortization pertaining to capital assets transferred to Capital Work in progress	(538,594)	(849,729)
Total	1,353,067	253,352

18. Intangible assets

	FY 25-26	FY 24-25
	AED	AED
Cost		
Opening Balance	312,163	231,368
Additions during the year	-	80,795
Closing Balance	312,163	312,163
Accumulated amortization		
Opening Balance	64,981	-
Charge for the year	78,058	64,981
Closing Balance	143,039	64,981
At 31st March 2026	169,124	247,182

Intangible assets primarily include expenditure incurred towards the RAMCO enterprise resource planning system and related software.

19. Other assets

	FY 25-26	FY 24-25
	AED	AED
Capital Advance	1,265,805	2,954,826
	1,245,805	2,934,826

Other Assets primarily include Advances to capex vendors are presented at present value.

20. Inventories

	FY 25-26	FY 24-25
	AED	AED
Raw materials and Packing Material	13,490,077	-
Work in Progress	120,525	-
Finished Goods	9,023,845	-
Consumables Inventory	1,251,017	-
	23,885,464	-
Less: Allowance for slow-moving and obsolete inventories	-	-
At 31st March 2026	23,885,464	-

21. Trade and other receivables

	FY 25-26	FY 24-25
	AED	AED
Trade receivables	4,023,239	-
VAT receivables	597,616	1,691,173
Advances paid to suppliers	546,939	-
Prepaid expenses	433,910	246,840
Customs receivables	358,765	116,849
Other receivables	105,811	20,671
Advances to employees	962	13,857
	6,067,242	2,089,390

The carrying value of trade and other receivables classified at amortized cost approximates to their fair value. The Company has performed an impairment assessment for the outstanding trade receivables and concluded that there is no impairment provision required towards expected credit loss.

22. Related party transactions and balances

The Group, in the normal course of business, carries out transactions with other enterprises, which fall within the definition of a related party contained in International Accounting Standard 24. Pricing policies and terms of these transactions are approved by the Group's management and are at mutually agreed rates.

The Group enters transactions with its related parties mainly comprising the Ultimate Holding Group, the Holding Group, its shareholders, entities under common control and with its key management personnel or their close family members.

Notes

to the Consolidated financial statements for the year ended 31st March 2026 (Contd.)

The significant related party transactions during the year are as follows:

	FY 25-26	FY 24-25
	AED	AED
Sales of Goods	7,705,635	-
Manpower Related	664,546	2,095,286
Purchase of Goods	1,166,226	226,542
Reimbursement of expenses	300,729	294,611
ERP Related recharges	-	84,835
Related party transactions	FY 25-26	FY 24-25
	AED	AED
Due from related parties		
<i>(Entities under common control)</i>		
Asian Paints Limited	2,613,575	180,189
Berger Paints Emirates Limited Co LLC	24,216	-
	2,637,791	180,189
Due to related parties		
<i>(Entities under common control)</i>		
Asian Paints Limited	69,496	-
Berger Paints Emirates Limited Co LLC	7,107	21,616
Riddhi Siddhi Crushers and Land Transport	397,981	34,166
	474,584	55,782

23. Other Financial Assets

	FY 25-26	FY 24-25
	AED	AED
Refundable deposits	470,088	158,060
	470,088	158,060

Refundable deposits majorly represent amounts paid to Etihad WE and deposits paid for the release of employees' passports and employment visas with the Fujairah Free Zone Authority, Fujairah.

24. Cash and cash equivalents

	FY 25-26	FY 24-25
	AED	AED
Cash at bank	1,944,283	3,709,469
	1,944,283	3,709,469

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the local central bank. Accordingly, the management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. The management of the Company has assessed the impairment on bank balance to be not material.

25. Interest Bearing Loans and Borrowings

		FY 25-26	FY 25-26	FY 25-26	FY 24-25	FY 24-25	FY 24-25
		Amounts repayable within 1 year	Amounts repayable after 1 year	Total	Amounts repayable within 1 year	Amounts repayable after 1 year	Total
		AED	AED	AED	AED	AED	AED
HSBC Bank - AED	(Note 25.1)	4,200,984	78,487,034	82,688,018	25,168	43,417,931	43,443,099
HSBC Bank - USD	(Note 25.1)	3,759,939	62,756,756	66,516,695	267,963	44,039,853	44,307,816
Trade Loan - USD	(Note 25.1)	4,618,568	-	4,618,568	-	-	-
Bank Overdraft		25,974,677	-	25,974,677	-	-	-
		38,554,168	141,243,790	179,797,958	293,131	87,457,784	87,750,915

25.1 Bank Loans

	Balance as at 01.04.2025	Loans obtained	Repayments	Balance as at 31.03.2026	Current as at 31.03.2026	Non current as at 31.03.2026
	AED	AED	AED	AED	AED	AED
HSBC Bank - AED	43,443,099	39,244,919	-	82,688,018	4,200,984	78,487,034
HSBC Bank - USD	44,307,816	22,208,880	-	66,516,695	3,759,939	62,756,756
Trade Loan - AED	-	250,396	(250,396)	-	-	-
Trade Loan - USD	-	13,568,784	(8,950,216)	4,618,568	4,618,568	-
	87,750,915	75,272,979	(9,200,612)	153,823,281	12,579,491	141,243,790

The Group has signed USD 22.5 Million term loan facility agreement with Hongkong and Shanghai Banking Corporation Ltd, Hong Kong Branch which bears interest of 3 Months Term SOFR +1.4% on drawn balances and AED 82.62 million term loan facility agreement with HSBC Bank Middle East Ltd which bears interest of 3 Months Term EIBOR +1.4% on drawn balances.

The Company has a financing facility with bank for AED 33 million (2025: Nil) in the form of short-term loan which bears interest of 1 Months Term EIBOR +1.1% and import cash line facility with bank for USD 12 million which bears interest of Term SOFR +0.8% on drawn balance.

26. Lease liabilities

	FY 25-26	FY 24-25
	AED	AED
Opening Balance	22,355,300	20,654,093
Additions during the year	2,317,044	649,048
Finance cost accrued		
- Charged to Profit & loss account	751,826	29,685
- Transferred to Capital Work in progress	785,146	1,429,608
Payments made against lease liabilities	(1,546,802)	(648,790)
	22,243,604	22,113,644
Current maturity of lease liabilities	2,418,912	241,656
At 31st March 2026	24,662,516	22,355,300

Notes

to the Consolidated financial statements for the year ended 31st March 2026 (Contd.)

27. Trade and other payables

	FY 25-26	FY 24-25
	AED	AED
Current		
Trade payables	608,313	13,620,349
Other payables	18,226,309	-
Bonus provision	666,855	304,415
Payable to employees	204,830	138,722
Overdraft Interest payable	20,676	-
Advance received from Customers	41,352	-
VAT payable	-	17,787
	19,768,335	14,081,273
Non-Current		
Payable to Employees	451,979	315,511
	451,979	315,511

The Group has financial risk management policies in place to ensure that payables are paid within the credit time frame. The trade and other payables which are classified as financial liabilities are measured at amortized cost which approximates to their fair value.

28. Financial instruments

(a) Credit risk

Exposure to credit risk

The carrying amount of financial assets at amortized cost represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

The carrying amount of financial instruments at amortized cost is as follows:

	FY 25-26	FY 24-25
	AED	AED
Cash at Bank	1,944,283	3,709,469
Prepayment and other receivables	6,067,242	2,262,322
Other Financial Assets	1,265,805	2,954,826

(b) Liquidity risk

The Group has built an appropriate liquidity risk management framework for the management of its short-, medium- and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

29. Contingent Liabilities and Capital Commitments

Contingent Liabilities:

Total outstanding contingent liabilities towards Bank Guarantees and Letter of Credit of AED 1,301,882 issued as on 31st March 2026 (31st March 2025 AED 2,897,399).

Capital Commitments:

Total Capital Commitments of AED 23,725,019 outstanding as on 31st March 2026 (31st March 2025 AED 52,103,572).

30. Taxation

UAE corporate tax

The Cabinet of Minister Decision No. 116/2022 released in January 2023, specified that a rate of 9% would apply to the taxable income exceeding AED 375,000 and a rate of 0% will be applied to the taxable income not exceeding AED 375,000 and a rate of 0% will be applied on qualifying income of free zone entities.

The management has assessed the impact of Corporate Tax Law on Group, specifically in relation to the criteria for qualifying as a free zone entity. Although the Group's total income for the year exceeds the taxable income threshold, it meets the following criteria to qualify for the free zone exemption:

The Group maintains adequate substance in the free zone.

- All income is derived from qualifying activities.
- Revenue from excluded and non-qualifying activities is within the "De-Minimis" criteria.
- The Group has not elected to be subject to corporate tax.
- The Group maintains audited financial statements for the tax period.

Transfer Pricing

Intercompany price setting at the Group follows the transfer pricing audit regulations, enabling legal entities, including the Group to achieve an arm's length net profit aligned with the functions, assets and risks that are performed. To determine if a transaction was conducted at arm's length, the group generally relies on external benchmarks to establish the arm's length range of intercompany transfer pricing results

During the year, the Group has incurred tax loss of AED 18,020,322. Management has assessed that at March 31, 2026 it is not probable that such deferred tax assets can be recovered against future taxable profits. Accordingly, no deferred tax assets on tax loss is recognised for the year ending March 31st, 2026.

Domestic Minimum Top-Up Tax (DMTT)

The Group has assessed the applicability of the Domestic Minimum Top-Up Tax (DMTT) in accordance with applicable UAE Pillar Two regulations. Although the Group meets the global revenue threshold of EUR 750 million, after considering the Substance-Based Income Exclusion relating to eligible payroll and tangible assets, no residual top-up tax liability arises. Accordingly, no DMTT is payable for the year ended 31st March, 2026.

31. Investment in Subsidiary

Name of subsidiary	Legal status	Shareholding details	Principal activities
Asian White Inc. FZE, Fujairah	Registered under Fujairah Freezone Laws	100% owned by Asian White Cement Holding Ltd.	Manufacturing, trading, and exporting of white cement and white cement clinker

32. Subsequent Event

Subsequent to the reporting date, the geopolitical tension in some parts of Middle East has emerged which may have potential future impact on business operations and financial stability. As these events are non-adjusting subsequent events, no adjustments to the financial statements have been made.

Given the evolving nature of these events, it is not possible for the management to assess the potential financial impact, if any, on its business operations. The management will continue to monitor these events and assess their potential impact on the business.

33. Comparative figures

The previous year's figures have been regrouped or reclassified wherever necessary to make them comparable to those of the current year.

Notes

to the Consolidated financial statements for the year ended 31st March 2026 (Contd.)

The Comparative figures have been reclassified as follows;

	As previously reported 31 st March 2025	Reclassification	As classified 31 st March 2025
General and administrative expenses	3,101,185	(3,101,185)	-
	3,101,185	(3,101,185)	-
Employee Benefit Expenses	-	1,039,746	1,039,746
Other Expenses	-	1,697,115	1,697,115
Depreciation and Amortisation Expense	-	364,324	364,324
	-	3,101,185	3,101,185
	As previously reported 31 st March 2025	Reclassification	As classified 31 st March 2025
Finance Cost	533,167	(503,482)	29,685
	533,167	(503,482)	29,685
Other Expenses	-	503,482	503,482
	-	503,482	503,482

The 2025 comparatives have been reclassified in these financial statements to include the effect of the adjustments noted as above. Under IAS 1 Presentation of Financial Statements, this reclassification would ordinarily require the presentation of a third statement of profit or loss and other comprehensive income at 31st March 2025. However, as this reclassification did not impact the financial performance or financial position of the Group reported for the year ended 31st March 2024, the management does not consider that this would provide useful additional information and, in consequence, have not presented a third statement of profit or loss and other comprehensive income.

These financial statements were approved by the Directors of the Group on 27th April 2026.

Sameer Salvi

Director

Date: 27th April 2026

Rajendra Pareek

Director

Date: 27th April 2026



Asian White Inc. FZE

Board of Directors

Sameer Salvi

Pragyan Kumar

Joseph Eapen

Chinmay Bohara

Rajendra Pareek

Auditors

BDO Chartered Accountants and Advisors

Registered Office

P. O. Box 51241, Fujairah,
United Arab Emirates

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Directors' Report

The Board of Directors are pleased to present the 3rd Annual Report along with the audited financial statements of Asian White Inc. FZE ("the Establishment"), which comprise the statement of financial position as on 31st March 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended 31st March 2026 and report as follows:

Directors

The following individuals served as Directors of the Establishment during the financial year ended 31st March 2026 and at the date of this report:

1. Sameer Salvi
2. Pragyan Kumar
3. Joseph Eapen
4. Chinmay Bohara
5. Rajendra Pareek

Principal Activities

The principal activities of the Establishment during the financial year 2025-26 were manufacturing, trading and export of White Cement Clinker and White Cement.

Results

The total comprehensive loss of the Establishment for the financial year ended 31st March 2026 was AED 17,770,343 (31st March 2025: AED 3,013,829).

Share Capital

The Establishment was incorporated with an authorized share capital of AED 60,000,000 divided into 6,000,000 equity shares of AED 10 each and subscribed and paid-up equity share capital of AED 16,900,000 divided into 1,690,000 equity shares of AED 10 each.

During the year under review, the authorized share capital of the Establishment, was increased from AED 60,000,000 divided into 6,000,000 equity shares of AED 10 each to AED 85,000,000 divided into 8,500,000 equity shares of AED 10 each. Consequent to the same, the Articles of Association of the Establishment was amended with the approval of the shareholders to reflect the authorized share capital.

During the year under review, the paid-up equity share capital of the Establishment was increased from AED 57,800,000 divided into 5,780,000 equity shares of AED 10 each to AED 81,751,410 divided into 8,175,141 equity shares of AED 10 each. Consequent to the same, the Articles of

Association of the Establishment was amended with the approval of the shareholders to reflect the revised paid-up equity share capital, pursuant to the allotment of equity shares from time to time as stated below:

- (i) 514,500 equity shares of AED 10 each, aggregating to AED 5,145,000, were allotted to Asian White Cement Holding Limited ("the holding company") on 10th September 2025.
- (ii) 671,750 equity shares of AED 10 each aggregating to AED 6,717,500 were allotted to the holding company on 16th January 2026.
- (iii) 1,208,891 equity shares of AED 10 each were allotted to the holding company on 16th January 2026 for consideration other than cash, pursuant to the discharge of its obligation to issue non-cash shares to RS Holdings Limited in fulfilment of its agreed equity commitment.

Basis of Accounting

The Directors believe that the basis of the preparation of the financial statements is appropriate, and the Establishment will be able to continue its operations for at least twelve months from the date of this report. Accordingly, the Directors believe that the classification and carrying amount of assets and liabilities as stated in the financial statements are appropriate.

Events subsequent to the Balance Sheet date

No matters or circumstances have occurred since the end of the financial year 31st March 2026 till the date of this report, which significantly affected or may significantly affect the operations of the Establishment, the results of those operations, or the state of affairs of the Establishment in future financial years.

Auditors

The Board of Directors has appointed BDO Chartered Accountants & Advisors (Firm Registration No. 522) as the Statutory Auditors of the Establishment for conducting statutory audit for the financial year 2025-26, and the said appointment has been duly approved by the shareholders of the Establishment.

Others

The financial statements for the financial year ended 31st March 2026 have been audited by BDO Chartered Accountants and Advisors (Firm Registration No. 522).

For the financial year ended 31st March 2026, the Directors of the Establishment state that in their opinion:

- i. the accompanying statement of profit or loss and other comprehensive income of the Establishment is drawn up to give a true and fair view of the results of the Establishment for the financial year ended 31st March 2026;
- ii. the accompanying statement of changes in equity of the Establishment is drawn up to give a true and fair view of the changes in equity of the Establishment for the financial year ended 31st March 2026;
- iii. the accompanying statement of financial position of the Establishment is drawn up to give a true and fair view of the state of affairs of the Establishment for the financial year ended 31st March 2026 ; and
- iv. the accompanying statement of cash flows of the Establishment is drawn up to give a true and fair view of the cash flows of the Establishment for the financial year ended 31st March 2026.

For and on behalf of the Board of Directors

Sameer Salvi
Chairman

Place: Mumbai
Date: 27th April 2026

Independent Auditor's Report

To the Shareholders of
Asian White Inc. FZE, Fujairah

Report on the Audit for the Financial Statements

Opinion

We have audited the financial statements of Asian White Inc. FZE, Fujairah ("the Establishment"), which comprise the statement of financial position as at March 31st, 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policies.

In our opinion, the financial statements of the Establishment give a true and fair view of the financial position of the Establishment as at March 31st, 2026, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards and applicable provision under Emiri Decree No. 1 for the year 1992 of H.H Sheikh Hamad Bin Mohammad Al Sharqi, Ruler of Fujairah and the implementing rules and regulations there to issue by the Fujairah Free Zone, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Establishment's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Establishment's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Establishment to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory requirements

We have obtained all the information and explanations, which were necessary for the purpose of our audit and no violation of the applicable provisions under Emiri Decree No. 1 for the year 1992 of H.H Sheikh Hamad Bin Mohammad Al Sharqi, Ruler of Fujairah and the implementing rules and regulations there to issue by the Fujairah Free Zone came to our attention which have adverse effect on the business of the Establishment or its financial position.

BDO Chartered Accountants and Advisors
Sharjah

Mohamed Afzal Koya Ali

Reg. No. 522

April 27, 2026

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March 2026

Particulars	Notes	FY 25-26	FY 24-25
		AED	AED
REVENUE FROM OPERATIONS			
Revenue from Sale of Products	8	13,533,415	-
Other Income	9	151,423	-
Total Income (I)		13,684,838	-
EXPENSES			
Cost of Materials Consumed	10	8,331,977	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	11	(9,144,370)	-
Employee Benefit Expenses	12	8,000,768	739,719
Other Expenses	13	13,036,898	2,053,452
Total Expenses (II)		20,225,273	2,793,171
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		(6,540,435)	(2,793,171)
Finance Costs	14	4,917,666	10,723
Depreciation and Amortisation Expense	15	6,312,242	209,935
LOSS BEFORE TAX		(17,770,343)	(3,013,829)
Tax Expense		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(17,770,343)	(3,013,829)

The notes set out on pages 12 to 31 form an integral part of these financial statements.

The independent auditors' report is set out on pages 6 to 7.

These financial statements were approved by the Directors of the Establishment on 27th April 2026.

Sameer Salvi

Director

Date: 27th April 2026

Rajendra Pareek

Director

Date: 27th April 2026

Statement Of Financial Position

As at 31st March 2026

Particulars	Notes	FY 25-26	FY 24-25
		AED	AED
ASSETS			
Non-current assets			
Property, Plant and equipment	16	231,156,217	161,133,250
Right-of-use assets	17	19,248,587	18,685,047
Intangible assets	18	169,124	247,182
		250,573,928	180,065,479
Current assets			
Inventories	20	23,885,464	-
Other Assets	19	1,245,805	2,934,826
Trade Receivables other receivables	21	6,063,810	2,006,747
Due from related parties	22	2,391,561	-
Other financial assets	23	402,363	119,806
Cash and cash equivalents	24	82,895	2,529,463
Total current assets		34,071,898	7,590,842
Total assets		284,645,826	187,656,321
Equity			
Share capital		75,033,913	57,800,001
Capital contribution towards share capital	31	6,717,500	-
Share based payment reserve		-	9,946,020
Retained earnings		(21,765,190)	(3,994,847)
Total Equity		59,986,223	63,751,174
Non-current liabilities			
Interest Bearing Loans and Borrowings	25	141,243,790	87,457,784
Lease liability	26	22,243,604	21,930,263
Long term Provision for employees	27	340,341	76,538
Total non-current liabilities		163,827,735	109,464,585
Current liabilities			
Interest Bearing Loans and Borrowings	25	38,554,168	293,131
Current maturity of lease liability	26	2,217,987	75,434
Trade and other payables	27	19,519,487	13,806,766
Due to related parties	22	540,226	265,231
Total current liabilities		60,831,868	14,440,562
Total liabilities		224,659,603	123,905,147
Total Equity and liabilities		284,645,826	187,656,321

The notes set out on pages 12 to 31 form an integral part of these financial statements.

To the best of our knowledge, the financial statements present fairly, in all material respects, the financial position, results of operations and cashflows of the Establishment as of and for the year ended 31st March 2026.

These financial statements were approved by the Directors of the Establishment on 27th April 2026.

Sameer Salvi
Director
Date: 27th April 2026

Rajendra Pareek
Director
Date: 27th April 2026

Statement of Cash Flows

For the year ended 31st March 2026

Particulars	Notes	FY 25-26	FY 24-25
		AED	AED
Cash flows from operating activities			
Loss for the year		(17,770,343)	(3,013,829)
Adjustments for:			
Depreciation of right-of-use assets	17	1,157,008	101,931
Depreciation of property, plant and equipment	16	5,077,175	43,098
Interest accrued on lease liability	26	731,442	10,723
Provision for employees' end of service indemnity	27	263,803	76,538
Amortisation of intangible assets	18	78,058	64,981
Operating cash flows before changes in operating assets and liabilities		(10,462,857)	(2,716,558)
Changes in Working Capital:			
Prepayments and other receivables		(228,257)	(1,708,905)
Inventories		(23,885,464)	-
Trade receivables		(4,023,239)	-
Change in ROU		1,262,645	-
Trade and other payables		5,643,661	2,073,594
Due from related parties		(2,666,555)	(411,829)
Cash generated from operations		(34,360,066)	(2,763,698)
Net cash used in operating activities		(34,360,066)	(2,763,698)
Cash flows from investing activities			
Purchase of property, plant and equipment		(70,262,427)	(113,156,729)
Payment for Right of Use	26	(1,002,178)	(190,450)
Purchase of intangible assets		-	(80,795)
Net cash used in investing activities		(71,264,605)	(113,427,974)
Cash flows from financing activities			
Disbursement of bank borrowings	25	92,047,043	87,750,915
Issuance of equity shares		11,862,500	-
Interest paid on lease liability		(731,442)	(10,723)
Net cash generated from financing activities		103,178,101	87,740,192
Net decrease in cash and cash equivalents		(2,446,568)	(28,451,480)
Cash and cash equivalents at the beginning of the year		2,529,463	30,980,943
Cash and cash equivalents at the end of the year		82,895	2,529,463
Cash and bank balances	24	82,895	2,529,463

The notes set out on pages 12 to 31 form an integral part of these financial statements.

The independent auditors' report is set out on page 6-7

These financial statements were approved by the Directors of the Establishment on 27th April 2026.

Sameer Salvi

Director

Date: 27th April 2026

Rajendra Pareek

Director

Date: 27th April 2026

Statement of Changes in Equity

For the year ended 31st March 2026

	Share Capital	Accumulated Loss	Capital Contribution	Share based payment reserve	Total
	AED	AED	AED	AED	AED
At 01st April 2024	37,800,000	(981,018)	20,000,000	9,946,020	66,765,002
Share Capital Introduced	20,000,000	-	(20,000,000)	-	-
Total Comprehensive loss for the year	-	(3,013,829)	-	-	(3,013,829)
At 31st March 2025	57,800,000	(3,994,847)	-	9,946,020	63,751,173
Equity Infusion	5,145,000	-	-	-	5,145,000
Capital contribution towards share capital	-	-	6,717,500	-	6,717,500
Share Based Payment Reserve	-	-	-	2,142,893	2,142,893
Share Based Payment Reserve Transferred to Equity	12,088,913	-	-	(12,088,913)	-
Total Comprehensive loss for the year	-	(17,770,343)	-	-	(17,770,343)
At 31st March 2026	75,033,913	(21,765,190)	6,717,500	-	59,986,223

The notes set out on pages 12 to 31 form an integral part of these financial statement.

These financial statements were approved by the Directors of the Establishment on 27th April 2026.

Sameer Salvi

Director

Date: 27th April 2026

Rajendra Pareek

Director

Date: 27th April 2026

Notes to the Financial Statements

for the year ended 31st March 2026

1. Status and activity

Asian White Inc. FZE ("the Establishment") is a wholly owned subsidiary of Asian White Cement Holding Limited. ("AWCHL") The registered office of the Establishment is located at PO Box 51241, Fujairah Free Zone. The principal activities of the Establishment are manufacturing, trading and exporting of White Cement and White Cement Clinker.

The Establishment is fully owned by AWCHL, and the Asian Paints Limited, India is the Ultimate Parent Company.

These financial statements include financial performance and position of Asian White Inc. FZE ('the Establishment') for the year ended 31st March 2026 were authorised for issue by the Board of Directors on April 27, 2026.

2. Financial year

These financial statements of the Establishment related to the period from April 01, 2025, to March 31, 2026, with comparatives from April 01, 2024, to March 31, 2025.

3. Basis of preparation of financial statements

These financial statements of the Establishment are prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ('IASB') and Interpretation (IFRS Accounting Standards).

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except where otherwise stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Establishment's functional and presentation currency.

4. Adoption of new and revised International Financial Reporting Standards (IFRS Accounting Standards)

a. New standards, interpretations and amendments adopted at April 01, 2025

The Establishment has adopted the following new standards and amendments in the financial

statements for the year ended 31st March 2026 which have not had a significant effect:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates), which introduces guidance on determining the exchange rate when a currency is not exchangeable and requires additional disclosures in such circumstances.
- Supplier finance arrangements (Amendments to IAS 7 Statement of cash flows and IFRS 7 financial instruments: Disclosures);
- Lease liability in a sale and leaseback (Amendments to IFRS 16 Leases);
- Classification of liabilities as current or non-current (Amendments to IAS 1 presentation of financial statements); and
- Non-current liabilities with covenants (Amendments to IAS 1 presentation of financial statements).

b. New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Establishment has decided not to adopt early.

The following amendments are effective for the period beginning 1st April 2026:

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 Financial instruments and IFRS 7).

The following amendments are effective for the period beginning 1st April 2027:

- IFRS 18 Presentation and Disclosure in Financial statements.
- IFRS 19 Subsidiaries without Public Accountability : Disclosures.

The Establishment is currently assessing the impact of these new accounting standards and amendments. The Establishment does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Establishment.

5. Material accounting policies

The material accounting policies adopted by the Establishment are as follows:

Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services. It is measured at transaction price (net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products

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

Capital work-in-progress and capital advances

Capital work in progress is stated at cost and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment or intangible assets.

Capital advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

Property plant and equipment and depreciation

Recognition and measurement

Items of property plant and equipment are measured at cost less accumulated depreciation, and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their

intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property plant and equipment.

Depreciation

Items of property plant and equipment are depreciated from the date that they are available for use or, in respect of self-constructed assets, from the date that the asset is ready for use.

Depreciation is calculated to write off the cost of items of property plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives and is recognised in profit or loss. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Establishment will obtain ownership by the end of the lease term.

Depreciation is provided consistently on the straight line basis to write off the cost of property plant and equipment over their estimated useful lives as follows:

Assets	Life (years)
Building	6-30
Plant & Machinery	10-20
Motor Vehicle	10
IT Hardware	4
Lab Equipment	2-10
Electronic Equipment	4
Fixtures and office equipment	4 - 8

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The operating entity's plant of the Establishment was commissioned on 11 October 2025, and accordingly, the related property, plant and equipment were capitalised and depreciation was commenced from that date.

Intangible assets

Recognition and measurement

Intangible assets primarily include expenditure incurred towards the Establishment's enterprise resource

Notes

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

planning system and related software applications. These intangible assets that are acquired / developed by the Establishment, have finite useful lives and are measured at cost less accumulated amortization and accumulated impairment losses (if any).

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it is related. All other expenditure is recognized in profit or loss as incurred.

Amortization

Amortization is based on the cost of an asset less its residual value. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The Establishment has estimated a useful life of 4 years for these intangible assets.

Leases

At inception of a contract, the Establishment assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a year in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Establishment uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Establishment allocates the consideration in the contract to each lease component based on its relative stand-alone prices.

The Establishment recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any material initial direct costs incurred and an estimate of material costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Establishment by the end of the lease term or the cost of the right-of-

use asset reflects that the Establishment will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Establishment's incremental borrowing rate. Generally, the Establishment uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Establishment is reasonably certain to exercise, lease payments in an optional renewal period if the Establishment is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Establishment is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Establishment's estimate of the amount expected to be payable under a residual value guarantee, if the Establishment changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Establishment presents right-of-use assets and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Establishment has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases which are less than 12 months. The Establishment recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Foreign currencies

a. Functional and presentation currency

Items included in the financial statements of Establishment is measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Arab Emirates Dirham' (AED), which is the Establishment's functional and presentation currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Employee benefits

a. Provision for employees end of service benefits.

Provision is made for employees' end of service benefits on the basis prescribed in the UAE Labor Law, for the accumulated period of service at the date of statement of financial position.

For Deputed Employees from Asian Paints Ltd., the Establishment makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by Asian Paints Ltd. The Establishment also makes contribution to Asian Paints Ltd. operated defined benefit gratuity plan for employees.

The Establishment provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs

of these benefits are accrued over the period of employment.

b. Short term employee benefits

Short-term employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid if the Establishment has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

c. Post-employment obligation

The Establishment operates a single post-employment benefit scheme of defined benefit plan driven by the UAE Federal Law which is based on most recent salary and number of service years. The post-employment benefits plan is not funded. Accordingly, valuations of the obligations under the plan are carried out by qualified actuaries engaged by the management and are based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed to each year of service and the interest in this obligation in respect of employee service in previous years.

Provisions

A provision is recognized if, as a result of a past event, the Establishment has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance expense.

Finance expenses

Finance expenses comprise of bank charges and interest expense accrued on lease liabilities.

Interest expense is recognised as they accrue, using the effective interest method.

Finance expense that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period to get ready for its intended use or sale. Capitalisation of finance expense ceases when

Notes

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

substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

Financial Instruments

Financial instruments issued by the Establishment are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Establishment's ordinary shares are classified as equity instruments.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

Under IFRS 9, on initial recognition, a financial asset is classified as measured at amortised cost, FVOCI - debt instruments, at FVOCI - equity instruments or at FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Of the aforementioned, only the 'amortised cost' category is relevant to the Establishment.

The Establishment derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Establishment is recognised as a separate asset or liability. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs.

The Establishment derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Establishment also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Establishment currently has a legally enforceable

right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Financial assets at amortised cost

Financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Financial assets at amortised cost comprise cash and cash equivalents, other financial assets and other receivables.

Non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Other financial liabilities include trade and other payables, due to related party and borrowings, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Share capital

Ordinary shares

Financial instruments issued by the Establishment are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Establishment's ordinary shares are classified as equity instruments.

Sweat Equity Shares

Sweat equity shares are issued by the Establishment to Riddhi Siddhi Holdings Ltd. pursuant to the terms of the Joint Venture Agreement, upon the achievement and completion of specified milestones and defined conditions precedent as set out in the agreement. Such issuance represents consideration for non-cash contributions rendered by the joint venture partner.

Under IFRS 2, the Establishment recognized equity-settled share-based payment transactions in accordance with the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Establishment cannot estimate reliably the fair value of the goods or services received, the entity measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Inventory

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

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

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

Value added tax (VAT)

VAT asset/liability is recorded in the financial statements of the Establishment based on the requirements of the regulations as defined by the Federal Tax Authority (FTA).

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the tax authority in case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax receivable from the tax authority is included as part of receivables and prepayments and other receivables in the financial statements.

Contingent liabilities

Contingent liabilities are a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Establishment, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Establishment does not recognise a contingent liability but discloses its existence in the financial statements.

Income tax

Income tax expense comprises current tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is not recognized for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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- In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.
- Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to corporate taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Global Minimum Top-up Tax

As part of our compliance with OECD Pillar 2 requirements, management has completed an assessment of the Group's exposure under the Global Minimum Tax framework. Based on the evaluation of current operations, jurisdictional tax positions, and applicable exemptions, no additional financial impact has been identified.

Accordingly, no adjustments to the financial statements are required, and existing accounting policies remain unchanged. The Group will continue to monitor developments in Pillar 2 implementation across relevant jurisdictions and reassess as necessary.

Borrowing Cost

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

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

6. Financial risk management

Overview

The Establishment has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk; and
- market risk

This note presents information about the Establishment's exposure to each of the above risks, the Establishment's objectives, policies and processes for measuring and managing risk, and the Establishment's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Establishment's risk management framework and is responsible for developing and monitoring the Establishment's risk management policies. The Establishment's senior management reports to the Board of Directors on its activities.

The Establishment's risk management policies are established to identify and analyse the risks faced by the Establishment, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Establishment's activities. The Establishment, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk is the risk of financial loss to the Establishment if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is mainly attributable to the Establishment's other receivables, other financial assets and cash placed with banks.

Cash at banks

The Establishment limits its exposure to credit risk by only dealing with banks of repute. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated as A1, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the Establishment will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly relates to trade and other payables, due to related parties, lease liabilities.

The Establishment's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Establishment's reputation. The Establishment's overall liquidity risks are monitored on an ongoing basis by the Board of Directors of the Holding Establishment.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Establishment's income or the value of its holding of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Currency risk

The Establishment is mainly exposed to currency risk on purchases and payables that are denominated in a currency other than the respective functional currencies of the Establishment entities, primarily Dirham ("AED") and United States Dollar ("USD").

In respect of other monetary assets and liabilities denominated in foreign currencies, the Establishment ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

Interest rate risk

The Establishment's exposure to interest rate risk is primarily on lease liabilities. The interest rate on the Establishment's financial instruments is based on market rates. Interest rate risk arises from the possibility that changes in interest rates will affect the interest expense / income of the Establishment.

Capital management

The Board of the Holding Establishment's policy is to maintain a strong capital base to maintain bankers,

creditors and market confidence and to sustain future development of the business. The Board of Directors of the Holding Establishment monitors the return on capital through operating cash flow management. There was no change in the Establishment's approach to capital management during year.

7. Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Establishment's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a. Estimates and judgments

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the future years mainly comprise the following:

Current/ Non-Current Classification

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

- i. the asset/liability is expected to be realized/ settled in the Establishment's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/ settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the Establishment does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

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

Estimated useful life and residual values of property, plant and equipment and intangible assets

The Establishment's management determines the estimated useful lives and related amortisation / depreciation charge for its property, plant and equipment and intangible assets on an annual basis. The Establishment has carried out a review of the residual values and useful lives of property, plant and equipment and intangible assets as at reporting date. Management has not highlighted any requirement for an adjustment to the residual lives and remaining useful lives of the assets for the current or future periods.

Impairment losses on property, plant and equipment, right-of-use assets and intangible asset

The Establishment reviews its property, plant and equipment, right-of-use assets, and intangible assets to assess if there is an indication of impairment. In determining whether impairment losses should be reported in the profit or loss, the Establishment makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of property, plant and equipment, right-of-use assets, and intangible assets. Accordingly, a provision for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property, plant and equipment, right-of-use assets, and intangible assets.

Lease term

In determining the lease term, the Establishment applies the definition of a lease contract to determine the period for which the contract is enforceable. The lease term is the non-cancellable period of the lease, together with:

- Optional renewable periods if the lessee is reasonably certain to extend; and
- Periods after an optional termination date if the lessee is reasonably certain not to terminate early.

A lease is no longer enforceable when the lessee and the lessor each has the right to terminate the lease without permission from the other party, with no more than an insignificant penalty.

The management considers various facts and circumstances that create an economic incentive to exercise the renewal option. Extension / renewal options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are most relevant:

- If there are significant penalties (contractual) to terminate (or not extend), the Establishment is typically reasonably certain to extend (or not terminate);
- If the lease improvements are expected to have a significant remaining value, the Establishment is typically reasonably certain to extend (or not terminate); and
- The Establishment also considers other factors including current market conditions, historical impairments on related CGUs, business strategy, etc.

In determining the lease term where the enforceability of the option solely rests with the Establishment, the management considers all facts and circumstances that create an economic incentive to exercise the option.

Discount rate used for initial measurement of lease liability

The management has considered the prevailing market rate as the incremental borrowing rate for discounting the lease payments. The management has assessed that the Establishment would have to pay to borrow at a similar rate and term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar economic environment.

8. Revenue

	FY 25-26	FY 24-25
	AED	AED
Local Sales	2,714,823	-
Export Sales (refer note 8.1)	10,783,592	-
Sale of Raw Materials	35,000	-
	13,533,415	-

8.1 Revenue by geographical segments is summarized below:

	FY 25-26	FY 24-25
	AED	AED
South asia region	10,274,681	-
Gulf region	481,759	-
Aftican region	27,152	-
	10,783,592	-

9. Other Income

	FY 25-26	FY 24-25
	AED	AED
Scrap Sales	48,670	-
Other Recoveries	102,753	-
	151,423	-

10. Cost of Material Consumed

	FY 25-26	FY 24-25
	AED	AED
Raw Material and Packing Material Consumed		
Raw materials and work in progress at the beginning of the year	-	-
Add: Raw materials purchased during the year	21,822,054	-
Less: Cost of raw materials sold	-	-
Less: Raw materials and work in progress at the end of the year	(13,490,077)	-
Cost of raw materials consumed	8,331,977	-

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11. Changes in Inventories of Finished Goods, Work in Progress

	FY 25-26	FY 24-25
	AED	AED
Finished Good inventory (Raw Material and Packing Material)	-	-
Semi Finished Good inventory (Raw Material and Packing Material)	-	-
Direct Cost Loading		
Employee Benefit Expenses	-	-
Other Expenses	-	-
Depreciation and Amortisation Expense	-	-
Finished goods at the beginning of the year	-	-
Add: Finished goods purchased during the year	-	-
Finished Good Material Cost	3,882,780	-
Semi Finished Good Material Cost	120,525	-
Direct Cost Loading		
Employee Benefit Expenses	856,728	-
Other Expenses	2,973,599	-
Depreciation and Amortisation Expense	1,310,738	-
Less: Finished goods at the end of the year	(9,144,370)	-
Changes in Inventories of Finished Goods, Work in Progress	(9,144,370)	-

Inventory is valued at cost, which includes direct costs attributable to the production of finished goods and is appropriately loaded to inventory. The corresponding costs recognized in the Statement of Profit and Loss are presented on a gross basis.

12. Employee Benefit Expenses

	FY 25-26	FY 24-25
	AED	AED
Salaries and wages	1,870,929	285,457
Contribution to provident and other funds	163,918	52,353
Staff welfare expenses	5,973,727	387,100
Employee Stock Options Expense	(7,806)	14,809
	8,000,768	739,719

13. Other Expenses

	FY 25-26	FY 24-25
	AED	AED
Power and fuel	3,167,711	20,388
Repair and Maintenance	177,254	-
Auditors' Remuneration	62,000	55,000
Advertisement expenses	199,794	-
Insurance	134,630	-
Travelling expenses	162,750	48,274
Royalty	1,749,998	750,000
Electricity expenses	73,608	-
Bank charges	326,751	497,538
Rent and amenity charges	4,802	-
Printing, stationery and communication expenses	40,244	7,119
Legal and professional expenses	359,264	271,662
Training and recruitment	96,985	38,886
Security expenses	204,446	75,968
Miscellaneous expenses	3,722,652	288,618
Selling & Distribution Expense	2,490,438	-
Laboratory expenses	63,571	-
	13,036,898	2,053,452

14. Finance Costs

	FY 25-26	FY 24-25
	AED	AED
Interest on bank borrowings	4,186,225	-
Interest on lease liabilities (Refer note 26)	731,442	10,723
	4,917,666	10,723

15. Depreciation and Amortisation Expense

	FY 25-26	FY 24-25
	AED	AED
Depreciation of Property, Plant and Equipment	5,077,175	43,023
Depreciation of Right-Of-Use assets	1,157,008	101,931
Amortisation of Other Intangible assets	78,058	64,981
	6,312,242	209,935

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16. Property, Plant and Equipment

Cost	Building	Plant & Machinery	Motor Vehicles	IT Hardware	Lab Equipments	Electronic Equipments	Fixtures and Office equipment	Capital Work In Progress	Total AED
At 01st April 2024	-	-	-	-	-	-	121,287	14,429,810	14,551,097
Additions	60,000	-	-	-	-	-	118,750	146,460,514	146,639,264
At 31st March 2025	60,000	-	-	-	-	-	240,037	160,890,324	161,190,361
At 01st April 2025	60,000	-	-	-	-	-	240,037	160,890,324	161,190,361
Additions	-	-	-	-	-	-	-	75,100,142	75,100,142
Transfers	75,530,433	151,368,106	744,000	361,214	246,984	556,390	444,915	(229,252,042)	-
As at 31st March 2026	75,590,433	151,368,106	744,000	361,214	246,984	556,390	684,952	6,738,424	236,290,503
Depreciation									
At 01st April 2024	-	-	-	-	-	-	14,013	-	14,013
Charge for the year	3,534	-	-	-	-	-	39,564	-	43,098
At 31st March 2025	3,534	-	-	-	-	-	53,577	-	57,111
At 01st April 2025	3,534	-	-	-	-	-	53,577	-	57,111
Charge for the year	1,199,941	3,632,350	28,962	110,198	21,408	69,141	15,175	-	5,077,175
As at 31st March 2026	1,203,475	3,632,350	28,962	110,198	21,408	69,141	68,752	-	5,134,286
At 31st March 2026	74,386,958	147,735,756	715,038	251,016	225,576	487,249	616,200	6,738,424	231,156,217
At 31st March 2025	56,466	-	-	-	-	-	186,460	160,890,324	161,133,250

During the year, an amount of AED 12,088,913 representing the sweat equity portion was capitalized as part of Property, Plant and Equipment. The amount relates to internally contributed non-cash consideration and has been recognized at its fair value in accordance with the applicable accounting policies.

17. Right-of-use assets

	FY 25-26	FY 24-25
	AED	AED
Cost		
Opening Balance	19,855,634	19,928,322
Additions	1,967,199	155,787
Lease termination / expiration	(119,538)	(228,474)
Closing Balance	21,703,295	19,855,634
Accumulated depreciation		
Opening Balance	1,170,587	511,995
Additions	1,403,659	830,766
Lease termination / expiration	(119,538)	(172,174)
Closing Balance	2,454,708	1,170,587
At 31st March 2026	19,248,587	18,685,047

17.1 Reconciliation of amortization during the year

	FY 25-26	FY 24-25
	AED	AED
Amortization accrued for the year	1,403,659	830,766
Add: Depreciations related to AWI transferred from Holding Co.	291,943	120,894
Less: Amortization pertaining to capital assets transferred to Capital Work in progress	(538,594)	(849,729)
Total	1,157,008	101,931

18. Intangible assets

	FY 25-26	FY 24-25
	AED	AED
Cost		
Opening Balance	312,163	231,368
Additions during the year	-	80,795
Closing Balance	312,163	312,163
Accumulated amortization		
Opening Balance	64,981	-
Charge for the year	78,058	64,981
Closing Balance	143,039	64,981
At 31st March 2026	169,124	247,182

Intangible assets primarily include expenditure incurred towards the RAMCO enterprise resource planning system and related software.

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19. Other assets

	FY 25-26	FY 24-25
	AED	AED
Capital Advance	1,245,805	2,934,826
	1,245,805	2,934,826

Other Assets primarily include Advances to capex vendors are presented at present value.

20. Inventories

	FY 25-26	FY 24-25
	AED	AED
Raw materials and Packing Material	13,490,077	-
Work in Progress	120,525	-
Finished Goods	9,023,845	-
Consumables Inventory	1,251,017	-
	23,885,464	-
Less: Allowance for slow-moving and obsolete inventories	-	-
At 31st March 2026	23,885,464	-

21. Trade and other receivables

	FY 25-26	FY 24-25
	AED	AED
Trade Receivables	4,023,239	-
VAT Receivables	617,109	1,691,173
Advances paid to suppliers	546,939	-
Prepaid expenses	410,985	169,427
Customs Receivables	358,765	116,849
Other Receivables	105,811	17,687
Advances to employees	962	11,611
	6,063,810	2,006,747

The carrying value of trade and other receivables classified at amortized cost approximates to their fair value. The Company has performed the impairment assessment for the outstanding trade receivables and concluded that there is no impairment provision required towards expected credit loss.

22. Related party transactions and balances

The Establishment, in the normal course of business, carries out transactions with other enterprises, which fall within the definition of a related party contained in International Accounting Standard 24. Pricing policies and terms of these transactions are approved by the Establishment's management and are at mutually agreed rates.

The Establishment enters transactions with its related parties mainly comprising the Ultimate Holding Establishment, the Holding Establishment, its shareholders, entities under common control and with its key management personnel or their close family members.

The significant related party transactions during the year are as follows:

	FY 25-26	FY 24-25
	AED	AED
Sales of Goods	7,705,635	-
Manpower Related	1,919,000	1,630,508
Purchase of Goods	1,166,226	226,542
Reimbursement of expenses	39,518	172,731
ERP Related recharges	-	84,835
Key Managerial Remuneration	653,117	631,346
Related party transactions	FY 25-26	FY 24-25
	AED	AED
Due from related parties		
<i>(Entities under common control)</i>		
Asian Paints Limited	2,367,345	-
Berger Paints Emirates Limited Co LLC	24,216	-
	2,391,561	-
Due to related parties		
<i>(Entities under common control)</i>		
Asian Paints Limited	-	42,463
Berger Paints Emirates Limited Co LLC	7,107	21,616
Asian White Cement Holding Ltd	135,138	166,986
Riddhi Siddhi Crushers and Land Transport	397,981	34,166
	540,226	265,231

23. Other Financial Assets

	FY 25-26	FY 24-25
	AED	AED
Refundable deposits	402,363	119,806
	402,363	119,806

Refundable deposits majorly represent amounts paid to Etihad WE and deposits paid for the release of employees' passports and employment visas with the Fujairah Free Zone Authority, Fujairah.

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24. Cash and Cash equivalents

	FY 25-26	FY 24-25
	AED	AED
Cash at bank	82,895	2,529,463
	82,895	2,529,463

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the local central bank. Accordingly, the management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. The management of the Company has assessed the impairment on bank balance to be not material.

25. Interest Bearing Loans and Borrowings

	FY 25-26	FY 25-26	FY 25-26	FY 24-25	FY 24-25	FY 24-25
	Amounts repayable within 1 year	Amounts repayable after 1 year	Total	Amounts repayable within 1 year	Amounts repayable after 1 year	Total
	AED	AED	AED	AED	AED	AED
HSBC Bank - AED (Note 25.1)	4,200,984	78,487,034	82,688,018	25,168	43,417,931	43,443,099
HSBC Bank - USD (Note 25.1)	3,759,939	62,756,756	66,516,695	267,963	44,039,853	44,307,816
Trade Loan - USD (Note 25.1)	4,618,568	-	4,618,568	-	-	-
Bank Overdraft	25,974,677	-	25,974,677	-	-	-
	38,554,168	141,243,790	179,797,958	293,131	87,457,784	87,750,915

25.1 Bank Loans

	Balance as at 01.04.2025	Loans obtained	Repayments	Balance as at 31.03.2026	Current as at 31.03.2026	Non current as at 31.03.2026
	AED	AED	AED	AED	AED	AED
HSBC Bank - AED	43,443,099	39,244,919	-	82,688,018	4,200,984	78,487,034
HSBC Bank - USD	44,307,816	22,208,880	-	66,516,695	3,759,939	62,756,756
Trade Loan - AED	-	250,396	(250,396)	-	-	-
Trade Loan - USD	-	13,568,784	(8,950,216)	4,618,568	4,618,568	-
	87,750,915	75,272,979	(9,200,612)	153,823,281	12,579,491	141,243,790

The Establishment has signed USD 22.5 Million term loan facility agreement with Hongkong and Shanghai Banking Corporation Ltd, Hong Kong Branch which bears interest of 3 Months Term SOFR +1.4% on drawn balances and AED 82.62 million term loan facility agreement with HSBC Bank Middle East Ltd which bears interest of 3 Months Term EIBOR +1.4% on drawn balances.

The Company has a financing facility with bank for AED 33 million (2025: Nil) in the form of short-term loan which bears interest of 1 Months Term EIBOR +1.1% and import cash line facility with bank for USD 12 million which bears interest of Term SOFR +0.8 on drawn balance.

26. Lease liabilities

	FY 25-26	FY 24-25
	AED	AED
Opening Balance	22,005,697	20,629,315
Additions during the year	1,941,484	51,067
Finance cost accrued		
- Charged to Profit & loss account	731,442	10,723
- Transferred to Capital Work in progress	785,146	1,429,608
Payments made against lease liabilities	(1,002,178)	(190,450)
	22,243,604	21,930,263
Current maturity of lease liabilities	2,217,987	75,434
At 31 March 2026	24,461,591	22,005,697

27. Trade and other payables

	FY 25-26	FY 24-25
	AED	AED
Current		
Trade payables	608,313	13,588,749
Other Payables	18,200,957	-
Bonus provision	476,675	135,591
Payable to Employees	171,514	82,426
Overdraft Interest payable	20,676	-
Advance received from Customers	41,352	-
	19,519,487	13,806,766
Non Current		
Payable to Employees	340,341	76,538
	340,341	76,538

The Establishment has financial risk management policies in place to ensure that payables are paid within the credit time frame. The trade and other payables are which are classified as financial liabilities are measured at amortised cost which approximates to their fair value.

28. Financial instruments

(a) Credit risk

Exposure to credit risk

The carrying amount of financial assets at amortized cost represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

The carrying amount of financial instruments at amortized cost is as follows:

	FY 25-26	FY 24-25
	AED	AED
Cash at Bank	82,895	2,529,463
Prepayment and other receivables	6,063,810	2,126,553
Other Assets	1,245,805	2,934,826

(a) Liquidity risk

The Establishment has built an appropriate liquidity risk management framework for the management of its short-, medium- and long-term funding and liquidity requirements. The Establishment manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

Notes

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

29. Contingent Liabilities and Capital Commitments

Contingent Liabilities:

Total outstanding contingent liabilities towards Bank Guarantees and Letter of Credit of AED 1,301,882 issued as on 31st March 2026 (31st March 2025 AED 2,897,399).

Capital Commitments:

Total Capital Commitments of AED 23,725,019 outstanding as on 31st March 2026 (31st March 2025 AED 52,103,572).

30. Taxation

UAE corporate tax

The Cabinet of Minister Decision No. 116/2022 released in January 2023, specified that a rate of 9% would apply to the taxable income exceeding AED 375,000 and a rate of 0% will be applied to the taxable income not exceeding AED 375,000 and a rate of 0% will be applied on qualifying income of free zone entities.

The management has assessed the impact of Corporate Tax Law on Establishment, specifically in relation to the criteria for qualifying as a free zone entity. Although the Establishment's total income for the year exceeds the taxable income threshold, it meets the following criteria to qualify for the free zone exemption:

The Establishment maintains adequate substance in the free zone

- All income is derived from qualifying activities.
- Revenue from excluded and non-qualifying activities is within the "De-Minimis" criteria.
- The Establishment has not elected to be subject to corporate tax.
- The Establishment maintains audited financial statements for the tax period.

Transfer Pricing

Intercompany price setting at the Group follows the transfer pricing audit regulations, enabling legal entities, including the Establishment to achieve an arm's length net profit aligned with the functions, assets and risks that are performed. To determine if a transaction was conducted at arm's length, the group generally relies on external benchmarks to establish the arm's length range of intercompany transfer pricing results

During the year, the Establishment has incurred tax loss of AED 17,770,343. Management has assessed that at March 31, 2026 it is not probable that such deferred tax assets can be recovered against future taxable profits. Accordingly, no deferred tax assets on tax loss is recognised for the year ending March 31, 2026.

Domestic Minimum Top-Up Tax (DMTT)

The Establishment has assessed the applicability of the Domestic Minimum Top-Up Tax (DMTT) in accordance with applicable UAE Pillar Two regulations. Although the Group meets the global revenue threshold of EUR 750 million, after considering the Substance-Based Income Exclusion relating to eligible payroll and tangible assets, no residual top-up tax liability arises. Accordingly, no DMTT is payable for the year ended 31st March, 2026.

31. Capital Contribution

During the year ended 31 March 2026, the Parent Company contributed towards the share capital is as follows:

Capital Contribution	FY 25-26	FY 24-25
	AED	AED
Capital contribution towards share capital	6,717,500	-
	6,717,500	-

32. Subsequent Event

Subsequent to the reporting date, the geopolitical tension in some parts of Middle East has emerged which may have potential future impact on business operations and financial stability. As these events are non-adjusting subsequent events, no adjustments to the financial statements have been made.

Given the evolving nature of these events, it is not possible for the management to assess the potential financial impact, if any, on its business operations. The management will continue to monitor these events and assess their potential impact on the business.

33. Comparative figures

The previous year's figures have been regrouped or reclassified wherever necessary to make them comparable to those of the current year.

The Comparative figures have been reclassified as follows:

	As previously reported 31 st March 2025	Reclassification	As classified 31 st March 2025
General and administrative expenses	2,505,568	(2,505,568)	-
	2,505,568	(2,505,568)	-
Employee Benefit Expenses	-	739,719	739,719
Other Expenses	-	1,555,914	1,555,914
Depreciation and Amortisation Expense	-	209,935	209,935
	-	2,505,568	2,505,568
	As previously reported 31 st March 2025	Reclassification	As classified 31 st March 2025
Finance Cost	508,261	(497,538)	10,723
	508,261	(497,538)	10,723
Other Expenses	-	497,538	497,538
	-	497,538	497,538

The 2025 comparatives have been reclassified in these financial statements to include the effect of the adjustments noted as above. Under IAS 1 Presentation of Financial Statements, this reclassification would ordinarily require the presentation of a third statement of statement of profit or loss and other comprehensive income at 31st March 2025. However, as this reclassification did not impact the financial performance or financial position of the Establishment reported for the year ended 31st March 2024, the management do not consider that this would provide useful additional information and, in consequence, have not presented a third separate statement of profit or loss and other comprehensive income.

These financial statements were approved by the Directors of the Establishment on 27th April 2026.

Sameer Salvi

Director

Date: 27th April 2026

Rajendra Pareek

Director

Date: 27th April 2026



Asian Paints (Nepal) Private Limited

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Independent Auditor's Report

To the Board of Directors of
Asian Paints (Nepal) Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asian Paints (Nepal) Private Limited (the "Company"), which comprise the statement of financial position as at 14 March 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. These financial statements have been prepared to enable Asian Paints Limited, India, the 'Parent Company' to prepare consolidated financial statements of the Parent Company and its subsidiaries ("Group").

In our opinion, the accompanying financial statements present fairly, in all material respects, statement of financial position of the Company as at 14 March 2026, and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Institute of Chartered Accountants of Nepal's code of ethics for Professional Accountants (ICAN Code) together with the ethical requirements that are relevant to our audit of financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operation, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal circumstances control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Use and Distribution

This special purpose financial information has been prepared for purposes of providing information to Asian Paints Limited

to enable it to prepare the consolidated financial statements of the Group. As a result, the special purpose financial information is not a complete set of financial statements of Asian Paints (Nepal) Private Limited in accordance with the applicable financial reporting framework underlying the Group's accounting policies and is not intended to give a true and fair view, in all material respects, of the state affairs of Asian Paints (Nepal) Private Limited as of 14 March 2026, and of its profits, changes in equity and its cash flows for the year then ended in accordance with applicable financial reporting framework underlying the Group's accounting policies. The Special purpose financial information may, therefore, not be suitable for another purpose.

Shashi Satyal

Partner
PKF T R Upadhy & Co.

Chartered Accountants
Kathmandu, Nepal

Date: 27th April, 2026
UDIN: 260427CA00008LQT2A

Statement of Financial Position

As at 14th March 2026 (30 Falgun, 2082)

Particulars	Note	Amount in NPR	
		As at 14 March 2026	As at 13 March 2025
Assets			
Non current assets			
Property, plant and equipment	3(A)	854,492,682	881,056,312
Capital work In progress	3(A)	116,521,790	34,295,615
Right-of-Use assets	3(B)	386,311,749	352,951,821
Intangible assets	4	1,142,893	1,426,914
Prepayment	5	16,420,430	-
Advances & other receivable	6	25,605,578	29,366,311
Other non current assets	7	64,249,317	13,397,252
Deferred tax assets	22(B)	172,580,777	178,226,195
Total non current assets		1,637,325,216	1,490,720,420
Current assets			
Inventories	8	1,028,805,720	786,133,815
Prepayment	5	20,712,529	22,629,239
Financial assets			
Trade receivables	9	1,272,978,648	1,560,819,660
Cash and cash equivalents	10 (A)	486,468,103	786,117,605
Other balance in bank	10 (B)	5,576,857,008	4,580,148,318
Advances & other receivable	6	30,644,031	21,999,984
Other current assets	7	327,476,230	176,113,221
Total current assets		8,743,942,269	7,933,961,842
Total assets		10,381,267,485	9,424,682,262
Equity and Liabilities			
Equity			
Share capital	11	61,735,000	61,735,000
Capital Redemption Reserve		2,075,000	2,075,000
Other equity		7,549,179,257	7,034,696,106
Total equity		7,612,989,257	7,098,506,106
Liabilities			
Non current liabilities			
Financial liabilities			
Lease Liabilities	14(B)	222,716,852	227,545,404
Provision	15	71,736,264	66,353,178
Other non current liabilities	14	-	-
Total non current liabilities		294,453,116	293,898,582
Current liabilities			
Financial liabilities			
Lease Liabilities	14(B)	54,162,774	22,345,082
Trade payable	12	939,847,837	583,216,687
Accruals and other payables	13	968,230,852	1,105,232,290
Provisions	15	128,854,288	103,144,691
Current tax liabilities (net)	16	195,402,409	103,771,173
Other current liabilities	14(A)	187,326,952	114,567,651
Total current liabilities		2,473,825,112	2,032,277,574
Total equity and liabilities		10,381,267,485	9,424,682,262

The accompanying notes are an integral part of these financial statements

As per our report of even date

Samir Shrestha

Head of Finance

Abhiman Bararia

Director & Managing Director

Budhaditya Mukherjee

Director

Laxmi Gopal Shrestha

Chairman

Shashi Satyal

Partner

PKF T R Upadhy & Co.
Chartered Accountants

Place: Lalitpur

Date: 27th April, 2026

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 14th March 2026 (30 Falgun 2082)

Particulars	Note	Amount in NPR	
		As at 14 March 2026	As at 13 March 2025
Revenue from operations			
Revenue from sales of products	17 (A)	6,305,718,733	5,453,713,230
Other operating revenues	17 (B)	44,197,636	8,973,713
Other income	17 (C)	271,717,425	254,522,725
Total income		6,621,633,794	5,717,209,668
Expenses			
Cost of materials consumed	18	3,465,063,038	2,955,793,986
Changes in inventories of finished goods, stock in trade and work in progress	18	44,866,773	169,442,172
Employee benefit expenses	19	706,258,432	599,598,525
Other expenses	20	1,071,397,377	1,000,686,263
Total expenses		5,287,585,620	4,725,520,946
Profit before interest, depreciation and tax		1,334,048,174	991,688,724
Finance cost	21	31,800,139	28,612,950
Depreciation and amortization	3 & 4	147,759,809	145,629,631
Profit before tax		1,154,488,226	817,446,143
Tax expenses			
Current tax	22(A)	226,908,654	140,917,546
Deferred tax	22(B)	5,645,421	18,973,334
Profit after tax (A)		921,934,151	657,555,263
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Actuarial gain/(loss) on remeasurement of defined benefit plans		-	-
Income tax expenses on actuarial gain/(loss)		-	-
Other comprehensive income for the year (B)		-	-
Total comprehensive income for the year (A+B)		921,934,151	657,555,263

The accompanying notes are an integral part of these financial statements

As per our report of even date

Samir Shrestha
Head of Finance

Abhiman Bararia
Director & Managing Director

Budhaditya Mukherjee
Director

Laxmi Gopal Shrestha
Chairman

Shashi Satyal
Partner
PKF T R Upadhyaya & Co.
Chartered Accountants

Place: Lalitpur
Date: 27th April 2026

Statement of Cash Flows

For the year ended 14th March 2026 (30 Falgun 2082)

Particulars	Amount in NPR	
	FY 2025-26	FY 2024-25
(A) Cash flow from operating activities		
Net profit before tax	1,154,488,226	817,446,143
Adjustment for:		
a) Depreciation & amortization	147,759,809	145,629,631
b) Interest income	(167,193,223)	(237,522,251)
c) Interest expenses	31,800,139	28,612,950
d) Profit on sale of property, plant & equipment	(184,090)	-
e) Fixed Asset written off	184,090	-
Operating cash flow before changes in operating assets/liabilities	1,166,854,951	754,166,473
a) Increase/(Decrease) in financial and other liabilities	347,827,171	(184,477,774)
b) Increase/(Decrease) in provisions	24,251,117	36,935,583
c) (Increase)/Decrease in prepayment	(14,503,720)	15,736,704
c) (Increase)/Decrease advances & other receivable	(4,883,314)	(11,230,258)
d) (Increase)/Decrease inventory	(242,671,905)	155,686,459
e) (Increase)/Decrease trade receivable	287,841,011	1,143,944,703
f) Interest payment	(31,800,140)	(28,612,950)
g) Payment of income tax	(128,435,852)	(167,637,820)
h) Increase in advance for capital expenditures	(50,852,065)	-
i) (Increase)/decrease in other assets	(151,363,010)	9,058,873
Total changes in operating assets/liabilities	35,409,293	969,403,521
Net cash flow from operating activities (A)	1,202,264,244	1,723,569,994
(B) Cash flow from investing activities		
Purchase of property, plant & equipment	(153,746,771)	(62,994,892)
Sale/Adjustment of property, plant & equipment	15,537,586	1,911,390
(Increase)/ Decrease in Term deposit	(996,708,690)	(1,359,056,383)
Interest income	167,193,223	237,522,251
Increase in ROU assets-IFRS 16	(98,289,076)	(15,009,121)
Net cash flow from investing activities (B)	(1,066,013,728)	(1,197,626,755)
(C) Cash flow from financing activities		
Dividend & tax on dividend paid	(462,889,157)	(291,337,694)
Decrease in Share Capital	-	-
Payment of lease liability-IFRS16	26,989,140	(28,195,808)
Net cash flow from financing activities (C)	(435,900,018)	(319,533,501)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(299,649,502)	206,409,738
Add: Cash and cash equivalent as at 13 March 2025	786,117,605	579,707,867
Cash and cash equivalent as at 14 March 2026	486,468,103	786,117,605

The accompanying notes are an integral part of these financial statements

As per our report of even date

Samir Shrestha Head of Finance	Abhiman Bararia Director & Managing Director	Budhaditya Mukherjee Director	Laxmi Gopal Shrestha Chairman	Shashi Satyal Partner PKF T R Upadhya & Co. Chartered Accountants

Place: Lalitpur
Date: 27th April 2026

Statement of Changes in Equity

For the year ended 14th March 2026 (30 Falgun 2082)

Particulars	Amount in NPR			
	Share Capital	Capital Redemption Reserve	Accumulated profit/ (loss)	Total
Opening balance as at 13 March 2024	61,735,000	2,075,000	6,571,606,094	6,635,416,094
Net profit /(loss) for the year	-	-	657,555,263	657,555,263
Total Comprehensive Income for the year	-	-	657,555,263	657,555,263
Transactions with equity owners				
Transfer to general reserve	-	-	-	-
Dividend paid	-	-	(184,741,988)	(184,741,988)
Income tax on dividend	-	-	(9,723,263)	(9,723,263)
Total transactions with equity owners for the year	-	-	(194,465,251)	(194,465,251)
Balance as at 13 March 2025	61,735,000	2,075,000	7,034,696,106	7,098,506,106
Net profit /(loss) for the year			921,934,151	921,934,151
Total Comprehensive Income for the year	-	-	921,934,151	921,934,151
Transactions with equity owners				
Dividend paid	-	-	(387,078,450)	(387,078,450)
Income tax on dividend	-	-	(20,372,550)	(20,372,550)
Total transactions with equity owners for the year	-		(407,451,000)	(407,451,000)
Balance as at 14 March 2026	61,735,000	2,075,000	7,549,179,257	7,612,989,257

The accompanying notes are an integral part of these financial statements

As per our report of even date

Samir Shrestha
Head of Finance

Abhiman Bararia
Director & Managing Director

Budhaditya Mukherjee
Director

Laxmi Gopal Shrestha
Chairman

Shashi Satyal
Partner
PKF T R Upadhya & Co.
Chartered Accountants

Place: Lalitpur
Date: 27th April 2026

Notes to the Financial Statements

For the year ended 14th March 2026 (30 Falgun, 2082)

1. COMPANY BACKGROUND

Asian Paints (Nepal) Pvt. Ltd. ("APN" or the "Company") is a private limited company incorporated in Nepal under the Companies Act 2063. The registered office of the Company is located at Hetauda Industrial Area, Hetauda Municipality, Ward No 8, Makawanpur, Nepal.

The Company is a subsidiary of Asian Paints Limited, India. Its principal business is to manufacture and sale of paint products and chrome plated fittings and sanitary wares. It has manufacturing facilities at Hetauda Industrial Area, Hetauda, Nepal.

2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented in accordance with applicable Nepal Financial Reporting Standards (NFRS) as issued by the Accounting Standards Board of Nepal (ASB) and pronounced by the Institute of Chartered Accountants of Nepal (ICAN).

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as disclosed in note 2.4

2.2 Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

2.3 Use of estimate

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Any revision in accounting estimates is recognized prospectively in the period of change and material revision, including its impact on financial statements, is reported in the notes to accounts in the year of incorporation of revision. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

2.4 Current and non-current classification

The Company presents assets and liabilities in the statement of financial position based on current and non-current classification. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The Company classifies an asset as current when it is:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realized within twelve months after the reporting period or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Company classifies a liability as current when:

- i) Expected to be settled in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Settled within twelve months after the reporting period or
- iv) No unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- v) All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Property, plant and equipment

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar

Notes

For the year ended 14th March 2026 (30 Falgun, 2082) (Contd.)

liabilities, if any. Such costs also include borrowing cost if the recognition criteria are met. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met.

Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant class of property, plant and equipment if the recognition criteria are met. The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the statement of profit or loss as and when incurred.

Leasehold land and leasehold improvements are amortized over the period of the lease. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipment (as mentioned below) over estimated useful lives. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit or Loss when the item is derecognized.

Depreciation

Depreciation on each part of an item of property, plant and equipment is provided using the straight line method based on the useful life of the asset as estimated by the management and is charged to the

statement of profit or loss. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of items of property, plant and equipment is mentioned below:

Particulars	Estimated Useful Life (Years)	Depreciation Rate (%)
Building	4 to 61.33	25 to 1.63
Plant and Machinery	1 to 21.5	100 to 4.65
Vehicle	5	20
Scientific Research	2 to 6	50 to 16.67
Infotech Hardware	2 to 5	50 to 20
Office Equipment's	2 to 10	50 to 10
Furniture & Fixtures	2 to 10	50 to 10

2.6 Intangible assets

Intangible assets are recognized on the basis of costs incurred to acquire and bring to use the specific software and the asset created is expected to provide future economic benefits where it is probable that it will generate future economic benefits in excess of its cost. Windows 10 /11 licenses costs are amortized on the basis of expected useful life which is estimated as 5 years (to be reviewed periodically) and for the Safety Induction Video Making, the useful life is estimated to be 10 years (to be reviewed periodically). Costs associated with maintaining software/license/video making are recognized as and expenses as and when incurred. At each statement of financial position date, these assets are assessed for indication of impairment. In the event that carrying amount of an asset is determined to be greater than its recoverable amount, the assets are written down immediately.

2.7 Capital work in progress and capital advances

Cost of assets not ready for intended use, as on the statement of financial position date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each statement of financial position date are disclosed as other non-current assets.

2.8 Financial instrument

a) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent measurement:

For purpose of subsequent measurement financial assets are classified in two broad categories:-

- Financial assets at fair value
- Financial assets at amortized cost.

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit or loss, or recognized in other comprehensive income. A financial asset that meets the following two conditions is measured at amortized cost.

- Business model test: The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:-

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances are recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition. However, for trade receivables, the Company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b) Financial liabilities

All financial liabilities are initially recognized at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs and subsequently measured and classified at amortized cost or fair value through profit or loss (FVTPL).

A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gains or losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on derecognition is also recognized in the statement of profit or loss.

2.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.10 Inventories

Inventories contain raw materials, packing materials, finished goods, semi-finished goods, raw material in transit and accessories.

Notes

For the year ended 14th March 2026 (30 Falgun, 2082) (Contd.)

Inventories are measured at lower of cost and net realizable value after making due allowance for obsolescence and slow moving items. The cost of inventories (raw material, packing material) is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

In the case of manufactured inventories and work in progress, costs included cost of raw material, packing material, an appropriate share of fixed and variable production of overheads, duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of the normal capacity of production facilities.

Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and selling expenses.

Allowance for obsolescence has been made for obsolete stocks i.e., for any item manufactured or purchased twelve months before the stock taking date or an item manufactured or purchased within twelve months before the stock taking date, but it has outlived its shelf life and cannot be used or is damaged or defective or cannot be sold in the market.

2.11 Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's equity shares are classified as equity instruments.

2.12 Revenue recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue is recognized on transfer of all significant risks and rewards of ownership to the buyer and net of sales returns, in-bill discounts, excise duty and Value Added Taxes (VAT).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and

schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved

Sale of products:

Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold. Sales are measured at the fair value of consideration received or receivable. Sales recognized are net of excise, VAT, rebates and discount. Export sales attract zero rated VAT.

Interest:

Interest income is recognized on time proportion basis.

Other incomes

Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

2.13 Retirement (employee) benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

Short term employee benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits and they are expensed in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Long term employee benefits:

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The

Company's contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss in the financial year to which they relate.

The Company is registered in the Social Security Fund (SSF) and the Social Security Fund Contribution @31% of basic salary for all the retirement benefits (Provident fund, Social security tax, Gratuity and Medical Insurance to the staff) are deposited therein effective from Shrawan 2076 on monthly basis.

Contributions to the provident fund of employees seconded from Asian Paints Limited are paid to Asian Paints Limited and are charged to the statement of profit or loss as incurred.

(b) Other long-term employee benefits

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave and annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leaves. The Company determines the liability for such accumulated leave using the Projected Unit Credit (PUCM) method with actuarial valuations being carried out at each statement of financial position date.

2.14 Foreign currency transactions

Foreign currency transactions are accounted at exchange rates prevailing on the date of the transactions. All foreign currency assets and liabilities, if any, as at the statement of financial position date are restated at the applicable exchange rates prevailing on that date. All exchange differences in respect of foreign currency transactions are dealt with in the statement of profit or loss.

Foreign currency differences arising on translation are recognized in the statement of profit or loss (except those relating to the acquisition of property, plant and equipment, which are adjusted in the cost of the assets). All monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are restated at the exchange rate prevailing at that date.

2.15 Taxation

Current tax:

Current tax is determined as the amount of tax payable in respect of taxable income for the year as per the

provisions of the Income Tax Act, 2002. Current tax is measured using tax rates that have been enacted by the end of the reporting period for the amounts expected to be recovered from or paid to the tax authorities.

Income tax rates applicable to company:

Income from local sale of paints: 16% (PY: 16%)

Income from local sale of colorant and bath sense products- test marketing: 25% (PY:25%)

Investment income and other income: 25% (PY:25%)

Deferred tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are set off if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2.16 Provisions and contingencies

The Company creates a provision when there exists a present obligation (legal or constructive) as a result of a past event that probably requires an outflow of resources representing economic benefits and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the statement of financial position date and discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the

Notes

For the year ended 14th March 2026 (30 Falgun, 2082) (Contd.)

liability. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

No contingent asset is recognized but disclosed by way of notes to the financial statements.

2.17 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of accruals of past or future cash receipts or payments. The cash flows from regular revenue generating & investing activities of the company are segregated.

2.18 Lease accounting

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Assets taken on lease (As a Lessee):

The company has adopted NFRS 16 for lease accounting from the financial year 2078/79. Adoption of NFRS 16 requires recognition of Right of Use Assets and Lease liabilities along with the charging of the depreciation and interest expenses to Statement of Profit or Loss accordingly. The resulting Right of use assets and lease liabilities along with depreciation and interest expenses has been shown in more illustrative way in the relevant notes.

The Company has lease arrangements for land and building for offices, residential apartment for expat employee, factory and warehouse spaces.

The Company assesses whether a contract is or contains a lease at inception of the contract. The assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company

contains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the company, term and currency of the contract. Generally, the company uses its incremental borrowing rate as the discount rate.

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

Variable lease payments that don't depend on an index or rate are not included in the measurement of the lease liability and the ROU asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occur and are included in the line "other expense" in the statement of profit or loss.

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

Short-term leases and leases of low-value assets

The company has elected not to recognize right-of-use assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.19 Provision for bonus

Staff Bonus has been provided at the rate of 10% of profit before tax and bonus.

2.20 Provision for Corporate Social Responsibilities (CSR)

CSR expenses are accounted as per Industrial Enterprises Act 2076 BS (the "Act") which has been introduced with effect from 11 February 2020 replacing the Industrial Enterprises Act 2073 BS (the

"Previous Act"). Section 54 Industrial Enterprises Act 2076 BS makes it mandatory to allocate 1% of the annual net profit to be utilized towards corporate social responsibility (the "CSR Requirement"). The fund created for CSR is to be utilized on the basis of annual plans and programs but in the sectors that are prescribed under the Act. The progress report of the utilization of the fund collected for CSR is required to be submitted to the relevant government authorities registered within six months from expiry of the financial year.

2.21 Rounding off and Comparative Figures

Financial statements are presented in Nepalese Rupees (NPR), rounded off to the nearest rupee. Previous years' figures have been regrouped and rearranged whenever necessary to facilitate comparison.

Notes

For the year ended 14th March 2026 (30 Falgun, 2082) (Contd.)

Note-3(A) : Property, plant and equipment

	Amount in NPR						Capital Work in Progress
	Land	Building	Vehicle	Plant and Machinery	Furniture, Fixture and Office Equipment	Total	
Cost							
As at 13 March 2024	290,347,595	531,700,631	27,288,286	715,457,737	117,113,043	1,681,907,293	17,278,933
Addition/adjustment	-	8,340,359	-	32,147,143	5,151,457	45,638,960	17,016,683
Reclassified assets group	-	-	-	-	-	-	-
Sales/Adjustment	-	-	-	(2,324,304)	(872,552)	(3,196,856)	-
Transfer to PPE	-	-	-	-	-	-	-
Balance as at 13 March 2025	290,347,595	540,040,990	27,288,286	745,280,577	121,391,948	1,724,349,396	34,295,615
Addition/adjustment	-	3,846,412	-	32,880,863	19,281,825	56,009,100	97,579,671
Reclassified assets group	-	-	-	-	-	-	-
Sales/Adjustment	-	-	(548,584)	(24,558,336)	(12,596,957)	(37,703,877)	-
Transfer to PPE	-	-	-	-	-	-	(15,353,496)
Balance as at 14 March 2026	290,347,595	543,887,402	26,739,702	753,603,104	128,076,817	1,742,654,620	116,521,790
Accumulated Depreciation							
As at 13 March 2024	-	178,214,250	27,288,286	480,605,079	83,332,281	769,439,896	-
Addition	-	16,306,358	-	47,939,256	10,893,040	75,138,654	-
Reclassified assets group	-	-	-	-	-	-	-
Sales/Adjustment	-	-	-	(653,379)	(632,087)	(1,285,466)	-
Balance as at 13 March 2025	-	194,520,607	27,288,286	527,890,956	93,593,235	843,293,084	-
Addition	-	16,622,430	-	54,558,104	11,208,107	82,388,640	-
Reclassified assets group	-	-	-	-	-	-	-
Sales/Adjustment	-	-	(548,584)	(24,556,852)	(12,414,350)	(37,519,787)	-
Balance as at 14 March 2026	-	211,143,037	26,739,702	557,892,208	92,386,991	888,161,938	-
Net Book Value							
Balance as at 13 March 2024	290,347,595	353,486,381	-	234,852,659	33,780,762	912,467,397	17,278,933
Balance as at 13 March 2025	290,347,595	345,520,383	-	217,389,621	27,798,714	881,056,312	34,295,615
Balance as at 14 March 2026	290,347,595	332,744,365	-	195,710,895	35,689,826	854,492,682	116,521,790

Note-3(B) : Right of Use Assets

Cost	Amount in NPR
	Building
As at 13 March 2024	507,982,578
Addition	73,569,432
Sales/Adjustment	(88,578,551)
Balance as at 13 March 2025	492,973,460
Addition	126,149,800
Sales/Adjustment	(35,793,483)
Balance as at 14 March 2026	583,329,777
Accumulated Depreciation	
As at 13 March 2024	99,955,415
Addition	70,084,461
Sales/Adjustment	(30,018,237)
Balance as at 13 March 2025	140,021,639
Addition	64,929,148
Sales/Adjustment	(7,932,759)
Balance as at 14 March 2026	197,018,028
Net Book Value	
Balance as at 13 March 2024	408,027,164
Balance as at 13 March 2025	352,951,821
Balance as at 14 March 2026	386,311,749

Note-4 : Intangible assets

Cost	Amount in NPR
	Computer Software
As at 13 March 2024	23,284,807
Addition	339,250
Sales/Adjustment	-
Balance as at 13 March 2025	23,624,057
Addition /adjustment	158,000
Sales/Adjustment	(1,382,031)
Balance as at 14 March 2026	22,400,026
Accumulated Amortization	
As at 13 March 2024	21,790,628
Addition	406,515
Reclassified assets group	-
Sales/Adjustment	-
Balance as at 13 March 2025	22,197,143
Addition	442,021
Reclassified assets group	-
Sales/Adjustment	(1,382,031)
Balance as at 14 March 2026	21,257,133
Net Book Value	
Balance as at 13 March 2024	1,494,179
Balance as at 13 March 2025	1,426,914
Balance as at 14 March 2026	1,142,893

Notes

For the year ended 14th March 2026 (30 Falgun, 2082) (Contd.)

Note -5: Prepayment

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
	Current	Non Current
Prepayments - rent	5,467,864	4,314,655
Prepayments - insurance	11,979,619	-
Prepayment - others	3,265,046	12,105,775
Total	20,712,529	16,420,430

Note-6: Advances & other receivable

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
	Current	Non Current
Other receivables	16,614,365	-
Staff advances	14,029,665	25,605,578
Total	30,644,031	25,605,578

Note-7: Other assets

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
	Current	Non Current
Security & other deposits	257,519,482	-
Advance for capital expenditure	-	64,249,317
Advance to suppliers	33,270,176	-
L/C margin & deposit	36,686,573	-
Gratuity Plan Assets (Net of Liabilities)	-	-
Total	327,476,230	64,249,317

Note-8: Inventories

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
Raw materials*	692,974,873	443,929,436
Packing materials	21,264,371	25,780,190
Finished goods	396,073,855	445,117,760
Semi-finished goods	9,000,148	4,823,015
	1,119,313,247	919,650,401
Less: Allowances for slow and non-moving inventories	(90,507,526)	(133,516,587)
Total	1,028,805,720	786,133,815

* Raw materials includes Raw Material in transit amounting to NPR 143,745,669 which were cleared at customs point but pending entry inward on factory as on reporting date

Note-9: Trade Receivable

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
Secured, considered goods	-	-
Unsecured, considered goods	1,272,978,648	1,560,819,660
Unsecured, considered doubtful	177,003,045	217,955,153
	1,449,981,693	1,778,774,813
Less: Allowances for unsecured doubtful debts	(177,003,045)	(217,955,153)
Total	1,272,978,648	1,560,819,660

Note-10 (A): Cash and Cash Equivalents

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
Cash in hand	93,818	193,829
Cash at bank	204,300,049	231,448,845
Call deposits	282,074,236	554,474,931
Total	486,468,103	786,117,605

Note-10 (B): Other balance in bank

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
Fixed Term bank deposits	5,576,857,008	4,580,148,318
Total	5,576,857,008	4,580,148,318

Term deposits has been included under cash flow from investment activities for the purpose of statement of cash flows

Note-11: Share Capital

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
Authorised Share Capital		
199,000,000 equity shares of Rs. 10 each	1,990,000,000	1,990,000,000

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

	As at 14 March 2026	As at 13 March 2025
Fully Paid Equity Shares:		
Number of Shares	6,173,500	6,173,500
Add: Issue during the period	-	-
Less: Buy back of shares	-	-
Number of shares at the end of the year	6,173,500	6,173,500
Paid up value at the end of the year	6,173,500	6,173,500

Notes

For the year ended 14th March 2026 (30 Falgun, 2082) (Contd.)

b) Terms/Rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share.

Issued Subscribed and Paid up Capital		
6,173,500 equity shares of Rs. 10 each	61,735,000	61,735,000

c) Details of Shareholders

	As at 14 March 2026	As at 13 March 2025
Paid-up Share Capital		
Asian Paints Limited, India: 3,254,310 equity shares of Rs. 10.00 each (includes 1,627,155 bonus shares)	32,543,100	32,543,100
Ravi Associates: 574,290 equity share of Rs.10.00 each (includes 287,145 bonus shares)	5,742,900	5,742,900
Local Shareholders: 2,344,900 equity shares of Rs. 10.00 each (includes 1,172,450 bonus shares)	23,449,000	23,449,000
	61,735,000	61,735,000

Note-12: Trade Payables

	As at 14 March 2026		As at 13 March 2025	
	Current	Non Current	Current	Non Current
Trade Creditors	809,723,249	-	445,810,869	-
Trade creditors of related parties	130,124,588	-	137,405,817	-
	939,847,837	-	583,216,686	-

Note-13: Accruals and other payables

	As at 14 March 2026		As at 13 March 2025	
	Current	Non Current	Current	Non Current
Accrued expenses	511,181,446	-	453,267,273	-
Royalty payable (Group)	128,875,098	-	248,228,905	-
Royalty payable (Non Group)	-	-	21,933,046	-
Dividend Payable	265,645,680	-	321,083,838	-
Salary and personnel payable	62,528,628	-	60,719,229	-
Total	968,230,852	-	1,105,232,290	-

Royalty payable (Group) to Asian Paints Limited, India have been accrued based on the Trademark agreement between Asian Paints (Nepal) Pvt. Ltd. & Asian Paints Limited, India. The necessary approval from Department of Industries have been taken for such royalty.

