Q1 FY2026 Earnings Conference Call Transcript

Date: July 29, 2025

Management: *Mr. Amit Syngle : MD & CEO*

Mr. R.J. Jeyamurugan: CFO & Company Secretary

Mr. Parag Rane : AVP - Finance

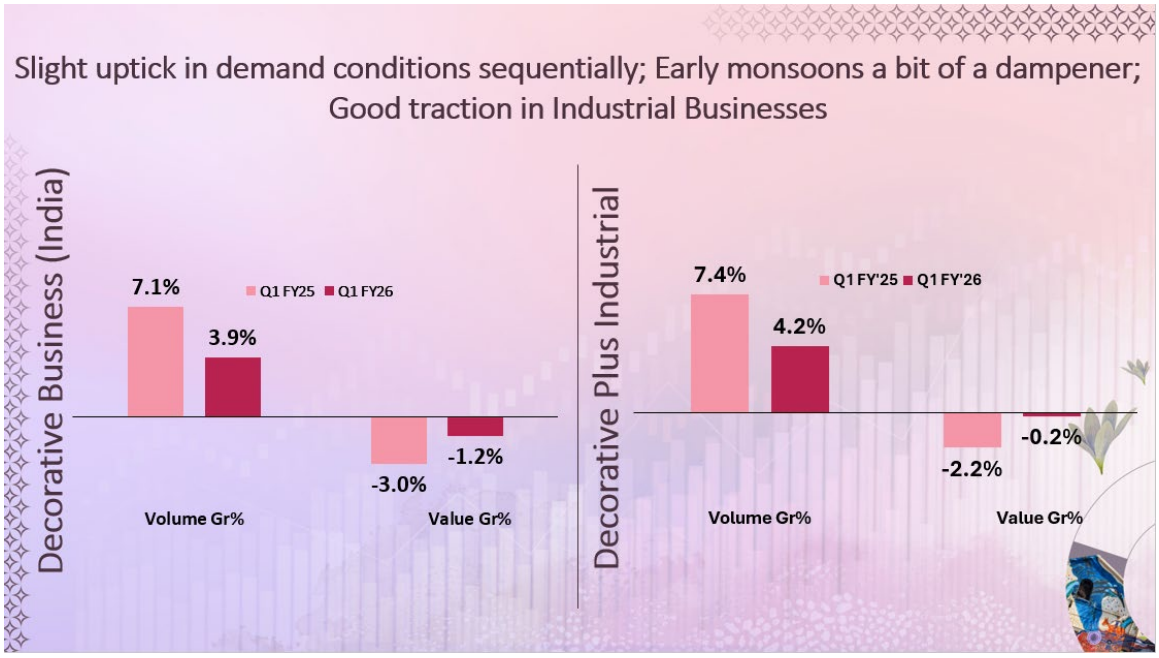
Mr. Lakshya Sharma : AGM - Finance

Disclaimer: This is a memorandum of the proceedings of the Investor Conference of Asian Paints Limited held on Tuesday 29th July 2025 at 5:30 pm in Mumbai with regards to the financial results of the Company for the First Quarter ended 30th June 2025. While we have made our best attempt to prepare a verbatim transcript of the proceedings of the meeting, this document has been edited for readability purposes and may not be a word-to-word reproduction.

Lakshya Sharma: Hello, and good evening, everyone, and thank you for joining us today for Asian Paint's Q1 FY26 results call. I'm Lakshya Sharma from Investor Relations team and it's my pleasure to welcome you all. We are joined today by senior members of the management team, including our MD and CEO, Mr. Amit Syngle, our CFO and Company Secretary, Mr. RJ Jeyamurugan and Mr. Parag Rane AVP Finance. I would now like to invite our MD and CEO to give us his opening remarks. Over to you, sir.

Amit Syngle: Good evening, everyone. Welcome to our earnings call for Q1 FY26.

The core value at Asian Paints, as we have been right reiterating every time is about delivering joy since 1942. We exist to beautify, preserve and transform all spaces and objects, bringing happiness to the world.