Note-14(A): Other liabilities

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
	Current	Non Current
Advance received from customers	40,436,823	-
Security and other deposits	603,000	-
VAT payable	41,417,155	-
TDS payable	55,494,682	-
Excise duty payable	49,375,292	-
Total	187,326,952	114,567,651

Note-14(B): Lease Liabilities

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
	Current	Non Current
Lease liability	54,162,774	222,716,852
Total	54,162,774	222,716,852

Note-15 : Provisions

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
	Current	Non Current
Leave Payable	20,469,981	71,736,264
Bonus Payable	96,134,714	-
Provision for Corporate Social Responsibility	12,249,593	-
Total	128,854,288	103,144,691

1% of profit after tax has been provided for corporate social responsibility as per sec 54.1 of Industrial Enterprises Act 2076. Out of the CSR provision, the company has made major contribution in educational sector.

Note-16: Current tax liabilities (Net)

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
Provision of income tax	2,802,033,367	2,581,966,280
Less: Payment of income tax	(2,606,630,958)	(2,478,195,106)
Total	195,402,409	103,771,173

Notes

For the year ended 14th March 2026 (30 Falgun, 2082) (Contd.)

Note-17

	Amount in NPR	
	FY 2025-26	FY 2024-25
(A) Revenue from sales of products		
Domestic sales (net of return)	8,036,739,445	6,699,885,459
Less: Discount	(1,209,299,279)	(779,879,702)
Less: Discount II **	(521,721,433)	(466,292,527)
Total	6,305,718,733	5,453,713,230
(B) Other operating revenue		
Scrap sales	3,245,527	4,003,054
Provision for doubtful debt*	40,952,109	4,970,659
Total	44,197,636	8,973,713
*Provision for doubtful debt presented under other operating revenue represents decrease in provision for doubtful debt during current year due to recovery.		
(C) Other Income		
(i) Interest Income		
Interest income from Call account and term deposits	167,193,222	237,522,251
	167,193,223	237,522,251
(ii) Other Non Operating Income		
Miscellaneous Income	100,463,382	10,877,662
Insurance Claim received	4,033,024	6,043,827
	104,496,405	16,921,490
(iii) Other gain and loss		
Net gain / (loss) on sales of property, plant and equipment	-	-
Modification/termination of lease	27,797	78,984
Foreign exchange gain	-	-
	27,797	78,984
Total (i+ii+iii)	271,717,425	254,522,725

** The discount II pertaining to gift and dealer trip directly related to sales revenue has been netted against sales revenue as per NFRS 15.

Notes

For the year ended 14th March 2026 (30 Falgun, 2082) (Contd.)

Note-18: Cost of Material Consumed

	Amount in NPR	
	FY 2025-26	FY 2024-25
Raw materials		
Opening stock	443,929,436	435,391,665
Add: Raw materials purchased	3,290,722,791	2,617,667,362
Less: Closing stock	(692,974,872)	(443,929,436)
Raw Material Consumed (A)	3,041,677,355	2,609,129,592
Packing materials		
Opening stock	25,780,190	20,554,770
Add: Packing materials purchased	418,869,863	351,889,814
Less: Closing stock	(21,264,371)	(25,780,190)
Packaging Material Consumed (B)	423,385,683	346,664,394
Cost of Materials Consumed (A+B=C)	3,465,063,038	2,955,793,986

Changes in inventories of finished goods, stock-in-transit and work in progress

	Amount in NPR	
	FY 2025-26	FY 2024-25
Inventory at the beginning of the year		
Finished goods	445,117,760	618,523,995
Work in progress	4,823,015	858,952
Total	449,940,775	619,382,947
Inventory at the end of the year		
Finished goods	396,073,855	445,117,760
Work in progress	9,000,148	4,823,015
Total	405,074,003	449,940,775
Changes in inventories of finished goods, stock in trade and work in progress (D)	44,866,773	169,442,172
Total material cost (C+D)	3,509,929,811	3,125,236,158

Note -19: Employee Benefit Expenses

	Amount in NPR	
	FY 2025-26	FY 2024-25
Salary and allowances	451,985,966	404,224,260
Contribution to Social Security Fund	35,905,011	30,750,729
Leave expenses	26,173,303	32,124,260
Bonus expenses*	128,276,470	90,827,349
Other employee cost	63,917,682	41,671,928
Total	706,258,432	599,598,525

*Provision for bonus is made at the rate of 10% of profit before tax and bonus. (Refer to Note 2.19).

Note -20 : Other Expenses

	Amount in NPR	
	FY 2025-26	FY 2024-25
Stores and spares consumed	20,628,084	20,920,463
Power and fuel	24,186,872	22,596,825
Repairs and maintenance	9,630,918	15,608,233
Research and Development	5,527,230	5,111,714
Out process contract fee	68,653,354	59,976,477
Safety Expenses	7,804,129	6,348,282
Insurance expenses	21,302,563	40,843,223
Communication and office supplies	10,126,986	12,269,684
Travelling expenses	38,225,335	48,211,925
Security charges	27,375,304	28,522,325
Audit expenses	2,503,791	2,543,745
Legal and professional fees	23,481,987	22,984,219
Miscellaneous expenses	33,294,765	42,008,096
Information and technology expenses	26,389,460	19,912,182
Other financial charges	4,814,421	4,318,743
CSR contribution	9,219,342	6,577,816
Foreign exchange- Loss	7,166,587	4,774,590
Freight and handling charges	207,265,952	189,852,223
Rent - branch/ depot/ godown	3,267,300	4,171,589
Advertisement & Sales Promotion expenses	283,500,279	239,096,488
Fixed Asset written off	184,090	-
Intercompany royalty	204,759,583	177,903,813
Intercompany service charges	32,089,046	26,133,606
Total	1,071,397,377	1,000,686,263

Note-21: Finance Cost

	Amount in NPR	
	FY 2025-26	FY 2024-25
Interest Expenses -Non group	11,167,491	3,626,530
Interest Expenses- Lease IFRS 16	20,632,648	24,986,420
Total	31,800,139	28,612,950

Interest Expenses- Non group includes the interest on disputed Income tax of earlier years against which are lying in Inland Revenue Department (IRD) and Revenue Tribunal.

Notes

For the year ended 14th March 2026 (30 Falgun, 2082) (Contd.)

Note-22(A): Income Taxes

Income tax expense charged to the Statement of Profit or Loss and OCI

	Amount in NPR	
	FY 2025-26	FY 2024-25
Current tax		
Current income tax charge	226,908,654	140,917,546
Deferred tax credit/(charge)		
Origination and reversal of temporary differences	5,645,421	18,973,334
Adjustments/(credits) related to previous years - (net)	-	-
Income tax expense charged to the Statement of Profit or Loss	232,554,074	159,890,880
Tax expense recognised in Other Comprehensive Income		
Current tax		
Net gain/(loss) on remeasurement of defined benefit plans	-	-
Deferred tax		
Origination and reversal of temporary differences	-	-
Changes in tax rates	-	-
Income tax charged to OCI (other comprehensive income)	-	-
Reconciliation of tax liability on book profit vis-à-vis actual tax liability		
Accounting Profit/ (Loss) before income tax	1,154,488,226	817,446,143
Add: Items of Other Comprehensive Income (OCI)	-	-
Profit before tax including OCI items	1,154,488,226	817,446,143
Computed tax expense		
Differences due to:		
Additional allowance for tax purpose	(1,356,107,245)	(1,494,081,238)
Expenses not allowed for tax purpose	1,331,626,294	1,406,425,510
Other temporary differences	-	-
Total taxable Income	1,130,007,274	729,790,415
Taxable income from export sales	-	-
Taxable income from domestic sales	886,782,246	461,445,080
Taxable income from Investment	206,425,070	245,227,420
Taxable income-Services charges *	-	-
Taxable income - sales of Colourant & AP Living Trade	36,799,957	23,117,911
	1,130,007,274	729,790,411
Enacted tax rate		
Local sales	16.00%	16.00%
Investment	25.00%	25.00%
Service Charges	25.00%	25.00%
Trading Rate	25.00%	25.00%
Income tax expenses on domestic sales	141,885,159	73,831,213
Income tax expenses on investment income	51,606,268	61,306,855
Income tax expenses on service charges*	-	-
Income tax on Colourant & AP Living Trade	9,199,989	5,779,478
Income tax expense charged to the Statement of Profit or Loss and OCI	202,691,416	140,917,546
Income tax of earlier year	24,217,237	-
Total tax expenses charges to income statements	226,908,654	140,917,546

Note-22(B): Reconciliation of deferred tax as at beginning and end of the year

FY 2025-26

Amount in NPR

Particulars	Carrying Amount	Tax Base	Temporary Differences
Property, Plant & Equipment	854,492,682	829,640,924	(24,851,757)
Intangible Assets	1,142,893	4,513,297	3,370,405
Provision For Leave Encashment	92,206,245	-	92,206,245
Provision For Doubtful Debtors	177,003,045	-	177,003,045
Provision For Expenses-Promotion	461,899,423	-	461,899,423
Provision For Rebate	203,281,445	-	203,281,445
Provision For Other Expenses	33,845,977	-	33,845,977
Provision For Incentive	46,671,353	-	46,671,353
Provision For Inventory	90,507,526	-	90,507,526
Interest payable (Ravi & Associates)	39,231,848.00		39,231,848
Provision For Additional Customs Duty	19,436,611		19,436,611
NFRS 16 Lease Impact	(109,432,123)	-	(109,432,123)
LTA Provision	8,616,267	-	8,616,267
Provision For CSR	12,249,593	-	12,249,593
Forex fluctuation TR	1,660,348	-	1,660,348
Forex fluctuation SE	-	-	-
Forex FL OT CR APIPL	865,736		865,736
Total Amount			1,056,561,941
Tax Rate		16%	162,772,815
Tax Rate		25%	9,807,962
Opening Deferred tax Assets/(Liability)			178,226,197
Deferred tax provision recognised			(5,645,421)
Closing Deferred tax Assets/(Liability)			172,580,777
Charge/(Credit) to PL			5,645,421

FY 2024-25

Amount in NPR

Particulars	Carrying Amount	Tax Base	Temporary Differences
Property, Plant & Equipment	881,056,312	829,018,251	(52,038,061)
Intangible Assets	1,426,914	5,401,444	3,974,530
Provision For Leave Encashment	80,691,596	-	80,691,596
Provision For Doubtful Debtors	217,955,153	-	217,955,153
Provision for marketing (ASP)	40,640,213	-	40,640,213
PROVISION FOR DISCOUNT I	318,298,550	-	318,298,550
PROVISION FOR DISCOUNT II	351,782,163	-	351,782,163
Provision For Other Expenses	36,421,087	-	36,421,087
Provision For Salary/Incentive	43,521,869	-	43,521,869
Provision For LTA (Employee Cost Provision)	10,048,664		10,048,664
Forex Exchange Loss	1,069,041		1,069,041
Provision For Inventory	133,585,925	-	133,585,925
Provision For Additional Customs Duty	19,436,611	-	19,436,611
NFRS 16 Lease Impact	(103,061,335)	-	(103,061,335)
Provision For CSR	11,587,722	-	11,587,722
Total Amount			1,113,913,729
Tax Rate		16%	178,226,197
Tax Rate		25%	-
Opening Deferred tax Assets/(Liability)			197,199,530
Deferred tax provision recognised			(18,973,334)
Closing Deferred tax Assets/(Liability)			178,226,197
Charge/(Credit) to PL			18,973,335

Notes

For the year ended 14th March 2026 (30 Falgun, 2082) (Contd.)

Note-23

Post Employment Benefit Plans

Refer Note 2.13 for accounting policy relating to post employment benefit plans

Post employment benefits includes leave benefits and gratuity provided to eligible employees as per Labor Act 2074. Leave benefits liability has been calculated using actuarial valuation technique in line with requirement of NAS 19.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the statement of financial position for the plan:

	Amount in NPR	
	Post retirement Leave (Unfunded Plan)	
	FY 2025-26	FY 2024-25
Opening post employment benefit obligation	80,691,008	64,009,739
Service cost	7,491,594	8,355,966
Net Interest	5,832,793	5,308,493
"Sub-total included in statement of profit or loss "	94,015,395	13,664,459
Actuarial (gain)/loss	10,951,568	16,825,641
Reversal of previous year provision	(1,499,569)	-
Additional Provision for leave exceeding 90/45/10 days	5,241,829	508,617
Casual Leave	-	1,125,542
Seconded staff transfer Cost and other balance	(477,519)	1,893,161
Sub-total included in other comprehensive income	-	-
Benefits paid	(16,025,462)	(17,336,151)
Acquisition/Business Combination/Divestiture*		
Closing post employment benefit obligation (A)	92,206,242	80,691,008
Opening fair value of plan assets	-	-
Expected return on plan assets		-
"Sub-total included in statement of profit or loss "	-	-
Actuarial gain/(loss)	-	-
Sub-total included in other comprehensive income	-	-
Contribution by employer	-	
Benefits paid	-	-
Closing fair value of plan assets (B)	-	-
Net closing post employment benefit obligation/ (assets) (A-B)	92,206,242	80,691,008
Expense recognized in:		
Statement of Profit or Loss	26,173,303	32,124,260
Statement of Other Comprehensive Income	-	-

Note-24

FINANCIAL INSTRUMENTS

ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Fair Value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The carrying amounts and fair values of financial instruments by class are as follows:

		Carrying value		Fair value	
		As at	As at	As at	As at
		14 March 2026	13 March 2025	14 March 2026	13 March 2025
Note					
FINANCIAL ASSETS					
Financial assets measured at amortised cost					
Trade receivables	9	1,272,978,648	1,560,819,660	1,272,978,648	1,560,819,660
Cash and cash equivalents	10(A) & 10(B)	6,063,325,111	5,366,265,923	6,063,325,111	5,366,265,923
		7,336,303,759	6,927,085,583	7,336,303,759	6,927,085,583
FINANCIAL LIABILITIES					
Financial liabilities measured at amortised cost					
Trade payables	12	939,847,837	583,216,687	939,847,837	583,216,687
Lease Liability	14(B)	276,879,626	249,890,486	276,879,626	249,890,486
		1,216,727,463	833,107,172	1,216,727,463	833,107,172

Notes

For the year ended 14th March 2026 (30 Falgun, 2082) (Contd.)

INCOME, EXPENSES, GAINS OR LOSSES ON FINANCIAL INSTRUMENTS

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit or Loss and other comprehensive income are as follows:

	Amount in NPR	
	As at 14 March 2026	As at 13 March 2025
Financial assets measured at amortised cost		
Interest income	167,193,223	237,522,251
Financial liabilities measured at amortised cost		
Interest expense	31,800,139	28,612,950

Note-25

FINANCIAL RISK MANAGEMENT

CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the company. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The Company manages market risk through a Risk Management Committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing/mitigating them according to Company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments. The Board provides oversight and reviews the Risk management policy on a quarterly basis.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs a comprehensive interest rate risk management. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

Foreign currency risk

The Company is subject to the risk that changes in foreign currency values impact the Company's imports of raw material and property, plant and equipment. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The aim of the Group's approach to management of currency risk is to leave the Company with no material residual risk. This aim has been achieved in all years presented. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers reasonable and supportive forward-looking information. Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the Company. The Company provides for overdue outstanding for more than 90 days other than institutional customers which are evaluated on a case to case basis.

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The company treasury department is responsible for maintenance of liquidity (including quasi liquidity), continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the company net liquidity position on the basis of expected cash flows vis a vis debt service fulfillment obligation.

Notes

For the year ended 14th March 2026 (30 Falgun, 2082) (Contd.)

Note-26

RELATED PARTY DISCLOSURES

a) Transactions and balances with the related parties

The company is controlled by M/s Asian Paints Ltd. India, a company incorporated in India under Indian company act which owns 52.71% share of the company's share.

The company is providing logistic service to Aavik Impex Pvt. Ltd. Aavik Impex is Single share holding company owned by Bidya Laxmi Shrestha (spouse of the Chairman of Asian Paints Nepal Pvt. Ltd., Mr. Laxmi Gopal Shrestha)

The transactions with the related parties are tabulated as below:

Name of related parties	Nature of transaction	Amount in NPR	
		FY 2025-26	FY 2024-25
Asian Paints Limited	Purchase of material	106,287,011	99,786,704
Asian Paints Limited	Purchase of Trade stock	72,666,569	59,781,497
Asian Paints Limited	Purchase of services/sundries	48,630,366	55,377,932
Asian Paints Limited	Royalty expenses	204,759,583	177,903,813
Asian Paints Limited	Intercompany trade creditor (Trade/Non trade)	(104,639,060)	(132,655,222)
Asian Paints Limited	Royalty Payable	(128,875,097)	(248,228,905)
Asian Paints Limited	Dividend Payable Expenses	214,784,460	(97,385,227)
Asian Paints Limited	Dividend Payable	-	(97,385,227)
Asian Paints Limited	Reimbursement	1,236,473	1,278,010
Asian Paints Limited	Intercompany trade Debtor	-	1,278,010
Aavik Impex Pvt. Ltd.	Service Charges against logistic service	-	-
Aavik Impex Pvt. Ltd.	Intercompany trade Creditors	-	-
Aavik Impex Pvt. Ltd.	Intercompany trade Debtor	23,333,312	24,003,634
Aavik Impex Pvt. Ltd.	Purchase of material	670,323	1,582,868
Asian Paints Middle East SPC	Intercompany trade Debtor	-	3,098,854
Asian Paints Middle East SPC	Intercompany trade Creditors	(3,284,998)	2,968,554
Berger Paints (Emirates) Limited	Intercompany trade Creditors	(506,892)	-
Berger Paints (Emirates) Limited	Service Fee Expense	537,220	193,811
Berger Paints (Emirates) Limited	Purchase of Material	73,960	3,451,834
Berger Paints (Emirates) Limited	Reimbursement	-	2,876,829
Berger Paints (Emirates) Limited	Revenue from Sale of Products	-	157,356
HARIND CHEMICAL & PHARMACEUTIC	Purchase of Material	1,731,005	-
HARIND CHEMICAL & PHARMACEUTIC	Intercompany trade Creditors	(1,385,298)	-
SCIB Chemicals, S.A.E., Egypt	Purchase of Material	-	-
SCIB Chemicals, S.A.E., Egypt	Intercompany trade creditor	-	-
SCIB Chemicals, S.A.E., Egypt	Revenue from Sale of Products	-	202,110
Causeway Paints Lanka (Pvt) Ltd.	Revenue from Sale of Products	-	164,722
Causeway Paints Lanka (Pvt) Ltd.	Service Fee Expense	21,184,769	24,208
Causeway Paints Lanka (Pvt) Ltd.	Intercompany trade creditor	(19,875,331)	16,076
Asian Paints (Bangladesh) Limited	Purchase of Material	-	491,479
Asian Paints (Bangladesh) Limited	Intercompany trade creditor	(1,298,745)	1,847,772
Asian Paints (Bangladesh) Limited	Reimbursement	-	-
Asian Paints (Bangladesh) Limited	Service Fee Expense	1,459,632	2,096,536
Kadisco Paint and Adhesive Industry Share Company, Ethiopia	Revenue from Sale of Products	-	334,414
Berger Paints Bahrain W.L.L	Intercompany trade Debtor	-	1,069
Berger Paints Bahrain W.L.L	Revenue from Sale of Products	-	234,628

b) Key Management Personnel

Name	Designation
Laxmi Gopal Shrestha	Chairman, Promoter
Budhaditya Mukherjee	Director
Abhiman Bararia	Director & Managing Director

(c) Transactions and balances with key management personnel

Key management personal cost includes remuneration and other benefits paid to the General Manager cum director which were as follows:

Particulars	Amount in NPR	
	FY 2025-26	FY 2024-25
Short-term employee benefits	26,524,719	20,728,950
Post employment benefits	683,276	719,063
Other long-term benefits	-	-
Termination benefits	-	-
Share based payment	-	-
Payable	-	-

Note-27

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

a) Claims against the company not acknowledge at debts

b) Contingent liabilities

Particulars	Amount in NPR	
	FY 2025-26	FY 2024-25
Income tax [For CY: (FY 2069/70 to FY 2077/78)], [For PY: (FY 2069/70 to FY 2077/78)]	787,486,743	289,037,620
	-	-
VAT/Excise/Custom Tariff	40,742,731	2,208,163

The contingent liabilities provided above includes interest component upto balance sheet date i.e.14/03/2026.

This FY, additional tax liability for TDS on FOC, CSR disallowance & Royalty expense disallowance cases were added in Income tax assessment of FY 2077-78.

Similarly, VAT credit claim for reverse VAT paid on Royalty was also disallowed by the Tax Authority.

c) Unexpired letter of credit

Particulars	Amount in NPR	
	FY 2025-26	FY 2024-25
Contingent liabilities in respect of unexpired irrevocable Letter of Credit	674,368,726	407,422,758

d) Capital commitments

Particulars	Amount in NPR	
	FY 2025-26	FY 2024-25
Estimated value of contracts in capital account remaining to be executed and not provided for	441,501,998	24,124,122



Asian Paints International Private Limited

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Directors' Statement

for the year ended 31 March 2026

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2026.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 6 to 53 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at

31 March 2026, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Jeyamurugan Ramalingam Jeyapandiyan

Gerald Loong Sie Kiong

Rajan Menon

Joseph Eapen (Appointed on 2 May 2025)

Asrani Mahesh Manoharlal (Appointed on 1 April 2025)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967 except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in name of director	
	At beginning of year, or date of appointment if later	At end of year
Asian Paints Limited (Ordinary shares)		
Jeyamurugan Ramalingam Jeyapandiyan	889	1,415
Joseph Eapen	1,310	2,147

4 SHARE OPTIONS

(a) Options to take up unissued shares and options exercised

During the financial year, no options or rights to options to take up unissued shares of the Company or any corporation in the Group were granted except as follows:

	At beginning of year, or date of appointment if later	Granted during the year	Exercised during the year	At end of year
Asian Paints Limited				
(Rights to share options)				
Jeyamurugan Ramalingam Jeyapandiyan	9,148	4,330	(2,740)	10,738
Joseph Eapen	6,616	-	(837)	5,779

(b) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option, other than as disclosed above.

5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Jeyamurugan Ramalingam Jeyapandiyan
Director

Joseph Eapen
Director

30 April 2026

Independent Auditor's Report

TO THE MEMBER OF

ASIAN PAINTS INTERNATIONAL PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asian Paints International Private Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 6 to 53.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2026 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the bases of these financial statements.

As part of our audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Public Accountants and
Chartered Accountants

Singapore
30 April 2026

Statement of Financial Position

as at 31 March 2026

	Note	Group		Company	
		2026	2025	2026	2025
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances	7	31,102	31,102	1,353	804
Trade receivables	8	89,860	91,884	3,902	2,558
Other receivables	9	19,150	15,883	3,256	5,186
Inventories	10	66,484	80,619	-	-
Total current assets		206,596	219,488	8,511	8,548
Non-current assets					
Fixed deposits	7	-	378	-	378
Other receivables	9	69	73	4,279	4,446
Subsidiaries	11	-	-	116,261	116,518
Property, plant and equipment	12	57,324	57,354	33	33
Right-of-use assets	13	38,679	15,976	316	478
Intangible assets	14	21,907	25,264	-	-
Deferred tax assets	15	163	273	-	-
Total non-current assets		118,142	99,318	120,889	121,853
Total assets		324,738	318,806	129,400	130,401
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans and overdrafts	16	66,108	80,244	45,291	59,777
Trade payables	17	100,043	110,904	3,943	3,704
Other payables	18	4,220	3,872	1,784	1,722
Lease liabilities	19	3,748	3,309	180	171
Income tax payable		3,471	2,789	97	83
Total current liabilities		177,590	201,118	51,295	65,457
Non-current liabilities					
Bank loans and overdrafts	16	-	1,119	-	-
Lease liabilities	19	36,170	12,723	144	308
Retirement benefit liabilities	20	7,481	6,984	-	-
Deferred tax liabilities	15	4,252	4,280	3	5
Total non-current liabilities		47,903	25,106	147	313
Capital, reserves and non-controlling interests					
Share capital	21	182,436	182,436	182,436	182,436
Statutory reserve	22	1,687	1,687	-	-
Capital reserve	23	6,959	6,959	-	-
Merger reserve		35,744	35,744	-	-
Foreign currency translation reserve		(123,497)	(114,236)	-	-
Accumulated losses		(16,961)	(32,168)	(104,478)	(117,805)
Equity attributable to owner of the Company		86,368	80,422	77,958	64,631
Non-controlling interests		12,877	12,160	-	-
Net equity		99,245	92,582	77,958	64,631
Total liabilities and equity		324,738	318,806	129,400	131,401

See accompanying notes to financial statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

year ended 31 March 2026

	Note	Group	
		2026	2025
		\$'000	\$'000
Continuing operations			
Revenue	24	429,884	423,883
Other operating income	25	4,363	3,156
Changes in inventories of finished goods and work in progress		(6,701)	228
Raw materials and consumables used		(251,353)	(259,287)
Manufacturing expenses		(9,623)	(8,221)
Sub-contracting costs and cost of sundry sales		(1,995)	(2,298)
Employee benefits expense	26	(63,286)	(63,962)
Depreciation of property, plant and equipment		(4,747)	(5,155)
Depreciation of right-of-use assets		(5,497)	(5,357)
Amortisation of intangible assets		(442)	(482)
Other operating expenses	27	(57,469)	(62,052)
Finance costs	28	(4,781)	(7,717)
Impairment loss on goodwill	14	-	(3,372)
Profit before income tax		28,353	9,364
Income tax expense	29	(9,469)	(5,000)
Profit for the year from continuing operations	30	18,884	4,364
Discontinued operations			
Loss for the year from discontinued operations	33	-	(27,209)
Profit (Loss) for the year		18,884	(22,845)
Profit (Loss) attributable to:			
Owner of the Company		15,489	(24,943)
Non-controlling interests		3,395	2,098
		18,884	(22,845)
Other comprehensive income (loss):			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation	20	(327)	(497)
Income tax relating to remeasurement of defined benefit obligation		51	42
		(276)	(455)
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(10,385)	(20,616)
Other comprehensive loss for the year, net of tax		(10,661)	(21,071)
Total comprehensive income (loss) for the year		8,223	(43,916)
Total comprehensive income (loss) attributable to:			
Owner of the Company		5,946	(39,064)
Non-controlling interests		2,277	(4,852)
		8,223	(43,916)

See accompanying notes to financial statements

Statement of Change In Equity

Year ended 31 March 2026

Group	Share capital	Statutory reserve	Capital reserve	Merger reserve	Foreign currency translation reserve	Accumulated losses	Equity attributable to owner of the Company	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2024	150,306	1,687	6,959	35,744	(104,773)	(2,674)	87,249	22,083	109,332
Total comprehensive income for the year									
Loss for the year	-	-	-	-	-	(24,943)	(24,943)	2,098	(22,845)
Other comprehensive loss	-	-	-	-	(13,685)	(436)	(14,121)	(6,950)	(21,071)
Total	-	-	-	-	(13,685)	(25,379)	(39,064)	(4,852)	(43,916)
Transactions with owner, recognised directly in equity									
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	(3,579)	(3,579)
Issue of share capital (Note 21)	32,130	-	-	-	-	-	32,130	-	32,130
Disposal of subsidiary (Note 33)	-	-	-	-	4,222	-	4,222	-	4,222
Change of ownership interest in a subsidiary	-	-	-	-	-	(4,115)	(4,115)	(1,492)	(5,607)
Balance at 31 March 2025	182,436	1,687	6,959	35,744	(114,236)	(32,168)	80,422	12,160	92,582
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	15,489	15,489	3,395	18,884
Other comprehensive loss	-	-	-	-	(9,261)	(282)	(9,543)	(1,118)	(10,661)
Total	-	-	-	-	(9,261)	15,207	5,946	2,277	8,223
Transactions with owner, recognised directly in equity									
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	(1,560)	(1,560)
Balance at 31 March 2026	182,436	1,687	6,959	35,744	(123,497)	(16,961)	86,368	12,877	99,245

Statements of Changes In Equity (cont'd)

year ended 31 March 2026

	Share capital	Accumulated losses	Total
	\$'000	\$'000	\$'000
Company			
Balance at 1 April 2024	150,306	(95,443)	54,863
Loss for the year, representing			
total comprehensive loss for the year	-	(22,362)	(22,362)
Issue of share capital, representing transactions			
with owner, recognised directly in equity (Note 21)	32,130	-	32,130
Balance at 31 March 2025	182,436	(117,805)	64,631
Profit for the year, representing			
total comprehensive income for the year	-	13,327	13,327
Balance at 31 March 2026	182,436	(104,478)	77,958

See accompanying notes to financial statements

Consolidated Statement of Cash Flows

year ended 31 March 2026

	Group	
	2026	2025
	\$'000	\$'000
Operating activities		
Profit before income tax from continuing operations	28,353	9,364
Loss before income tax from discontinued operations	-	(27,209)
	28,353	(17,845)
Adjustments for:		
Depreciation of property, plant and equipment	4,747	5,917
Depreciation of right-of-use assets	5,497	5,635
Impairment of goodwill	-	3,372
Amortisation of intangible assets	442	482
Interest income	(997)	(1,361)
Interest expense	4,781	7,722
Loss on disposal of subsidiaries	-	19,664
Unrealised foreign exchange loss	156	624
Gain on disposal of property, plant and equipment	(42)	(71)
(Decrease) Increase in allowance for obsolete inventories	(402)	1,156
Allowance for credit losses	1,081	1,042
Defined benefit obligation costs	1,412	1,061
Operating cash flows before working capital changes	45,028	27,398
Trade receivables	(3,961)	(942)
Other receivables	(2,556)	1,263
Inventories	9,146	(16,862)
Trade payables	(4,185)	10,189
Other payables	531	1,100
Retirement benefits	(857)	(543)
Cash generated from operations	43,146	21,603
Interest income received	997	1,361
Interest paid on bank loans and overdrafts	(3,745)	(6,752)
Income tax paid	(8,005)	(6,770)
Net cash from operating activities	32,393	9,442
Investing activities		
Proceeds from disposal of property, plant and equipment	130	1,610
Acquisition of property, plant and equipment	(6,599)	(5,553)
(Acquisition) Disposal of other financial assets	(1,781)	6,330
Fixed deposits pledged	474	550
Acquisition of non-controlling interests in a subsidiary	-	(5,607)
Disposal of subsidiaries (Note 33)	-	5,857
Net cash (used in) from investing activities	(7,776)	3,187

Consolidated Statement of Cash Flows (cont'd)

year ended 31 March 2026

	Group	
	2026	2025
	\$'000	\$'000
Financing activities		
Proceeds on issue of shares	-	32,130
Dividends paid to non-controlling shareholders	(1,560)	(3,579)
Repayment of bank loans	(152,663)	(70,239)
Proceeds from bank loans	142,825	9,832
Repayment of lease liabilities	(6,084)	(6,571)
Net cash used in financing activities	(17,482)	(38,427)
Net increase (decrease) in cash and cash equivalents	7,135	(25,798)
Cash and cash equivalents at beginning of year	23,496	56,126
Net effect of exchange rate changes	(2,263)	(6,832)
Cash and cash equivalents at end of year	28,368	23,496

Cash and cash equivalents in the consolidated statement of cash flows comprise the following statement of financial position amounts:

	Group	
	2026	2025
	\$'000	\$'000
Cash and bank balances (Note 7)	31,102	31,480
Bank overdrafts (Note 16)	(2,486)	(7,262)
Fixed deposits pledged (Note 7)	(248)	(722)
Cash and cash equivalents	28,368	23,496

See accompanying notes to financial statements

Notes to the financial statements

for the year ended 31 March 2026

1 GENERAL

The Company (Registration No. 199307986G) is incorporated in Singapore with its principal place of business and registered office at 140 Robinson Road #11-05, Singapore 068907. The financial statements are expressed in Singapore dollars.

The principal activities of the Company are those of investment holding and management.

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2026 were authorised for issue by the Board of Directors on 30 April 2026.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore ("FRSs").

1.2 ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Group and the Company have applied all the new and revised FRSs that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

1.3 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following amendments to FRSs that are relevant to the Group and the Company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2026

- Amendments to FRS 109 and 107: Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to FRSs – Volume 11

Effective for annual periods beginning on or after 1 January 2027

- FRS 118 Presentation and Disclosure in Financial Statements

Management anticipates that the adoption of the above amendments to FRSs in future periods will not have a material impact on the financial statements in the period of their initial adoption, except for the following:

FRS 118 Presentation and Disclosures in Financial Statements

FRS 118 replaces FRS 1, carrying forward many of the requirements in FRS 1 unchanged and complementing them with new requirements. In addition, some FRS 1 paragraphs have been moved to FRS 8 and FRS 107. Furthermore, minor amendments to FRS 7 have been made.

FRS 118 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements; and
- improve aggregation and disaggregation.

An entity is required to apply FRS 118 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to FRS 7, as well as the revised FRS 8 and FRS 107, become effective when an entity applies FRS 118. FRS 118 requires retrospective application with specific transition provisions. The Group is currently evaluating the impact of adopting FRS 118.

2 MATERIAL ACCOUNTING POLICY INFORMATION

SUBSIDIARIES

Subsidiaries are entities controlled by the Group. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. Details of the Group's significant subsidiaries and composition of the Group are disclosed in Note 11.

Notes

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

Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the those of the Group. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interests in subsidiaries are identified separately from the Group's equity and are initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to the acquisition date, the carrying amounts of non-controlling interests are adjusted for the non-controlling interests' share of changes in equity. Losses are attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Company's separate financial statements

Investments in subsidiaries in the Company's separate financial statements are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the respective group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on

the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Upon the disposal of the entire interest in a foreign operation during the year, all of the exchange differences accumulated in the foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 Share-based Payment, leasing transactions that are within the scope of FRS 116 Leases, and measurements that have some similarities to fair

value but are not fair value, such as net realisable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of financial assets (other than those at fair value through profit or loss). Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group classifies its financial assets in the following measurement category. The basis of classification and subsequent measurement of the financial assets are further described in the respective notes.

Measurement category	Criteria	Financial assets
Financial assets at amortised cost	Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI")	Cash and bank balances and fixed deposits (Note 7) Trade and other receivables (Notes 8, 9)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ('ECL') on trade and other receivables that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The ECL incorporates forward-looking information and is a probability-weighted estimate of the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. Details about the Group's credit risk management are disclosed in Note 4.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes

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

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities at amortised cost include trade and other payables and bank loans and overdrafts. These are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, and are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

CASH AND BANK BALANCES

Cash and bank balances comprise cash on hand and on-demand deposits which are subsequently measured at amortised cost.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank balances as described above, net of outstanding bank overdrafts and fixed deposits pledged.

INVENTORIES

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Cost includes

all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write-off the cost or valuation of assets, other than freehold land, over their estimated useful lives using the straight-line method. The annual rates of depreciation are as follows:

Freehold buildings	- 2%
Buildings	- over terms of lease which are 2% to 20%
Plant and equipment	- 8% to 25%
Motor vehicles	- 20% to 25%

Land is not depreciated because the land is deemed to have unlimited useful life.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

LEASES

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. A right-of-use asset and a corresponding lease liability are recognised with respect to all lease arrangements, except for short-term leases (those with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate

implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the Group's lease liabilities comprise mainly of fixed and variable lease payments over the lease terms.

A right-of-use asset is initially measured at cost comprising the initial lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs and any restoration costs. The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the lease terms commencing from the date of the lease, and are tested for impairment in accordance with the policy similar to that adopted for property, plant and equipment.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Lease liability is remeasured by discounting the revised lease payments using a revised discount rate when there is a change in the lease term upon exercising extension options not previously included in the determination of the lease term. A corresponding adjustment is made to the related right-of-use asset. The Group has assessed that there is no indication of impairment for its right-of-use assets.

INTANGIBLE ASSETS

Goodwill

Goodwill arising from business combinations is not amortised but tested for impairment at least annually. For the purpose of impairment testing, the goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount (estimated based on the higher of fair value less costs of disposal and value in use) of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss on goodwill is recognised in profit or loss and is not reversed in a subsequent period.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been

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determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE

The Group recognises revenue from paint and adhesive sales. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer. The Group has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods before transferring them to the customer.

Revenue from the sale of goods is recognised at the point in time when the Group has transferred to the buyer control of the asset, generally on delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points, shipping and handling).

Certain contracts provide a customer with a promise of non-cash consideration (e.g. volume rebates,

incentive trips and gifts) if certain criteria are met. The Group estimates the most-likely amount of non-cash consideration to be given and recognises this as a reduction to revenue.

Contracting revenue is recognised over time by measuring the progress towards complete satisfaction of performance obligation for the services rendered. The Group uses output method based on the nature of service offered to the customers when performance obligation is satisfied over a period of time as and when the services are delivered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

RETIREMENT BENEFIT COSTS

Payments to defined contribution plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution plan.

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out as at each reporting date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning

of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

EMPLOYEE LEAVE ENTITLEMENT

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time when substantially all the activities necessary to prepare the qualifying assets for their intended use or sale are complete. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

INCOME TAX

Income tax expense represents the sum of current and deferred tax. It is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity

respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax payable represents the amount expected to be paid to taxation authorities on taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous periods. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects the uncertainty related to income taxes.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from (i) initial recognition of goodwill; or (ii) initial recognition of assets and liabilities in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit, and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences associated with such investments and interests only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and

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rates that have been enacted or substantively enacted at the reporting date.

Offsetting

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Key sources of estimation uncertainty

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

Impairment of goodwill and other intangible assets (Note 14)

Determining whether these assets impaired requires an estimation of the recoverable amount of the cash-generating unit ("CGU") to which the assets have been allocated. When value in use calculations are undertaken, management is required to estimate the future cash flows expected to arise from the cash-generating unit and use a suitable discount rate in order to calculate recoverable amount.

For the year ended 31 March 2026, no impairment losses were recognised based on the value in use calculations for the respective CGUs (2025 : impairment loss of \$3,372,000 was recognised on goodwill allocated to the Causeway Paints Lanka (Private) Limited CGU). Further details are disclosed in Note 14.

Impairment of investments in subsidiaries (Note 11)

In determining whether investments in subsidiaries are impaired, the Company evaluates the market and economic environment in which each subsidiary operates and its economic performance to determine if indicators of impairment exist. Where indicators exist, the recoverable amount of the investment in subsidiary is estimated based on its value in use or fair value less costs to sell. For the year ended 31 March 2026, no impairment losses were recorded (2025 : impairment loss of \$4,469,000 was recorded) in the Company's profit or loss for the year.

Calculation of credit loss allowances on trade receivables (Note 8)

The Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables.

The provision matrix is prepared on a forward-looking basis and includes actual credit loss experience over the past three years. At each reporting date, the historical observed default rates are updated. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and credit loss allowances in the period in which such estimate has been changed.

Allowances for inventories (Note 10)

Management reviews the inventory age listing on a periodic basis. This review involves comparison of

the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. In addition, the Group conducts physical counts on its inventories on a periodic basis in order to determine whether an allowance is required to be made. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Taxes (Notes 15 and 29)

In determining the provision for income taxes,

management is required to estimate the amount of tax payable at each jurisdiction. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

The carrying amounts of the Group's and the Company's current tax and deferred tax provision are disclosed in the statement of financial position with notes where relevant.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Financial assets				
At amortised cost				
(including cash and bank	130,065	130,028	12,780	13,364
Financial liabilities				
At amortised cost	210,289	212,171	51,342	65,682

(b) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

At the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Assets		Liabilities	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Group				
US dollar	17,545	22,778	34,115	43,077
Company				
US dollar	1,493	5,462	1,749	5,362

The Company has a number of investments in overseas subsidiaries, whose net assets are exposed to currency translation risk. The Company does not hedge this exposure.

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Foreign currency sensitivity

The sensitivity analysis below includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. 5% represents management's assessment of the possible change in foreign exchange rates.

If the US dollar strengthens/weakens by 5% against the functional currency of each group entity with all other variables being held constant, the Group's profit before tax from continuing operations will decrease/increase by \$829,000 (2025 : \$1,015,000).

If the US dollar strengthens/weakens by 5% against the Singapore dollar with all other variables being held constant, the Company's profit before tax will decrease/increase by \$13,000 (2025 : loss before tax will decrease/increase \$5,000).

(ii) Interest rate risk management

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

Interest rate sensitivity

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before tax from continuing operations would decrease/increase by \$230,000 (2025 : \$317,000) and the Company's loss before tax would increase by \$196,000 (2025 : \$259,000). This is mainly attributable to the Group's and Company's exposures to interest rates on the variable rate borrowings.

(iii) Credit risk management

Financial assets that potentially subject the Group to credit risk consist principally of cash and bank balances and trade and other receivables.

The Group places its cash and bank balances with reputable financial institutions.

The Group performs on-going credit evaluation of its debtors' financial condition and maintains an allowance for doubtful accounts receivable based upon the expected collectability of all accounts receivables. There is no significant concentration of credit risk as the exposure is spread over a large number of counterparties and customers.

Further details of credit risks on trade and other receivables are disclosed in Notes 8 and 9 respectively.

(iv) Liquidity risk management

The liquidity risk is mitigated by optimum cash levels being maintained and availability of funding through an adequate quantum of credit facilities. The directors are of the view that the Group and the Company will be able to meet their obligations when they fall due for at least one year from the date of the financial statements taking into consideration unutilised banking facilities as disclosed in Note 16, and the letters of awareness provided by the holding company to the lenders.

Liquidity and interest risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000
Group – 2026						
Non-interest-bearing	-	104,263	-	-	-	104,263
Variable interest rate instruments	2.04	46,017	-	-	(81)	45,936
Fixed interest rate instruments	8.78	20,956	-	-	(784)	20,172
Lease liabilities (fixed rate)	6.94	4,697	11,403	103,848	(80,030)	39,918
		175,933	11,403	103,848	(80,895)	210,289
Group – 2025						
Non-interest-bearing	-	114,554	222	-	-	114,776
Variable interest rate instruments	4.09	63,542	-	-	(110)	63,432
Fixed interest rate instruments	10.88	18,168	1,470	-	(1,707)	17,931
Lease liabilities (fixed rate)	9.45	3,797	5,905	8,948	(2,617)	16,032
		200,061	7,597	8,948	(4,434)	212,171
Company – 2026						
Non-interest-bearing	-	5,727	-	-	-	5,727
Variable interest rate instruments	2.34	45,355	-	-	(64)	45,291
Lease liabilities (fixed rate)	2.95	187	145	-	(8)	324
		51,269	145	-	(72)	51,342
Company – 2025						
Non-interest-bearing	-	5,426	-	-	-	5,426
Variable interest rate instruments	3.51	59,849	-	-	(72)	59,777
Lease liabilities (fixed rate)	2.99	182	317	-	(20)	479
		65,457	317	-	(92)	65,682

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets.

The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets

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including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	\$'000	\$'000	\$'000	\$'000
Group – 2026					
Non-interest-bearing	-	126,615	-	-	126,615
Fixed interest rate instruments	16.02	3,650	94	(294)	3,450
		130,265	94	(294)	130,065
Group – 2025					
Non-interest-bearing	-	124,661	-	-	124,661
Fixed interest rate instruments	7.99	5,241	490	(364)	5,367
		129,902	490	(364)	130,028
Company – 2026					
Non-interest-bearing	-	6,276	47	-	6,323
Variable interest rate instruments	5.28	1,939	4,621	(487)	6,073
Fixed interest rate instruments	1.55	394	-	(10)	384
		8,609	4,668	(497)	12,780
Company – 2025					
Non-interest-bearing	-	4,589	46	-	4,635
Variable interest rate instruments	6.46	3,666	4,860	(519)	8,007
Fixed interest rate instruments	1.54	347	388	(13)	722
		8,602	5,294	(532)	13,364

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade receivables, other current financial assets, short-term borrowings, trade payables and other current financial liabilities approximate their respective fair values due to the short-term maturity of these financial assets and liabilities. For other classes of financial assets and liabilities, management considers that the carrying amounts approximate their fair values.

(c) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance and to ensure that all externally imposed covenants are complied with.

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

The Group's directors review the capital structure on a yearly basis and balance the Group's overall capital structure through the approval of funding requirements.

The Group's overall strategy remains unchanged from prior year.

5 HOLDING COMPANIES AND RELATED COMPANY TRANSACTIONS

The Company's immediate and ultimate holding company is Asian Paints Limited, incorporated in India. Related companies in these financial statements refer to members of the holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the Group and related companies and the effect of these, on the basis determined between the parties, is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand except for the loans to subsidiaries of \$6,073,000 (2025 : \$8,007,000), which bear interest at average effective rates ranging from 4.8% to 6.8% (2025 : 4.8% to 7.9%) per annum (Note 9).

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related companies are disclosed below.

During the year, other than as disclosed elsewhere in the financial statements, group entities entered into the following significant transactions with the holding company:

	Group	
	2026	2025
	\$'000	\$'000
Purchases of goods	2,691	2,994
Royalty expense	10,016	9,513

6 OTHER RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these, on the basis determined between the parties, is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, group entities entered into the following significant transactions with related parties:

	Other related parties of subsidiaries (i)		Entities controlled by directors of subsidiaries		Entities controlled by key management personnel of subsidiary	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales of goods	21	3,837	6,513	12,958	604	970
Purchases of goods	-	739	267	284	-	-
Rental and other services	369	463	173	74	-	-

- (i) Other related parties of subsidiaries include non-controlling shareholders and key management personnel of subsidiaries and their relatives.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2026	2025
	\$'000	\$'000
Short-term benefits	5,764	6,304
Post-employment benefits	271	325
	6,035	6,629

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7 CASH AND BANK BALANCES

	Group		Company	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	29,397	26,216	970	460
Fixed deposits	1,705	5,264	383	722
	31,102	31,480	1,353	1,182
Analysed as:				
Current	31,102	31,102	1,353	804
Non-current	-	378	-	378
	31,102	31,480	1,353	1,182

Fixed deposits bear average effective interest rate of 7.50% (2025 : 7.97%) per annum and for a tenure of approximately 12 months (2025 : 12 months).

Fixed deposits of the Company amounting to \$248,000 (2025 : \$722,000) have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary, to various project customers in Singapore

8. Trade Receivables (heading) to be inserted above table

	Group		Company	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Outside parties	115,977	118,298	19	19
Loss allowance	(26,120)	(26,422)	-	-
	89,857	91,876	19	19
Related companies (Note 5)	3	8	3,883	2,539
	89,860	91,884	3,902	2,558

As at 1 April 2024, the Group's and the Company's trade receivables amounted to \$97,383,000 (net of loss allowance of \$27,431,000) and \$4,298,000 (net of loss allowance of \$Nil) respectively.

The credit period on sale of goods typically ranges from 30 to 210 days (2025 : 30 to 210 days). No interest is charged on the outstanding balance. Trade receivables amounting to \$4,966,000 (2025 : \$6,921,000) have been pledged as security for bank loans (Note 16).

The following table details the risk profile of trade receivables from contracts with customers based on the Group's consolidated provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	Group						
	Trade receivables – days past due						
	Not past due	< 3 months	4 – 6 months	7 – 9 months	10 – 12 months	> 12 months	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2026							
Expected credit loss rate	<2%	2 – 5%	5 – 15%	15 – 40%	40 – 90%	90 – 100%	
Estimated total gross carrying amount at default	64,967	21,640	2,360	1,153	1,004	24,853	115,977
Lifetime ECL	(561)	(664)	(216)	(240)	(408)	(24,031)	(26,120)
							89,857
2025							
Expected credit loss rate	< 2%	2 – 5%	5 – 15%	15 – 40%	40 – 90%	90 – 100%	
Estimated total gross carrying amount at default	62,737	21,652	4,247	2,272	2,124	25,266	118,298
Lifetime ECL	(87)	(648)	(370)	(360)	(512)	(24,445)	(26,422)
							91,876

The movements in credit loss allowance are as follows:

	2026	2025
	\$'000	\$'000
Balance at beginning of year	26,422	27,431
Allowance made during the year	1,081	1,042
Translation differences	(883)	(467)
Receivables written off as uncollectible	(500)	(755)
Disposal of subsidiaries	-	(829)
Balance at end of year	26,120	26,422

9 OTHER RECEIVABLES

	Group		Company	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Loan to subsidiaries (Note 5)	-	-	6,073	8,007
Other financial assets	1,745	103	-	-
Holding company (Note 5)	348	252	7	-
Subsidiaries (Notes 5 and 11)	-	-	1,397	1,503
Deposits	1,034	1,078	47	46
Prepayments	1,933	1,933	11	8
Advances to staff	435	398	-	-
Advances to suppliers	7,749	6,961	-	-
Outside parties	5,975	5,231	-	68
	19,219	15,956	7,535	9,632
Analysed as:				
Current	19,150	15,883	3,256	5,186
Non-current	69	73	4,279	4,446
	19,219	15,956	7,535	9,632

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Other financial assets mainly consist of debt securities and treasury bills that bear interest at rates ranging from 7.5% to 26.0% (2025 : 7.5% to 8.0%) per annum with maturity within 1 year.

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Management has assessed ECL to be immaterial.

10 INVENTORIES

	Group	
	2026	2025
	\$'000	\$'000
Raw materials	43,060	50,496
Work-in-progress	1,601	1,513
Finished goods	21,823	28,610
	66,484	80,619

Included in other operating expenses (Note 27) are decrease in allowance for obsolete inventories amounting to \$402,000 (2025 : increase in allowance for obsolete inventories amounting to \$1,156,000). Inventories amounting to \$21,165,000 (2025 : \$25,847,000) have been pledged as security for bank loans (Note 16).

11 SUBSIDIARIES

	Company	
	2026	2025
	\$'000	\$'000
Unquoted equity shares, at cost	172,985	172,985
Accumulated impairment loss	(62,604)	(62,604)
Loan to a subsidiary	5,880	6,137
	116,261	116,518

Movements in the accumulated impairment loss are as follows:

	Company	
	2026	2025
	\$'000	\$'000
Balance at beginning of the year	62,604	139,702
Impairment loss made during the year	-	4,469
Disposal of subsidiaries (Note 33)	-	(81,567)
Balance at end of the year	62,604	62,604

During the year, the Company carried out a review of the recoverable amount of certain subsidiaries where indicators of impairment exist. The review did not result in any additional impairment losses being recorded against the investments in subsidiaries (2025 : additional impairment losses of \$4,469,000 were recognised).

Management is of the view that the loan to a subsidiary represents deemed capital investment in the subsidiary, as there is no contractual obligation for repayment by the subsidiary except in the event of liquidation.

Details of the subsidiaries as at the end of the reporting period are as follows:

Name of subsidiary, country of incorporation and place of operations	Principal activities	Proportion of ownership interest		Proportion of voting power held	
		2025	2024	2025	2024
		%	%	%	%
Kadisco Paint and Adhesive Industry S.C. (Ethiopia)	Manufacture, sale and distribution of paint and related products.	51	51	51	51
Asian Paints (Bangladesh) Limited (Bangladesh)	Manufacture, sale and distribution of paint and related products.	95.09	95.09	95.09	95.09
Asian Paints (Middle East) SPC (Sultanate of Oman)	Manufacture, sale and distribution of paint and related products.	100	100	100	100
Samoa Paints Limited (Samoa)	Manufacture, sale and distribution of paint and related products.	80	80	80	80
Asian Paints (S.I.) Limited (Solomon Islands)	Sale and distribution of paint and related products.	75	75	75	75
Asian Paints (Vanuatu) Limited (Republic of Vanuatu)	Sale and distribution of paint and related products.	60	60	60	60
Asian Paints (South Pacific) Limited (Fiji Islands)	Manufacture, sale and distribution of paint and related products.	54.07	54.07	54.07	54.07
SCIB Chemicals, S.A.E. (Egypt)(i)	Manufacture, sale and distribution of paint and related products.	85.6	61.31	85.6	61.31
Enterprise Paints Limited (Isle of Man, United Kingdom)	Investment holding.	100	100	100	100
Universal Paints Limited (Isle of Man, United Kingdom)	Investment holding.	100	100	100	100
PT Asian Paints Indonesia(ii) (Indonesia)	Manufacture, sale and distribution of paint and related products.	-	100	-	100
PT Asian Paints Colour Indonesia(ii) (Indonesia)	Dormant.	-	100	-	100
Causeway Paints Lanka (Private) Limited (Sri Lanka)	Manufacture, sale and distribution of paint and related products.	99.98	99.98	99.98	99.98
Asian Paints Doha Trading W.L.L. (Qatar)	Sale and distribution of paint and related products.	100	100	100	100
Subsidiary of Enterprise Paints Limited					
Nirvana Investments Limited (Isle of Man, United Kingdom)	Investment holding.	100	100	100	100
Subsidiary of Nirvana Investments Limited					
Berger Paints Emirates LLC (United Arab Emirates)	Manufacture, sale and distribution of paint and related products.	100	100	100	100
Subsidiary of Universal Paints Limited					
Berger Paints Bahrain W.L.L. (Bahrain)	Manufacture, sale and distribution of paint and related products.	100	100	100	100

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Details of non-wholly owned subsidiaries that currently have material non-controlling interests are shown in the table below.

	Proportion of ownership interest and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2026	2025	2026	2025	2026	2025
	%	%	%	%	%	%
Kadisco Paint and Adhesive Industry S.C. (Ethiopia)	49	49	1,732	876	4,946	4,286
Asian Paints (South Pacific) Limited (Fiji Islands)	45.93	45.93	1,171	1,050	5,780	5,585
Others			492	172	2,151	2,289
Total			3,395	2,098	12,877	12,160

Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Kadisco Paint and Adhesive Industry S.C.		Asian Paints (South Pacific) Limited	
	2026	2025	2026	2025
	%	%	%	%
Current assets	14,506	14,966	11,260	11,504
Non-current assets	4,333	4,903	5,150	4,566
Current liabilities	(8,113)	(10,898)	(3,531)	(3,610)
Non-current liabilities	(633)	(223)	(296)	(301)
Equity attributable to owner of the Company	5,147	4,462	6,803	6,574
Equity attributable to non-controlling interests	4,946	4,286	5,780	5,585
Revenue	30,702	37,861	19,110	20,325
Expenses	(27,166)	(36,073)	(16,561)	(18,040)
Profit for the year	3,536	1,788	2,549	2,285
Profit attributable to owner of the Company	1,804	912	1,378	1,235
Profit attributable to non-controlling interests	1,732	876	1,171	1,050
Profit for the year	3,536	1,788	2,549	2,285
Other comprehensive loss attributable to owner of the Company	(1,035)	(6,591)	(8)	(473)
Other comprehensive loss attributable to non-controlling interests	(994)	(6,333)	(7)	(402)
Other comprehensive loss for the year	(2,029)	(12,924)	(15)	(875)
Total comprehensive income (loss) attributable to owner of the Company	769	(5,679)	1,370	762
Total comprehensive income (loss) attributable to non-controlling interests	738	(5,457)	1,164	648
Total comprehensive income for the year	1,507	(11,136)	2,534	1,410
Dividends paid to non-controlling interests	81	2,562	970	644
Net cash inflow (outflow) from operating activities	2,574	(3,099)	5,192	3,654
Net cash outflow from investing activities	(757)	(412)	(940)	(400)
Net cash outflow from financing activities	(2,419)	(8,662)	(2,573)	(2,056)
Net cash (outflow) inflow	(602)	(12,173)	1,679	1,198

12 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant and equipment	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Cost:					
At 1 April 2024	11,215	54,038	76,098	3,953	145,304
Translation differences	(481)	(2,448)	(5,447)	(1,299)	(9,675)
Additions	-	-	5,278	275	5,553
Reclassification	-	466	(466)	-	-
Disposals/Write offs	-	(80)	(2,994)	(55)	(3,129)
Disposal of subsidiaries (Note 33)	(9,486)	(5,122)	(10,436)	-	(25,044)
At 31 March 2025	1,248	46,854	62,033	2,874	113,009
Translation differences	(63)	(3,464)	(2,415)	278	(5,665)
Additions	-	1,230	6,098	172	7,500
Disposals/Write offs	-	(7)	(1,102)	(166)	(1,275)
At 31 March 2026	1,185	44,613	64,614	3,158	113,569
Accumulated depreciation:					
At 1 April 2024	-	13,648	45,338	3,130	62,116
Translation differences	-	359	(3,354)	(1,028)	(4,023)
Depreciation for the year	-	1,312	4,391	214	5,917
Disposals/Write offs	-	(4)	(1,532)	(54)	(1,590)
Disposal of subsidiaries (Note 33)	-	(1,116)	(5,718)	-	(6,834)
At 31 March 2025	-	14,199	39,125	2,262	55,586
Translation differences	-	(2,074)	(1,257)	361	(2,970)
Depreciation for the year	-	1,093	3,484	170	4,747
Disposals/Write offs	-	(1)	(1,020)	(166)	(1,187)
At 31 March 2026	-	13,217	40,332	2,627	56,176
Accumulated impairment:					
At 1 April 2024	-	-	75	-	75
Translation differences	-	-	(6)	-	(6)
At 31 March 2025	-	-	69	-	69
Translation differences	-	-	1	-	1
At 31 March 2026	-	-	70	-	70
Carrying amount:					
At 31 March 2026	1,185	31,396	24,212	531	57,324
At 31 March 2025	1,248	32,655	22,839	612	57,354

Property, plant and equipment of certain subsidiaries amounting to \$24.0 million (2025 : \$26.0 million) have been pledged to secure banking facilities granted (Note 16). Included in additions to property, plant and equipment is \$0.7 million (2025 : \$Nil) of finance costs capitalised.

Company

The Company's property, plant and equipment had cost of \$500,000 (2025 : \$492,000) and accumulated depreciation of \$467,000 (2025 : \$459,000). Additions for the year amounted to \$8,000 (2025 : \$Nil) and depreciation for the year amounted to \$8,000 (2025 : \$84,000).

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13 RIGHT-OF-USE ASSETS

	Land	Buildings	Plant and equipment	Motor vehicles	Employee accommodation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
Cost:						
At 1 April 2024	12,469	7,671	10	2,184	1,088	23,422
Translation differences	(1,719)	(567)	-	(36)	(61)	(2,383)
Additions	1,907	4,087	-	640	1,653	8,287
Expiry	(489)	(3,704)	-	(654)	(1,162)	(6,009)
Disposal of subsidiaries (Note 33)	-	(110)	-	(11)	(17)	(138)
At 31 March 2025	12,168	7,377	10	2,123	1,501	23,179
Translation differences	(797)	(312)	-	(80)	(81)	(1,270)
Additions	23,767	3,393	9	1,337	1,375	29,881
Expiry	(397)	(2,103)	(10)	(943)	(1,384)	(4,837)
At 31 March 2026	34,741	8,355	9	2,437	1,411	46,953
Accumulated depreciation:						
At 1 April 2024	3,163	3,025	7	1,090	661	7,946
Translation differences	(300)	(218)	-	(18)	(38)	(574)
Depreciation for the year	671	2,996	2	591	1,375	5,635
Expiry	(489)	(3,456)	-	(639)	(1,113)	(5,697)
Disposal of subsidiaries (Note 33)	-	(90)	-	(8)	(9)	(107)
At 31 March 2025	3,045	2,257	9	1,016	876	7,203
Translation differences	(163)	(88)	-	(38)	(50)	(339)
Depreciation for the year	868	2,779	2	554	1,294	5,497
Expiry	(124)	(1,759)	(9)	(845)	(1,350)	(4,087)
At 31 March 2026	3,626	3,189	2	687	770	8,274
Carrying amount:						
At 31 March 2026	31,115	5,166	7	1,750	641	38,679
At 31 March 2025	9,123	5,120	1	1,107	625	15,976

Company

The Company's right-of-use assets had cost of \$605,000 (2025 : \$599,000) and accumulated depreciation of \$289,000 (2025 : \$121,000). Additions and expiry during the year amounted to \$17,000 (2025 : \$519,000) and \$11,000 (2025 : \$786,000) respectively. Depreciation for the year amounted to \$179,000 (2025 : \$173,000).

14 INTANGIBLE ASSETS

	Group	
	2026	2025
	\$'000	\$'000
Goodwill	9,215	10,602
Other intangible assets	12,692	14,662
	21,907	25,264

Goodwill

	Group	
	2026	2025
	\$'000	\$'000
At beginning of year	10,602	16,476
Translation differences	(1,387)	(2,502)
Impairment loss	-	(3,372)
At end of year	9,215	10,602

Goodwill is stated net of accumulated impairment losses amounting to \$9.6 million, \$10.0 million and \$6.6 million as at 31 March 2026, 31 March 2025 and 1 April 2024 respectively.

Goodwill acquired in business combination is allocated to the cash-generating units (CGUs) that are expected to benefit from that business combination, as follows:

	Group	
	2026	2025
	\$'000	\$'000
Arising on acquisition of subsidiaries:		
Berger Paints Emirates LLC	505	505
Kadisco Paint and Adhesive Industry S.C.	1,608	2,043
Causeway Paints Lanka (Private) Limited	4,412	5,285
Arising on acquisition of subsidiaries under common control:		
Asian Paints (Vanuatu) Limited	167	172
Asian Paints (South Pacific) Limited	340	350
SCIB Chemicals, S.A.E.	2,183	2,247
	9,215	10,602

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to profit margins. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on country specific growth forecasts. Profit margins are estimated based on past practices and expectations of future changes in the market.

The table below shows the key assumptions used:

	Group	
	2026	2025
	\$'000	\$'000
Period considered for discrete cash flow projections by management under value in use method	5 years	5 years
Projected revenue growth rates	1% to 27%	4% to 25%
Terminal growth rates	2% to 9.4%	2% to 13.3%
Discount rates	11% to 28%	11% to 35%

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Management is of the view that any reasonably possible changes to the key assumptions would not result in material impairment losses being recognised.

	Brands	Distribution network	Total
Group			
Cost:			
At 1 April 2024	11,306	10,099	21,405
Translation differences	(2,296)	(586)	(2,882)
At 31 March 2025	9,010	9,513	18,523
Translation differences	(1,017)	(889)	(1,906)
At 31 March 2026	7,993	8,624	16,617
Amortisation:			
At 1 April 2024	-	3,661	3,661
Translation differences	-	(282)	(282)
Amortisation for the year	-	482	482
At 31 March 2025	-	3,861	3,861
Translation differences	-	(379)	(379)
Amortisation for the year	-	443	443
At 31 March 2026	-	3,925	3,925
Carrying amount:			
At 31 March 2026	7,993	4,699	12,692
At 31 March 2025	9,010	5,652	14,662

The brands have indefinite useful life as their registrations can be renewed indefinitely. Accordingly, the brands are not amortised. The distribution network has finite useful life of 20 years, over which the asset is amortised on a straight-line basis. The amortisation expenses have been included as a separate line item in profit or loss.

Other intangible assets are allocated to their respective CGUs for impairment testing purposes.

15 DEFERRED TAX (LIABILITIES) ASSETS

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset):

	Group		Company	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities	(4,252)	(4,280)	(3)	(5)
Deferred tax assets	163	273	-	-
	(4,089)	(4,007)	(3)	(5)

The following are the major deferred tax liabilities and assets recognised by the Group and Company and movements thereon during the year:

	Excess allowances over depreciation	Retirement benefits liabilities	Tax losses	Intangible assets	Property, plant and equipment	Lease liabilities	Undistributed earnings	Others	Total
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2026	(1,590)	455	15	(5,323)	(583)	(11)	(301)	3,133	(4,205)
Translation differences	111	(69)	-	779	217	(1)	-	(677)	360
(Charge) Credit to profit or loss (Note 29)	(332)	77	(15)	145	22	(16)	(253)	168	(204)
Charge to other comprehensive income	-	42	-	-	-	-	-	-	42
At 31 March 2025	(1,811)	505	-	(4,399)	(344)	(28)	(554)	2,624	(4,007)
Translation differences	114	(59)	2	458	51	3	-	(218)	351
(Charge) Credit to profit or loss (Note 29)	(60)	140	55	133	14	41	128	(928)	(477)
Charge to other comprehensive income	-	44	-	-	-	-	-	-	44
At 31 March 2026	(1,757)	630	57	(3,808)	(279)	16	(426)	1,478	(4,089)

Deferred tax liabilities not recognised

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is \$5,269,000 (2025 : \$4,416,000). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries. Other losses may be carried forward indefinitely, subject to the conditions imposed by the law.

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16 BANK LOANS AND OVERDRAFTS

	Group		Company	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Unsecured				
Bank loans	47,861	62,083	45,291	59,777
Bank overdrafts	154	-	-	-
	48,015	62,083	45,291	59,777
Secured				
Bank loans	15,761	12,018	-	-
Bank overdrafts	2,332	7,262	-	-
	18,093	19,280	-	-
Total bank loans and overdrafts	66,108	81,363	45,291	59,777
Less: Amount due for settlement within 12 months (shown under current liabilities)	(66,108)	(80,244)	(45,291)	(59,777)
Amount due for settlement after 12 months	-	1,119	-	-

Unsecured bank loans bear interest at rates ranging from 1.40% to 20.00% (2025 : 3.60% to 28.80%) per annum and are repayable within 12 months. Secured bank loans bear interest at rates 8.69% (2025 : 11.10%) per annum.

The average effective interest rate on bank overdrafts is 12.11% (2025 : 11.30%) per annum.

The security for bank loans and overdrafts relate to bank fixed deposits (Note 7), trade receivables (Note 8), inventories (Note 10), and property, plant and equipment (Note 12) of certain subsidiaries.

The Group has unutilised banking facilities of \$172.3 million (2025 : \$153.1 million) at the end of the reporting period.

The Company has unutilised banking facilities of \$88.7 million (2025 : \$74.2 million) at the end of the reporting period. The holding company has provided letters of awareness to financial institutions in respect of the Company's facilities.

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

Reconciliation of liabilities arising from financing activities

	Non-cash changes				
	Beginning of year	Financing cash flows (i)	New lease liabilities	Disposal of subsidiaries (Note 33)	Currency translation differences
	\$'000	\$'000	\$'000	\$'000	\$'000
2026					
Bank loans (Note 16)	74,101	(9,838)	-	-	(641)
Lease liabilities (Note 19)	16,032	(6,084)	29,881	-	89
2025					
Bank loans (Note 16)	135,984	(60,407)	-	-	(1,476)
Lease liabilities (Note 19)	14,824	(6,571)	8,287	(2)	(506)

- (i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

17 TRADE PAYABLES

	Group		Company	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Outside parties	90,645	100,506	1,436	1,598
Holding company (Note 5)	9,398	10,398	2,507	2,106
	100,043	110,904	3,943	3,704

The credit period on purchases of goods ranges from 30 to 150 days (2025 : 30 to 150 days).

18 OTHER PAYABLES

	Group		Company	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Holding company (Note 5)	2,148	2,305	1,423	1,236
Subsidiaries (Notes 5 and 11)	-	-	355	480
Outside parties	2,072	1,567	-	-
Loans from subsidiaries	-	-	6	6
	4,220	3,872	1,784	1,722

19 LEASE LIABILITIES

	Group		Company	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Maturity analysis:				
Within 1 year	4,697	3,797	187	182
Within 2 to 5 years	11,403	5,905	145	317
More than 5 years	103,848	8,947	-	-
	119,948	18,649	332	499
Less: Unearned interest	(80,030)	(2,617)	(8)	(20)
	39,918	16,032	324	479
Analysed as:				
Current	3,748	3,309	180	171
Non-current	36,170	12,723	144	308
	39,918	16,032	324	479

Notes

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

20 RETIREMENT BENEFIT LIABILITIES

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

The defined benefit obligations are valued by independent actuaries using the projected unit credit method. The information that follows is extracted from the actuarial reports of the subsidiaries, prepared by independent actuaries.

The principal actuarial assumptions used for the actuarial valuations were as follows:

	Group	
	2026	2025
	%	%
Discount rate at end of year	5.0% to 10.4%	4.8% to 10.9%
Future salary increases	4.0% to 15.0%	4.0% to 15.0%

Changes in the present value of the defined benefit obligation are as follows:

	Group	
	2026	2025
	\$'000	\$'000
Opening defined benefit obligation	6,984	6,526
Amounts included in employee benefits expense		
- Service cost	956	593
- Interest cost	456	468
Actuarial loss recognised in other comprehensive income	327	497
Exchange differences	(385)	(282)
Benefits paid	(857)	(543)
Disposal of subsidiaries (Note 33)	-	(275)
Closing defined benefit obligation	7,481	6,984

Actuarial gains or losses arise from changes in financial and demographic assumptions. Management is of the view that reasonably possible changes of the respective assumptions occurring at the end of the reporting period will not have a material impact on the financial statements. As such, no further analysis has been performed.

21 SHARE CAPITAL

	Group and Company			
	2026	2025	2026	2025
	Number of ordinary shares		\$'000	\$'000
Issued and paid up:				
At beginning of year	475,775,387	427,875,387	182,436	150,306
Issue of share capital	-	47,900,000	-	32,130
At end of year	475,775,387	475,775,387	182,436	182,436

Fully paid ordinary shares which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

22 STATUTORY RESERVE

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

23 CAPITAL RESERVE

The capital reserve represents transfers from unappropriated profit upon bonus shares issued by a subsidiary. The capital reserve is not available for distribution.

24 REVENUE

	Continuing operations		Discontinued operations		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Type of goods or services						
Paint and adhesive sales	429,690	423,344	-	7,496	429,690	430,840
Contracting revenue	194	539	-	-	194	539
	429,884	423,883	-	7,496	429,884	431,379
Geographical markets						
Africa	95,456	100,896	-	-	95,456	100,896
Middle East	165,290	162,681	-	-	165,290	162,681
South Asia	148,160	137,092	-	-	148,160	137,092
Southeast Asia & Pacific Islands	20,978	23,214	-	7,496	20,978	30,710
	429,884	423,883	-	7,496	429,884	431,379
Timing of revenue recognition						
At a point in time	429,690	423,344	-	7,496	429,690	430,840
Over time	194	539	-	-	194	539
	429,884	423,883	-	7,496	429,884	431,379

25 OTHER OPERATING INCOME

	Continuing operations		Discontinued operations		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Royalty income	52	53	-	-	52	53
Interest income	997	1,327	-	34	997	1,361
Other income	3,314	1,776	-	-	3,314	1,776
	4,363	3,156	-	34	4,363	3,190

26 EMPLOYEE BENEFITS EXPENSE

	Continuing operations		Discontinued operations		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Staff costs (including directors' remuneration)	59,627	60,696	-	3,459	59,627	64,155
Amounts recognised in respect of defined benefit obligations	1,412	982	-	79	1,412	1,061
Contributions to defined contribution plans	2,247	2,284	-	189	2,247	2,473
	63,286	63,962	-	3,727	63,286	67,689

Notes

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

27 OTHER OPERATING EXPENSES

Group	Continuing operations		Discontinued operations		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Power and fuel	1,266	1,510	-	29	1,266	1,539
Freight and handling charges	11,573	10,375	-	604	11,573	10,979
Sales promotion expenses & advertisements	16,829	15,423	-	3,168	16,829	18,591
Insurance	553	573	-	93	553	666
Repairs and maintenance	1,704	1,742	-	89	1,704	1,831
Royalty expense (Note 5)	10,016	9,304	-	209	10,016	9,513
Printing, stationery, postage and telephone	1,017	1,096	-	65	1,017	1,161
Travelling expenses	2,765	3,014	-	492	2,765	3,506
Foreign exchange loss	907	8,517	-	4	907	8,521
Allowance for credit losses (Note 8)	1,081	901	-	141	1,081	1,042
(Decrease) Increase in allowance for obsolete inventories (Note 10)	(402)	984	-	172	(402)	1,156
Legal and professional expenses	1,317	1,563	-	253	1,317	1,816
Bank charges	1,023	1,778	-	5	1,023	1,783
Information technology	2,136	1,585	-	130	2,136	1,715
Security	897	821	-	105	897	926
Others	4,787	2,866	-	(379)	4,787	2,487
	57,469	62,052	-	5,180	57,469	67,232

28 FINANCE COSTS

Group	Continuing operations		Discontinued operations		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	1,036	967	-	3	1,036	970
Interest expense on bank loans and overdrafts	3,745	6,750	-	2	3,745	6,752
	4,781	7,717	-	5	4,781	7,722

29 INCOME TAX EXPENSE

	Continuing operations	
	2026	2025
	\$'000	\$'000
Current year	7,859	4,415
Under (Over) provision of current tax in prior years	345	(487)
Deferred tax (Note 15)	477	204
Withholding tax	788	868
	9,469	5,000

The income tax expense varies from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2025 : 17%) to profit before income tax as a result of the following differences:

	Continuing operations	
	2026	2025
	\$'000	\$'000
Profit before income tax	28,353	9,364
Income tax expense at statutory tax rate	4,820	1,592
Non-deductible items	1,875	2,988
Tax concessions	(465)	(93)
Withholding tax	788	868
Effects of different tax rates in different countries	1,817	119
Deferred tax assets not recognised	267	-
Under (Over) provision of current tax in prior years	345	(487)
Others	22	13
	9,469	5,000

The Group operates in multiple jurisdictions and is within the scope of the OECD Pillar Two Global Anti Base Erosion (GloBE) rules, which introduce a global minimum effective tax rate of 15% for multinational enterprise groups with consolidated revenue exceeding EUR 750 million.

The Government of India, where the Company's immediate and ultimate holding company is incorporated, has not enacted the Pillar Two Income taxes legislation. The Government of Singapore, where the Company is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2025. Under the legislation, the company would be required to pay, in Singapore, top-up tax on profits of the Company and its subsidiaries that are taxed at an effective tax rate of less than 15%.

Amongst all the jurisdictions in which the Group operates – the aforesaid tax is applicable in the Kingdom of Bahrain for the period from 1 April 2025 to 31 March 2026.

The Kingdom of Bahrain has issued and enacted Decree Law No. (11) of 2024 ('Bahrain DMTT law') on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of Bahrain resident entities. As the subsidiary incorporated in Bahrain is subject to the aforesaid tax in local jurisdiction itself, consequently no further tax incidence would be required in Singapore jurisdiction. Further, the Company has evaluated the applicability of top-up taxes in all other jurisdictions and found that none of the jurisdictions, including Singapore, in which the Company and its subsidiaries are incorporated, are subject to this tax.

The Group's current tax expense related to Pillar Two income taxes of \$197,000 (2025 : \$Nil).

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

Notes

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

30 PROFIT (LOSS) FOR THE YEAR

Profit (Loss) for the year is stated after (crediting) charging:

Group	Continuing operations		Discontinued operations		Total	
	2026	2025	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gain on disposal of plant and equipment	(42)	(71)	-	-	(42)	(71)
Directors' remuneration: Director fees - Company	284	211	-	-	284	211
Director remuneration – Company	771	810	-	-	771	810
Directors' remuneration – Subsidiaries	2,176	2,522	-	781	2,176	3,303
Foreign exchange adjustment loss	907	8,517	-	4	907	8,521
Cost of inventories recognised as expense	258,054	258,942	-	4,606	258,054	263,548
(Decrease) Increase in allowance for obsolete inventories (Note 10)	(402)	984	-	172	(402)	1,156
Allowance for credit losses (Note 8)	1,081	901	-	141	1,081	1,042
Impairment of goodwill (Note 14)	-	3,372	-	-	-	3,372

Amount recognised in profit or loss relating to leases

Group	Continuing operations		Discontinued operations		Total	
	2026	2025	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Depreciation expense on right-of-use assets (Note 13)	5,497	5,357	-	278	5,497	5,635
Interest expense on lease liabilities (Note 28)	1,036	967	-	3	1,036	970
Expense relating to short-term leases	797	473	-	20	797	493

The total cash outflow of all lease payments is as follows:

Group	Continuing operations		Discontinued operations		Total	
	2026	2025	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fixed payments	6,084	6,324	-	247	6,084	6,571
Variable payments	1,620	663	-	28	1,620	691
Total payments	7,704	6,987	-	275	7,704	7,262

31 CONTINGENT LIABILITIES

- (a) At the end of the reporting period, the Group has provided performance guarantees and guarantees to banks as follows:

	Continuing operations	
	2026	2025
	\$'000	\$'000
Performance guarantees	6,693	5,081

- (b) There are disputed tax assessments and import duties and taxes in respect of certain subsidiaries which are not acknowledged as debt and hence not provided for amounting to \$859,000

(2025 : \$122,275). Management believes that no liability will arise from the tax assessments as the Group is expecting a favourable outcome for this case.

32 COMMITMENTS

As at 31 March 2026, the Group is committed to \$111,000 (2025 : \$Nil) for short-term leases.

As at 31 March 2026, the Group is committed to \$4,026,000 (2025 : \$1,334,000) for future capital expenditure.

33 DISPOSAL OF SUBSIDIARIES IN PRIOR YEAR / DISCONTINUED OPERATIONS

During the prior year on 14 February 2025, the Group entered into a sale agreement to dispose of PT Asian Paints Indonesia and PT Asian Paints Colour Indonesia (collectively referred to "AP Indonesia"). The disposal was completed on 20 March 2025, on which date where the control of AP Indonesia was passed to the acquirer.

Carrying amounts of AP Indonesia's assets and liabilities prior to disposal

	Group
	2025
	\$'000
Current assets:	
Cash and bank balances	806
Trade receivables	2,288
Other receivables	2,265
Inventories	1,464
Non-current assets:	
Property, plant and equipment	18,210
Right of use assets	31
Current liabilities:	
Trade payables	(2,270)
Other payables	(412)
Lease liabilities	(2)
Non-current liabilities:	
Retirement benefit liabilities	(275)
Net assets derecognised	22,105

Computation of loss on disposal of AP Indonesia

	Group
	2025
	\$'000
Consideration received	6,663
Net assets derecognised	(22,105)
Cumulative exchange differences reclassified from translation reserve	(4,222)
Loss on disposal	(19,664)

Net cash inflow from disposal of AP Indonesia

	Group
	2025
	\$'000
Cash consideration received	6,663
Cash and cash equivalents disposed of	(806)
Net cash inflow from disposal	5,857

Notes

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

Results of AP Indonesia

The results of AP Indonesia were presented separately on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2025 as "Loss after tax from discontinued operations".

The loss for the year from discontinued operations was analysed as follows:

	Group
	2025
	\$'000
Loss for the year	(7,545)
Loss on disposal	(19,664)
	(27,209)

The loss for the year from AP Indonesia was analysed as follows

	Group
	2025
	\$'000
Revenue	7,496
Other operating income	34
Changes in inventories of finished goods and work-in-progress	(693)
Raw materials and consumables used	(3,913)
Manufacturing expenses	(475)
Sub-contracting costs and cost of sundry sales	(42)
Employee benefits expense	(3,727)
Depreciation of property, plant and equipment	(762)
Depreciation of right of use assets	(278)
Other operating expenses	(5,180)
Finance costs	(5)
Loss for the year	(7,545)

During the year ended 31 March 2025, AP Indonesia paid \$5.2 million in respect of the Group's net operating cash flows. AP Indonesia did not have significant contribution to the Group's investing and financing cash flows.



Samoa Paints Limited

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Directors' Report

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Samoa Paints Limited (the Company) as at 31 March 2026, the related statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date and report as follows:

Directors

The names of the Directors in office at the date of this report are:

- Sireesh Rao (Resigned 10th July 2025)
- Vaatuitui Apete Meredith
- GD Anand
- Budhaditya Mukherjee (appointed 10th July 2025)

Principal activities

The principal activities of the Company in the course of the year were the distribution of paints and paint related products. There has been no significant change in the nature of these activities during the financial year.

Results

The operating loss for the Company for the year was WST 360,777 (2025: profit of WST 325,975) after providing for an income tax benefit of WST 135,727 (2025: income tax expense of WST 117,718).

Dividends

The Directors had declared and paid dividends of WST 225,000 during the year (2025: WST 450,000).

Reserves

The Directors propose that no transfer be made to reserves.

Bad debts and impairment loss

Prior to the completion of the Company's financial statements, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the provision for expected credit loss. In the opinion of Directors, adequate provision has been made for expected credit losses.

As at the date of this report, the Directors are not aware of any circumstances, which would render the amount written off for bad debts or the allowance for expected loss in the Company inadequate to any substantial extent.

Non-current assets

Prior to the completion of the financial statements of the Company, the Directors took reasonable steps to ascertain whether any non-current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the Company. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that might be expected to realise.

As at the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to non-current assets in the Company's financial statements misleading.

Basis of accounting

The Directors believe that the basis of the preparation of the financial statements is appropriate and the Company will be able to continue its operation for at least twelve months from the date of this statement. Accordingly, the Directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate.

Unusual transactions

Apart from other matters specifically referred to in the financial statements, in the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Company in the current financial year, other than those reflected in the financial statements.

Significant events

During the financial year, management initiated an internal investigation in response to a disclosure received in December 25 relating to certain practices within the Company's operations. Based on the results of the investigation, management undertook a detailed review and appropriate corrective entries, primarily relating to sales and inventory, which have been duly recorded in the books of account for the year ended 31st March 2026. The financial effects of the matters identified have been appropriately quantified and reflected in the accompanying financial statements.

Management has also initiated remedial actions to strengthen internal controls and monitoring mechanisms to mitigate the risk of recurrence.

Apart from the above, there were no other significant matters or circumstances that arose during the financial year which significantly affected, or may significantly affect, the operations, results, cash flows, or state of affairs of the Company in future financial years.

Events subsequent to balance date

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Other circumstances

As at the date of this report:

- (i) no charge on the assets of the Company has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Company could become liable; and
- (iii) no contingent liabilities or other liabilities of the Company have become or is likely to become enforceable within the year of twelve months after the

end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

As at the date of this report, the Directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements or received as the fixed salary of a full-time employee of the Company or of a related corporation) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

Dated this 29th day of April 2026.

Directors' Statement

In accordance with a resolution of the Board of Directors of Samoa Paints Limited (the Company), we state that in the opinion of the Directors:

- (i) the accompanying statement of profit or loss and other comprehensive income of the Company is drawn up so as to give a true and fair view of the results of the Company for the year ended 31 March 2026;
- (ii) the accompanying statement of changes in equity of the Company is drawn up so as to give a true and fair view of the changes in equity of the Company for the year ended 31 March 2026;
- (iii) the accompanying statement of financial position of the Company is drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2026;
- (iv) the accompanying statement of cash flows of the Company is drawn up so as to give a true and fair view of the cash flows of the Company for the year ended 31 March 2026;
- (v) at the date of this statement there are reasonable grounds to believe the Company will be able to pay its debts as and when they fall due; and
- (vi) all related party transactions have been adequately recorded in the books of the Company.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

Dated this 29th day of April 2026.

Independent Auditor's Report

To the Shareholders of Samoa Paints Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Samoa Paints Limited (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2026, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS accounting standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Samoa and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors and management of the Company are responsible for the other information. The other information comprises the information in the Directors' report for the year ended 31 March 2026 but does not include the financial statements and the Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial

statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the Financial Statements

The Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS accounting standards and for such internal control as the Directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless the Directors and management either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors and management.
- Conclude on the appropriateness of the Directors' and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Samoa Companies Act 2001 in all material respects, and;

- a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Company has kept financial records sufficient to enable the financial statements to be prepared and audited.