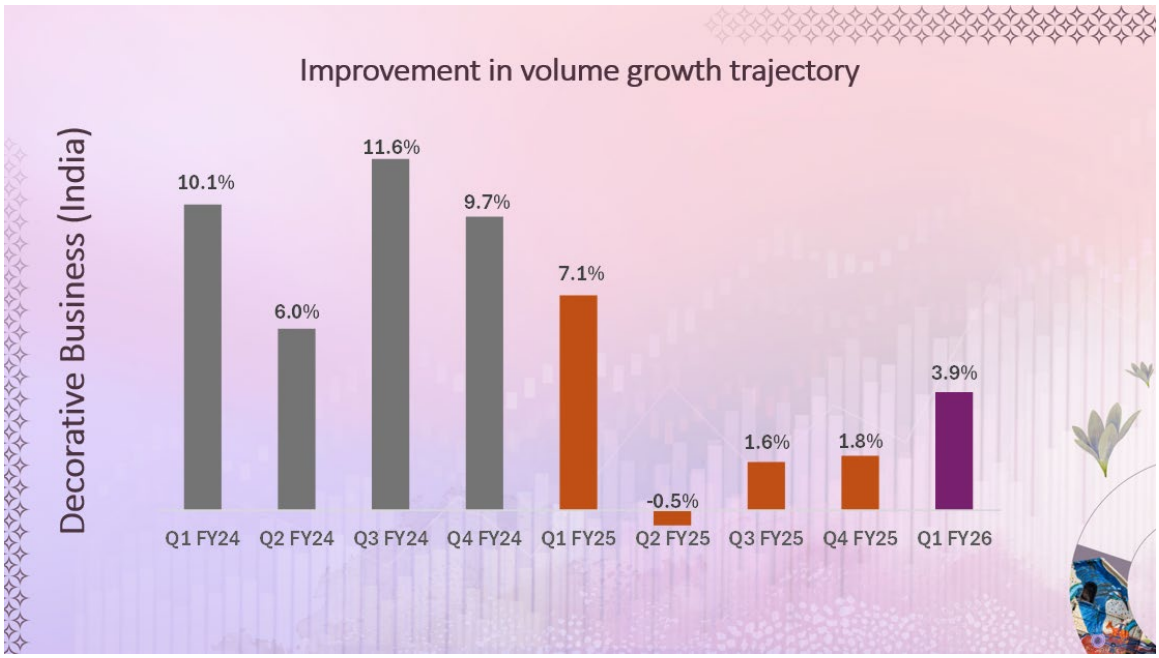


Let's go on and hit the results in terms of what they have been. So, obviously the environment, as we have been seeing, some of the overall demand being depressed over the last three or four quarters, we saw a slight uptick in demand sequentially and both T1, T2 cities and T3, T4 cities, we were seeing almost equal demand conditions.

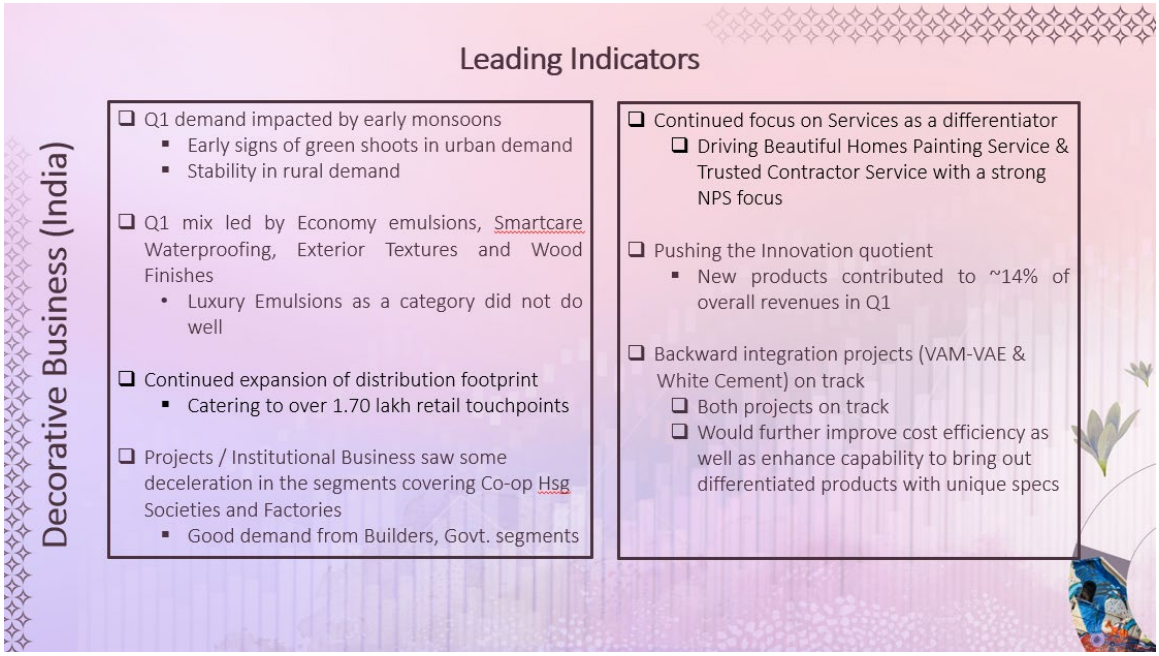
Overall, the early monsoons which came in June were a little bit of a dampener which affected some of our business in coatings. However, industrial business has done well, and this is the story for the last two to three quarters that industrial business is definitely doing quite better.