Ernst & Young

Nadi, Fiji
29 April 2026

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31st March, 2026

	Notes	2026 WST	2025 WST
Revenue			
Revenue from contracts with customers	2(a)	1,817,063	3,043,261
Other income	2(b)	24,589	14,544
		1,841,652	3,057,805
Cost and expenses			
Cost of sales		(1,909,207)	(2,163,618)
Depreciation and amortisation	5	(10,868)	(9,843)
Salaries and employee benefits	2(c)	(183,048)	(165,739)
Operating expenses	2(d)	(235,033)	(274,912)
		(2,338,156)	(2,614,112)
(Loss)/profit before tax		(496,504)	443,693
Income tax benefit/ (expense)	4(a)	135,727	(117,718)
Net (loss)/profit for the year		(360,777)	325,975
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss)/income for the year, net of tax		(360,777)	325,975
(Loss)/earnings per share	15	(4.01)	3.62

The accompanying notes form an integral part of this Statement of Profit or Loss and Other Comprehensive Income.

Statement of Financial Position

as at 31st March 2026

		2026	2025
	Notes	WST	WST
Assets			
Non-current assets			
Property, plant and equipment	5	399,884	390,954
Intangible assets	6	2	2
Deferred tax asset	4(c)	165,153	29,708
		565,039	420,664
Current assets			
Cash and cash equivalents	10	408,121	537,368
Inventories	7	429,413	785,890
Trade receivables and other receivables	8	317,985	637,948
Prepayments and other assets	9	49,104	26,988
Current tax asset		10,158	9,876
		1,214,781	1,998,070
Total assets		1,779,820	2,418,734
Equity and liabilities			
Equity			
Share capital	11(a)	90,000	90,000
Asset revaluation reserve	11(b)	287,934	287,934
Retained earnings		749,169	1,334,946
Total shareholders' equity		1,127,103	1,712,880
Current liabilities			
Trade and other payables	12	652,717	705,854
		652,717	705,854
Total liabilities		652,717	705,854
Total equity and liabilities		1,779,820	2,418,734

The accompanying notes form an integral part of this Statement of Financial Position.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Statement of Changes in Equity

for the year ended 31 March 2026

	Notes	2026	2025
		WST	WST
Retained earnings			
Balance at the beginning of the year		1,334,946	1,458,971
Net (loss)/ profit for the year		(360,777)	325,975
		974,169	1,784,946
Dividends declared and paid	3	(225,000)	(450,000)
Balance at the end of the year		749,169	1,334,946
Share capital			
Balance at the beginning of the year	11(a)	90,000	90,000
Balance at the end of the year		90,000	90,000
Asset revaluation reserve			
Balance at the beginning of the year	11(b)	287,934	287,934
Balance at the end of the year		287,934	287,934
Total shareholders' equity		1,127,103	1,712,880

The accompanying notes form an integral part of this Statement of Changes in Equity.

Statement of Cash Flows

for the year ended 31 March 2026

	Note	2026 WST	2025 WST
Operating activities			
Operating (loss)/ profit before income tax		(496,504)	443,693
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortisation		10,868	9,843
Working capital adjustments:			
Increase/(decrease) in trade receivables		319,963	(18,048)
(Decrease)/ increase in prepayments and other assets		(22,116)	28,966
Increase/ (decrease) in inventories		356,477	(136,237)
Decrease in trade and other payables		(53,137)	(95,892)
		115,551	232,325
Net income/(loss) tax paid		-	(62,072)
Net cash flows from operating activities		115,551	170,253
Investing activities			
Purchase of plant and equipment		(19,798)	(2,435)
Net cash flows used in investing activities		(19,798)	(2,435)
Financing activities			
Dividends paid		(225,000)	(450,000)
Net cash flows used in financing activities		(225,000)	(450,000)
Net decrease in cash and cash equivalents		(129,247)	(282,182)
Cash and cash equivalents at the beginning of year		537,368	819,550
Cash and cash equivalents at the end of the year	10	408,121	537,368

The accompanying notes form an integral part of this Statement of Cash Flows.

Notes to the Financial Statements

for the year ended 31 March 2026

1.0 Corporate information

The financial statements of Samoa Paints Limited (the Company) for the year ended 31 March 2026 were authorised for issue in accordance with a resolution of the Directors dated 29 April 2026. Samoa Paints Limited is a limited liability company incorporated and domiciled in Samoa. The Company is a subsidiary of Asian Paints International Private Limited, with Asian Paints Limited being the ultimate holding company.

The principal activities of the Company are described in Note 22.

1.1 Basis of preparation of the financial statements

The financial statements have been prepared on a historical cost basis, except otherwise indicated. The financial statements are presented in Samoan Tala (WST) and all values are rounded to the nearest WST except when otherwise indicated.

Statement of compliance

The financial statements of Samoa Paints Limited have been prepared in accordance with International Financial Reporting Standards (IFRS accounting standards) as issued by the International Accounting Standards Board (IASB).

Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

1.2 Summary of accounting policies

a) Foreign currencies

The Company's financial statements are presented in Samoan Tala (WST), which is also the Company's functional currency. The Company determines the functional currency and items included in the financial statements are measured using that functional currency. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated

at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Revenue from contracts with customers

Revenue is recognised when control of goods is transferred to the customer, which occurs when the goods are delivered to and accepted by the customer.

The Company generates revenue primarily from the sale of paints and paint-related products. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and Value Added Goods and Services Tax (VAGST).

The Company's performance obligations are satisfied at a point in time. Payment terms generally require settlement within 30 to 90 days and do not contain significant financing components.

c) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which

applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Value Added Goods and Services Tax (VAGST)

Revenues, expenses and assets are recognised net of the amount of VAGST except:

- where the VAGST incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

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

- receivables and payables that are stated with the amount of VAGST included.

The net amount of VAGST recoverable or payable to the tax authority is included as part of the receivables or payables in the statement of financial position.

d) Property, plant and equipment

Construction in progress, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the useful lives of the assets as follows:

Freehold land	Not depreciated
Buildings	2%
Furniture, fittings, office equipment and motor vehicles	10% - 33%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation

method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

The Company's intangible assets consist of software which was acquired and is amortised on a straight-line basis over the asset's useful life of 3 years.

g) Financial instruments

(i) Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;

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- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how Directors of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and demonstrate why those sales do not reflect a change in the entity's business model.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets: Subsequent measurement and gains and loss

Financial assets that are measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets

The Company classified its financial assets as financial assets measured at amortised cost.

Financial assets: Subsequent measurement and gains and loss

Trade and other receivables and related party receivables are measured at amortised cost using the effective interest method.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gains or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets in these cases the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

h) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials - purchase cost; and
- Finished goods and work in progress - cost of direct materials and labour and an appropriate portion of fixed and variable overheads but excluding borrowing costs.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Impairment

(i) Non-derivative financial assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- other receivables and cash at bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

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The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Credit-impaired financial assets

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit, or CGU”).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

j) **Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

k) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

l) **Employee entitlements**

Provisions are made for wages and salaries, incentive payments and annual leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

m) **Trade and other payables**

Liabilities for trade creditors and other amounts are carried at cost (inclusive of Value Added Tax where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Company. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial period.

n) **Comparative figures**

Comparative figures have been amended where necessary, for changes in presentation in the current period.

o) **Dividends**

Dividends are recorded in the Company's financial statements in the period in which the Directors approve them.

p) **Segment information**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products and services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environment.

Industry segment

The Company operates predominantly in the manufacturing and retailing industry.

Geographical segment

The Company operates predominantly in Samoa and is therefore one geographical area for reporting purposes.

q) **Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/

Notes

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

non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.3 Changes in accounting policies

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated).

New pronouncement	Effective date
Lack of exchangeability - Amendments to IAS 21	No material impact

1.4 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. These amendments are not expected to have a material impact on the Company,

New pronouncement	Effective date
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual improvements to IFRS Accounting Standards - Volume 11	1 January 2026
IFRS 18 - Presentation and Disclosures in Financial Statements	1 January 2027

1.5 Accounting judgements, estimates and assumptions

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

Judgements

In the process of applying the Company's accounting policies, management has made various judgements. Those which management has assessed to have the most material effect on the amounts recognised in the financial statements have been discussed in the individual notes of the related financial statements line items.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal

and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles with indefinite useful lives recognised by the Company.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and

coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 18.

Notes

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

2. Revenue and expenses

(a) Revenue from contracts with customers

	2026	2025
	WST	WST
Sales	1,817,063	3,043,261
Timing of revenue recognition		
Goods and services transferred at a point of time	1,817,063	3,043,261

The company did not recognise any contract assets or liabilities as at 31 March 2026 or 31 March 2025.

(b) Other income

	2026	2025
	WST	WST
Interest received	2,485	2,105
Realised exchange gain	22,104	-
Other income	-	12,439
	24,589	14,544

(c) Salaries and employee benefits

	2026	2025
	WST	WST
Salaries	109,089	107,728
Superannuation expenses	9,541	10,056
Other employee costs	64,418	47,955
	183,048	165,739

(d) Operating expenses

	2026	2025
	WST	WST
Auditor's remuneration - audit fees	11,992	13,751
- other fees	2,666	2,652
Realised exchange loss	7,435	5,180
Other operating expenses	212,940	253,329
	235,033	274,912

3. Dividends paid and proposed

	2026	2025
	WST	WST
Declared and paid during the year:	225,000	450,000

4. Income tax

The major components of income tax expense are:

- (a) A reconciliation between tax expense and the product of accounting loss multiplied by the tax rate for the year ended 31 March 2026 is as follows:

	2026	2025
	WST	WST
Accounting loss before income tax	(496,504)	443,693
At the Samoan rate of 27%	(134,056)	119,797
Under/(over) provision in prior year	(282)	1,026
Tax effect of non-deductible items	(1,389)	(3,105)
Income tax (benefit)/expense attributable to operating loss	(135,727)	117,718

- (b) Current income tax:

	2026	2025
	WST	WST
Current income tax charge	-	119,572
Adjustments in respect of prior year	(282)	1,026
Origination and reversal of temporary differences	(135,445)	(2,880)
Income tax (benefit)/expense attributable to operating loss	(135,727)	117,718

- (c) Deferred tax at 31 March 2026 and 31 March 2025 relates to the following:

	2026	2025
	WST	WST
Accelerated depreciation for book purposes	(1,140)	(2,363)
Provisions for inventory obsolescence	15,060	16,405
Provision for other expenses	26,028	17,471
Unrealised exchange loss	2,007	(1,805)
Loss available for offsetting against future taxable income	123,198	-
	165,153	29,708
Deferred tax asset	165,153	29,708

Notes

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

5. Property, plant and equipment

	Land and buildings	Plant, equipment, furniture and motor vehicles	Total
	WST	WST	WST
Cost			
At 31 March 2024	661,645	619,379	1,281,024
Additions	-	2,435	2,435
At 31 March 2025	661,645	621,814	1,283,459
Additions	6,975	12,823	19,798
At 31 March 2026	668,620	634,637	1,303,257
Depreciation			
At 31 March 2024	280,722	601,940	882,662
Depreciation charge for the year	3,445	6,398	9,843
At 31 March 2025	284,167	608,338	892,505
Depreciation charge for the year	3,885	6,983	10,868
At 31 March 2026	288,052	615,321	903,373
Net book value			
At 31 March 2026	380,568	19,316	399,884
At 31 March 2025	377,478	13,476	390,954

6. Intangible assets

	2026	2025
	WST	WST
Cost		
Opening balance	73,771	73,771
At 31 March 2026	73,771	73,771
Amortisation		
Opening balance	73,769	73,769
At 31 March 2026	73,769	73,769
Net book value	2	2

7. Inventories

	2026	2025
	WST	WST
Finished goods	429,296	785,890
Packaging materials	117	-
Total inventories at the lower of cost and net realisable value	429,413	785,890

8. Trade receivables and other receivables

	2026	2025
	WST	WST
Trade receivables	223,976	637,948
Goods and services tax (GST) receivables	94,009	-
	317,985	637,948

Trade receivables are non-interest bearing and are generally on 30-90 day terms. As at 31 March 2026, no trade receivables were considered credit-impaired and no loss allowance was recognised (2025: Nil).

At 31 March, the ageing analysis of trade receivables is as follows:

		Neither past due nor impaired	Past due but not impaired		
	Total		31 - 90 days	91 - 180 days	> 180 days
2026	223,976	161,811	62,165	-	-
2025	637,948	396,802	210,777	30,369	-

9. Prepayments and other assets

	2026	2025
	WST	WST
Prepayments	49,104	13,114
Advances paid to vendors	-	13,874
	49,104	26,988

10. Cash and cash equivalents

For the purpose of the statement of cash flows, cash comprises of cash at bank and on hand. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2026	2025
	WST	WST
Cash at banks	312,905	445,006
Cash on hand	569	200
Term deposits	94,647	92,162
	408,121	537,368

11. Share capital and reserves

	2026	2025
	WST	WST
a) Authorised, issued and fully paid		
90,000 ordinary shares of WST 1 each	90,000	90,000

Asian Paints International Private Limited took over the ordinary shares of the Company on 8th September, 2015 from Asian Paints (International) Limited.

Notes

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

	2026	2025
	WST	WST
b) Reserves		
Asset revaluation reserve	287,934	287,934

This reserve relates to the valuation of the Company's land and building carried out by the licensed public valuer, Elon Betahm and Associates Limited on 7th June 1995 and accepted by the Directors for incorporation into the books at 31 March 1996. In 2011, the Directors resolved that no more revaluations will be adopted and there has not been changes to this till 31 March 2026.

12. Trade and other payables

	2026	2025
	WST	WST
Owing to related parties [Note 14(c)]	550,927	586,529
Goods and services tax (GST) payable	644	40,917
Accruals and liabilities	101,146	78,408
	652,717	705,854

Terms and conditions of the above financial liabilities are:

Trade payables and accruals are on commercial terms and conditions and are payable within 60 - 90 days.

13. Dividend payable

	2026	2025
	WST	WST
Opening balance	-	-
Arising during the year	225,000	450,000
Paid during the year	(225,000)	(450,000)
At 31 March	-	-

Dividends of WST 225,000 were declared and paid during the year (2025: WST 450,000). No dividends were declared after the reporting date (2025: WST Nil).

14. Related party disclosures

(a) Directors

Directors at the date of this report are:

- Vaatuitui Apete Meredith
- GD Anand
- Budhaditya Mukherjee (appointed 10th July 2025)

(b) Transactions with related parties

All related party transactions occurred in the ordinary course of business and were conducted on arm's length commercial terms. Significant transactions during the year are as follows:

	2026	2025
	WST	WST
Related party purchases		
Asian Paints (South Pacific) Pte Limited, Fiji	1,325,140	1,913,645
Royalties		
Asian Paints Limited	(117)	92,310
Technical/ management fee/ reimbursement of expenses		
Asian Paints (South Pacific) Pte Limited, Fiji	147,739	105,686

(c) Amount owing to related parties

	2026	2025
	WST	WST
Asian Paints Limited	-	165,493
Asian Paints (South Pacific) Pte Limited, Fiji	550,927	421,036
	550,927	586,529

(d) Key management personnel

	2026	2025
	WST	WST
Key management personnel comprise the Directors and senior management. Compensation comprises short-term employee benefits only.		
Short-term employee benefits	32,594	45,164

15. Earnings per share

	2026	2025
	WST	WST
Operating (loss)/ profit after tax	(360,777)	325,975
Weight average number of shares outstanding	90,000	90,000
	(4.01)	3.62

16. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2026 (2025: WST Nil).

17. Expenditure commitments

- Capital commitments as at 31 March 2026 are WST Nil (2025: WST Nil).
- Finance lease commitments as at 31 March 2026 are WST Nil (2025: WST Nil).
- Operating lease commitments as at 31 March 2026 are WST Nil (2025: WST Nil).

Notes

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

18. Financial risk management objectives and policies

Principal financial liabilities comprise trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash which arise directly from its operations.

The main risk arising from the Company's financial statements are market risk, credit risk, and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Foreign currency

The Company has foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal trading activities. Normal currency trading activities foreign exchange risk are not hedged or subject to foreign currency forward exchange contracts.

The following table demonstrates the sensitivity to a reasonably possible change in the USD, with all other variables held constant, of the Company's profit before tax.

	Increase/ Decrease in USD rate	Effect on profit before tax WST
2026	+10%	(55,093)
	-10%	55,093
	Increase/Decrease in USD rate	Effect on profit before tax WST
2025	+10%	(42,104)
	-10%	42,104

Credit risk

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The company does not have material concentrations of credit risk, as exposures are spread across a large number of customers.

Liquidity risk

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (example accounts receivables, other financial assets) and projected cash flows from operations.

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2026 based on contractual undiscounted payments.

Year ended 31 March 2026	On demand	1 to 12 months	1 to 5 years	> 5 years	Total
	WST	WST	WST	WST	WST
Trade and other payables	-	652,717	-	-	652,717
	-	652,717	-	-	652,717
Year ended 31 March 2025	On demand	1 to 12 months	1 to 5 years	> 5 years	Total
	WST	WST	WST	WST	WST
Trade and other payables	-	705,854	-	-	705,854
	-	705,854	-	-	705,854

19. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2026.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, trade and other payables less cash and cash equivalents. Capital includes equity attributable to equity holders.

	2026	2025
	WST	WST
Trade and other payables (Note 12)	652,717	705,854
Less: cash and short-term deposits (Note 10)	(408,121)	(537,368)
Net debt	244,596	168,486
Equity	1,127,103	1,712,880
Total capital	1,127,103	1,712,880
Capital and net debt	1,371,699	1,881,366
Gearing ratio	21.70%	9.84%

20. Financial instruments

Set out below is a comparison by class of the carrying amounts and fair values of all of the Company's financial instrument, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying amount		Fair value	
	2026	2025	2026	2025
	WST	WST	WST	WST
Financial assets				
Cash and short-term deposits	408,121	537,368	408,121	537,368
Trade receivables	223,976	637,948	223,976	637,948
Prepayments and other assets	49,104	26,988	49,104	26,988
	681,201	1,202,304	681,201	1,202,304
Financial liabilities				
Trade and other payables	652,717	705,854	652,717	705,854

Notes

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

21. Subsequent events

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

22. Principal activities

The principal activities of the Company in the course of the year were the distribution of paints and paint related products. There has been no significant change in the nature of these activities during the financial year.

23. Company details

Registered office

The registered office of the Company is located at:

Savalalo,

Vaimauga Sisifo,

Apia,

Samoa.

Principal place of business

Apia, Samoa

Number of employees

As at balance date, the Company employed a total of 8 employees (2025: 6 employees).

24. Segment information

Industry segment

The Company operates predominantly in sale of paints and related products.

Geographical segment

The Company operates in Samoa and is therefore one geographical area for reporting purposes.



Asian Paints (South Pacific) Pte Limited

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Directors' Report

for the year ended 31st March, 2026

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Asian Paints (South Pacific) Pte Limited (the Company) as at 31st March 2026, the related statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and report as follows:

Directors

The following were Directors of the Company at the date of this report:

- Sireesh Rao Talluri (Resigned 10th July 2025)
- Ankit Surana
- Jaoji Koroj
- GD Anand
- Rajesh Patel
- Budhaditya Mukherjee (Appointed 10th July 2025)
- Abhishek Mohnot
- Arvind Kasabia

Principal activities

The principal activities of the Company in the course of the year were the manufacturing and distribution of paints and paint related products. There were no significant changes in the nature of these activities during the financial year.

Results

The profit for the year was \$4,587,486 (2025: \$3,869,891) after providing for income tax expense of \$1,354,800 (2025: \$1,129,386).

Dividends

The Directors declared dividends of \$3,800,000 (2025: \$2,375,000).

Reserves

The Directors propose that no transfer be made to reserves.

Bad debts and provision for impairment

Prior to the completion of the Company's financial statements, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the allowance for expected credit losses. In the opinion of Directors, adequate allowance has been made for expected credit losses.

As at the date of this report, the Directors are not aware of any circumstances, which would render the amount written off for bad debts, or the allowance for expected credit losses in the Company, inadequate to any substantial extent.

Non-current assets

Prior to the completion of the financial statements of the Company, the Directors took reasonable steps to ascertain whether any non-current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the Company. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that might be expected to realise.

As at the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to non-current assets in the Company's financial statements misleading.

Basis of accounting

The Directors believe that the basis of the preparation of the financial statements is appropriate and the Company will be able to continue its operation for at least twelve months from the date of this statement. Accordingly, the Directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate.

Unusual transactions

Apart from other matters specifically referred to in the financial statements, in the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Company in the current financial year, other than those reflected in the financial statements.

Significant events during the year

There were no significant matters or circumstances that had arisen during the financial year which significantly affected or may significantly affect the operations of the Company, the results or cash flows of those operations, or the state of affairs of the Company in future financial years.

Events subsequent to balance sheet date

No matters or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those

operations, or the state of affairs of the Company in future financial years.

Other circumstances

As at the date of this report:

- (i) no charge on the assets of the Company has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Company could become liable; and
- (iii) no contingent liabilities or other liabilities of the Company has become or is likely to become enforceable within the year of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

As at the date of this report, the Directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time employee of the Company or of a related corporation) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Auditor independence

The Directors have obtained an independence declaration from the Company's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Directors of Asian Paints (South Pacific) Pte Limited on page 6.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

Dated this 27th April 2026

Directors' Declaration

for the year ended 31st March, 2026

This Directors Declaration is required by the Companies Act 2015.

The Directors of the Company have made a resolution that declared:

- (a) in the Directors' opinion, the financial statements and notes of the Company for the financial year ended 31 March 2026:
 - (i) give a true and fair view of the financial position of the Company as at 31 March 2026 and of the performance of the Company for the year ended 31 March 2026; and
 - (ii) have been made out in accordance with the Companies Act 2015.
- (b) they have received declarations as required by section 395 of the Companies Act 2015; and
- (c) at the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

Dated this 27 day of April 2026.

Auditor Independence Declaration

for the year ended 31st March, 2026

Auditor's Independence Declaration to the Directors of Asian Paints (South Pacific) Pte Limited

As lead auditor for the audit of Asian Paints (South Pacific) Pte Limited for the financial year ended 31 March 2026, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Asian Paints (South Pacific) Pte Limited during the financial year.

Ernst & Young

Nadi, Fiji

Rovil Mani

Partner

21 Enamanu Road

Nadi, Fiji

27th April 2026

Independent Auditor's Report

To the Shareholders of
Asian Paints (South Pacific) Pte Ltd

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of Asian Paints (South Pacific) Pte Ltd (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2026, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS accounting standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors and management of the Company are responsible for the other information. The other information comprises the information in the Directors' report for the year ended 31 March 2026 but does not include the financial statements and the Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified

above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Financial Statements

The Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS accounting standards and for such internal control as the Directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless the Directors and management either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors and management.
- Conclude on the appropriateness of the Directors' and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Fiji Companies Act 2015 in all material respects, and:

- i) we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- ii) the Company have kept financial records sufficient to enable the financial statements to be prepared and audited.

Ernst & Young

Nadi, Fiji

Rovil Mani

Partner
21 Enamanu Road

Nadi, Fiji
27th April 2026

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2026

	Notes	2026 \$	2025 \$
Revenue			
Revenue from contracts with customers	2(a)	34,396,174	34,424,085
Cost of sales		(17,729,100)	(19,078,288)
Gross profit		16,667,074	15,345,797
Other income	2(b)	224,719	198,180
		16,891,793	15,543,977
Salaries and employee benefits	3(a)	(4,993,875)	(4,861,400)
Depreciation and amortisation		(1,125,814)	(996,317)
Movement in expected credit losses		(12,438)	(6,608)
Other operating expenses	3(b)	(4,817,380)	(4,680,375)
Profit before income tax		5,942,286	4,999,277
Income tax expense	4(a)	(1,354,800)	(1,129,386)
Net profit for the year		4,587,486	3,869,891
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year, net of tax		4,587,486	3,869,891
Total comprehensive income attributable to:			
Owners of the Company		4,587,486	3,869,891
Earnings per share			
Basic and diluted earnings per share	24	9.66	8.15

The accompanying notes form an integral part of this Statement of Profit or Loss and Other Comprehensive Income.

Statement of Changes In Equity

for the year ended 31 March 2026

	Notes	2026	2025
		\$	\$
Retained earnings			
Balance at the beginning of the year		20,070,993	18,576,102
Net profit for the year		4,587,486	3,869,891
Dividends declared and paid	5	(3,800,000)	(2,375,000)
Balance at the end of the year		20,858,479	20,070,993
Share capital			
Balance at the beginning of the year		1,436,001	1,436,001
Balance at the end of the year	13	1,436,001	1,436,001
Total shareholders' equity		22,294,480	21,506,994

The accompanying notes form an integral part of this Statement of Changes in Equity.

Statement of Financial Position

as at 31 March 2026

	Notes	2026 \$	2025 \$
Assets			
Non-current assets			
Property, plant and equipment	6	8,021,990	7,068,552
Intangible assets	7	52,712	54,486
Right-of-use assets	14	931,415	848,918
Other financial assets	8	119,727	104,367
Deferred tax asset	4(c)	164,042	134,257
		9,289,886	8,210,580
Current assets			
Inventories	9	7,437,677	9,149,680
Trade and other receivables	10	5,407,296	7,173,235
Other assets	11	395,998	337,993
Cash and cash equivalents	12(a)	6,709,851	3,686,810
		19,950,822	20,347,718
Total assets		29,240,708	28,558,298
Equity and liabilities			
Equity attributable to equity holders			
Share capital	13	1,436,001	1,436,001
Retained earnings		20,858,479	20,070,993
Total equity		22,294,480	21,506,994
Non-current liabilities			
Lease liabilities	20	477,661	598,952
Deferred tax liability	4(c)	590,042	577,417
Employee benefit liability	17	15,565	32,842
		1,083,268	1,209,211
Current liabilities			
Lease liabilities	20	473,816	326,569
Current tax liability		127,170	201,887
Trade and other payables	15	5,152,740	5,218,959
Employee benefit liability	17	109,234	94,678
		5,862,960	5,842,093
Total liabilities		6,946,228	7,051,304
Total equity and liabilities		29,240,708	28,558,298

The accompanying notes form an integral part of this Statement of Financial Position.

Statement of Cash Flows

for the year ended 31 March 2026

	Note	2026 \$	2025 \$
Operating activities			
Profit before tax from continuing operations		5,942,286	4,999,277
Adjustment to reconcile profit before tax to net cash flows			
Non-cash:			
Depreciation on property, plant and equipment and amortisation of intangible assets	6,7	739,931	722,041
Depreciation on right-of-use assets	14	385,883	274,276
Movement in provisions for employee benefit liability		(2,721)	25,865
Movement in provision of stock obsolescence		(252,048)	-
Movement in allowance for expected credit losses		12,438	6,607
(Gain)/loss on disposal of property, plant and equipment		(26,444)	938
Income tax expense	4(a)	(1,354,800)	(1,129,386)
Working capital adjustments:			
Decrease/(increase) in trade and other receivables		1,753,501	(163,489)
(Increase)/decrease in other assets		(58,005)	388,362
(Increase)/decrease in other financial assets		(15,360)	250,671
Decrease in inventories		1,964,051	2,128,475
Increase in deferred tax asset		(29,785)	(8,903)
Decrease in trade and other payables		(66,219)	(2,032,559)
Decrease in current tax liability		(74,717)	(30,777)
Increase/(decrease) in deferred tax liability		12,625	(34,551)
Net cash flows from operating activities		8,930,616	5,396,847
Investing activities			
Purchase of property, plant and equipment	6	(1,671,061)	(678,917)
Proceeds from sale of property, plant and equipment		26,444	-
Purchase of intangible assets	7	(20,534)	-
Net cash flows used in investing activities		(1,665,151)	(678,917)
Financing activities			
Repayments of lease liabilities (principal portion)		(442,424)	(313,974)
Dividends paid to shareholders		(3,800,000)	(2,375,000)
Net cash flows used in financing activities		(4,242,424)	(2,688,974)
Net increase in cash held		3,023,041	2,028,956
Cash and cash equivalents at beginning of year		3,686,810	1,657,854
Cash and cash equivalents at end of year	12(b)	6,709,851	3,686,810

The accompanying notes form an integral part of this Statement of Cash Flows.

Notes to the Financial Statements

for the year ended 31 March 2026

1.0 Corporate information

The financial statements of Asian Paints (South Pacific) Pte Limited (the Company) for the year ended 31 March 2026 were authorised for issue in accordance with a resolution of the Directors dated 27th April 2026. Asian Paints (South Pacific) Pte Limited is a limited liability company incorporated and domiciled in the Republic of Fiji.

The Company is a subsidiary of Asian Paints International Private Limited, with Asian Paints Limited being the ultimate holding company.

The principal activities of the Company are described in Note 27. Information on other related party relationships of the Company is provided in Note 18.

1.1 Basis of preparation of the financial statements

The financial statements have been prepared on a historical cost basis, except otherwise indicated. The financial statements are presented in Fijian dollars (\$) and all values are rounded to the nearest dollar except when otherwise indicated.

Statement of compliance

The financial statements of Asian Paints (South Pacific) Pte Limited have been prepared in accordance with the International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB).

Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

1.2 Summary of accounting policies

a) Foreign currencies

The Company's financial statements are presented in Fijian dollars, which is also the Company's functional currency. The Company determines the functional currency and items included in the financial statements are measured using that functional currency. Transactions in foreign currencies are initially recorded by the Company

at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principle in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

c) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax

Notes

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

rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to offset current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Value Added Tax (VAT)

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of sales tax included.

The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Property, plant and equipment

Construction in progress, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The impairment accounting policy for goodwill and intangible assets with indefinite lives similarly applies to other non-financial assets, including property, plant and equipment. Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	2.5%
Plant, office equipment and motor vehicle	10% - 33%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

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

Land	40 years
Buildings	40 years
Motor vehicles	3 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 1.2 (i) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the

underlying asset.

The Company's lease liabilities are included in lease liabilities, see Note 20.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication

that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.⁷

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. A summary of the policies applied to the Company's intangible assets is included in Note 7.

g) Financial instruments

Financial assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not

at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as disclosed in section (b) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost (debt instruments).

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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

The Company's financial assets at amortised cost includes cash and cash equivalents and trade receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition, measurement and presentation

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings,

payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

h) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials - purchase cost; and
- Finished goods and work in progress - cost of direct materials and labour and an appropriate portion of fixed and variable overheads but excluding borrowing costs;

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated

costs necessary to make the sale.

i) Impairment

(i) Non-derivative financial assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- other receivables and cash at bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Credit-impaired financial assets

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 1 year past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order

Notes

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

to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

j) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a

result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

l) Employee entitlements

Provisions are made for wages and salaries, incentive payments and annual leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

m) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of Value Added Tax where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Company. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial period.

n) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current period.

o) Dividends

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

p) Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns

that are different from those of other business segments. A geographical segment is engaged in providing products and services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environment.

Industry segment

The Company operates predominantly in the manufacturing and wholesale industry.

Geographical segment

The Company operates predominantly in Fiji and is therefore one geographical area for reporting purposes.

q) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.3 Changes in accounting policies

New standards, interpretations and amendments effective during the year

New and amended standards that have been adopted in the annual financial statements for the year ended 31 March 2026, but have not had a significant effect on the Company are:

New pronouncement	Impact on the Company
Lack of exchangeability – Amendments to IAS 21	No material impact

1.4 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. These amendments are not expected to have a material impact on the Company.

New pronouncement	Effective date
"Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7"	1 January 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027

1.5 Significant accounting judgements, estimates and assumptions

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

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most material effect on the amounts recognised in the financial statements:

Notes

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

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal period as part of the lease term for leases with shorter non-cancellable period (i.e., three to five years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available.

The renewal periods for leases with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Company typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and

assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles with indefinite useful lives recognised by the Company. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 22.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Note 22.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates)

when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 4.

Notes

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

2. Revenue and expenses

(a) Revenue from contracts with customers

	2026	2025
	\$	\$
Sales	34,396,174	34,424,085
Timing of revenue recognition		
Goods and services transferred at a point in time	34,396,174	34,424,085

The Company derives its revenue primarily from the manufacture and sale of paints and paint-related products. Revenue is recognised at a point in time upon delivery of goods to customers. The Company operates predominantly in Fiji and does not have material revenue streams that differ by geography, customer type or timing of revenue recognition.

(b) Other income

	2026	2025
	\$	\$
Realised exchange gain	124,797	176,774
Unrealised exchange gain	-	7,945
Gain on disposal of property, plant and equipment	26,444	-
Miscellaneous income	73,478	13,461
	224,719	198,180

3. Operational expenses

(a) Salaries and employee benefits

	2026	2025
	\$	\$
Salaries and wages	3,412,175	3,229,278
Superannuation	220,781	220,965
OHS expenses	65,351	61,206
Relocation and furlough expenses	63,301	45,091
Lease expenses - vehicle and housing	251,817	188,235
Other employee cost	564,105	704,264
Other employee perquisites	416,345	412,361
	4,993,875	4,861,400

(b) Other operating expenses

	2026	2025
	\$	\$
Auditor's remuneration - audit fees	20,475	18,375
Auditor's remuneration - other fees	2,100	2,100
Bank charges	21,409	31,274
Operating lease expense	45,379	7,422
Other operating expenses	4,728,017	4,621,204
	4,817,380	4,680,375

4. Income tax

- (a) A reconciliation between tax expense and the product of accounting profit multiplied by the tax rate for the year ended 31 March 2026 and 31 March 2025 is as follows:

	2026	2025
	\$	\$
Accounting profit before income tax	5,942,286	4,999,277
At the Fiji rate of 25%	1,485,572	1,249,819
Tax effect of temporary differences	-	(8,371)
(Over)/under provision in prior year	(7,232)	(4,470)
Export incentive	(123,540)	(107,592)
Income tax expense attributable to operating profit	1,354,800	1,129,386

- (b) Income statement

	2026	2025
	\$	\$
Current income tax:		
Current income tax charge	1,373,141	1,177,310
Adjustments in respect of previous year	(7,232)	(4,470)
Deferred income tax:		
Origination and reversal of temporary differences	(11,109)	(43,454)
Income tax expense attributable to operating profit	1,354,800	1,129,386

- (c) Deferred tax at 31 March 2026 and 31 March 2025 relates to the following:

	2026	2025
	\$	\$
Deferred tax assets/(liability)		
Accelerated depreciation for tax purposes	(554,425)	(575,431)
Provisions for employee entitlements	31,200	31,880
Provisions for fringe benefit tax	9,750	8,250
Allowance for expected credit losses	78,085	74,976
Unrealised exchange gain	-	(1,986)
Unrealised exchange loss	4,375	-
Difference between right-of-use-assets and lease liabilities	5,015	19,151
	(426,000)	(443,160)
Reflected in the statement of financial position as follows:		
Deferred tax asset	164,042	134,257
Deferred tax liability	(590,042)	(577,417)
Deferred tax liability (net)	(426,000)	(443,160)

Notes

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

5. Dividends proposed

	2026	2025
	\$	\$
Dividends proposed during the year:		
Ordinary shares		
Interim dividends - FY25-26 \$3 per share	1,425,000	-
Interim dividends - FY25-26 \$2.5 per share (FY24-25 \$2.5 per share)	1,187,500	1,187,500
Interim dividends - FY25-26 \$2.5 per share (FY24-25 \$2.5 per share)	1,187,500	1,187,500
	3,800,000	2,375,000

6. Property, plant and equipment

	Buildings	Plant, office equipment and motor vehicle	Work in progress	Total
	\$	\$	\$	\$
Cost				
At 1 April 2024	6,365,975	5,581,008	354,000	12,300,983
Additions	42,757	574,380	61,780	678,917
Disposals	-	(36,946)	-	(36,946)
Transfer	99,460	254,540	(354,000)	-
At 31 March 2025	6,508,192	6,372,982	61,780	12,942,954
Additions	1,270,258	400,803	-	1,671,061
Disposals	-	(93,880)	-	(93,880)
Transfer	61,780	-	(61,780)	-
Reclassification	(3)	(59,458)	-	(59,461)
At 31 March 2026	7,840,227	6,620,447	-	14,460,674
Depreciation				
At 1 April 2024	1,772,807	3,438,135	-	5,210,942
Depreciation charge for the year	258,540	440,928	-	699,468
Disposals	-	(36,008)	-	(36,008)
At 31 March 2025	2,031,347	3,843,055	-	5,874,402
Depreciation charge for the year	281,826	435,797	-	717,623
Reclassification	(600)	(58,861)	-	(59,461)
Disposals	-	(93,880)	-	(93,880)
At 31 March 2026	2,312,573	4,126,111	-	6,438,684
Net book value				
At 31 March 2026	5,527,654	2,494,336	-	8,021,990
At 31 March 2025	4,476,845	2,529,927	61,780	7,068,552

7. Intangible assets

	2026	2025
	\$	\$
Software costs:		
Opening balance	390,427	390,427
Addition	20,534	-
Closing balance	410,961	390,427
Amortisation:		
Opening balance	335,941	313,368
Amortisation	22,308	22,573
Closing balance	358,249	335,941
Net book value	52,712	54,486

A summary of the policies applied to the Company's intangible assets is as follows:

Software	
Useful life	4 - 5 years
Amortisation method used	Amortised on a straight-line basis over the period of useful life
Internally generated or acquired	Acquired

8. Other financial assets

	2026	2025
	\$	\$
Security deposits	119,727	104,367
Reflected in the statement of financial position as follows:		
Non-current assets	119,727	104,367

9. Inventories

	2026	2025
	\$	\$
Finished goods	2,477,376	4,379,498
Less: provision for stock obsolescence - finished goods	(291,219)	(487,796)
	2,186,157	3,891,702
Semi-finished goods	45,100	52,804
Less: provision for stock obsolescence - semi-finished goods	(12,032)	(31,633)
	33,068	21,171
Raw materials/packing materials/others	5,503,618	5,557,843
Less: provision for stock obsolescence - raw materials/packing materials/others	(285,166)	(321,036)
	5,218,452	5,236,807
Total inventories at the lower of cost and NRV	7,437,677	9,149,680

Notes

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

9. Inventories (Contd.)

Movements in the provision for stock obsolescence were as follows:

	2026	2025
	\$	\$
At 1 April 2025	840,465	496,276
Charge for the year	386,743	344,189
Reversal of any write down	(638,791)	-
At 31 March 2026	588,417	840,465

During the year, \$386,743 expense was recognised for inventories carried at net realisable value (2025: \$344,189).

10. Trade and other receivables

	2026	2025
	\$	\$
Trade receivables	1,918,443	1,251,315
Receivable from Directors' controlled entities [Note 18 (d)]	2,831,586	5,475,958
	4,750,029	6,727,273
Less: allowance for expected credit losses	(312,340)	(299,902)
	4,437,688	6,427,371
Receivable from related parties [Note 18 (d)]	969,608	745,864
	5,407,296	7,173,235

Trade receivables are non-interest bearing and are generally on 30 - 60 day terms. As at 31 March 2026, \$312,340 (2025: \$299,902) trade receivables were impaired for the Company and were fully provided for. An allowance for expected credit losses has already been accounted for in the balances above.

Movements in the provision for impairment of receivables were as follows:

	2026	2025
	\$	\$
At 1 April 2025	299,902	293,295
Reversal for the year	(8,196)	(15,772)
Charge for the year	20,634	22,379
At 31 March 2026	312,340	299,902

The information about the credit exposures are disclosed in Note 22.

11. Other assets

	2026	2025
	\$	\$
Refundable deposits/prepayments	341,515	259,023
Receivables from related parties [Note 18 (e)]	54,033	37,725
Other receivables	450	41,245
	395,998	337,993

12. Cash and cash equivalents

(a) Cash and cash equivalents

	2026	2025
	\$	\$
Cash at banks	6,707,137	3,684,470
Cash on hand	2,714	2,340
	6,709,851	3,686,810

Cash at banks earns interest at floating rates based on daily bank deposit rates.

(b) For the purpose of statement of cash flows, cash and cash equivalents comprise the following at 31 March:

	2026	2025
	\$	\$
Cash at banks and on hand	6,709,851	3,686,810

13. Share capital

	2026	2025
	\$	\$
Ordinary shares issued and fully paid		
475,000 ordinary shares	1,436,001	1,436,001

14. Right-of-use assets

	Leasehold land and buildings	Motor vehicles	Total
	\$	\$	\$
Cost			
As at 1 April 2024	1,612,360	461,128	2,073,488
Additions	-	320,145	320,145
Termination/reassessment	-	(217,739)	(217,739)
At 31 March 2025	1,612,360	563,534	2,175,894
Additions	283,960	184,420	468,380
Termination/reassessment	-	(205,221)	(205,221)
At 31 March 2026	1,896,320	542,733	2,439,053
Depreciation			
As at 1 April 2024	945,473	324,966	1,270,439
Depreciation expense	148,693	125,583	274,276
Reclassification	-	(217,739)	(217,739)
At 31 March 2025	1,094,166	232,810	1,326,976
Depreciation expense	232,156	153,727	385,883
Termination/reassessment	-	(205,221)	(205,221)
At 31 March 2026	1,326,322	181,316	1,507,638
Net book value			
At 31 March 2026	569,998	361,417	931,415
At 31 March 2025	518,194	330,724	848,918

Notes

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

15. Trade and other payables

	2026	2025
	\$	\$
Trade and other payables	4,451,273	4,632,722
Owing to related parties [refer note 18 (c)]	701,467	586,237
	5,152,740	5,218,959

Terms and conditions of the above financial liabilities are:

- Trade payables and accruals are on commercial terms and conditions and are payable within 60 - 90 days.
- For terms and conditions relating to related parties, refer to Note 18.

16. Dividend payable

	2026	2025
	\$	\$
Opening balance	-	-
Arising during the year [Note 5]	3,800,000	2,375,000
Paid during the year	(3,800,000)	(2,375,000)
At 31 March	-	-

17. Employee benefit liability

	2026	2025
	\$	\$
Opening balance	127,520	101,655
Net movement during the year	(2,721)	25,865
At 31 March	124,799	127,520
Reflected in the statement of financial position as follows:		
Current	109,234	94,678
Non-current	15,565	32,842

Employee benefits liability is recognised for employee entitlements in accordance with the policy in Note 1.2 (l).

18. Related party disclosures

a) Controlling entities

Asian Paints (South Pacific) Pte Limited is a subsidiary of Asian Paints International Private Limited. The ultimate holding company is Asian Paints Limited.

b) Transactions with related parties

During the year the Holding Company entered into transactions with related parties in the ordinary course of business under normal commercial terms. Significant transactions during the year are as follows:

	2026	2025
	\$	\$
Professional/management fee income/reimbursement of expenses received		
Asian Paints (S.I) Limited	102,014	84,175
Asian Paints (Vanuatu) Limited	101,198	87,519
SCIB Chemicals, S.A.E., Egypt	3,705	-
Samoa Paints Limited	116,584	83,456
Kadisco Paint and Adhesive Industry Share Company	3,666	9,351
Asian Paints Limited	2,445	-
	329,612	264,501

	2026	2025
Professional/management fee expense/reimbursement of expenses paid	\$	\$
Asian Paints International Private Limited	156,983	127,420
Berger Paints (Emirates) Limited	100,818	128,727
PT Asian Paints Indonesia	-	151,377
Asian Paints (Bangladesh) Limited	12,203	-
SCIB Chemicals, S.A.E., Egypt	980	-
Asian Paints Limited	29,947	41,422
Causeway Paints Lanka (Private) Limited	204,989	168,384
	505,920	617,330
Royalties	2026	2025
	\$	\$
Asian Paints Limited	945,767	762,769
Intra group sales	2026	2025
	\$	\$
Asian Paints (S.I) Limited	1,690,334	1,373,541
Asian Paints (Vanuatu) Limited	1,028,889	957,092
Samoa Paints Limited	1,086,529	1,563,411
	3,805,752	3,894,044
Related party sales	2026	2025
	\$	\$
Revenue from Directors controlled entities	11,706,179	21,904,303
Intra group purchases	2026	2025
	\$	\$
PT Asian Paints Indonesia	-	78,835
Asian Paints Limited	60,584	82,023
Harind Chemicals and Pharmaceuticals Private Limited	1,412	-
Causeway Paints Lanka (Private) Limited	3,551	-
	65,547	160,858
Related party purchases	2026	2025
	\$	\$
Purchase of materials from Directors controlled entities	480,110	481,383
Rent expenses	2026	2025
	\$	\$
Rent paid to Directors controlled entities	3,000	36,000

Notes

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

c) Amount owing to related parties (trade/non-trade)

	2026	2025
	\$	\$
Asian Paints International Private Limited	150,959	120,400
Asian Paints Limited	505,301	385,909
Berger Paints (Emirates) Limited	7,612	11,320
Causeway Paints Lanka (Private) Limited	23,350	11,713
Directors controlled entities	14,245	56,895
	701,467	586,237

d) Due from related parties (trade)

	2026	2025
	\$	\$
Asian Paints (S.I) Limited	308,055	333,206
Asian Paints (Vanuatu) Limited	235,032	68,237
Samoa Paints Limited	426,521	344,421
	969,608	745,864
Directors controlled entities	2,831,586	5,475,958
	3,801,194	6,221,822

e) Due from related parties (others)

	2026	2025
	\$	\$
Asian Paints (S.I) Limited	10,558	18,637
Asian Paints (Vanuatu) Limited	20,663	6,239
Samoa Paints Limited	22,812	3,120
Kadisco Paint and Adhesive Industry Share Company	-	9,729
	54,033	37,725

f) Compensation of key management personnel of the company

	2026	2025
	\$	\$
Short-term and post employee benefits	325,779	295,497

g) Directors

The following were Directors of the Company at the date of this report:

- Sireesh Rao Talluri (Resigned 10th July 2025)
- Ankit Surana
- Jaoji Koroï
- GD Anand
- Rajesh Patel
- Budhaditya Mukherjee (Appointed 10th July 2025)
- Abhishek Mohnot
- Arvind Kasabia

19. Expenditure commitments

At 31 March 2026, the Company had capital commitments of \$Nil (2025: \$Nil).

20. Lease liabilities

	2026	2025
	\$	\$
As at 1 April	925,521	919,350
Additions	468,380	320,145
Accretion of interest	78,620	74,029
Payments	(521,044)	(388,003)
As at 31 March	951,477	925,521
	2026	2025
	\$	\$
Current	473,816	326,569
Non-current	477,661	598,952
	951,477	925,521

The maturity analysis of lease liabilities are disclosed in Note 22.

The following are the amounts recognised in profit or loss:

	2026	2025
	\$	\$
Depreciation expense of right-of-use assets	385,883	274,276
Interest expense on lease liabilities	78,620	74,029
Total amount recognised in profit or loss	464,503	348,305

The Company had total cash outflows for leases of \$521,044 in 2026 (2025: \$388,003).

21. Contingent liabilities

Contingent liabilities as at 31 March 2026 are \$435,981 (2025: \$Nil).

22. Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, loans to related parties, financial assets at amortised cost and cash which arise directly from its operations.

The main risks arising from the Company's financial statements are market risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises foreign currency risk.

Foreign currency risk

The Company has transactional currency exposures. Such exposures arises from sales by the Company in currency other than Fijian dollars and purchases of raw materials in foreign currency. Foreign currency sales represents 12.9% (2025: 13.4%) of total sales. Foreign currency risk is an inherent business risk as the Reserve Bank of Fiji and banks do not permit hedging.

Notes

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

The following table demonstrates the sensitivity to a reasonable possible change in the US\$, AU\$, NZ\$ and INR exchange rate, with all other variables held constant, of the Company's profit before tax.

	Change in USD rate	Effect on profit before tax \$	Change in NZD rate	Effect on profit before tax \$
2026	+10%	(444,562)	+10%	(7,257)
	-10%	543,354	-10%	8,870
2025	+10%	(206,265)	+10%	(4,857)
	-10%	252,102	-10%	5,936

	Change in AUD rate	Effect on profit before tax \$	Change in INR rate	Effect on profit before tax \$
2026	+10%	(240)	+10%	(12)
	-10%	294	-10%	15
2025	+10%	(16,402)	+10%	-
	-10%	20,047	-10%	-

Credit risk

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The Company trades with only recognised, credit worthy third parties. There are no significant concentrations of credit risk within the Company. With respect to credit risk arising from other financial assets of the Company which comprise of cash and cash equivalents and financial assets held at amortised cost, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these investments. Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	Trade receivables				
	Days past due				
	Current	31 - 90 days	91 - 180 days	> 180 days	Total
31 March 2026					
Expected credit loss rate	0%	0%	0%	98%	
Estimated total gross carrying amount at default	3,685,851	631,655	115,192	317,331	4,750,029
Expected credit loss	-	-	-	312,340	312,340

	Trade receivables				
	Days past due				
	Current	31 - 90 days	91 - 180 days	> 180 days	Total
31 March 2025					
Expected credit loss rate	0%	0%	0%	53%	
Estimated total gross carrying amount at default	1,035,596	4,248,271	875,619	567,787	6,727,273
Expected credit loss	-	-	-	299,902	299,902

Liquidity risk

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial liabilities and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted payments.

	On demand	1 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 March 2026	\$	\$	\$	\$	\$
Trade and other payables	-	5,152,740	-	-	5,152,740
Lease liabilities	-	432,292	629,591	-	1,061,883
	-	5,585,032	629,591	-	6,214,623
	On demand	1 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 March 2025	\$	\$	\$	\$	\$
Trade and other payables	-	5,218,959	-	-	5,218,959
Lease liabilities	-	385,059	641,662	-	1,026,721
	-	5,604,018	641,662	-	6,245,680

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years 31 March 2026 and 31 March 2025. The Company monitors capital using a gearing ratio which is net debt divided by total capital. The Company includes within net debt, lease liabilities, trade and other payables, less cash and cash equivalents. Capital includes equity shares attributable to equity holders of the parent less minority interests.

	2026	2025
	\$	\$
Trade and other payables [Note 15]	5,152,740	5,218,959
Lease liabilities [Note 20]	951,477	925,521
Less: cash and cash equivalents [Note 12]	(6,709,851)	(3,686,810)
Net debt	(605,635)	2,457,670
Equity	22,294,480	21,506,994
Total capital	22,294,480	21,506,994
Capital and net debt	21,688,845	23,964,664
Gearing ratio	-3%	10%

Notes

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

23. Financial instruments

Set out on the next page is a comparison by category of carrying amounts and fair values of all the Company's financial instruments that are carried in the financial statements.

	Carrying amount		Fair value	
	2026	2025	2026	2025
	\$	\$	\$	\$
Financial assets				
Trade and other receivables	5,407,296	7,173,235	5,407,296	7,173,235
Other assets	395,998	337,993	395,998	337,993
Cash and cash equivalents	6,709,851	3,686,810	6,709,851	3,686,810
Other financial assets	119,727	104,367	119,727	104,367
	12,632,872	11,302,405	12,632,872	11,302,405
Financial liabilities				
Trade and other payables [Note 15]	5,152,740	5,218,959	5,152,740	5,218,959
Lease liabilities [Note 20]	951,477	925,521	951,477	925,521
	6,104,216	6,144,480	6,104,216	6,144,480

24. Earnings per share

	2026	2025
	\$	\$
Net profit for the year	4,587,486	3,869,891
Weighted average number of ordinary shares	475,000	475,000
Basic and diluted earnings per share	9.66	8.15

25. Significant events

There were no significant matters or circumstances that had arisen during the financial year which significantly affected or may significantly affect the operations of the Company, the results or cash flows of those operations, or the state of affairs of the Company in future financial years.

26. Subsequent events

No matters or circumstance has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

27. Principal activities

The principal activities of the Company in the course of the year were the manufacturing and distribution of paints and paint related products. There were no significant changes in the nature of these activities during the financial year.

28. Company details

Company incorporation

The Company was incorporated in Fiji under the Companies Act 2015.

Company operations

The Company's operations is located at 7-9-11 Ruve Place, Tavakubu, Lautoka, Fiji.

Number of employees

As at reporting date, the Company employed a total of 108 employees (2025: 103).

Disclaimer On Additional Financial Information

for the year ended 31 March 2026

The additional financial information, being the attached Detailed Income Statement has been compiled by management of Asian Paints (South Pacific) Pte Limited.

To the extent permitted by law, Ernst & Young does not accept liability for any loss or damage which any person, other than Asian Paints (South Pacific) Pte Limited may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

Detailed Income Statement

for the year ended 31 March 2026

	2026	2025
	\$	\$
Gross sales	40,845,310	40,795,857
Less: discounts and rebates (trade and other discounts)	(5,674,815)	(5,442,002)
Less: consumer / dealers (gifts, promotions, trips etc.)	(774,321)	(929,770)
Net sales	34,396,174	34,424,085
Less: cost of materials consumed	17,729,100	19,078,288
Gross margin	16,667,074	15,345,797
Gross margin %	48%	45%
Expenses		
Depreciation and amortisation	1,125,814	996,317
Employee remuneration and benefits	4,993,875	4,861,400
Manufacturing, selling, distribution, administration and financial expenses	4,829,818	4,686,983
Total expenses	10,949,507	10,544,700
Other income		
Gain on disposal of property, plant and equipment	26,444	-
Realised foreign exchange gain	124,797	176,774
Unrealised foreign exchange gain	-	7,945
Other income	73,478	13,461
	224,719	198,180
Operating profit before income tax expense	5,942,286	4,999,277

The Detailed Income Statement is to be read in conjunction with the disclaimer set out on page 40.

Detailed Income Statement *(continued)*

for the year ended 31 March 2026

	2026	2025
	\$	\$
Expenses		
Advertising and promotion	535,597	512,155
Association fees	107,713	89,331
Auditor's remuneration - audit fees	20,475	18,375
Auditor's remuneration - other fees	2,100	2,100
Bank charges	21,409	31,274
Depreciation - property, plant and equipment	739,931	722,041
Depreciation - right-of-use	385,883	274,276
Movement in expected credit losses	12,438	6,608
Fiji National University levy and other levies	42,388	46,420
Fringe benefit tax	135,960	128,569
Freight	1,009,848	1,047,741
General expenses	331,236	264,978
Hazardous waste disposal	29,761	38,466
Interest on lease liabilities	78,620	74,029
Insurance	138,720	132,728
Lab expenses	45,758	22,937
Lease expenses - vehicle and housing	251,817	188,235
Legal and professional expenses	185,580	182,005
License fees	71,542	59,239
Light and power	91,969	130,914
Loss on disposal of property, plant and equipment	-	938
OHS expenses	65,351	61,206
Printing and stationery	59,247	56,653
Services taken from intercompany units	122,932	327,251
Relocation and furlough expenses	63,301	45,091
Rent - factory and office	45,379	7,422
Repairs and maintenance	319,551	527,451
Royalty fees	945,767	762,769
Salaries and wages	3,412,175	3,229,278
Security services	285,309	250,370
Staff superannuation	220,781	220,965
Staff perquisites	280,385	283,792
Systems expense	224,357	206,303
Staff training expense	4,399	8,996
Other employee cost expense	435,137	363,079
Telephone, fax and internet	63,731	51,235
Travelling expenses and accommodation	133,434	144,091
Unrealised foreign exchange loss	17,500	-
Water	5,990	11,455
Work permits and visa expenses	6,036	13,934
	10,949,507	10,544,700

The Detailed Income Statement is to be read in conjunction with the disclaimer set out on page 40.



Asian Paints (S.I) Limited

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Directors' Report

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Asian Paints (S.I) Limited (the "Company") as at 31 March 2026, the related statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and report as follows:

Directors

The following were Directors of the Company during the financial year and at the date of this report:

- Sireesh Rao (Resigned 10th July 2025)
- Francis Kelesi
- GD Anand
- Budhaditya Mukherjee (Appointed 10th July 2025)

Principal activities

The principal activities of the Company in the course of the year were the distribution of paints and paint related products. There has been no significant change in these activities during the year.

Results

The operating profit for the Company for the year was SBD 50,29,942 (2025: SBD 3,135,563) after providing for income tax benefit of SBD 69,098 (2025: income tax expense of SBD 97,245).

Dividends

The Directors recommended that dividends of SBD 5,544,000 be declared and SBD 5,544,000 be paid for the year (2025: SBD 4,725,000 be declared and SBD 6,300,000 be paid).

Reserves

The Directors recommended that no transfer be made to reserve within the meaning of the Companies Act (CAP 175) of Solomon Islands.

Bad debts and provision for impairment

Prior to the completion of Company's financial statements, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the allowance for expected credit loss. In the opinion of the Directors, adequate provision has been made for expected credit loss. As at the date of this report, the Directors are not aware of any circumstances, which

would render the amount written off for bad debts, or the allowance for expected credit loss in the Company, inadequate to any substantial extent.

Non-current assets

Prior to the completion of the financial statements of the Company, the Directors took reasonable steps to ascertain whether any non-current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the Company. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise. As at the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to non-current assets in the Company's financial statements misleading.

Unusual transactions

In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Company in the current financial year, other than those reflected in the financial statements.

Basis of accounting

The Directors believe that the basis of preparation of the financial statements is appropriate and the Company will be able to continue its operation for at least twelve months from the date of this statement. Accordingly, the Directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate.

Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Significant events during the year

There were no significant matters or circumstances that had arisen during the financial year which significantly affected or may significantly affect the operations of the Company,

the results or cash flows of those operations, or the state of affairs of the Company in future financial years.

Other circumstances

As at the date of this report :

- i) no charge on the assets of the Company has been given since the end of the financial year to secure the liabilities of any other person;
- ii) no contingent liabilities have arisen since the end of the financial year for which the Company could become liable;
- iii) no contingent liabilities or other liabilities of the Company have become or is likely to become enforceable within the year of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

As at the date of this report, the Directors are not aware of any circumstances that have arisen, not otherwise dealt

with in this report or the Company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time employee of the Company or of a related company) by reason of a contract made by the Company or by a related company with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 28th day of April 2026.

Directors' Statement

In accordance with a resolution of the Board of Directors of Asian Paints (S.I) Limited, we state that in the opinion of the Directors:

- i) the accompanying statement of profit or loss and other comprehensive income of the Company is drawn up so as to give a true and fair view of the results of the Company for the year ended 31 March 2026;
- ii) the accompanying statement of changes in equity of the Company is drawn up so as to give a true and fair view of the changes in equity of the Company for the year ended 31 March 2026;
- iii) the accompanying statement of financial position of the Company is drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2026;
- iv) the accompanying statement of cash flows of the Company is drawn up so as to give a true and fair view of the cash flows of the Company for the year ended 31 March 2026; and
- v) at the date of this statement there are reasonable grounds to believe the Company will be able to pay its debts as and when they fall due.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 28th day of April 2026.

Independent Auditor's Report

To the Shareholders of Asian Paints (S.I) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asian Paints (S.I) Limited (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2026, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS accounting standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Solomon Islands and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors and management of the Company are responsible for the other information. The other information comprises the information in the Directors' report for the year ended 31 March 2026 but does not include the financial statements and the Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified

above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the Financial Statements

The Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS accounting standards and for such internal control as the Directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless the Directors and management either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors and management.
- Conclude on the appropriateness of the Directors' and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future

events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Solomon Island Companies Act (CAP 175) in all material respects, and;

- a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Company has kept financial records sufficient to enable the financial statements to be prepared and audited.

Ernst & Young
Nadi, Fiji

28th April 2026

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2026

		2026	2025
	Notes	SBD	SBD
Revenue from contracts with customers	2.1	14,434,748	13,534,830
Other operating income	2.2	100,969	49,757
		14,535,717	13,584,587
Cost and expenses			
Cost of goods sold		(7,046,376)	(7,838,011)
Operating expenses	2.3	(993,237)	(1,421,853)
Salaries and employee benefits	2.4	(1,277,582)	(1,319,137)
Impairment on trade receivables	8	(201,012)	295,487
Depreciation and amortisation	2.5	(56,666)	(68,265)
		(9,574,873)	(10,351,779)
Profit before tax		4,960,844	3,232,808
Income tax benefit/(expense)	3(a)	69,098	(97,245)
Net profit after income tax		5,029,942	3,135,563
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		5,029,942	3,135,563
Earnings per share			
Basic, profit for the year attributable to ordinary equity holders	16	7.98	4.98

The accompanying notes form an integral part of this Statement of Profit or Loss and Other Comprehensive Income.

Statement of Financial Position

as at 31 March 2026

	Notes	2026 SBD	2025 SBD
Assets			
Non-current assets			
Property, plant and equipment	5	225,225	281,891
Intangible assets	6	1,197	1,197
Deferred tax asset	3(d)	544,507	475,409
		770,929	758,497
Current assets			
Cash and cash equivalents	7	2,003,055	2,986,118
Trade receivables	8	1,702,099	1,417,825
Inventories	9	1,401,704	2,086,606
Prepayments and other assets	10	436,647	41,837
		5,543,505	6,532,386
Total assets		6,314,434	7,290,883
Equity and liabilities			
Equity attributable to equity holders			
Share capital	11	630,000	630,000
Retained earnings		4,140,630	4,654,688
Total shareholders' equity		4,770,630	5,284,688
Current liabilities			
Trade and other payables	12	1,534,676	1,990,895
Employee benefit liability	14	9,128	15,300
		1,543,804	2,006,195
Total liabilities		1,543,804	2,006,195
Total equity and liabilities		6,314,434	7,290,883

The accompanying notes form an integral part of this Statement of Financial Position.

For and on behalf of the Board and in accordance with a resolution of the Directors.

r

Statement of Changes in Equity

for the year ended 31 March 2026

	Notes	2026 SBD	2025 SBD
Issued capital			
Balance at the beginning of the year		630,000	630,000
Balance at 31 March	11	630,000	630,000
Retained earnings			
Balance at the beginning of the year		4,654,688	6,244,125
Net profit for the year		5,029,942	3,135,563
		9,684,630	9,379,688
Dividends declared and paid	4	(5,544,000)	(4,725,000)
Balance at 31 March		4,140,630	4,654,688
Total shareholders' equity		4,770,630	5,284,688

The accompanying notes form an integral part of this Statement of Changes in Equity.

Statement of Cash Flows

for the year ended 31 March 2026

	Note	2026 SBD	2025 SBD
Operating activities			
Net profit before tax		4,960,844	3,232,808
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment		56,666	68,265
Movements in provision for expected credit loss		201,012	(295,487)
Movements in provision for employee entitlements		(6,172)	(7,900)
Working capital adjustments:			
(Increase)/decrease in trade receivables		(485,286)	653,533
Decrease in inventories		684,902	2,505,917
(Increase)/decrease in prepayments and other assets		(394,810)	113,680
Decrease in trade and other payables		(456,219)	(1,134,815)
Net cash flows from operating activities		4,560,937	5,136,001
Investing activities			
Net cash flows used in investing activities		-	-
Financing activities			
Dividends paid		(5,544,000)	(6,300,000)
Net cash flows used in financing activities		(5,544,000)	(6,300,000)
Net decrease in cash and cash equivalents		(983,063)	(1,163,999)
Cash and cash equivalents at the beginning of the year		2,986,118	4,150,117
Cash and cash equivalents at end of year	7	2,003,055	2,986,118

The accompanying notes form an integral part of this Statement of Cash Flows.

Notes to the Financial Statements

for the year ended 31 March 2026

1.0 Corporate information

The financial statements of the Asian Paints (S.I) Limited (the Company) for the year ended 31 March 2026 were authorised for issue in accordance with a resolution of the Directors on 28th April 2026. Asian Paints (S.I) Limited is a limited company incorporated and domiciled in the Solomon Islands. The Company is a subsidiary of Asian Paints International Private Limited, with Asian Paints Limited being the ultimate holding company.

The principal activities of the Company are described in Note 24.

1.1 Basis of preparation of the financial statements

The financial statements have been prepared on the historical cost basis, except otherwise indicated. The financial statements are presented in Solomon SBD, which is the Company's functional and presentation currency. All amounts are rounded to the nearest dollar unless otherwise stated.

Statement of compliance

The financial statements of Asian Paints (S.I) Limited have been prepared in accordance with International Financial Reporting Standards (IFRS accounting standards) as issued by the International Accounting Standards Board (IASB).

Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

1.2 Summary of accounting policies

a) Foreign currencies

The Company's financial statements are presented in Solomon Dollars, which is the Company's functional currency. That is the currency of the primary economic environment in which Asian Paints (S.I) Limited operates. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities

denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer, which generally occurs upon delivery of the goods to the customer's premises. Sales revenue represents revenue earned from the sale of the Company's products and is stated net of returns, trade allowances and Goods and Service Tax (GST).

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

c) Taxes

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Notes

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary

differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Goods and Service Tax (GST)

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of sales tax included.

The net amount of Goods and Services Tax recoverable or payable to the tax authority is included as part of the receivables or payables in the statement of financial position.

d) Property, plant and equipment

Construction in progress, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria is met. When significant parts of plant and

equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	5%
Plant and office equipment	5% - 25%
Motor vehicles	25%
Furniture and fittings	25%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has applied the recognition exemption for leases of low-value assets and short-term leases. Accordingly, no right-of-use assets or lease liabilities have been recognised.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company applies the provision of low-value

assets and doesn't recognise lease liabilities. There was no initial upfront payment made on lease commencement dates and hence no right-of-use assets recognised.

Leases of low-value assets

The Company applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on low-value assets are recognised as expense on a straight-line basis over the lease term.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation year or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

The Company's intangible assets consist of software which was acquired and is amortised on a straight-line basis over the asset's useful life of 4 years.

g) Financial instruments

(i) Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and measurement

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how Directors of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and demonstrate why those sales do not reflect a change in the entity's business model.

Transfers of financial assets to third parties in transactions that do not qualify for

derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest continued

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets: Subsequent measurement and gains and loss

Financial assets that are measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets

The Company classified its financial assets at amortised cost.

Financial assets: Subsequent measurement and gains and loss

Trade and other receivables are measured at amortised cost using the effective interest method.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gains or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains

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substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets in these cases the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

h) Inventories

Inventories are stated at the lower of cost (weighted average method) and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials - purchase cost; and
- Finished goods and work in progress - cost of direct materials and labour and an appropriate portion of fixed and variable overheads but

excluding borrowing costs.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Impairment

(i) Non-derivative financial assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- other receivables and cash at bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Credit-impaired financial assets

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

j) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank and on hand, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a

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result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

l) Employee entitlements

Provisions are made for wages and salaries, incentive payments and annual leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

m) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of Consumption Tax where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Company. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial period.

n) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current period.

o) Dividend payable

Dividends are recorded in the Company's financial statements in the period in which the Directors approve them.

p) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

q) Earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

1.3 Changes in accounting policies

New standards, interpretations and amendments effective during the year

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated).

Changes in accounting policies	Impact
Lack of exchangeability – Amendments to IAS 21	No material impact

1.4 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. These amendments are not expected to have a material impact on the Company.

New pronouncement	Effective date
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS accounting standards - Volume 11	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027

1.5 Accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimations and assumptions

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

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has been a significant increase in credit risks since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risks, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the Company's debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

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

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that taxable profit will be available against which the losses can be utilised. Management's

judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likelihood and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 3.

2. Revenue and expenses

2.1 Revenue from contracts with customers

	2026	2025
	SBD	SBD
Sales	14,434,748	13,534,830
Timing of revenue recognition		
Goods and services transferred at a point in time	14,434,748	13,534,830

2.2 Other operating income

	2026	2025
	SBD	SBD
Net exchange gain - unrealised	-	11,617
Net exchange gain - realised	100,969	38,140
	100,969	49,757

2.3 Operating expenses

	2026	2025
	SBD	SBD
Included in other operating expenses are:		
Auditor's remuneration - audit fees	34,409	32,729
- other fees	8,105	13,348
Net exchange loss - unrealised	1,153	-
Bank charges	1,524	1,979
Royalties	-	388,169
Other operating expenses	948,046	985,628
	993,237	1,421,853

2.4 Salaries and employee benefits

	2026	2025
	SBD	SBD
Salaries and wages	568,272	484,483
Superannuation contributions	32,829	28,240
Staff costs	676,481	806,414
	1,277,582	1,319,137

2.5 Depreciation and amortisation

	2026	2025
	SBD	SBD
Depreciation	56,666	68,265

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3. Income tax

The major components of income tax for the year ended are:

- a) A reconciliation between tax expense and the product of accounting profit multiplied by the tax rate for the year ended is as follows:

	2026	2025
	SBD	SBD
Accounting profit before income tax	4,960,844	3,232,808
At the rate of 30% (2025: 30%)	1,488,253	969,842
Tax effect of non deductible expenses	(1,663,200)	(969,842)
Tax losses utilised	105,849	97,245
Income tax (benefit)/ expense attributable to operating profit	(69,098)	97,245

- b) Current income tax:

	2026	2025
	SBD	SBD
Origination and reversal of temporary differences	(69,098)	97,245
Income tax (benefit)/ expense attributable to operating profit ⁷	(69,098)	97,245

- c) Deferred tax relates to the following:

	2026	2025
	SBD	SBD
Deferred tax assets		
Accelerated depreciation for tax purposes	12,294	5,145
Provision for expected credit loss	529,129	469,159
Provision for employee entitlements	2,738	4,590
Unrealised exchange loss	346	-
Net deferred tax assets	544,507	478,894

- d) Deferred tax liability

	2026	2025
	SBD	SBD
Unrealised exchange gain	-	(3,485)
Deferred tax liability	-	(3,485)
Represented on the balance sheet as follows:		
Deferred tax asset	544,507	478,894
Deferred tax liability	-	(3,485)
Deferred tax asset, net	544,507	475,409

4. Dividends declared

	2026	2025
	SBD	SBD
Declared during the year	5,544,000	4,725,000

5. Property, plant and equipment

	Buildings	Plant and office equipment	Motor vehicles	Furniture and fittings	Total
	SBD	SBD	SBD	SBD	SBD
Cost					
At 31 March 2024	584,691	557,824	534,500	190,580	1,867,595
Reclassification *	-	148,691	-	(148,691)	-
At 31 March 2025	584,691	706,515	534,500	41,889	1,867,595
Reclassification *	-	-	-	(675)	(675)
At 31 March 2026	584,691	706,515	534,500	41,214	1,866,920
Depreciation					
At 31 March 2024	369,260	538,165	457,017	152,997	1,517,439
Reclassification *	(18,244)	86,049	45,893	(113,698)	-
Depreciation charge	30,394	16,900	20,595	376	68,265
At 31 March 2025	381,410	641,114	523,505	39,675	1,585,704
Depreciation charge	30,394	16,273	9,999	-	56,666
Reclassification *	-	-	-	(675)	(675)
At 31 March 2026	411,804	657,387	533,504	39,000	1,641,695
Net book value:					
At 31 March 2026	172,887	49,128	996	2,214	225,225
At 31 March 2025	203,281	65,401	10,995	2,214	281,891

* Reclassification to align disclosure with the fixed asset register

6. Intangible assets

	2026	2025
	SBD	SBD
Software costs	103,291	103,291
Amortisation:		
Opening balance	102,094	102,094
Closing balance	102,094	102,094
Net book value:	1,197	1,197

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7. Cash and cash equivalents

	2026	2025
	SBD	SBD
Cash and cash equivalents	2,003,055	2,986,118

8. Trade receivables

	2026	2025
	SBD	SBD
Trade receivables	3,466,973	2,981,687
Less: allowance for expected credit losses	(1,764,874)	(1,563,862)
	1,702,099	1,417,825

Trade receivables are non-interest bearing and are generally on 45-60 day terms. At 31 March 2026, trade receivables at nominal value of SBD 1,764,874 (2025: SBD 1,563,862) were impaired and fully provided for. Movements in provision for impairment of receivables were as follows:

	2026	2025
	SBD	SBD
Opening balance	1,563,862	1,859,349
Addition/(reversal) for the year	201,012	(295,487)
Closing balance	1,764,874	1,563,862

The information about the credit exposures are disclosed in Note 18.

9. Inventories

	2026	2025
	SBD	SBD
Finished goods	1,401,704	2,086,606
Total inventories at the lower of cost and net realisable value	1,401,704	2,086,606

10. Prepayments and other assets

	2026	2025
	SBD	SBD
Security deposits receivable	14,000	14,000
Prepayments	205,702	27,837
Other assets and receivables	216,945	-
	436,647	41,837

11. Share capital

	2026	2025
	SBD	SBD
Authorised		
2,000,000 ordinary shares of SBD 1 each	2,000,000	2,000,000
Ordinary shares issued and fully paid		
630,000 ordinary shares of SBD 1 each	630,000	630,000

12. Trade and other payables

	2026	2025
	SBD	SBD
Related party payables [Note 17 (b)]	1,123,649	1,459,601
Other payables	411,027	531,294
	1,534,676	1,990,895

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.

13. Dividend payable

	2026	2025
	SBD	SBD
Opening balance	-	1,575,000
Arising during the year	5,544,000	4,725,000
Paid during the year	(5,544,000)	(6,300,000)
Balance at end of the year	-	-

14. Employee benefit liability

	2026	2025
	SBD	SBD
Opening balance	15,300	23,200
Utilised during the year	(6,172)	(7,900)
Balance at end of the year	9,128	15,300

15. Commitments and contingencies

- Operating lease commitments
Operating lease commitments as at 31 March 2026 are SBD Nil (2025: SBD Nil).
- Contingent liabilities
Contingent liabilities as at 31 March 2026 are SBD Nil (2025: SBD Nil).
- Capital commitments
Capital commitments as at 31 March 2026 are SBD Nil (2025: SBD Nil).

Notes

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

16. Earnings per share (EPS)

	2026	2025
	SBD	SBD
Net profit for the year	5,029,942	3,135,563
Weighted average number of ordinary shares	630,000	630,000
Basic earnings per share	7.98	4.98

There have been no other transaction involving ordinary shares or potential ordinary shares between the reporting date and the date for authorisation of these financial statements.

17. Related party disclosures

(a) Directors

Directors at the date of this report are:

- Sireesh Rao (Resigned 10th July 2025)
- Francis Kelesi
- GD Anand
- Budhaditya Mukherjee (Appointed 10th July 2025)

(b) Transactions with related parties

All related party transactions occurred in the ordinary course of business and were conducted on arm's length commercial terms. Significant transactions during the year are as follows:

	2026	2025
	SBD	SBD
Royalties		
Asian Paints Limited	-	388,169
Technical/management fee/reimbursement of expenses		
Asian Paints (South Pacific) Pte Limited, Fiji	382,088	327,184
Intra group purchases		
Asian Paints (South Pacific) Pte Limited, Fiji	6,095,936	5,058,960
Amount owing to related parties		
Asian Paints Limited	-	204,883
Asian Paints (South Pacific) Pte Limited, Fiji	1,123,649	1,254,718
	1,123,649	1,459,601

(c) Key management personnel

	2026	2025
	SBD	SBD
Short-term employee benefits	417,366	318,562

18. Financial risk management objectives and policies

Principal financial liabilities comprise trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash which arise directly from its operations.

The main risk arising from the Company's financial statements are market risk, credit risk, and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Foreign currency risk

The Company has foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal trading activities. Normal currency trading activities foreign exchange risk are not hedged or subject to foreign currency forward exchange contracts.

The following table demonstrates the sensitivity to a reasonably possible change in USD rates, with all other variables held constant, of the Company's profit before tax.

	Increase/ decrease in USD rate	Effect on profit before tax SBD
2026	+10%	(102,587)
	-10%	102,587
2025	+10%	(106,230)
	-10%	106,230

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's bank overdraft facility which has not been utilised. All other financial assets or liabilities are non-interest bearing.

Credit risk

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

	Trade receivables				
	Days past due				
31 March 2026	Current	31 - 90 days	91 - 180 days	> 180 days	Total
Expected credit loss rate	0%	0%	0%	100%	
Estimated total gross carrying amount at default	1,504,590	166,982	27,980	1,767,421	3,466,973
Expected credit loss	-	-	-	1,764,874	1,764,874
31 March 2025	Current	31 - 90 days	91 - 180 days	> 180 days	Total
Expected credit loss rate	0%	0%	0%	87%	
Estimated total gross carrying amount at default	949,831	42,936	1,94,883	1,794,037	2,981,687
Expected credit loss	-	-	-	1,563,862	1,563,862

Notes

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

Liquidity risk

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations.

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2026 based on contractual undiscounted payments.

Year ended 31 March 2026	On demand	1 to 12 months	1 to 5 years	> 5 years	Total
	SBD	SBD	SBD	SBD	SBD
Trade and other payable	-	1,534,676	-	-	1,534,676
Year ended 31 March 2025	On demand	1 to 12 months	1 to 5 years	> 5 years	Total
	SBD	SBD	SBD	SBD	SBD
Trade and other payable	-	1,990,895	-	-	1,990,895

19. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years 31 March 2026 and 31 March 2025.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, trade and other payables less cash and cash equivalents. Capital includes equity attributable to equity holders.

	2026	2025
	SBD	SBD
Trade and other payables [Note 12]	1,534,676	1,990,895
Less: cash and cash equivalents [Note 7]	(2,003,055)	(2,986,118)
Net debt	(468,379)	(995,223)
Equity	4,770,630	5,284,688
Total capital	4,770,630	5,284,688
Capital and net debt	4,302,251	4,289,465
Gearing ratio	Nil	Nil

20. Financial instruments

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instrument that are carried on the financial statements.

	Carrying amount		Fair value	
	2026	2025	2026	2025
	SBD	SBD	SBD	SBD
Financial assets				
Cash and cash equivalents	2,003,055	2,986,118	2,003,055	2,986,118
Trade receivables	1,702,099	1,417,825	1,702,099	1,417,825
Prepayments and other assets	436,647	41,837	436,647	41,837
	4,141,801	4,445,780	4,141,801	4,445,780
Financial liabilities				
Trade and other payables	1,534,676	1,990,895	1,534,676	1,990,895
	1,534,676	1,990,895	1,534,676	1,990,895

21. Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

22. Significant events during the year

There were no significant matters or circumstances that had arisen during the financial year which significantly affected or may significantly affect the operations of the Company, the results or cash flows of those operations, or the state of affairs of the Company in future financial years.

23. Segment information

Industry segment

The Company operates predominantly in distribution of paints and paints related items.

Geographical segment

The Company operates in Solomon Islands and is therefore one geographical area for reporting purposes.

24. Principal activities

The principal activities of the Company in the course of the year were the distribution of paints and paint related products. There has been no significant change in these activities during the year.

25. Company details

Registered Office

Asian Paints (S.I) Limited
c/- Morris & Sojocki Chartered Accountants
1st Floor, City Centre Building
Honiara
Solomon Islands

Number of Employees

As at balance date, the Company employed a total of 6 (2025: 6 employees).



Asian Paints (Vanuatu) Limited

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Directors' Report

for the year ended 31st March, 2026

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Asian Paints (Vanuatu) Limited (the "Company") as at 31 March 2026, the related statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and report as follows:

Directors

The following were Directors of the Company during the financial year and at the date of this report:

- Sireesh Rao (Resigned 10th July 2025)
- Alain Lew
- GD Anand
- Budhaditya Mukherjee (Appointed 10th July 2025)

Principal activities

The principal activities of the Company in the course of the year were the distribution of paints and paint related products. There has been no significant change in these activities during the year.

Results

The operating profit for the Company for the year was VUV 10,997,519 (2025: VUV 1,134,572).

Dividends

The Directors declared and paid VUV 33,750,000 dividends during the year (2025: VUV 9,450,000).

Reserves

The Directors propose that no transfer be made to reserve within the meaning of the Companies Act (CAP 191) of the Republic of Vanuatu.

Bad debts and provision for impairment

Prior to the completion of Company's financial statements, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the allowance for expected credit loss. In the opinion of the Directors, adequate provision has been made for expected credit loss.

As at the date of this report, the Directors are not aware of any circumstances, which would render the amount written off for bad debts, or the allowance for expected credit loss in the Company, inadequate to any substantial extent.

Non-current assets

Prior to the completion of the financial statements of the Company, the Directors took reasonable steps to ascertain whether any non-current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the Company. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to non-current assets in the Company's financial statements misleading.

Basis of accounting

The Directors believe that the basis of the preparation of the financial statements is appropriate and the Company will be able to continue its operation for at least twelve months from the date of this statement. Accordingly, the Directors believe the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate.

Unusual transactions

In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial period and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Company in the current financial year, other than those reflected in the financial statements.

Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Significant events during the year

There were no other significant matters or circumstances that had arisen during the financial year which significantly affected or may significantly affect the operations of the Company, the results or cash flows of those operations, or the state of affairs of the Company in future financial years.

Other circumstances

As at the date of this report :

- i) no charge on the assets of the Company has been given since the end of the financial year to secure the liabilities of any other person;
- ii) no contingent liabilities have arisen since the end of the financial year for which the Company could become liable and;
- iii) no contingent liabilities or other liabilities of the Company have become or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

As at the date of this report, the Directors are not aware of any circumstances that have arisen, not otherwise dealt

with in this report or the Company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time employee of the Company or of a related company) by reason of a contract made by the Company or by a related company with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 28th day of April 2026.

Directors' Statement

for the year ended 31st March, 2026

In accordance with a resolution of the Board of Directors of Asian Paints (Vanuatu) Limited (the "Company"), we state that in the opinion of the Directors:

- i) the accompanying statement of profit or loss and other comprehensive income of the Company is drawn up so as to give a true and fair view of the results of the Company for the year ended 31 March 2026;
- ii) the accompanying statement of changes in equity of the Company is drawn up so as to give a true and fair view of the changes in equity of the Company for the year ended 31 March 2026;
- iii) the accompanying statement of financial position of the Company is drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2026;
- iv) the accompanying statement of cash flows of the Company is drawn up so as to give a true and fair view of the cash flows of the Company for the year ended 31 March 2026;
- v) at the date of this statement there are reasonable grounds to believe the Company will be able to pay its debts as and when they fall due; and
- vi) all related party transactions have been adequately recorded in the books of the Company.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 28th day of April 2026.

Independent Auditor's Report

To the Shareholders of
Asian Paints (Vanuatu) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asian Paints (Vanuatu) Limited (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2026, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS accounting standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Vanuatu and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors and management of the Company are responsible for the other information. The other information comprises the information in the Directors' report for the year ended 31 March 2026 but does not include the financial statements and the Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified

above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the Financial Statements

The Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS accounting standards and for such internal control as the Directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless the Directors and management either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors and management
- Conclude on the appropriateness of the Directors' and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Vanuatu Companies Act (CAP 191) in all material respects, and;

- a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Company has kept financial records sufficient to enable the financial statements to be prepared and audited.

Ernst & Young

Nadi, Fiji

28th April 2026

Statement Of Profit Or Loss and Other Comprehensive Income

for the year ended 31st March, 2026

	Notes	2026 VUV	2025 VUV
Revenue			
Revenue from contracts with customers	2.1	83,677,847	101,474,676
Other operating income	2.2	6,498,091	1,762,976
		90,175,938	103,237,652
Cost and expenses			
Cost of goods sold		(51,814,653)	(70,380,219)
Operating expenses	2.3	(11,401,555)	(10,418,985)
Salaries and employee benefits	2.4	(18,738,199)	(17,777,893)
Impairment reversal/ (charge) on trade receivables	7	3,402,174	(2,848,450)
Depreciation and amortisation	2.5	(626,186)	(677,533)
		(79,178,419)	(102,103,080)
Profit before tax		10,997,519	1,134,572
Income tax	1.2 (c)	-	-
Net profit after income tax		10,997,519	1,134,572
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		10,997,519	1,134,572
Earnings per share			
Basic, profit for the year attributable to ordinary equity holders	15	0.36	0.04

The accompanying notes form an integral part of this Statement of Profit or Loss and Other Comprehensive Income.

Statement Of Financial Position

as at 31st March 2026

	Notes	2026 VUV	2025 VUV
Assets			
Non-current assets			
Property, plant and equipment	4	24,495,221	25,087,410
Intangible assets	5	2	2
Right-of-use assets	17	1,079,421	1,113,418
		25,574,644	26,200,830
Current assets			
Cash and cash equivalents	6	10,674,422	31,640,731
Trade receivables	7	12,044,067	8,890,654
Inventories	8	25,730,577	21,370,154
Prepayments and other assets	9	4,464,530	4,472,191
		52,913,596	66,373,730
Total assets		78,488,240	92,574,560
Equity and liabilities			
Shareholders' equity			
Share capital	10	30,939,300	30,939,300
Retained earnings		26,013,591	48,766,072
Total shareholders' equity		56,952,891	79,705,372
Current liabilities			
Trade and other payables	11	20,917,149	12,736,588
Employee benefit liability	13	618,200	132,600
		21,535,349	12,869,188
Total liabilities		21,535,349	12,869,188
Total equity and liabilities		78,488,240	92,574,560

The accompanying notes form an integral part of this Statement of Financial Position.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Statement of Changes In Equity

for the year ended 31 March 2026

	Note	2026 VUV	2025 VUV
Issued capital			
Balance at the beginning of the year		30,939,300	30,939,300
Balance at 31 March	10	30,939,300	30,939,300
Retained earnings			
Balance at the beginning of the year		48,766,072	57,081,500
Net profit for the year		10,997,519	1,134,572
		59,763,591	58,216,072
Dividend declared and paid		(33,750,000)	(9,450,000)
Balance at 31 March		26,013,591	48,766,072
Total shareholders' equity		56,952,891	79,705,372

The accompanying notes form an integral part of this Statement of Changes in Equity.

Statement of Cash Flows

for the year ended 31 March 2026

	Note	2026 VUV	2025 VUV
Operating activities			
Profit for the year		10,997,519	1,134,572
Adjustment to reconcile profit before tax to net cash flows:			
Non-cash adjustment:			
Depreciation and impairment of property, plant and equipment		592,189	643,536
Depreciation of right-of-use asset		33,997	33,997
Impairment reversal/ (charge) on trade receivables		(3,402,174)	2,848,450
Movements in provision for employee entitlements		485,600	(219,134)
Working capital adjustments:			
(Increase)/decrease in trade receivables		248,761	14,907,728
(Increase)/decrease in inventories		(4,360,423)	15,902,441
Decrease/(increase) in prepayments and other assets		7,661	(400,114)
Increase/(decrease) in trade and other payables		8,180,561	(14,820,935)
Net cash flows from operating activities		12,783,691	20,030,541
Investing activities			
Purchase of plant and equipment		-	(118,675)
Net cash flows used in investing activities		-	(118,675)
Financing activities			
Dividends paid		(33,750,000)	(9,450,000)
Net cash flows used in financing activities		(33,750,000)	(9,450,000)
Net (decrease)/increase in cash and cash equivalents		(20,966,309)	10,461,866
Cash and cash equivalents at beginning of year		31,640,731	21,178,865
Cash and cash equivalents at end of year	6	10,674,422	31,640,731

The accompanying notes form an integral part of this Statement of Cash Flows.

Notes to the Financial Statements

for the year ended 31 March 2026

1.0 Corporate information

The financial statements of Asian Paints (Vanuatu) Limited (the "Company") for the year ended 31 March 2026 was authorised for issue in accordance with a resolution of the Directors dated 28th April 2026. Asian Paints (Vanuatu) Limited is a limited liability company incorporated and domiciled in Vanuatu. The registered office is located at Port Villa, Vanuatu. The Company is a subsidiary of Asian Paints International Private Limited, with Asian Paints Limited being the ultimate holding company.

The principal activities of the Company are described in Note 24.

1.1 Basis of preparation of the financial statements

The financial statements have been prepared on a historical cost basis, except otherwise indicated. The financial statements are presented in Vanuatu Vatu (VUV) and all values are rounded to the nearest Vatu except when otherwise indicated.

Statement of compliance

The financial statements of Asian Paints (Vanuatu) Limited have been prepared in accordance with International Financial Reporting Standards (IFRS accounting standards) as issued by International Accounting Standards Board (IASB).

Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going-concern basis.

1.2 Summary of accounting policies

a) Foreign currencies

The Company's financial statements are presented in Vatu, which is the Company's functional currency. That is the currency of the primary economic environment in which Asian Paints (Vanuatu) Limited operates. Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies

for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

b) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when control of goods is transferred to the customer, which occurs upon delivery of the goods to the customers premises.

The Company's revenue consists principally of the sale of paints and paint-related products, which represent a single performance obligation satisfied at a point in time. Sales revenue represents revenue earned from the sale of the Company's products and is stated net of returns, trade allowances and Goods and Services Tax (GST).

Payment terms generally range from 30 to 90 days, and contract do not contain significant financing components.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

c) Taxes

Goods and Services Tax (GST)

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the

Notes

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

taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- When receivables and payables are stated with the amount of sales tax included.

The net amount of Goods and Services Tax recoverable or payable to the tax authority is included as part of the receivables or payables in the statement of financial position.

Corporate tax

Vanuatu does not impose corporate tax on businesses. Therefore, the Company is exempt from corporate tax liabilities. This policy ensures compliance with local tax regulations and accurate financial reporting.

d) Property, plant and equipment

Construction in progress, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The impairment accounting policy for intangible assets with indefinite lives similarly applies to other non-financial assets, including property, plant and equipment. Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

d) Property, plant and equipment continued

Depreciation is calculated on a straight-line basis over the useful lives of the assets as follows:

Buildings	1.5% - 2%
Plant and equipment	10% - 30%
Motor vehicles	20%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of initial upfront payment made on lease commencement. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land 50 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 1.2 (ii) Impairment of non-financial assets.

(ii) Leases of low-value assets

The Company applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on low-value assets are recognised as expense on a straight-line basis over the lease term.

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed

annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

The Company's intangible assets consist of software which was acquired and is amortised on a straight-line basis over the asset's useful life of 3 years.

h) Financial instruments

(i) Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business.

Financial assets continued

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect

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contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how Directors of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- "the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and demonstrate why those sales do not reflect a change in the entity's business model."

Transfers of financial assets to third parties in transactions that do not qualify for derecognition

are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest continued

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets: Subsequent measurement and gains and loss

Financial assets that are measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised

cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets

The Company classified its financial assets at amortised cost.

Financial assets: Subsequent measurement and gains and loss

Trade and other receivables are measured at amortised cost using the effective interest method.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gains or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets in these cases the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

i) Inventories

Inventories are stated at the lower of cost (weighted average method) and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials - purchase cost; and
- Finished goods and work in progress - cost of direct materials and labour and an appropriate portion of fixed and variable overheads but excluding borrowing costs.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) Impairment

(i) Non-derivative financial assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the

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following, which are measured as 12-month ECL:

- other receivables and cash at bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the

difference between the cash flow due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Credit-impaired financial assets

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(ii) Non-financial assets

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

k) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a

result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

m) Employee entitlements

Provisions are made for wages and salaries, incentive payments and annual leave estimated to be payable to employees at balance date on the basis of statutory and contractual requirements.

n) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of Consumption Tax where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Company. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial period.

o) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current period.

p) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

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

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

q) Dividend payable

Dividends are recorded in the Company's financial statements in the period in which the Directors approve them.

r) Earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

1.3 Accounting judgments, estimates and assumptions

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

In the process of applying the Company's accounting policies, management has made various judgements. Those which management has assessed to have the

most material effect on the amounts recognised in the financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most material effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has a lease contract that includes extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at balance

date, that have a significant task of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has been a significant increase in credit risks since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

1.4 Changes in accounting policies

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated).

Changes in accounting policies	Effective date
Lack of exchangeability – Amendments to IAS 21	No material impact

1.5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. These amendments are not expected to have a material impact on the Company.

New standards and amendments	Effective date
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS accounting standards - Volume 11	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027

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

2. Revenue and expenses

2.1: Revenue from contracts with customers

	2026	2025
	VUV	VUV
Sales	83,677,847	101,474,676
Timing of revenue recognition		
Goods and services transferred at a point in time	83,677,847	101,474,676

"The Company derives its revenue primarily from the manufacture and sale of paints and paint-related products. Revenue is recognised at a point in time upon delivery of goods to customers. The Company operates predominantly in Vanuatu and does not have material revenue streams that differ by geography, customer type or timing of revenue recognition."

2.2 Other operating income

	2026	2025
	VUV	VUV
Insurance claims	4,575,989	606,065
Net exchange gain - unrealised	-	347,364
Net exchange gain - realised	948,436	474,369
Sundry	973,666	335,178
	6,498,091	1,762,976

2.3 Operating expenses

	2026	2025
	VUV	VUV
Auditor's remuneration - audit fees	534,615	534,209
Auditor's remuneration - other fees	107,840	163,711
Bank charges	48,468	58,793
Royalties	-	2,136,422
Net exchange loss - unrealised	9,489	-
Other operating expenses	10,701,143	7,525,850
	11,401,555	10,418,985

2.4 Salaries and employee benefits

	2026	2025
	VUV	VUV
Salaries and wages	6,790,244	8,012,278
Superannuation contributions	317,805	249,699
Staff costs	11,630,150	9,515,916
	18,738,199	17,777,893

2.5 Depreciation and amortisation

	2026	2025
	VUV	VUV
Depreciation - property, plant and equipment	592,189	643,536
Depreciation - right-of-use assets	33,997	33,997
	626,186	677,533

3. Dividends declared/paid

	2026	2025
	VUV	VUV
Dividend declared/paid during the year	33,750,000	9,450,000
	33,750,000	9,450,000

4. Property, plant and equipment

	Building	Plant, office equipment and motor vehicle	Total
	VUV	VUV	VUV
Cost			
At 1 April 2024	48,508,067	47,488,555	95,996,622
Additions	-	118,675	118,675
At 31 March 2025	48,508,067	47,607,230	96,115,297
At 31 March 2026	48,508,067	47,607,230	96,115,297
Depreciation			
At 1 April 2024	23,067,318	47,317,033	70,384,351
Depreciation charge	501,289	142,247	643,536
At 31 March 2025	23,568,607	47,459,280	71,027,887
Depreciation charge	501,289	90,900	592,189
At 31 March 2026	24,069,896	47,550,180	71,620,076
Net book value:			
At 31 March 2026	24,438,171	57,050	24,495,221
At 31 March 2025	24,939,460	147,950	25,087,410

5. Intangible assets

	2026	2025
	VUV	VUV
Software costs	1,715,966	1,715,966
Amortisation and impairment	1,715,964	1,715,964
Net book value	2	2

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

6. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following at 31 March 2026:

	2026	2025
	VUV	VUV
Cash at bank	10,660,272	31,639,907
Cash on hand	14,150	824
Cash at bank and on hand	10,674,422	31,640,731

7. Trade receivables

	2026	2025
	VUV	VUV
Trade receivables	3,654,933	10,700,816
Less: allowance for expected credit losses	(1,968,075)	(5,370,249)
	1,686,858	5,330,567
Related party receivables [refer Note 16(b)]	10,357,209	3,560,087
	12,044,067	8,890,654

Trade and other receivables are non-interest bearing and are generally on 30 - 90 day terms. At 31 March 2026, trade receivables at nominal value of VUV 1,968,075 (2025: VUV 5,370,249) were impaired and fully provided for.

Movements in provision for impairment of receivables were as follows:

	2026	2025
	VUV	VUV
Opening balance	5,370,249	2,521,799
(Reversal)/ Charged for the year	(3,402,174)	2,848,450
Closing balance	1,968,075	5,370,249

The information about the credit exposures are disclosed in Note 18.

8. Inventories

	2026	2025
	VUV	VUV
Finished goods	25,272,909	21,045,792
Raw materials, accessories, stores and spares	457,668	324,362
Total inventories at the lower of cost and net realisable value	25,730,577	21,370,154

9. Prepayments and other assets

	2026	2025
	VUV	VUV
Prepayments	2,800,602	3,958,485
Security deposits receivable	515,706	513,706
Other receivables	1,148,222	-
	4,464,530	4,472,191

10. Share capital

	2026	2025
	VUV	VUV
Authorised		
270,000 ordinary shares of USD 1.00 each	30,939,300	30,939,300
Ordinary shares issued and fully paid		
270,000 ordinary shares of USD 1.00 each	30,939,300	30,939,300

11. Trade and other payables

	2026	2025
	VUV	VUV
Related party payables	13,692,880	4,763,410
Other payables 16 (b)	7,224,269	7,973,178
	20,917,149	12,736,588

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.

12. Dividend payable

	2026	2025
	VUV	VUV
Opening balance	-	-
Arising during the year	33,750,000	9,450,000
Paid during the year	(33,750,000)	(9,450,000)
Closing balance	-	-

13. Employee benefit liability

	2026	2025
	VUV	VUV
Opening balance	132,600	351,734
Net movement for the year	485,600	(219,134)
Closing balance	618,200	132,600
Disclosed as:		
Current	618,200	132,600

14. Commitments and contingencies

- Capital commitments as at 31 March 2026 are VUV Nil (2025: VUV Nil).
- Financial lease commitments as at 31 March 2026 are VUV Nil (2025: VUV Nil).
- Contingent liabilities as at 31 March 2026 are VUV Nil (2025: VUV Nil).

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15. Earnings per share (EPS)

	2026	2025
	VUV	VUV
Net profit for the year	10,997,519	1,134,572
Weighted average number of ordinary shares	30,939,300	30,939,300
Basic earnings per share	0.36	0.04

There have been no other transaction involving ordinary shares or potential ordinary shares between the reporting date and the date for authorisation of these financial statements.

16. Related party disclosures

(a) Directors

Directors at the date of this report are:

- Alain Lew
- GD Anand
- Budhaditya Mukherjee (Appointed 10th July 2025)

(b) Transactions with related parties

All related party transactions occurred in the ordinary course of business and were conducted on arm's length commercial terms. Significant transactions during the year are as follows:

	2026	2025
	VUV	VUV
Royalties		
Asian Paints Limited	-	2,136,422
Technical/Management fee /reimbursement of expenses paid		
Asian Paints (South Pacific) Pte Ltd, Fiji	5,670,249	4,877,810
Related party sales		
Port Villa Hardware Ltd, Vanuatu	44,120,164	45,339,696
Related party purchases		
Asian Paints (South Pacific) Pte Ltd, Fiji	55,068,213	56,374,887
Port Villa Hardware Ltd, Vanuatu	42,878	241,593
Au Bon Marche	454,564	448,040
	55,565,655	57,064,520
Amount owing to related parties		
Asian Paints (South Pacific) Pte Ltd, Fiji	13,692,880	3,960,148
Asian Paints Limited	-	803,262
	13,692,880	4,763,410
Due from related parties		
Port Villa Hardware Ltd, Vanuatu	10,357,209	3,560,087

(c) Key management personnel

Key management personnel comprise the Directors and senior management. Compensation comprises short-term employee benefits only.

	2026	2025
	VUV	VUV
Short-term employee benefits	3,451,346	3,290,091

17. Lease

a) Right-of-use asset

Set out below is the carrying amount of right-of-use asset recognised and the movements during the year:

	Leasehold land	Total
	VUV	VUV
As at 1 April 2024	1,147,415	1,147,415
Depreciation expense	(33,997)	(33,997)
As at 31 March 2025	1,113,418	1,113,418
Depreciation expense	(33,997)	(33,997)
As at 31 March 2026	1,079,421	1,079,421

b) Lease liability

The lease liability represents the present value of lease payments that were paid in full at commencement.

18. Financial risk management objectives and policies

Principal financial liabilities comprise trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash which arise directly from its operations.

The main risk arising from the Company's financial statements are market risk, credit risk, and liquidity risk. The Board of Directors review and agree policies for managing each of these risks which are summarised below.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term deposits and bank overdraft facility which has not yet been utilised.

Credit risk

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The company does not have material concentrations of credit risk, as exposures are spread across a large number of customers.

	Trade receivables				
	Days past due				
	Current	31 - 90 days	91 - 180 days	>180 days	Total
31 March 2026					
Expected credit loss rate	0%	0%	0%	110%	
Estimated total gross carrying amount at default	4,634,422	173,381	8,131,607	1,794,694	14,734,104
Expected credit loss	-	-	-	1,968,075	1,968,075

Notes

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

Credit risk (contd.)

31 March 2025					
Expected credit loss rate	0%	0%	0%	77%	
Estimated total gross carrying amount at default	4,791,604	926,930	1,576,141	6,966,228	14,260,903
Expected credit loss	-	-	-	5,370,249	5,370,249

Foreign currency risk

The Company has foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal trading activities. Normal currency trading activities foreign exchange risk are not hedged or subject to foreign currency forward exchange contracts.

	Increase/ (decrease) in USD rate	Effect on profit before tax VUV
2026	+10%	1,369,288
	-10%	(1,369,288)
2025	+10%	371,130
	-10%	(371,130)

Liquidity risk

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations.

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2026 based on contractual undiscounted payments.

Year ended 31 March 2026	On demand	1 to 12 months	1 to 5 years	> 5 years	Total
	VUV	VUV	VUV	VUV	VUV
Trade and other payables	-	20,917,149	-	-	20,917,149
	-	20,917,149	-	-	20,917,149
Year ended 31 March 2025	On demand	1 to 12 months	1 to 5 years	> 5 years	Total
	VUV	VUV	VUV	VUV	VUV
Trade and other payables	-	12,736,588	-	-	12,736,588
	-	12,736,588	-	-	12,736,588

19. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2026.

The Company includes within net debt, trade and other payables less cash and cash equivalents. Capital includes equity attributable to equity holders.

	2026	2025
	VUV	VUV
Trade and other payables [Note 11]	20,917,149	12,736,588
Less: cash and cash equivalents [Note 6]	(10,674,422)	(31,640,731)
Net debt	10,242,727	(18,904,143)
Equity	56,952,891	79,705,372
Total capital	56,952,891	79,705,372
Capital and net debt	67,195,618	60,801,229
Gearing ratio	18%	Nil

20. Financial instruments

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instrument that are carried on the financial statements.

	Carrying amount		Fair value	
	2026	2025	2026	2025
	VUV	VUV	VUV	VUV
Financial assets				
Cash and cash equivalents	10,674,422	31,640,731	10,674,422	31,640,731
Trade receivables	12,044,067	8,890,654	12,044,067	8,890,654
Prepayments and other assets	4,464,530	4,472,191	4,464,530	4,472,191
	27,183,019	45,003,576	27,183,019	45,003,576
Financial liabilities				
Trade and other payables	20,917,149	12,736,588	20,917,149	12,736,588
	20,917,149	12,736,588	20,917,149	12,736,588

21. Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

22. Significant events during the year

There were no other significant matters or circumstances that had arisen during the financial year which significantly affected or may significantly affect the operations of the Company, the results or cash flows of those operations, or the state of affairs of the Company in future financial years.

23. Segment information

Industry segment

The Company operates predominantly in the distribution of paints and paint related items.

Geographical segment

The Company operates in Vanuatu and is therefore one geographical area for reporting purposes.

Notes

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

24. Principal activities

The principal activities of the Company in the course of the year were the distribution of paints and paint related products. There has been no significant change in these activities during the year.

25. Company details

Registered office

Asian Paints (Vanuatu) Limited

Port Villa

Vanuatu.

Number of employees

As at balance date, the Company employed a total of 6 (2025: 6 employees).



Asian Paints (Middle East) SPC

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Manager's report

The Manager submits his report and the audited financial statements for the year ended 31 March 2026

Principal activities

The Company's principal activity is manufacturing and trading in paints and allied products and sale of construction materials.

Basis of preparation of accounts

The accompanying financial statements have been prepared in accordance with IFRS Accounting Standards and the Commercial Companies Law and Regulations of the Sultanate of Oman.

Results and appropriations

The results of the Company for the year ended 31 March 2026 are set out on page 7 of the financial statements.

The company achieved overall sales of A 15,261,607 as compared to the sales of previous year A 17,086,563 with a

net decrease of 10.68 % in value terms in challenging market condition.

Margins improved from 39.88% to 40.35% in FY 25-26 majorly due to the deflationary trend in raw material prices. However, net profit is down from 13.33% to 12.75% impacted by high brand building expenses in 25-26.

Major brand building expenses covers, Décor Idea Store in Mall of Oman, digital marketing campaigns and the Colour Next launch.

Overall, the year witnessed growth in retail & protective coating segments, while projects segment remained stagnant.

During the year, the Company paid dividend of A 2,805,000 for the year 2024-25.

Auditors

The financial statements have been audited by BDO LLC who offer themselves for re-appointment.

Administration and contact details

as at 31 March 2026

Commercial registration number	1571133 (Mortgaged)
Shareholder	Asian Paints International Private Limited
Board of Directors	Pragyan Kumar Joseph Eapen Gopalakrishnan Gowrisankar
Bankers	Ahli Bank SAOG Bank Muscat SAOG Sohar International Bank SAOG
Registered office	PO Box 462, Ghala PC 133 Muscat Sultanate of Oman
Auditors	BDO LLC Suite No. 601 & 602, Pent House Beach One Building, Way No. 2601 Shatti Al Qurum PO Box 1176, PC 112, Ruwi Muscat Sultanate of Oman

Independent Auditor's Report

TO THE SHAREHOLDER OF
ASIAN PAINTS (MIDDLE EAST) SPC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asian Paints (Middle East) SPC ("the Company"), which comprise the statement of financial position as at 31 March 2026, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2026, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements that are relevant to audits of the financial statements in the Sultanate of Oman. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Manager's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge

obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB and the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

"BDO LLC, an Omani registered limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent member firms. BDO is the brand name for the BDO International network and for each of the BDO Member Firms.

Accountants and Auditors License No. L1608592, Financial Advisory License No. L1363000, Commercial Registration No. 1222681, VATIN: OM1100002154 and TAX Card No. 8056881."

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We report that, the financial statements of the Company as at, and for the year ended, 31 March 2026, in all material respects, comply with the applicable provisions of the Commercial Companies Law and Regulations of the Sultanate of Oman.

Muscat
April 2026

Manvinder Singh
Partner

Statement of Financial Position

as at 31 March 2026

	Notes	2026	2025
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,411,674	3,409,902
Right-of-use assets	7	783,342	701,548
Total non-current assets		4,195,016	4,111,450
Current assets			
Inventories	8	2,129,244	2,623,760
Trade and other receivables	9	3,446,722	4,010,770
Lease receivables	6	10,788	6,853
Due from related parties	10	1,896,500	1,904,488
Cash and bank balances	23	1,131,884	1,041,409
Total current assets		8,615,138	9,587,280
Total assets		12,810,154	13,698,730
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	1,122,000	1,122,000
Legal reserve	12	374,000	374,000
Retained earnings		5,668,645	6,540,035
Total capital and reserves		7,164,645	8,036,035
Non-current liabilities			
Lease liabilities	13	666,123	569,752
Employees' terminal benefits	14	344,794	332,094
Deferred tax liability	22	23,146	22,566
Total non-current liabilities		1,034,063	924,412
Current liabilities			
Lease liabilities	13	161,151	172,164
Due to related parties	10	479,750	507,731
Trade and other payables	15	3,629,870	3,639,593
Income tax payable	22	340,675	418,795
Total current liabilities		4,611,446	4,738,283
Total liabilities		5,645,509	5,662,695
Total equity and liabilities		12,810,154	13,698,730

These financial statements, as set out on pages 8 to 31, were approved and authorised for issue by the Board of Directors on 29 April 2026 and signed on their behalf by Director.

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2026

	Notes	2026	2025
	16	15,261,607	17,086,563
Revenue	17	(9,103,863)	(10,272,469)
Cost of sales		6,157,744	6,814,094
Gross profit			
Other income	18	48,781	25,961
		6,206,525	6,840,055
Expenses			
Salaries and other related staff costs	19	(1,893,067)	(1,922,488)
General, administrative, selling and distribution expenses	20	(1,952,435)	(2,096,666)
Expected credit losses on trade receivables	9	(23,313)	(68,523)
Depreciation	5	(30,407)	(31,780)
		(3,899,222)	(4,119,457)
Profit from operations		2,307,304	2,720,598
Finance cost	21	(41,202)	(37,708)
Finance income	23	23,009	14,820
		(18,193)	(22,888)
Profit before tax for the year		2,289,110	2,697,710
Income tax	22	(343,537)	(419,623)
Net profit for the year		1,945,574	2,278,087
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gain on defined benefit plan	14	(14,075)	12,794
Deferred tax liabilities on above	22	2,111	(1,919)
Total other comprehensive income for the year		(11,964)	10,875
Total comprehensive income and net profit for the year		1,933,610	2,288,962

Statement of Change In Equity

For the year ended 31 March 2026

	Share capital	Legal reserve	Retained earnings	Total
At 31 March 2024	1,122,000	374,000	6,873,187	8,369,187
Net profit for the year	-	-	2,278,087	2,278,087
Other comprehensive income				
Actuarial gain on defined benefit plan, net of tax	-	-	10,875	10,875
<i>Transaction with owners directly recorded in equity</i>				
Dividend declared and paid during the year (Note 28)	-	-	(2,622,114)	(2,622,114)
At 31 March 2025	1,122,000	374,000	6,540,035	8,036,035
Net profit for the year	-	-	1,945,574	1,945,574
Other comprehensive income				
Actuarial gain on defined benefit plan, net of tax	-	-	(11,964)	(11,964)
<i>Transaction with owners directly recorded in equity</i>				
Dividend declared and paid during the year (Note 28)	-	-	(2,805,000)	(2,805,000)
At 31 March 2026	1,122,000	374,000	5,668,645	7,164,645

Statement of Cash Flows

for the year ended 31 March 2026

	Note	2026	2025
Operating activities			
Net profit for the year		1,945,574	2,278,087
Adjustments for:			
Depreciation	5	253,393	264,831
Amortisation of right-of-use assets	7	203,534	159,865
Provision for employees' benefit liabilities (net)	14	60,109	28,327
Gain on termination of lease liabilities	18	(1,556)	-
Finance costs	21	41,202	37,708
Taxation	22	343,537	419,623
		2,845,792	3,188,441
Working capital changes			
Inventories		494,516	(391,138)
Trade and other receivables (including lease receivables)		560,114	(418,273)
Due from related parties		7,988	196,949
Trade and other payables		(9,724)	319,008
Due to related parties		(27,981)	69,516
Net cash flows from operations		3,870,705	2,964,503
Employees' terminal benefits paid	14	(61,484)	(9,820)
Income tax paid	22	(418,965)	(397,166)
Net cash from operating activities		3,390,256	2,557,517
Investing activities			
Purchase of property, plant and equipment	5	(255,165)	(152,402)
Net cash used in investing activities		(255,165)	(152,402)
Financing activities			
Dividend paid	28	(2,805,000)	(2,622,114)
Payment of lease liabilities	13 & 27	(239,395)	(223,294)
Finance costs paid	21	(221)	-
Net cash used in financing activities		(3,044,616)	(2,845,408)
Net change in cash and cash equivalents		90,475	(440,293)
Cash and cash equivalents at beginning of year		1,041,409	1,481,702
Cash and cash equivalents at end of year	23	1,131,884	1,041,409

Notes to the financial statements

for the year ended 31 March 2026

1 Legal status and principal activities

Asian Paints (Middle East) SPC ("the Company") is a sole proprietor company registered with the Ministry of Commerce, Industry and Investment Promotion (MOCIIP) in accordance with the provisions of the Commercial Companies Law of the Sultanate of Oman. The Company's principal activity is manufacturing and trading in paints and allied products and sale of construction materials. The Company is a subsidiary of Asian Paints International Private Limited incorporated in Singapore and the ultimate parent Company is Asian Paints Limited incorporated in India.

The Company's principal place of business is located at Ghala, Muscat, Sultanate of Oman.

2 Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the applicable provisions of the Commercial Companies Law (CCL) and Regulations (CCR) of the Sultanate of Oman.

Basis of measurement

The financial statements have been prepared under the historical cost convention and going concern assumption. The preparation of financial statements is in conformity with IFRS Accounting Standards that requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

Functional and presentation currency

The financial statements are presented in Omani Rial

(A) which is the Company's functional and reporting currency.

3 Adoption of significant new and revised IFRS

(a) Standards, amendments and interpretations effective and adopted in the year 2025-26

The following amendment to existing standards are effective for the reporting period beginning on or after 1 January 2025:

Standard or Interpretation	Title
Amendments to IAS 21	Lack of Exchangeability (Amendment to IAS 21-The Effects of Changes in Foreign Exchange Rates)

Lack of Exchangeability (Amendment to IAS 21-The Effects of Changes in Foreign Exchange Rates)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21-The Effects of Changes in Foreign Exchange Rates (the Amendments).

The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The Amendments also introduce additional disclosure requirements when an entity estimates a spot exchange rate because a currency is not exchangeable into another currency.

This amendment had no effect on the financial statements of the Company.

(b) Standards, amendments and interpretations issued but not yet effective

The following new/amended accounting standards and interpretations have been issued by the IASB that are effective in future accounting periods and the Company has decided not to adopt early:

Standard or Interpretation	Title	Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2026
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2026

Notes

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

The Company does not expect these amendments and standards issued but not yet effective, to have a material impact on the financial statements of the Company, except for IFRS 18.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

4 Material accounting policies

The accounting policies applied in preparing these financial statements are set out below. These policies has been consistently applied to all the years presented unless otherwise stated.

(a) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment in value. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.

Depreciation is calculated in accordance with the straight-line method to write-off the cost of each asset to its estimated residual value over the useful economic life.

Depreciation has been calculated from the date of acquisition at the following rates:

Description	No of years
Leasehold improvement	25
Plant and machinery	2 - 20
Furniture and fixtures	4 - 8
Forklifts	4
Office equipment	3
Computer software	3

Freehold land is not depreciated as it is deemed to have an infinite life.

The useful lives and depreciation methods are reviewed regularly and any adjustments required are affected in the change for the current and future years as a change in accounting estimate.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit or loss.

Repairs and renewals are charged to profit or loss when the expenditure is incurred.

(b) Capital-work-in-progress

Capital-work-in-progress is stated at cost, including borrowing costs incurred for financing the asset. All costs directly incurred during the period related to specific assets are carried under this heading. These are transferred to specific assets and depreciated when they are available for use.

(c) Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

(i) Classification

The financial assets are classified in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- b) those to be measured at amortised cost.

For assets measured at fair value, gains and losses are recorded in the Company's profit or loss or other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or

loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies debt instruments at amortised cost based on the below:

- a) the asset is held within a business model with the objective of collecting the contractual cash flows; and
- b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR).

(iii) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(iv) Impairment of financial assets

The Company applies the Expected Credit Losses (ECL) model for measurement and recognition of impairment loss on the financial assets.

ECLs are the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A

cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the Company expects to receive. The ECL considers the amount and timing of payments and, hence, a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The ECL method requires assessing credit risk, default and timing of collection since initial recognition. This requires recognising allowance for ECL in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 months ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. '12 months ECL' represents the ECL resulting from default events that are possible within 12 months after the reporting date. 'Lifetime ECL' represent the ECL that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime ECL does not differ from that measured as 12 months ECL. The Company uses the practical expedient in IFRS 9 for measuring ECL for trade receivables using a provisioning matrix based on ageing of the trade receivables.

The Company uses historical loss experience and derived loss rates based on the past twelve months and adjusts the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

(v) Income recognition

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the EIR, which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan or receivable is impaired, the Company reduces the carrying amount to its recoverable

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amount, being the estimated future cash flows discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial assets is recognised using the original EIR.

Financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cash flows.

(i) Classification

The financial liabilities are classified in the following measurement categories:

- a) those to be measured as financial liabilities at fair value through profit or loss; and
- b) those to be measured at amortised cost.

(ii) Measurement

All financial liabilities are recognised initially at fair value. Financial liabilities accounted at amortised cost like borrowings are accounted at the fair value determined based on the EIR method after considering the directly attributable transaction costs.

The Company classifies all its financial liabilities subsequently at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

(iii) Derecognition of financial liabilities

The EIR method calculates the amortised cost of a debt instrument by allocating interest charged over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflows (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to borrowings, trade payables, etc.

The Company's financial liabilities include trade and other payables, due to related parties and lease liabilities. The Company measures financial liabilities at amortised cost.

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

(d) Impairment of non-financial assets

The carrying amount of the Company's assets or its cash generating unit, other than financial assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other asset and groups. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value in use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

(e) Leases

As lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily

determined, the Company uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated amortisation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are amortised over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is amortised over the useful life of the underlying asset. The amortisation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in 'Impairment of tangible and intangible assets excluding goodwill' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and expensed in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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As lessor

Income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

(f) Lease receivable

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

(g) Inventories

Inventories of raw materials, packing materials and colour world items are stated at the lower of cost and net realisable value. Cost, which is determined on the weighted average basis, comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Cost of finished goods includes cost of direct materials, direct labour and applicable overheads. Net realisable value is the estimate of the selling price in the ordinary course of business less any incidental selling expenses. Where necessary, provision is made for obsolete, slow-moving and defective inventories.

(h) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and bank balances, net of bank overdraft. In the statement of financial position, bank overdraft is included as part of current liabilities.

(i) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(j) Employees' terminal benefits

End of service benefits are accrued in accordance with the terms of employment of the Company's employees at the reporting date, having regard to the requirements

of the Oman Labour Law. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law are recognised as an expense in profit or loss as incurred.

(k) Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when it transfers control over a product or services to a customer. The Company's timing of revenue recognition is at a point in time upon the satisfaction of the performance obligation by transferring control of the goods or services to the customer.

If the consideration promised in a contract includes variable amount, then the Company estimates the amount of consideration to which it expects to be entitled. Consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items.

(l) Other income

Other income is accounted for on accruals basis, unless collectability is in doubt.

(m) Foreign currencies

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the end of the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date when the carrying value was determined.

(n) Income tax

Taxation is provided in accordance with the Omani fiscal regulations. Taxation for the year comprises current and deferred tax. Current tax is the expected tax payable on

the taxable income for the year, using tax-rates enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax laws that have been enacted at the reporting date. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

(o) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on certain methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(p) Dividend distribution

Dividend distribution to the shareholder is recognised as a liability only in the period in which the dividend is approved.

(q) Critical accounting judgments and key source of estimating uncertainty

Preparation of financial statements in accordance with IFRS Accounting Standards requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

The most significant areas requiring the use of management estimates and assumptions in these financial statements relate to:

i) Impairment reviews

IFRS Accounting Standards requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgment, requiring inter alia an assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- a) growth in earnings before interest, tax, depreciation and amortisation (EBITDA), calculated as adjusted operating profit before depreciation and amortisation;
- b) timing and quantum of future capital expenditure;
- c) long-term growth rates; and
- d) selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results.

(ii) Economic useful lives of property, plant and equipment

The Company's property, plant and equipment are depreciated on a straight-line basis over their economic useful lives. The economic useful lives of property, plant and equipment are reviewed

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periodically by management. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

(iii) Impairment of inventories

The Company creates a provision for obsolete and slow-moving inventories. Estimates of net realisable value of inventories are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring subsequent to the statement of financial position date to the extent that such events confirm conditions existing at the end of the reporting period.

(iv) Impairment losses on trade receivables

Trade receivables are stated at their amortised cost as reduced by provision for ECL for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the trade receivable balances and historical experience adjusted appropriately for the future expectations. Individual trade receivables are written-off when management deems them not to be collectible.

(v) Going concern

The management of the Company reviews the financial position of the Company on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to

meet the liabilities as and when they become due. In addition, the members of the Company ensure that they provide adequate financial support, whenever necessary, to funding the requirements to the Company to ensure the going concern status of the Company.

(vi) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

(vii) Taxation

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of the existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to the assumptions, could necessitate future adjustments to taxable income and expenses already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of finalisation of tax assessments of the Company. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible taxation authority.

5 Property, plant and equipment

(a) The movement in property, plant and equipment is as set out below:

2026	Freehold land	Building	Plant and machinery	Furniture and fixtures	Forklifts	Office equipment	Computer software	Capital work-in-progress	Total
Cost									
At 1 April 2025	159,302	2,917,525	2,863,098	232,915	180,085	134,792	53,547	6,091	6,547,355
Additions during the year	-	58,575	168,082	8,266	-	14,348	3,803	2,091	255,165
Transfer during the year	-	-	5,479	-	-	-	-	(5,479)	-
At 31 March 2026	159,302	2,976,100	3,036,659	241,181	180,085	149,140	57,350	2,703	6,802,520
Accumulated depreciation									
At 1 April 2025	-	644,291	1,975,142	185,422	171,018	108,244	53,336	-	3,137,453
Charge for the year	-	60,244	168,369	10,370	2,210	12,091	109	-	253,393
At 31 March 2026	-	704,535	2,143,511	195,792	173,228	120,335	53,445	-	3,390,846
Net book value									
At 31 March 2026	159,302	2,271,565	893,148	45,389	6,857	28,805	3,905	2,703	3,411,674

2025	Freehold land	Building	Plant and machinery	Furniture and fixtures	Forklifts	Office equipment	Computer software	Capital work-in-progress	Total
Cost									
At 31 March 2024	159,302	2,917,525	2,742,975	225,884	180,085	115,635	53,547	-	6,394,953
Additions during the year	-	-	120,123	7,031	-	19,157	-	6,091	152,402
At 31 March 2025	159,302	2,917,525	2,863,098	232,915	180,085	134,792	53,547	6,091	6,547,355
Accumulated depreciation									
At 31 March 2024	-	585,382	1,793,358	175,468	168,807	97,977	51,630	-	2,872,622
Charge for the year	-	58,909	181,784	9,954	2,211	10,267	1,706	-	264,831
At 31 March 2025	-	644,291	1,975,142	185,422	171,018	108,244	53,336	-	3,137,453
Net book value									
At 31 March 2025	159,302	2,273,234	887,956	47,493	9,067	26,548	211	6,091	3,409,902

(b) The depreciation charge for the year has been dealt with in profit or loss as follows:

	2026	2025
Cost of sales (Note 17)	222,986	233,051
Profit or loss	30,407	31,780
	253,393	264,831

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6 Lease receivable

	2026	2025
Lease receivable	10,788	6,853

The Company enters into finance leasing arrangements for Automated Colour Dispensers, which generally are on 12 to 24 months repayment terms.

7 Right-of-use assets

- (a) The Company has obtained land, building (marketing outlet and warehouse), motor vehicles and employee accommodation on lease. The average lease term for land is 25 years, building is 2 to 3 years, employee accommodation is 1 year and vehicles is 5 years.

	Land	Building	Vehicles	Employee accommodation	Total
At 1 April 2025	367,917	167,404	161,512	4,715	701,548
Additions during the year	72,245	4,519	219,366	14,415	310,545
Amortisation for the year	(32,899)	(95,098)	(68,141)	(7,396)	(203,534)
Deletion during the year	-	-	(25,217)	-	(25,217)
At 31 March 2026	407,263	76,825	287,520	11,734	783,342
At 1 April 2024	399,198	-	170,278	6,580	576,056
Additions during the year	-	220,873	51,160	13,324	285,357
Amortisation for the year	(31,281)	(53,469)	(59,926)	(15,189)	(159,865)
At 31 March 2025	367,917	167,404	161,512	4,715	701,548

- (b) Amount recognised in profit or loss relating to right of use assets

	2026	2025
Amortisation of right-of-use assets		
Charged to cost of sales (Note 17)	32,899	31,281
Charged to other related staff costs (Note 19)	75,537	75,115
Charged to general, administrative, selling and distribution expense (Note 20)	95,098	53,469
	203,534	159,865
Interest expense on lease liabilities (Note 13 & 21)	40,981	37,708
	244,515	197,573

8 Inventories

	2026	2025
Raw materials	810,158	1,033,252
Goods in transit	406,056	320,433
Packing materials	114,351	124,850
Work-in-progress	29,303	35,551
Finished goods	665,890	1,052,956
Colour World items	132,286	103,163
Less: provision for obsolete and slow-moving inventories	(28,800)	(46,445)
	2,129,244	2,623,760

The movement in provision for obsolete and slow-moving inventories is as follows:

	2026	2025
At 1 April	46,445	38,138
(Reversal) / Provision for the year	(17,645)	8,307
At 31 March	28,800	46,445

9 Trade and other receivables

	2026	2025
Trade receivables (gross)	3,964,232	4,384,607
Less: ECL	(639,480)	(616,167)
Trade receivables, net	3,324,752	3,768,440
Prepayments	23,646	25,932
Deposits	17,106	16,626
Advances to suppliers	44,318	111,631
Advances against capital expenditure	1,271	39,116
Other receivables	35,629	49,025
	3,446,722	4,010,770

Trade receivables are generally on 30 to 120 days credit terms and are non-interest bearing.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

The carrying amounts of the Company's trade receivables are denominated in Omani Rial.

The Company applies the IFRS 9 simplified approach to measure ECL using a lifetime ECL provision for trade receivables and other financial assets. To measure ECL on a collective basis, trade receivables and other financial assets are grouped based on similar credit risk and aging. The ECL rates are based on the Company's historical credit losses experienced over the four year period prior to the year-end. The historical losses are then adjusted for the current and forward-looking information on macro-economic factors affecting the Company's customers.

At 31 March 2026, the lifetime ECL provision on trade receivables is as follows:

	Upto 180 days past due	Above 180 days past due	More than 365 days past due	Total
Gross carrying amount	3,226,826	131,134	606,272	3,964,232
ECL provision	3,829	29,379	606,272	639,480

At 31 March 2025, the lifetime ECL provision on trade receivables is as follows:

	Upto 180 days past due	Above 180 days past due	More than 365 days past due	Total
Gross carrying amount	3,655,452	191,185	537,970	4,384,607
ECL provision	30,606	47,591	537,970	616,167

The movement in provision for ECL of trade receivables is as follows:

	2026	2025
1 April	616,167	547,644
Provision for the year	23,313	68,523
31 March	639,480	616,167

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10 Related party transactions and balances

The Company, in the ordinary course of business, deals with parties, which fall within the definition of 'related parties' as contained in International Accounting Standard 24. Such transactions are entered at mutually agreed terms and approved by the management. The balances due from and to related parties are unsecured, bear no interest, have no fixed repayment terms and have been disclosed separately in the statement of financial position.

(a) Significant transactions during the year with related parties are as follows:

	Year ended 31 March 2026	Year ended 31 March 2025
Ultimate Parent		
Royalty	297,807	317,587
Purchases	55,246	44,814
Services	11,559	1,258
	Year ended 31 March 2026	Year ended 31 March 2025
Parent		
Royalty	162,803	178,748
Services	38,809	34,447
	Year ended 31 March 2026	Year ended 31 March 2025
Fellow subsidiaries		
Revenue	521,099	741,672
Purchases	270,013	68,948
Services	161,917	173,272

(b) Due from related parties

	2026	2025
Berger Paints Bahrain WLL	5,702	12,575
Berger Paints Emirates Ltd., United Arab Emirates	1,600,931	1,671,859
Asian Paints Doha Trading	281,333	211,353
Kadisco Paint & Adhesives (Ethiopia)	-	167
Asian Paints (Nepal) Pvt. Ltd.	8,534	8,534
	1,896,500	1,904,488

(c) Due to related parties

	2026	2025
Ultimate Parent		
Asian Paints Limited	287,727	310,599
Parent		
Asian Paints International Private Limited, Singapore	186,601	197,132
Fellow subsidiaries		
Harind Chemicals & Pharmaceuticals	5,422	-
	479,750	507,731

11 Share capital

The share capital, as registered with the Ministry of Commerce, industry and investment promotion (MOCIIP) is A 1,122,000, comprising of 1,122,000 shares of A 1 each (2024: 1,122,000 shares of A 1 each).

A break-down of the share capital as at 31 March 2026 and 2025 is as set out below:

	Percentage share holding	Amount
Name of the shareholder		
Asian Paints International Private Limited	100%	1,122,000

12 Legal reserve

In accordance with the applicable provisions of the Commercial Companies Law of the Sultanate of Oman, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve until such time as a minimum of one-third of the share capital is set aside.

13 Lease liabilities

	2026	2025
As at 1 April	741,916	642,145
Add: additions during the year	310,545	285,357
Add: interest on lease liabilities during the year (Note 21)	40,981	37,708
Less : Terminated during the year	(26,773)	-
Less: paid during the year	(239,395)	(223,294)
Closing balance	827,274	741,916
Lease liabilities	827,274	741,916
Less: current portion	(161,151)	(172,164)
Non-current portion	666,123	569,752

Details regarding the contractual maturities of lease liabilities on an undiscounted basis

	2026	2025
Less than a year	200,756	206,194
One to five years	463,599	376,697
More than 5 years	343,914	322,632
Closing balance on undiscounted basis	1,008,269	905,523
Less: interest for future period	(180,995)	(163,607)
Closing balance at present value	827,274	741,916
Discount rate (weighted average)	5.5%	5.5%

14 Employees' terminal benefits

	2026	2025
At 1 April	332,094	326,381
Charge for the year	60,109	28,327
Unrealised actuarial loss / (gain)	14,075	(12,794)
Payments during the year	(61,484)	(9,820)
At 31 March	344,794	332,094
Total number of employees	172	181

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15 Trade and other payables

	2026	2025
Trade payables	2,720,219	2,723,812
Accrued expenses	614,318	658,267
Advance received from customers	45,060	9,956
Other payables	250,273	247,558
	3,629,870	3,639,593

Trade payables are generally settled within 30 to 90 days of the suppliers' invoice date.

16 Revenue

	Year ended 31 March 2026	Year ended 31 March 2025
Sale of paints and allied products	15,261,607	17,086,563

Operating segments

The Company has a single reportable business segment and the geographical information of the sales for the reportable segment is as follows:

	2026	2025
Local (Oman)	14,689,675	16,257,307
Export	571,932	829,256
	15,261,607	17,086,563

17 Cost of sales

	Year ended 31 March 2026	Year ended 31 March 2025
Raw materials consumed	7,561,837	9,138,226
Wages	652,528	681,164
Factory overheads	257,944	257,826
Amortisation of right-of-use assets (Note 7)	32,899	31,281
Depreciation (Note 5)	222,986	233,051
Net movement in work-in-progress and finished goods	393,314	(77,386)
Provision for/ (reversal of) obsolete and slow-moving inventories	(17,645)	8,307
	9,103,863	10,272,469

18 Other income

	Year ended 31 March 2026	Year ended 31 March 2025
Sale of scrap	31,725	23,721
Interest on leased machines	531	514
Gain on termination of lease liabilities	1,556	-
Other miscellaneous income	14,969	1,726
	48,781	25,961

19 Salaries and other related staff costs

	Year ended 31 March 2026	Year ended 31 March 2025
Salaries	1,148,618	1,142,782
Other related staff costs	668,912	704,591
Amortisation of right-of-use assets (vehicles and employee- accommodation) (Note 7)	75,537	75,115
	1,893,067	1,922,488

20 General, administrative, selling and distribution expenses

	Year ended 31 March 2026	Year ended 31 March 2025
Selling and distribution expenses	1,200,332	1,369,988
Royalty (Note 10)	460,610	496,335
Conveyance and vehicle expenses	22,174	17,042
System expenses	42,509	41,991
Legal and professional fees	33,327	19,326
Communication	25,998	26,209
Bank charges	9,218	14,265
Printing and stationary	8,574	9,907
Insurance	12,545	12,143
Recruitment expenses	4,240	11,415
Amortization of right of use asset (Note 7)	95,098	53,469
Repairs and maintenance	1,200	3,667
Foreign exchange (gain)/ loss	8,670	(497)
Miscellaneous expenses	27,940	21,406
	1,952,435	2,096,666

21 Finance costs

	Year ended 31 March 2026	Year ended 31 March 2025
Interest on lease liabilities (Note 13)	40,981	37,708
Interest on bank overdraft	221	-
	41,202	37,708

22 Income tax

- (a) Provision for income tax has been made after giving due consideration to adjustments for potential allowances and disallowances. Income tax has been agreed with the Oman Tax Authorities up to the tax year 2021-22. The management considers that the amount of additional taxes, if any, that may become payable in relation to the tax years for which assessments are pending would not be material to the Company's financial position as at 31 March 2026.

Notes

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

(b) The movement in current tax and deferred tax is as follows:

The movement in provision for tax is as follows:

	Year ended 31 March 2026	Year ended 31 March 2025
At 1 April	418,795	387,337
Provision for the current year	342,787	416,876
Prior year	170	9,829
Recognised in other comprehensive income	(2,111)	1,919
Less: payment during the year	(418,965)	(397,166)
At 31 March	340,675	418,795

Reconciliation of effective tax rate

	Year ended 31 March 2026	Year ended 31 March 2025
Profit before tax for the year	2,289,110	2,697,710
Tax charge on accounting profit @ 15%	343,367	404,657
Prior year tax for others	170	9,829
Others	-	5,137
Tax charge in profit or loss	343,537	419,623

(c) The movement in deferred tax (asset) / liability is as follows:

	2026	2025
At 1 April	22,566	29,648
Recognised during the year	580	(7,082)
At 31 March	23,146	22,566
	2026	2025
Provisions	(100,247)	(99,392)
Accelerated tax depreciation	129,983	128,013
Right of use asset net of lease liabilities	(6,590)	(6,055)
	23,146	22,566

(d) Income tax expense is as follows:

	2026	2025
Current tax	342,787	416,876
Prior year	170	9,829
Deferred tax	580	(7,082)
	343,537	419,623

23 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2026	2025
Current tax	4,052	3,743
Prior year	273,375	89,312
Deferred tax	854,457	948,354
	1,131,884	1,041,409

The current account balances with banks are non-interest bearing except call deposit of A 273,375 which bears an interest rate of 3.25% per annum.

24 Contingent liabilities and capital commitments

- Contingent liabilities as at 31 March 2026 amounted to A 61,580/- (2025: A NIL) which represented inward bills for collection and letter of credit.
- Capital commitments contracted for at the statement of financial position date amounted to A 25,625 (2025: A 196,538).

25 Financial assets and liabilities and risk management

(a) Financial assets and liabilities

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, trade and other receivables, due from related parties, lease receivable, trade and other payables, due to related parties and lease liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(b) Risk management

Risk management is carried out by the Finance Department of the Company under the guidance of the senior management and directors. The senior management and directors provide significant guidance for overall risk management covering specific areas such as credit risk, interest rate risk, foreign exchange risk and investment of excess liquidity.

(c) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise equity value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 March 2026 and 2025.

In addition, the Company's activities expose it to a variety of financial risks: market risk (including currency rate risk, interest rate risk and price risk), credit risk and liquidity risk.

(d) Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

Notes

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

The Company's exposure to foreign currency risk as follows:

In A	31 March 2026	31 March 2025
	Euro	Euro
Trade payables	(26,877)	(128,470)
Net exposure	(26,877)	(128,470)

The following significant exchange rates were applied during the year:

	31 March 2026	31 March 2025
Euro	0.45641	0.42423

Some of the Company's financial assets and financial liabilities are either denominated in USD, AED and SAR which are fixed against the RO.

Sensitivity Analysis

A 10 percent strengthening or weakening of Rial Omani against Euro at 31 March would have increased/ (decreased) profit and equity by A 2,688 (2025: A 12,847). The analysis assumes that all other variables remain constant.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The Company is not exposed to interest rate risk as the Company has no interest- bearing borrowings at reporting date.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company has no equity investments which can give exposure to price risk.

(e) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company is potentially exposed to credit risk principally on its trade receivables and bank balances. The bank balances are held with national and international banks with good credit ratings. The credit risk on trade receivables is subject to credit evaluations and provision is made for estimated irrecoverable amounts. The Company is not exposed to any significant concentration of credit risk due to its large number of customers.

(f) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's management monitors liquidity requirements on a regular basis to help ensure that sufficient funds are available, including unutilised credit facilities with banks, to meet any future commitments. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecasted and actual cash flows.

At the end of the reporting period, the contractual maturity analysis in respect of financial liabilities is provided below:

	Carrying value	Contractual cash flows	Less than a year	More than a year
Liabilities as at 31 March 2026				
Trade and other payables	3,629,870	3,629,870	3,629,870	-
Due to related parties	479,750	479,750	479,750	-
Lease liabilities	827,274	1,008,269	200,756	807,513
	4,936,894	5,117,889	4,310,376	807,513
	Carrying value	Contractual cash flows	Less than a year	More than a year
Liabilities as at 31 March 2025				
Trade and other payables	3,639,593	3,639,593	3,639,593	-
Due to related parties	507,731	507,731	507,731	-
Lease liabilities	741,916	905,523	206,194	699,329
	4,889,240	5,052,847	4,353,518	699,329

26 Fair values of financial instruments

Financial instruments consist of financial assets and liabilities. Financial assets and liabilities carried on the statement of financial position include cash and bank balances, trade and other receivables, trade and other payables, lease liabilities and due from and to related parties. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

In the opinion of the Company's management, the fair values of the financial assets and liabilities are not materially different from their carrying amounts.

27 Note supporting the statement of cash flows

Transactions from financing activities shown in the reconciliation of liabilities from financing transactions is as follows:

2026					
Particulars	1 April 2025	Cash inflow	Cash outflows	Non-cash changes	31 March 2026
Lease liabilities	741,916	-	(239,395)	324,753	827,274
2025					
Particulars	1 April 2024	Cash inflow	Cash outflows	Non-cash changes	31 March 2025
Lease liabilities	642,145	-	(223,294)	323,065	741,916

28 Dividend

During the year, the Parent Company approved dividend of A 2,805,000 for the year ended 31 March 2025 (2025: A 2,622,114 for the year ended 31 March 2024).

29 Comparative figures

Certain comparative figures of the previous year have been either regrouped or reclassified, wherever necessary, in order to conform with the presentation adopted in the current year's financial statements. Such regroupings or reclassification did not affect previously reported net profit or shareholder's equity.

Notes

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

30 Subsequent events

Except for the effects, if any, due to the below, there are no events occurring subsequent to 31 December 2025 and before the date of approval that are expected to have a significant impact on these separate financial statements of the Company.

Impact of External Economic and Geopolitical Events

Subsequent to the year-end, management has assessed the potential impacts of recent global economic instability including inflationary pressures, supply chain disruptions, elevated energy costs, interest rate changes, and climate related factors on the Company's financial position, operations, and results. As of the date of approval of these financial statements, no material effects have been identified on financial assets, inventories, cash flows, impairment assessments, liquidity, or other key financial accounts. The Company's operations in Oman remain resilient, with no onerous contracts, or going concern uncertainties arising from these factors. These financial statements reflect management's evaluation, supported by ongoing monitoring for future developments.



Asian Paints (Bangladesh) Limited

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Independent Auditor's Report

To the Shareholders of
Asian Paints (Bangladesh) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asian Paints (Bangladesh) Limited, (the "Company") which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate

the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the Company's statement of financial position, the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

For **Nurul Faruk Hasan & Co**

Chartered Accountants
FRC Enlistment Number: CAF-001-139

Shamsur Rahman, FCA

Partner
Enrollment Number: 941
DVC: 2604280941AS206498

Dhaka, Bangladesh
Date: 28 April 2026

Statement of Financial Position

As at 31 March 2026

	Note	31 March 2026 Taka	31 March 2025 Taka
Assets			
Non-current assets			
Property, plant and equipment	8	2,283,736,942	2,340,649,411
Intangible asset	9	175,246	1,223,293
Right-of-use assets	10	486,308,002	556,079,793
Other non-current assets	11	40,078,093	45,372,163
Trade and other receivables	14	12,803,664	19,454,279
Total non-current assets		2,823,101,947	2,962,778,939
Current assets			
Inventories	13	881,666,233	1,105,002,092
Trade and other receivables	14	482,610,091	616,842,682
Other current assets	15	228,917,367	415,935,253
Current tax assets	16	324,511,358	303,229,469
Cash and cash equivalents	17	136,747,450	175,599,661
Total current assets		2,054,452,498	2,616,609,157
Total assets		4,877,554,445	5,579,388,096
Equity and liabilities			
Capital and reserves			
Share capital	18	1,847,766,000	1,847,766,000
Retained earnings		(977,542,287)	(790,972,623)
Total equity		870,223,713	1,056,793,377
Non-current liabilities			
Long term loans	23	-	101,720,475
8% Non Convertible, Cumulative, Redeemable, Preference Shares	25	400,000,000	400,000,000
Lease liabilities	19	554,256,755	640,160,518
Defined benefit obligation	20	100,349,694	90,639,097
Unearned finance income	21	2,852,365	4,394,830
Total non-current liabilities		1,057,458,813	1,236,914,919
Current liabilities			
Long term loans	23	-	67,739,777
Lease liabilities	19	50,811,604	49,837,595
Defined benefit obligation	20	26,648,093	16,697,990
Bank overdraft	22	148,244,399	612,430,510
Short term loans	23	1,265,030,776	868,013,937
Trade and other payables	24	1,459,137,047	1,670,959,991
Total current liabilities		2,949,871,919	3,285,679,800
Total liabilities		4,007,330,732	4,522,594,719
Total equity and liabilities		4,877,554,445	5,579,388,096

The accompanying notes 1 to 41 form an integral part of these financial statements.

Head of Finance

Director

Director

Per our annexed report of same date

Dhaka, Bangladesh

Dated: 28 April 2026

For Nurul Faruk Hasan & Co.

Chartered Accountants

FRC Enlistment Number: CAF-001-139

Shamsur Rahman, FCA

Partner

Enrollment No: 941

DVC: 2604280941AS206498

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

	Note	31 March 2026 Taka	31 March 2025 Taka
Revenue	26	5,626,405,073	5,452,366,932
Cost of sales	27	(3,920,492,170)	(3,981,678,115)
Gross profit		1,705,912,903	1,470,688,817
Other income	28	34,789,245	40,225,240
Selling and distribution expenses	29	(1,007,077,418)	(975,572,046)
Administrative expenses	30	(509,078,375)	(408,592,033)
Foreign exchange loss	31	(10,372,065)	(131,358,324)
Operating profit		214,174,289	(4,608,346)
Finance income	32	4,063,252	4,455,272
Finance costs	33	(268,906,099)	(286,507,833)
Net finance costs		(264,842,847)	(282,052,561)
Profit/(Loss) before contribution to WPPF and tax		(50,668,558)	(286,660,907)
Contribution to WPPF		-	-
Profit/(Loss) before tax		(50,668,558)	(286,660,907)
Income tax	34	(127,852,211)	4,342,947
Profit/(Loss) for the year		(178,520,769)	(282,317,960)
Other comprehensive income for the year			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	20	(8,048,895)	(14,104,906)
Related tax		-	-
Other comprehensive income/(loss) for the year, net of tax		(8,048,895)	(14,104,906)
Total comprehensive income/(loss) for the year		(186,569,664)	(296,422,866)

The accompanying notes 1 to 41 form an integral part of these financial statements.

Head of Finance

Director

Director

Per our annexed report of same date

Dhaka, Bangladesh

Dated: 28 April 2026

For Nurul Faruk Hasan & Co.

Chartered Accountants

FRC Enlistment Number: CAF-001-139

Shamsur Rahman, FCA

Partner

Enrollment No: 941

DVC: 2604280941AS206498

Statement of Changes In Equity

for the year ended 31 March 2026

	Share capital	Retained earnings	Total equity
	Taka	Taka	Taka
Balance at 1 April 2024	1,847,766,000	(494,549,757)	1,353,216,243
Profit for the year	-	(282,317,960)	(282,317,960)
Other comprehensive income for the year	-	(14,104,906)	(14,104,906)
Total comprehensive income for the year	-	(296,422,866)	(296,422,866)
Balance at 31 March 2025	1,847,766,000	(790,972,623)	1,056,793,377
Balance at 1 April 2025	1,847,766,000	(790,972,623)	1,056,793,377
Loss for the year	-	(178,520,769)	(178,520,769)
Other comprehensive loss for the year	-	(8,048,895)	(8,048,895)
Total comprehensive income for the year	-	(186,569,664)	(186,569,664)
Balance at 31 March 2026	1,847,766,000	(977,542,287)	870,223,713

The accompanying notes 1 to 41 form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 March 2026

	31 March 2026	31 March 2025
	Taka	Taka
Total comprehensive income/(loss) for the year	(186,569,664)	(296,422,866)
Adjustments for Non Cash Items:		
Interest	212,375,774	232,588,536
Depreciation	114,683,793	112,419,911
Intercompany Royalty	163,522,092	155,940,045
Provisions	55,209,174	39,874,946
Intercompany Royalty Paid	(155,940,045)	(317,384,747)
Operating cash flows before movements in working capital	203,281,124	(72,984,176)
Trade Receivable (Increase)/ Decrease	159,610,556	223,680,606
Inventories (Increase)/ Decrease	218,331,086	(291,114,712)
Other Receivables (Increase)/ Decrease	176,147,673	286,699,922
(Purchase)/ Sale of Other Assets	5,294,069	2,884,820
Trade Creditors Increase/ (Decrease)	(321,390,995)	17,988,097
Other Creditors Increase/ (Decrease)	76,769,987	(264,737,334)
Provisions	(55,209,174)	(39,874,946)
(Increase)/Decrease in IFRS 16 "Assets less Liabilities"	(15,157,966)	44,871,384
Net cash (used in)/ from operating activities	447,676,362	(92,586,337)
Investing activities		
(Purchase)/ Sale of Fixed Assets	4,386,365	(45,632,546)
Change in Acc. Depreciation due to disposal	(62,157,688)	(3,350,537)
(Purchase)/ Sale of Intangible Assets	1,048,047	(71,975)
Net cash used in investing activities	(56,723,276)	(49,055,058)
Financing activities		
Interest paid	(193,175,774)	(213,388,536)
Repayments of borrowings	(236,629,523)	356,079,191
Net cash from financing activities	(429,805,297)	142,690,655
Net increase/(decrease) in Cash and cash equivalents	(38,852,212)	1,049,260
Cash and cash equivalents at beginning of year	175,599,661	174,550,401
Cash and cash equivalents at end of year*	136,747,450	175,599,661

The accompanying notes 1 to 41 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 March 2026

1. General information

Asian Paints (Bangladesh) Limited ("the Company") was incorporated as a Private Limited Company on 4 October 2000, under the Companies Act 1994. On 1 April 2015, the Company became a subsidiary of Asian Paints International Private Limited (formerly known as Berger International Private Limited), a registered company in Singapore. The ultimate controlling party of the Company is Asian Paints Ltd, a company registered in India. The head office of the Company is situated at The Pearl Trade Center (PTC), 4th Floor, Cha-90/3, Progoti Sarani, North Badda, Dhaka-1212 and the manufacturing plant is located at Gazipur. The Company received permission to start commercial operations (manufacturing plant) in the Economic Zone located in National Special Economic Zone (Mirsarai), Chattogram from 10 April 2022.

The Company is involved in manufacturing and distributing a wide range of decorative, marine and industrial paint products with its expertise and cutting edge technology to satisfy the painting needs of consumers in Bangladesh. The Company has ten sales depots in Dhaka, Chattagram, Cumilla, Khulna, Sylhet, Bogura, Mymensingh, Barisal, and Rajshahi.

2. Adoption of new and revised Standards

2.1 New and amended IFRS Standards that are effective for the current year

The following are the amendments that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability
The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

2.2 New and revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
	Contracts Referencing Nature-dependent Electricity
Amendments to IAS 21	Lack of exchangeability
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

3. Significant accounting policies

3.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standards) and the Companies Act, 1994.

3.2 Basis of measurement

These financial statements have been prepared on historical cost basis except for the following items in the statement of financial position;

- Inventories are measured at lower of cost and net realisable value.
- lease liabilities are measured at the present value of the lease payments discounted by using implicit rate.

3.3 Functional and presentation currency

The financial statements are presented in Bangladesh Taka (Tk/BDT), which is the Company's functional currency. All financial information presented in (Tk/BDT) has been rounded off to the nearest (Tk/BDT) unless otherwise indicated.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the property, plant and equipment.

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation

Depreciation is charged on all items of property, plant and equipment (excluding land and land development) on a straight line method. Right-of-use assets are depreciated over the shorter of the lease term of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation method, estimated useful lives and residual values are reviewed at each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The rates of depreciation for the current and comparative year which vary according to the estimated useful lives of the class of property, plant and equipment, are as follows:

Building	2 per cent per annum
Plant and machinery	10 per cent per annum
Furniture and fixtures	10 per cent per annum
Office equipment	20 per cent per annum
Vehicles	20 per cent per annum
Color World Machines	20 per cent per annum

Retirements and disposals

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

Construction in progress

Under construction in progress represents the cost incurred for acquisition and construction of items of property, plant and equipment that are not ready for use which is measured at cost. As per Company's policy

each addition of property, plant and equipment assets is passed through capital work in progress.

3.5 Intangible asset

Recognition and measurement

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be measured reliably. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation of intangible asset

Intangible assets are amortised on a straight-line basis over their estimated useful lives, from the date that they are available for use. Amortisation method, estimated useful lives and residual values are reviewed at each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The rate of amortisation is as follows:

Software	25 per cent per annum

Derecognition of intangible asset

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount on the asset, are recognised in profit or loss when the asset is derecognised.

3.6 Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI and FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL.

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objective for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of

financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets-Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial

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liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Impairment

Financial instruments

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the

Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation.

3.7 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless

another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

In addition, the Company remeasured the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which

case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Manufacturing overhead and administrative expense" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used

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this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. In the case of manufactured work-in-progress, cost includes an appropriate share of production overheads based on normal operation capacity.

Net realisable value is defined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Goods in transit represents goods for which shipment is done but are not received till the reporting date.

3.9 Share capital

Paid up share capital represents total amount contributed by the shareholders of ordinary shares who are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. Incremental costs directly articulable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

3.10 Employee benefit

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plan (provident fund)

All permanent employees contribute 12% of their basic salary to the provident fund and the Company also makes equal contribution. Provident fund is administered by a Board of Trustees. Registration of the provident fund with the National Board of Revenue (NBR) was effected on 31 August 2008.

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered services in exchange for those contributions. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

Workers' profit participation fund

As per Bangladesh Labor Act, 2006, the Company had created a fund for workers as 'Workers' Profit Participation Fund' and 5% of the profit before charging such expense has been transferred to this fund. The Company has introduced the fund since 2009.

Defined benefit plan (gratuity)

The Company operates an unfunded gratuity scheme; provision in respect of which is made annually covering all its permanent eligible employees and workers who have completed five years of their service with the Company. This scheme is qualified as defined benefit plan.

Other long term benefit (leave encashment)

The Company initiated a leave encashment scheme under which employees would be paid maximum 90 days of his/her latest gross salary for annual leave balance carried forward at final settlement.

3.11 Provision

Provisions are recognised on the reporting date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.12 Revenue recognition

Revenue from contracts with customers

As per IFRS 15, revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over goods to customer.

Manufacturing

Revenue from manufactured goods comprises of the sale of locally manufactured finished goods measured at the fair value of the consideration received or receivable which is net off sales return, VAT, trade discounts, early settlement discount and volume rebates and discounts.

Trading

The Company sells Color World Machines to dealers both in the form of on cash and on deferred credit. In case of deferred credit, the instalment is received from dealers over a period of years. Revenue is recognised at the present value of all equal monthly instalments with down-payment. The present value is determined by discounting all the future monthly instalments using an imputed rate of interest. Difference between present value and gross value is reflected as unearned finance income which is amortised over a period of years using effective interest rate method.

3.13 Finance income and finance costs

Finance income is the amount of current year's reduction of unearned finance income that arises from a credit sale of Color World Machine.

Finance costs comprise interest on bank overdraft, short term loan, inter-company loan and finance charge on lease.

3.14 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount or current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. As a private limited company, the applicable rate of taxation is 25% (change brought in Finance Act 2024).

Deferred tax

Deferred tax is provided using the balance sheet method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purpose. Currently enacted tax rate is being used in the determination of deferred income tax.

A deferred tax asset is recognised for deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

3.15 Foreign currency

Transactions denominated in foreign currencies are translated to the Company's functional currencies at the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Foreign currency differences arising on translation are recognised in the statement of comprehensive income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

3.16 Contingencies

Contingencies arising from claims, litigation, assessment, fines, penalties, Letter of credit opened for the procurement, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability shall not be recognised in the financial statements, but requires disclosure in the notes of the financial statements. A provision shall be recognised in the period in which the recognition criteria of provision have been met.

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Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise contingent asset.

3.17 Statement of cash flows

Cash flows from operating activities are presented under Indirect Method as per IAS 7: Statement of Cash Flows.

3.18 Reporting period

The financial period of the Company is determined from 1 April to 31 March each year and is followed consistently.

4. Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, which are described in note 3, judgments (other than those involving estimations) are required to be made that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical

experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5. Comparatives and rearrangement

To facilitate comparison, certain relevant balances pertaining to the previous years have been rearranged or reclassified whenever considered necessary to conform to the current year's presentation.

6. Events after the reporting period

No material events had occurred after the reporting period to the date of issue of these financial statements which could affect the values stated in the financial statements.

7. Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current resources of the Company provide sufficient fund to meet the present requirements of its existing business.

8. Property, plant and equipment

	In Taka							
	Land and land development	Building	Plant and machinery	Furniture and fixtures	Office equipment	Motor vehicle	Capital work in progress	Total
Cost								
At 1 April 2024	11,171,550	1,599,562,101	1,259,687,598	85,011,350	67,820,378	20,861,161	-	3,044,114,138
Additions	-	10,103,849	41,779,455	4,822,044	4,829,014	-	-	61,534,363
Disposals	-	(7,036,011)	(7,500,337)	-	-	(1,365,472)	-	(15,901,820)
At 31 March 2025	11,171,550	1,602,629,939	1,293,966,716	89,833,395	72,649,392	19,495,689	-	3,089,746,681
At 1 April 2025	11,171,550	1,602,629,939	1,293,966,716	89,833,395	72,649,392	19,495,689	-	3,089,746,681
Additions	-	12,004,943	26,087,045	2,692,062	13,003,763	-	3,935,636	57,723,448
Disposals	-	(78,000)	(37,004,985)	(5,428,415)	(18,238,484)	(1,359,929)	-	(62,109,812)
At 31 March 2026	11,171,550	1,614,556,882	1,283,048,776	87,097,042	67,414,670	18,135,761	3,935,636	3,085,360,317
Accumulated depreciation								
At 1 April 2024	-	115,331,960	403,317,068	52,126,799	54,971,375	14,280,698	-	640,027,900
Charge for the year	-	33,433,516	64,600,936	7,183,757	4,942,750	1,595,926	-	111,756,886
Adjustment for disposals/transfers	-	(379,386)	(942,660)	-	-	(1,365,470)	-	(2,687,516)
At 31 March 2025	-	148,386,091	466,975,343	59,310,557	59,914,125	14,511,154	-	749,097,270
At 1 April 2025	-	148,386,091	466,975,343	59,310,557	59,914,125	14,511,154	-	749,097,270
Charge for the year	-	33,611,206	65,799,947	6,721,338	5,907,345	1,595,927	-	113,635,763
Adjustment for disposals/transfers	-	(32,131)	(36,339,551)	(5,232,817)	(18,145,230)	(1,359,929)	-	(61,109,658)
At 31 March 2026	-	181,965,165	496,435,740	60,799,078	47,676,240	14,747,152	-	801,623,375
Carrying amount								
At 31 March 2026	11,171,550	1,432,591,717	786,613,036	26,297,965	19,738,430	3,388,608	3,935,636	2,283,736,942
At 31 March 2025	11,171,550	1,454,243,849	826,991,372	30,522,838	12,735,267	4,984,535	-	2,340,649,411
At 1 April 2024	11,171,550	1,484,230,141	856,370,530	32,884,551	12,849,003	6,580,463	-	2,404,086,238

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National Special Economic Zone (Mirsarai, Feni & Sitakundo) (The “Economic Zone”)

As of 31 March 2026, out of the total carrying amount, the portion of the Company's property, plant and equipment that can be attributed to the commercial operations in the Economic Zone amounts to Tk 1,918,249,532 (Last year: Tk 1,961,795,845).

Depreciation charge for the year allocated to

In Taka	Note	31 March 2026	31 March 2025
Manufacturing expenses	27.1	104,562,642	102,953,480
Administrative expenses	30	5,366,744	5,275,203
Selling and distribution expenses	29	3,706,376	3,528,203
		113,635,763	111,756,886

9. Intangible assets

In Taka	Software
Cost	
At 1 April 2024	41,656,682
Additions	735,000
At 31 March 2025	42,391,682
At 1 April 2025	42,391,682
Additions	-
Deduction/Adjustments	(18,994,949)
At 31 March 2026	23,396,733
Accumulated amortisation	
At 1 April 2024	40,505,364
Charge for the year	663,025
At 31 March 2025	41,168,389
Balance at 1 April 2025	41,168,389
Charge for the year	1,048,031
Deduction/Adjustments	(18,994,933)
At 31 March 2026	23,221,487
Carrying amount	
At 31 March 2026	175,246
At 31 March 2025	1,223,293
At 1 April 2024	1,151,318

Amortisation charge for the year allocated to

In Taka	Note	31 March 2026	31 March 2025
Administrative expenses	30	1,048,031	663,025
		1,048,031	663,025

10. Right-of-use assets

In Taka	Building	Land	Vehicles	Employee accommodation	Total
Cost					
At 1 April 2024	234,779,544	404,229,301	1,374,635	-	640,383,481
Additions	36,588,441	96,340,099	-	2,654,832	135,583,372
Expiry of lease term	(53,610,708)	(43,184,601)	-	-	(96,795,309)
At 31 March 2025	217,757,278	457,384,799	1,374,635	2,654,832	679,171,544
At 1 April 2025	217,757,278	457,384,799	1,374,635	2,654,832	679,171,544
Additions	-	4,234,597	-	75,409	4,310,006
Expiry of lease term	(5,413,034)	(16,846,488)	(1,374,635)	-	(23,634,158)
At 31 March 2026	212,344,244	444,772,908	-	2,730,241	659,847,392
Accumulated depreciation					
At 1 April 2024	63,050,343	83,119,489	407,863	-	146,577,695
Charge for the year	39,341,127	28,425,282	698,905	734,232	69,199,546
Expiry of lease term	(49,500,891)	(43,184,600)	-	-	(92,685,490)
At 31 March 2025	52,890,579	68,360,172	1,106,768	734,232	123,091,751
At 1 April 2025	52,890,579	68,360,172	1,106,768	734,232	123,091,751
Charge for the year	34,201,958	31,020,410	267,875	1,337,842	66,828,084
Expiry of lease term	(5,641,071)	(9,364,731)	(1,374,643)	-	(16,380,444)
At 31 March 2026	81,451,466	90,015,850	-	2,072,074	173,539,390
Carrying amount					
At 31 March 2026	130,892,777	354,757,057	-	658,167	486,308,002
At 31 March 2025	164,866,698	389,024,627	267,868	1,920,600	556,079,793
At 31 March 2024	171,729,201	321,109,812	966,772	-	493,805,786

National Special Economic Zone (Mirsarai) (The “Economic Zone”)

As of 31 March 2026, out of the total carrying amount, the portion of the Company's right-of-use assets that can be attributed to the commercial operations in the Economic Zone amounts to Tk 228,529,636 (Last year: Tk 233,448,651)

The Company leases several assets including buildings, land and vehicles. The average lease term is 8.20 years (Last year: 7.30 years).

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The maturity analysis of lease liabilities is presented in note 19.

	Note	31 March 2026	31 March 2025
		Taka	Taka
Amounts recognised in profit or loss			
Depreciation expense on right-of-use assets		66,828,084	69,199,546
Interest expense on lease liabilities		36,816,119	34,690,132
		103,644,202	103,889,678
Amounts recognised in statement of cash flow			
Interest payment on lease		36,816,119	34,690,132
Principal payment on lease		81,046,803	53,918,929
		117,862,922	88,609,061
Depreciation charge for the year allocated to			
Manufacturing expenses	27.1	15,266,111	12,584,498
Administrative expenses	30	21,358,130	20,669,773
Selling and distribution expenses	29	30,203,843	35,945,275
		66,828,084	69,199,546

11. Other non-current assets

	31 March 2026	31 March 2025
	Taka	Taka
Advances for acquisition of fixed assets	6,738,155	5,240,010
Security deposit for rent and others	33,339,938	40,132,153
	40,078,093	45,372,163

12. Deferred tax assets

Management has reassessed the rationale of recognizing deferred tax assets during the financial year. It has been identified that it is not probable that adequate taxable profit will be available before the expiry of the carry forward period in the future against which the unused tax losses or unused tax credits can be utilised, therefore the deferred tax asset is not recognised.

13. Inventories

		31 March 2026	31 March 2025
		Taka	Taka
Raw materials	13.1	502,976,997	682,098,618
Packing materials	13.3	23,239,875	22,839,626
Finished goods	13.4	258,735,961	267,063,695
Work-in-process	13.5	50,935,710	39,546,177
Goods in transit		45,777,689	88,449,203
Stores, spares and consumables	13.2	-	5,004,772
		881,666,233	1,105,002,092

National Economic Zone (Mirsarai) (The “Economic Zone”)

As of 31 March 2026, out of the total carrying amount, the portion of the Company's inventories that can be attributed to the commercial operations in the Economic Zone amounts to Tk 288,567,961 (Last year: Tk 291,016,619.)

13.1 Raw materials

	31 March 2026	31 March 2025
	Taka	Taka
Raw materials	530,755,392	727,306,969
Provision for obsolescence	(27,778,395)	(45,208,350)
	502,976,997	682,098,618

13.2 Stores, spares and consumables

	31 March 2026	31 March 2025
	Taka	Taka
Stores, spares and consumables	14,123,454	14,019,762
Provision for obsolescence	(14,123,454)	(9,014,990)
	-	5,004,772

13.3 Packing materials

	31 March 2026	31 March 2025
	Taka	Taka
Packing materials	25,250,830	24,926,737
Provision for obsolescence	(2,010,955)	(2,087,111)
	23,239,875	22,839,626

13.4 Finished goods

	31 March 2026	31 March 2025
	Taka	Taka
Locally manufactured finished goods	252,073,135	265,082,389
Color World Machines	11,569,623	8,796,838
	263,642,758	273,879,227
Provision for obsolescence	(4,906,797)	(6,815,532)
	258,735,961	267,063,695

13.5 Work-in-process

	31 March 2026	31 March 2025
	Taka	Taka
Work-in-process	51,317,940	40,124,516
Provision for obsolescence	(382,230)	(578,339)
	50,935,710	39,546,177

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

13.6 Movement in provision for inventories

	31 March 2026	31 March 2025
	Taka	Taka
Opening balance	63,704,322	38,221,002
Provision made during the year	(14,502,491)	25,483,320
	49,201,831	63,704,322

14. Trade and other receivables

	31 March 2026	31 March 2025
	Taka	Taka
Trade receivables	493,866,848	629,078,978
Receivable from related party	1,546,907	7,217,982
	495,413,755	636,296,960
Non-current	12,803,664	19,454,279
Current	482,610,091	616,842,682
	495,413,755	636,296,960

National Economic Zone (Mirsarai) (The “Economic Zone”)

As of 31 March 2026, out of the total carrying amount, the portion of the Company's trade and other receivables that can be attributed to the commercial operations in the Economic Zone amounts to Tk 409,792,587 (Last year: Tk 459,712,711.)

14.1 Trade receivables

	31 March 2026	31 March 2025
	Taka	Taka
Trade receivables - manufactured finished goods	747,178,982	829,873,958
Trade receivables - Color World Machines	24,702,978	32,993,376
	771,881,959	862,867,334
Provision for trade receivables	(278,015,111)	(233,788,356)
	493,866,848	629,078,978

15. Other current assets

	31 March 2026	31 March 2025
	Taka	Taka
Advances		
Advance to employees	15,455,619	12,998,155
Advance to suppliers against materials and services	160,178,747	369,828,943
Advance to other party	3,638,342	3,638,342
	179,272,708	386,465,440
Prepayments		
Prepaid expenses	49,644,659	29,469,814
	49,644,659	29,469,814
	228,917,367	415,935,253

16. Current tax assets

	Note	31 March 2026	31 March 2025
		Taka	Taka
Advance income tax	16.1	1,307,459,901	1,158,325,801
Provision for income tax	16.2	(982,948,543)	(855,096,332)
		324,511,358	303,229,469

16.1 Advance income tax

	31 March 2026	31 March 2025
	Taka	Taka
Opening balance	1,158,325,801	1,007,863,882
Paid during the year for:		
Income year 2025-26	145,622,350	147,720,283
Income year 2024-25	3,511,750	2,741,636
	1,307,459,901	1,158,325,801

16.2 Provision for income tax

	31 March 2026	31 March 2025
	Taka	Taka
Opening balance	855,096,332	859,439,279
Provision for:		
Current year	88,320,522	39,827,146
Prior years	39,531,689	(44,170,093)
	982,948,543	855,096,332

17. Cash and cash equivalents

	31 March 2026	31 March 2025
	Taka	Taka
Cash at bank	136,747,450	175,599,661
	136,747,450	175,599,661

National Economic Zone (Mirsarai) (The “Economic Zone”)

As of 31 March 2026, out of the total carrying amount, the portion of the Company's cash at bank that can be attributed to the commercial operations in the Economic Zone amounts to Tk 6,921,129 (Last year: Tk 16,873,913.)