When we look at from a decor business point of view in India. Overall, the volume growth has been decent. We've got about 3.9% volume growth over the Q1 of last year, which was also at about 7.1% volume growth. When we look at the value number, the value is just about -1.2%. So, just falling short of possibly hitting the base.

When we look at putting the industrial numbers along with this. So, look at the overall coatings piece, the volume goes to about 4.2% and the value is just at about the base of what we see. So, obviously the industrial business has grown almost close to 8.8%. That is kind of pepped up the overall coatings business as we see the final outcome. So, this is where we lie in terms of the overall revenues, and how it looks from the overall business in India.



If we were to just kind of translate into overall volume trajectory, we have been sharing CAGR numbers with you and the CAGR numbers are obviously very strong still. But when we look at the trajectory, from a trend of the last three quarters, it has been weak in volumes. This time the volume is good, and you would have seen that the volume value gap has also come down in a strong way. So, overall, this is the trajectory of what we have seen over a period of time on the volumes.



Some of the leading indicators of what we see in the market. First, as I said that April and May the demand was still better, it got strongly impacted by early monsoons. However, I think the silver lining was that we saw some shoots of demand coming up in urban areas which was down, and we hope that it continues as we go ahead. In Q1 if you look at the overall mix, some of the product segments

which have done well, economy emulsions has done well. The waterproofing business, which is under the brand Smart Care is something which is another one which did well. Exterior textures, wood finishes, these were areas which have done quite well. When we look at luxury emulsions, I think here we did not do as per our expectations. Overall, we found that there was a little bit of down-trading which was happening in the market here as we saw in this quarter.

The areas we continuously keep on looking at, our distribution footprint and this is now closer to about 1.7 lakh retail outlets. So, it is something which is continuously growing, and we continuously nurture in terms of looking at the way we want to expand. The projects, the institutional business, which is the B2B business, saw a little bit slowness and was also affected in June because of the exterior painting getting affected. However, I think some of the areas of government, builders, factories - those are the segments which did well for us. CHS, which is the cooperative housing segment, was a little bit down, but traditionally this business has done well overall. This time in this quarter, it was a bit slow.

When you look at the area of our services which has been a strong focus. And it's a strong differentiator that as a paint company which we are putting in the market. Our whole painting service is something which is going strong. We have a strong NPS which comes in and we have a large footprint now across the country where we are able to offer these services. So, this is something which we are truly growing, and which is doing well for us.

In terms of new products, one of the key focus the organization has taken is that innovation is the route we will continuously take. We've been able to introduce lot many new products, new prepositions to excite the customer and given this is something which we closely watch, and the good news is that the new products continue to contribute a strong percentage to the overall revenue. This quarter we saw about 14% contribution coming to the overall revenues from the new products.

The other big, differentiated strategy Asian Paints has taken is the area of backward integration for the various projects. We have put a very strong project of VAM VAE emulsion which is the new age emulsion which is coming up in Dahej and we have put up a white cement plant which is coming up in Dubai. Both projects are on track in terms of how they are going. These are big projects where significant CapEx has been committed. And we see that today as these projects come alive, we will be able to really see not only differentiated products but something which is very different for the customer given the quality of this emulsion and other things we bring, but also a strong stroke of cost efficiencies, which will basically look at, definitely adding to the bottom line as we go ahead.

So, these are some of the areas where we have done overall quite well.

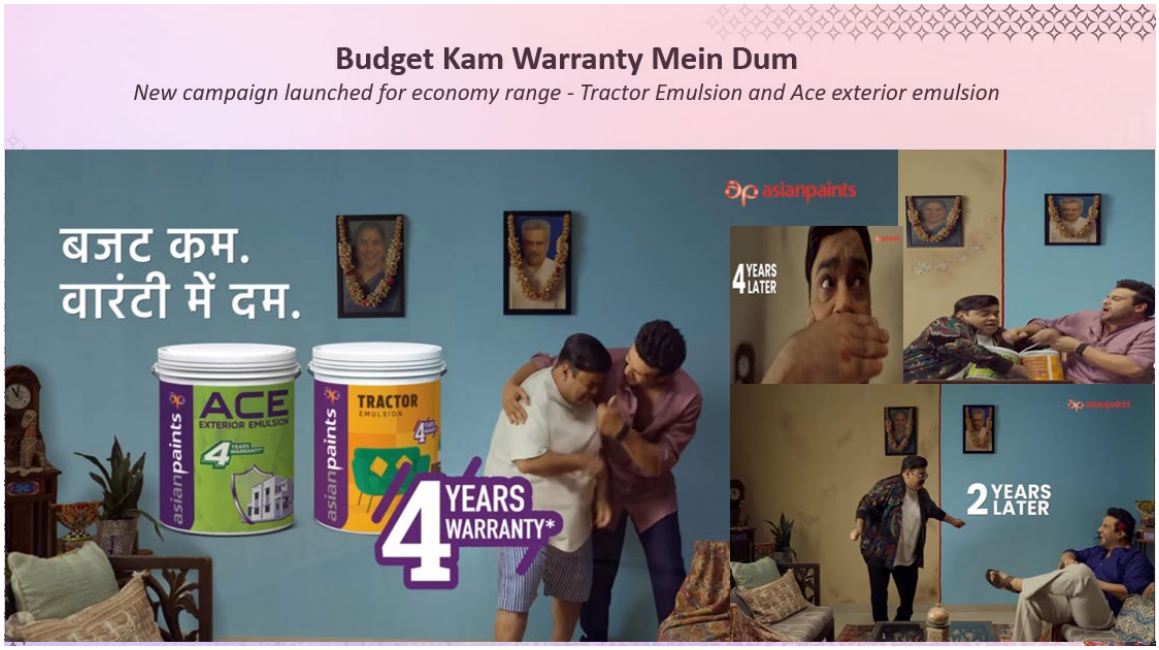
If you look from a point of view of premium emulsion, this is All Protek which we introduced last year. This is where we put our weight behind from a marketing point of view. We had a strong ATL on this. It's a differentiated technology which we call as a Lotus effect technology and a strong brand ambassador to really push this area. And we are speaking of something which is new, which the market has never spoken of. It is not about removal of stains; it's about walls not getting stains at all. So, I think a very differentiated proposition which has done well for us, and it has also given us strong volumes across markets.

We have been now putting on a a super luxury brand which is Nilaya over Royale which is a luxury brand. And we have launched an emulsion which is right at the top end, a differentiated emulsion which no other company has. And this is called Nilaya Arc. This really gives artisanal matte finish. It's a lime based organic paint which comes in with a very differentiated preposition, which is liked by architects and designers in a very big way - 200 shades, 10-year warranty. So, it has got all the ingredients for the Super Lux segment.

This is another area for exciting consumers, this is our royal play textures. These are inspired from some of the Wallpapers, and these are really world class textures which we are bringing. A space we are way ahead in terms of the market in terms of giving customers a decor element which stands out for their homes and makes their homes come alive.