18. Share capital

	Note	31 March 2026	31 March 2025
		Taka	Taka
Authorised:			
25,000,000 ordinary shares of Tk100 each		2,500,000,000	2,500,000,000
Issued and fully paid up:			
18,477,660 ordinary shares of Tk100 each	18.1	1,847,766,000	1,847,766,000

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

18.1 Composition of shareholders at 31 March

Name of shareholders	Nationality/ Incorporated in	Number of Shares		Holding %	
		2026	2025	2026	2025
Asian Paints International Private Limited	Singapore	17,570,232	17,570,232	95.09%	95.09%
Confidence Cement PLC	Bangladesh	412,312	412,312	2.23%	2.23%
Late Shamsul Alam	Bangladesh	82,462	82,462	0.45%	0.45%
Rupam Kishore Barua	Bangladesh	82,462	82,462	0.45%	0.45%
Rezaul Karim	Bangladesh	132,111	132,111	0.71%	0.71%
Late Shah Md. Hasan	Bangladesh	-	132,111	0.00%	0.71%
Gitali Badrunessa	Bangladesh	16,514	-	0.09%	0.00%
Ahmed Anwar Hasan	Bangladesh	77,065	-	0.42%	0.00%
Armin Hasan	Bangladesh	38,532	-	0.21%	0.00%
Runu Anwar	Bangladesh	65,970	65,970	0.36%	0.36%
		18,477,660	18,477,660	100%	100%

* Transmission of 132,111 shares of Late Shah Md. Hasan was transferred to his successors namely Gitali Badrunessa (wife), Ahmed Anwar Hasan (son) and Armin Hasan (daughter)

19. Lease liabilities

	31 March 2026	31 March 2025
	Taka	Taka
Opening balance	689,998,113	582,852,722
Additions	4,310,006	165,747,757
Termination	(8,192,957)	(4,683,437)
Finance cost accrued during the period	36,816,118	34,690,132
Payment of lease liabilities	(117,862,922)	(88,609,061)
	605,068,359	689,998,113
Non-current	554,256,755	640,160,518
Current	50,811,604	49,837,595
	605,068,359	689,998,113

National Economic Zone (Mirsarai) (The “Economic Zone”)

As of 31 March 2026, out of the total carrying amount, the portion of the Company's lease liabilities that can be attributed to the commercial operations in the Economic Zone amounts to Tk 330,352,127 (Last year: Tk 320,089,002).

Maturity analysis of lease liabilities on undiscounted basis

	31 March 2026	31 March 2025
	Taka	Taka
Less than one year	84,528,415	85,711,708
One to five year	258,354,424	308,315,621
More than five year	636,895,020	668,902,996
Closing balance on undiscounted basis	979,777,859	1,062,930,325
Less: Impact of discounting	(374,709,500)	(372,932,211)
	605,068,359	689,998,113

20. Defined benefit obligation

	31 March 2026	31 March 2025
	Taka	Taka
Opening balance	107,337,087	75,376,145
Service cost	10,903,722	10,226,208
Interest cost	10,778,203	8,915,077
Actuarial (gain)/ loss recognised in other comprehensive income	8,048,895	14,104,906
Benefit paid	(10,070,120)	(1,285,249)
	126,997,787	107,337,087
Current	26,648,093	16,697,990
Non-current	100,349,694	90,639,097
	126,997,787	107,337,087
Significant actuarial assumptions		
Discount rate	10.38%	10.32%
Salary growth	10.00%	9.72%
Employee turnover	19.00%	20.00%
Mortality table	IALM (2012-14) Ult	IALM (2012-14) Ult

Assumptions regarding future longevity have been based on published statistics and mortality tables.
Sensitivity Analysis

Due to change in significant actuarial assumptions by 1%, potential impact would range from

	31 March 2026	31 March 2025
	Taka	Taka
Discount rate +1%	(4,866,856)	(4,536,346)
Discount rate -1%	5,301,856	4,960,252
Salary growth +1%	5,791,821	5,502,312
Salary growth -1%	(5,408,263)	(5,113,778)
Life expectancy +1%	186,669	157,737
Life expectancy -1%	(176,162)	(146,529)

21. Unearned finance income

	31 March 2026	31 March 2025
	Taka	Taka
Opening balance	4,394,830	5,702,940
Addition during the year	1,816,546	2,573,534
Finance income recognised during the year	(3,359,011)	(3,881,644)
	2,852,365	4,394,830

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

22. Bank overdraft

	31 March 2026	31 March 2025
	Taka	Taka
Bank overdrafts are repayable on demand and used for cash management purposes. See note 23.1 for detail.	148,244,399	612,430,509

23. Bank loans

	31 March 2026	31 March 2025
	Taka	Taka
Long term loans from commercial banks	-	169,460,252
Short term loans from commercial banks	1,265,030,776	868,013,936
Long term loans from commercial banks		
Current	-	67,739,777
Non-current	-	101,720,475
	-	169,460,252

National Economic Zone (Mirsarai) (The “Economic Zone”)

As of 31 March 2026, out of the total carrying amount, the portion of the Company's Long term loans from commercial banks that can be attributed to the commercial operations in the Economic Zone amounts to Tk Nil (Last year: Tk 169,460,252).

23.1 The detail information regarding various short term facilities with commercial banks is provided below.

Facilities as at 31 March 2026	Interest rate	Carrying amount	Maturity
Short term loan facilities			
Short term loan (A)	9.50%	200,000,000	4 Months
Short term loan (B)	9.25%	400,000,000	3 Months
Short term loan (C)	9.75%	600,000,000	6 Months
UPAS loan	8%-9%	65,030,776	1-3 Months
		1,265,030,776	
Overdraft facilities			
Overdraft (B)	12.00%	29,787,696	On Demand
Overdraft (D)	9.75%	110,935,746	On Demand
Overdraft (D)	12.00%	7,520,957	On Demand
Overdraft		148,244,399	

- A.
 - a Hypothecation charge on pari-passu basis over fixed assets for Tk1.2 billion.
 - b Hypothecation charge on pari-passu basis over floating assets for Tk1.2 billion.
- B.
 - a Registered hypothecation (first charge) for specific charge over plant and machinery for Tk1.4 billion.
 - b Registered hypothecation (first charge) for floating charge over stock and book debts on pari-passu basis with other lenders for Tk1.1 billion.
 - c Registered hypothecation (first charge) for floating charge over plant and machinery on pari-passu basis with other lenders for Tk1.1 billion.
- C.
 - a Hypothecation charge on pari-passu basis over fixed & floating assets for Tk500 million.
 - b Hypothecation charge on pari-passu basis over floating assets for Tk1,400 million.

- D. a First charge over stock of raw materials, work-in-progress, finished goods, book debts and receivables on pari-passu basis with other lenders for Tk800 million.
- E. a First charge over stock of raw materials, work-in-progress, finished goods, book debts and receivables on pari-passu basis with other lenders for Tk500 million.

24. Trade and other payables

	Note	31 March 2026	31 March 2025
		Taka	Taka
Trade payables due to related parties		23,961,843	53,731,566
Payable to local suppliers		86,159,118	141,190,420
Payable to foreign suppliers		266,824,084	501,758,639
Other payables	24.1	1,082,192,002	974,279,367
		1,459,137,047	1,670,959,991

National Economic Zone (Mirsarai) (The “Economic Zone”)

As of 31 March 2026, out of the total carrying amount, the portion of the Company's trade and other payables that can be attributed to the commercial operations in the Economic Zone amounts to Tk 134,757,412 (Last year: Tk 174,700,931.)

24.1 Other payables

	Note	31 March 2026	31 March 2025
		Taka	Taka
Other payables due to related parties	24.2.1	68,469,985	74,731,491
Tax deducted at source		24,823,987	30,739,582
VAT deducted at source		12,671,734	24,715,625
VAT & SD payable		116,256,590	69,703,725
Royalty payable to parent company	24.2.2	163,522,092	155,940,045
Accrued dividend on 8% Non Convertible, Cumulative, Redeemable, Preference Shares		57,599,999	38,399,999
Payable to employees	24.2.3	66,209,363	59,184,979
Payable for capital items		6,034,724	9,092,341
Payable for parties		14,121,345	14,121,345
Accrued expenses		551,782,183	496,950,234
Audit fees		700,000	700,000
		1,082,192,002	974,279,367

24.2.1 Other payables due to related parties

	Note	31 March 2026	31 March 2025
		Taka	Taka
Asian Paints International Private Limited, Singapore		26,211,909	38,285,145
Asian Paints Limited, India		33,765,858	34,573,574
Berger Paints Emirates Ltd.		5,865,963	1,872,772
Causeway Paints Lanka (Pvt) Ltd		2,626,254	-
		68,469,985	74,731,491

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

24.2.2 Royalty payable to parent company

	Note	31 March 2026	31 March 2025
		Taka	Taka
Opening balance		155,940,045	317,384,747
Charge during the year	29	163,522,092	155,940,045
		319,462,137	473,324,792
Paid during the year		(155,940,045)	(317,384,747)
		163,522,092	155,940,045

24.2.3 Payable to employees

	Note	31 March 2026	31 March 2025
		Taka	Taka
Short term benefits		63,251,960	56,629,040
Other long term benefits		2,957,402	2,555,939
		66,209,363	59,184,979

25. 8% Non Convertible, Cumulative, Redeemable, Preference Shares

	Note	31 March 2026	31 March 2025
		Taka	Taka
Asian Paints International Private Limited, Singapore		400,000,000	400,000,000

Asian Paints (Bangladesh) Limited offered, issued and allotted 40,00,000 Non-Convertible, Cumulative, Redeemable Preference Shares of Tk100 (Taka One Hundred only) each at par aggregating to Tk400,000,000 (Taka Four hundred million only) to Asian Paints International Private Limited (APIPL) on preferential allotment basis, where no dividend up to the end of 31 March 2025, 8% dividend will be applicable from 1 April 2025 and 100% redemption at the end of March 2028. Asian Paints (Bangladesh) Limited has recorded the initial financial liability at face value (with no equity component) and interest has been accrued on the same amount using effective interest method.

26. Revenue

	31 March 2026	31 March 2025
	Taka	Taka
Revenue from manufactured goods	5,612,876,010	5,439,062,757
Revenue from trading goods	13,529,063	13,304,175
	5,626,405,073	5,452,366,932

Revenue (category-wise)

	Quantity		Taka	
	2026	2025	2026	2025
Paints & others	33,093,901 Ltr.	32,100,249 Ltr.	5,612,876,010	5,439,062,757
Color World Machine sales	55 pieces	48 pieces	13,529,063	13,304,175
			5,626,405,073	5,452,366,932

27. Cost of sales

	Note	31 March 2026	31 March 2025
		Taka	Taka
Manufactured portion:			
Opening finished goods		258,266,858	214,558,172
Cost of goods manufactured	27.1	3,895,988,191	4,013,899,563
Cost of finished goods available for sale		4,154,255,048	4,228,457,735
Closing finished goods		(247,166,338)	(258,266,858)
		3,907,088,710	3,970,190,878
Trading portion:			
Opening finished goods		8,796,838	12,227,937
Purchase during the year		16,176,246	8,056,138
Cost of finished goods available for sale		24,973,083	20,284,075
Closing finished goods		(11,569,623)	(8,796,838)
		13,403,460	11,487,238
		3,920,492,170	3,981,678,115

27.1 Cost of goods manufactured

	Note	31 March 2026	31 March 2025
		Taka	Taka
A. Raw materials and packing materials consumed	27.1.1	3,327,680,915	3,500,859,926
		3,327,680,915	3,500,859,926
B. Manufacturing overhead:			
Personnel expenses		156,467,569	141,624,573
Outsourced personnel expenses		44,454,809	38,666,222
OPC processing charges		49,380,015	15,584,565
Utilities expenses		27,392,519	30,279,808
Entertainment expenses		453,926	1,638,032
Consumable stores and spare parts		21,840,455	18,679,863
Printing and stationeries expenses		1,232,963	1,336,428
Courier charges		63,289	135,055
Travel and transportation expenses		11,630,017	11,136,275
Security expenses		10,071,918	8,926,330
Rent, rates and taxes		3,431,527	470,860
Repairs and maintenance expenses		14,707,325	32,449,348
Insurance expenses		7,624,575	6,054,585
Depreciation on property, plant & equipment		104,562,642	102,953,480
Depreciation on right-of-use assets		15,266,111	12,584,498
Primary freight expenses		75,603,348	67,395,817
Car hire charges		662,379	(307,041)
Training expenses		40,256	37,809
Legal and professional fees		3,831,515	3,116,990
Medical expenses		683,234	985,747
Staff and other welfare		15,762,074	9,675,489
System expenses		1,248,684	516,466
Testing, safety & lab expenses		5,451,642	4,592,721
Subscription		127,778	127,778
Licence fees		7,706,239	11,427,864
		579,696,809	520,089,563
C. Opening work-in-process		39,546,177	32,496,251
D. Closing work-in-process		(50,935,710)	(39,546,177)
Cost of goods manufactured (A+B+C+D)		3,895,988,191	4,013,899,563

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

27.1.1 Raw materials and packing materials consumed

	Note	31 March 2026	31 March 2025
		Taka	Taka
Opening balance		704,938,244	480,033,007
Purchase during the year		3,148,959,543	3,725,765,163
		3,853,897,787	4,205,798,170
Closing balance		(526,216,872)	(704,938,244)
		3,327,680,915	3,500,859,926

28. Other income

	Note	31 March 2026	31 March 2025
		Taka	Taka
Gain/ (Loss) on disposal of fixed assets		(308,388)	635,441
Income from recovery, DN & charges etc.		12,101,627	24,557,181
Recovery against bad debts written off earlier		-	1,230,977
Insurance claim received		22,861,212	13,801,641
Others		134,794	-
		34,789,245	40,225,240

31 March 2026

In Taka	Original cost	Accumulated depreciation	Carrying amount	Write off	Sale value	Gain/(loss) on sale of fixed assets
Office equipment	18,238,484	18,145,230	93,254		176,268	83,014
Motor vehicles	1,359,929	1,359,929	-	-	515,499	515,499
Buildings	78,000	32,131	45,869			(45,869)
Plant And Machinery	37,004,985	36,339,551	665,435			(665,435)
Furniture and fixtures	5,428,415	5,232,817	195,597			(195,597)
	62,109,812	61,109,657	1,000,155	-	691,767	(308,388)

31 March 2025

In Taka	Original cost	Accumulated depreciation	Carrying amount	Write off	Sale value	Gain/(loss) on sale of fixed assets
Office equipment			-			-
Motor Vehicles	1,365,470	1,365,470	-	-	635,441	635,441
Plant and machinery			-			-
	1,365,470	1,365,470	-	-	635,441	635,441

29. Selling and distribution expenses

	31 March 2026	31 March 2025
	Taka	Taka
Personnel expenses	299,335,737	323,520,826
Outsourced personnel expenses	309,574,937	249,147,261
Secondary freight expenses	84,251,799	86,317,740
Advertisement	74,363,642	54,346,051
Events/Workshops	28,667,268	44,612,629
Promotional expenses	12,576,423	15,290,371
Research and others	875,300	6,923,645
Royalty charge*	163,522,092	155,940,045
Depreciation on property, plant & equipment	3,706,376	3,528,203
Depreciation on right-of-use assets	30,203,843	35,945,275
	1,007,077,418	975,572,046

*As per agreement between Asian Paints (Bangladesh) Limited and Asian Paints Limited, India, royalty at the rate of 3% is payable on net sales, except for sale of The Chemours Company FC, LLC (Wilmington, USA)'s product which is sales net off return and VAT less the primary and secondary freight.

30. Administrative expenses

	31 March 2026	31 March 2025
	Taka	Taka
Personnel expenses	190,073,070	135,913,335
Outsourced personnel expenses	4,080,014	3,243,696
Medical expenses	1,988,456	3,045,498
Printing and stationery	4,082,108	4,985,368
Consumable stores and spare parts	7,728,062	1,638,850
Travel and transportation	42,056,211	57,441,241
Foreign travel expenses	1,551,645	2,252,368
Vehicle fuel and maintenance	1,523,405	805,667
Office maintenance	6,443,999	7,815,647
Electricity, gas and water	4,422,452	4,779,768
Rent, rates and taxes	26,178,879	17,870,368
Telephone and internet expenses	1,599,240	8,379,967
Insurance expenses	6,170,793	5,226,053
Bad debt written off	9,553,137	22,685,480
Provision for bad debts	45,656,036	17,189,466
Courier and postage expenses	1,688,061	1,186,494
Training expenses	1,006,780	495,446
Entertainment expenses	4,451,920	2,659,389
Recruitment expenses	8,890,650	642,850
Security expenses	12,155,828	11,237,780
Audit fees	700,000	700,000
Legal and professional fees	44,021,817	25,079,496
Depreciation on property, plant & equipment	5,366,744	5,275,203
Amortisation	1,048,031	663,025
Depreciation on right-of-use assets	21,358,130	20,669,773
Staff and other welfare	10,291,912	12,649,325
System expenses	32,004,705	28,214,402
License fee	771,868	615,155
Other administrative expenses	11,868,963	5,145,723
Repairs and maintenance expenses	345,459	85,200
	509,078,375	408,592,033

31. Foreign exchange loss

	31 March 2026	31 March 2025
	Taka	Taka
Unrealised exchange loss	(4,105,616)	(40,750,235)
Realised foreign exchange loss	(6,266,449)	(90,608,089)
	(10,372,065)	(131,358,324)

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

32. Finance income

	31 March 2026	31 March 2025
	Taka	Taka
Earned finance income	3,359,011	3,881,644
Interest income on security deposit	-	-
Income on remeasurement / termination of lease	704,240	573,628
	4,063,252	4,455,272

33. Finance costs

	Note	31 March 2026	31 March 2025
		Taka	Taka
Interest on short & long term loan		141,112,548	155,856,685
Interest on bank overdraft		52,063,226	62,193,093
Other financial charges		19,714,206	14,567,923
Accrued dividend on 8% Non Convertible, Cumulative, Redeemable, Preference Shares		19,200,000	19,200,000
Interest on lease liability		36,816,119	34,690,132
		268,906,099	286,507,833

34. Income tax expense

	Note	31 March 2026	31 March 2025
		Taka	Taka
Current tax expense	34.1	127,852,211	(4,342,947)
Deferred tax income	12	-	-
		127,852,211	(4,342,947)

34.1 Current tax

	31 March 2026	31 March 2025
	Taka	Taka
Current year	88,320,522	39,827,146
Adjustment for prior year	39,531,689	(44,170,093)
	127,852,211	(4,342,947)

35. Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount	
		Financial assets at amortised cost	Total amount
31 March 2026	Note	In Taka	In Taka
Financial assets not measured at fair value			
Trade and other receivables	14	495,413,755	495,413,755
Deposits	11 &15	33,339,938	33,339,938
Cash and cash equivalents	17	136,747,450	136,747,450
		665,501,143	665,501,143
		Other financial liabilities	Total amount
Financial liabilities not measured at fair value			
8% Non Convertible, Cumulative, Redeemable, Preference Shares	25	400,000,000	400,000,000
Long term loan	23	-	-
Short term loan	23	1,265,030,776	1,265,030,776
Bank overdraft	22	148,244,399	148,244,399
Trade and other payables	24	1,459,137,047	1,459,137,047
		3,272,412,222	3,272,412,222
		Carrying amount	
		Financial assets at amortised cost	Total amount
31 March 2025	Note	In Taka	In Taka
Financial assets not measured at fair value			
Trade receivables	14	636,296,960	636,296,960
Deposits	11 &15	40,132,153	40,132,153
Cash and cash equivalents	17	175,599,661	175,599,661
		852,028,775	852,028,775
		Other financial liabilities	Total amount
Financial liabilities not measured at fair value			
8% Non Convertible, Cumulative, Redeemable, Preference Shares	25	400,000,000	400,000,000
Long term loan	23	169,460,252	169,460,252
Short term loan	23	868,013,936	868,013,936
Bank overdraft	22	612,430,509	612,430,509
Trade and other payables	24	1,670,959,991	1,670,959,991
		3,720,864,689	3,720,864,689

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

B. Financial risk management framework

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see (B) (ii));
- liquidity risk (see (B) (iii)); and
- market risk (see (B) (iv)).

i. Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from dealers, institutional and individual customers etc.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. The Company's exposure to credit risk on receivables is mainly influenced by customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	31 March 2026 In Taka	31 March 2025 In Taka
Trade and other receivables (net)	14	495,413,755	636,296,960
Deposits	11 & 15	33,339,938	40,132,153
Cash and cash equivalents	17	136,747,450	175,599,661
		665,501,143	852,028,775

b) Ageing of trade receivables (gross)

	Note	31 March 2026 In Taka	31 March 2025 In Taka
Invoiced 0-180 days		409,883,136	515,991,892
Invoiced 181-365 days		74,752,994	104,240,024
Invoiced 365 days		287,245,830	242,635,418
		771,881,959	862,867,334

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and bank balances to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The followings are the contractual maturities of financial liabilities:

31 March 2026	Contractual cash flows				
	Carrying amount	Expected cash flows	Within 6 months or less	Within 6-12 months	More than 1 years
	In Taka	In Taka	In Taka		In Taka
8% Non Convertible, Cumulative, Redeemable, Preference Shares	400,000,000	400,000,000	-	-	400,000,000
Long term loan	-	-	-	-	-
Bank overdraft	148,244,399	148,244,399	148,244,399	-	-
Short term loan	1,265,030,776	1,265,030,776	1,265,030,776	-	-
Trade and other payables	1,459,137,047	1,459,137,047	1,295,614,955	163,522,092	-
	3,272,412,222	3,272,412,222	2,708,890,130	163,522,092	400,000,000

31 March 2025	Contractual cash flows				
	Carrying amount	Expected cash flows	Within 6 months or less	Within 6-12 months	More than 1 years
	In Taka	In Taka	In Taka	In Taka	In Taka
8% Non Convertible, Cumulative, Redeemable, Preference Shares	400,000,000	400,000,000	-	-	400,000,000
Long term loan	169,460,252	169,460,252	33,869,889	33,869,889	101,720,475
Bank overdraft	612,430,509	612,430,509	612,430,509	-	-
Short term loan	868,013,937	868,013,937	868,013,937	-	-
Trade and other payables	1,670,959,991	1,670,959,991	1,515,019,946	155,940,045	-
	3,720,864,689	3,720,864,689	3,029,334,281	189,809,933	501,720,475

iv. Market risk

Market risk is the risk that any changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

a) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases and borrowings are denominated and the respective functional currency of the Company. The functional currency of the Company is Taka. The currencies in which these transactions are denominated is USD and INR.

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the Management of the Company based on its risk management policy was as follows:

	31 March 2026					31 March 2025			
	JPY	GBP	INR	EUR	USD	GBP	INR	EUR	USD
Foreign currency denominated assets									
Trade and other receivable from related party	-	-	-	-	12,556	-	-	-	59,164
	-	-	-	-	12,556	-	-	-	59,164
Foreign currency denominated liabilities									
Short term loan (UPAS facility)	(4,800,000)	-	-	(746)	(487,197)	-	-	-	(1,873,734)
Trade payable due to related parties	-	-	-	-	(194,495)	-	-	-	(412,367)
Other payable due to related parties	-	-	(16,392,346)	-	(314,749)	-	(22,832,992)	-	(353,663)
Other trade payables	(9,600,000)	(14,460)	-	(12,855)	(2,683,090)	(14,460)	-	(150,617)	(3,360,883)
	(14,400,000)	(14,460)	(16,392,346)	(13,601)	(3,679,531)	(14,460)	(22,832,992)	(150,617)	(6,000,646)
Net exposure	(14,400,000)	(14,460)	(16,392,346)	(13,601)	(3,666,975)	(14,460)	(22,832,992)	(150,617)	(5,941,482)

The following exchange rates are applied at reporting date:

	Year end spot rate	
	31 March 2026	31 March 2025
	In Taka	In Taka
USD	123.20	122.00
INR	1.33	1.42
EUR	143.74	134.38
GBP	164.32	161.43
JPY	0.78	0.81

Sensitivity analysis

A reasonably possible strengthening (weakening) of USD ,INR, GBP and EUR against Taka at 31 March would have effected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecast sales and purchases. Respective income tax benefit/loss has not been considered for sensitivity analysis.

31 March 2026	Profit or (loss) before tax		Equity	
	Strengthening	Weakening	Strengthening	Weakening
USD (5% movement)	(22,588,568)	22,588,568	22,588,568	(22,588,568)
INR (3% movement)	(6,54,055)	654,055	654,055	(654,055)
EUR (3% movement)	(58,648)	58,648	58,648	(58,648)
GBP (3% movement)	(71,282)	71,282	(71,282)	71,282
JPY (3% movement)	(336,960)	336,960	(336,960)	336,960
	(23,709,513)	23,709,513	22,893,029	(22,893,029)

31 March 2025	Profit or (loss) before tax		Equity	
	Strengthening	Weakening	Strengthening	Weakening
USD (5% movement)	(36,243,040)	36,243,040	36,243,040	(36,243,040)
INR (3% movement)	(972,685)	972,685	972,685	(972,685)
EUR (3% movement)	(607,211)	607,211	607,211	(607,211)
GBP (3% movement)	(70,028)	70,028	70,028	(70,028)
	(37,892,965)	37,892,965	37,892,965	(37,892,965)

b) Interest rate risk

At the date of financial position the interest risk profile of the Company's interest bearing financial instruments were as follows:

Variable rate instruments

	31 March 2026	31 March 2025
	Taka	Taka
Financial asset		
Cash at bank	136,747,450	175,599,661
Financial liabilities		
8% Non Convertible, Cumulative, Redeemable, Preference Shares	400,000,000	400,000,000
Long term loan	-	169,460,252
Bank overdraft	148,244,399	612,430,509
Short term loan	1,265,030,776	868,013,937
	1,813,275,175	2,049,904,698
The following significant interest rates are applied per annum		
Long term loan	13.50%	10.67%
Bank overdraft	9.75% - 13.5%	8.5% - 13.0%
Short term loan	9.25% - 13.0%	8.0% - 12.0%

Interest rates on overdraft and short term loan may be changed subject to mutual consent.

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

36. Related party disclosures

Key management personnel

Name	Designation
Mr. Budhaditya Mukherjee	Director
Mr. Khan Salauddin Mohammad Minhaj	Country Director

Mr. Khan Salauddin Mohammad Minhaj has authority and responsibility for planning, directing and controlling the activities of the Company.

Transactions with key management personnel

Key management personnel compensation comprised the following:

	31 March 2026	31 March 2025
	Taka	Taka
Employee benefits (salary and other allowances)	28,965,850	23,440,297
	28,965,850	23,440,297

Other related party transactions

During the period, the Company carried out a number of transactions with related parties in the normal course of business. Nature of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS 24: Related Party Disclosures.

	Transaction values for the year ended 31 March		Balance outstanding as at 31 March	
	2026	2025	2026	2025
Group company				
Purchase of goods	89,365,484	139,723,832	23,961,843	53,731,566
Royalty	163,522,092	155,940,045	163,522,092	155,940,045
Export sales	558,684	2,810,352	304,552	-
Others receivable- expenses reimbursement	32,315,937	4,796,805	61,474,822	7,217,982
Accrued dividend on 8% Non Convertible, Cumulative, Redeemable, Preference Shares	19,200,000	19,200,000	57,599,999	38,399,999
8% Non Convertible, Cumulative, Redeemable, Preference Shares	-	-	400,000,000	400,000,000
Sundry expenses	40,578,937	25,312,742	6,995,163	74,500,508
Others	9,084,303	13,057,109	1,242,355	230,983
Shareholder's associated entity				
Revenue from Sale of Products	10,320,591	13,343,119	5,225,275	6,092,034

37. Contingencies and commitments

37.1 Contingent liabilities

There is contingent liability in respect of outstanding letters of credit of Tk 362,567,965 (Last year: Tk 381,189,259) and in respect of direct tax, indirect tax & customs duty Tk 40,355,419. These are being vigorously defended by the Company. The management does not consider that it is appropriate to make provision in respect of any of these claims.

37.2 Commitment

There was capital commitment of Tk 45,454,311 for business as at 31 March 2026 (Last year: Tk 23,282,763).

38. Particulars of employees

The number of employees engaged by the Company for the whole year or part thereof who received a total salary of Tk 36,000 or above was 477 (Last year: 472). The headcount as at March'26 end was 410 (Mar'25- 410).

39. Factory in Bangladesh Economic Zone

The Company received permission to start commercial operations in the National Special Economic Zone located in Mirsarai, Chattogram from 10 April 2022. In order to provide additional information to stakeholders, the Company has included a separate note in the financial statements that outlines the financial performance of its operations within the Economic Zone. This includes a breakdown of the revenue and costs associated with the Company's activities within the Economic Zone, along with the allocation of common costs based on sales volume or net sales value. According to SRO 104-Law/Income Tax/2020 (repealed later) and SRO 244/Law/Income Tax-38/2024, a company who establishes commercial operation in the economic zone shall enjoy tax benefit arising on income generated from the operation established in the economic zone (first 3 years- 100% tax benefit, fourth year- 80%, fifth year- 70%, sixth year 60%, seventh year- 50%, eighth year- 40%, ninth year- 30% and tenth year- 20% tax benefit).

Financial Performance	Economic Zone	
	31 March 2026	31 March 2025
	Taka	Taka
Revenue	2,272,240,061	2,346,752,632
Cost of sales	(1,602,144,247)	(1,744,666,454)
Gross profit	670,095,815	602,086,178
Other income	25,149,543	15,412,321
Selling and distribution expenses	(395,065,773)	(431,055,490)
Administrative expenses	(199,682,631)	(170,223,964)
Foreign exchange loss	(5,679,938)	(34,168,558)
Operating profit	94,817,017	(17,949,513)
Finance income	498,861	552,780
Finance costs	(109,429,414)	(126,855,875)
Profit/(Loss) before contribution to WPPF and tax	(14,113,535)	(144,252,608)
Contribution to WPPF	-	-
Profit/(Loss) before tax	(14,113,535)	(144,252,608)

40. Events after the reporting period

There is no material events after the reporting date.

41. Approval of the financial statements

The financial statements were approved by the board of directors and authorised for issue on 28 April 2026.



SCIB Chemicals S.A.E.

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Independent Auditor's Report

To the Shareholders of
SCIB Chemicals

Report on the Financial Statements

We have audited the accompanying financial statements of SCIB Chemicals S.A.E., which are comprised of the statement of financial position as of March 31, 2026, and the statements of profit or loss, statement of other comprehensive income, statement of cash flows and statement of changes in equity for the year from April 1, 2025, till March 31, 2026, and summary of the significant accounting policies and other notes.

Management Responsibility on the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards and in light of the relevant Egyptian laws. This responsibility includes designing, implementing internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Auditing Standards and in light of the relevant Egyptian laws. Those standards require that we should plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement in the financial statements, due to fraud or errors, in making those risk assessments, the

auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained are sufficient and appropriate and provide a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SCIB Chemicals S.A.E. as of March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the applicable Egyptian laws and regulations relating to the preparation of these financial statements.

Report on the Legal and Other Organizational Requirements

The company maintains proper books of accounts, which include all that is required by law and by the statutes of the company. The company maintains proper cost accounts. The physical inventory was held by the company on a consistent basis.

The financial information referred to in the Board of Directors report is prepared in compliance with Law No. 159 of 1981 and its executive regulation thereto and is in accordance with what is recorded in the company's books of account.

Cairo, April 27, 2026

Kamel Magdy Saleh FCA
F. E. S. A. A. (R.A.A 8510)

Statement of Financial Position

as at 31 March 2026

	Note	31/3/2026 EGP	31/3/2025 EGP
Assets			
Non-Current Assets			
Property, plant and equipment (net)	(5)	122 516 237	113 982 542
Project under construction	(6)	-	185 716
Right of Use assets (net)	(7)	23 672 387	21 861 128
Deferred tax Assets	(19)	8 547 858	14 791 988
Total non-current assets		154 736 482	150 821 374
Current Assets			
Inventories (net)	(8)	360 721 967	459 842 040
Accounts and notes receivable (net)	(9)	376 517 774	269 013 182
Other debit accounts (net)	(10)	52 464 411	59 840 655
Investments in treasury bills	(12)	67 601 487	-
Cash on hand and at banks	(11)	153 998 312	95 185 238
Total current assets		1 011 303 951	883 881 115
Total assets		1 166 040 433	1 034 702 489
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Issued and paid-up capital	(17)	18 000 000	18 000 000
Legal reserve		9 000 000	9 000 000
General reserve		73 948 455	73 948 455
Retained earnings	(18)	124 431 123	110 320 407
Income (losses) for the period 1 year		102 945 559	54 110 716
Total shareholders' equity		328 325 137	265 379 578
Non-Current Liabilities			
Deferred tax liabilities	(19)	12 081 366	10 651 196
Lease Liabilities - Long term	(16)	21 992 990	18 140 215
Total non-current liabilities		34 074 356	28 791 411
Current Liabilities			
Provisions	(13)	23 685 907	26 890 055
Banks Over draft		104 286 013	87 030 378
Lease Liabilities - Short term	(16)	6 367 529	5 191 868
Accounts and notes payable	(14)	383 042 187	397 597 035
Other credit accounts	(15)	286 259 304	223 822 164
Total current liabilities		803 640 940	740 531 500
Total liabilities and owners' equity		1 166 040 433	1 034 702 489

The accompanying notes form an integral part of the financial statements and to be read therewith.

Financial Controller

Chief Executive

Statement of Profit or Loss

For the year from April 1, 2025 till March 31, 2026

	Note	31/3/2026	31/3/2025
		EGP	EGP
Sales of paints (net)		2 140 183 067	1 853 802 650
Sales of coloring machines		1 127 818	1 449 033
Sales of other materials		10 255 812	8 514 834
	(22)	2 151 566 697	1 863 766 517
Less:			
Cost of sales		(1 596 362 190)	(1 428 985 095)
Cost of coloring machines		(590 906)	(824 670)
Cost of other materials		(13 158 901)	(8 457 666)
		(1 610 111 997)	(1 438 267 431)
Gross profit		541 454 700	425 499 086
Less:			
Selling and marketing expenses		(349 389 232)	(262 569 242)
General and administrative expenses		(67 858 501)	(65 624 220)
Finance expenses		(22 003 153)	(44 101 617)
Provisions no longer required	(13)	6 658 211	1 004 887
Provisions	(13)	(9 809 028)	(17 036 307)
Interest Income		4 797 945	9 399 331
Other Income		31 216 664	11 380 801
Treasury bills interest	(20)	12 210 658	6 712 611
Capital gain		-	135 295
Foreign currency exchange differences		(9 252 854)	7 183 084
Income for the period before taxes		138 025 410	71 983 709
Current tax		(27 405 551)	(1 330 813)
Deferred tax	(19)	(7 674 300)	(16 542 180)
Income for the period after taxes		102 945 559	54 110 716

The accompanying notes form an integral part of the financial statements and to be read therewith.

Financial Controller

Chief Executive

Statement of Other Comprehensive Income

Year ended 31 March 2026

	Note	31/3/2026	31/3/2025
		EGP	EGP
Income for the year		102 945 559	54 110 716
Other comprehensive Income			
Total comprehensive Income for the year		102 945 559	54 110 716

The accompanying notes form an integral part of the financial statements and to be read therewith.

Financial Controller

Chief Executive

Statement of Cash Flows

For the year from April 1, 2025 till March 31, 2026

	Note	31/3/2026 EGP	31/3/2025 EGP
Cash flows from operating activities			
income for the year before taxes		138 025 410	71 983 709
Adjustments for:			
Depreciation	(5)	9 806 117	9 747 484
Right of Use assets Amortization	(7)	10 170 218	8 553 610
Termination of lease contracts	(7)	(9 129 605)	(6 402 943)
Provision formed	(13)	8 381 731	9 559 199
Provision reversed	(13)	(100 218)	
Provisions used	(13)	(11 485 661)	(4 563 426)
Impairment in accounts receivable and Other Debit Balance	(13)	1 427 297	8 838 013
Reversal of Impairment in accounts Receivables and Other Debit balances	(13)	(2 265 094)	
Used from impairment in accounts Receivables and Other Debit balances	(13)	(3 328 566)	
Inventory write-down	(13)	(4 292 899)	4 690 378
Interest Related to lease Contracts		7 476 979	3 799 174
Capital gain			(135 295)
Operating (loss) profits before working capital changes		144 685 709	106 069 903
Decrease (Increase) in inventories		103 412 972	(40 896 640)
(Increase) in accounts and notes receivable and other debit accounts		(95 961 985)	(60 961 038)
(increase) Decrease in investments in treasury bills		(67 601 487)	232 667 648
Increase in accounts and notes payable and other credit accounts		29 921 381	41 437 347
Taxes paid*			413 280
Net cash flows provided from (used in) operating activities		114 456 590	278 730 500
Cash flows from investing activities			
Payments for the purchase of property, plant and equipment	(5)	(18 154 096)	(23 673 758)
Payments for the Assets under constructions			(185 716)
Proceeds from the sale of property, plant and equipment			181 050
Net cash (used In) investing activities		(18 154 096)	(23 678 424)
Cash flows from financing activities			
Payment for lease contract		(14 745 055)	(11 503 551)
Loan repayment			(219 852 000)
Proceed from Overdraft		17 255 635	
Overdraft repayment			(56 000 433)
Dividends distribution		(40 000 000)	(10 000 000)
Net cash (used In) financing activities		(37 489 420)	(297 355 984)
Net changes in cash and cash equivalents during the period		58 813 074	(42 303 908)
Cash and cash equivalents at the beginning of the period	(11)	95 185 238	137 489 146
Cash and cash equivalents at the end of the period	(11)	153 998 312	95 185 238

* Taxes Paid represent prior year income tax net of withholding tax in addition to advance payment paid till final settlement from Current year income tax

** The accompanying notes form an integral part of the financial statements and to be read therewith.

Statement of Changes in Shareholders' Equity

For the year from April 1, 2025 till March 31, 2026

	Capital	Legal Reserve	General Reserve	Retained Earnings	Profits (losses) for the year / period	Total
	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of March 31, 2024	18 000 000	9 000 000	73 948 455	92 634 018	27 686 389	221 268 862
Transferred to retained earnings				27 686 389	(27 686 389)	-
Dividends distribution according to the General Assembly Meeting Decree on October 15, 2024				(40 000 000)		(40 000 000)
Income for the period					54 110 716	54 110 716
Balance as of March 31, 2025	18 000 000	9 000 000	73 948 455	110 320 407	54 110 716	265 379 578
Transferred to retained earnings				54 110 716	(54 110 716)	-
Dividends distribution according to the General Assembly Meeting Decree on June 2, 2025				(40 000 000)		(40 000 000)
Income for the period					102 945 559	102 945 559
Balance as of March 31, 2026	18 000 000	9 000 000	73 948 455	124 431 123	102 945 559	328 325 137

The accompanying notes form an integral part of the financial statements and to be read therewith.

Financial Controller

Chief Executive

Notes to the financial statements

For the year from April 1, 2025 till March 31, 2026

1. Company background

SCIB Chemicals Company SAE. was incorporated on July 31, 1990 according to the provisions of Law No.

159 of 1981. It was registered at the Commercial Register under No. 1519 (Cairo - South) on August 27, 1990. On March 2, 1997, the Commercial Register was transferred to Giza under No. 1025.

The purpose of the company is:

- Manufacturing, trading, and distributing of modern building chemicals of all types.
- Manufacturing of roof fixtures, paints, polishes, industrial detergents and anti-wear floors.
Manufacturing of isolation materials for (water, heat and fire), concrete additions, adhesive materials, restoring and filling materials, anti-leaking, and all special construction materials.
- Performing all needed and supplementary activities for all these products such as packing, storing and distributing either through the company stores or others (distribution outlets), for the company's products or others.
- The trading in all tools and equipment related to the company's activities.
- The import, export, and distribution in accordance with laws and decrees regulating those activities.
- Re-exportation of any products or imported materials in accordance with the regulating laws and decrees.

2. Statement of compliance

The financial statements have been prepared in accordance with the Egyptian Accounting Standards issued by the Minister of Investment's Decree No. (110) of 2015 and applicable laws and regulations. The Egyptian Accounting Standards require referral to International Financial Reporting Standards "IFRSs", when no Egyptian Accounting Standard or legal requirement exists to address certain types of transactions and treatments.

3. Basis of Preparing the Financial Statements

The financial statements have been prepared on the historical cost basis. The following is the company's significant accounting policies Applied:

a. Property, plant and equipment and their depreciation

Property, plant and equipment are stated at historical cost and depreciated according to the straight-line method over their estimated useful lives. Property, plant and equipment in the course of construction are carried at cost, less any recognized impairment losses.

Cost of an asset comprises its purchase price, including import duties, non-refundable purchase taxes, professional fees and any directly attributable costs of bringing the asset to its working condition and location for its use intended by management. Depreciation of these assets commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any resulting changes accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in income statement.

Depreciation is calculated on a straight line basis according to the following estimated annual rates:

Description	Useful life	Rates
Buildings and utilities	50 years	2%
Plant machinery and equipment	14.3 years	7%
Computers and Software	4, 5 years	25%, 20%
Furniture and office equipment	10 years	10%
Vehicles	5 years	20%

b. Investments In treasury Bills

Treasury bills acquired with sale back commitment are stated at cost plus accrued interest for the year starting from the acquisition date till the financial statements date. Interest earned is recorded as income on treasury bills in the statement of profit or loss.

c. Revenue recognition and measurement

Sales revenue is recognized upon delivery of products to customers. Other earned revenues and interests are recognized on accrual basis.

Revenue is the gross inflow of economic benefits arising from the ordinary operating activities of the Company when those inflows result in an increase in equity, other than increases relating to contributions from equity participants. Revenue is measured at fair value of consideration received or receivable. Revenue is recognized to the extent that it is probable that any future economic benefit associated with the item of revenue will flow to the Company, the revenue can be reliably measured, regardless of when the payment is being made, and the costs are identifiable and can be measured reliably.

The Company has applied for EAS 48 Revenue from Contracts with Customers for accounting of revenue. The core principle of the EAS 48 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. EAS 48 requires that entities apply a five-step model to determine when to recognize revenue and at what amount.

- Step:1 Identify the contract with the customer
- Step:2 Identify the performance obligations in the contract
- Step:3 Determine the transaction price
- Step:4 Allocate the transaction price to the performance obligations in the contract
- Step:5 Recognize revenue when or as the entity satisfies a performance obligation

Under EAS 48, an entity recognizes revenue when or as a performance obligation is satisfied. (e.g. when control of the goods or services pertaining to the respective performance obligation is transferred to the customer.

Revenue from contracts with customers

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and

services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

d. Inventory

Inventory is valued at the end of the financial year as follows:

1. Finished goods.

Finished goods are stated at the lower of cost or net realizable value. Cost includes direct materials, direct labor, and indirect manufacturing overhead. Cost is defined according to the average method.

2. Work in process

Work in process is stated at the production cost incurred till the last stage of production reached.

3. Raw and packing materials.

Raw and packing materials are stated at the lower of cost or net realizable value. Cost is defined according to the average method.

e. Foreign Currency Transactions Functional and Reporting Currency

The company's records are maintained in Egyptian Pound which is the functional currency of the primary economic environment in which the entity operates. The Egyptian pound has been designated as the functional and reporting currency of the company.

Transactions in Foreign Currencies

Transactions denominated in foreign currencies are translated into Egyptian pound at the rates prevailing at each transaction date. At the financial statements date, monetary assets and liabilities denominated in foreign currencies are translated to Egyptian Pounds at the exchange rates prevailing on the financial statements date. The company uses the free market rates which will be the rates to be used at which the future cash flows represented

Notes

to Financial Statements for the year from April 1, 2025, till March 31, 2026 (Contd.)

by the transaction or balance could have been settled of those cash flows had occurred at the measurement date. For non-monetary assets and liabilities denominated in foreign currencies and stated at fair value, they are retranslated to the Egyptian pound according to the prevailing rates on the date the fair value is determined, while the non-monetary assets and liabilities stated at historical cost are not retranslated. Foreign exchange gains and losses resulting from translation and settlement of transactions in foreign currencies are recognized in the income statement for the year except for the differences resulting from the non-monetary balances of assets and liabilities stated at fair value, which are recognized as part of the changes in fair value.

f. Taxation

Taxes is provided for in accordance with the Egyptian Income Tax Law. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the financial statements date.

Deferred Tax

Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each balance

sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted as of the financial statements date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the financial statements date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and the company intends to settle its deferred tax assets and liabilities on a net basis.

Current and Deferred Tax

Current and deferred tax are recognized as an expense or income in the statement of profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity.

g. Provisions

Provisions are recognized when the company has a present obligation, legal or constructive, as a result of past events and that it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate for the amount of obligation can be made. Provisions are reviewed at each financial statements date and adjusted to management best estimate. Changes in the carrying amount of provisions are recognized in the income statement in the year during which a change in estimate arises.

h. Leases contracts

The Company assesses whether a contract is or contains a lease at inception of the contract. The assessment involves the exercise of judgement about whether it depends on a specified asset, or

whether the company contains substantially all the economic benefits from the use of that asset or has the right to direct the use of the asset.

The Company recognizes a right-of-use assets and a lease liability at the lease commencement date. The right-of-use assets initially measured at cost (including any direct costs, if any), and subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability

The lease liability initially measured at the present value of the lease payments, discounted using borrowing rate prescribed by Central Bank of Egypt. Lease payments included in the measurement of the lease liability include Fixed payments, Variable lease payments, if any that depend on an index or a rate known at the commencement date and extension option payments or purchase options which the Company is reasonable certain to exercise. After the commencement date, the amount of lease liabilities increase to reflect the accretion of interest and reduce for the lease payments, re-measure (with a corresponding adjustment to the related Right to Use asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

i. Impairment loss

1. Impairment of non-financial assets

At each balance sheet date, the Company reviews the carrying amounts of its cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses the carrying amount of the cash-generating unit is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. Impairment of financial assets

Financial assets, other than those at fair value through profit or loss (FVTPL) are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Notes

to Financial Statements for the year from April 1, 2025, till March 31, 2026 (Contd.)

j. Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets and financial liabilities are recognized on the company's balance sheet when the company becomes a party to the contractual rights and obligations of the financial instrument.

Financial liabilities or part of a financial liability are removed from the financial statements when, and only when the obligation specified in the contract is discharged, cancelled or expired.

The difference between the carrying amount of a financial liability (or the completed portion or the transferred to another party) and the cash flows, including any transferred non-cash assets or estimated liabilities, is recognized in the statement of profit or loss.

Accounts receivable

Accounts receivable balance represents sales not collected as of the date of the balance sheet. Accounts receivable are shown net of accumulated impairment losses and deferred revenue, which represents issued and uncollected invoices.

Cash

Cash and bank balances include cash on hand, current accounts with banks, short-term deposits with an original maturity of three months or less.

Accounts payable

Accounts payable are recognized for amounts to be paid in the future for goods received or services rendered during the year.

k. Statement of cash flows

The statement of cash flows is prepared applying the indirect method. For the purpose of preparing the cash flows, the cash and the cash equivalents represent cash on hand and at banks and deposits with banks less bank overdraft balance.

1. Legal reserve

According to the company's Articles of Association, 5% of the net profit is reserved to form a legal reserve, and it ceases once the reserve reaches 50% of the company's issued

capital, and resumes whenever the reserve decreases.

4. Critical accounting estimates and judgments

In the application of the company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year during which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision affects both current and future years.

a. Critical judgments in applying accounting policies.

The following are the critical judgments in estimations, that company has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in financial statements:

Revenue recognition

In making its judgment, management considered the detailed criteria for the recognition of revenue from the sale of goods and services rendered set out in EAS (48) "Revenue from Contracts with customers" See Note (3C), and in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the goods or services rendered. Management is satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate provision for the related costs.

b. Key sources of estimating uncertainty

1. Useful lives of tangible assets

As at March 31, 2026, the carrying value of tangible assets amounted to EGP 122 516 237 against EGP 113 982 542 as at March 31,

2025, (Note No. 5). Management's assessment of the useful life of a tangible asset is based on the expected use of the asset, the expected physical wear and tear on the asset, technological developments as well as past experience with comparable assets. A change in the useful life of an asset may have an effect on the future amount of depreciation recognized in the statement of profit or loss.

2. Inventories write-down

Inventory is written down to net realizable value if it is lower than its cost. Net realizable value is determined based on management assessment for obsolete and slow-moving items. Inventories write-down amounted to EGP 18 336 044 as of March 31, 2026, against EGP 22 628 943 as at March 31, 2025 (Note 8).

3. Impairment of accounts receivable and other receivables

Impairment is recognized for estimated irrecoverable amounts in order to record foreseeable losses arising from events such as customer's insolvency. In determining appropriate impairment several factors are considered. These include the aging of accounts receivable balances, the current solvency of the customers and historical recovery experience. The actual write-offs might be higher than expected if these factors are actually different from estimated, or there are new factors that were not considered earlier.

As of March 31, 2026, accounts receivable impairment amounted to EGP 3 487 465 against EGP 7 445 452 as at March 31, 2025

(Note 9) and other debit accounts impairment amounted to EGP 1 184 184 as at March 31, 2026 against EGP 1 392 560 as at March 31, 2025 (Note 10).

4. Provision

The provision is based on an estimate of future costs for claims made by other parties in connection with the company's activity. As the claims cannot be determined with accuracy, this amount could change in the future. The carrying amount of provision as of March 31, 2026 amounted to EGP 23 685 907 compared to EGP 26 890 055 as at March 31, 2025 (Note 13).

5. Deferred income tax

The valuation of deferred income tax assets and liabilities is based on the management's judgment. Deferred income tax assets are only recognized if it is probable that they can be used. The deferred tax asset arising from accumulated tax losses is recognized to the extent that it is probable to realize sufficient taxable profit in the future, to offset these accumulated losses. The estimate is based on a variety of factors such as future operating results. If there is a difference between the actual and the estimated value, this may lead to a re-evaluation of the possibility of accommodating the future tax profits to the value of deferred tax asset. The deferred tax assets balance amounted to EGP 8 547 858 as at March 31, 2026 against EGP 14 791 988 as at March 31, 2025. The deferred tax liabilities balance amounted to EGP 12 081 366 as at March 31, 2026 against 10 651 196 as at March 31, 2025 (Note No 19).

Notes

to Financial Statements for the year from April 1, 2025, till March 31, 2026 (Contd.)

5. Property, Plant and Equipment (Net)

	Land *	Buildings and utilities	Plant, machinery and equipment	Computers and software	Furniture and office equipment	Vehicles	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost							
As of April 1, 2024	11 436 000	69 977 344	96 788 993	9 796 390	5 659 270	2 852 991	196 510 987
Additions during the year		624 887	19 820 003	1 228 444	333 758	1 666 666	23 673 758
Disposals	-	-	(853 945)	(181 970)	(105 593)	-	(1 141 508)
As of March 31, 2025	11 436 000	70 602 231	115 755 051	10 842 864	5 887 435	4 519 657	219 043 237
Additions during the year disposals	-	-	14 085 188	1 084 239	1 924 771	1 245 614	18 339 812
As of March 31, 2026	11 436 000	70 602 231	129 840 239	11 927 103	7 812 206	5 765 271	237 383 049
Accumulated depreciation							
As of April 1, 2024	-	18 085 858	64 721 275	7 862 471	4 881 173	858 177	96 408 954
Depreciation	-	1 428 338	6 908 988	740 650	214 222	455 286	9 747 484
Accumulated depreciation for disposals	-	-	(808 225)	(181 957)	(105 561)	-	(1 095 743)
As of March 31, 2025	-	19 514 196	70 822 038	8 421 164	4 989 834	1 313 463	105 060 695
Depreciation	-	1 446 806	6 450 222	857 321	209 815	841 953	9 806 117
Accumulated depreciation for disposals	-	-	-	-	-	-	-
As of March 31, 2026	-	20 961 002	77 272 260	9 278 485	5 199 649	2 155 416	114 866 812
Net Book Value as of March 31, 2026	11 436 000	49 641 229	52 567 978	2 648 618	2 612 557	3 609 855	122 516 237
Net Book Value as of March 31, 2025	11 436 000	51 088 035	44 933 013	2 421 700	897 600	3 206 194	113 982 542
Fully depreciated fixed assets	-	-	42 735 546	4 418 726	4 556 612	622 990	52 333 874

The opening balance include an amount of EGP 10 509 450, related to land purchased at the 6th of October Governorate during 2008.

The company has paid the full amount as per the agreement with IDA but the title of the land has still not been transferred to the company till now, as the agreement stipulates that the built up area must be equivalent to 40% of the plot area as a precondition to the transfer of the title.

	31/03/2026 EGP	31/03/2025 EGP
Cost of sales	7 284 837	8 046 662
General and administrative expenses	1 187 620	1 070 253
Selling and marketing expenses	1 333 660	630 569
	9 806 117	9 747 484

6. Project under construction

The project under construction amounted to EGP Zero as of March 31,2026 (EGP 185 716 as of March 31,2025.)

7. Right of Use assets - building (net}

Description	31/03/2026	31/03/2025
	EGP	EGP
Cost at Beginning of the year	35 363 740	25 713 199
Addition during the year	15 838 673	20 112 957
Disposal during the year	(12 986 801)	(10 462 416)
Cost at Ending of the year	38 215 612	35 363 740
Accumulated depreciation at Beginning of the year	13 502 612	11 351 945
Amortization during the year	10 170 218	8 553 610
Disposal during the year	(9 129 605)	(6 402 943}
Accumulated depreciation at Ending of the year	14 543 225	13 502 612
Net at Ending of the year	23 672 387	21 861 128

8. Inventories (net)

	31/03/2026	31/03/2025
	EGP	EGP
Raw materials	186 119 573	205 441 154
Packing materials	31 879 869	32 982 804
Work in process	11 142 088	5 992 910
Finished goods	90 518 598	161 662 726
Tinting machines	3 266 859	1 276 659
Goods in transit	56 131 024	75 114 730
	379 058 011	482 470 983
Less: Inventory write-down (Note No. 13)	(18 336 044)	(22 628 943)
	360 721 967	459 842 040

9. Accounts and notes receivables (net)

	31/03/2026	31/03/2025
	EGP	EGP
Accounts receivables	278 891 846	226 783 674
Notes receivable	100 409 497	49 674 960
Related Parties		
Berger Paints (Emirates) Limited (Note No. 21)	703 896	-
	380 005 239	276 458 634
Less: Impairment in accounts and notes receivable (Note No. 13)	(3 487 465)	(7 445 452)
	376 517 774	269 013 182

Notes

to Financial Statements for the year from April 1, 2025, till March 31, 2026 (Contd.)

10. Other debit accounts

	31/03/2026	31/03/2025
	EGP	EGP
Advance payments to suppliers	20 036 256	17 151 233
Refundable deposits	1 385 003	1 515 025
Prepaid expenses	4 052 456	5 872 775
Employees loans	3 539 475	4 049 690
Employees Imprest	2 604 464	69 351
Tax Authority - Withholding taxes	4 959 587	4 165 902
Tax Authority - Withholding taxes Treasury Bills	2 442 132	1 342 521
Tax Authority - advance payments for current tax	14 629 222	9 050 817
Tax Authority - Value added Tax		7 228 154
Accrued Revenue		10 673 119
Asian Paints Limited - India		114 628
	53 648 595	61 233 215
Less: Impairment in debit accounts' value (Note No 13)	(1 184 184)	(1 392 560)
	52 464 411	59 840 655

11. Cash on hand and at banks

	31/03/2026	31/03/2025
	EGP	EGP
Banks current accounts	143 760 952	63 469 228
Time Deposits	10 063 389	31 583 809
Cash on hand	173 971	132 201
	153 998 312	95 185 238

For purpose of preparing the statement of cash flows cash and cash equivalents are comprised of the following:

	31/03/2026	31/03/2025
	EGP	EGP
Cash and cash equivalents at the beginning of the year		
Banks current accounts	63 469 228	76 985 572
Time Deposits	31 583 809	60 401 636
Cash on hand	132 201	101 938
	95 185 238	137 489 146
Cash and cash equivalents at Ending of the year		
Banks current accounts	143 760 952	63 469 228
Time Deposits	10 063 389	31 583 809
Cash on hand	173 971	132 201
	15 399 8312	95 185 238

12. Investments in treasury bills

No. of day	Period		Face Value	Cost	Accrued Interest	31/03/2026	-W/H	31/03/2026
	From	To				Balance before taxes	Tax	Balance after taxes
268	28/09/2025	23/06/2026	23 500 000	19 714 620	2 613 042	22 327 662	522 608	21 805 054
104	11/03/2026	23/06/2026	10 000 000	9 354 900	130 261	9 485 161	26 052	9 459 109
146	25/02/2026	21/07/2026	10 000 000	9 131 800	208 130	9 339 930	41 626	9 298 304
154	10/03/2026	11/08/2026	10 000 000	9 084 700	130 757	9 215 457	26151	9189 306
196	10/03/2026	22/09/2026	10 000 000	8 849 900	129 093	8 978 993	25 819	8 953 174
210	10/03/2026	06/10/2026	10 000 000	8 795 600	126 175	8 921 775	25 235	8 896 540
			73 500 000	64 931 520	3 337 458	68 268 978	667 491	67 601 487

13. Provisions impairment loss and Inventory write-down

	Balance as of 01/04/2025	Recognized during the year	Reversed during the year	Used during the year	Balance as of 31/03/2026
	EGP	EGP	EGP	EGP	EGP
Provisions	19 805 077	8 381 731	-	(11 485 661)	16 701 147
Provisions for leaves	7 084 978		(100 218)		6 984 760
Total Provision	26 890 055	8 381 731	(100 218)	(11 485 661)	23 685 907
Impairment					
Impairment in accounts receivable	7 445 452	1 095 297	(1 724 718)	(3 328 566)	3 487 465
Impairment in other debit accounts	1 392 560	332 000	(540 376)		1 184 184
Inventory write-down	22 628 943		(4 292 899)		18 336 044
Total Impairment	31 466 955	1 427 297	(6 557 993)	(3 328 566)	23 007 693
Total provision impairment and write-down	58 357 010	9 809 028	(6 658 211)	(14 814 227)	46 693 600

14. Accounts and notes payable

	31/03/2026	31/03/2025
	EGP	EGP
Accounts payable	203 390 870	219 015 554
Notes payable	169 005 132	167 338 473
Related Parties Supplier		
Asian Paints International Private Limited (Note No.21)	8 610 647	6 235 167
Asian Paints Limited (Note No.21)	1 553 442	1 741 067
Causeway Paints Lanka (Private) Limited (Note No.21)		976 481
Kadisco Paint and Adhesive Industry Share Company Ethiopia (Note No.21)		73 081
Berger Paints (Emirates) Limited (Note No.21)	482 096	2 217 212
	383 042 187	397 597 035

Notes

to Financial Statements for the year from April 1, 2025, till March 31, 2026 (Contd.)

15. Other credit accounts

	31/03/2026	31/03/2025
	EGP	EGP
Accrued expenses	150 683 306	146 485 465
Tax Authority-Withholding Taxes Payable	2 736 627	6 953 672
Tax Authority-Payroll Taxes	2 981 017	2 183 342
Tax Authority- current tax	27 405 551	1 330 813
Tax Authority- value added tax	13 128 761	-
Asian Paints Limited	64 952 217	55 754 018
Asian Paints International Private Limited (Holding company)	1 374 054	1 932 724
Other credit balances	22 997 771	9 182 130
	286 259 304	223 822 164

16. Lease Liabilities

	31/03/2026	31/03/2025
Description	EGP	EGP
Balance at beginning of year	(23 332 083)	(15 545 509)
Movement during current year		
Payment	14 745 055	11 503 551
Additions	(15 838 673)	(20 262 527)
Disposals	3 542 161	4 771 576
Accretion of interest	(7 476 979)	(3 799 174)
Total at ending year	(28 360 519)	(23 332 083)
lease liabilities – Current (within one year)	6 367 529	5 191 868
lease liabilities – Non current (from 1 to 5 years)	21 992 990	18 140 215

17. Capital

The authorized capital amounted to EGP 50 million and the issued and paid-up capital amounted to EGP 18 million, distributed among 1.8 million shares with a par value of EGP 10 each, fully paid.

18. Retained earnings and dividends distribution

The Ordinary General Assembly Meetings held on June 02 , 2025, approved dividends distribution for the year ended as of March 31, 2025, as follows:

	EGP
Retained earnings as of April 1, 2024	110 320 407
Profits (losses) for the year ended March 31, 2025	54 110 716
Distributable profit	164 431 123
Dividends distribution according to the General Assembly Meeting Decree on June 2, 2025	(40 000 000)
Retained earnings as of March 31, 2026	124 431 123

19. Deferred Tax assets and (liabilities)

Deferred tax assets and liabilities are attributable to the following

Description	Assets (Liabilities) 31/03/2026	Assets (Liabilities) 31/03/2025
	EGP	EGP
Balance at the beginning of the year	14 791 988	33 294 689
Closing Deferred tax related carryforward losses	-	(18 502 701)
Deferred tax Assets during the year	(6 244 130)	
Balance at the end of the year	8 547 858	14 791 988
Balance at the beginning of the year	(10 651 196)	(9 805 801)
Deferred tax liabilities during the year	(1 430 170)	(845 395)
Balance at the end of the year	(12 081 366)	(10 651 196)

20. Treasury bills revenue

	31/03/2026	31/03/2025
	EGP	EGP
Income from treasury bills purchased during the previous year, and sold during the current year	-	4 685 511
Income from treasury bills purchased and sold during the year	8 873 200	2 027 100
Accrued treasury bills revenue	3 337 458	-
	12 210 658	6 712 611

Notes

to Financial Statements for the year from April 1, 2025, till March 31, 2026 (Contd.)

21. Related Parties transaction

Company Name	Nature of Relationship	Transaction Description	Volume during the year	Balance 31/03/2026	Balance 31/03/2025
			EGP	EGP	EGP
Berger paints Emirates limited	Customer	Paints Sales	987 305	-	--
	Customer	Sundry Sales	609 739	703 896	--
	Customer	Other expense	117 682	-	--
	Supplier	Purchase of goods	60 922	(70 440)	--
	Supplier	Reimbursement of expenses paid	334 243	(7 361)	--
	Supplier	Other exoenses	5 074 449	(404 295)	(2217212)
Asian Paints (South Pacific) Ltd, Fiji island	Customer	Other expenses	20 154	-	-
	Supplier	Reimbursement of expenses paid	81 840	-	-
Berger Paints Bahrain W.L.L	Customer	Sundry Sales	267 630	-	-
Asian Paints (Bangladesh) Ltd	Customer	Sundry Sales	954 979	-	-
Causeway Paints Lanka (Private) Limited	Customer	Other expenses	1 073 469	-	(976 481)
Kadisco Paint and Adhesive Industry Share Company, Ethiopia	Customer	Other expenses	-	-	73 081
PT Asian Paints Indonesia*	Customer	Other expenses	-	-	846 235
Asian Paints International Private Limited (Holding company)	Customer	Other expenses	156 517	-	-
	Customer	Dividends	30 817 440	-	-
	Supplier	Royalty	1 374 054	(1 374 054)	(1 932 724)
	Supplier	Reimbursement of exoenses paid	8 621 584	(8 610 647)	(6 235 167)
Asian Paints International Private Limited (Holding company)	Finance	Accrued interest	-	-	(885 869)
Asian Paints Limited	Supplier	Reimbursement of expenses paid	3 792 620	(1 553 442)	(1 741 067)
		Royalty	64 952 217	(64 952 217)	(55 754 018)
		Purchase of assets	203 961	-	-
		Other services paid	294 393	-	-
Asian Paints Limited	Customer	Other expenses	465 916	-	114 628

* PT Asian Paints Indonesia's balance as of 19th March 25 amounted to EGP 846 235 and from this date it's no longer considered a related party for SCIB Chemicals.

22. Sales (net)

The company's net sales amounting to EGP 2 151 566 697 and analyzed as follows:

	31/03/2026	31/03/2025
	EGP	EGP
Export Sales	336 298 629	351 649 493
Local Sales	1 815 268 068	1 512 117 024
	2 151 566 697	1 863 766 517

23. Contingent Liabilities

Contingent liabilities balance represents the uncovered portion of letters of guarantee as of March 31, 2026, amounted to EGP 1 005 328 (March 31, 2025, amounted to EGP 1 220 409).

24. Financial instruments fair value

The financial instruments represent balances of cash in hand and at banks, debtors, creditors and related party balances. The carrying amounts of these financial instruments represent a reasonable estimate for their fair values. Note (3) includes significant accounting policies applied in recognition and measurement of those financial instruments, and its related revenues and expenses.

25. Financial risk management

The company is exposed to the following risks, due to its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk principally from its accounts and notes receivables, other receivables and from financing activities including deposits with banks and financial institutions.

Trade and notes receivables

The customer credit risk is established by the Company's policies, procedures and controls relating to customer credit risk management. The credit quality of a customer is assessed and basis that individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis.

Other financial assets

With respect to credit risk arising from the other financial assets of the Company, which comprise mainly Bank balances and deposits, Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these assets.

The Company limits its exposure to credit risk by only placing balances with international banks and local banks with a good reputation. Given the profile of its bankers, management does not expect any counterparty to fail to meet its obligations.

Liquidity Risk

This risk represents the Company's inability to settle its financial liabilities on maturity dates. The Company's liquidity risk management policy requires that sufficient cash is maintained to meet short-term funding requirements, to avoid unacceptable loss that may affect the Company's reputation.

Aging Payables and Receivables	Not Due	Less than a year	1-2 years	2-3 years	More than 3 years	Total
Accounts and Notes Payable	361 716 515	21 074 686	8 221	34 646	208 119	383 042 187
Accounts and Notes Receivables	236 360 766	140 157 007	2 350 396	866 032	271 038	380 005 239

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the company's income or the value of its holding of financial instruments.

Notes

to Financial Statements for the year from April 1, 2025, till March 31, 2026 (Contd.)

Foreign currencies fluctuation risk

The following tables demonstrate the sensitivity to a reasonably possible change in USO and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies are not material.

Financial assets and Liabilities in foreign currencies: -

31 March 2026		
	Assets Foreign currency	Liabilities Foreign currency
US Dollar	1 050 308	(1 713 792)
Euro	2 658	(209 918)

Financial assets and Liabilities in local currency:-

31 March 2026		
	Assets	Liabilities
	EGP	EGP
US Dollar	57 399 657	(93 659 228)
Euro	166 877	(13 176 804)
Total	57 566 534	(106 836 032)

Sensitivity analysis:-	Change in foreign currency percentage	Effect of applying sensitivity testing on Profit Before Tax EGP
US Dollar	+10%	(3 625 957)
US Dollar	-10%	3 625 957
Euro	+10%	(1 300 993)
Euro	-10%	1 300 993

Interest rate risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in the market interest rates relates primarily to the Company's obligations with floating interest rates and interest-bearing time deposits. The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variable held constant, of the company's profit before tax (through the impact on floating rate borrowings). There is no impact on the company's equity other than the profit impact stated below:-

	Floating rate financial assets/ liabilities	+1% change in interest rate on Profit Before Tax In EGP	-1% change in interest rate on Profit Before Tax In EGP
Financial Assets	10 063 389	100 634	(100 634)
Financial liabilities	(104 286 013)	(1 042 860)	1 042 860

26. Tax Position

The company was exempted from taxes according to the New Urban Community Law No. 59 of 1979 and its amendments for the period of ten years ending December 31, 2007.

Corporate Tax

The company's records have been inspected, and due taxes were settled until March 31, 2020.

No tax inspection took place for the company's records for the years from March 2021 till March 2026.

Salary Tax

The company was inspected, and due taxes were settled until December 31, 2022.

No tax inspection took place for the company's records for the years from December 2023 till December 2025

Stamp Tax

The company was inspected, and due taxes were settled until March 31, 2021.

No tax inspection took place for the company's records for the years from March 2022 till March 2026.

Sales Tax (Value Added)

The company was inspected until March 31, 2023, and due taxes were settled.

No tax inspection took place for the company's records for the years from March 2024 till March 2026.

27. Significant events during the current year

During the current financial year, and as of 28 February 2026, a direct military confrontation commenced between the United States of America and Iran, leading to an escalation of geopolitical tensions in the Middle East region. These developments have resulted in broader economic uncertainty that has affected, and may continue to affect, regional and international markets, including the Egyptian market. Management continues to closely monitor these developments and assess their potential impact on the Company's operations, financial position, and cash flows. As of the date of approval of these financial statements, Management will continue to monitor future developments and evaluate their potential impact in subsequent financial periods and will take appropriate actions should any material effects on the financial position or results of operations arise.

Financial Controller

Chief Executive



Berger Paints Bahrain W.L.L.

Berger Paints Bahrain W.L.L.

Commercial Registration No.	11658
General Manager	Mr. Gurpreet Singh Sarna (till December 31, 2025) Mr. Ahamed Shaju Abdul Rahman (effective from January 1, 2026)
Registered Office	Building 412, Block 601, Road 108 P. O. Box 26688 Industrial Area, Sitra Kingdom of Bahrain
Bankers	HSBC Bank Middle East Kuwait Finance House (Formerly Ahli United Bank)
Auditor	Deloitte & Touche – Middle East P.O. Box 421 Manama Kingdom of Bahrain

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Manager's Report on the activities of the Company

for the financial year ended 31 March 2026

The Company achieved total sales of BHD 5,753,456, compared with BHD 5,552,637 in the previous year, representing a 3.6% increase in value terms despite a challenging market environment. In volume terms, performance was strong, with 4% growth year-on-year. The retail segment also performed well during the year, driven by renewed focus on premium and luxury products.

During the period from February 2026 to March 2026, the country experienced a severe crisis due to the conflict in the region. This situation adversely affected the Company's sales and profitability in Q4; nevertheless, the Company reported a net profit of 8% for the year, compared with 6% in the prior year.

During the year, the Company undertook multiple initiatives to better understand local customer requirements and implemented targeted marketing activities to support sales

growth. New products were launched, and selected high-performing products were enhanced to broaden the range of high-quality offerings. In addition, the Company opened a new signature retail store in Q4 to provide end-to-end solutions to customers.

The supply side remained stable during the first three quarters, with raw material prices largely steady. In Q4, however, the Company experienced an increase in raw material prices and logistical bottlenecks. Despite the challenges experienced during the year, the Company remains optimistic about the outlook for the coming year and anticipates a return to growth from the first quarter of FY 2026-27.

Ahmed Shaju Abdul Rahman
General Manager

Independent Auditor's Report

To the Shareholders of

Berger Paints Bahrain W.L.L.
Sitra, Kingdom of Bahrain

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Berger Paints Bahrain W.L.L. (the "Company"), which comprise the statement of financial position as at March 31, 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the other ethical requirements that are relevant to our audit of the Company's financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Manager's Report. The Manager's Report is obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements,

our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error,

as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Commercial Companies Law, we report that:

- I. the Company has maintained proper accounting records and the financial statements are in agreement therewith;
- II. the financial information included in the Manager's Report is consistent with the financial statements;
- III. nothing has come to our attention which causes us to believe that the Company has, during the year, breached any of the applicable provisions of the Commercial Companies Law or the items of its Memorandum and Articles of Association which would have a material adverse effect on its activities for the year ended March 31, 2026 or its financial position as at that date; and
- IV. satisfactory explanations and information have been provided to us by the management in response to all our requests.

Deloitte & Touche – Middle East

Registration No. 256

Manama, Kingdom of Bahrain

April 28, 2026

Statement of Financial Position

as at March 31, 2026

	Notes	2026 BD	2025 BD
ASSETS			
Non-current assets			
Property, plant and equipment	5	353,417	351,533
Intangible assets		3	3
Right-of-use assets	6.1	24,081	28,881
Total non-current assets		377,501	380,417
Current assets			
Inventories	7	897,038	1,055,510
Trade receivable	8	1,645,773	1,996,249
Due from related parties	15(b)	17,773	25,535
Prepayment and other receivables		90,346	17,419
Cash and bank balances	9	294,954	162,952
Total current assets		2,945,884	3,257,665
Total assets		3,323,385	3,638,082
EQUITY AND LIABILITIES			
Equity			
Share capital	10	418,000	418,000
Statutory reserve	11	209,000	209,000
Retained earnings		1,231,033	1,337,808
Total equity		1,858,033	1,964,808
Liabilities			
Non-current liabilities			
Provision for employees' end-of-service benefits	12	251,609	305,401
Lease liabilities	6.2	11,830	13,950
Total non-current liabilities		263,439	319,351
Current liabilities			
Trade payable	13	754,809	894,760
Accruals and other payables	14	339,942	329,119
Due to related parties	15(b)	93,905	112,948
Lease liabilities	6.2	13,257	17,096
Total current liabilities		1,201,913	1,353,923
Total liabilities		1,465,352	1,673,274
Total equity and liabilities		3,323,385	3,638,082

The attached notes form an integral part of these financial statements

These financial statements were approved and authorised for issue on April 28, 2026 by the General Manager.

Ahamed Shaju Abdul Rahman
General Manager

Statement of Profit or Loss and Other Comprehensive Income

year ended 31 March 2026

	Notes	2026 BD	2025 BD
Sales	16	5,753,456	5,552,637
Cost of goods sold	17	(2,870,402)	(2,784,001)
Gross profit		2,883,054	2,768,636
General and administrative expenses	18	(1,599,724)	(1,632,806)
Selling and distribution expenses	19	(396,968)	(312,546)
Technical fee	15(a)	(158,130)	(147,200)
Depreciation on property, plant and equipment	5	(55,596)	(70,291)
Depreciation on right-of-use assets	6.1	(41,829)	(39,224)
Provision for impaired trade receivables	8	(93,980)	(247,793)
Operating profit		536,827	318,776
Interest expense on lease liabilities	6.2	(2,215)	(2,480)
Other income	20	16,343	18,414
Profit before tax		550,955	334,710
Income tax expenses	21	(57,730)	-
Profit for the year		493,225	334,710
Other comprehensive income for the year		-	-
Total comprehensive income for the year		493,225	334,710

The attached notes form an integral part of these financial statements

Ahamed Shaju Abdul Rahman
General Manager

Statement of Changes In Equity

for the year ended 31 March 2026

	Share Capital	Statutory Reserve	Retained Earnings	Total
	BD	BD	BD	BD
Balance at April 1, 2024	418,000	209,000	1,438,098	2,065,098
Total comprehensive income for the year	-	-	334,710	334,710
Dividends paid (Note 10)	-	-	(435,000)	(435,000)
Balance at March 31, 2025	418,000	209,000	1,337,808	1,964,808
Total comprehensive income for the year	-	-	493,225	493,225
Dividends paid (Note 10)	-	-	(600,000)	(600,000)
Balance at March 31, 2026	418,000	209,000	1,231,033	1,858,033

The attached notes form an integral part of these financial statements

Statement of Cash Flows

for the year ended 31 March 2026

	Note	2026 BD	2025 BD
Cash flows from operating activities:			
Profit before tax		550,955	334,710
Adjustments for:			
Depreciation of property, plant and equipment	5	55,596	70,291
Depreciation of right-of-use assets	6.1	41,829	39,224
Interest expense on lease liabilities	6.2	2,215	2,480
Profit on disposal of property, plant and equipment		961	44
Loss on disposal of right-of-use assets		(234)	-
Provision for employees' end-of-service benefits	12	45,540	44,418
Impairment allowance recognised on trade receivables	8	93,980	247,793
Interest income on short-term deposits	20	(251)	(581)
Reversal of allowance for obsolete and slow-moving inventory	7	(7,853)	(5,329)
		782,738	733,050
Changes in operating assets and liabilities:			
Decrease / (increase) in inventories		166,325	(87,271)
Decrease / (increase) in trade receivable		256,496	(258,232)
Decrease / (increase) in due from related parties		7,762	(25,535)
(Increase) / decrease in prepayments and other receivables		(72,927)	8,157
(Decrease) / increase in trade payable		(139,951)	95,552
Decrease in accruals and other payables		(1,378)	(35,809)
(Decrease) / increase in due to related parties		(19,043)	46,464
Cash from operations		980,022	476,376
Payment of employees' end-of-service benefits	12	(99,332)	(96,699)
Interest element of lease liabilities	6.2	(2,215)	(2,480)
Tax paid		(45,529)	-
Net cash generated from operating activities		832,946	377,197
Cash flows from investing activities:			
Purchase of property, plant and equipment	5	(58,441)	(42,886)
Interest income on short-term deposits		251	581
Net cash used in investing activities		(58,190)	(42,305)
Cash flows from financing activities:			
Payment of principal payment of lease liabilities		(42,754)	(39,672)
Dividends paid		(600,000)	(435,000)
Net cash used in financing activities		(642,754)	(474,672)
Net increase / (decrease) in cash and cash equivalents		132,002	(139,780)
Cash and cash equivalents beginning of year		162,952	302,732
Cash and cash equivalents end of year	9	294,954	162,952

The attached notes form an integral part of these financial statements

Notes to the Financial Statements

for the year ended 31 March 2026

1. STATUS AND ACTIVITIES

Berger Paints Bahrain W.L.L. (the "Company") is a limited liability company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain under commercial registration number 11658 obtained on September 9, 1981 and is engaged in the manufacture and distribution of paints, resins, wood preservatives, industrial sealants and wall coverings.

The Company is a subsidiary of Universal Paints Limited (the "Parent Company") an entity incorporated in Isle of Man, owned 100% by Asian Paints International Private Limited, Singapore, and Asian Paints Limited, India is the ultimate parent company ("the Ultimate Parent").

2. ADOPTION OF NEW AND REVISED STANDARDS (IFRS ACCOUNTING STANDARDS)

2.1 New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied the following amendments to IFRS Accounting Standards issued by the IASB, which are mandatorily effective for an accounting period that begins on or after January 1, 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability The Company has adopted the amendments to IAS 21 for the first time in the current year. The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

2.2 New and revised standards issued but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

Effective date	New accounting standards or amendments
January 1, 2026	Amendments to IFRS 9 and IFRS 7
	- Classification and Measurement of Financial Instruments
	- Contracts Referencing Nature-dependent Electricity

January 1, 2026	Annual Improvements to IFRS Accounting Standards – Volume 11
January 1, 2027	IFRS 18 - Presentation and Disclosures in Financial Statements
January 1, 2027	IFRS 19 - Subsidiaries without Public Accountability: Disclosures

The Management is still assessing the impact of IFRS 18, and they do not expect that the adoption of the remaining standards listed above will have a material impact on the financial statements of the Company in future periods.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

Basis of preparation and accounting

The financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the IASB and applicable requirements of the Bahrain Commercial Companies Law and its subsequent amendments.

The financial statements are prepared under the historical cost convention and accrual basis of accounting. The financial statements are presented in Bahraini Dinars ("BD"), being the functional currency of the Company. The accounting policies are consistent with those used in the prior years, unless otherwise stated.

The material accounting policies adopted are as follows:

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses, all subsequent additions to buildings have been included at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction. Depreciation is charged so as to write off cost of the property, plant and equipment, other than capital work in progress, over their estimated useful lives, using the straight line method.

The estimated useful lives of the assets for the calculation of depreciation are as follows:

Buildings on Leased Land	25 years
Plant and Machinery	8 to 10 years
Furniture, Fixtures and Equipment	4 to 8 years

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as

the difference between sale proceeds and the carrying amount of the asset and is recognised in profit or loss for the year.

The assets useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis. In the case of finished goods and work in progress, cost comprises material cost plus cost of conversion.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Impairment of tangible assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets

and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either at either amortized cost or fair value, depending on their classification at either:

- Financial assets at amortized cost
- Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)
- Financial assets at Fair Value Through Profit or Loss (FVTPL)

The classification and measurement category of financial assets, except for equity instruments and derivatives, are assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

Business model assessment:

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these are applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'Sell' business model.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Contractual cash flow characteristics test:

The Company assesses whether the financial instruments' cash flows represent Solely for Payments of Principal and Interest (the 'SPPI'). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. The Company reclassifies a financial asset only when its business model for managing those assets

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changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it satisfies the SPPI test and is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and profit on the principal amount outstanding.

All the Company's financial assets consisting of cash and bank balances, trade and other receivables, and due from related parties are classified as financial assets at amortized cost.

Impairment of financial assets

A loss allowance for expected credit losses (ECL) is recognized on trade receivable. The amount of expected credit loss is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

ECL is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) Held for trading, or (iii) designated at FVTPL, are subsequently measured at amortized cost.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the sum of the consideration paid and payable is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and reported net in the statement of financial position only

when there is a legally enforceable right to set off the recognised amounts and when the Company intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Defined benefit obligation and provision for employees end-of-service benefits

For defined retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. The retirement benefit obligation recognised at the reporting date represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost.

With effect from March 2024, employers are required to remit the amount of end of service benefit of expatriate employees applicable to each month, based on the month's salary, to Social Insurance Organisation (SIO). Upon cessation of employment, employees will receive the amounts so remitted directly from the SIO and balance, if any, will be paid by the employers.

For Bahraini employees, the Company makes contribution to the SIO, calculated as percentage of the employees' salaries. The Company's obligations are limited to their contributions, which are expensed when due.

Revenue recognition

Revenue from the sale of goods is recognised at a point in time in the profit or loss when the control has been passed to the customer i.e. when goods are delivered, accepted by the customer and the amount of revenue can be measured reliably.

Interest income is recognised on a time basis by reference to the principal outstanding and the applicable interest rate.

Foreign currencies

Transactions in foreign currencies are recognised in functional currency at the rates prevailing at the dates of the transactions. At reporting date, monetary assets and monetary liabilities denominated in currencies other than functional currency are retranslated at the rate of exchange prevailing at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

International tax reform - pillar two model rules

The OECD global Anti-Base Erosion Pillar 2 Model Rules ("GloBE rules") apply to multinational enterprise (MNE) groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years. In line with the requirement of GloBE rules, the Kingdom of Bahrain has issued and enacted Decree Law No. (11) of 2024 ('Bahrain DMTT law') on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of Bahrain resident entities of the Ultimate Parent Company.

The Company has performed an assessment of its exposure under DMTT in Bahrain and based on this assessment, a DMTT liability of BHD 57,730 has been recognized in the financial statements for the year.

The Company will continue to assess the impact of DMTT on its financial statements in future reporting periods as well.

The Company has applied the exception provided under paragraph 4A of IAS 12 – Income Taxes to neither recognize nor disclose information on deferred tax assets and liabilities related to Pillar 2 income taxes.

Current tax expense includes Pillar Two Income Taxes.