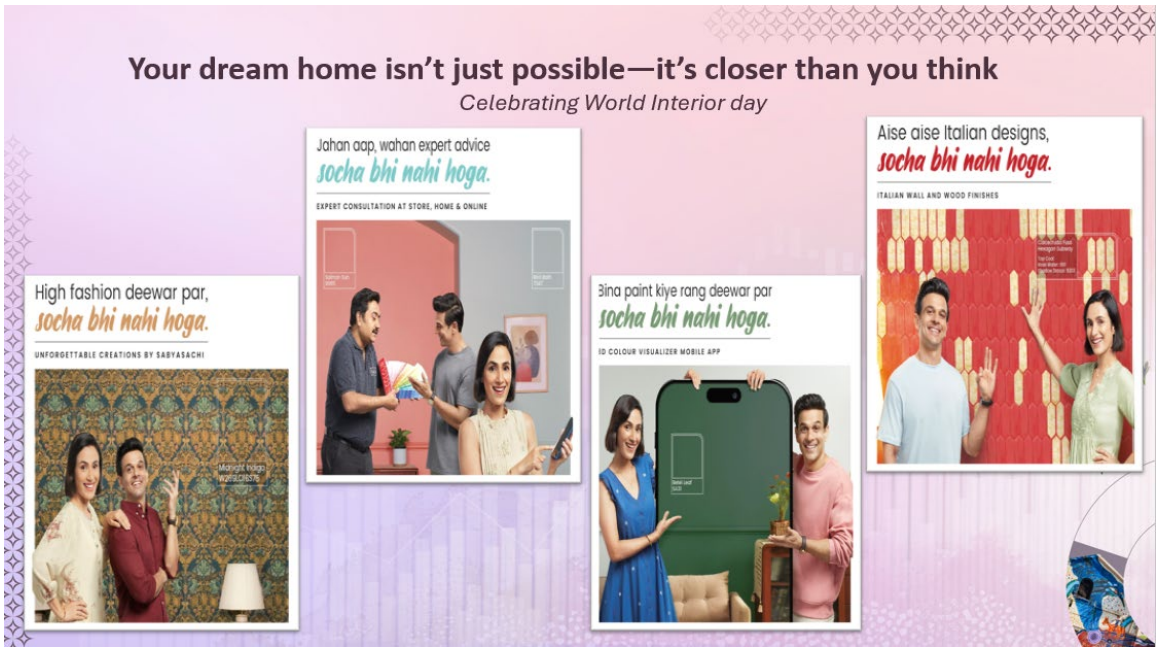
Overall, from a point of view of regionalization, which is another big strategy, we have started regionalizing our packs and invoking the culture of that state and that region, in a strong manner. What you see on the screens is our luxury product Royale Glitz which is there for the Orissa market basically the pack has been altered to take the nuances of the culture tradition which has been in Orissa. And this is a story which we have been strongly backing up in terms of lot of regional things which we are doing. Last year we did for J&K, West Bengal, Tamil Nagu and lot many other markets. So, this is new to excite the market in terms of the way the consumers are taking pride in showcasing this can, what possibly they buy because there is a belongingness which comes in very strongly. Not only this, we have introduced regional shade guides which are there which is appropriate colors of the region strongly. And we feel that this is another step of what we have taken which pushes us in the arena of decor and looking at invoking regionalism in a very strong way. So, that's the other regional initiative what has been done.

Apart from this to excite the economy segment also and to excite some of the other segments even in the premium range, we have been launching variants, and these variants are packed with quality, which is far better in terms of what possibly the competition offers. There's a 10% additional coverage, there's larger whiteness and the product feels much better in the overall look. And this is something which we have done across a range of products. And this is a new Ultraa range which we have introduced all across which also makes the customers happy and the retailers getting higher margins in some of these areas. So, that's the new range of Ultraa which has come in.



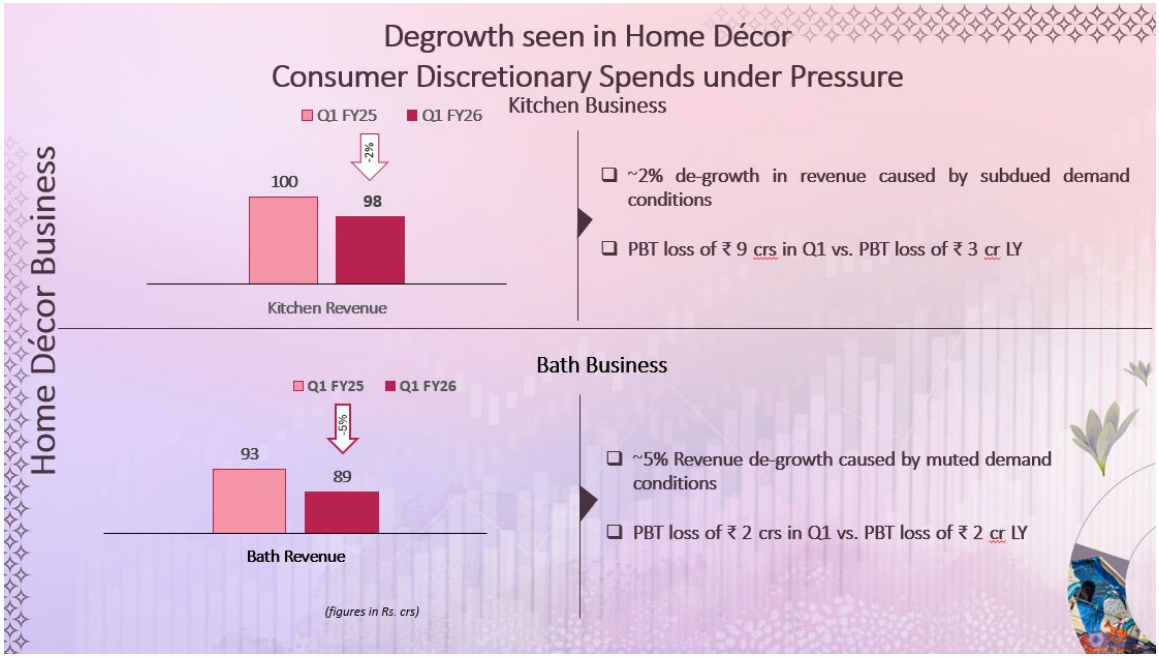
Along with this we feel marketing prepositions is a big area taking the VFM segment which is the economy emulsions and we really unleashed this whole campaign which is on the low budgets and

long life what it speaks with a very strong warranty which comes in both for interior and exterior. This campaign was launched during IPL, and it has done extremely well in terms of a) amping one our share of voice and b) in terms of possibly the consideration to buy from the customer. So, this is something which has generated a lot of excitement.



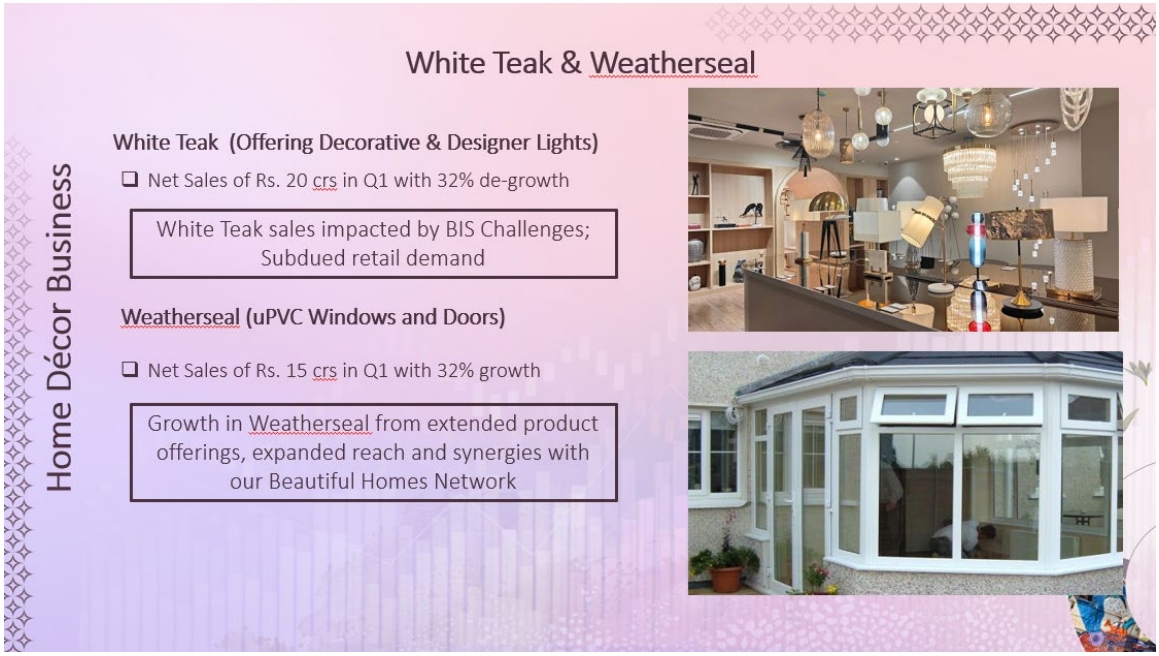
The other big area which we are doing is the Asian Paints relationship with technology. Asian Paints, they're looking at areas of contemporary things which we are doing, and which is world class. So, a new campaign which is Socha Bhi Nahi Hoga, which is about Sabyasachi Wallpapers, it is about Italian textures, colour app which can help you decide the shade and really realize what you are doing on the walls and literally looking at making everything possible as a colour expert for you going forward. So, something very contemporary, which is modern, something which people relate with technology and something which they really enjoy in terms of making their homes come alive with. So, this is something which we looked at coming around strongly and we celebrated the World Interior Day by launching this.

When we look at our home decors foray, we have been pursuing this for a while now. Overall, , we are the number one integrated Home Decor player now in most of the categories, possibly amongst the top players. We have now about 72 beautiful home stores spread across the country.