Leases

The Company as lessee:

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for leases of low value assets. For these leases, the Company recognizes the

lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following where applicable:

- Fixed lease payments, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Amount expected to be payable by the lessee under the residual value guarantees;
- The exercise price of the purchase option, if the lessee is reasonably certain to exercise the options; and
- Payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated amortization (over the shorter period of lease term and useful life of the underlying asset) and impairment losses.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's material accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's material accounting policies

In the process of applying the entity's material accounting policies, which are described in Note 3, and due to the nature of operation, management did not have to make judgements that may have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives property, plant and equipment

The Company's management determines the useful lives of property, plant and equipment and the related

depreciation charge. The depreciation charge for the year will change significantly if the actual life is different from the estimated useful life of the asset. The review carried out by management in the current year did not indicate any necessity for changes in the useful lives of the property, plant and equipment.

Measurement of the expected credit loss allowance

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company's management uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Discounting of lease payments

The lease payments are discounted using the Incremental Borrowing Rate (IBR). For calculation of IBR, the Company has taken the Bahrain Interbank Offered Rate (BIBOR) and the rate is adjusted for the Company's specific risk, term risk and underlying asset risk.

5. PROPERTY, PLANT AND EQUIPMENT

	Buildings on Leased Land	Plant and Machinery	Furniture, Fixtures and Equipment	Total
	BD	BD	BD	BD
Cost :				
At April 1, 2024	661,146	1,426,081	137,100	2,224,327
Additions	-	25,947	16,939	42,886
Disposals	-	(10,201)	(7,989)	(18,190)
At March 31, 2025	661,146	1,441,827	146,050	2,249,023
Additions	4,850	35,362	18,229	58,441
Disposals	-	-	(14,266)	(14,266)
At March 31, 2026	665,996	1,477,189	150,013	2,293,198
Accumulated depreciation:				
At April 1, 2024	521,452	1,203,343	120,550	1,845,345
Depreciation expense	9,047	55,802	5,442	70,291
Disposals	-	(10,196)	(7,950)	(18,146)
At March 31, 2025	530,499	1,248,949	118,042	1,897,490
Depreciation expense	8,932	39,685	6,979	55,596
Disposals	-	-	(13,305)	(13,305)
At March 31, 2026	539,431	1,288,634	111,716	1,939,781
Carrying amount:				
At March 31, 2026	126,565	188,555	38,297	353,417
At March 31, 2025	130,647	192,878	28,008	351,533

Buildings are constructed on land leased from the Government of the Kingdom of Bahrain. The lease period of twenty-five years starting from July 1, 2001 to June 30, 2026.

6. LEASES

The Company only operates as a lessee.

6.1 Right-of-use assets

The recognised right-of-use assets relates to the below types of leased asset in the Company:

	Land	Motor Vehicle	Premises	Total
	BD	BD	BD	BD
At April 1, 2024	9,620	14,671	-	24,291
Additions	-	22,750	21,064	43,814
Depreciation	(4,277)	(13,883)	(21,064)	(39,224)
At March 31, 2025	5,343	23,538	-	28,881
Additions	1,746	18,630	21,064	41,440
Depreciation	(6,023)	(18,309)	(17,497)	(41,829)
Disposals	-	(844)	(3,567)	(4,411)
At March 31, 2026	1,066	23,015	-	24,081

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to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

The following are the amounts recognised in profit and loss for the year:

	2026	2025
	BD	BD
Depreciation expense on right-of-use assets	41,829	39,224
Interest element of lease liabilities	2,215	2,480

At the reporting date, none of the property leases in which the Company is the lessee, contain variable lease payment terms.

6.2 Lease liabilities

	2026	2025
	BD	BD
Balance at beginning of the year	31,046	26,904
Additions	41,440	43,814
Disposal	(4,645)	-
Accretion of interest	2,215	2,480
Payments	(44,969)	(42,152)
Balance at end of the year	25,087	31,046

Below is the allocation of lease liabilities as at March 31:

	2026	2025
	BD	BD
Current lease liabilities	13,257	17,096
Non-current lease liabilities	11,830	13,950
	25,087	31,046

The maturity analysis of lease liabilities is as follows:

	2026	2025
	BD	BD
Not later than 1 year	14,199	18,333
Later than 1 year and not later than 5 years	12,504	14,695
	26,703	33,028
Less: Interest not accrued	(1,616)	(1,982)
	25,087	31,046

7. INVENTORIES

	2026	2025
	BD	BD
Raw materials	404,442	424,499
Finished goods	324,891	382,886
Packing material	83,404	65,613
	812,737	872,998
Allowance for obsolete and slow-moving inventories	(31,820)	(39,673)
	780,917	833,325
Work-in-progress	5,172	7,954
Goods in transit	110,949	207,402
Colour world stock items	-	6,829
	897,038	1,055,510

The cost of inventories recognised as an expense during the year ended March 31, 2026, in respect of operations, was BD 2,766,114 (2025: BD 2,667,267) (Note 17).

Movement in the allowance for obsolete and slow-moving inventories:

	2026	2025
	BD	BD
Balance at April 1	39,673	45,002
Reversal for the year	(7,853)	(5,329)
Balance at March 31	31,820	39,673

8. TRADE RECEIVABLE

	2026	2025
	BD	BD
Trade receivables	2,420,393	2,676,889
Allowance for impaired receivables	(774,620)	(680,640)
	1,645,773	1,996,249

There is no concentration of customer balances in the trade receivables at the reporting dates.

The average credit period on sales is 90 days. No interest is charged on overdue customers' balances. Trade receivables are provided for based on estimated irrecoverable amounts from the goods or service provided, determined by reference to past default experience.

Aging brackets	2026			2025		
	Estimated total gross carrying amount at default	Expected credit loss rate	Lifetime ECL	Estimated total gross carrying amount at default	Expected credit loss rate	Lifetime ECL
	BD	%	BD	BD	%	BD
Not due	566,580	3%	59,005	1,183,317	0.2%	2,315
Less than 90 days	748,901	13%	115,025	618,973	3%	20,933
90 - 180 days	200,745	12%	99,107	149,498	11%	16,500
180 - 365 days	192,377	35%	94,976	130,365	35%	46,156
More than 365 days	711,790	90%	406,507	594,736	100%	594,736
	2,420,393		774,620	2,676,889		680,640

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to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

Movement in the allowance for impaired receivables is as follow:

	2026	2025
	BD	BD
Balance at beginning of the year	680,640	432,847
Charge for the year	93,980	247,793
Balance at end of the year	774,620	680,640

The Company applied simplified approach for expected credit loss. Accordingly, the Company assessed historically credit losses and apply that ratio to outstanding trade receivables after adjusting any factors anticipated to increase/decrease the credit losses going forward. The Company's historical experience did not indicate significant credit losses. Accordingly, the management believes that there is no further loss allowance required in excess of the allowance for doubtful debts.

9. CASH AND BANK BALANCES

	2026	2025
	BD	BD
Cash on hand	912	474
Current accounts with banks	294,042	162,478
	294,954	162,952

10. SHARE CAPITAL

The share capital comprises 8,360 authorised, issued and fully paid shares of BD 50 each.

Shareholder	Percentage	Number of shares
Shaikh Rasheed Isa Abdulla Hamad Alkhalifa	51%	4,264
Universal Paints Limited Com.	49%	4,096

During the year, dividends of BD 600,000 (2025: BD 435,000) was declared and paid to the shareholders.

11. STATUTORY RESERVE

As required by the Bahrain Commercial Companies Law and the Company's Articles of Association, 10% of the profit of prior years was transferred to statutory reserve, until the reserve equaled 50% of the issued share capital. The reserve is not available for distribution, except in the circumstances stipulated in the Bahrain Commercial Companies Law.

12. PROVISION FOR EMPLOYEES' END-OF-SERVICE BENEFITS

The movement in the provision for employee's end-of-service benefits is as follows:

	2026	2025
	BD	BD
At beginning of the year	305,401	357,682
Charge for the year	45,540	44,418
Payments to employees	(65,233)	(59,277)
Payments to SIO	(34,099)	(37,422)
At end of the year	251,609	305,401

The provision for employees' end-of-service benefits are calculated under the Bahrain Labour Law approximates to BD 251,609 (2025: BD 305,401) whereas the liability calculated as per the actuarial valuation carried out at the reporting date amounts to BD 251,609 (2025: BD 300,984).

- (a) The most recent actuarial valuation of the present value of the end-of-service benefits was carried out at March 31, 2026 by a qualified actuary. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method, which is the same method that was used in the previous year.
- (b) The principal assumptions used for the purpose of the actuarial valuations were as follows

	2026	2025
Discount rate	5.88%	5.88%
Salary escalation rate	5.50%	5.50%

13. TRADE PAYABLE

	2026	2025
	BD	BD
Trade payable	754,809	894,760

There is no interest charge on overdue payables to suppliers. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

14. ACCRUALS AND OTHER PAYABLES

	2026	2025
	BD	BD
Accruals for employee benefits	160,966	151,618
Value added tax payable, net	32,812	26,790
Provision for income tax	12,201	-
Provision for discounts	50,341	15,150
Other accrued expenses	83,622	135,561
	339,942	329,119

15. RELATED PARTIES

Related parties as defined in International Accounting Standard 24 include shareholders and key management personnel of the Company and their close family members and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of the transactions with related parties are approved by the Company's management.

- (a) During the year the Company entered into the following trading transactions with Asian Paints Limited Group entities:

	2026	2025
	BD	BD
Purchases	93,216	73,410
Sales	27,238	36,098
Technical fee	158,130	147,200
General and administrative expenses - charged by related parties	120,757	137,913
Selling and distribution expenses charged by related parties	62,337	49,797

Technical fee is paid to Asian Paints International Private Limited, Singapore at the rate of 3% (2025: 3%) of net sales excluding traded items from related parties and other sundry sales.

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to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

(b) Related party balances consist of:

	Relationship	2026	2025
		BD	BD
Due from:			
Kadisco Paint and Adhesive Industry S.C.	Affiliate	-	771
Asian Paints (Middle East) SPC	Affiliate	988	-
Berger Paints Emirates LTD CO LLC	Affiliate	16,785	24,764
		17,773	25,535
Due to:			
Asian Paints International Private Limited	Parent Company	58,604	55,912
Asian Paints Limited	Ultimate Parent	4,368	9,658
Berger Paints Emirates LTD CO LLC	Affiliate	24,355	35,052
Asian Paints (Middle East) SPC	Affiliate	6,578	12,326
		93,905	112,948

(c) Compensation of key management personnel

Remuneration of members of key management during the year was as follows:

	2026	2025
	BD	BD
Short term benefits	61,371	65,732
Long term benefits	-	3,342
	61,371	69,074

The above compensation was in the form of salaries, allowances and bonuses.

16. SALES

	2026	2025
	BD	BD
Local sales	5,491,915	5,374,210
Export sales	261,541	178,427
	5,753,456	5,552,637

17. COST OF GOODS SOLD

	2026	2025
	BD	BD
Costs of finished goods –(a) (Note 7)	2,766,114	2,667,267
Overheads	104,288	116,734
	2,870,402	2,784,001

(a) Details of cost of finished goods are as follows:

	2026	2025
	BD	BD
Raw material consumed – (b)	1,881,092	2,027,070
Packing material consumed – (c)	389,363	386,531
Cost of goods purchased for resale	332,913	364,595
Movement in finished goods manufactured	162,746	(110,929)
Materials consumption	2,766,114	2,667,267

(b) Details of raw material consumed are as follows:

	2026	2025
	BD	BD
Opening balance raw material including goods in transit –net of provision	509,240	514,219
Purchases	1,867,066	2,022,091
Closing balance of raw material – net of provision	(495,214)	(509,240)
Raw material consumed	1,881,092	2,027,070

(c) Details of packing material consumed are as follows:

	2026	2025
	BD	BD
Opening balance packing material –net of provision	63,891	77,644
Purchases	407,046	372,778
Closing balance of packing material – net of provision	(81,574)	(63,891)
Raw material consumed	389,363	386,531

18. GENERAL AND ADMINISTRATIVE EXPENSES

	2026	2025
	BD	BD
Staff costs – (a)	1,409,506	1,451,110
System expense	31,612	23,022
Communication	25,781	21,352
Legal and professional fees	17,669	11,969
Postage, printing and stationery	9,131	13,774
Insurance	7,827	8,063
Travel	3,805	22,238
Outsourced manpower expenses	2,940	2,940
Power and fuel	1,792	10,764
Repairs and maintenance	293	729
Other expenses	89,368	66,845
	1,599,724	1,632,806

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to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

(a) Movement in number of employees

	2026	2025
At beginning of the year	101	92
Joined	7	18
Left	(12)	(9)
At end of the year	96	101

19. SELLING AND DISTRIBUTION EXPENSES

	2026	2025
	BD	BD
Advertisement and promotion expense	258,997	212,786
Freight	42,984	54,044
Vehicle charges	11,234	5,834
KSA Freight charges	80,753	36,747
Rent	3,000	3,000
Other	-	135
	396,968	312,546

20. OTHER INCOME

	2026	2025
	BD	BD
Interest income from short-term deposits	251	581
Scrap sales	6,180	7,115
Exchange (loss) / gain, net	3,856	7,693
Miscellaneous income	6,056	3,025
	16,343	18,414

21. INCOME TAX

In accordance with Royal Decree No. 11 of 2024, the Kingdom of Bahrain introduced the Domestic Minimum Top-up Tax (DMTT) effective for fiscal years beginning on or after 1 January 2025. The DMTT applies to Constituent Entities (CEs) of Multinational Enterprise (MNE) Groups with consolidated revenues of EURO 750 million or more in at least two of the four preceding financial years.

The Company is a Constituent Entity of an in-scope MNE Group and is therefore subject to the DMTT regime.

The DMTT registration was completed on 1 April 2025 with the National Bureau for Revenue ("NBR") and the FCE is responsible for submitting the required filings and managing compliance on behalf of all Bahrain-based CEs.

The Company has maintained documentation supporting its GloBE income, exclusions, and tax computations..

During the period, the DMTT was calculated as follows:

	Amount
	BD
Current Year Profit Before Tax (PBT) - FY25	550,955
Net Adjustments	-
GloBE Income [A]	550,955
Total Tax Expense	-
Net Adjustments to Tax	-
Adjusted Covered Taxes [B]	-
Jurisdictional ETR [C = B / A]	0%
Jurisdictional Top-up Tax Rate [D = 15% - C]	15%
Substance-based Income Exclusion [E]	166,089
Jurisdictional Excess Profit [F = A - E]	384,866
	20262025
	BDBD
Standalone Top-up Tax [G = F × D]	57,730-
Annual Top-up Tax Payable [I]	57,730-
Income tax allocation	57,730-
Less: Income tax paid	(45,529)-
Income tax payable	12,201-

22. FINANCIAL INSTRUMENTS

Categories of financial instruments

Financial instruments consist of financial assets and financial liabilities.

Financial assets of the Company include cash and bank balances, trade receivables, due from related parties and other receivables.

Financial liabilities of the Company include trade payables and accrued liabilities, lease liabilities and due to related parties.

A summary of financial assets and financial liabilities is as follows:

	2026	2025
	BD	BD
Financial assets		
Receivables at amortised cost (excluding prepayments)	2,024,419	2,193,507
Financial liabilities		
Amortised cost	1,166,145	1,341,083

The risk associated with financial instruments and the Company's approaches to managing such risks are as follows:

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

Financial risk management objectives

The Company's finance function provides services to the business, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include credit risk, liquidity risk and market risk (which primarily consists of foreign currency risk and interest rate risk).

Credit risk management

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company seeks to limit the credit risk with respect of trade debtors by implementing credit policy and procedures. The Company ensures that sales are made only to customers with appropriate credit history and does not allow them to exceed an acceptable credit exposure limit, in addition to the standard process of receivable review.

There is no significant concentration of credit risk on trade receivable. The credit risk on liquid funds is limited because the counterparties are banks with good credit ratings assigned by international rating agencies.

The Company has not obtained any collateral of any kind.

Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

Ultimate responsibility for liquidity risk management rests with the Company management. To mitigate the risk, management has diversified funding sources and assets are managed with a liquidity approach, maintaining a healthy balance of cash and cash equivalents. The Company manages the maturities of the Company's assets and liabilities in a way to be able to maintain adequate liquidity.

Liquidity risk

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

		Less than 1 month	1-3 months	3 months to 1 year	1 year to 5 years	Total
		BD	BD	BD	BD	BD
2026	Average interest rate					
Non-interest bearing	-	520,594	470,019	150,446	-	1,141,059
Interest bearing	5.375%	1,164	3,492	7,205	14,573	26,434
		521,758	473,511	157,651	14,573	1,167,493
2025						
Non-interest earning	-	567,811	741,379	-	-	1,309,190
Interest bearing	5.375%	-	-	17,096	15,692	32,788
		567,811	741,379	17,096	15,692	1,341,978

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. The Company's activities expose it primarily to the financial risk in changes in foreign exchange rates and interest rate risk.

Currency risk management

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's financial assets and financial liabilities are mainly denominated in Bahraini Dinars, United States Dollars, United Arab Emirates Dirhams and Saudi Arabian Riyals. As the Bahraini Dinar, United Arab Emirates Dirham and Saudi Arabian Riyal are effectively pegged to the United States Dollar, balances in those currencies are not considered to represent a significant currency risk.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company is not exposed to significant interest risk as there are no significant interest-bearing financial assets or liabilities with variable interest rates at the reporting dates except for lease liabilities.

23. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's strategy remains unchanged from previous period.

The capital structure of the Company consists of equity comprising share capital, reserves and retained earnings. The Company is debt free at the reporting dates.

24. IMPACT OF GEOPOLITICAL TENSIONS

During the period leading up to the financial year-end on March 31, 2026, geopolitical tensions erupted on February 28, 2026, resulting in increased uncertainty and volatility, particularly in global oil markets. Management has conducted a thorough assessment of the potential impact of these events on the Company's operations and financial performance as at the reporting date.

As of March 31, 2026, the Company's financial performance has not been significantly affected by the evolving geopolitical situation. However, the ongoing conflict has introduced risks of potential supply chain disruptions, alongside volatility in oil prices, which could impact the Company's operations in the future. Management is actively monitoring these developments and is taking appropriate measures to manage risks and mitigate potential business disruptions.

Given the dynamic and uncertain nature of the situation, the Company will continue to assess the implications for its financial position and performance in subsequent reporting periods.



Berger Paints Emirates Ltd Co (L.L.C)

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Manager's Report

The Manager has pleasure in submitting his report and financial statements of Berger Paints Emirates Ltd Co (L.L.C) (the "Company") for the year ended March 31, 2026.

Activities

The principal activities of the Company are manufacturing, marketing and distribution of paints and chemicals.

Financial position

During the year, the Company has achieved a turnover of AED 290,761,460 as compared to AED 265,314,318 in the previous year. The financial position has been improved and the total assets at the year end amounted to AED 248,451,857 (2025: AED 170,174,364).

Auditors

M/s BDO Chartered Accountants and Advisors were appointed as auditors of the Company for the year ended March 31, 2026, and being eligible for re appointment, have expressed their willingness to continue in the office.

Paranthaman Azagarsamy

Manager

April 28, 2026


Paranthaman Azagarsamy



Independent Auditor's Report

To the Shareholders of

Berger Paints Emirates Ltd Co (L.L.C), Dubai

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Berger Paints Emirates Ltd Co (L.L.C) ("the Company") which comprise the statement of financial position as at March 31, 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at March 31, 2026, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Other matter

The financial statements of the Company for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion on these financial statements on May 7, 2025.

Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards, and their presentation in compliance with the applicable provisions of the UAE Federal Decree Law No.(32) of 2021 (as amended), and for such internal control as management determines is necessary to

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No.(32) of 2021 (as amended), we report that:

- we have obtained all the information we considered necessary for the purposes of our audit;

- the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No.(32) of 2021 (as amended);
- the Company has maintained proper books of account;
- the financial information included in the report of the Manager is consistent with the books of account of the Company;
- note 11 to the financial statements discloses material related party transactions and balances and;
- based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended March 31, 2026 any of the applicable provisions of the UAE Federal Decree Law No.(32) of 2021 (as amended) or of its Articles of Association which would materially affect its activities or its financial position as at March 31, 2026.

BDO CHARTERED ACCOUNTANTS & ADVISORS



BDO CHARTERED ACCOUNTANTS & ADVISORS
Dubai

Hakimuddin Ibrahim Barodawala
Reg. No. 5605
April 28, 2026

Statement of financial position

at March 31, 2026

	Notes	2026 AED	2025 AED
Assets			
Non current assets			
Property, plant and equipment	6	15,660,119	10,697,912
Right of use assets	7	78,776,032	10,605,862
Intangible assets	8	46,324	42,354
Trade and other receivables	10	3,111,706	1,088,953
Total non current assets		97,594,181	22,435,081
Current assets			
Inventories	9	33,805,611	37,615,537
Trade and other receivables	10	96,371,402	94,117,742
Due from related parties	11	5,574,401	4,665,790
Cash and cash equivalents	12	15,106,262	11,340,214
Total current assets		150,857,676	147,739,283
Total assets		248,451,857	170,174,364
Equity and liabilities			
Share capital	13	1,000,000	1,000,000
Statutory reserve	14	500,000	500,000
General reserve	15	10,851,738	10,851,738
Retained earnings		24,506,951	15,641,686
Subordinated loan from a related party	11	16,797,741	16,797,741
Total equity		53,656,430	44,791,165
Non current liabilities			
Lease liabilities	7	76,248,160	5,990,725
Provision for employees' end of service benefits	16	6,224,642	5,516,345
Total non current liabilities		82,472,802	11,507,070
Current liabilities			
Trade and other payables	17	74,742,818	85,498,240
Due to related parties	11	24,597,185	21,782,249
Lease liabilities	7	5,133,935	4,074,280
Bank borrowings	18	6,774,680	1,651,362
Income tax payable	25	1,074,007	869,998
Total current liabilities		112,322,625	113,876,129
Total liabilities		194,795,427	125,383,199
Total equity and liabilities		248,451,857	170,174,364

The notes on pages 11 to 37 form Part of Financial statements

The financial statements have been approved by the Shareholders on April 28, 2026 and signed on its behalf by:

Paranthaman Azagarsamy
Manager

Statement of profit or loss and other comprehensive income

for the year ended 31 March 2026

	Notes	2026 AED	2025 AED
Revenue	19	290,761,460	265,314,318
Cost of sales	20	(205,499,279)	(190,598,382)
Gross margin		85,262,181	74,715,936
Other income	21	2,283,705	2,537,420
		87,545,886	77,253,356
Selling and distribution expenses	22	(65,611,780)	(58,646,651)
General and administrative expenses	23	(10,055,228)	(8,843,679)
(Provision) / Reversal of impairment loss on trade and other receivables	10	(642,648)	516,520
Finance costs	24	(1,295,551)	(1,576,086)
Profit before tax		9,940,679	8,703,460
Tax expense	25	(1,075,414)	(869,998)
Net profit and total comprehensive income for the year		8,865,265	7,833,462

The notes on pages 11 to 37 form Part of Financial statements

Statement of changes in equity

for the year ended 31 March 2026

	Share capital	Statutory reserve	General reserve	Retained earnings	Subordinated loan from a related party	Total equity
	AED	AED	AED	AED	AED	AED
Balance at April 1, 2024	1,000,000	500,000	10,851,738	7,808,224	16,797,741	36,957,703
Total comprehensive income for the year				7,833,462		7,833,462
Balance at March 31, 2025	1,000,000	500,000	10,851,738	15,641,686	16,797,741	44,791,165
Total comprehensive income for the year				8,865,265		8,865,265
Balance at March 31, 2026	1,000,000	500,000	10,851,738	24,506,951	16,797,741	53,656,430

The notes on pages 11 to 37 form Part of Financial statements

Statement of Cash Flows

for the year ended 31 March 2026

	Note	2026 AED	2025 AED
Cash flows from operating activities			
Profit before tax		9,940,679	8,703,460
Adjustments for:			
Depreciation on property, plant and equipment	6	2,464,534	2,251,826
Provision / (Reversal) of impairment loss on trade receivables	10	642,648	(516,520)
Gain on disposal of property, plant and equipment	21	(4,111)	(10,564)
Interest on bank borrowings	24	370,195	653,841
Amortisation of intangible assets	8	13,331	102,581
Depreciation on right of use assets	7	8,271,331	7,872,522
Interest on lease liabilities	7	554,478	582,835
(Gain)/loss on termination of leases	21	(4,006)	53,643
Provision for stock obsolescence	9	169,876	518,170
Provision for employees' end of service benefits	16	1,297,965	1,677,692
Operating profit before working capital changes		23,716,920	21,889,486
Decrease/(increase) in inventories	9	3,640,050	(10,003,343)
Increase in trade and other receivables	10	(4,919,061)	(6,281,325)
Increase in due from related parties	11	(908,611)	(3,651,876)
Decrease in other financial assets		-	825,002
(Decrease)/increase in trade and other payables	17	(10,800,128)	17,700,454
Increase in due to related parties	11	2,814,936	719,652
Cash generated from operations		13,544,106	21,198,050
Tax paid	25	(871,405)	
Interest paid	24	(325,492)	(625,648)
Employees' end of service benefits paid	16	(589,668)	(626,440)
Net cash generated from operating activities		11,757,541	19,945,962
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(4,907,737)	(2,536,183)
Proceeds from disposal of property, plant and equipment	6	33,505	76,936
Addition to intangible assets	8		(26,312)
Net cash used in investing activities		(4,874,232)	(2,485,559)
Cash flows from financing activities			
Refund of lease rental upon early termination		2,493	96,713
Repayment of lease liabilities	7	(8,243,074)	(8,863,737)
Proceeds from bank borrowings	18	23,862,238	19,460,624
Repayments of bank borrowings	18	(18,738,919)	(31,627,588)
Net cash used in financing activities		(3,117,262)	(20,933,988)
Net increase/(decrease) in cash and cash equivalents		3,766,047	(3,473,585)
Cash and cash equivalents at beginning of the year		11,340,214	14,813,799
Cash and cash equivalents at end of the year	12	15,106,262	11,340,214

The notes on pages 11 to 37 form Part of Financial statements

Notes to the Financial Statements

for the year ended 31 March 2026

1 Status and activity

Berger Paints Emirates Ltd Co (L.L.C), Dubai, ("the Company") was registered with the Emirate of Dubai, United Arab Emirates ("UAE"), as a Limited Liability company under license no. 301056 by Government of Dubai on October 26, 1995.

The shareholding pattern of the Company is as follows:

	Shareholding %
Sultan Ahmad Sultan Bin Sulayem*	51
Enterprise Paints Limited, Isle of Man, United Kingdom*	39
Nirvana Investment Limited, Isle of Man, United Kingdom*	10

*Holds beneficially on behalf of Asian Paints International Private Limited, Singapore ("the Holding Company"). The Ultimate Holding Company and the controlling party is Asian Paints Limited, India (the "Ultimate Holding Company").

The principal place of business of the Company is Al Quoz Industrial First, Al Quoz Industrial Area, Dubai, P.O. Box 27524, Dubai, UAE.

The principal activities of the Company are manufacturing, marketing and distribution of paints and chemicals.

The financial statements for the year ended March 31, 2026 were authorised for issue by the Board of Directors on April 28, 2026.

These financial statements are presented in UAE Dirhams (AED), which is also the Company's functional currency.

2 Basis of preparation

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards). These financial statements are also prepared in compliance with the applicable provisions of the UAE Federal Law No. (32) of 2021 (as amended). The financial statements have been prepared on a historical cost basis, except where otherwise stated in the accounting policies explained in Note 4 below.

3 Adoption of new and revised International Financial Reporting Standards (IFRS Accounting Standards)

a) New standards, interpretations and amendments adopted from April 1, 2025

The Company has adopted the following amendments in the annual financial statements for the year ended March 31, 2026 which have not had a significant effect on the Company:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates);

On August 15, 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

These amendments have no effect on any items in the financial statements of the Company.

The following illustrative examples have been issued during 2025 with no effective date:

- Illustrative examples on reporting uncertainties in financial statements

3 Adoption of new and revised International Financial Reporting Standards (IFRS Accounting Standards) (Continued)

a) New standards, interpretations and amendments adopted from April 1, 2025 (Continued)

On November 28, 2025, the International Accounting Standards Board (IASB) issued Disclosures about Uncertainties in the Financial Statements – Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

illustrative examples are accompanying materials to IFRS Accounting Standards and do not have an effective date. The IASB had issued a near final staff draft of the illustrative examples in July 2025. The Company has considered these illustrative examples in its preparation of the financial statements and no additional disclosures or changes in presentation were considered necessary.

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendment is effective for the period beginning April 1, 2026:

- Annual Improvements to IFRS Accounting Standards Volume 11
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial instruments and IFRS 7 Financial Instruments: Disclosures)
- Contracts Referencing Nature dependent Electricity (Amendments to IFRS 9 Financial instruments and IFRS 7 Financial Instruments: Disclosures)

The following standards and amendments are effective for the annual reporting period beginning April 1, 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)

The Company is currently assessing the impact of these new accounting standards and amendments.

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not

have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub totals in the statement of profit or loss and other comprehensive income, aggregation/disaggregation and labelling of information, and disclosure of management defined performance measures.

4 Material accounting policies

The material accounting policies adopted are as follows:

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. Cost includes the expenditure that is directly attributable to the acquisition of the assets.

The cost of replacing a part of property, plant and equipment is recognised in carrying amount of the items if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

The routine servicing of property, plant and equipment are recognised in the statement of profit or loss and other comprehensive income.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of items of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value of the assets and it is recognised in the statement of profit or loss and other comprehensive income.

Capital work in progress is stated at cost, less accumulated impairment losses. Cost comprises direct materials, labor, borrowing costs capitalized in accordance with Company's accounting policy, and other directly attributable costs incurred—including the depreciation of right of use assets utilized specifically for the construction of these assets. These costs are transferred to the relevant categories of property, plant, and equipment when the asset is available for use. No depreciation is charged on capital work in progress until the asset is ready for its intended use.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset—which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale—are

capitalized as part of the cost of that asset.

For the purposes of capitalization, borrowing costs include:

- Interest expense calculated using the effective interest method; and
- Finance charges in respect of lease liabilities recognized in accordance with the Company's lease policy.

Capitalization of borrowing costs commences when expenditures for the asset are being incurred, borrowing costs are being incurred, and activities that are necessary to prepare the asset for its intended use are in progress. Capitalization ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

Depreciation

Depreciation is provided consistently on the straight line basis so as to write off the cost of property, plant and equipment over their estimated useful lives as specified in table below. The estimated useful lives, residual values and depreciation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

Assets	Life (years)
Leasehold improvements	20 - 25 years
Plant and machinery and office equipment	3 - 10 years
Motor vehicles	4 - 5 years
Furniture, fixtures and IT equipment	5 - 8 years

Intangible assets

Intangible assets acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are then amortised using the straight line method over their useful lives. Amortisation is included in the statement of profit or loss and other comprehensive income.

The significant intangible assets recognised by the Company and their useful economic lives are as follows:

Assets	Life (years)
Software	5 years

Inventories

Inventories are stated at lower of cost and the net realisable value. Cost of raw materials is determined on the weighted average cost method. Consumables and spare parts are valued based on the weighted average method. Cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads. Work in progress is valued at cost by reference to stage of completion. Net realisable value is based on the normal selling price, less cost expected to be incurred on disposal. Goods in transit are valued at cost less impairment.

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. Except for trade receivables, they are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue. Trade receivables are initially recognised at their transaction price (as defined in IFRS 15) as Company's trade receivables do not contain significant financing components. They are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of profit or loss and other comprehensive income.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non payment of the trade receivables

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to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other financial assets are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those, where credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company's financial assets measured at amortised cost comprise trade and other receivables (excluding prepayments), due from related parties and cash and cash equivalents in the statement of financial position.

Fair value through other comprehensive income (FVTOCI)

These financial assets are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss. The Company does not have any investments or financial assets which are designated at fair value through other comprehensive income.

Fair value through profit or loss (FVTPL)

By default, all other financial assets not classified as amortised cost or FVTOCI are measured subsequently at fair value through profit or loss. These financial assets are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of profit or loss and other comprehensive income in the finance income or expense line. The

Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are more than 90 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when:

- The debtor is unlikely to pay its credit obligations to the Company in full without recourse by the Company to actions such as the realisation of security (if any is held); or
- The financial asset is due for more than 270 days from the invoice date,

unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off

The Company writes off a financial asset when there is information indicating that the receivables are in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the receivables have been placed under liquidation or have entered into bankruptcy proceedings or in the case of trade receivables, when the amounts are long overdue, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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Derecognition of financial asset

The Company derecognises a financial asset when, and only when:

- The contractual rights to the cash flows from the financial asset expire, or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset in the statement of financial position.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash and bank balances.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of profit or loss and other comprehensive income. The Company does not have any liabilities which is to be designated as being at fair value through profit or loss.

Other financial liabilities

- Bank borrowings are initially recognised at fair value net of any transaction costs. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate

on the balance of the liability carried in the financial statement. For the purpose of each financial liability, interest expense includes the initial transaction costs as well as any interest payable while the liability is outstanding. Interest expense is recognised on the basis of the effective interest method and is included in finance costs. Other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

- Trade and other payables and due to related parties, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Arab Emirates Dirham' (AED), which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which it operates ('functional currency') are recorded at the rates prevailing when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Non monetary items at historical cost are translated at transaction date rates and not retranslated. Non monetary items at fair value are translated at rates prevailing when fair value was measured.

Exchange gains and losses arising on the retranslation of monetary assets are recognised in the statement of profit or loss and other comprehensive income. Exchange differences for non monetary items at fair value are recognized in profit or loss or other comprehensive income, consistent with where the gain or loss on the underlying item is recognized.

Impairment

Non financial assets (other than inventories)

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

Employees' end of service benefits

Provision is made for employees' end of service benefits on the basis prescribed in the UAE Labour Law, for the accumulated period of service at the date of statement of financial position. The liability is not expected to be settled within 12 months and hence this has been classified as non current liability in the financial statements.

In accordance with Federal Labour Law No. 7 of 1999 for pension and social security, employers are required to contribute 12.5% of the 'contribution calculated in salary' of those employees who are UAE nationals. These employees are also required to contribute 5%

of the contribution calculated on salary to the scheme. The Company's contribution is recognised as an expense in the profit or loss as incurred. The employees and employers' contribution, to the extent remaining unpaid at the reporting date, has been shown under other liabilities.

Provisions

Provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

Leasing

Identifying leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Company obtains substantially all the economic benefits from use of the asset; and
- The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

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In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

Accounting for leases (as a lessee)

All leases are accounted for by recognising a right of use asset and a lease liability except for leases of low value assets.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the

Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are amortised on a straight line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right of use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights of use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right of use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right of use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable

on the modification date. The right of use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Revenue recognition

The Company recognises revenue from contracts with customers based on a five step model as set out in IFRS 15.

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance.

Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Revenue is recognised as the gross amount

when the Company is the principal, and as a net fee or commission when acting as an agent. The Company has concluded that it is acting as an principal in all of its revenue arrangements.

Performance obligations and timing of revenue recognition

The Company's revenue is derived from selling of paints and chemicals. The revenue from aforementioned activities are recognised at a point in time when the control of the goods are transferred to the customer, typically upon delivery of goods to customer's warehouse or loading port in accordance with the underlying Incoterms of the contract.

Determining the transaction price

The Company's revenue is derived from fixed price contracts or orders and therefore the amount of revenue to be earned from each contract or order is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For contracts, there is a fixed unit price for each performance obligation specified in the contract. Therefore, there is no judgment involved in allocating the contract price to performance obligation for such contracts.

Income Tax

Income tax represents the sum of current tax and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination

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and at the time of the transaction affects neither accounting or taxable profit; and

- Investments in subsidiaries and joint arrangements where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/ (recovered).

When there is uncertainty concerning the Company's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax related assumptions, then the Company:

- Considers whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- Determines if it is probable that the tax authorities will accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Global Minimum Top up Tax

The Organisation for Economic Co operation and Development (OECD) has issued the Global Anti Base Erosion (GloBE) Model Rules, which mandate a minimum tax rate of 15% on a jurisdictional basis (Pillar Two). Various countries have enacted or are in the process of enacting tax legislations to fully or partially comply with OECD Pillar Two rules. The United Arab Emirates, where the Establishment is situated, has substantively enacted the Cabinet Decision No. 142 of 2024 on the Imposition of Domestic Minimum Top up Tax (DMTT) on Multinational Enterprises.

Value Added Tax (VAT)

VAT asset/liability is recorded in the financial statements of the Company based on the requirements of the regulations as defined by the Federal Tax Authority (FTA).

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in financial statements.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured

reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Current versus non current classification

The Company presents assets and liabilities in the Statement of Financial Position based on current / non current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months of after the reporting period; or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no right at the end of the reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non current.

5 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the date of statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Impairment of non financial assets

The Company reviews its property, plant and equipment and right of use assets to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be recorded in the statement of profit or loss and other comprehensive income, the company makes judgment as to whether there is any observable data indicating that there is a reduction in the carrying value of non financial assets. Accordingly, provision for impairment is made when there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property, plant and equipment and/or right of use assets.

Useful life of Property, plant and equipment including intangible assets

The useful life used to amortise property, plant and equipment including intangible assets relates to the expected future performance of the assets acquired and management's estimate of the period over which economic benefit will be derived from the asset. Property, plant and equipment including intangible assets of the Company represent the cost of acquisition of the assets. Revisions to these adjustments would be required if there are significant change in the assumptions.

Impairment of financial assets

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g., the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed below.

Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including various formulas and choice of inputs;
- The segmentation of financial assets when their ECL is assessed on a collective basis; and
- Determination of associations between macroeconomic scenarios and economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss given default (LGDs).

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- Selection of forward looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

The Company's policy is to regularly review its models in the context of actual loss experience and adjust when necessary. Detailed information about the judgements and estimates made by the Company in the above areas is set out in note 10 and 11.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Determining the incremental borrowing rate

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- uses a build up approach that starts with a risk free interest rate adjusted for credit risk for leases held by Company, which does not have recent third party financing, and makes adjustments specific to the lease, e.g. term, country, currency and security.

Provision for obsolete inventory

The Company reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the profit or loss, the management makes judgements as to whether there is any observable data indicating that there is any future sale ability of the product and the net realisable value for such product. Accordingly, provision for obsolescence is made where the net realisable value is less than cost based on best estimates by the management. The provision for obsolescence of inventory is based on ageing and past consumption pattern.

6 Property, plant and equipment

Movements in property, plant and equipment are given on page 37.

The Company's property, plant and equipment are covered by a comprehensive insurance policy which has been assigned to the bank as security for the borrowings. Refer to Note 18 for details on the related bank borrowings.

7 Leases

Right of use assets

	Factory land	Warehouses, office and others	Motor vehicles	Total
	AED	AED	AED	AED
Cost				
At April 1, 2024	7,826,533	6,558,887	2,121,601	16,507,021
Additions (including lease renewals)		7,618,154	451,884	8,070,038
Lease terminations / expiration		(6,633,244)	(959,746)	(7,592,990)
At March 31, 2025	7,826,533	7,543,797	1,613,739	16,984,069
Additions (including lease renewals)	66,901,723	9,835,036	1,030,831	77,767,590
Lease terminations / expiration	(607,661)	(7,413,154)	(749,118)	(8,769,933)
At March 31, 2026	74,120,595	9,965,679	1,895,452	85,981,725
Accumulated amortisation				
At April 1, 2024	2,462,315	2,071,371	1,269,900	5,803,586
Charge for the year	389,796	6,905,141	577,585	7,872,522
Lease terminations / expiration		(6,338,156)	(959,745)	(7,297,901)
At March 31, 2025	2,852,111	2,638,356	887,740	6,378,207
Charge for the year	1,047,727	7,442,576	476,723	8,967,026
Lease terminations / expiration		(7,413,154)	(726,385)	(8,139,539)
At March 31, 2026	3,899,838	2,667,778	638,078	7,205,693
Net book value				
At March 31, 2026	70,220,757	7,297,901	1,257,374	78,776,032
At March 31, 2025	4,974,422	4,905,441	725,999	10,605,862

Depreciation of right of use assets for the year is allocated/adjusted as under:

	2026	2025
	AED	AED
Cost of sales (refer note 20)	1,467,344	1,564,048
General and administrative expenses (refer note 23)	3,007,713	2,250,307
Selling and distribution expenses (refer note 22)	3,796,274	4,058,167
Capitalisation to CWIP*	695,695	
	8,967,026	7,872,522

*During the year, depreciation of ROU assets amounting to AED 695,695 (2025: Nil) was capitalized as part of the cost of Capital Work in Progress, as these assets were used directly in the construction of factory in KEZAD in Khalifa Economic Zones Abu Dhabi (KEZAD).

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Lease liabilities

	2026	2025
	AED	AED
Opening balance	10,065,005	10,420,602
Additions (including lease renewals)^	77,767,590	8,070,038
Interest expense	2,424,482	582,835
Lease termination	(631,908)	(144,733)
Lease payments	(8,243,074)	(8,863,737)
Closing balance	81,382,095	10,065,005
Less: Current maturity of lease liabilities	(5,133,935)	(4,074,280)
Lease liabilities (non current)	76,248,160	5,990,725

Interest expense on lease liabilities is adjusted as under:

	2026	2025
	AED	AED
Capitalisation to CWIP*	1,870,004	
Finance costs (refer note 23)	554,478	582,835
	2,424,482	582,835

^During the year, the Company entered into a new land lease agreement within the Khalifa Economic Zones Abu Dhabi (KEZAD) for the construction of a new factory. Upon commencement, the Company recognised a lease liability of AED 66.90 million, representing the present value of future lease payments discounted at the Company's incremental borrowing rate. This addition is the primary driver for the increase in the total lease liability balance as of March 31, 2026.

*During the year, interest on lease liabilities amounting to AED 1,870,004 (2025: Nil) was capitalized as borrowing costs into Capital Work in Progress in accordance with the Company's accounting policy.

The maturity of lease liabilities are as follows:

At March 31, 2026	Future minimum lease payments	Interest	Present value of minimum lease payments
	AED	AED	AED
Less than 1 year	5,696,265	562,331	5,133,934
Between 1 to 5 years	16,102,838	11,953,535	4,149,303
More than 5 years	271,854,574	199,755,716	72,098,858
	293,653,677	212,271,582	81,382,095

At March 31, 2025	Future minimum lease payments	Interest	Present value of minimum lease payments
	AED	AED	AED
Less than 1 year	4,530,912	456,632	4,074,280
Between 1 to 5 years	3,067,992	1,181,757	1,886,235
More than 5 years	5,095,321	990,831	4,104,490
	12,694,225	2,629,220	10,065,005

Nature of leasing activities (in the capacity as lessee)

The Company leases office space, labor camps, land, warehouses and motor vehicles in the UAE. In the Company's lease agreements, periodic rent is fixed over the lease term. The Company has no variable lease payments, residual value guarantees, and any leases not yet commenced to which they have committed.

8 Intangible assets

Intangible assets comprise of computer software and movement during the year is given below:

	2026	2025
	AED	AED
Cost		
Opening balance	795,041	559,129
Additions during the year		26,312
Transfers	17,301	
Reclassification from property, plant and equipment		209,600
Closing balance	812,342	795,041
	2026	2025
	AED	AED
Amortisation		
Opening balance	752,687	440,506
Charge during the year	13,331	102,581
Reclassification from property, plant and equipment		209,600
Closing balance	766,018	752,687
Carrying amount		
Net book value	46,324	42,354

9 Inventories

	2026	2025
	AED	AED
Raw materials	11,945,630	16,856,441
Work in progress	708,277	809,255
Finished goods	20,721,975	18,694,640
	33,375,882	36,360,336
Less: provision for obsolescence	(2,533,820)	(2,363,944)
	30,842,062	33,996,392
Goods in transit	2,963,549	3,619,145
	33,805,611	37,615,537

At March 31, 2026, inventories with a carrying amount of AED 33,805,611 (2025: AED 37,615,537) are subject to a floating charge to secure the bank borrowings of the Company. Refer to Note 18 for further details on the terms and conditions of these borrowings.

Movement in provision for obsolescence (included in cost of sales):

	2026	2025
	AED	AED
Opening balance	2,363,944	1,845,774
Add: provision made during the year	169,876	518,170
Closing balance	2,533,820	2,363,944

The Company estimates provision for obsolescence using a method based on ageing, rotation and profitability of an item. Inventory aged over one year is generally considered obsolete and is fully provided for. Besides the above, specific provision is made on a case to case basis as deemed appropriate by management based on analysis performed for slow moving inventories.

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

10 Trade and other receivables

	2026	2025
	AED	AED
Trade receivables	122,623,909	120,052,400
Less: provision for impairment losses	(32,093,391)	(31,450,743)
Trade receivables (net)	90,530,518	88,601,657
Refundable deposits	1,126,868	969,128
Other receivables	377,291	556,518
Trade and other receivables at amortised cost	92,034,677	90,127,303
Advances to suppliers	4,235,134	2,355,787
Prepayments	3,213,297	2,723,605
Total trade and other receivables	99,483,108	95,206,695

The carrying value of trade and other receivables classified at amortised cost approximates to their fair value. The Company does not hold any collateral as security. The Company applies IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on current and forward looking information on macroeconomic factors affecting the Company's customers. The Company has identified the industry specific corporate default rate, gross domestic product and inflation rate as the key macroeconomic factors in the countries where the Company operates.

At March 31, 2026, the lifetime expected loss provision for trade receivables is as follows:

	Weighted average loss rate %	Gross	Impairment	Credit impaireda
	AED	AED	AED	AED
0-90 days	1.59%	90,921,212	1,450,613	No
91-180 days	20.75%	316,550	65,690	No
181-270 days	45.36%	226,116	102,557	No
271-365 days	61.96%	498,185	308,678	Yes
More than 365 days	98.38%	30,661,846	30,165,853	Yes
Total		122,623,909	32,093,391	

At March 31, 2025, the lifetime expected loss provision for trade receivables is as follows:

	Weighted average loss rate %	Gross	Impairment	Credit impaireda
	AED	AED	AED	AED
0-90 days	1.02%	86,426,824	883,438	No
91-180 days	22.92%	1,425,633	326,818	No
181-270 days	44.98%	615,127	276,694	No
271-365 days	69.14%	502,621	347,527	Yes
More than 365 days	95.28%	31,082,195	29,616,266	Yes
Total		120,052,400	31,450,743	

Movement in impairment of trade and other receivables is as under:

	2026	2025
	AED	AED
Opening balance	31,450,743	31,967,263
Increase/(decrease) in the allowance	642,648	(516,520)
	32,093,391	31,450,743

At March 31, 2026, trade receivables (net of provision) with a carrying amount of AED 90,530,518 (2025: AED 88,601,657) are subject to a floating charge to secure the bank borrowings of the Company. Refer to Note 18 for further details on the terms and conditions of these borrowings.

Security deposits (under Refundable deposits) AED 1,107,738 (2025: AED 969,128) and advances for capital expenditure (under advances to suppliers) AED 2,003,968 (2025: AED 119,825) has been classified as non current.

11 Related party transactions and balances

The Company in the normal course of business, carries out transactions with other enterprises, which fall within the definition of a related party contained in International Accounting Standard 24. Pricing policies and terms of these transactions are approved by the Company's management and are at mutually agreed rates.

The Company enters into transactions with its related parties mainly comprising the Ultimate Holding Company, the Holding Company, its Shareholders, entities under common control and with its key management personnel or their close family members.

Compensation to key management personnel is as follows:

	2026	2025
	AED	AED
Salaries and other short term benefits*	2,945,045	2,852,650
Share based payment*	166,660	147,402
Post employment benefits*	112,302	84,905
	3,224,007	3,084,957

Other related party transactions during the year are as follows:

	2026	2025
	AED	AED
Other non operating income	11,035,277	13,146,513
Sale of goods	8,747,657	9,074,035
Royalties for technical expertise (refer note 22)	7,895,931	6,887,658
Purchase of goods^	3,804,576	3,343,906
Reimbursement of expenses paid	1,924,354	1,811,507
Reimbursement of expenses received	1,420,516	1,439,168
Payment for other services	113,624	
Commission income net (refer note 21)	3,941	151,741
Transfer of fixed assets	3,721	51,124

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

Due from related parties:

	2026	2025
	AED	AED
Asian Paints Doha Trading	2,762,565	2,106,861
Asian Paints International Private Limited	775,488	1,187,391
Berger Paints Bahrain WLL	237,090	357,293
Asian Paints Limited	517,501	279,293
Asian Paints (Middle East) LLC	652,959	288,667
SCIB Chemicals, S.A.E.	32,419	160,874
Asian Paints (Bangladesh) Limited	223,539	122,578
Causeway Paints Lanka (Pvt) Ltd	244,797	99,529
Kadisco Paint and Adhesive Industry Share Company	108,024	24,167
Asian White Inc. FZE	7,107	21,616
Asian Paints (South Pacific) Limited	12,108	17,521
Asian Paints (Nepal) Private Limited	802	
	5,574,401	4,665,790

Due to related parties:

	2026	2025
	AED	AED
Asian Paints (Middle East) LLC	15,892,000	16,204,482
Asian Paints International Private Limited	6,629,418	4,130,860
Asian Paints Limited	1,838,340	1,185,719
Berger Paints Bahrain WLL	163,408	257,133
Kadisco Paint and Adhesive Industry Share Company		4,055
SCIB Chemicals, S.A.E.	47,334	
Asian White Inc. FZE	24,216	
Harind Chemicals and Pharmaceuticals Private Limited	2,470	
	24,597,185	21,782,249

*Compensation to key management personnel which includes salaries and other short term benefits, share based payment and post employment benefits is recharged from related parties with a markup of 12% on the expenses.

^Includes purchase from Asian Paints (Bangladesh) Limited via third party Soma International, Bangladesh AED 312,742 (2025: Nil).

The above related party balances are non interest bearing, unsecured, have no minimum contractual term and are repayable based on terms mutually agreed between the related parties.

Subordinated loan from a related party

	2026	2025
	AED	AED
Asian Paints International Private Limited, Singapore	16,797,741	16,797,741

The Company has classified the subordinated loan from a related party as an equity instrument. The Company considered the terms of loan agreement with the related party (i.e. the Holding Company) as per which the loan is long term and interest free and is subordinated to all other classes of instruments and will be settled only in the event of liquidation. The holder of the instrument does not have the contractual right to demand early repayment or enforce liquidation of the Company.

12 Cash and cash equivalents

	2026	2025
	AED	AED
Cash on hand	1,794	14,349
Current accounts with banks	15,104,468	11,325,865
	15,106,262	11,340,214

The carrying value of these bank balance and cash approximates to their fair value. Balances with banks represent high grade assets which are placed with financial institutions with high credit rating and are assessed to have low credit risk of default. Accordingly, the management of the Company estimates the loss allowance on balance with banks at the end of the reporting period at an amount equal to 12 month ECL. None of balance with bank at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

13 Share capital

	2026	2025
	AED	AED
Authorised, issued and paid up capital:		
1,000 shares of AED 1,000 each	1,000,000	1,000,000

14 Statutory reserve

The legal reserve is created by the Company by allocating 5 percent of its net profit for the year in accordance with Article 103 of the UAE Federal Decree Law No. (32) of 2021 (as amended). The legal reserve is not available for distribution except as provided in the law. During the year no transfer of net profit to the legal reserve has been made since the legal reserve had already equaled 50% of the share capital.

15 General reserve

During 2011, Enterprise Paints Limited, one of the Shareholders of the Company, by way of a resolution of its Board of Directors dated 22 January 2011, resolved to waive the loan given to the Company amounting to AED 14.85 million. Subsequent to this waiver, the loan amount was transferred to the General reserve without any restrictions on withdrawals by the Shareholders of the Company. On 22 August 2011, the Board of Directors declared and paid a dividend of AED 4 million (AED 4,000 per share) from the General reserve.

16 Provision for employees' end of service benefits

	2026	2025
	AED	AED
Opening balance	5,516,345	4,465,093
Provision made during the year	1,297,965	1,677,692
Payment made during the year	(589,668)	(626,440)
Closing balance	6,224,642	5,516,345

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

17 Trade and other payables

	2026	2025
	AED	AED
Trade payables	59,867,334	73,100,866
Accruals and other payables	9,657,268	7,947,565
Bonus provision	2,675,578	2,723,948
VAT payable	1,361,019	1,029,575
Advances received from customers	1,181,619	696,286
	74,742,818	85,498,240

The Company has financial risk management policies in place to ensure that payables are paid within the credit time frame. The trade and other payables which are classified as financial liabilities measures at amortised cost approximates fair value.

18 Bank borrowings

The Company has a financing facility with banks for AED 50 millions (2025: AED 50 millions) in the form of short term loan, letters of credit, letters of guarantee and performance / bid bonds with commercial banks bearing interest rates which vary with the market funds rate.

Bank borrowings are secured by inventories and trade receivables and are supported by a property all risk insurance policy covering property, plant, and equipment.

As at 31 March 2026, the Company has an outstanding funded bank facility of AED 6.77 million (2025: AED 1.65 million) in the form of a short term loan, repayable within six months.

19 Revenue

Disaggregation of revenue

The Company has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data; and
- enable users to understand the relationship with revenue product wise.

	2026	2025
	AED	AED
Sale of goods		
Local sales	262,375,699	226,799,526
Export sales (refer note (i) below)	39,954,377	48,671,420
Less: discounts	(12,091,802)	(11,594,164)
	290,238,274	263,876,782
Contract revenue	523,186	1,437,536
	290,761,460	265,314,318

(i) Revenue by geographical segments is summarized below:

	2026	2025
	AED	AED
Primary geographic area		
African region	24,192,641	34,973,181
Gulf region	15,416,847	13,292,675
South Asia region	344,889	405,564
	39,954,377	48,671,420

20 Cost of sales

	2026	2025
	AED	AED
Raw materials and work in progress at the beginning of the year	21,045,427	16,042,033
Add: Raw materials purchased during the year	148,687,370	153,034,430
Less: Cost of raw materials sold	(2,587,166)	(2,294,444)
Less: Raw materials and work in progress at the end of the year	(15,055,709)	(21,045,427)
Cost of raw materials consumed	152,089,922	145,736,592
Employees' salaries and benefits	16,139,583	14,680,403
Rent and utilities	1,673,395	1,255,123
Depreciation on right of use assets (refer note 7)	1,467,344	1,564,048
Depreciation on property, plant and equipment (refer note 6)	1,742,719	1,562,539
Repairs and maintenance	896,677	711,026
Other direct expenses	8,903,485	6,782,420
Cost of goods manufactured	182,913,125	172,292,151
Movement in finished goods		
Finished goods at the beginning of the year	18,934,054	13,934,105
Add: Finished goods purchased during the year	21,825,470	19,574,200
Less: Finished goods at the end of the year	(21,283,722)	(18,934,054)
Cost of sales	202,388,927	186,866,402
Cost of raw materials sold	2,587,166	2,294,444
Contract costs	523,186	1,437,536
	205,499,279	190,598,382

21 Other income

	2026	2025
	AED	AED
Recharge of management personnel costs (refer note (i) below)	1,155,883	1,386,790
Scrap sales	524,716	547,466
Unclaimed aged balances written back	591,048	383,259
Commission income (refer note (ii) below)	3,941	151,741
Foreign exchange fluctuation gain net		20,374
Gain/(loss) on disposal of property, plant and equipment	4,111	10,564
Other miscellaneous income	4,006	37,226
	2,283,705	2,537,420

- (i) The Company provides employee related support services to related parties. Associated costs are recharged with a mark up, which is recognized as income in the statement of profit or loss.
- (ii) Commission income is receivable from a related party, Asian Paints Middle East, and is calculated based on a mutually agreed mechanism in relation to customer management services provided by the Company to related party.

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

22 Selling and distribution expenses

	2026	2025
	AED	AED
Employees' salaries and benefits	28,048,858	26,240,370
Royalties for technical expertise (refer note 11)*	7,895,931	6,887,658
Advertising, promotion and marketing expenses	11,086,273	9,024,573
Freight and documentation charges	8,810,445	7,155,202
Depreciation of property, plant and equipment (refer note 6)	260,927	261,488
Depreciation of right of use assets (refer note 7)	3,796,274	4,058,167
Outsourced manpower expenses	1,725,760	1,612,465
Other selling and distribution costs	3,987,312	3,406,728
	65,611,780	58,646,651

*Royalty is charged at 3% of revenue from the sale of manufactured goods, net of discounts, as determined in accordance with the service agreement with the Holding Company.

23 General and administrative expenses

	2026	2025
	AED	AED
Employees' salaries and benefits	3,963,258	4,027,226
Depreciation of right of use assets (refer note 7)	3,007,713	2,250,307
IT expenses	655,655	595,194
Depreciation on property, plant and equipment (refer note 6)	460,887	427,799
Travelling expenses	277,629	421,903
Legal and professional expenses	1,051,723	860,623
Communication expenses	261,488	333,365
Amortisation of intangible assets (refer note 8)	13,331	102,581
Printing and stationery	40,728	50,393
Insurance	292,678	247,281
Utilities	39,999	63,879
Repairs and maintenance	38,283	21,883
Management fee (refer note 11)	367,997	368,000
Other general and administrative expenses (net of recharges)	(416,141)	(926,755)
	10,055,228	8,843,679

24 Finance costs

	2026	2025
	AED	AED
Interest on bank borrowings	370,195	653,841
Interest on lease liabilities (refer note 7)	554,478	582,835
Bank charges	370,878	339,410
	1,295,551	1,576,086

25 Tax expense

Tax expense is calculated at 9% for the year ended March 31, 2026, representing the best estimate of the average annual effective tax rate expected to apply for the full year, applied to the pre tax income for the twelve month period.

Following the enactment of the UAE Domestic Minimum Top up Tax ("UAE DMTT") with effect from April 1, 2025, the Company has assessed that no top up tax arises during the year due to substance based income exclusion exceeding the Net Pillar Two Income thereby resulting in no excess profit.

a) Income statement

The major components of income tax expense for the year ended 31 March 2026 are as follows:

	2026	2025
	AED	AED
Current income tax:		
Current income tax charge	1,074,007	869,998
Adjustment in respect of current income tax of previous period	1,407	
UAE domestic minimum top up tax		
Income tax expense reported in the income statement	1,075,414	869,998

b) Reconciliation of tax expense and the accounting profit multiplied by United Arab Emirates' domestic tax rate at 31 March 2026:

	2026	2025
	AED	AED
Accounting profit before tax	9,940,679	8,703,460
At United Arab Emirates' statutory income tax rate of 9%	894,661	783,311
Effect of non deductible expenses incurred	213,096	120,437
Adjustment in respect of current income tax of previous period	1,407	
Effect of standard exemption:	(33,750)	(33,750)
Income tax expense reported in the income statement	1,075,414	869,998
Effective tax rate	10.82%	10%

Movement of tax is as under :

	2026	2025
	AED	AED
Opening	869,998	
Provision made during the year	1,074,007	869,998
Adjustment in respect of current income tax of previous period	1,407	
Tax paid during the year	(871,405)	
Closing	1,074,007	869,998

As per the Ministerial Decision No 134 of 2023 on General Rules for Determining Taxable Income specifically mandates a taxable person to factor for the purpose of tax calculation, any realised or unrealised gains and losses that are reported in the financial statements in so far as they would not be subsequently recognised in the statement of profit and loss and other comprehensive income.

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to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

26 Financial instruments risk management

Capital risk management

The capital is managed by the Company in a way that it is able to continue as a going concern while maximising returns to shareholders.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders, comprising of issued capital, retained earnings and reserves.

As a risk management policy, the Company reviews its cost of capital and risks associated with it. The Company balances its capital structure based on the above review.

Market risk management

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates, and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all financial assets traded in the market.

The Company is primarily exposed to the financial risks of changes in foreign currency exchange rates (currency risk) and interest rates (interest rate risk).

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuation arise. The Company is primarily exposed to the US Dollars (USD), Euro (EUR) and Saudi Riyal (SAR). As the UAE Dirham (AED) is pegged to the US Dollar, and the Saudi Riyal (SAR) is similarly pegged to the US Dollar, the Company is not exposed to significant exchange rate fluctuations regarding these currencies. Furthermore, while the Company transacts in Euro (EUR), the net exposure as of March 31, 2026 is not considered material. Accordingly, no sensitivity analysis has been presented, as any reasonably possible shift in exchange rates would not have a significant impact on the Company's profit or equity.

Interest rate risk management

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. Fixed rate instruments include lease liability with a carrying amount of AED 81,382,095 (2025: AED 10,065,005) and floating rate instruments include bank borrowings with a carrying amount of AED 6,774,680 (2025: AED 1,651,362). These borrowings are subject to variable rates based on EIBOR plus a fixed premium. Under the terms of the facility, the interest rate for each individual drawdown is fixed at the date of disbursement for the specified loan period. Consequently, the outstanding balance at year end carries a fixed rate until maturity, while any future drawdowns or renewals remain subject to market rate fluctuations.

The Company has performed a sensitivity analysis to assess the impact of interest rate fluctuations. Based on this analysis, a change of 100 basis points in interest rates, with all other variables held constant, would not have a material impact on the Company's profit or equity. Accordingly, a detailed sensitivity table has not been presented.

Credit risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally, cash and cash equivalents, trade and other receivables and amounts due from related parties. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on trade receivables and due from related parties is subjected to

credit evaluations and an expected credit loss allowance has been made based on Company's past experience to determine loss rates which are adjusted with reasonable forward looking information (Refer Note 10).

Liquidity risk arises from the Company's management of working capital. It is the risk that an entity will encounter difficulty in meeting obligations associated with financial obligations as they fall due.

The Company has built an appropriate liquidity risk management framework for the management of its short, medium and long term funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities by continuously monitoring forecast and actual cashflows.

The carrying amounts for each class of financial instrument are listed below:

	2026	2025
	AED	AED
Financial assets		
Trade and other receivables	92,034,677	90,127,303
Due from related parties	5,574,401	4,665,790
Cash and cash equivalents	15,106,262	11,340,214
Financial liabilities		
Trade and other payables	74,742,818	85,498,240
Due to related parties	24,597,185	
Bank borrowings	6,774,680	1,651,362
Lease liability	81,382,095	10,065,005

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, due from related parties, trade and other payables, due to related parties, and bank borrowings. Due to their short term nature, the carrying value of cash and cash equivalents, trade and other receivables, due from related parties, trade and other payables, due to related parties and bank borrowings approximates their fair value.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

At March 31, 2026	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	More than 5 years
	AED	AED	AED	AED	AED
Trade and other payables	74,742,818	74,742,818	74,742,818	-	-
Due to related parties	24,597,185	24,597,185	24,597,185	-	-
Lease liabilities	81,382,095	293,653,677	5,696,265	16,102,838	271,854,574
Bank borrowings	6,774,680	6,774,680	6,774,680	-	-
Total	187,496,778	399,768,360	111,810,948	16,102,838	271,854,574
At March 31, 2025	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	More than 5 years
	AED	AED	AED	AED	AED
Trade and other payables	85,394,720	85,394,720	85,394,720	-	-
Due to related parties	21,782,249	21,782,249	21,782,249	-	-
Lease liabilities	10,065,005	12,694,225	4,530,912	3,067,992	5,095,321
Bank borrowings	1,679,554	1,679,554	1,679,554	-	-
Total	118,921,528	121,550,748	113,387,435	3,067,992	5,095,321

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27 Commitments and contingent liabilities

	2026	2025
	AED	AED
Bank guarantees and Letters of credit	4,306,374	1,801,438
Legal contingencies	242,097	
Capital commitments, net of advance*	6,145,029	810,288

*The capital commitments mainly represent cost committed, but yet to be incurred towards acquisition of property, plant and equipment.

28 Comparative figures

During the year, the Company undertook certain reclassifications of balances included within the financial statements. These reclassifications were made to ensure a more appropriate presentation of the Group's financial position. These reclassifications do not have any effect on total equity, net profit and total comprehensive income for the year ended March 31, 2025. In accordance with the requirements of IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the below mentioned "comparative information" at March 31, 2025 has been reclassified as follows:

	As previously reported (AED)	Reclassifications (AED)	As reported (AED)
Non current assets			
Trade and other receivables (a)		1,088,953	1,088,953
Current assets			
Trade and other receivables (a & b)	95,827,654	(1,709,912)	94,117,742
Current liabilities			
Trade and other payables (b & c)	86,091,007	(592,767)	85,498,240
Bank borrowings (c)	1,679,554	(28,192)	1,651,362

- (a) Deposits and capital advances under Trade and other receivables previously classified as current is now being presented as non current in the statement of financial position.
- (b) Accrual for sales rebate previously classified under Trade and other payables has now been setoff and presented on a net basis as Trade receivables under Trade and other receivables in the statement of financial position.
- (c) Interest accrued on borrowings previously classified as bank borrowings is now being presented as accrued expenses and other payables under Trade and other payables.

Schedule of property, plant and equipment

	Leasehold improvements	Plant and machinery and office equipment	Motor vehicles	Furniture, fixtures and IT equipment	Capital work in progress	Total
	AED	AED	AED	AED	AED	AED
Cost						
At April 1, 2024	12,592,127	31,293,927	52,384	4,060,556	58,400	48,057,394
Additions					2,536,183	2,536,183
Transfers	284,600	1,749,174		500,962	(2,534,736)	
Disposals/write offs		(2,276,365)	(51,002)	(451,686)		(2,779,053)
Reclassification to intangible assets				(209,600)		(209,600)
At March 31, 2025	12,876,727	30,766,736	1,382	3,900,232	59,847	47,604,924
Additions during the year					7,473,436	7,473,436
Transfers		3,893,331		550,136	(4,443,467)	
Disposals/write offs		(244,565)		(66,153)		(310,718)
Transfer to intangible assets					(17,301)	(17,301)
At March 31, 2026	12,876,727	34,415,502	1,382	4,384,215	3,072,515	54,750,341
Depreciation						
At April 1, 2024	10,518,198	24,051,870	52,380	2,955,019		37,577,467
Charge for the year	230,645	1,593,382		427,799		2,251,826
Disposals		(2,253,291)	(50,999)	(408,391)		(2,712,681)
Reclassification				(209,600)		(209,600)
At March 31, 2025	10,748,843	23,391,961	1,381	2,764,827		36,907,012
Charge for the year	255,807	1,747,839	1	460,887		2,464,534
Disposals		(244,559)		(36,765)		(281,324)
At March 31, 2026	11,004,650	24,895,241	1,382	3,188,949		39,090,222
Net book value						
At March 31, 2026	1,872,077	9,520,261		1,195,266	3,072,515	15,660,119
At March 31, 2025	2,127,884	7,374,775	1	1,135,405	59,847	10,697,912

Depreciation for the year is allocated as under:

	2026	2025
	AED	AED
Cost of sales (refer note 20)	1,742,719	1,562,539
General and administrative expenses (refer note 23)	460,887	486,683
Selling and distribution expenses (refer note 22)	260,927	202,604
	2,464,533	2,251,826



Nirvana Investments Limited

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Directors' Report

for the year ended 31 March 2026

The directors present their annual report and the audited financial statements for the year ended 31 March 2026 which show the state of the company's affairs.

PRINCIPAL ACTIVITY

The principal activity of the company is an investment holding company.

RESULTS AND DIVIDENDS

The company made a profit for the year of £nil (2025: £nil) and dividends of £nil (2025: £nil) were paid.

DIRECTORS

The following directors held office during the period:

Phaedra Selina Bird
Andrew John Michael McLarney

So far as each of the directors is aware at the time the report and accounts are approved:

- there is no relevant information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By Order of the Board

Athol Secretaries Limited
Secretary

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts 1931 to 2004. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In determining how amounts are presented within items in the profit and loss account and the balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

Independent Auditor's Report

To The Shareholders of Nirvana Investments Limited

We have audited the financial statements as set out on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out therein.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with the Companies Acts 1931 to 2004. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and international standards on auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

We read all the financial and non-financial information in the Directors' Report to identify material inconsistencies

with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Acts 1931 to 2004.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Acts 1931 to 2004 require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' loans and remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Hjertzen (Senior Statutory Auditor)

For and on behalf of

HW Associates Limited
Portmill House
Portmill Lane
Hitchin
Hertfordshire
SG5 1DJ

Date: 27th April, 2026

Income Statement

for the year ended 31st March, 2026

	Notes	2026	2025
		£	£
INCOME			
Dividends received		-	-
Administrative expenses		-	-
Foreign exchange gain		-	-
OPERATING PROFIT		-	-
Interest receivable and similar income		-	-
		-	-
Profit before taxation		-	-
Taxation		-	-
PROFIT FOR THE FINANCIAL YEAR		-	-

The notes on pages 9 to 11 form part of these audited financial statements

In the current and preceding financial periods there were no recognised gains or losses, other than those dealt with in the profit and loss account.

Balance Sheet

As at 31 March 2026

	Notes	2026 £	2025 £
FIXED ASSETS			
Investments	3	-	-
DEBTORS: amounts due after more than one year			
Loan	4	74,202	74,202
DEBTORS: amounts due within one year	5	3,673	3,673
CURRENT ASSETS		3,673	3,673
TOTAL ASSETS		77,875	77,875
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Profit and loss account	9	77,873	77,873
EQUITY SHAREHOLDERS' FUNDS	10	77,875	77,875

The notes on pages 9 to 11 form part of these audited financial statements

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A –small entities.

These financial statements were approved by board of directors on the 20 April 2026

and signed on their behalf by:

Directors

Phaedra Selina Bird

Andrew John Michael McLarney

Company Registration No. 45691C

Notes to the Audited Financial Statements

for the Year ended 31 March 2026

Company information

Nirvana Investments Limited is a private company, limited by shares, domiciled in Isle of Man, registration number 45691C. The registered office is 6th Floor, Victory house, Prospect Hill, Douglas, Isle of man / IM1 1EQ.

1. ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards and the Isle of Man Companies Acts.

b) Dividend income

Dividend income is recognised when the shareholders' rights to receive payment have been established.

c) Investments

Investments are stated at cost less provision for impairment in value.

d) Group financial statements

Group financial statements have not been prepared under Financial Reporting Standard 102,

"Accounting for Subsidiary Undertakings", as it has taken advantage of the exemption afforded for small and medium sized companies.

Group financial statements have also not been prepared as required by Isle of Man Company Law as the directors are of the opinion that the preparation of consolidated financial statements would involve expense and delay out of proportion to the benefit derived.

Accordingly, these financial statements present only the results of the company.

2. EXPENSES

A related undertaking Asian Paints International Private Limited has agreed to bear the cost of administering the company and will not seek recovery of such expenses.

3. INVESTMENTS

The company owns 10% of the issued shares of Berger Paints Emirates Limited (BPEL) and has a beneficial ownership of a further 51% of the shares. It is entitled to receive 30% of its profits subject to declaration of dividend. BPEL is a company engaged in the manufacturing and distribution of paints and related products. The net profit for the period ended 31 March 2026 was £1,801,892 (2025: £1,671,729) and at that date BPEL had net assets of £7,586,954 (2025: £5,899,410).

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

4. DEBTORS: Amounts due after more than one year

	2026	2025
	£	£
Loan:		
Sultan Bin Sulayem	74,202	74,202

5. DEBTORS: Amounts due within one year

	2026	2025
	£	£
Asian Paints International Private Limited	3,673	3,673
Enterprise Paints Limited	-	-
	3,673	3,673

These loans are unsecured interest free and will only be called for repayment when the related undertakings have sufficient funds.

6. TAXATION

The company is taxed at 0% under Income Tax (Amendment) (No. 2) Act 2006.

7. CALLED UP SHARE CAPITAL

	2026	2025
	£	£
Authorised:		
2,000 Ordinary shares of £1 each	2,000	2,000
Issued:		
2 Ordinary shares of £1 each	2	2

8. PARENT COMPANY

The directors have taken advantage of the reduced disclosure exemptions provided in FRS 102, related party disclosures, not to disclose transactions with other group companies on the grounds that it is a wholly owned subsidiary.

The company is a wholly-owned subsidiary company of Asian Paints International Private Limited, a company incorporated in the Republic Of Singapore. The directors have therefore taken advantage of the exemption in FRS102 not to include the disclosures on related party transactions between group companies.

The company's ultimate parent company is Asian Paints Limited, a company incorporated in India.

The consolidated financial statements of Asian Paints International Private Limited are available from Asian Paints International Private Limited, 140 Robinson Road, #11-05, Singapore 068907.

The consolidated accounts of the smallest group in which the results of the company are included are those prepared by Asian Paints International Private Limited and are available from 140 Robinson Road, #11-05, Singapore 068907.

The consolidated accounts of the largest group in which the results of the company are included are those of Asian Paints Limited and are available from 6A & 6B Shantinagar, Santacruz (E), Mumbai – 400 055.

9. PROFIT AND LOSS ACCOUNT

	2026	2025
	£	£
At beginning of the period	77,873	77,873
Profit for the period	-	-
Dividend paid	-	-
At end of the period	77,873	77,873

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2026	2025
	£	£
Opening shareholders' funds	77,875	77,875
Profit for the period	-	-
Divided paid	-	-
Closing shareholders' funds	77,875	77,875

11. AVERAGE NUMBER OF EMPLOYEES

During the year the average number of employees was 2. (2025: 2).



Enterprise Paints Limited

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Directors' Report

for the year ended 31 March 2026

The directors present their annual report and the audited financial statements for the year ended 31 March 2026, which show the state of the company's affairs.

PRINCIPAL ACTIVITY

The principal activity of the company is an investment holding company.

RESULTS AND DIVIDENDS

The company made a profit for the year of £nil (2025: £nil) and dividends of £nil (2025: £nil) were paid.

DIRECTORS

The following directors held office during the year:

Phaedra Selina Bird
Andrew John Michael McLarney

So far as each of the directors is aware at the time the report and accounts are approved:

- there is no relevant information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By Order of the Board

Athol Secretaries Limited
Secretary

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts 1931 to 2004. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In determining how amounts are presented within items in the profit and loss account and the balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

Independent Auditor's Report

To the shareholders of Enterprise Paints Limited

We have audited the financial statements as set out on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out therein.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with the Companies Acts 1931 to 2004. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and international standards on auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

We read all the financial and non-financial information in the Directors' Report to identify material inconsistencies

with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Acts 1931 to 2004.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Acts 1931 to 2004 require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' loans and remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Hjertzen (Senior Statutory Auditor)

For and on behalf of
HW Associates Limited
Portmill House
Portmill Lane
Hitchin
Hertfordshire
SG5 1DJ

Date: 27th April, 2026

Income Statement

for the year ended 31st March, 2026

	Notes	2026	2025
		£	£
INCOME			
Dividend received		-	-
Admin expenses		-	-
Foreign exchange gain/(loss)		-	-
OPERATING PROFIT/(LOSS)		-	-
Interest receivable and similar income		-	-
Profit before taxation		-	-
Taxation		-	-
PROFIT/(LOSS) FOR FINANCIAL PERIOD		-	-

The notes on pages 9 to 11 form part of these audited financial statements

In the current and preceding financial periods there were no recognised gains or losses, other than those dealt with in the profit and loss account.

Balance Sheet

As at 31 March 2026

	Notes	2026 £	2025 £
FIXED ASSETS			
Investments	4	-	-
DEBTORS: amounts due within one year			
Loan	5	344	344
CASH AT BANK		-	-
CREDITORS: amounts falling due within one year			
Loans	6	(1,439,310)	(1,439,310)
NET CURRENT LIABILITIES		(1,438,966)	(1,438,966)
NET LIABILITIES		(1,438,966)	(1,438,966)
CAPITAL AND RESERVES			
Called up share capital	7	145,504	145,504
Profit and loss account	9	(1,584,470)	(1,584,470)
EQUITY SHAREHOLDERS' DEFICIT	10	(1,438,966)	(1,438,966)

The notes on pages 9 to 11 form part of these audited financial statements

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A –small entities.

These financial statements were approved by board of directors on the 20 April 2026

and were signed on their behalf by:

Phaedra Selina Bird

Andrew John Michael McLarney

Company Registration No. 43644C

Notes to the Financial Statements

for the Year ended 31 March 2026

Company information

Enterprise Paints Limited is a private company, limited by shares, domiciled in Isle of Man, registration number 43644C. The registered office is 6th Floor, Victory house, Prospect Hill, Douglas, Isle of man / IM1 1EQ.

preparation of consolidated financial statements would involve expense and delay out of proportion to the benefit derived.

Accordingly, these financial statements present only the results of the company.

1. ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards and the Isle of Man Companies Acts.

b) Dividend income

Dividend income is recognized when the shareholders' rights to receive payment have been established.

c) Investments

Investments are stated at cost less provision for impairment in value.

d) Group financial statements

Group financial statements have not been prepared under Financial Reporting Standard 102, "Accounting for Subsidiary Undertakings", as it has taken advantage of the exemption afforded for small and medium sized companies.

Group financial statements have also not been prepared as required by Isle of Man Company Law as the directors are of the opinion that the

e) Foreign exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

f) Going Concern

At the balance sheet date the company had net liabilities of £1,438,966 and is reliant upon the continued support of the ultimate parent company APIPL. The accounts have been prepared on a going concern basis on the assumption that the support will continue into the foreseeable future.

2. EXPENSES

A related undertaking Asian Paints International Private Limited has agreed to bear the cost of administering the company and will not seek recovery of such expenses.

3. Taxation

The company is taxed at 0% under Income Tax (Amendment) (No. 2) Act 2006.

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

4. INVESTMENTS

	2026	2025
	£	£
i) Investment in Berger Paints Emirates Limited ("BPEL")	-	-
ii) Investment in Nirvana Investments Limited ("NIL")	-	-
	-	-

- i) The company owns 39% of the issued shares of Berger Paints Emirates Limited (BPEL), a company engaged in the manufacturing of paints and related products but is entitled to receive 70% of its profits. The net profit for the period ended 31 March 2026 was £1,801,892 (2025: £1,671,729), and at that date BPEL had net assets of £7,586,954 (2025: £5,899,410).
- ii) The company owns the entire issued share capital of NIL comprising two ordinary shares of £1 each. NIL is an investment holding company, incorporated in the Isle of Man. NIL is dormant and has net assets/(liabilities) of £77,875 (2025: £77,875).

5. LOAN

	2026	2025
	£	£
Loan to Asian Paints International Limited (See note 8)	344	344

The loan is unsecured, interest free and will only be called for repayment when the related undertakings have sufficient funds.

6. LOANS

	2026	2025
	£	£
Loan from Universal Paints Limited ¹	1,439,310	1,439,310
Loan from Nirvana Investments Limited ¹	-	-
	1,439,310	1,439,310

These loans are unsecured, interest free and will only be called for repayment when the company has sufficient funds.

¹The controlling interests of Universal Paints Limited and Nirvana Investments Limited are fully held by Asian Paints International Private Limited.

7. CALLED UP SHARE CAPITAL

	2026	2025
	£	£
Authorised:		
146,000 Ordinary shares of £1 each	146,000	146,000
Issued:		
145,504 Ordinary shares of £1 each	145,504	145,504

8. PARENT COMPANY

The directors have taken advantage of the reduced disclosure exemptions provided in FRS 102, related party disclosures not to disclose transactions with group undertakings and wholly owned subsidiaries.

The company is a wholly-owned subsidiary company of Asian Paints International Private Limited, a company incorporated in the Republic Of Singapore. The directors have therefore taken advantage of the exemption in FRS102 not to include the disclosures on related party transactions between group companies.

The company's ultimate parent company is Asian Paints Limited, a company incorporated in India.

The consolidated financial statements of Asian Paints International Private Limited are available from Asian Paints International Private Limited, 140 Robinson Road, #11-05, Singapore 068907.

The consolidated accounts of the smallest group in which the results of the company are included are those prepared by Asian Paints International Private Limited and are available from 140 Robinson Road, #11-05, Singapore 068907.

The consolidated accounts of the largest group in which the results of the company are included are those of Asian Paints Limited and are available from 6A & 6B Shantinagar, Santacruz (E), Mumbai – 400 055.

9. PROFIT AND LOSS ACCOUNT

	2026	2025
	£	£
At beginning of the period	(1,584,470)	(1,584,470)
Profit / (Loss) for the period	-	-
Dividend paid	-	-
At end of the period	(1,584,470)	(1,584,470)

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2026	2025
	£	£
Opening shareholders' deficit	(1,438,966)	(1,438,966)
Profit / (Loss) for the period	-	-
Dividend paid	-	-
Closing shareholders' deficit	(1,438,966)	(1,438,966)

11. AVERAGE NUMBER OF EMPLOYEES

During the year the average number of employees was 2. (2025: 2)



Universal Paints Limited

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Directors' Report

for the year ended 31 March 2026

The directors present their annual report and the audited financial statements for the year ended 31 March 2026 which show the state of the company's affairs.

PRINCIPAL ACTIVITY

The principal activity of the company is an investment holding company.

RESULTS AND DIVIDENDS

The company made a profit for the period after taxation of £1,182,600 (2025: £887,464) and dividends of £1,182,600 (2025: £887,464) were paid.

DIRECTORS

The following directors held office during the period:

Phaedra Selina Bird
Andrew John Michael McLarney

So far as each of the directors is aware at the time the report and accounts are approved:

- there is no relevant information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By Order of the Board

Athol Secretaries Limited
Secretary

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts 1931 to 2004. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In determining how amounts are presented within items in the profit and loss account and the balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

Independent Auditor's Report

To the shareholders of Universal Paints Limited

We have audited the financial statements as set out on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out therein.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with the Companies Acts 1931 to 2004. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and international standards on auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

We read all the financial and non-financial information in the Directors' Report to identify material inconsistencies

with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Acts 1931 to 2004.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Acts 1931 to 2004 require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' loans and remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Hjertzen (Senior Statutory Auditor)

For and on behalf of
HW Associates Limited
Portmill House
Portmill Lane
Hitchin
Hertfordshire
SG5 1DJ

Date: 27th April, 2026

Income Statement

for the year ended 31st March, 2026

	Notes	2026	2025
		£	£
INCOME			
Dividends received		1,182,600	887,464
Admin expenses		-	-
Exchange gain/(loss)		-	-
OPERATING PROFIT		1,182,600	887,464
Interest receivable and similar income		-	-
Profit before taxation		1,182,600	887,464
Taxation	3	-	-
PROFIT FOR THE FINANCIAL PERIOD	9	1,182,600	887,464

The notes on pages 9 to 11 form part of these audited financial statements

In the current and preceding financial periods there were no recognised gains or losses, other than those dealt with in the profit and loss accounts.