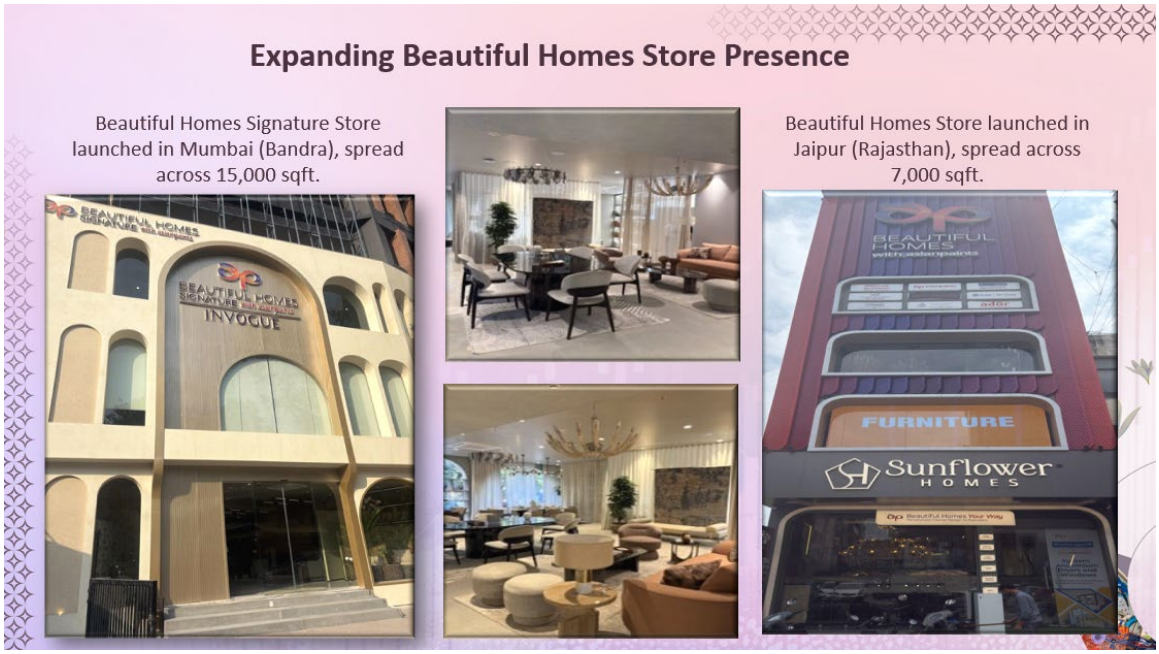


However, what we have been seeing is that definitely this business has been slow and it has been slow in the last two quarters as well aswe have seen, this quarter was also under pressure given the discretionary spends.

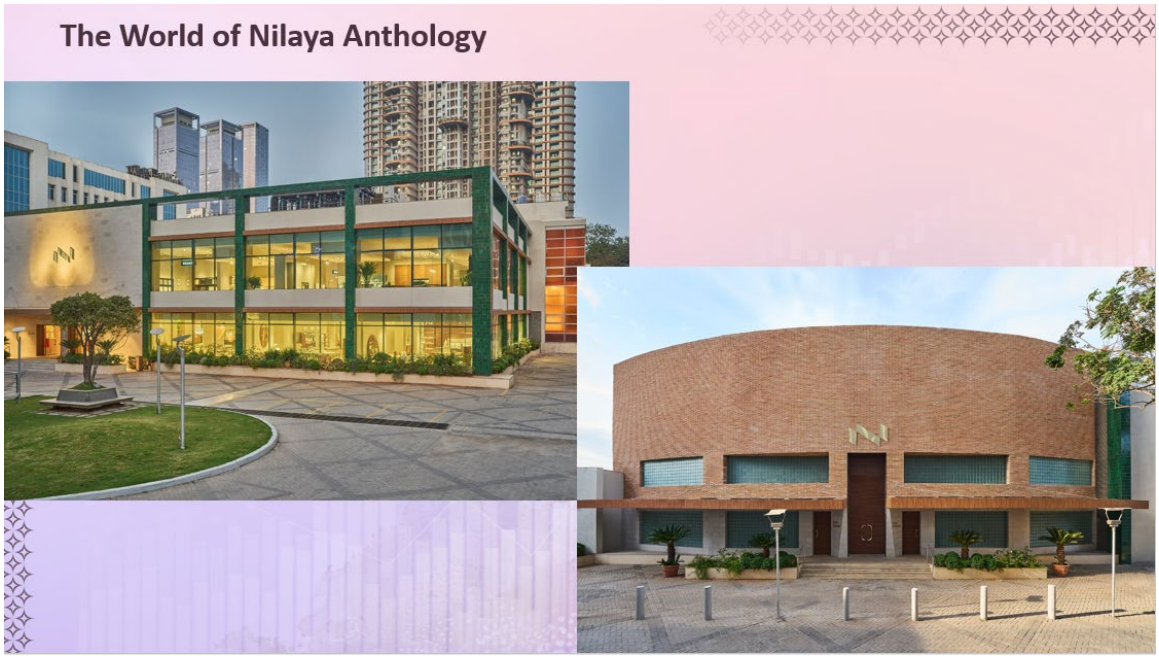
So, kitchen was literally closer to base. Bath was on a little bit of decline with small loss numbers coming in both. But this is something which we are still pursuing, and we think we will need to turn around.