Balance Sheet

AS AT 31 MARCH 2026

	Notes	2026 £	2025 £
FIXED ASSETS			
Investment in subsidiary	4	398,787	398,787
CURRENT ASSETS			
Bank and cash		-	-
Loans	5	1,440,842	1,440,842
TOTAL ASSETS		1,839,629	1,839,629
CAPITAL AND RESERVES			
Called up share capital	6	429,232	429,232
Profit and loss account	9	1,410,397	1,410,397
EQUITY SHAREHOLDERS' FUNDS	8	1,839,629	1,839,629

The notes on pages 9 to 11 form part of these audited financial statements

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A –small entities.

These financial statements were approved by board of directors on the 20 April 2026

and were signed on their behalf by:

Directors

Phaedra Selina Bird

Andrew John Michael McLarney

Company Registration No. 39647C

Notes to the Audited Financial Statements

for the Year ended 31 March 2026

Company information

Universal Paints Limited is a private company, limited by shares, domiciled in Isle of Man, registration number 39647C. The registered office is 6th Floor, Victory house, Prospect Hill, Douglas, Isle of man / IM1 1EQ.

Group financial statements have also not been prepared as required by Isle of Man Company Law as the directors are of the opinion that the preparation of consolidated financial statements would involve expense and delay out of proportion to the benefit derived.

Accordingly, these financial statements present only the results of the company.

1. ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards and the Isle of Man Companies Acts.

b) Dividend income

Dividend income is recognized when the shareholders' rights to receive payment have been established.

c) Investments

Investments are stated at cost less provision for permanent diminution in value.

d) Group financial statements

Group financial statements have not been prepared under Financial Reporting Standard 102, "Accounting for Subsidiary Undertakings", as it has taken advantage of the exemption afforded for small and medium sized companies.

e) Foreign exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2. EXPENSES

A related undertaking Asian Paints International Private Limited has agreed to bear the cost of administering the company and will not seek recovery of such expenses.

3. Taxation

The company is taxed at 0% under Income Tax (Amendment) (No.2) 2006.

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

4. INVESTMENT IN SUBSIDIARY

	2026	2025
	£	£
Investment in Berger Paints Bahrain WLL	398,787	398,787

The company owns 100% of the issued share capital of Berger Paints Bahrain WLL, a company engaged in the manufacturing and distribution of paints and related products. The net assets of value for the period ended on 31 March 2026 was £3,724,371 (2025: £4,034,656), and the net income for the period end was £977,734 (2025: £696,066)

5. DEBTORS: Amounts due within one year

	2026	2025
	£	£
Amounts due from group undertakings		
i) Asian Paints International Private Limited	1,532	1,532
ii) Enterprise Paints Limited	1,439,310	1,439,310
	1,440,842	1,440,842

These loans are unsecured, interest free and will only be called for repayment when the related undertakings have sufficient funds.

6. CALLED UP SHARE CAPITAL

	2026	2025
	£	£
Authorized:		
430,000 Ordinary shares of £1 each	430,000	430,000
Issued:		
429,232 Ordinary shares of £1 each	429,232	429,232

7. PARENT COMPANY

The directors have taken advantage of the reduced disclosure exemptions provided in FRS 102, related party disclosures, not to disclose transactions with other group companies on the grounds that it is a wholly owned subsidiary.

The company is a wholly-owned subsidiary company of Asian Paints International Private Limited, a company incorporated in the Republic Of Singapore. The directors have therefore taken advantage of the exemption in FRS102 not to include the disclosures on related party transactions between group companies.

The company's ultimate parent company is Asian Paints Limited, a company incorporated in India.

The consolidated financial statements of Asian Paints International Private Limited are available from Asian Paints International Private Limited, 140 Robinson Road, #11-05, Singapore 068907.

The consolidated accounts of the smallest group in which the results of the company are included are those prepared by Asian Paints International Private Limited and are available from 140 Robinson Road, #11-05, Singapore 068907.

The consolidated accounts of the largest group in which the results of the company are included are those of Asian Paints Limited and are available from 6A & 6B Shantinagar, Santacruz (E), Mumbai – 400 055.

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2026	2025
	£	£
Opening shareholders' funds	1,839,629	1,839,629
Profit for the period	1,182,600	887,464
Dividends paid	(1,182,600)	(887,464)
Closing shareholders' funds	1,839,629	1,839,629

9. PROFIT AND LOSS ACCOUNT

	2026	2025
	£	£
At beginning of the period	1,410,397	1,410,397
Profit for the period	1,182,600	887,464
Dividends paid	(1,182,600)	(887,464)
At end of the period	1,410,397	1,410,397

10. AVERAGE NUMBER OF EMPLOYEES

During the year the average number of employees was 2. (2025: 2).



Kadisco Paint and Adhesive Industry Share Company

General Information

Country of incorporation and domicile	Ethiopia
Nature of business and principal activities	Kadisco Paint and Adhesive Industry Share Company (the company) is incorporated in Ethiopia under the Commercial Code of Ethiopia and is domiciled in Ethiopia. Kadisco Paint and Adhesive Industry Share Company manufactures full range of paints for the construction, industrial and automotive sectors. It also produces wood and concrete lacquers as well as adhesives for the wood and leather industry.
Ultimate holding Company	Asian Paints Limited incorporated in India
Holding Company	Asian Paints International Private Limited incorporated in Singapore
Directors and key Management	Parag Rane Director Joseph Eapen Director Salahadin Khalifa Director A.M. Prashant Director and General Manager Saifudin Khalifa Director and Senior Deputy General Manager Fauzia Khalifa (Dr.) Senior Deputy General Manager Frewoyini B/Meskel Deputy General Manager Prem Nayak Finance Manager
Registered office	Addis Ababa Akaki/Kality Sub City Woreda 05
Bankers	Commercial Bank of Ethiopia; P.O. Box 255, Addis Ababa, Ethiopia Dashen Bank S C; P.O. Box 12752, Addis Ababa, Ethiopia Berhan International Bank S C; P.O. Box 387 Code 1110, Addis Ababa, Ethiopia Bank of Abyssinnia S C; P.O. Box 12947, Addis Ababa, Ethiopia Awash International Bank S C; P.O. Box 12638, Addis Ababa, Ethiopia NIB International Bank S C; P.O. Box: 2439, Addis Ababa, Ethiopia Zemen Bank SC; P.O. Box: 1212, Addis Ababa, Ethiopia Oromia Bank SC; P.O. Box: 27530, Addis Ababa, Ethiopia
Auditors	HST Audit Limited Liability Partnership Public Auditors Ethio-China Friendship Avenue, Wollo Sefer Mina Building, 5 th Floor Addis Ababa, Ethiopia"
Legal advisors	Tesfaye Deresse Kumlachew Dagne Addis Ababa, Ethiopia
Tax identification number	0000015683

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Statement of Directors Responsibilities

for the year ended 31st March, 2026

The Directors are responsible for the preparation and fair presentation of these financial statements that give a true and fair view of the statement of financial position of the Company at the reporting date and of its profit or loss and other comprehensive income in accordance with the International Financial Reporting Standards (IFRS), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors accept responsibility for the financial statements, which have been prepared using accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS). The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating results. The Directors further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors also accept responsibility for:

- designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to error or fraud;
- selecting suitable accounting policies supported by reasonable and prudent judgments and estimates, that are consistently applied; and
- keeping proper accounting records that disclose, with reasonable accuracy, the financial position of the Company.

Nothing has come to the attention of the Directors to indicate the Company will not remain a going concern for at least twelve months from the date of this statement.

The external auditors are responsible for independently auditing and reporting on the Company's financial statements. The financial statements have been examined by the Company's external auditors and their report is presented on pages 5 to 6.

The financial statements set out on pages 7 to 45, which have been prepared on the going concern basis, were approved by the Directors on 29 April 2026 and were signed on their behalf by:

A M Prashant

Director and General Manager
29 April 2026

Seifudin Khalifa

Director
29 April 2026

Director's Report

for the year ended 31 March, 2026

The Directors have pleasure in submitting their report on the financial statements of Kadisco Paint and Adhesive Industry Share Company for the year ended 31 March 2026.

1 Incorporation

Kadisco Paint and Adhesive Industry Share Company (the Company) is incorporated in Ethiopia under the Commercial Code of Ethiopia.

In 2014, the former Kadisco Chemical Industry Pvt. Ltd. Co. was converted to a share Company named Kadisco Paint and Adhesive Industry Share Company under Articles 536 and 547 of the Commercial Code of Ethiopia.

The Company is domiciled in Ethiopia where it is incorporated as a private Company limited by shares under the Commercial Code of Ethiopia. The address of the registered office is set out on page 1.

2 Nature of business

Kadisco Paint and Adhesive Industry Share Company was incorporated in Ethiopia with interests in the Manufacturing industry. The Company operates in Ethiopia. There have been no material changes to the nature of the Company's business from the prior year.

3 Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Commercial Code of Ethiopia. The accounting policies have been applied consistently compared to the prior year.

In the fiscal year ending 31 March 2026, the Company achieved commendable financial results despite challenges in the market. Total revenue increased by 36% compared to the previous year, reflecting our continued growth trajectory. The Company recorded a net profit after tax for the year ended 31 March 2026 of ETB 39,69,74,022. This represented a significant increase of ETB 27,33,51,889 from the net profit after tax of the prior year of ETB 12,36,22,133.

The Company's revenue has increased by ETB 89,34,39,836 from ETB 2,50,30,79,608 in the prior year to ETB 3,39,65,19,444 for the year ended 31 March 2026.

	2026	2025
Sale of goods	3,396,519,444	2,503,079,608
Profit before tax	581,492,759	180,562,912
Tax expense	(184,518,737)	(56,940,779)
Profit after tax	396,974,022	123,622,133
Other comprehensive income	2,051,014	(1,447,812)
Total comprehensive income for the year	399,025,036	122,174,321

4 Share capital

	2026	2025
Share capital	472,000,000	472,000,000
Reconciliation of number of shares issued:		
At the beginning of the year	472,000,000	472,000,000
Issued and paid		
Ordinary (4,720 shares at ETB 1,000)	472,000,000	472,000,000

5 Future plans

Looking ahead, we are focused on ensuring stability and continued growth. These include expanding into new markets, launching innovative products, and enhancing operational efficiency. By leveraging our strengths and embracing emerging opportunities, we aim to sustain our growth momentum and create long-term value for our stakeholders.

6 Human Development

Our employees are integral to our success, and we remain dedicated to nurturing their talent and skills. In the past year, we implemented various training and development programs, employee exchange to enhance employee capabilities and foster a culture of continuous learning. Additionally, initiatives such as staff get together and celebrations were introduced to promote employee well-being and satisfaction.

7 Corporate Governance

Maintaining high standards of corporate governance is fundamental to our operations. We adhere to a robust framework of policies and practices to ensure

Directors' Declaration

for the year ended 31st March, 2026

transparency, accountability, and ethical conduct across all levels of the Company. We have also adopted Code of Conduct for our employees and vendors during the year. Our Board of Directors oversee the implementation of these principles, fostering trust among our stakeholders and safeguarding their interests .

8 Ultimate holding Company

The Company's ultimate holding Company is Asian Paints Limited which is incorporated in India.

9 Events after the reporting period

The Directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

10 Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the Directors on 29 April 2026. No authority was given to anyone to amend the financial statements after the date of issue.

11 Acknowledgements

Thanks and appreciation are extended to all of our shareholders, staff, suppliers and consumers for their continued support of the Company.

The financial statements set out on pages 7 to 45 , which have been prepared on the going concern basis, were approved by the Directors on 29 April 2026. and signed on its behalf by:

A M Prashant

Director and General Manager

29 April 2026

Seifudin Khalifa

Director

29 April 2026

Independent Auditor's Report

To the Shareholders of

Kadisco Paint and Adhesive Industry Share Company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kadisco Paint and Adhesive Industry Share Company (the Company) set out on pages 7 to 45, which comprise the statement of financial position as at 31 March 2026; and the statement of profit or loss and other comprehensive income; the statement of changes in equity; and the statement of cash flows for the year then ended; and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kadisco Paint and Adhesive Industry Share Company as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information, which comprises the report of Directors as required by the Commercial Code of Ethiopia. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- i Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ii Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- iii Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv Conclude on the appropriateness of the Directors use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Directors regarding, among other matters, the planned scope and timing of the audit and

significant audit findings including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Reulatory Requirements

As required by the Commercial Code of Ethiopia and based on our audit, we report as follows:

In our opinion the information given in the report of the Directors is consistent with the financial statements.

- (i) Pursuant to Article 349 (1) of the commercial Code of Ethiopia and based on our reviews of the Board of Directors report, we have not noted any matter that we may wish to bring to your attention.
- (ii) Pursuant to Article 349 (2) of the Commercial Code of Ethiopia, we recommend the financial statements for approval.

The engagement partner responsible for the audit resulting in this independent auditors' report is Yonas Harun.

Yonas Harun

Partner

HST Audit Limited Liability Partnership
Public Auditors

29 April 2026
Addis Ababa, Ethiopia

Statement of Financial Position

as at 31 March 2026

	Notes	2026	2025
Non-Current Assets			
Property, plant and equipment	4	145,783,278	78,924,673
Right of use of assets	5	65,694,448	55,612,367
Intangible assets	6	125,199	208,895
Deferred tax	7	11,406,114	68,670,938
Investments at amortised cost	8	8,000,000	8,000,000
		231,009,039	211,416,873
Current Assets			
Inventory and goods in transit	9	549,048,041	677,910,172
Trade and other receivables	10	727,176,655	412,226,536
Cash and cash equivalents	11	508,918,851	374,749,753
		1,785,143,548	1,464,886,461
Total Assets		2,016,152,586	1,676,303,334
Equity and Liabilities			
Equity			
Share capital	12	472,000,000	472,000,000
Other reserve	13	(1,577,120)	(3,628,134)
Legal reserve	14	49,106,298	49,106,298
Retained earnings	15	400,602,158	125,802,455
		920,131,336	643,280,619
Liabilities			
Non-Current Liabilities			
Defined benefit obligation and leave pay	16	19,685,258	20,462,270
Lease liabilities	5	19,922,364	21,978,352
		39,607,622	42,440,622
Current Liabilities			
Defined benefit obligation and leave pay	16	3,498,682	3,647,461
Borrowings	17	157,659,484	279,349,952
Lease liabilities	5	4,293,354	4,053,764
Trade and other payables	18	745,819,677	582,023,838
Current tax payable	19	53,738,321	72,080,735
Bank overdraft	11	91,404,110	49,426,343
		1,056,413,628	990,582,093
Total Liabilities		1,096,021,250	1,033,022,715
Total Equity and Liabilities		2,016,152,586	1,676,303,334

The accounting policies on pages 11 to 21 and the notes on pages 22 to 45 form an integral part of the financial statements.

The financial statements and the notes on pages 7 to 45, were approved by the Directors on 29 April 2026, and were signed on its behalf by:

A M Prashant
Director and General Manager

Seifudin Khalifa
Director

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2026

Figures in Ethiopian Birr	Notes	2026	2025
Revenue	20	3,396,519,444	2,503,079,608
Cost of sales	21	(2,383,781,362)	(1,547,588,539)
Gross profit		1,012,738,082	955,491,069
Other income	22	21,128,984	49,770,152
Impairment write back/(allowance)	23	19,987,767	(12,972,565)
Selling and administrative expenses	24	(399,380,702)	(268,648,536)
		654,474,132	723,640,121
Finance cost	26	(55,246,550)	(117,145,693)
Loss on foreign exchange	27	(17,734,823)	(425,931,516)
Profit before tax		581,492,759	180,562,912
Tax expense	28	(184,518,737)	(56,940,779)
Profit after tax		396,974,022	123,622,133
Other comprehensive income			
Items that may not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit obligation	13	2,930,020	(2,068,303)
Deferred tax on remeasurement gain/(loss)	7	(879,006)	620,491
Other comprehensive income		2,051,014	(1,447,812)
Total comprehensive income for the year		399,025,036	122,174,321

The accounting policies on pages 11 to 21 and the notes on pages 22 to 45 form an integral part of the financial statements.

Statement of Change In Equity

for the year ended 31 March 2026

Figures in Ethiopian Birr	Share capital	Other reserve	Legal reserve	Total reserves	Retained earnings	Total equity
Balance at 1 April 2024	472,000,000	(2,180,322)	49,106,298	46,925,976	347,054,361	865,980,337
Profit for the year	-	-	-	-	123,622,133	123,622,133
Other comprehensive loss	-	(1,447,812)	-	(1,447,812)	-	(1,447,812)
Total comprehensive income for the year	-	(1,447,812)	-	(1,447,812)	123,622,133	122,174,321
Dividend declared	-	-	-	-	(344,874,039)	(344,874,039)
Additional shares issued	-	-	-	-	-	-
Balance at 31 March 2025	472,000,000	(3,628,134)	49,106,298	45,478,164	125,802,455	643,280,619
Balance at 1 April 2025	472,000,000	(3,628,134)	49,106,298	45,478,164	125,802,455	643,280,619
Profit for the year	-	-	-	-	396,974,022	396,974,022
Other comprehensive loss	-	2,051,014	-	2,051,014	-	2,051,014
Total comprehensive income for the year	-	2,051,014	-	2,051,014	396,974,022	399,025,036
Dividend declared	-	-	-	-	(122,174,319)	(122,174,319)
Balance at 31 March 2026	472,000,000	(1,577,120)	49,106,298	47,529,178	400,602,158	920,131,336
Notes	12	13	14		15	

The accounting policies on pages 11 to 21 and the notes on pages 22 to 45 form an integral part of the financial statements.

Statement of Cash Flows

for the year ended 31 March 2026

	Note	2026	2025
Cash flows from operating activities			
Cash generated from operations	29	615,675,194	(108,413,001)
Defined benefit obligation paid	16	(479,556)	(532,176)
Tax paid	30	(146,475,333)	(152,676,041)
Net cash from operating activities		468,720,305	(261,621,218)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(83,810,856)	(27,666,481)
Addition of rights of use of assets	5	(33,581,196)	(53,929,602)
		(117,392,052)	(81,596,083)
Cash flows from financing activities			
Loan received	17	156,059,900	97,849,877
Repayments of borrowings	17	(288,391,718)	(286,531,239)
Lease settlement	5	(4,630,802)	(1,557,652)
Dividend and dividend tax paid	18	(122,174,319)	(344,874,039)
		(259,136,939)	(535,113,053)
Total cash movement for the year		92,191,314	(878,330,354)
Cash and cash equivalents at the beginning of the year		325,323,410	1,203,653,764
Cash and cash equivalents at the end of the year	11	417,514,742	325,323,410

The accounting policies on pages 11 to 21 and the notes on pages 22 to 45 form an integral part of the financial statements.

Accounting Policies

for the year ended 31 March 2026

1 Material accounting policies

The Directors have considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these financial statements.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Ethiopian Birr which is the Company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires Directors, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by the Directors in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Critical judgement in recognising deferred tax assets

The extent to which deferred tax assets can be

recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Critical judgements in determining the lease term

In determining the lease term, the Director's consider all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was not material.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

The Directors assess whether inventory is impaired by comparing its cost to its estimated net realizable value. Where an impairment is necessary, inventory items are written down to net realizable value. The write down is included in cost of sales.

Useful lives of property, plant and equipment

The Directors assess the appropriateness of the useful lives of property, plant and equipment at the end of

each reporting period. The useful lives of motor vehicles, furniture, and computer equipment are determined based on company replacement policies for the various asset classes. Individual assets within these classes, which have a significant carrying amount, are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence, and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Defined benefit obligation

The Directors estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. For instance, the discount rate used in defined benefit obligation is set by reference to the highest interest rate available to the Company on long-term loans from different banks and salary increment is set by reference to the average increase in salaries over the previous five years. These and other related assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Company financial statements within the next year.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments, where appropriate.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by the Directors. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Depreciation rate
Buildings	Straight line	3%
Plant and machinery	Straight line	7%
Furniture and fixtures	Straight line	13%
Motor vehicles	Straight line	20%
IT equipment	Straight line	20%
Office equipment	Straight line	25%

The depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or

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disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Lease

The Company assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. The rate implicit in the leases of lands and buildings cannot be readily determined, and the incremental borrowing rate is used for these leases.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated, from commencement date, over the shorter period of lease term and useful life of the underlying asset.

The useful lives of right-of-use assets are presented in the following table:

Item	Depreciation method	Depreciation rate
Buildings	Straight line	Lease term
Land	Straight line	Lease term

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.5 Intangible assets

An intangible asset is recognised when:

“-It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

- the cost of the asset can be measured reliably.”

Intangible assets are initially recognized at cost.

Intangible assets are subsequently measured at cost less any accumulated amortisation and impairment losses.

Item	Depreciation method	Average useful life
Computer software	Straight line	5

1.6 Inventory and goods in transit

"Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs."

1.7 Financial instruments

"Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:
Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading).

Note 3 Financial instruments and risk management presents the financial instruments held by the Company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Company are presented below:"

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

"The Company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit

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losses is updated at each reporting date.

The Company measures the loss allowance for trade and other receivables which do not contain a significant financing component at an amount equal to lifetime expected credit losses (lifetime ECL). The loss allowance for all other trade and other receivables is measured at lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on these receivables has not increased significantly since initial recognition, then the loss allowance for those receivables is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date. In order to assess whether to apply lifetime ECL or 12 month ECL to trade and other receivables which do have a significant financing component, the Company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a receivable being credit impaired at the reporting date or of an actual default occurring.

For purposes of internal credit risk Management purposes, the Company consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full.

Measurement and recognition of expected credit losses

"The Company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate. The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note.

An impairment gain or loss is recognised in profit or

loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in material operating items requiring separate disclosure in profit or loss as a movement in credit loss allowance."

Write off policy

The Company writes off a receivable when there is information indicating that the counter party is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss."

Investment at amortised cost

The Company holds investments in Government bonds, which are debt instruments. These instruments meet the criteria for measurement at amortised cost.

Credit risk

Details of credit risk are included in the trade and other receivable and the financial instruments and risk Management note.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition. Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Borrowings

Classification

Borrowings are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method."

The effective interest method is a method of calculating

the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs. Borrowings expose the Company to liquidity risk and interest rate risk. Refer to note 3 for details of risk exposure and Management thereof.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk. Refer to note 3 for details of risk exposure and Management thereof."

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with Banks and other-term highly liquid investments with original maturities of three months or less. For the purposes of the cash flow statement, cash and cash equivalents include cash and balances with banks.

Bank overdraft

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method."

Derecognition

Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The Company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date.

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Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.”

1.10 Impairment of assets

The Company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The Company assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment

loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.11 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as ‘share capital’ in equity. Any amounts received from the issue of shares in excess of par value is classified as ‘share premium’ in equity. Dividends are recognised as a liability in the Company in which they are declared.

1.12 Other reserve

Remeasurement gains and losses up on valuation of defined benefit obligation are transferred to the non-distributable reserve net of deferred tax.

1.13 Legal reserve

In accordance with article 434 of the Commercial Code of Ethiopia, the Company transfers five percent (5%) of its net profit to the legal reserve fund until such fund amount to five percent (5%) of the paid capital.

1.14 Provisions and contingencies

“Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as other operating expenses.”

1.15 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying

asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred."

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress."

"Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred."

1.16 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period."

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible

temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.17 Revenue from contracts with customers

The Company recognizes revenue from sale of paints and adhesives.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer;

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2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations;
5. Recognizing revenue when/as performance obligation(s) are satisfied;"

Construction of residential properties

Sales of goods and services

Almost all sale contracts have a single performance obligation and thus transaction price is not allocated to performance obligations. The amount of revenue recognized is the amount the company expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax.

Revenue is recognized at a point in time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as trade and other payables in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

As the period of time between customer payment and performance for its products and services will always be one year or less, the Company applies the practical expedient in IFRS 15.63 and does not adjust the promised amount of consideration for the effects of financing.

1.18 Cost of sales and expenses

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as

an expense in the period in which the reversal occurs.

Expenses are recognised based on accrual accounting. This means that expenses are recognised when a product is received or a service is provided to the Company regardless of when the cash outflow takes place.

1.19 Other income

Other income is comprised of income generated from activities which are not part of the Company's primary business operations. The income is recognised when it is probable that the economic benefits associated with a transaction will flow to the Company and the amount of income, and associated costs incurred or to be incurred can be measured reliably. The recorded income is the fair value of the consideration received or receivable from the transactions and excludes amounts collected on behalf of third parties.

1.20 Employee benefits

Short-term employee benefits

Short-term employee benefits, which consist of paid annual leave, sick leave, bonuses, and medical care, are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Defined contribution plan

The only defined contribution plan the Company operates is a pension scheme. The pension scheme is in line with the provision of Ethiopian Pension of Private Organization Employees Proclamation No. 715/2011. Funding under the scheme is 7% and 11% by employees and the Company respectively. Once the contributions have been paid, the Company retains no legal or constructive obligations to pay further contributions if the fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Company's obligations are recognized in the profit and loss account.

Defined benefit plans

"Defined benefit plans are based on the statutory severance benefit as set out in Labour Proclamation No. 377/2003, as amended by the Labour (Amendment) Proclamation No. 1156/2019. Employees who have

served the Company for 5 years and above and are below the retirement age (i.e. has not met the requirement to access the pension fund) are entitled for the benefit. The final pay-out is determined by reference to final monthly salary and number of years in service computed as one month salary of the first year in employment plus one-third of monthly salary for subsequent years to a maximum of twelve months salary.

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date. Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income. Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the Company is demonstrably committed to curtailment or settlement. The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets. Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan."

1.21 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Ethiopian Birrs, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Cash flows arising from transactions in a foreign currency are recorded in Ethiopian Birrs by applying to the foreign currency amount the exchange rate between the Ethiopian Birr and the foreign currency at the date of the cash flow.

Refer to the individual accounting policies for financial instruments for the detailed foreign exchange accounting policies.

2 New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Supplier finance arrangements - amendments to IAS 7 and IFRS 7

"The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The effective date of the amendment is for years beginning on or after 1 January 2025.

The Company has adopted the amendment for the first time in the 2025 financial statements.

The impact of the amendment is not material."

Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period,

Notes

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then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after 1 January 2025.

The Company has adopted the amendment for the first time in the 2025 financial statements.

The impact of the amendment is not material.”

Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for years beginning on or after 1 January 2025.

The Company expects to adopt the amendment for the first time in the 2025 financial statements.

It is unlikely that the amendment will have a material impact on the Company's financial statements.”

Lease liability in a sale and leaseback

“The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 1 January 2025.

The Company has adopted the amendment for the first time in the 2025 financial statements.

The impact of the amendment is not material.”

2.2 Standards and Interpretations early adopted

The Company has not chosen to early adopt any new and revised standards and interpretations.

2.3 Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 1 January, 2025 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

“If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

“This is a new standard which may be applied by subsidiaries which do not have public accountability. It is a disclosure only standard and provides for reduced disclosures for qualifying subsidiaries to apply, while still remaining compliant with the recognition, measurement and presentation requirements of IFRS accounting standards. The reduced disclosures provided in IFRS 19 may be applied by the subsidiary in their consolidated, separate or individual financial statements, provided that the ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS accounting standards. A subsidiary has public accountability, and may not apply IFRS 19, if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market, or if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

The effective date of the amendment is for years beginning on or after 1 January 2027.

The Company expects to adopt the amendment for the first time in the 2027 financial statements.

It is unlikely that the amendment will have a material impact on the Company's financial statements."

IFRS 18 Presentation and Disclosure in Financial

This is a new standard which replaces IAS 1 Presentation of Financial Statements and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely ""operating profit"" and ""profit before financing and income taxes"" also being required. These categories and sub totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about Management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

The effective date of the amendment is for years beginning on or after 1 January 2027.

The Company expects to adopt the amendment for the first time in the 2027 financial statements.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.

"The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, as such features could affect whether the assets are measured at amortised cost or fair value. The amendment also clarifies the date on which a financial asset or financial liability is derecognised in cases where liabilities are settled through electronic payment systems.

The effective date of the amendment is for years beginning on or after 1 January 2026.

The Company expects to adopt the amendment for the first time in the 2026 financial statements.

It is unlikely that the amendment will have a material impact on the Company's financial statements."

Notes to the Financial Statements

for the year ended 31 March 2026

3 Financial instruments and risk Management

Categories of financial instruments

Categories of financial assets

Figures in Ethiopian Birr	Notes	2026	2025
		At amortized cost	
Investments at amortised cost	8	8,000,000	8,000,000
Cash and cash equivalents	11	508,918,851	374,749,753
Trade and other receivables	10	188,871,705	92,163,736
		705,790,556	474,913,489

Categories of financial liabilities

	Notes	2026		2025	
		At amortized cost	Leases	At amortized cost	Leases
Trade and other payables	18	596,861,477	-	470,620,299	-
Borrowings	17	157,659,484	-	279,349,952	-
Leases	5	-	24,215,718	-	26,032,116
Bank overdraft	11	91,404,110	-	91,404,110	-
		845,925,071	24,215,718	841,374,361	26,032,116

Capital risk Management

The Company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the Company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The Company monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

The capital structure and gearing ratio of the Company at the reporting date was as follows:

	Notes	2026	2025
		ETB	ETB
Borrowings	17	157,659,484	279,349,952
Total borrowings		157,659,484	279,349,952
Cash and cash equivalents	11	(417,514,742)	(325,323,410)
		(259,855,258)	(45,973,458)
Equity		920,131,336	643,280,619
Gearing ratio		0%	0%

Financial risk Management

Overview

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (interest rate and currency risk).

The Company's risk Management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities."

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk on loans receivable (at amortised cost), trade and other receivables, contract assets, cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit Management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed through dealing with well-established financial institutions.

The maximum exposure to credit risk is presented in the table below:

	Notes	2026		2025			
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	10	191,277,711	(2,406,006)	188,871,705	95,476,951	(3,313,214)	92,163,736
Cash and cash at bank	11	508,918,851	-	508,918,851	374,749,753	-	374,749,753
		700,196,562	(2,406,006)	697,790,556	470,226,703	(3,313,214)	466,913,489

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Liquidity risk

The Company is exposed to liquidity risk, which is the risk that the Company will encounter difficulties in meeting its obligations as they become due.

The Company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions. There have been no significant changes in the liquidity risk Management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2026	Notes	Less than 1 year	2 to 5 Years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Lease liabilities	5	-	14,520,509	86,204,331	100,724,840	19,922,364
Current liabilities						
Borrowings	17	157,659,484	-	-	157,659,484	157,659,484
Lease liabilities	5	4,293,354	-	-	4,293,354	4,293,354
Bank overdraft		91,404,110	-	-	91,404,110	91,404,110
Trade and other payables	18	596,861,477	-	-	596,861,477	596,861,477
		850,218,424	14,520,509	86,204,331	950,943,265	870,140,789

2025	Notes	Less than 1 year	2 to 5 Years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Lease liabilities	5	-	14,520,509	90,497,685	105,018,194	21,978,352
Current liabilities						
Borrowings	17	279,349,952	-	-	279,349,952	279,349,952
Lease liabilities	5	4,053,764	-	-	4,053,764	4,053,764
Bank overdraft	11	49,426,343	-	-	49,426,343	49,426,343
Trade and other payables	18	470,620,299	-	-	470,620,299	470,620,299
		803,450,358	14,520,509	90,497,685	908,468,552	825,428,711

The amount disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Foreign currency risk

The Company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the Company deals primarily is USD.

There have been no significant changes in the foreign currency risk Management policies and processes since the prior reporting period.

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

	2026	2025
	ETB	ETB
USD exposure:		
Current assets:		
Cash and cash equivalents	536,792	1,000
Current liabilities:		
Trade and other payables	-	(50,000)
Borrowing	(1,000,000)	(2,208,000)
Net USD exposure	(463,208)	(2,257,000)

The following closing exchange rates were applied at reporting date:

Ethiopian Birr per unit of foreign currency:

	2026	2025
	ETB	ETB
USD	156.71	126.49

Foreign currency sensitivity analysis

The following information presents the Company's sensitivity to increases or decreases in the foreign currencies to which it is exposed. The sensitivity rate represents the rate used in internal reporting of foreign currency risk to key management personnel and reflects the Directors' assessment of reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated balances and adjusts their translation as at the reporting date. There have been no changes to the methods or assumptions used in preparing the sensitivity analysis compared to the previous reporting period.

Increase or decrease in rate

	2026	2025	2026	2025
	Increase	Decrease	Increase	Decrease
Impact on profit or loss				
USD 10% (2025: 10%)	(7,258,932)	7,258,932	28,548,342	(28,548,342)
	(7,258,932)	7,258,932	28,548,342	(28,548,342)

Interest rate risk

Fluctuations in interest rates impact on the value of borrowings and financing activities, giving rise to interest rate risk.

There have been no significant changes in the interest rate risk Management policies and processes since the prior reporting period.

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note(s)	Average effective interest rate		Carrying amount	
		2026	2025	2026	2025
Liabilities					
Bank overdraft	11	0.00%	0.00%	(91,404,110)	(49,426,343)
Borrowing	17	0.00%	0.00%	(157,659,484)	(279,349,952)
				(249,063,594)	(328,776,295)

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key Management personnel and represents Directors's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Increase or decrease in rate

		2026	2025	2026	2025
		Increase	Decrease	Increase	Decrease
Impact on profit or loss					
Borrowings 1% (2025 1%)		(2,490,636)	2,490,636	(3,287,763)	3,287,763

4 Property, plant and equipment

	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	35,971,457	(20,355,843)	15,615,614	35,799,757	(18,677,263)	17,122,494
Plant and machinery	97,365,177	(43,432,020)	53,933,157	69,221,832	(41,732,072)	27,489,760
Furniture and fixtures	3,188,943	(844,779)	2,344,164	1,885,367	(1,142,689)	742,678
Motor vehicles	67,304,794	(33,078,578)	34,226,216	51,872,660	(24,246,408)	27,626,252
IT equipment	16,677,093	(8,130,562)	8,546,531	13,855,113	(7,962,678)	5,892,435
Office equipment	184,481	(184,481)	-	288,034	(288,034)	-
Capital work in progress	31,117,596	-	31,117,596	51,054	-	51,054
	251,809,542	(106,026,264)	145,783,278	172,973,816	(94,049,143)	78,924,673

Reconciliation of property, plant and equipment - 2026

	Opening Balance	Additions	Depreciation	Closing balance
Buildings	17,122,494	171,700	(1,678,580)	15,615,614
Plant and machinery	27,489,760	30,900,277	(4,456,880)	53,933,157
Furniture and fixtures	742,679	1,742,671	(141,185)	2,344,165
Motor vehicles	27,626,252	15,432,135	(8,832,171)	34,226,216
IT equipment	5,892,435	4,497,531	(1,843,435)	8,546,531
Capital work in progress	51,054	31,066,542	-	31,117,596
	78,924,673	83,810,856	(16,952,251)	145,783,278

Reconciliation of property, plant and equipment - 2025

	Opening Balance	Additions	Disposal	Transfer	Adjustment	Depreciation	Closing balance
Buildings	13,559,236	5,061,534	-	-	-	(1,498,275)	17,122,494
Plant and machinery	26,271,953	2,683,789	-	2,759,261	-	(4,225,244)	27,489,760
Furniture and fixtures	381,077	465,124	-	-	-	(103,522)	742,679
Motor vehicles	17,798,878	16,909,509	(1,746,901.62)	-	-	(5,335,234)	27,626,252
IT equipment	5,497,708	2,065,860	-	-	-	(1,671,134)	5,892,435
Office equipment	189	-	-	-	-	(189)	-
Capital work in progress	2,776,941	480,665	-	(2,759,261)	(447,291)	-	51,054
	66,285,981	27,666,481	(1,746,902)	-	(447,291)	(12,833,597)	78,924,673

Notes

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Impairment review

Upon impairment review, the net book value of the property, plant and equipment do not exceed its recoverable value at the end of the reporting period. Thus, the Directors are of the opinion that allowance for impairment is not required.

Construction in progress

This construction in progress represents the ongoing construction of a factory and warehouse in Gelan Sub-City, Sheger City Administration, Oromia Regional State.

Fully Depreciated Assets in Use

Certain items of property, plant, and equipment are fully depreciated and, as at the reporting date, have a carrying amount of nil. The original cost of these assets amounts to ETB 31.26 million. Despite being fully depreciated, the assets remain in active use and continue to generate economic benefits for the Company.

5 Right of use assets

Right of use assets - Land

The Company has leased land in various locations. The lease contracts are for fixed period and both parties have the right to terminate the contract with prior notice. The Directors believe neither party will terminate the lease contracts before the end of the lease period. The obligation is discounted at a rate of 11.5%.

Right of use assets - Buildings

The Company also has leased various residential buildings and warehouses in Addis Ababa that have a lease term ranging from one to four years. The obligation is discounted at a rate of 11.5%.

Details pertaining to leasing arrangements, where the Company is lessee are presented below:

	2026				2025	
	Cost	Accumulated amortization	Carrying value		Cost	Accumulated amortization
Buildings	36,017,892	(26,053,202)	9,964,690	2,436,696	(1,298,385)	1,138,310
Land	58,431,757	(2,701,999)	55,729,758	58,431,757	(3,957,700)	54,474,057
	94,449,649	(28,755,201)	65,694,448	60,868,453	(5,256,085)	55,612,367

	2026	2025
	ETB	ETB
Cost		
At the beginning of the year	60,868,453	14,341,756
Additions	33,581,196	53,929,602
Lease contract elapsed	-	(7,402,905)
	94,449,649	60,868,453
Accumulated amortization		
At the beginning of the year	(5,256,085)	(6,621,784)
Charge for the year	(23,499,116)	(17,646,000)
Accumulated amortisation on lease contracts elapsed	-	19,011,699
	(28,755,201)	(5,256,085)

	2026	2025
	ETB	ETB
Lease Liability		
Movement of lease liabilities is as follows		
At the beginning of the year	26,032,116	1,569,657
Additions during the year	-	43,776,235
Termination/reassessment of lease	-	(20,316,356)
Interest accrued	2,814,404	2,560,232
Settlement during the year	(4,630,802)	(1,557,652)
Lease Liability	24,215,718	26,032,116
The maturity analysis of lease liabilities is as follows:		
With in one years	4,293,354	4,053,763
Two to five years	14,520,509	14,520,509
Over five years	86,204,331	90,497,685
	105,018,194	109,071,957
Less: future finance charges component	(80,802,476)	(83,039,841)
	24,215,718	26,032,116
Split between Non-current and current portion		
Non current	19,922,364	21,978,352
Current	4,293,354	4,053,764
Lease Liability	24,215,718	26,032,116

Exposure to liquidity risk

Refer to note 3 Financial instruments and risk Management for the details of liquidity risk exposure and Management.

6 Intangible assets

	2026			2025		
	Cost or revaluation	Accumulated amortization	Carrying value	Cost or revaluation	Accumulated amortization	Carrying value
Computer software	2,677,173	(2,551,974)	125,199	2,861,487	(2,652,592)	208,895
	2,677,173	(2,551,974)	125,199	2,861,487	(2,652,592)	208,895
Reconciliation of intangible assets - 2026						
			Opening balance	Addition	Amortization	Closing balance
Computer software			208,895	-	(83,696)	125,199
			208,895	-	(83,696)	125,199
Reconciliation of intangible assets - 2025						
			Opening balance	Addition	Amortization	Closing balance
Computer software			292,590	-	(83,695)	208,895
			292,590	-	(83,695)	208,895

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7 Deferred tax

Deferred taxation is calculated on all temporary differences using the enacted principal tax rate of 30%. The temporary difference is a result of difference in tax rates of depreciation of property plant and equipment difference in accounting for defined benefit obligation, unused annual leave, Provisions and foreign currency exchange (gain)/loss for financial reporting and tax purpose.

The movement in deferred income tax assets (liabilities) and deferred income tax charge/(credit) in profit or loss, in equity and other comprehensive income are as follows:

Deferred income tax assets/(liabilities):

Reconciliation of deferred tax movement 2026	Notes	1 April 2025	Credit/ (charge) to P&L	Credit/ (charge) to equity	31 March 2026
Property, plant, and equipment	7.1	(6,098,356)	1,451,735	-	(4,646,622)
Provision for stock obsolescence	7.2	10,754,992	(5,724,168)	-	5,030,824
Provision for bad debt	7.3	993,964	(272,163)	-	721,802
Provision for Customs and VAT Case	7.4	18,693,243	(10,660,387)	-	8,032,856
Provision for bank charges	7.5	5,791,699	(2,890,227)	-	2,901,472
Sales billed but not dispatched	7.6	54,583	(54,583)	-	-
Impairment of right of use of assets	7.7	(51,012)	(73,316)	-	(124,328)
Intangible assets	7.8	(62,669)	25,109	-	(37,560)
Unrealised foreign exchange gain/(loss)	7.9	31,361,574	(48,653,147)	-	(17,291,573)
Provision for hazardous disposals	7.10	-	2,914,260	-	2,914,260
Annual leave	7.11	3,281,373	23,697	-	3,305,069
Defined benefit obligation	7.12	3,951,547	577,572	(879,006)	3,650,113
Provision for sales discount	7.13	-	6,949,800	-	6,949,800
		68,670,938	(56,385,818)	(879,006)	11,406,114

Reconciliation of deferred tax movement 2025		1 April 2024	Credit/ (charge) to P&L	Credit/ (charge) to equity	31 March 2025
Property, plant, and equipment	7.1	(4,900,422)	(1,197,935)	-	(6,098,356)
Provision for stock obsolescence	7.2	7,464,206	3,290,786	-	10,754,992
Provision for bad debt	7.3	392,981	600,983	-	993,964
Provision for Customs and VAT Case	7.4	18,693,243	-	-	18,693,243
Provision for bank charges	7.5	8,682,421	(2,890,722)	-	5,791,699
Sales billed but not dispatched		-	54,583	-	54,583
Impairment of right of use of assets	7.7	(14,918)	(36,094)	-	(51,012)
Intangible assets	7.8	(43,744)	(18,925)	-	(62,669)
Unrealised foreign exchange gain/(loss)	7.9	925,428	30,436,146	-	31,361,574
Annual leave	7.11	1,585,622	1,695,750	-	3,281,373
Defined benefit obligation	7.12	2,898,634	432,421	620,491	3,951,547
		35,683,452	32,366,997	620,491	68,670,938

	Notes	2026	2025
		ETB	ETB
7.1 Property, plant, and equipment	4		
Carrying amount excluding CIP		114,665,682	78,873,619
Less: Tax written-down value		(99,176,943)	(58,545,305)
Total timing difference		15,488,739	20,327,854
Deferred tax liability		(4,646,622)	(6,098,356)
7.2 Provision for stock obsolescence	9		
Carrying amount		(16,769,415)	(35,849,973)
Less: Tax written-down value		-	-
Timing difference		(16,769,415)	(35,849,973)
Deferred tax asset		5,030,824	10,754,992
7.3 Provision for bad debt	10		
Carrying amount		(2,406,006)	(3,313,214)
Less: Tax written-down value		-	-
Timing difference		(2,406,006)	(3,313,214)
Deferred tax asset		721,802	993,964
7.4 Provision for Customs and VAT Case	18		
Carrying amount		(26,776,188)	(62,310,811)
Less: Tax written-down value		-	-
Timing difference		(26,776,188)	(62,310,811)
Deferred tax asset		8,032,856	18,693,243
7.5 Provision for bank charges	18		
Carrying amount		(9,671,573)	(19,305,662)
Less: Tax written-down value		-	-
Timing difference		(9,671,573)	(19,305,662)
Deferred tax asset		2,901,472	5,791,699
7.6 Sales billed but not dispatched			
Carrying amount		-	(181,944)
Less: Tax written-down value		-	-
Timing difference		-	(181,944)
Deferred tax asset		-	54,583
7.7 Impairment of right of use of assets	5		
Carrying amount		414,426	170,039
Less: Tax written-down value		-	-
Timing difference		414,426	170,039
Deferred tax liability		(124,328)	(51,012)

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	Notes	2026 ETB	2025 ETB
7.8 Intangible assets	6		
Carrying amount		125,199	208,895
Less: Tax written-down value		-	-
Timing difference		125,199	208,895
Deferred tax liability		(37,560)	(62,669)
7.9 Unrealised foreign exchange gain/(loss)	27		
Carrying amount		57,638,577	(104,538,579)
Less: Tax written-down value		-	-
Timing difference		57,638,577	(104,538,579)
Deferred tax liability		(17,291,573)	31,361,574
7.10 Provision for hazardous disposals	18		
Carrying amount		(9,714,200)	-
Less: Tax written-down value		-	-
Timing difference		(9,714,200)	-
Deferred tax asset		2,914,260	-
7.11 Annual leave	18		
Carrying amount		11,016,898	10,937,909
Less: Tax written-down value		-	-
Timing difference		11,016,898	10,937,909
Deferred tax asset		3,305,069	3,281,373
7.12 Defined benefit obligation	16		
Carrying amount		12,167,042	13,171,822
Less: Tax written-down value		-	-
Timing difference		12,167,042	13,171,822
Deferred tax asset		3,650,113	3,951,547
7.13 Provision for sales discount	18		
Carrying amount		23,166,000	-
Less: Tax written-down value		-	-
Timing difference		23,166,000	-
Deferred tax asset		6,949,800	-
Total deferred tax liability		11,406,114	68,670,938

8 Investments at amortised cost

	2026	2025
	ETB	ETB
Grand Ethiopian Renaissance Bond	8,000,000	8,000,000

Ethiopian Government bonds represent investments in the Grand Ethiopian Renaissance Dam (GERD) Saving Bonds. The bonds bear interest income at 5.5% per annum. One bond has a maturity date of 22 July 2027. An additional Government Great Ethiopian Renaissance Dam Saving Bond was purchased on 4 August 2025 and has a maturity date of 3 August 2030.

	2026	2025
	ETB	ETB
9 Inventory and goods intransit		
Raw materials, components	299,054,885	479,661,301
Finished goods	42,720,541	64,498,838
Packing materials	20,414,560	9,849,457
Work in progress	4,877,921	8,800,854
	367,067,908	562,810,449
Goods in transit	198,749,548	150,949,697
Write down for slow moving stock	(16,769,415)	(35,849,973)
	549,048,041	677,910,172
9.1 Inventory (write-downs) reconciliation		
Balance at the beginning of the year	(35,849,973)	(24,880,685)
Inventory write back/(impairment allowance)	19,080,559	(10,969,288)
	(16,769,415)	(35,849,973)
10 Trade and other receivables		
Financial instruments		
Trade	181,789,469	89,800,151
Trade related party	6,862,655	3,873,000
Interest receivables	1,568,800	1,803,800
Other -related parties	1,056,787	-
Impairment allowance	(2,406,006)	(3,313,214)
	187,302,905	90,359,936
Interest receivables	1,568,800	1,803,800
Non financial instruments		
Prepayments	538,304,950	320,062,800
	727,176,655	412,226,536
Financial instrument and non-financial instrument components		
Amortized cost	188,871,705	92,163,736
Non financial instruments	538,304,950	320,062,800
	727,176,655	412,226,536
Split between Non-current and current portion		
Current	727,176,655	412,226,536
	727,176,655	412,226,536

Notes

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Exposure to credit risk

Trade receivables inherently expose the Company to credit risk, being the risk that the Company will incur financial loss if customers fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The average credit period on trade receivables is 78 days (2025: 60 days). No interest is charged on outstanding trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The Company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Expected credit loss rate:	2026		2025	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 0% (2025: 0%)	5,351,417	-	39,442,951	-
0 - 90 days past due: 0.3%	178,982,193	536,947	50,660,000	166,000
91 - 180 days past due: 3%	1,910,271	57,308	993,000	30,000
181 - 270 days past due: 9%	2,348,622	211,376	757,000	68,000
271 - 365 days past due: 13.7%	1,069,877	146,573	316,000	43,000
More than 365 days past due: 90.9%	1,615,330	1,453,797	3,308,000	3,006,214
	191,277,710	2,406,006	95,476,951	3,313,214

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

	2026	2025
	ETB	ETB
Balance at beginning of the year	3,313,214	1,309,938
Impairment (reversal)/loss for the year	(907,208)	2,003,276
	2,406,006	3,313,214

11 Cash and cash equivalents

	2026	2025
	ETB	ETB
Cash at bank	508,749,140	374,739,051
Digital wallet	169,711	-
Cash on hand	-	10,701
	508,918,851	374,749,753
Bank overdraft	(91,404,110)	(49,426,343)
	417,514,742	325,323,410
Current assets	508,918,851	374,749,753
Current liabilities	(91,404,110)	(49,426,343)
	417,514,742	325,323,410

Bank overdraft

The company has an overdraft facility amounting to ETB 150 million from the Commercial Bank of Ethiopia with an interest rate of 15%, secured by a plant located in Kality.

Credit quality of cash at bank

The Company maintains its cash and short-term deposits with licensed commercial banks in Ethiopia and considers the associated credit risk to be low, taking into account the regulatory oversight of the National Bank of Ethiopia. In accordance with IFRS 9 Financial Instruments, the Directors have assessed the expected credit loss on these balances and concluded that it is immaterial; accordingly, no impairment provision has been recognized.

Exposure to currency risk

Refer to note 3 Financial instruments and financial risk Management for details of currency risk Management for cash and cash equivalents.

12 Share capital

	2026	2025
	ETB	ETB
Share capital	472,000,000	472,000,000
Reconciliation of number of shares issued:		
Balance at beginning of the year	472,000,000	472,000,000
Related party loan converted to share capital	-	-
	472,000,000	472,000,000
Issued and paid		
Ordinary (4,720 shares at ETB 1,000)	472,000,000	472,000,000

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13 Other reserve

	2026	2025
	ETB	ETB
Balance at beginning of the year	(3,628,134)	(2,180,322)
Remeasurement gain /(loss) on defined benefit obligation	2,930,020	(2,068,303)
Deferred tax on remeasurement gain or loss	(879,006)	620,491
	(1,577,120)	(3,628,134)

Other reserve represents accumulated gains (losses) on the remeasurement of defined benefit obligation.

14 Legal reserve

Five percent of profit after tax is transferred annually to the legal reserve, which is a non-distributable reserve, until it reaches 5% of the paid-up capital. As the 5% threshold has now been reached, no further transfers will be made unless additional share capital is injected by the shareholders.

	2026	2025
	ETB	ETB
Balance at beginning of the year	49,106,298	49,106,298
	49,106,298	49,106,298

15 Retained earnings

	2026	2025
	ETB	ETB
Balance at beginning of the year	125,802,455	347,054,361
Profit/(Loss) for the year	396,974,022	123,622,133
Dividend declared	(122,174,319)	(344,874,039)
	400,602,158	125,802,455

16 Defined benefit obligation and leave pay

	Note	2026	2025
		ETB	ETB
Defined benefit obligation	16.1	12,167,042	13,171,822
Leave pay	16.2	11,016,898	10,937,909
		23,183,940	24,109,731

Split between Non-current and current portion

	2026	2025
	ETB	ETB
Non current	19,685,258	20,462,270
Current	3,498,682	3,647,461
	23,183,940	24,109,731

16.1 Defined benefit obligation

The defined benefit obligation plan is an unfunded defined benefit scheme. The Company does not maintain any assets for the schemes but ensures that it has sufficient funds for the obligations as they crystallize.

The defined benefit obligation is based on the statutory severance benefit as set out in Labour Proclamation No. 1156/2019. Employees who have served the Company for 5 years and above and are below the retirement age (i.e. has not met the requirement to access the pension fund) are entitled for the benefit. The final pay-out is determined by reference to final monthly salary and number of years in service computed as one month salary of the first year in employment plus one-third of monthly salary for subsequent years to a maximum of twelve months salary.

The defined benefit obligation was estimated by Transe Value Consultants an external consultant using the Projected Unit Credit Method.

	2026	2025
	ETB	ETB
Carrying value		
Present value of the defined benefit obligation-wholly unfunded:		
Defined benefit obligation	12,167,042	13,171,822
The fair value of plan assets includes:		
Movements for the year		
Balance at beginning of the year	13,171,822	9,662,114
Benefits paid	(179,944)	(344,259)
Actuarial gain/(loss)	(2,930,020)	2,068,303
Net expense recognised in profit or loss	2,105,184	1,785,664
	12,167,042	13,171,822
Net expense recognised in profit or loss		
Current service cost	1,152,830	1,021,385
Interest cost	952,354	764,279
	2,105,184	1,785,664

Key assumptions used

Assumptions used on last valuation on 31 March 2026.

Economic assumption

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount rate

The discounting rate should be based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefit obligations works out to 7.82 years. For the current valuation, a discount rate of 7.5 % p.a. compound has been used.

Salary escalation rate

The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. In addition to this any commitments by the Directors regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to the

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors. The assumptions used are summarized in the following table.

Details of interest rate and salary increment assumptions are as follows:

	2026	2025
	ETB	ETB
Discount rates used	7.50%	7.50%
Expected increase in salaries	15.00%	15.00%
Demographic assumptions		
Mortality	As per WHO 2012 study	As per WHO 2012 study
Disability	None	None
Employee turnover	Category Management: 20% Non management: 8%	Category Management : 19% Non Management: 9.7%"
Normal retirement age	60 years	60 years
Interest cost	952,354	764,279

16.2 Leave pay provision

The annual leave liability is based on the statutory annual leave entitlement as set out in Labour Proclamation No. 1156/2019. Workers are entitled to 16 working days of paid annual leave on completion of one year of service plus one working day for every additional year of service. For a worker with 5 years of service, the period of paid annual leave is 18 working days (one day extra for every two additional years of service).

The income statement charge, in respect change in annual leave liability, included within personnel expenses includes current service cost, interest cost, and changes in the liability balance because of assumptions used to calculate the total leave liability payable.

The key financial assumptions used in the calculation of annual leave liability are the discount rate and the rate of salary increases.

	2026	2025
	ETB	ETB
Carrying value		
Present value of the leave pay-wholly unfunded	11,016,898	10,937,909
Movements for the year		
Balance at beginning of the year	10,937,909	6,625,176
Benefits paid	(299,612)	(187,917)
Net expense recognised in profit or loss	378,601	4,500,650
	11,016,898	10,937,909
Net expense recognised in profit or loss		
Current service cost	1,414,600	2,204,985
Interest cost	585,163	418,375
Actuarial gain/(loss)	(1,621,162)	1,877,290
	378,601	4,500,650

Key assumptions used

Assumptions used on last valuation on 31 March 2026.

Economic assumption

The discount rate and salary increase rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The term of the risk free investments has to be consistent with the estimated term of benefit obligations. The estimated term of the benefit obligations works out to 7.74 years. For the current valuation, a discount rate of 7.5 % p.a. compound has been used.

Salary escalation rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The term of the risk free investments has to be consistent with the estimated term of benefit obligations. The estimated term of the benefit obligations works out to 7.82 years. For the current valuation, a discount rate of 7.5 % p.a. compound has been used.

Details of interest rate and salary increment assumptions are as follows:

	2026	2025
	ETB	ETB
Discount rates used	7.50%	7.50%
Expected increase in salaries	15.00%	15.00%
Demographic assumptions		
Mortality	As per WHO 2012 study	As per WHO 2012 study
Disability	None	None
Employee turnover	Category Management: 20% Non management: 8%	Management Category : 19% Non Management category: 9.7%
Normal retirement age	60 years	60 years

Leave Pattern

To estimate liabilities towards leaves availment, an assumption towards leave availment is needed. It is assumed that 5% of leaves balance as on the valuation date and each subsequent year after the valuation date will be availed. The balance will be encashed at termination. As per the proclamation, the leave can be postponed only for two years. But since this will become a continuous process, it is assumed that the valuation day leave balance is consumed at a slower pace.

17 Borrowings

	2026	2025
	ETB	ETB
Held at amortised cost		
Borrowings	157,659,484	279,349,952

The Company has an outstanding loan of USD 1,000,000 from its parent company, Asian Paint International Private Limited. The loan accrues interest at SOFR +2% on drawn balances, with no commission or commitment fees charged on the unused facility. The loan is obtained without collateral.

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

	2026	2025
	ETB	ETB
Split between Non-current and current portion		
Current	157,659,484	279,349,952
Movements for the year		
	2026	2025
	ETB	ETB
Balance at beginning of the year	279,349,952	418,435,201
Received during the year	156,059,900	97,849,877
Settlement of principal	(288,391,718)	(286,531,239)
Interest for the year	4,953,327	19,842,830
Attributed to foreign exchange translation	5,688,023	29,753,283
	157,659,484	279,349,952

Exposure to liquidity risk

Refer to note 3 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to currency risk

Refer to note 3 Financial instruments and financial risk Management for details of currency risk Management for cash and cash equivalents.

Exposure to interest rate risk

Refer to note 3 for details of interest rate risk management for borrowings.

18 Trade and other payables

	2026	2025
	ETB	ETB
Financial instruments	332,543,533	197,524,113
Trade	110,079,060	-
Dividend payable	77,386,657	142,829,921
Royalty	59,449,084	114,348,966
Accrual	14,816,979	15,427,000
Related parties	1,752,417	270,289
Sundry	833,747	220,010
Staff		
Non financial instruments		
Provision	115,195,383	83,588,351
Withholding tax	18,120,693	6,359,699
VAT	11,264,125	10,594,790
Income tax	4,378,000	3,142,609
Custom duty	-	7,718,089
	745,819,677	582,023,838

19 Current tax payable

		2026	2025
	Note	ETB	ETB
Balance at the beginning of the year		72,080,735	135,449,440
Current year profit tax	28	128,132,919	89,307,776
Profit tax paid during the year	30	(72,392,484)	(135,529,312)
Withholding tax		(38,247,643)	(17,147,169)
Advance profit tax	19.1	(35,835,206)	-
		53,738,321	72,080,735

19.1 Following the enactment of Income Tax Proclamation No. 1395/2025, taxpayers are required to make quarterly advance income tax payments calculated at 25% of the prior year's income tax liability, payable in four equal installments during the fiscal year.

20 Revenue

	2026	2025
	ETB	ETB
Revenue from contracts with customers		
Sale of goods	3,396,519,444	2,503,079,608

Disaggregation of revenue from contracts with customers

The Company disaggregates revenue from customers as follows:

	2026	2025
	ETB	ETB
Sale of goods		
Construction products	2,888,043,295	2,050,262,180
Industrial products	325,860,645	310,347,525
Automotive products	273,303,615	157,164,500
Adhesive products	135,560,485	88,552,025
Woodwork products	104,903,305	101,876,015
Waterproofing products	29,221,050	12,364,870
Sales discount	(360,372,951)	(217,487,507)
	3,396,519,444	2,503,079,608

	2026	2025
	ETB	ETB
At a point in time		
Sale of goods	3,396,519,444	2,503,079,608

All revenue of the Company is recognized at a point in time.

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

21 Cost of sales

		2026	2025
	Note	ETB	ETB
Raw materials		1,874,992,726	1,174,471,172
Packing materials		440,937,500	326,988,503
Employee cost		44,404,017	28,575,975
Manufacturing expenses	21.1	17,311,658	11,829,370
Depreciation		6,135,460	5,723,519
		2,383,781,362	1,547,588,539

21.1 Manufacturing expenses

	2026	2025
	ETB	ETB
Utility	11,176,365	11,176,365
Insurance	3,637,951	3,637,951
Repair and maintenance	2,497,341	2,497,341
	17,311,658	17,311,658

22 Other income

	2026	2025
	ETB	ETB
Sales of used empty drums	14,939,191	10,961,022
Interest income	6,189,793	38,809,130
	21,128,984	49,770,152

23 Impairment write back/(allowance)

	2026	2025
	ETB	ETB
Inventory write back/(provision)	(19,080,559)	10,969,288
Impairment (reversal)/allowance	(907,208)	2,003,276
	(19,987,767)	12,972,565

24 Selling and administrative expenses

	Note	2026	2025
		ETB	ETB
Employee cost		143,185,376	112,522,783
Royalty	24.1	85,985,174	59,792,276
Legal and professional fees		37,343,726	23,587,405
Amortisation of rights of use asset		23,499,116	17,645,722
Marketing expense		15,858,190	2,276,556
Advertising		15,173,414	5,581,559
Fines and penalties		13,307,140	72,169
Canteen expense		11,576,128	8,677,279
Software expenses		11,449,170	8,049,195
Depreciation		10,816,790	8,856,980
Rent		5,408,020	3,745,272
Security		5,223,478	3,482,775
Repairs and maintenance		5,109,145	454,771
Travel		3,578,468	4,419,541
Printing and stationery		2,524,544	1,494,790
Miscellaneous expenses		1,746,371	1,475,305
Fuel expenses		1,339,650	1,113,575
Property tax		1,287,530	1,325,540
Communications		1,097,684	829,082
Cleaning and sanitation		1,031,941	927,529
Training		614,327	46,427
Hotel lodging and boarding		603,769	275,734
Sundry		580,428	1,022,518
Donations - non-deductible		329,159	466,937
Demurrage		251,587	61,200
Entertainment		207,444	162,351
Subscriptions		169,235	199,570
Amortisation on intangible assets		83,696	83,695
		399,380,702	268,648,536

24.1 Royalty

The Company pays 3% royalty to Asian Paints Limited, the ultimate holding company. The payment is on the incremental net sales over base sales of all products excluding adhesives products manufactured and sold by the company.

24.2 Rental charges include short-term lease arrangements and leases that have been terminated. As these leases do not meet the recognition criteria under IFRS 16, the related rental expenses have been recognized directly in profit or loss.

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

25 Employee costs

As at 31 March 2026 the Company had 286 permanent employees (2025:265). Employee benefits expense is made up of the following for all employees, including executive Management:

	2026	2025
	ETB	ETB
Cost of sales		
Basic	37,526,704	23,332,627
Overtime	3,374,305	1,680,557
Pension	1,688,680	1,482,163
Allowance	1,083,775	809,124
Defined benefit plan and leave expense	730,554	1,271,504
	44,404,017	28,575,975
Selling and administrative expenses		
Basic	97,476,719	73,940,340
Allowance	31,876,308	23,296,187
Bonus	6,132,962	6,063,613
Pension	3,956,915	2,922,757
Defined benefit plan and leave expense	2,407,374	5,299,128
Overtime	1,335,098	1,000,759
	143,185,376	112,522,783
Total employee costs		
Cost of sales	44,404,017	28,575,975
Selling and administrative expenses	143,185,376	112,522,783
	187,589,394	141,098,758

26 Finance cost

	2026	2025
	ETB	ETB
Bank charges on borrowing	27,772,371	61,487,886
Interest on borrowing	18,737,924	53,068,363
Interest on prior year tax	5,921,851	28,556
Interest expense on lease liability	2,814,404	2,560,888
	55,246,550	117,145,693

27 Loss on foreign exchange

	2026	2025
	ETB	ETB
Loss on foreign exchange	17,734,823	425,931,516
	17,734,823	425,931,516

28 Tax expense

28.1 Major components of the tax expense

	Notes	2026	2025
		ETB	ETB
Current			
Current tax	28.2	128,132,919	89,307,776
Deferred			
Deferred tax	7	56,385,818	(32,366,997)
		184,518,737	56,940,779

28.2 Current tax on taxable profit at 30%

	2026	2025
	ETB	ETB
Profit before tax	581,492,759	180,562,912
Non- deductible expense		
Amortization of right of use of asset	23,499,116	17,645,722
Provision for sales discount	23,166,000	-
Interest and penalty	19,228,991	100,726
Depreciation per company policy	17,035,946	14,664,194
Sales billed but not dispatched	9,714,200	181,944
Bank service charges on dividend and royalty remittance	9,363,051	19,876,250
Provision for employee benefits	6,078,381	19,625,768
Interest on lease liability	2,814,404	2,560,888
Education fee	4,344,404	709,818
Property tax	1,287,530	-
Donation	329,159	466,937
Entertainment	207,444	162,351
Unrealized foreign exchange loss	-	154,411,106
Additional prior period tax expense	-	1,325,540
Demurrage charges	-	61,200
Loss on sale of asset	-	109,495

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

28.2 Current tax on taxable profit at 30% (Contd.)

	2026	2025
	ETB	ETB
Less:		
Prior Period expense	-	(17,762)
Tax holiday on in-house emulsion production	-	(1,146,661)
Tax allowed rent, lease interest, and lease hold land amortization	-	(309,893)
Provision for bad debts	(907,208)	2,003,276
Defined benefit and annual leave paid	(1,133,698)	(541,044)
Interest income taxed at source	(6,189,793)	(38,809,130)
Provision for bank charges	(9,633,682)	(9,517,526)
Depreciation per tax law (Annex-I)	(12,112,675)	(16,973,491)
Inventory (writeback)/ impairment loss	(19,080,559)	10,969,288
Lease paid	(25,799,726)	(10,823,036)
Reversal of provision for principal and interest on customs and VAT	(35,456,320)	-
Adjustment on foreign exchange (gain)/loss	(162,177,157)	(49,872,526)
Taxable profit	426,070,568	297,426,346
Current tax expense (30%)	127,821,170	89,227,904
Additional tax per assessment	311,749	79,872
	128,132,919	89,307,776

28.3 Tax assessment

The Company was under comprehensive tax assessment for the period from 2018/19 to 2019/20. The assessment was finalized and an assessment report was communicated to the Company in 2021/22. The assessment resulted in an additional payment request of ETB 11.4m, containing penalty amount. Out of this balance, the Company has settled ETB 2.1m and got Covid amnesty for ETB 4.3 million. The Company has submitted an appeal for the remaining balance. Additionally, a tax assessment conducted in 2023 resulted in an additional payment obligation of ETB 95,290.

28.4 Minimum alternative tax

The income tax rate for the year ended 2026 was 30% (2025: 30%). In accordance with Ethiopian tax law, the Company is subject to Minimum Alternate Tax (MAT), which is calculated as 2.5% of total income, excluding unrealized income and income subject to tax at source.

For the current year, the MAT computed on the adjusted total income was lower than the income tax expense calculated under the standard corporate tax rules. Accordingly, the Company has recognized its current income tax expense based on the normal tax computation, as it represents the higher tax liability for the period.

	2026	2025
	ETB	ETB
Revenue	3,396,519,444	-
Other operating income, excluding interest income and unrealized foreign exchange gain	14,939,191	-
MAT (2.5%)	85,286,466	-

29 Cash generated from operations

	2026	2025
	ETB	ETB
Profit/(loss) before taxation	581,492,759	180,562,912
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	16,952,251	12,833,597
Desposal of fixed asset	-	1,746,902
Adjustment and transfer on property, plant and equipment.	-	447,291
Amortisation of rights of use of assets	23,499,116	17,646,000
Amortisation of intangible assets	83,696	83,695
Interest on lease liability	2,814,404	2,560,232
Net movement on lease liability	-	23,459,879
Net movement on rights of use assets due to termination of contract	-	(11,608,794)
Defined benefit and accrued leave service cost and interest	2,483,785	6,286,314
Attributed to foreign exchange translation	5,688,023	29,753,283
Adjust for items which are presented separately:		
Interest on borrowing	4,953,327	19,842,830
Changes in working capital:		
(Increase) decrease in inventories	128,862,113	(433,513,139)
(Increase) decrease in trade and other receivables	(314,950,119)	(138,372,000)
Increase (decrease) in trade and other payables	163,795,839	179,857,998
	615,675,194	(108,413,001)

30 Tax paid

	Notes	2026	2025
		ETB	ETB
Balance at the beginning of the year		72,080,735	(135,449,000)
Current tax recognised in profit or loss	28.2	128,132,919	(89,307,776)
Balance at the end of the year	19	(53,738,321)	72,080,735
		146,475,333	(152,676,041)

31 Contingencies

There are ongoing legal cases involving the Company, and provisions have been recognized in these financial statements where an outflow of resources is considered probable and can be reliably estimated. Accordingly, no contingent liabilities have been disclosed. In addition, there are no contingent assets recognized as at the end of the reporting period.

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

32 Related parties

Relationships	Related parties
Controls the company	Board of Directors and Senior Executives
Controls the company	Shareholders
Ultimate holding Company	Asian Paints Limited
Holding Company	Asian Paints International Private Limited
Controlled by the holding company	Berger Paints Emirates LTD co LLC
Controlled by Directors	Kadisco General Hospital
Controlled by Directors	Kadisco Group PDBA PLC
Controlled by Directors	Kadisco General Hospital PLC
Controlled by Directors	KADCO Group
Close family member	Ismael Khalifa

Related party balances

	Balance at beginning of the year	(Advance)/ Settlement	Closing balance
Loans due to Asian Paints International Private Limited	(279,349,952)	121,690,468	(157,659,484)
Royalty due to Asian Paints Limited	(142,829,921)	65,443,343	(77,386,578)
Asian Paints International Private Limited	(15,380,000)	(49,404,538)	(64,784,538)
Kadisco General Hospital PLC	(47,000)	(2,144,359)	(2,191,359)
Kadisco Group PDBA PLC	-	(25,318,184)	(25,318,184)
Saifudin Khalifa Abdulkadir	-	(15,411,068)	(15,411,068)
Salahadin Khalifa Abdulkadir	-	(7,705,534)	(7,705,534)
Dr. Fouzia Khalifa Abdulkadir	-	(5,503,953)	(5,503,953)
Berger Paints Emirates LTD co LLC	-	(3,981,483)	(3,981,483)
	(437,606,873)	77,664,692	(359,942,181)

Related party loan and royalty payable balances

- i As disclosed in note 17, the Company received loan from its parent company at rate and terms comparable to the average commercial rate of interest terms prevailing in the market. The loan is unsecured.
- ii As disclosed in note 18, the Company pays 3% royalty to Asian Paints Limited, the ultimate holding Company. The payment is on the incremental net sales over base sales of all products excluding adhesives products manufactured and sold by the Company. The royalty payable balance as at 31 March 2026 is ETB 77,386,657 (2025: ETB 142,829,921).

Due from related parties reported in trade and other receivables

	Balance at beginning of the year	(Advance)/ Settlement	Closing balance
Freweni G/Meskel	3,593,000	(512,960)	3,080,040
Kadisco General Hospital PLC	94,000	211,812	305,812
KADCO Group	137,000	613,975	750,975
Seifudin Khalifa	49,000	(49,000)	-
Asian Paints LTD	-	3,782,615	3,782,615
	3,873,000	4,046,442	7,919,442

Related party transactions

Compensation to key Management

	2026	2025
	ETB	ETB
Salary	57,025,972	19,765,000
Pension	1,373,468	1,226,000
Share based payments	1,678,150	996,000
	60,077,589	21,987,000

33 Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

34 Events after the reporting period

The Management is not aware of any material event which occurred after the reporting date and up to the date of this report.

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

Annex-I-Property and Equipment Tax Written-Down Value

for the year ended 31 March 2026

	Buildings	Machinery	Motor Vehicles	Furniture & Fixtures	Office Equipments	Computer & accessories	Software	Total
	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB
Cost								
At 1 April 2024	30,738,224	63,778,781	36,710,052	1,420,244	288,034	11,789,252	2,861,487	147,586,074
Addition for the year	5,061,534	5,443,051	16,909,509	465,124	-	2,065,860	-	29,945,077
Disposal	-	-	(1,747,362)	-	-	-	-	(1,747,362)
At 31 March 2025	35,799,757	69,221,832	51,872,200	1,885,367	288,034	13,855,113	2,861,487	175,783,789
At 1 April 2025	35,799,757	69,221,832	51,872,200	1,885,367	288,034	13,855,113	2,861,487	175,783,789
Addition for the year	171,700	30,900,277	15,432,135	1,742,671	-	4,497,531	-	52,744,314
At 31 March 2026	35,971,457	100,122,109	67,304,334	3,628,038	288,034	18,352,644	2,861,487	228,528,103
Accumulated Depreciation								
At 1 April 2024	18,137,463	51,564,344	16,061,360	1,044,724	281,388	10,461,005	2,714,709	100,264,993
Charge for the year	1,602,340	5,940,553	6,425,661	125,329	6,482	2,726,348	146,778	16,973,491
At 31 March 2025	19,739,803	57,504,897	22,487,021	1,170,053	287,870	13,187,353	2,861,487.2637	117,238,484
At 1 April 2025	19,739,803	57,504,897	22,487,021	1,170,053	287,870	13,187,353	2,861,487	117,238,484
Charge for the year	1,203,016	4,586,059	5,381,411	122,901	164	819,125	(0.19)	12,112,675
At 31 March 2026	20,942,819	62,090,955	27,868,432	1,292,955	288,034	14,006,478	2,861,487.0700	129,351,160
Net book value								
At 31 March 2025	16,059,954	11,716,935	29,385,178	715,314	164	667,760	-	58,545,305
At 31 March 2026	15,028,638	38,031,154	39,435,902	2,335,083	-	4,346,165	-	99,176,943



Causeway Paints Lanka (Pvt) Limited

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Independent Auditor's Report

To the Shareholders of
CAUSEWAY PAINTS LANKA (PVT) LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Causeway Paints Lanka (Pvt) Ltd ("the Company"), which comprise the statement of financial position as at 31 March 2026, and the statement profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other

information, we are required to report that fact. As the management does not present any other information and we were not provided with any, we have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by Section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

Deloitte Associates
Chartered Accountants

Colombo
30 April 2026

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2026

	Note	2025/2026	2024/2025
		Rs.	Rs.
Revenue	5	21,246,912,843	16,912,182,422
Cost of materials consumed		(14,065,814,428)	(12,044,034,329)
Other income	6	349,046,179	250,707,120
Employee benefits expenses		(2,128,201,814)	(1,874,280,509)
Other expenses		(3,088,900,631)	(2,520,622,706)
Depreciation and amortization		(212,366,236)	(202,243,330)
Finance and other costs		(75,190,253)	(97,022,952)
Profit before taxation	7	2,025,485,660	424,685,756
Income tax expense	8	(614,165,038)	(94,695,623)
Profit for the year		1,411,320,622	329,990,133
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gain / (loss) on defined benefit plans, net of tax		(29,079,382)	(20,574,961)
Total comprehensive income for the year		1,382,241,240	309,415,172
Earnings per share	9	33.23	7.77
Dividend per share	10	22.78	3.35

Accounting policies and notes from 1 to 29 form an integral part of these financial statements.

Statement of Financial Position

as at 31 March 2026

	Notes	31.03.2026 Rs.	31.03.2025 Rs.
Assets			
Non current assets			
Property, plant and equipment	11	1,323,880,727	1,274,252,930
Intangible assets	11.1	5,495,062	5,643,710
Right of use assets	11.2	124,128,783	80,552,077
Deferred tax asset	8.4	139,991,465	138,914,117
		1,593,496,037	1,499,362,834
Current assets			
Inventory	12	4,077,123,184	3,655,851,894
Trade and other receivables	13	6,262,198,485	4,855,357,943
Other financial investments	14	-	9,892,051
Cash in hand and at bank	15	1,298,737,122	1,997,365,348
		11,638,058,791	10,518,467,236
Total assets		13,231,554,828	12,017,830,070
Equity and liabilities			
Shareholders' equity			
Stated capital	16	2,101,449,061	2,101,449,061
Retained earnings		5,466,961,316	5,052,253,239
Total equity		7,568,410,377	7,153,702,300
Non current liabilities			
Retirement benefit obligations	17	433,899,538	307,775,858
Lease liability	20	33,533,309	20,950,242
		467,432,847	328,726,100
Current liabilities			
Trade and other payables	18	4,882,914,900	4,454,851,045
Interest bearing loan	28	-	8,980,500
Income tax payable	19	265,263,604	10,471,114
Lease liability	20	47,533,099	16,459,536
Bank overdrafts	21	-	44,639,475
		5,195,711,603	4,535,401,670
Total liabilities		5,663,144,451	4,864,127,770
Total equity and liabilities		13,231,554,828	12,017,830,070

Accounting policies and notes from 1 to 29 form an integral part of these financial statements.

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Sahil Samaiya
Head - Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by the following on 29th April 2026.

Panadura, Sri Lanka

.....
Budhaditya Mukherjee
Director

.....
Parag Rane
Director

Statement of changes in equity

for the year ended 31 March 2026

	Stated capital	Retained earnings	Total
	Rs.	Rs.	Rs.
Balance as at 1 April 2024	2,101,449,061	4,885,113,990	6,986,563,051
Profit for the year	-	329,990,133	329,990,133
Other comprehensive gain/(loss)	-	(20,574,961)	(20,574,961)
Total comprehensive income for the year	-	309,415,172	309,415,172
Payment of final dividend for 2023/24	-	(142,275,924)	(142,275,924)
Balance as at 31 March 2025	2,101,449,061	5,052,253,239	7,153,702,299
Profit for the year	-	1,411,320,622	1,411,320,622
Other comprehensive gain/(loss)	-	(29,079,382)	(29,079,382)
Total comprehensive income for the year	-	1,382,241,240	1,382,241,240
Payment of final dividend for 2024 /25	-	(249,726,098)	(249,726,098)
Payment of 1 st Interim dividend for 2025 /26	-	(80,269,103)	(80,269,103)
Payment of 2 nd Interim dividend for 2025 /26	-	(637,537,962)	(637,537,962)
Balance as at 31 March 2026	2,101,449,061	5,466,961,316	7,568,410,377

Accounting policies and notes from 1 to 29 form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 March 2026

	Note	2025/26 Rs.	2024/25 Rs.
Cash flows from operating activities			
Profit before taxation		2,025,485,660	424,685,756
Adjustments for:			
Interest income	6	(82,781,246)	(42,716,055)
Interest and Finance charges		75,190,253	21,983,424
Profit on disposal of PPE		(7,819,137)	(492,234)
Retirement benefit obligations	17	109,611,338	46,320,535
Provision for accumulated leave balance		5,266,550	10,873,306
Provision/ (reversal) for sick leave		(604,611)	114,370
Depreciation and amortisation of property plant and equipment		212,366,236	202,243,330
Allowance for impairment of inventory		(6,010,713)	(29,959,992)
Sundry balance write back		(124,360,376)	(19,978,689)
Provision/(reversal) for doubtful debts		(98,490,957)	(72,693,433)
Write off for bad debts		63,051,138	84,712,310
Operating cash flows before working capital changes		2,170,904,135	625,092,627
Changes in working capital			
Decrease / (increase) in inventories		(415,260,577)	(446,032,227)
Decrease / (increase) in trade and other receivables		(1,366,036,530)	843,524,191
(Increase) / decrease in trade and other payables		550,609,683	860,374,743
Cash flows from operating activities		940,216,711	1,882,959,334
Interest and Finance charges paid		(67,616,671)	(21,983,424)
Gratuity paid	17	(25,029,632)	(10,401,901)
Annual leave payment		(2,847,394)	(3,005,475)
Income tax paid	19	(347,987,303)	-
Net cash flows generated from operating activities		496,735,711	1,847,568,534
Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		(225,087,577)	(77,649,874)
Proceed from disposal of property, plant and equipment		9,266,949	-
(Investing)/divesting in other financial assets		9,892,051	(1,268,022)
Interest income received		82,781,246	56,738,315
Net cash used in investing activities		(123,147,331)	(22,179,580))
Cash flows from financing activities			
Dividend paid		(967,533,163)	(142,275,924)
Settlement of lease liability	20	(51,063,467)	(28,220,119)
Payments of long term loan		(8,980,500)	(1,062,040,316)
Net cash used in financing activities		(1,027,577,130)	(1,232,536,360)
Net increase / (decrease) in cash and cash equivalents during the year		(653,988,751)	592,852,596
Cash and cash equivalents at the beginning of the year		1,952,725,873	1,359,873,277
Cash and cash equivalents at the end of the year (Note 22)		1,298,737,122	1,952,725,873

Accounting policies and notes from 1 to 29 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 March 2026

1. Reporting entity

1.1 Domicile and legal form

Causeway Paints Lanka (Pvt) Ltd, ("the Company") is a limited liability Company incorporated and domiciled in Sri Lanka. The Company's registered office and its principal place of business is located at. 15, Noel Mendis Mawatha, Modarawila Industrial Estate, Panadura.

1.2 Principal activities and nature of operations

The principal activities of the Company are manufacturing and selling of paints and related products. There have been no significant changes to these principal activities during the financial year.

1.3 Parent entity and ultimate parent

Asian Paints International Private Limited (APIPL), Singapore is the immediate parent of the Company and Asian Paints Limited, India is the ultimate parent undertaking.

1.4 Date of authorization for issue

The financial statements were authorized for issue by the Board of Directors on 29th April 2026.

1.5 Amalgamation of Asian Paints Lanka Limited (APLL) with Causeway Paints Lanka (Pvt) Limited

Asian Paints Lanka Limited (APLL) amalgamated with Causeway Paints Lanka (Pvt) Ltd (CPLL) with effect from 1st April 2021 and continued its operations under the name Causeway Paints Lanka (Pvt) Ltd. The amalgamation was effective by way of an agreed share swap, whereby the shareholders of APLL were offered ordinary voting shares in CPLL in accordance with the amalgamation proposal.

2. Basis of preparation

2.1 Statement of compliance

The financial statements of the Company (statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows together with accounting policies and notes) are prepared in accordance with Sri Lanka Accounting Standards (LKASs and SLFRSs) as issued by The Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No.07 of 2007.

2.1.1 New standards and amendments – applicable for the first time for periods commencing 1 January 2025

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2025.

- i. Amendments to LKAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

However, the above standard does not have material impact over the financial statement.

2.1.2 New standards and amendments – Issued but not effective

The following new accounting standards and interpretations are issued by IASB but not yet adopted by CA Sri Lanka.

- i. SLFRS 7 Financial Instruments: Classification and Measurement of Financial Instruments
- ii. SLFRS 9 Financial Instruments: Classification and Measurement of Financial Instruments
- iii. SLFRS 18 Presentation and Disclosures in Financial Statements
- iv. SLFRS 19 Subsidiaries without Public Accountability: Disclosures

The company anticipate that the application of these improvements may not have a material impact on the Company's financial statements in future periods.

2.2 Going concern

The management is satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and no significant impact was assessed on carrying amounts of assets and liabilities thereby justifying adoption of the going concern basis in preparing these financial statements.

2.3 Basis of measurement

The financial statements have been prepared on historical cost basis except where appropriate disclosures are made with regard to fair value under relevant notes. Assets and liabilities are grouped by nature and is an order that reflect their relative liquidity. The financial statements have been prepared on the assumption that the Company will continue as a going concern for the foreseeable future.

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to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

2.4 Functional and presentation currency

The financial statements of the Company presented in Sri Lankan Rupees, which is the Company's functional currency. All financial information presented in Sri Lankan Rupees have been rounded to the nearest rupee.

2.5 Use of estimates and judgments

The preparation of the financial statements in conformity with the Sri Lankan Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances and assumptions based on such knowledge and expectation of future events. Hence, actual experience and results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Company's financial statements is included in the respective notes.

Deferred taxes

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and tax credits to the extent it is probable that taxable profits will be available against which these credits/ losses can be utilised. Significant management judgments are required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Employee benefit liability

The cost of defined benefit obligations and other post-employment benefit plans are determined using actuarial valuation. Actuarial valuation involves making various assumptions, determining discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and their long-term nature, such estimates are subject to significant uncertainty.

In determining the appropriate discount rate, the management considers the interest rates of Sri Lanka

Government Bonds. The mortality rate is based on publicly available mortality tables. Future salary increase is based on expected future inflation rates and expected future salary increase rate of the Company.

Provision for slow moving inventories and impairment for trade receivables

The Company assesses at each reporting date whether there is an impairment of inventory and trade receivables. To determine impairment of inventories, the Company reviews the movement of inventory balances. For the trade receivables, the Company uses a simplified approach to determine the recoverability of the debtors by using a provision matrix.

Useful lifetime of the property, plant and equipment

The Company reviews the residual values, useful lives and methods of depreciation of assets as at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

2.6 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss.

2.7 Comparative information

The comparative information is re-classified wherever necessary to conform with the current year's presentation in order to provide a better presentation.

3. Material accounting policy information

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

The preparation of financial statements in conformity with Sri Lanka Accounting Standards (SLFRS/ LKAS) requires management to make judgments, estimates, and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses.

The judgement, estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period or in the period of the revision and future periods as well, if the revision affects both current and future periods.

3.1 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3.1.1 Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with SLFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorized as FVOCI. The classification is determined by both:

- The entity's business model for managing the financial asset

- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

During the year the Company did not classify any financial assets as FVTPL.

Financial assets at fair value through other comprehensive income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

- They are held under a business model whose objective it is “hold to collect” the associated cash flows and sell and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

During the year the Company did not classify any financial assets at FVOCI.

3.1.1.1 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Bank overdrafts

Bank overdrafts represent short-term borrowings repayable on demand. Bank overdrafts are presented as current liabilities in the statement of financial position. For the purpose of the statement of cash flows, bank overdrafts are excluded from cash and cash equivalents unless they form an integral part of the Company’s cash management.

3.1.1.2 Impairment - Financial asset

The Company use more forward-looking information to recognise expected credit losses.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point

during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been Computed based on the days past due.

3.1.2 Financial liabilities

Recognition and derecognition

The Company recognizes financial liabilities in the statement of financial position when the Company becomes a party to the contractual provisions of the financial liability.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Classification and measurement of financial liabilities

The Company’s financial liabilities include borrowings, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included within finance costs or finance income.

Trade and other payables

Trade and other payables are recognised initially at cost, which represents the fair value of the consideration payable. These balances include trade creditors, accrued expenses and other short-term payables and are subsequently carried at amortised cost. Accrued expenses are recognised based on the best estimate of the expenditure required to settle the obligation at the reporting date.

3.1.3 Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.1.4 Dividends

Dividends are recognised as a liability in the financial statements in the period in which they are declared and approved by the Board of Directors. Interim dividends are recognised when they are declared. Dividends approved after the reporting date are disclosed as events after the reporting period and are not recognised as liabilities at the reporting date.

Dividend payable represents dividends declared before the reporting date which remain unpaid as at the reporting date. Dividend payable is classified as a current liability.

3.2 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment and is recognised in other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured

reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful life for the current and comparative years is as follows:

Leasehold land	Over the lease period of 20 to 50 years
Buildings	From 15 to 50 years, subject to the remaining useful life of the leasehold land not exceeding the useful life of the building
Plant and machinery	4 to 20 years
Factory, stores, office and lab equipment	10 years
Computers	4 – 5 years
Furniture and fittings	4 years
Vehicles	10 years
Colour world machine	9 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognised. Depreciation methods, useful life and residual value is reassessed at each reporting date and adjusted if appropriate.

Impairment of property, plant and equipment

The carrying value of Property Plant and Equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount. Impairment losses are recognized in profit or loss unless it reverses a previous revaluation surplus for the same asset.

Capital work in progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as Capital Work – In – Progress whilst, the capital assets which have

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

been completed during the year and transfer to use have been transferred to Property, Plant and Equipment.

3.3 Intangible assets

Software

Software acquired by the Company is measured at cost less accumulated amortization and any accumulated impairment losses.

Expenditure on internally developed software is recognized as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalized borrowing costs and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortised on a straight-line basis in income statement over its estimated useful life, from the date on which it is available for use. The estimated useful life of software for the current and comparative periods is four years.

Amortisation methods, useful life and residual value is reviewed at each reporting date and adjusted if appropriate.

3.4 Leases

The Company assesses whether a contract is or contains a lease at the inception of the contract. The assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a corresponding lease liability at the lease commencement date.

3.4.1 Right-of-use assets

3.4.1.1 Recognition

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability

adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3.4.1.2 Depreciation of the right-of-use asset

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

3.4.1.3 Impairment of right-of-use asset

The carrying value of right-of-use asset is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

3.4.2 Lease liability

3.4.2.1 Initial measurement of lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentive receivables
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lease under the residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate lease

3.4.2.2 Subsequent measurement of lease liability

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

3.4.3 Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.5 Inventory

Inventory are measured at the lower of cost and net realisable value. The cost of inventory includes expenditure incurred in acquiring the inventory, production or conversion costs and other costs incurred in bringing them to their existing location and condition as appropriate. In the case of manufactured inventory and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Net realisable value of obsolete and slow-moving inventory over 365 days are considered as nil.

The cost of each category of inventory is based on the following:

Raw Materials	: Based on the weighted average cost price and includes expenditure incurred in acquiring the inventory and bringing them to their existing location and condition.
Work - in - Progress	: At raw material cost which include direct expenditure and production overhead on normal operating capacity.
Finished goods	: At raw material cost and packing materials, which include direct expenditure and production overhead on normal operating capacity.
Packing materials	: Based on the weighted average cost price and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.
Accessories Stock	: Based on the weighted average cost price and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

3.6 Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that has indefinite useful life or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

3.7 Liabilities and provisions

All financial liabilities are initially recognized at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Liabilities are settled in the normal operating cycle of the Company.

Liabilities classified as current liabilities on the statement of financial position are those, which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment after one year from the financial position date.

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past events, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the date of statement of financial position, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.8 Employee benefits

3.8.1 Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.8.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognized as an expense in the Profit or loss when incurred.

3.8.3 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 – Employee Benefits. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date. As required by LKAS 19 the Company applies the actuarial valuation method to determine the liability in respect of retirement gratuity. Resulting actuarial gains and losses are recognised in other comprehensive income.

The liability is not externally funded.

Statement of profit or loss

3.9 Revenue recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration

to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered include variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

3.9.1 Sale of goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is dispatched to the customer.

3.9.2 Exchange of goods

When goods are exchanged for those with similar nature and value, the exchange is not regarded as a transaction, which generates revenue. When exchanges are made with dissimilar goods or services the exchange is recognized as revenue measured at fair value of the goods received, adjusted by the amount of any cash or cash equivalents transferred.

3.10 Expenditure recognition

All expenditure incurred in running of the business and in maintaining the capital assets in a state of efficiency has been charged to Revenue in arriving at the profit for the year.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are recognized in profit or loss in the year in which the expenditure is incurred.

3.11 Finance income and finance costs

Finance Income comprise interest income on funds invested recognized in profit or loss using the effective interest method. Finance Costs comprise interest expense on borrowings recognized in profit or loss using

the effective interest method and foreign currency losses.

3.12 Borrowing costs

All borrowing costs are recognized as expenses in the period in which they are incurred except those that are directly attributable to the construction or development of property, plant and equipment which are capitalized as a part of the cost of that asset during the period of construction or development.

3.13 Royalties

Royalty expenses are recognised in profit or loss on an accrual basis in accordance with the terms of the relevant agreements. Royalties payable represent amounts accrued as at the reporting date for royalties relating to the reporting period and are included within trade and other payables.

3.14 Statutory levies and penalties

Statutory levies are recognised as expenses in the period to which they relate. Penalties and fines are recognised as expenses when the obligation arises and the amount can be reliably measured.

3.15 Income tax expense

Income tax expense comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity, or in other comprehensive income.

3.13.1 Current tax

Current income tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and with the subsequent amendments.

3.13.2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.14 Statement of cash flows

The statement of cash flow has been prepared using the Indirect Method of preparing cash flows in accordance with the Sri Lanka Accounting Standard (LKAS) 7, Statement of Cash Flows.

Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in-hand, balances with banks and short-term deposits with banks.

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

3.15 Capital commitments and contingent liabilities

3.15.1 Contingent liabilities

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognised in the statement of financial position but are disclosed unless the possibility of an outflow of resources is remote.

3.15.2 Capital commitments

Capital commitments represent contractual obligations for the acquisition of property, plant and equipment or other capital items which are outstanding as at the reporting date. These commitments are not recognised as liabilities but are disclosed in the notes to the financial statements.

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to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

3.16 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the LKAS. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3.17 Basic earnings/(loss) per share

The Company presents Basic Earnings/ (Loss) Per Share (EPS) data for its Ordinary Shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the period.

4. Events after the reporting period

All events after the reporting period are considered in preparing these financial statements and where necessary disclosures or amendments are made.

5. Revenue

	2025/2026	2024/2025
	Rs.	Rs.
Local sales	21,067,162,325	16,763,290,586
Export sales	179,750,518	148,891,836
	21,246,912,843	16,912,182,422

6. Other income

	2025/2026	2024/2025
	Rs.	Rs.
Interest income	82,781,246	42,716,055
Profit on disposal of property and equipment	7,819,137	492,234
Reversal of trade receivables impairment	98,690,958	72,693,433
Scrap sales	34,941,685	32,710,516
Commission income and others	452,777	5,401,330
Sundry balance write back	124,360,376	19,978,689
Exchange gain	-	76,714,862
	349,046,179	250,707,120

7. Profit before tax

Profit before tax is stated after accounting for all expenses including the following:

	2025/2026	2024/2025
	Rs.	Rs.
Salaries and wages	1,500,868,260	1,547,241,942
Defined contribution plan	168,560,462	159,451,123
Retirement benefit obligations	109,611,337	46,320,536
Depreciation and amortisation	212,366,236	202,243,330
Auditor's remuneration	3,322,422	3,090,625
Provision/(reversal) of Impairment allowance on inventory	(6,010,713)	(29,959,992)
Provision / (reversal) of loss allowance on trade receivables	(98,490,957)	(72,693,433)

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

8. Income tax expense

8.1 Income tax recognised in profit or loss

	2025/2026	2024/2025
	Rs.	Rs.
Current tax		
In respect of current year	600,243,736	54,596,073
Under/(over) provision of previous year taxes	2,536,057	(4,440,742)
	602,779,793	50,155,331
Deferred tax		
Relating to the origination and (reversal) of temporary differences	11,385,243	44,540,292
Total income tax recognised in the current year	614,165,038	94,695,623

8.2 Reconciliation between accounting profit and taxable income

A reconciliation between the tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows:

	2025/2026	2024/2025
	Rs.	Rs.
Accounting profit before taxation	2,025,485,660	424,685,756
Less: Allowable expenses:		
Gratuity paid	(25,029,632)	(10,401,901)
Capital allowance	(189,096,830)	(176,010,436)
Write off for bad debts	(63,051,138)	(84,712,310)
Realised foreign exchange gain/(loss)	(7,393,153)	(77,380,696)
Others	(70,914,179)	(31,970,887)
Add: Disallowable expenses		
Depreciation	212,366,236	202,243,330
Provision for gratuity	109,611,337	46,320,537
Provision/(reversal) of doubtful debt	(35,695,784)	12,274,842
Provision/ (reversal) for Impairment allowance on inventory	(3,878,698)	(29,959,992)
Net Foreign exchange (gain)/ loss	12,841,771	(76,714,862)
Others	35,566,865	(16,386,471)
Adjusted trade profit	2,000,812,455	181,986,909
Liabe income		
Profit on business and investment income	2,000,812,455	181,986,909
Statutory income	2,000,812,455	181,986,909
Assessable income	2,000,812,455	181,986,909
Tax payable on		
Tax on assessable income @ 30%	600,243,737	54,596,073
Income tax expense	600,243,737	54,596,073
Effective tax rate	29.6%	12.9%

8.3 Deferred tax expense

	2025/2026	2024/2025
	Rs.	Rs.
Recognized income statement		
Deferred tax expense arising from;		
Property, plant and equipment	(5,365,178)	(488,246)
Retirement benefit obligation	25,374,511	10,775,591
Provision for doubtful debts	(29,547,287)	(21,808,030)
Provision for obsolete inventory	(1,803,214)	(2,050,437)
Provision for accumulated leave balance	(2,077,765)	11,831,782
Provision for sick leave	(181,383)	34,311
Right of use assets	23,978	2,050,258
Unrealised exchange (gain)/loss	1,994,893	(46,595,540)
Other provisions	196,203	1,710,018
	(11,385,243)	(44,540,292)
Recognized in other comprehensive income		
Deferred tax expense arising from;		
Re-measurement of employee benefit obligation	12,462,592	8,817,841
	12,462,592	8,817,841

8.4 Net Deferred tax assets

	31.03.2026	31.03.2025
	Rs.	Rs.
At the beginning of the year	138,914,117	174,636,568
Charge for the year (Note 8.3)	1,077,349	(35,722,451)
At the end of the year	139,991,465	138,914,117

8.4 Net Deferred tax assets

The following are the major deferred tax (liabilities) and assets recognized by the company and movements thereon during the current and prior reporting period.

	31.03.2026	31.03.2025
	Rs.	Rs.
Tax amount of temporary differences arising from accounting depreciation	(159,010,488)	(153,645,310)
Tax amount of temporary differences arising from retirement benefit obligation	130,169,861	92,332,758
Tax amount of temporary differences arising from provision for doubtful debtors	58,758,346	88,305,633
Tax amount of temporary differences arising from provision for obsolete inventory	90,794,440	92,597,654
Tax amount of temporary differences arising from provision for accumulated leave balance	16,370,677	18,448,442
Tax amount of temporary differences arising from provision for sick leave	622,664	804,048
Tax amount of temporary differences arising from right to use assets	(12,918,712)	(12,942,690)
Tax amount of temporary differences arising from unrealised exchange (gain)/loss	7,291,535	5,296,642
Tax amount of temporary differences arising from other provisions	7,913,142	7,716,940
	1 39,991,466	1 38,914,116
Effective tax rate used for deferred tax calculation	30.0%	30.0%

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

9. Earnings / (loss) per share

The calculation of basic and diluted earnings / (loss) per share is based on the net profit / (loss) for the year attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year.

	2025/2026	2024/2025
	Rs.	Rs.
Profit attributable to shareholders	1,411,320,622	329,990,133
Weighted average number of ordinary shares used as denominator	42,470,425	42,470,425
Basic and diluted earnings per share	33.23	7.77

Diluted earnings per share and the basic earnings per share are same due to non availability of potential dilutive ordinary shares.

10. Dividend per share

	2025/2026	2024/2025
	Rs.	Rs.
Final dividend paid 2024/25 Rs. 5.88 (2023/24 Rs. 3.35)	249,726,098	142,275,924
1 st Interim dividend paid 2025/26 Rs. 1.89	80,269,103	-
2 nd Interim dividend paid 2025/26 Rs. 15.01	637,537,962	-
Total	967,533,163	142,275,924
Dividend per share	22.78	3.35

The company has paid total dividend of Rs.249,726,098 (Rs 5.88 per share) on 28th May 2025 for FY 2024/25. Further the company has paid Interim dividends amounting to Rs. 80,269,103 (Rs. 1.89 per share) and Rs. 637,537,962 (Rs. 15.01 per share) on 28th May 2025 and 06th November 2025 respectively.

11. Property, plant and equipment

	Land	Buildings	Vehicles	Plant & machinery	Office equipment	Furniture & fittings	Lab equipment	Computers	Tinting machine	Capital WIP	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost											
Balance as at 31 March 2024	32,277,655	790,857,515	233,064,642	1,049,996,420	69,551,611	55,058,820	35,663,562	100,759,294	209,576,073	958,061	2,577,763,653
Additions during the year	-	15,877,963	-	32,115,411	3,222,250	1,688,135	4,759,124	18,611,991	-	-	76,274,874
Transfers during the year	-	-	-	-	-	-	-	-	-	(958,061)	(958,061)
Disposal during the year	-	-	-	(2,514,502)	-	-	-	(98,000)	(98,946,806)	-	(101,559,308)
Balance as at 31 March 2025	32,277,655	806,735,478	233,064,642	1,079,597,328	72,773,862	56,746,955	40,422,686	119,273,285	110,629,267	-	2,551,521,158
Additions during the year	-	34,806,488	-	129,547,305	19,335,087	1,263,260	12,668,465	21,173,736	-	4,395,436	223,189,777
Disposal during the year	-	(1,556,875)	(23,757,171)	-	-	-	-	-	(465,478)	-	(25,779,524)
Balance as at 31 March 2026	32,277,655	839,985,091	209,307,472	1,209,144,633	92,108,949	58,010,215	53,091,151	140,447,021	110,163,789	4,395,436	2,748,931,412
Accumulated depreciation											
Balance as at 31 March 2024	-	160,239,436	191,667,187	474,648,712	40,084,661	46,941,476	29,254,769	74,131,293	190,093,329	-	1,207,060,863
Depreciation	-	35,404,902	9,401,392	90,862,388	9,166,266	2,923,066	3,472,804	10,462,642	6,565,446	-	168,258,906
Disposal during the year	-	-	-	(1,423,063)	-	-	-	(98,000)	(96,530,479)	-	(98,051,542)
Balance as at 31 March 2025	-	195,644,338	201,068,579	564,088,037	49,250,927	49,864,542	32,727,573	84,495,935	100,128,296	-	1,277,268,227
Depreciation	-	37,664,394	8,554,137	95,590,444	8,370,622	2,852,417	2,851,246	12,320,079	3,910,831	-	172,114,170
Disposal during the year	-	(216,481)	(23,757,171)	-	-	-	-	-	(358,060)	-	(24,331,712)
Balance as at 31 March 2026	-	233,092,251	185,865,545	659,678,481	57,621,549	52,716,959	35,578,819	96,816,014	103,681,067	-	1,425,050,685
Carrying value											
As at 31 March 2025	32,277,655	611,091,140	31,996,063	515,509,291	23,522,934	6,882,413	7,695,113	34,777,350	10,500,971	-	1,274,252,931
As at 31 March 2026	32,277,655	606,892,840	23,441,927	549,466,152	34,487,400	5,293,256	17,512,332	43,631,007	6,482,722	4,395,436	1,323,880,727

Property, plant and equipment include fully depreciated asset having a cost of Rs 620,013,438 (2025 - Rs. 551,420,029).

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

11.1 Intangible assets

	31.03.2026	31.03.2025
	Rs.	Rs.
Computer software and systems		
Balance at the beginning of the year	5,643,710	5,927,438
Additions during the year	1,897,800	1,375,000
Amortized during the year	(2,046,448)	(1,658,728)
Balance at the end of the year	5,495,062	5,643,710

Intangible assets include fully ammortized asset having a cost of Rs 54,303,865.02 (2025 -Rs. 53,916,744.02).

11.2 Right of use assets

11.2.1 Cost

	Leasehold Land	Leasehold Apartments	Leasehold Vehicles	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 1 st April 2024	73,396,184	61,166,961	1,956,286	136,519,431
Additions during the year	-	17,794,365	2,073,606	19,867,971
Derecognition during the year	-	(21,812,411)	(1,956,285)	(23,768,696)
Balance as at 31 March 2025	73,396,184	57,148,915	2,073,607	132,618,706
Additions during the year	-	70,293,674	17,745,945	88,039,619
Derecognition during the year	-	(25,014,527)	(2,073,606)	(27,088,133)
Balance as at 31 March 2026	73,396,184	102,428,062	17,745,946	193,570,192

11.2.2 Accumulated depreciation

	Leasehold Land	Leasehold Apartments	Leasehold Vehicles	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 1 st April 2024	25,685,329	16,942,368	881,932	43,509,629
Charge for the year	2,147,956	28,171,683	2,006,056	32,325,695
Derecognition during the year	-	(21,812,410)	(1,956,285)	(23,768,695)
Balance as at 31 March 2025	27,833,285	23,301,641	931,703	52,066,629
Charge for the year	2,178,641	34,264,091	1,762,886	38,205,618
Derecognition during the year	-	(19,723,021)	(1,107,817)	(20,830,838)
Balance as at 31 March 2026	30,011,926	37,842,711	1,586,772	69,441,409
Carrying value as at 31 March 2025	45,562,899	33,847,274	1,141,904	80,552,077
Carrying value as at 31 March 2026	43,384,258	64,585,351	16,159,174	124,128,783

12. Inventory

	31.03.2026	31.03.2025
	Rs.	Rs.
Raw materials	2,445,271,767	1,672,378,460
Work-in-progress	111,430,081	107,721,651
Finished goods	1,160,209,927	1,436,971,883
Packing Materials	122,951,864	143,653,979
Goods in transit	539,907,677	603,784,767
	4,379,771,316	3,964,510,739
Less: Allowance for impairment of inventory (Note 12.1)	(302,648,132)	(308,658,845)
	4,077,123,184	3,655,851,894

12.1 Movement in allowance for impairment of inventories

	31.03.2026	31.03.2025
	Rs.	Rs.
Balance at the beginning of the year	308,658,845	338,618,837
Net increase / (decrease) in impairment allowance	(6,010,713)	(29,959,992)
Balance at the end of the year	302,648,132	308,658,845

13. Trade and other receivables

	31.03.2026	31.03.2025
	Rs.	Rs.
Trade receivables	6,039,165,811	4,957,379,137
Less: Loss allowance for impairment (Note 13.1)	(195,861,154)	(294,352,111)
	5,843,304,657	4,663,027,025
Discounts receivable	25,650,316	25,389,448
Prepaid expenses	29,078,476	28,729,885
Advance to employees	6,081,262	6,670,427
Advance towards capital expenditure	13,054,458	1,096,083
Advance to suppliers	267,591,634	90,206,783
Other receivables	27,483,271	14,274,879
Amounts due from related companies (Note 13.2)	49,954,413	25,963,413
	6,262,198,485	4,855,357,943

The details of trade receivables mortgaged against bank overdrafts are disclosed under note 21.

13.1 Movement in loss allowance for receivables

	31.03.2026	31.03.2025
	Rs.	Rs.
Balance at the beginning of the year	294,352,111	367,045,544
Net increase / (decrease) in loss allowance	(98,490,957)	(72,693,433)
Balance at the end of the year	195,861,154	294,352,111

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

13.2 Amounts due from related companies

	31.03.2026	31.03.2025
	Rs.	Rs.
Asian Paints International Private Limited	18,736,766	9,624,219
Asian Paints (Bangladesh) Limited	6,786,267	566,957
Asian Paints Limited	975,252	8,489,844
Asian Paints (South Pacific) Limited, Fiji	3,217,205	1,476,846
Asian Paints (Nepal) Limited	20,238,923	34,413
SCIB Chemicals, S.A.E., Egypt	-	5,771,133
	49,954,413	25,963,413

The transactions with related parties have been disclosed in Note 27.2 to these financial statements.

14. Other financial investments

	31.03.2026	31.03.2025
	Rs.	Rs.
Term deposits with banks	-	9,892,051

15. Cash in hand and at bank

	31.03.2026	31.03.2025
	Rs.	Rs.
Cash at bank (Note 15.1)	1,298,737,122	1,996,610,253
Cash in hand	-	755,095
	1,298,737,122	1,997,365,348

15.1 Cash at bank

	31.03.2026	31.03.2025
	Rs.	Rs.
Current accounts	386,795,865	694,697,767
Savings accounts	660,434,682	495,029,494
	1,047,230,547	1,189,727,261
Term deposits with banks	251,506,575	806,882,992
	1,298,737,122	1,996,610,253

16. Stated capital

	31.03.2026	31.03.2025
	Rs.	Rs.
Fully paid ordinary shares (42,470,425)	2,101,449,061	2,101,449,061

17. Retirement benefit obligations

	31.03.2026	31.03.2025
	Rs.	Rs.
Defined benefit plan - Gratuity		
Balance at the beginning of the year	307,775,858	242,464,422
Add: Current services cost	21,864,869	16,590,483
Interest charge for the year	32,104,158	29,730,052
Past service cost	55,642,311	-
Less: Payments made during the year	(25,029,632)	(10,401,901)
Actuarial (gains) / losses	41,541,974	29,392,802
Balance at the end of the year	433,899,538	307,775,858

An actuarial valuation was carried out by an independent professional valuer, Messrs, TransValue Consultants as of 31 March 2026, to determine the actuarial value of the retirement benefit obligations applicable in terms of the Payment of Gratuity Act No 12 of 1983, in respect of all employees of the Company as at 31 March 2026, from the commencement of employment.

The following assumptions were used in determining the post-employment benefit obligations:

	31.03.2026	31.03.2025
	Rs.	Rs.
Discount rate	10.70%	10.91%
Expected future salary increment rate	9.0%	9.0%
Staff turnover rate	17.0%	14.7%
Retirement age	60 years	60 years

17.1 The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	31.03.2026	31.03.2025
	Rs.	Rs.
Defined benefit obligation on current assumption	433,899,538	307,775,858
Impact of increase in rate of discounting by 100 basis point	(16,597,223)	(13,037,208)
Impact of decrease in rate of discounting by 100 basis point	17,971,551	14,210,901
Impact of increase in rate of salary increase by 100 basis point	19,918,785	15,594,204
Impact of decrease in rate of salary increase by 100 basis point	(18,703,310)	(14,542,561)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions maybe correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis when compared to the prior year.

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

17.2 Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years:

	31.03.2026	31.03.2025
	Rs.	Rs.
Less than 1 year	81,714,717	50,977,572
Over 1 year and less than or equal to 2 years	75,519,397	48,099,316
Over 2 years and less than or equal to 5 years	195,815,099	136,029,910
Over 5 years and less than or equal to 10 years	225,886,340	176,271,546

18. Trade and other payables

	31.03.2026	31.03.2025
	Rs.	Rs.
Trade creditors	2,727,115,744	2,562,179,717
Amounts due to related companies -Trade and other payables (Note 18.1)	142,582,729	105,177,901
Amounts due to related companies - Royalty payables (Note 18.2)	424,468,543	297,519,159
Other payables and accrued expenses	1,588,747,887	1,489,974,268
	4,882,914,900	4,454,851,045

18.1 Amounts due to related companies - Trade and other payables

	31.03.2026	31.03.2025
	Rs.	Rs.
Asian Paints Ltd	56,773,645	52,400,774
Asian Paints International Private Ltd	63,587,547	44,669,938
Berger Paints (Emirates) Ltd	21,205,762	8,107,188
Asian Paints Bangladesh Ltd	792,930	-
Harind Chemicals and Pharmaceuticals Private Ltd	222,845	-
	142,582,729	105,177,901

18.2 Amounts due to related companies - Royalty fee

	31.03.2026	31.03.2025
	Rs.	Rs.
Asian Paints Limited	424,468,543	297,519,159

19. Income tax payable / (receivable)

	31.03.2026	31.03.2025
	Rs.	Rs.
Balance at the beginning of the year	10,471,114	(38,969,515)
Provision for the year	600,243,736	54,596,073
Under/(Over) provision for previous year	2,536,057	(4,440,742)
Tax payments during the year	(340,441,980)	-
WHT deducted on Interest Income	(7,545,323)	(714,702)
Balance as at the end of the year	265,263,604	10,471,114

20. Lease liability

	31.03.2026	31.03.2025
	Rs.	Rs.
At the beginning of the year	37,409,778	43,033,307
Adjustment due to merger		
Additions	88,039,619	15,747,971
Interest	7,573,581	6,848,619
Termination / reassessment of lease	(893,102)	-
Payments	(51,063,467)	(28,220,119)
At the end of the year	81,066,408	37,409,778
Lease liability current	47,533,099	16,459,536
Lease liability non-current	33,533,309	20,950,242

Leasehold land represents leases of land obtained from UDA under different lease agreements, which have tenures ranging from 30 years to 50 years.

Lease agreements	Period
1. 19-11-1997 - 18/11/2047	50 years
2. 01-08-2005 - 31/07/2055	50 years
3. 02-01-2014 - 02/01/2034	20 years

21. Bank overdrafts

	31.03.2026	31.03.2025
Lending institution	Rs.	Rs.
MCB Bank	-	44,639,475
	-	44,639,475

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

22. Notes to the cash flow statement

	31.03.2026	31.03.2025
	Rs.	Rs.
Cash and cash equivalents		
Cash at bank and in hand (Note 15)	1,298,737,122	1,997,365,348
Bank overdrafts (Note 21)	-	(44,639,475)
	1,298,737,122	1,952,725,873

23. Contingent liabilities and capital commitments

No significant capital commitments and contingent liabilities exists as the financial reporting date which required adjustments to or disclosures in the financial statements other than the following:

	31.03.2026	31.03.2025
	Rs.	Rs.
Contingent liabilities		
Bank guarantees issued	5,931,293	6,393,582
Outstanding letters of credit	266,838,901	37,416,954
Capital commitments	9,761,450	19,409,330

24. Litigation and claims against the company

• Magistrate's Court of Naula case no. 27737

The above action was instituted by the Consumer Affairs Authority against Causeway Paints Lanka (Private) Limited for violating section 60(5)(b) read together with section 10(3) of the Consumer Affairs Authority Act No.9 of 2003. A written representation was made to the Chairman of the Consumer Affairs Authority urging the authority to amend the charge sheet in order to discharge Causeway Paints Lanka (Private) Limited from the case and frame charges only against the distributor of the relevant area. A submission was also made to the Hon. Magistrate of Naula requesting the same. This case has been laid by until the Consumer Affairs Authority takes steps to file an amended charge sheet. In light of the above, an unfavourable outcome and potential loss with regard to this action is unlikely.

25. Open tax assessments

2017/18 (AP Lanka)	Letter of intimation dated 28.05.2020 and Assessment notice dated 01.06.2020 was issued by IRD on disallowing certain expenses basis those expenses were not money expended for production of income. IRD issued an assessment dated 1.6.2020 disallowing dealers trip scheme expenses, gift expenses, family tour expenses, and employee's children educational expenses. Further Rs.1.83Mn income tax refund brought forward from Y/A 2014/2015 have been disregarded in full. Amount charged under assessment was Rs. 11.105 Mn (Tax Rs.8.59Mn, penalty Rs.2.52Mn). We received this assessment under registered post on 15 th June 2020. As per our tax consultant since the income tax return for Y/A 2017/2018 we have filed on the due date of 30.11.2018, Y/A 2017/2018 becomes time barred on 29.05.2020 hence IRD should have sent the assessment on or before 29.05.2020. Tax consultant filed the appeal on 30.06.2020 stating that assessment is invalid in law as assessment was issued well after the statutory limit given under section 163(5) of IR act.
2018/19 (AP Lanka)	Letter of intimation and notice of assessment dated 25.05.2022 received from IRD disallowing some expenses mentioning not incurred in the production of income. Amount charge under assessment was Rs. 59.168 Mn (Tax Rs. 34.601 Mn, Penalty Rs. 24.567 Mn.). Further expenses related to rental payments, employees' children expenses and medical expenses on the basis of request of further information.
2019/20 (CP Lanka)	Received an assessment pertaining to 2019/20 year of assessment disallowing provision & reversal, Gratuity, Royalty fee, Turnover difference of ESC. The assessment was raised for a sum of Rs. 27,647,915.00 and for a penalty of Rs. 1,611,997.00.

The Management is of the view that the Management has followed due process and acted in accordance with the prevailing laws in its tax submissions for above years of assessment.

26. Financial instruments

26.1 Categories of financial instruments

	31.03.2026	31.03.2025
	Rs.	Rs.
Financial assets		
Cash and bank balances	1,298,737,122	1,997,365,348
Amortised cost		
Other financial investments	-	9,892,051
Financial liabilities		
Amortized cost		
Interest bearing loan	-	8,980,500

Carrying values of financial assets and liabilities that have a short term maturity such as trade and other receivables and payables, other financial assets, cash and cash equivalents are reasonable approximation of their fair values. Therefore, a fair value hierarchy is not applicable.

26. Financial instruments

26.2 Financial risk management objectives and policies

Financial instruments held by the Company, principally comprise of cash, short term deposits, trade and other receivables, trade and other payables. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the Company.

Financial risk management of the Company is carried out by unit Finance function which reports to the General Manager and comes under the purview of the Board of Directors of the company.

The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department which has also issued various policies and guidelines to ensure financial risk control. The group provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk and foreign currency risk.

The Company has established guidelines for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to financial activities, settlement, accounting and related controlling. The guidelines upon which the Company's risk management processes are based are designed to identify and analyze these risks throughout the Company, to set appropriate risk limits and controls and to monitor the risks by means of reliable and up-to-date administrative and information systems. The guidelines and systems are regularly reviewed and adjusted to changes in markets and products. The Company manages and monitors these risks primarily through its operating and financing activities.

26.3 Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

With respect to credit risk arising from the other financial assets of the Company, such as cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty. The Company takes all reasonable steps to ensure that the counterparties fulfil their obligations.

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts.

The requirement for impairment is analysed at each month on an individual basis for all customers. In order to mitigate settlement and operational risks related to cash and cash equivalents, the Company uses selected banks with acceptable ratings for its deposits.

a) The maximum exposure

	31.03.2026	31.03.2025
	Rs.	Rs.
Cash at bank (Note 15.1)	1,298,737,122	1,996,610,253
Other financial assets (Note 14)	-	9,892,051
Trade receivables (Note 13)	5,843,304,657	4,663,027,025
Other receivables (Note 13)	368,939,417	166,367,504
Amounts due from related parties (Note 13.2)	49,954,413	25,963,413
	7,560,935,609	6,861,860,247

b) The aging of trade receivables at the reporting date

	Gross Receivables	Loss allowance	Carrying value
	2026	2026	2026
	Rs.	Rs.	Rs.
Not dues	4,639,433,501	-	4,639,433,501
Past dues:			
Past due 0-3 months	1,093,970,311		1,093,970,311
Past due 4-6 months	79,311,454	-	79,311,454
Past due 7-9 months	42,054,074	(13,005,696)	55,059,770
Past due 10-12 months	19,291,035	(11,339,728)	30,630,763
More than 12 months	165,105,436	(171,319,759)	336,425,195
Total	6,039,165,811	(195,665,182)	6,234,830,993

	Gross Receivables	Loss allowance	Carrying value
	2025	2025	2025
	Rs.	Rs.	Rs.
Not dues	3,564,133,163	-	3,564,133,163
Past dues:			
Past due 0-3 months	961,813,779	-	961,813,779
Past due 4-6 months	147,307,990	10,227,906	137,080,084
Past due 7-9 months	48,312,483	48,312,483	-
Past due 10-12 months	41,739,236	41,739,236	-
More than 12 months	194,072,486	194,072,486	-
Total	4,957,379,137	294,352,111	4,663,027,026

c) Movement in the impairment allowance

	31.03.2026	31.03.2025
	Rs.	Rs.
Balance at the beginning of the year	294,352,111	367,045,544
Allowance for impairment recognized during the year	(98,490,957)	(72,693,433)
Balance at the end of the year	195,861,154	294,352,111

d) Other financial assets

The Company limits its exposure to credit risk by investing in fixed deposits with selected bankers with Board approval.

e) Cash equivalents

The Company held cash at bank balances of Rs. 1,299 Mn as at 31 March 2026 (31 March 2025 - Rs. 1,952 Mn) which represent its maximum credit exposure on these assets. The cash equivalents are held with bank and financial institutions counterparties, which have better rankings.

Respective credit ratings of banks in which the company balances are held is as follows;

Commercial Bank of Ceylon PLC	A(lka)
Bank of China	A
DFCC Bank	A- (lka)
Indian Overseas Bank	BBB-
Bank of Ceylon	AA- (lka)
State Bank of India	BBB-
Hatton National Bank	AA- (lka)
MCB Bank	AA-
HSBC	A+
Standard Chartered Bank	AAA (lka)
Citi Bank	A+ (lka)
People's Bank	A (lka)
Nations Trust Bank	A- (lka)
Cargills Bank	A(lka)
Pan Asia Banking Corporation	BBB (lka)
National Development Bank	A- (lka)
Public Bank	A (lka)

26.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including short term loans and overdrafts.

The Company's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Company has available funds to meet its medium term capital and funding obligations and to meet any unforeseen obligations. The Company holds cash and undrawn committed facilities to enable the Company to manage its liquidity risk.

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

26.4 Liquidity risk

- a) The table below summarises the maturity profile of the Company's financial liabilities (excluding other payables and amounts due to related parties) based on contractual undiscounted (principle plus interest) payments.

31 March 2026	Contractual maturities of financial liabilities			
	Carrying amount	Up to 3 Months	3-12 Months	More than 1 Year
	Rs.	Rs.	Rs.	Rs.
Lease Liability	81,066,408	13,718,690	41,001,291	35,995,031
Trade payables	2,727,115,744	2,727,115,744	-	-
Royalty fee payable	424,468,543	424,468,543	-	-
Leave encashments	7,324,649	-	7,324,649	-
Dealer discounts	669,860,078	669,860,078	-	-
	3,909,835,422	3,835,163,055	48,325,940	35,995,031

31 March 2025	Contractual maturities of financial liabilities			
	Carrying amount	Up to 3 Months	3-12 Months	More than 1 Year
	Rs.	Rs.	Rs.	Rs.
Lease Liability	37,409,778	6,199,996	15,263,607	24,830,037
Trade payables	2,562,179,717	2,562,179,717	-	-
Royalty fee payable	297,519,159	297,519,159	-	-
Leave encashments	6,619,362	-	6,619,362	-
Dealer discounts	440,696,732	440,696,732	-	-
CW deposits received	17,891,607	-	-	17,891,607
	3,362,316,354	3,306,595,604	21,882,969	42,721,644

26.5 Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to the changes in market prices. Mainly the changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates was related primarily to the company's fixed deposits held at local banks. If the interest rate had appreciated / depreciated by 1% the profit before tax for the period ended 31 March 2026 would increase / decrease by Rs. 5,291,948

b) Foreign currency risk

The foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuating due to changes in foreign exchange rates. The Company is exposed to foreign currency risk on revenue, and cash deposits denominated in currencies other than the functional currency of the Company. The currency giving rise to this is primarily US Dollars.

If the USD to LKR exchange rate had appreciated / depreciated by 1% and all other variables were held constant, the profit before tax for the period ended 31 March 2026 would increase/ decrease by Rs. 9,026,600.70.

27. Transactions with key management personnel and related parties

Mr. Sireesh Rao Talluri has retired from the board with effect from 15th July 2025. Mr. Budhaditya Mukherjee was appointed to the board with effect from 1st June 2025. Mr. Aashish Kshetry and Mr. Parag Rane continued to be directors for the financial year.

27.1 Key management personnel compensation

According to LKAS 24 - Related Party Disclosures, Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. Accordingly, the Board of Directors have been classified as Key Management Personnel of the Company.

	2025/2026	2024/2025
	Rs.	Rs.
Remuneration paid to key management personnel	155,733,922	128,280,696

27.2 Related party transactions

The related party transactions during the period are as follows:

Company	Relationship	Nature of transactions	2025/2026	2024/2025
			Rs.	Rs.
Asian Paints Limited	Ultimate Parent Company	Royalty fees	(424,468,543)	(297,519,159)
		Reimbursement of expenses incurred on behalf of company	(19,069,074)	(26,023,202)
		Reimbursement of time cost of executives on behalf of company	(1,470,732)	-
		Recovery of expenses incurred by the company	17,105,938	425,506
		Purchase of materials	(186,646,854)	(214,112,526)
		Recovery of time cost of executives	10,624,314	41,273,537
Asian Paints International Private Limited	Immediate Parent Company	Recovery of time cost of executives.	4,219,510	53,217,044
		Reimbursement of time cost of executives on behalf of company	-	-
		Reimbursement of information technology cost	(66,330,261)	(45,005,530)
		Interest bearing loan	(9,102,500)	(659,674,250)
		Loan interest	(161,252)	(26,565,126)
		Recovery of expenses incurred by the company	19,675,714	1,905,011
		Dividend Paid	(967,371,620)	(142,252,169)
Asian Paints (South Pacific) Limited, Fiji	Related Company	Recovery of time cost of executives	26,870,675	20,738,178
		Sale of goods	460,346	-
		Recovery of expenses incurred by the company	-	169,534

Notes

to the Standalone Financial Statements for the year ended 31st March 2026 (Contd.)

27.2 Related party transactions (contd.)

Company	Relationship	Nature of transactions	2025/2026	2024/2025
			Rs.	Rs.
Berger Paints (Emirates) Limited	Related Company	Reimbursement of time cost of executives on behalf of company	(33,616,009)	(29,726,977)
		Purchase of goods	(6,871,812)	(9,632,531)
		Recovery of expenses incurred by the company	510,391	-
		Reimbursement of expenses incurred on behalf of company	(6,691,763)	(258,895)
		Sale of materials	-	-
Asian Paints Nepal Pvt Limited	Related Company	Purchase of goods	-	(380,070)
		Recovery of expenses incurred by the company	44,634,650	51,426
SCIB Chemicals U.A.E	Related Company	Recovery of expenses incurred by the company	-	5,688,234
		Reimbursement of expenses incurred on behalf of company	(6,507,946)	-
		Sale of materials	-	-
Asian Paints (Bangladesh) Limited	Related Company	Purchase of goods	(1,416,587)	1,128,631
		Recovery of expenses incurred by the company	6,178,307	27,601
		Reimbursement of time cost of executives on behalf of company	(10,721,716)	32,122,557
		Recovery of time cost of executives	69,952,815	-
		Reimbursement of expenses incurred on behalf of company	(2,002,041)	-
Harind Chemicals and Pharmaceuticals Pvt Ltd	Related Company	Purchase of goods	485,289	-

Related party transactions are made on agreed commercial terms. Please refer to notes 13.2 for balances due from related parties and 18.1 and 18.2 for balances due to related parties. Refer to the note 28 for loan balances from related parties.

28. Interest bearing loans

	31.03.2026	31.03.2025
	Rs.	Rs.
Loan from related party	-	8,980,500
	-	8,980,500
Payable after one year	-	-
Payable within one year	-	8,980,500

29. Event after reporting period date

No significant events have occurred after the statement of financial position date which requires adjustments to or disclosures in the financial statements.

Detailed Notes to the Financial Statements

for the year ended 31 MARCH 2026

	2025/2026	2024/2025
	Rs.	Rs.
1. Cost of materials consumed		
Opening stock of materials	3,655,851,894	3,179,859,675
Purchases	14,500,524,651	12,520,026,548
Closing stock of materials	(4,077,123,184)	(3,655,851,894)
	14,065,814,428	12,044,034,329
2. Employee benefits expenses		
Directors remuneration	63,920,708	77,418,135
Salaries, wages and allowances	1,436,947,552	1,469,823,808
Contribution towards EPF and ETF	168,560,462	159,451,123
Gratuity	109,611,337	46,320,536
Staff welfare	349,161,755	121,266,907
	2,128,201,814	1,874,280,509
3. Finance and other costs		
Interest expense	7,734,834	46,587,119
Provision/(Reversal) of penalty Interest	-	(41,626,618)
Payment of penalty Interest	-	17,022,923
	7,734,834	21,983,424
Bank charges	67,455,419	75,039,528
	75,190,253	97,022,952
4. Exchange (gain)/loss		
Realized (gain)/Loss	7,393,153	77,380,696
Unrealized (gain)/Loss	5,448,619	(154,095,558)
Exchange loss	12,841,772	(76,714,862)
5. Other expenses		
Repairs and maintenance machinery	72,468,437	59,445,157
Power and fuel	49,260,540	56,419,348
Processing charges	23,887,455	27,036,063
Water charges	6,389,097	6,281,875
Vehicle fuel, maintenance & delivery expenses	411,291,459	379,457,949
Customer helpers incentive	83,162,308	59,947,315
Freight and handling charges	209,216,435	167,329,343
Advertisement	726,073,308	610,455,387
Write off for bad debts	63,051,138	84,712,310
Travelling expenses	48,060,559	40,726,029
Rates and taxes	13,811,504	6,502,257
Security expenses	31,261,009	25,723,150
Legal and professional expenses	53,173,266	44,207,899
Printing stationery and communication expenses	44,168,118	40,578,422
Systems expenses	70,301,831	31,628,409
Conference seminar and workshops	41,377,843	33,812,563
Royalty	424,468,543	297,519,159
Auditor's remuneration	3,322,422	3,090,625
Repairs and maintenance others	39,469,096	34,667,906

	2025/2026	2024/2025
	Rs.	Rs.
Insurance	8,833,441	8,310,681
Donations	699,460	116,698
Lab expenses	10,168,838	15,044,484
Training and recruitment expenses	8,802,981	3,096,412
VAT expense	-	333,303
Material handling expenses	2,633,050	3,038,591
Fines and penalties	8,544,828	-
Rent	30,281,776	14,650,178
Outsourced manpower	81,474,559	54,740,822
Social security contribution on sales	462,145,028	364,965,810
Testing and other safety	19,383,749	11,321,792
Clearing charges	-	3,516,085
License fee	16,913,969	19,316,895
Exchange loss	12,841,772	-
Remeasurement/Termination lease	4,089,193	-
Other miscellaneous expenses	7,873,619	12,629,788
	3,088,900,631	2,520,622,706
6. Other payables and accrued expenses		
VAT payable	119,239,909	261,829,280
Salary payable	68,252,624	72,050,896
PAYE	16,003,153	26,147,717
EPF and ETF payable	19,462,032	16,077,171
Employee bonus	66,639,988	51,403,673
Provision for annual leave encashment	7,324,649	6,619,362
Provision for accumulated leave balance (Note 6.1.1)	32,340,784	29,921,627
Expat leave balance	14,903,492	24,953,819
Sick leave provision (Note 6.1.2)	2,075,548	2,680,159
Dealer discounts	669,860,078	440,696,732
Payable to sundry creditors	78,322,795	264,240,414
Payable for capital expenditure	8,680,563	495,793
CW deposits received	-	17,891,607
SSCL payable	49,325,636	39,938,420
Outstanding expenses payable	205,174,380	144,126,242
Advance received from customers	131,256,203	2,538,595
Employee cost provisions	99,882,492	88,360,926
Others	3,562	1,835
	1,588,747,887	1,489,974,268

	2025/2026	2024/2025
	Rs.	Rs.
6.1.1 Provision for accumulated leave balance		
Balance at the beginning of the year	29,921,627	22,053,797
Provision for the year (Note 6.1.1.1)	5,266,550	10,873,306
Actuarial loss / (gain) during the year (Note 6.1.1.2)	-	-
Payments made during the year	(2,847,394)	(3,005,475)
Balance at the end of the year	32,340,784	29,921,627
An actuarial valuation was carried for leave encashment liability as at March 31, 2026 by Mr. Saket Singhal of Trans Value Consultants, a firm of Actuaries and Financial Consultants. The valuation method used by the actuaries to value the liability is the "Projected Unit Credit Method (PUCM)", the method recommended by the Sri Lanka Accounting Standard, LKAS 19 on "Employee Benefits".		
6.1.1.1 Provision recognized in the profit or loss		
Current service cost	4,788,152	4,350,915
Interest on obligation	3,185,347	2,814,240
Remeasurements	(2,706,949)	3,708,151
	5,266,550	10,873,306
6.1.1.2 Provision recognized in the other comprehensive income		
Actuarial loss / (gain) during the year	-	-
6.1.1.3 The principal assumptions used in determining the cost of leave encashment were as follows;		
Discount rate	10.70%	10.91%
Future salary increment rate	9.0%	9.0%
6.1.2 Provision for sick leave		
Balance at the beginning of the year	2,680,159	2,565,789
Provision for the year (Note 6.1.2.1)	(604,611)	114,370
Actuarial loss / (gain) during the year (Note 6.1.2.2)	-	-
Payments made during the year	-	-
Balance at the end of the year	2,075,548	2,680,159
An actuarial valuation was carried for leave encashment liability as at March 31, 2026 by Mr. Saket Singhal of TransValue Consultants, a firm of Actuaries and Financial Consultants. The valuation method used by the actuaries to value the liability is the "Projected Unit Credit Method (PUCM)", the method recommended by the Sri Lanka Accounting Standard, LKAS 19 on "Employee Benefits".		
6.1.2.1 Provision recognized in the profit or loss		
Current service cost	247,618	324,629
Interest on obligation	273,988	314,640
Remeasurements	(1,126,217)	(524,899)
	(604,611)	114,370
6.1.2.2 Provision recognized in the other comprehensive income		
Actuarial loss / (gain) during the year	-	-
6.1.2.3 The principal assumptions used in determining the cost of leave encashment were as follows;		
Discount rate	10.70%	10.91%
Future salary increment rate	9.0%	9.0%



Asian Paints Doha Trading W.L.L

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Independent Auditor's Report

To the shareholder of Asian Paints Doha Trading W.L.L

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Asian Paints Doha Trading W.L.L, Qatar (the company) set out on pages 7 to 36, which comprise the statement of financial position as at 31 March 2026, statement of profit or loss and other comprehensive income, statement of changes in equity (deficit) and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Asian Paints Doha Trading W.L.L as at 31 March 2026, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Qatar. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Qatar. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of Asian Paints Doha Trading W.L.L for the period ended 31 March 2025 were audited by another auditor who expressed an unmodified opinion on those statements on 27 April 2025.

Other information

Management is responsible for the other information. The other information comprises the manager's report. The

other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our • opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant

deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Furthermore, in our opinion, as required by Law No. 11 of 2015 stating Qatari Commercial Companies Law and its related amendments, we have obtained all the information and explanations we considered necessary for the purposes of our audit. The company has maintained proper books of account and an inventory count has been conducted in accordance with established principles. The financial information included in the manager's report, in so far as it relates to these financial statements, is consistent with the books of account of the company.

Based on the information that has been made available to us, except to what is mentioned below, nothing has come to our attention which causes us to believe that the company has contravened during the financial year ended 31 March 2026 any of the applicable provisions of the above-mentioned law and its related amendments, or its Articles of Association, which might have had a material effect on the company or its activities or its financial position as at 31 March 2026.

1. In the absence of a resolution to recapitalize the company, the provision of the Article 298 of the Law No: 11 of 2015 stating Qatari Commercial Companies Law, relating to joint or several responsibilities of shareholder/manager of the company have taken effect in view of accumulated losses for the year exceeding 50% of the capital of the company.
2. The details pertaining to the management mentioned in Article (5) of the Articles of Association of the company does not match with those mentioned in the Commercial Registration (CR) certificate. We have placed our reliance on the CR issued by Ministry of Commerce and Industry. Management has initiated amendment of respective clauses of AOA to make it in line with CR.

Sajan Jacob Kurian

Qatar Auditors' Registry No: 327
12th April, 2026
Doha, Qatar

Manager's Report

The manager has pleasure in submitting his report on the financial statements of Asian Paints Doha Trading W.L.L, Qatar (the company) for the year ended 31 March 2026.

1. Nature of business

The principal activities of the company are importing chemical materials related to building works, trading in wallpapers, trading in kitchens equipment tools, importing and trading in dangerous adhesive materials, trading in paints and coatings, trading in adhesives, trading in importing dangerous material related to paints, trading in kitchen equipment and fittings, trading in importing chemical material related to construction works, trading in chemical material related to paints manufacturing, trading in sanitary ware and trading in adhesives chemicals for marble and granite.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards, the applicable provisions of the Articles of Association of the company and the relevant provisions of Law No. 11 of 2015 stating Qatari Commercial Companies Law and its related amendments. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Shareholder

Asian Paints International Private Limited, a company incorporated in Singapore holds 100% of the issued share capital of the company as at the reporting date.

There have been no changes to the shareholding structure during the year.

4. Management

The manager in office at the date of this report is Mr. Dominic Jayachandran Vasanthan.

5. Events after the reporting period

Except to what is mentioned in note 26, the manager is not aware of any other material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The manager believes that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The manager is satisfied that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The manager is not aware of any new material changes that may adversely impact the company. The manager is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. Litigation statement

The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

8. Statement of disclosure to the company's auditors

With respect to each person who is a manager on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a manager to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

9. Auditors

The financial statements have been audited by Morison & Sajan Jacob Chartered Accountants & Partners (Formerly known as Morison & kuriachan kuriakose Chartered Accountants & Partners), an independent member of Morison Global, who retire and, being eligible, offer themselves for reappointment.

The financial statements set out on pages which have been prepared on the going concern basis, were approved by the board, and were signed on its behalf by:

Dominic Jayachandran Vasanthan

Manager

Doha, Qatar

Date: 12th April, 2026

Statement of Financial Position

As at 31 March 2026

	Note(s)	As at 31 March 2026	As at 31 March 2025
		QAR	QAR
Assets			
Non-Current Assets			
Property, plant and equipment	3	128,895	95,867
Right-of-use assets	4	228,654	-
Total Non-Current Assets		357,549	95,867
Current Assets			
Inventories	5	1,630,250	1,576,491
Trade and other receivables	6	5,303,437	5,593,808
Cash and cash equivalents	7	1,225,588	824,042
Total Current Assets		8,159,275	7,994,341
Total Assets		8,516,824	8,090,208
Equity (Deficit) and Liabilities			
Equity (Deficit)			
Share capital		1,000,000	1,000,000
Accumulated losses		(1,779,735)	(159,083)
Total Equity (Deficit)		(779,735)	840,917
Liabilities			
Non-Current Liabilities			
Lease liabilities	10	152,543	-
Employees' end of service benefits	9	108,547	60,996
Total Non-Current Liabilities		261,090	60,996
Current Liabilities			
Trade and other payables	11	1,425,365	842,208
Loans from shareholder	20	1,560,086	2,194,599
Due to related parties	20	5,530,393	4,151,488
Lease liabilities	10	85,046	-
Bank overdraft	7	434,579	-
Total Current Liabilities		9,035,469	7,188,295
Total Liabilities		9,296,559	7,249,291
Total Equity (Deficit) and Liabilities		8,516,824	8,090,208

The accounting policies on pages 11 to 22 and the notes on pages 23 to 36 form an Integral part of financial statements.

The financial statements and the notes on pages 7 to 36, were approved by the board and were signed on its behalf by:

Dominic Jayachandran Vasanthan
Manager
Doha, Qatar
12th April, 2026

For identification purpose only;

For Morision & Sajan Jacob Chartered Accountants & Partners

Sajan Jacob Kurian
Qatar Auditors' Registry No.: 327
Doha, Qatar
12th April 2026

Statement of Profit or loss and Other Comprehensive Income

As at 31 March 2026

	Note(s)	12 months year ended 31 March 2026	17 months period ended 31 March 2025
		QAR	QAR
Revenue	12	15,978,135	16,319,095
Direct costs	13	(10,544,899)	(10,459,950)
Gross profit		5,433,236	5,859,145
Other operating income	14	73,537	2,540
Exchange loss		(13,525)	(50,479)
Movement in credit loss allowances	6	(11,479)	-
Operating expenses	15	(6,940,196)	(5,849,000)
Operating loss		(1,458,427)	(37,794)
Finance costs	18	(154,710)	(121,289)
Loss before income tax		(1,613,137)	(159,083)
Income tax	19	(7,515)	-
Loss for the year/period		(1,620,652)	(159,083)
Other comprehensive income		-	-
Total comprehensive loss for the year/period		(1,620,652)	(159,083)

The accounting policies on pages 11 to 22 and the notes on pages 23 to 36 form an Integral part of financial statements.

The financial statements and the notes on pages 7 to 36, were approved by the board and were signed on its behalf by:

For identification purpose only;

For Morision & Sajan Jacob Chartered Accountants & Partners

Dominic Jayachandran Vasanthan

Manager
Doha, Qatar
12th April 2026

Sajan Jacob Kurian

Qatar Auditors' Registry No.: 327
Doha, Qatar
12th April 2026

Statement of Changes in Equity (Deficit)

For the year ended 31 March 2026

	Share capital	Accumulated losses	Total equity (deficit)
	QAR	QAR	QAR
Share capital introduced	1,000,000	-	1,000,000
Loss for the period ending 31 March 2025	-	(159,083)	(159,083)
Balance at 01 April 2025	1,000,000	(159,083)	840,917
Loss for the year ending 31 March 2026	-	(1,620,652)	(1,620,652)
Balance at 31 March 2026	1,000,000	(1,779,735)	(779,735)

The accounting policies on pages 11 to 22 and the notes on pages 23 to 36 form an Integral part of financial statements.

The financial statements and the notes on pages 7 to 36, were approved by the board and were signed on its behalf by:

Dominic Jayachandran Vasanthan
Manager
Doha, Qatar
12th April 2026

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For Morision & Sajan Jacob Chartered Accountants & Partners

Sajan Jacob Kurian
Qatar Auditors' Registry No.: 327
Doha, Qatar
12th April 2026

Statement of Cash Flows

for the year ended 31 March 2026

	Note(s)	12 months ended 31 March 2026	17 months year ended period 31 March 2025
		QAR	QAR
Cash flows from operating activities			
Loss for the year/period		(1,620,652)	(159,083)
Adjustments for non-cash items:			
Depreciation	17	55,925	25,430
Employees' end of service benefits	9	72,914	58,449
Inventory write-down expenses	13	62,930	856
Finance costs	18	154,710	121,289
Credit loss allowance of trade receivables	6	11,479	-
Income tax	19	7,515	-
Exchange loss		13,525	50,479
Excess provision written back	14	(67,637)	
Changes in working capital:			
Inventories		(116,689)	(1,577,347)
Trade and other receivables		278,892	(5,593,808)
Trade and other payables		637,269	791,729
Due to related parties		1,378,905	4,154,035
Cash generated from (used in) operations		869,086	(2,127,971)
Finance costs	18	(28,820)	(21,199)
Employees' end of service benefits paid	9	(25,363)	-
Income tax	19	(7,515)	-
Net cash generated from (used in) operating activities		807,388	(2,149,170)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(60,576)	(121,297)
Net cash used in investing activities		(60,576)	(121,297)
Cash flows from financing activities			
Proceeds on Issue of share capital		-	1,000,000
Loans from shareholder		(634,513)	2,194,599
Payment on lease liability		(19,442)	-
Finance costs	18	(125,890)	(100,090)
Net cash (used in) generated from financing activities		(779,845)	3,094,509
Total cash movement for the year/period		(33,033)	824,042
Cash and cash equivalents at the beginning of the year/period		824,042	-
Cash and cash equivalents at the end of the year/period	7	791,009	824,042

The accounting policies on pages 11 to 22 and the notes on pages 23 to 36 form an Integral part of financial statements.

The financial statements and the notes on pages 7 to 36, were approved by the board and were signed on its behalf by:

Dominic Jayachandran Vasanthan
Manager
Doha, Qatar
12th April 2026

For identification purpose only;

For Morision & Sajan Jacob Chartered Accountants & Partners

Sajan Jacob Kurian
Qatar Auditors' Registry No.: 327
Doha, Qatar
12th April 2026

Notes to the Financial Statements

for the year ended 31 March 2026

Corporate information

Asian Paints Doha Trading W.L.L, Qatar (the company) is a limited liability company incorporated and domiciled in Qatar under the commercial registration number 192689. The registered address of the company is P.O. Box 30181, Doha, Qatar and its principal place of business is Doha.

The principal activities of the company are importing chemical materials related to building works, trading in wallpapers, trading in kitchens equipment tools, importing and trading in dangerous adhesive materials, trading in paints and coatings, trading in adhesives, trading in importing dangerous material related to paints, trading in kitchen equipment and fittings, trading in importing chemical material related to construction works, trading in chemical material related to paints manufacturing, trading in sanitary ware and trading in adhesives chemicals for marble and granite.

1. Material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and applicable provisions of the Articles of Association of the company and the relevant provisions of Law No. 11 of 2015 stating Qatari Commercial Companies Law and its related amendments.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Qatari Riyals, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Critical judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that

affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most material effect on the amounts recognised in the financial statements, are outlined as follows:

Going concern

The company's management has made an assessment of the company's ability to continue as going concern and is satisfied that the company has the resources to continue in business for foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension option (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a material event or a material change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Key sources of estimation uncertainty Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in direct costs (note 13). Any finished goods inventory held for more than 12 months from the date of purchase, as at the balance sheet date, is classified as obsolete and written down to direct costs.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of machineries, furnitures, office and computer equipments are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of other assets are assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

Provision for employee's end of service benefits

Management has measured the company's obligation for the post-employment benefits of its employees based on the provisions of the Qatar Labour Law No. 14 of 2004. Management performs an actuarial valuation as required by International Accounting Standard 19 "Employee Benefits" as it estimates that such valuation may result in a different level of provision. The provision is reviewed by management at the end of each year, and any material change to the projected benefit obligation at the year-end is adjusted in the provision for employees' end of service benefits in the profit or loss.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term.

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Capital-work-in progress is stated at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	10 years
Furniture and fixtures	Straight line	3-5 years
Office equipment	Straight line	3-5 years
IT equipments	Straight line	3-5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is material in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable Amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the proviso Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows: Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or materially reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 21 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding advance paid to suppliers and prepayments, are classified as financial

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method.

The application of the effective interest method to calculate interest income on trade and other receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables excluding prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show materially different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 6.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is presented as a separate line item in profit or loss as a movement in credit loss allowance.

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables (note 6) and the financial instruments and risk management (note 21).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Loans from shareholder and due to related parties Classification

Loans from shareholder (note 20) and due to related parties (note 20) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Loans from shareholder and due to related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 18).

These loans expose the company to liquidity risk and interest rate risk. Refer to note 21 for details of risk exposure and management thereof.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables Classification

Trade and other payables (note 11), excluding amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 18).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 21 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Qatari Riyal equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 21).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Cash and cash equivalent consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts for the purpose of statement of cash flows.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

Derecognition Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.5 Income tax

Income tax is computed on the net profit adjusted for the tax purposes in accordance with the provisions of Law no. 24 of 2018 concerning Qatari Income tax, its regulations and its related amendments.

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

1.6 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires critical judgement, the relevant disclosures are provided in the critical judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 15) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Details of leasing arrangements where the company is a lessee are presented in note 4 Leases (company as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 15).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 18).

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Right of use assets are recognized at the value of the lease liability upon initial recognition adjusted for prepayments and accruals.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

Item	Depreciation method	Average useful life
Training room facility rent	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is material in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an Asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.10 Employee benefits Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

End of service benefits

Provision for employees' end of service benefits is made in accordance with the Qatari Labour Law, and is based on current remuneration and period of service at the end of the reporting period.

1.11 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least: the business or part of a business concerned;
the principal locations affected;
the location, function, and approximate number of employees who will be compensated for terminating their services;
the expenditures that will be undertaken; and
when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingencies recognised in business combinations that are recognised separately are subsequently measured at the higher of:

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- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised and are disclosed in note 22.

1.12 Revenue from contracts with customers

Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocated the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue as and when the entity satisfies a performance obligation. The company recognises revenue at a point in time and over time.

The company recognizes revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the company's performance as the company performs; or
- The company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The company's performance does not create an asset with an alternative use to the company's and

the entity has an enforceable right to payment for performance obligation completed to date.

In all other cases revenue is recognized at a point in time.

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when it transfers control over a good or service to a customer.

Sales revenue

Revenue from the sale of goods is recognized when the control on the goods have passed to the buyer, usually when materials are dispatched from the company's location to the shipping address captured in sales invoice.

1.13 Direct costs

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in direct costs.

1.14 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Qatari Riyals, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Qatari Riyals by applying to the foreign currency amount the exchange rate between the Qatari Riyals and the foreign currency at the date of the cash flow.

1.15 Current versus non-current classification

The company presents assets and liabilities based on current /non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the -reporting, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting.

The company classifies all other liabilities as non-current.

1.16 Offsetting financial assets and liabilities

The company does not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements.

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2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations. Their adoption has not had any material impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Lack of Exchangeability - Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	01 January 2025	The impact of the standard is not material

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2026 or later periods. It is anticipated that their adoption in the relevant reporting periods will have impact only on disclosures within the financial statements.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	01 January 2026	Unlikely there will be a material impact
Annual Improvements to IFRS Accounting Standards- Volume 11	01 January 2026	Unlikely there will be a material impact
Power Purchase Agreements - Amendments to IFRS 9 and IFRS 7	01 January 2026	Unlikely there will be a material impact
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	Unlikely there will be a material impact
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Unlikely there will be a material impact
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date to be determined	Unlikely there will be a material impact

3. Property, plant and equipment

	Plant and machinery	Furniture and fixtures	Office equipment	IT equipment	Capital - Work in progress	Total
	QAR	QAR	QAR	QAR		QAR
Cost						
Addition	35,848	39,725	3,890	41,834	-	121,297
At 31 March 2025	35,848	39,725	3,890	41,834	-	121,297
Additions	-	-	-	8,364	52,212	60,576
Write off	(15)	-	-	-	-	(15)
At 31 March 2026	35,833	39,725	3,890	50,198	52,212	181,858
Accumulated depreciation						
Depreciation (Note 17)	(631)	(12,650)	(2,392)	(9,757)	-	(25,430)
At 31 March 2025	(631)	(12,650)	(2,392)	(9,757)	-	(25,430)
Disposals	15	-	-	-	-	(15)
Depreciation (Note 17)	(3,579)	(12,650)	(1,498)	(9,821)	-	(27,548)
At 31 March 2026	(4,195)	(25,300)	(3,890)	19,578	-	(52,963)
Carrying amount						
Cost	35,848	39,725	3,890	41,834	-	121,297
Accumulated depreciation	(631)	(12,650)	(2,392)	9,757	-	(25,430)
At 31 March 2025	35,217	27,075	1,498	32,077	-	95,867
Cost	35,833	39,725	3,890	50,198	52,212	181,858
Accumulated depreciation	(4,195)	(25,300)	(3,890)	(19,578)	-	(52,963)
At 31 March 2026	31,638	14,425	-	30,620	52,212	128,895

Capital work in progress represents the amount paid to Asian Paints International Private Limited, Singapore for development of a software intended to enhance dealer loyalty programme, vendor process management and employee engagements across the Asian Paints Global operations. The completion time line has not yet been determined. Upon completion, these costs will be capitalized as intangible assets.

4. Leases (company as lessee)

Details pertaining to leasing arrangements, where the company is lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

	Note(s)	12 months ended 31 March 2026 QAR	17 months year ended period 31 March 2025 QAR
Training room facility rent		228,654	-
Additions to right-of-use assets			
Training room facility rent		257,031	-
Depreciation recognised on right-of-use assets			
Depreciation recognised on right-of-use assets, is presented below (note 17).			
Training room facility rent		28,377	-
Other disclosures			
Interest expense on lease liabilities	18	4,559	-
Expenses on short-term leases included in operating expenses	15	732,142	945,698

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to the Financial Statements for the year ended 31st March 2026 (Contd.)

At 31 March 2026, the company has a commitment of QAR 133,840 (2025: QAR 117,110) for its short-term leases. This differs from the portfolio of leases for which an expense was recognised in the current financial period, because of a 12 month office lease agreement and variable monthly warehouse rental arrangements.

5. Inventories

	12 months ended 31 March 2026	17 months year ended period 31 March 2025
	QAR	QAR
Stock in hand	1,694,036	1,577,347
Provision for obsolete and slow moving inventories	(63,786)	(856)
	1,630,250	1,576,491

Movement in provision for obsolete and slow moving inventories are as follows:

	Note(s)	12 months ended 31 March 2026	17 months year ended period 31 March 2025
		QAR	QAR
Opening balance		856	-
Provision recognised during the year/period	13	62,930	856
Closing balance		63,786	856

6. Trade and other receivables

	12 months ended 31 March 2026	17 months year ended period 31 March 2025
	QAR	QAR
Financial instruments:		
Trade receivables (net)	5,163,206	5,483,138
Loss allowance	(11,479)	-
Trade receivables at amortised cost	5,151,727	5,483,138
Refundable deposits	18,000	18,000
Staff loan	4,800	8,679
Non-financial instruments:		
Advance paid to suppliers	118,128	75,361
Prepayments	10,782	8,630
Total trade and other receivables	5,303,437	5,593,808

Trade receivables are stated net of expected dealer scheme benefits amounting to QAR 246,497 (2025: QAR 357,124).

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

There have been no material changes in the credit risk management policies and processes since the prior reporting period.

The average credit period on trade receivables is 118 days (2025: 125 days). No interest is charged on outstanding trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off may still subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The company's historical credit loss experience does not show materially different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2026	2026	2025	2025
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Less than 90 days	4,995,888	-	1,075,569	-
91 - 180 days past due	56,278	-	1,338,330	-
181 - 270 days past due:	96,679	-	1,186,737	-
271 - 365 days past due	6,049	(3,167)	1,882,502	-
More than 365 days past due	8,312	(8,312)	-	-
Total	5,163,206	(11,479)	5,483,138	-

During the year, the company recognised an expected credit loss allowance of QAR 11,479 (2025: Nil) against its trade receivables.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

	12 months ended 31 March 2026	17 months year ended period 31 March 2025
	QAR	QAR
Imprest cash to employees	7,390	-
Cash at bank- current accounts	1,218,198	824,042
Bank overdraft	(434,579)	-
	(791,009)	824,042
Current assets	1,225,588	824,042
Current liabilities	(434,579)	-
	791,009	824,042

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to the Financial Statements for the year ended 31st March 2026 (Contd.)

Balances with banks are assessed to have lower credit risk of default since these banks are highly regulated by the Qatar Central Bank. Accordingly, management of the company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. Taking in to account the historical default experience and current credit ratings of the bank, management of the company have assessed that there is no impairment, and hence have not recorded any loss allowance on these balances.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

	Credit Rating (Moddy's)	12 months ended 31 March 2026	17 months year ended period 31 March 2025
		QAR	QAR
Mashreq Bank	P-1	1,166,798	764,387
Doha Bank	P2	51,400	50,900
HSBC Bank	P-2	-	8,755
		1,218,198	824,042

8. Legal reserve

In accordance with the Law No. 11 of 2015 stating Qatari Commercial Companies' Law and its related amendments and the Articles of Association, the company is required to establish a statutory reserve by transferring 10% of net profit for each year until the reserve equals 50% of the paid-up capital. This is not available for distribution except as stipulated by the Law. Since the company incurred a net loss, no transfer is made to the said reserve.

9. Employees' end of service benefits

Opening balance

Additions made during the year/period Benefits paid during the year/period Transfer from related party

	12 months ended 31 March 2026	17 months year ended period 31 March 2025
	QAR	QAR
Opening balance	60,996	-
Additions made during the year/period	72,914	58,449
Benefits paid during the year/period	(25,363)	-
Transfer from related party	-	2,547
Closing balance	108,547	60,996

Management performed an actuarial valuation as required under International Accounting Standard 19 "Employee Benefits", and such valuation did not result in any significant change in the current level of provision

10. Lease liabilities

	12 months ended 31 March 2026	17 months year ended period 31 March 2025
	QAR	QAR
Minimum lease payments due		
- within one year	96,000	-
- in second to third year inclusive	160,000	-
	256,000	-
less: future finance charges	(18,411)	-
Present value of minimum lease payments	237,589	-
Present value of minimum lease payments due		
- within one year	85,046	-
- in second to third year inclusive	152,543	-
	237,589	-
Non-current liabilities	152,543	-
Current liabilities	85,046	-
	237,589	-

The lease term was 3 years and the average effective borrowing rate was 5.5%.

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

11. Trade and other payables

	12 months ended 31 March 2026	17 months year ended period 31 March 2025
	QAR	QAR
Financial instruments:		
Trade payables	1,067,853	547,354
Other payables	357,512	294,854
	1,425,365	842,208

12. Revenue

	12 months ended 31 March 2026	17 months year ended period 31 March 2025
	QAR	QAR
Revenue from contracts with customers		
Sales revenue	15,978,135	16,319,095
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
Timing of revenue recognition		
At a point in time		
Sales revenue	15,978,135	16,319,095

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13. Direct costs

		12 months ended 31 March 2026	17 months year ended period 31 March 2025
		QAR	QAR
Cost of sales		10,481,969	10,459,094
Inventory write-down expense	5	62,930	856
		10,544,899	10,459,950

14. Other operating income

		12 months ended 31 March 2026	17 months year ended period 31 March 2025
		QAR	QAR
Excess provision written back Scrap		67,637	-
sale of wooden pallets		5,900	2,540
		73,537	2,540

15. Operating expenses

		12 months ended 31 March 2026	17 months year ended period 31 March 2025
		QAR	QAR
Advertising and marketing expenses		1,043,808	512,349
Depreciation	17	55,925	25,430
Employee costs	16	3,786,466	3,921,543
Legal and professional fees		195,748	83,799
Communication expenses		37,618	57,540
Group recharge expenses		660,413	-
Office and miscellaneous expenses		157,104	102,775
Utilities		3,267	83,613
Insurance		25,623	25,545
Short term leases	4	732,142	945,698
Repairs and maintenance		115,437	65,318
Travel and conveyance		126,645	25,390
		6,940,196	5,849,000

16. Employee costs

		12 months ended 31 March 2026	17 months year ended period 31 March 2025
		QAR	QAR
Salaries and allowances		3,072,796	3,277,048
Other short-term benefits		640,756	586,046
End of service benefits	9	72,914	58,449
		3,786,466	3,921,543

17. Depreciation

		12 months ended 31 March 2026	17 months year ended period 31 March 2025
		QAR	QAR
Property, plant and equipment	3	27,548	25,430
Right-of-use assets	4	28,377	-
		55,925	25,430

18. Finance costs

		12 months ended 31 March 2026	17 months year ended period 31 March 2025
		QAR	QAR
Lease liabilities	4	4,559	-
Bank interest - overdraft		15,371	-
Interest on loan from related party		105,960	100,090
Bank charges		28,820	21,199
		154,710	121,289

19. Income tax

		12 months ended 31 March 2026	17 months year ended period 31 March 2025
		QAR	QAR
The net tax expense for the year/period is as follows:			
Income tax arrears paid		7,515	-
Taxable loss for the year/period is arrived at as follows:			
Loss before income tax		(1,613,137)	(159,083)
Adjustment for:			
Add: Accounting depreciation of property, plant and equipment		27,548	25,430
Less: Tax depreciation of property, plant and equipment		(20,058)	(22,551)
Add: Non-deductible provisions		231,743	231,356
Add: Non-deductible expenses		105,960	
Net taxable loss (income) for the year/period		(1,267,944)	75,152
Taxable income		-	75,152
Tax due@ 10%		-	7,515
Non-Qatari share in tax based on their 100% (2025: 100%) share of profits (income tax payable)		-	7,515

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20. Related parties

Related parties include the shareholder, key management personnel, fellow subsidiaries, associates, joint ventures, managers and entities which are controlled directly or indirectly by the shareholders or managers or over which they exercise significant management influence. Balances and transactions between the company and its related parties are described below. Transactions with related parties were entered into on the basis of terms agreed upon by management.

Relationships

Shareholder	Asian Paints International Private Limited, Singapore Asian Paints Limited, India
Ultimate parent/ holding company	Berger Paints Emirates LLC Co., United Arab Emirates
Affiliate company	Asian Paints Middle East SPC, Oman

The loan from the shareholder represents working capital facilities obtained from Asian Paints International Private Limited, Singapore. The outstanding balances bear interest on the principal at a rate of 3-month USD SOFR (or an equivalent reference rate) plus 2.5% as an all-in ceiling cost. The loans are unsecured and are repayable in accordance with their respective contractual terms.

	12 months ended 31 March 2026	17 months year ended period 31 March 2025
	QAR	QAR
Due to related parties		
Asian Paints Middle East SPC, Oman	2,666,496	2,003,213
Berger Paints Emirates LLC Co., United Arab Emirates	2,741,275	2,092,528
Asian Paints International Private Limited, Singapore	121,862	51,728
Asian Paints Limited, India	760	4,019
	5,530,393	4,151,488

Related party balances are unsecured and are expected to be settled in monetary terms.

Except to the above mentioned loan, the outstanding balances with related parties neither carry an interest charge nor fixed repayment terms.

	12 months ended 31 March 2026	17 months year ended period 31 March 2025
	QAR	QAR
Related party transactions		
Purchases		
Asian Paints Middle East SPC, Oman	3,979,235	4,173,322
Berger Paints Emirates LLC Co., United Arab Emirates	4,543,861	6,049,567
	8,523,096	10,222,889
Purchase of property, plant and equipment		
Berger Paints Emirates LLC Co., United Arab Emirates	-	73,139
Loan received (net)		
Asian Paints International Private Limited, Singapore	(602,250)	2,094,510
Interest expense		
Asian Paints International Private Limited, Singapore	105,960	100,090
Reimbursement of expenses received		
Asian Paints Middle East SPC, Oman	-	3,500

	12 months ended 31 March 2026	17 months year ended period 31 March 2025
	QAR	QAR
Reimbursement of expenses paid		
Asian Paints Middle East SPC, Oman	18,482	7,730
Berger Paints Emirates LLC Co., United Arab Emirates	190,396	158,265
Asian Paints Limited, India	8,534	4,019
Asian Paints International Private Limited, Singapore	128,600	51,728
	346,012	221,742
Expenses		
Berger Paints Emirates LLC Co., United Arab Emirates	660,412	-
Office security deposit		
Berger Paints Emirates LLC Co., United Arab Emirates	-	18,000

The key managerial remuneration represents the compensation paid or payable to key management for employee services. The key management includes managers and other members of senior management. The compensation of key management for the year is shown below;

	12 months ended 31 March 2026	17 months year ended period 31 March 2025
	QAR	QAR
Compensation to key management personnel		
Remuneration	745,802	509,982
End of service benefits	12,364	10,493
Short term benefits	79,669	71,280
	837,835	591,755

21. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2026	Note(s)	Amortised cost	Total
Trade and other receivables	6	5,174,527	5,174,527
Cash and cash equivalents	7	1,225,588	1,225,588
		6,400,115	6,400,115
2025	Note(s)	Amortised cost	Total
Trade and other receivables	6	5,509,817	5,509,817
Cash and cash equivalents	7	824,042	824,042
		6,333,859	6,333,859

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

Categories of financial liabilities

2026	Note(s)	Amortised cost	Leases	Total
Bank overdraft	7	434,579	-	434,579
Trade and other payables	11	1,425,365	-	1,425,365
Due to related parties	20	5,530,393	-	5,530,393
Loans from shareholder	20	1,560,086	-	1,560,086
Lease liabilities	10	-	237,589	237,589
		8,950,423	237,589	9,188,012

2025	Note(s)	Amortised cost	Total
Trade and other payables	11	842,208	842,208
Due to related parties	20	4,151,488	4,151,488
Loans from shareholder	20	2,194,599	2,194,599
		7,188,295	7,188,295

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The company monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

Financial risk management Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted

by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a material increase in the credit risk since initial recognition. If there has been a material increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased materially since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 365 days past due, then the credit risk is assumed to have increased materially since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a material increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a material increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased materially since initial recognition for trade receivables. The maximum exposure to credit risk is presented in the table below:

	Note(s)	2026			2025		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	6	5,186,006	(11,479)	5,174,527	5,509,817	-	5,509,817
Cash and cash equivalents	7	1,225,588	-	1,225,588	824,042	-	824,042
		6,411,594	(11,479)	6,400,115	6,333,859	-	6,333,859

Notes

to the Financial Statements for the year ended 31st March 2026 (Contd.)

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements. There have been no material changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2026	Note(s)	Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	10	-	152,543	152,543	152,543
Current liabilities					
Trade and other payables	11	1,425,365	-	1,425,365	1,425,365
Due to related parties	20	5,530,393	-	5,530,393	5,530,393
Loans from shareholder	20	1,560,086	-	1,560,086	1,560,086
Lease liabilities	10	85,046	-	85,046	85,046
Bank overdraft	7	434,579	-	434,579	434,579
		9,035,469	152,543	9,188,012	9,188,012

2025	Note(s)	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	842,208	842,208	842,208
Due to related parties	20	4,151,488	4,151,488	4,151,488
Loans from shareholder	20	2,194,599	2,194,599	2,194,599
		7,188,295	7,188,295	7,188,295

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. The company's activities are exposed primarily to the financial risk of changes in foreign currency exchange rates and interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The foreign currencies in which the company deals primarily is US Dollars and AED.

As the Qatari Riyal and AED is pegged to US Dollar, balances in US Dollars are not considered to represent material currency risk. The company is not exposed to material currency risk, in light of minimal balances in foreign currencies other than US Dollars.

There have been no material changes in the foreign currency risk management policies and processes since the prior reporting period.

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

There have been no material changes in the interest rate risk management policies and processes since the prior reporting period.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note(s)	Average effective interest rate		Carrying amount	
		2026	2025	2026	2025
Variable rate instruments:					
Liabilities					
Loans from shareholder	20	6.19 %	6.81%	1,503,800	2,094,509
Bank overdraft	7	7.60 %	-	434,579	-
		-	-	1,938,379	2,094,509

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Company

At 31 March 2026, had the interest rate been 1% per annum (2025: 1%) higher or lower during the year, with all other variables remaining constant, the unfavourable or favourable impact would have been QAR 19,384 (2025: QAR 20,945).

22. Commitment and contingencies

Except for the ongoing service commitments in the normal course of business against which no loss is expected there has been no other known contingent liability or capital commitment on the company's account.

23. Going concern

We draw attention to the fact that at 31 March 2026, the company incurred a net loss of QAR 1,620,652 and, an accumulated loss of QAR 1,779,735. As of that date, the company's total liabilities exceed its total assets by QAR 779,735.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

24. Comparative figures

The previous period figures are from 05 November 2023 (date of incorporation) to 31 March 2025, being first set of financial statement and hence are not comparable with those of the current year.

Certain comparative figures have been reclassified to conform with the current year's financial statements presentation. Such reclassification has not had any effect on the results, total assets, liabilities or equity of the company for the previous year.

25. Fair value information

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial assets and liabilities approximate their net book amounts as reflected in these financial statements.

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to the Financial Statements for the year ended 31st March 2026 (Contd.)

26. Events after the reporting period Geopolitical developments in the Middle East

Management has assessed the recent geopolitical developments in the Middle East. Based on the information currently available, management believes that these events have no material impact on the company's business operations or financial position as of the date of issuance of these financial statements. Management will continue to monitor the situation and evaluate any potential impact, if necessary.

The accounting policies on pages 11 to 22 and the notes on pages 23 to 36 form an integral part of financial statements.

The financial statements and the notes on pages 7 to 36, were approved by the board and were signed on its behalf by:

Dominic Jayachandran Vasanthan

Manager

Doha, Qatar

12th April, 2026

For identification purpose only;

For Morision & Sajan Jacob Chartered Accountants & Partners

Sajan Jacob Kurian

Qatar Auditors' Registry No.: 327

Doha, Qatar

12th April, 2026