Even the White Teak and Weatherseal had contrasting results. Weather seal where we introduced system aluminum and other innovations has done well, strong growth has come in Weatherseal. However, White Teak have struggled a little bit, and this is something which we are pursuing with great rigor of how we need to channelize this further. So, that's some of the categories in terms of what you see.



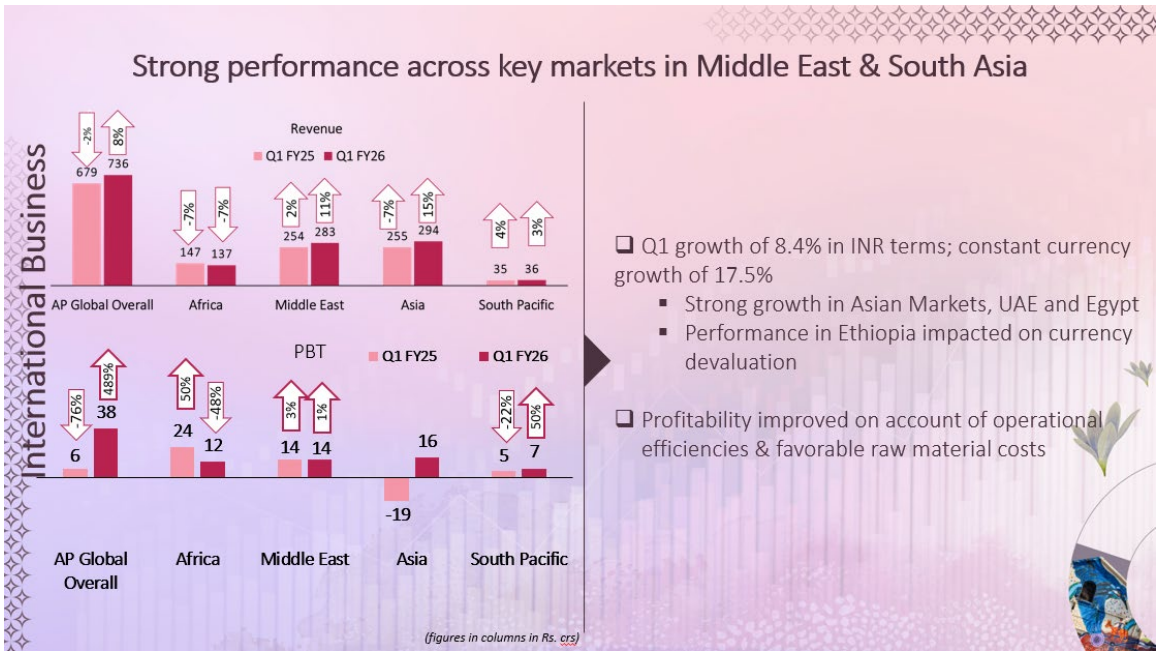
This is a glimpse of some of the beautiful home stores which have come in. We recently launched a store in Rajasthan, which is about 7000 square feet. Earlier, we've launched 2 big stores in Mumbai, 1 is in Borivali, 1 is in Bandra. So, overall, I think a lot of presence which is coming in state-of-the-art stores with absolutely great retail journey and technology in terms of what we have put in and great locations where we are putting this up so that basically the consumer footfall can be very strong. All the beautiful homes do very well with respect to the decor categories and how they are growing. And that is a strong reason for us to persist with the strategy going forward. Because this is also helping some of the coatings dealers to diversify and start looking at possibly larger reason to stay with Asian Paints as we go ahead. So, that's the area in terms of beautiful home stores.



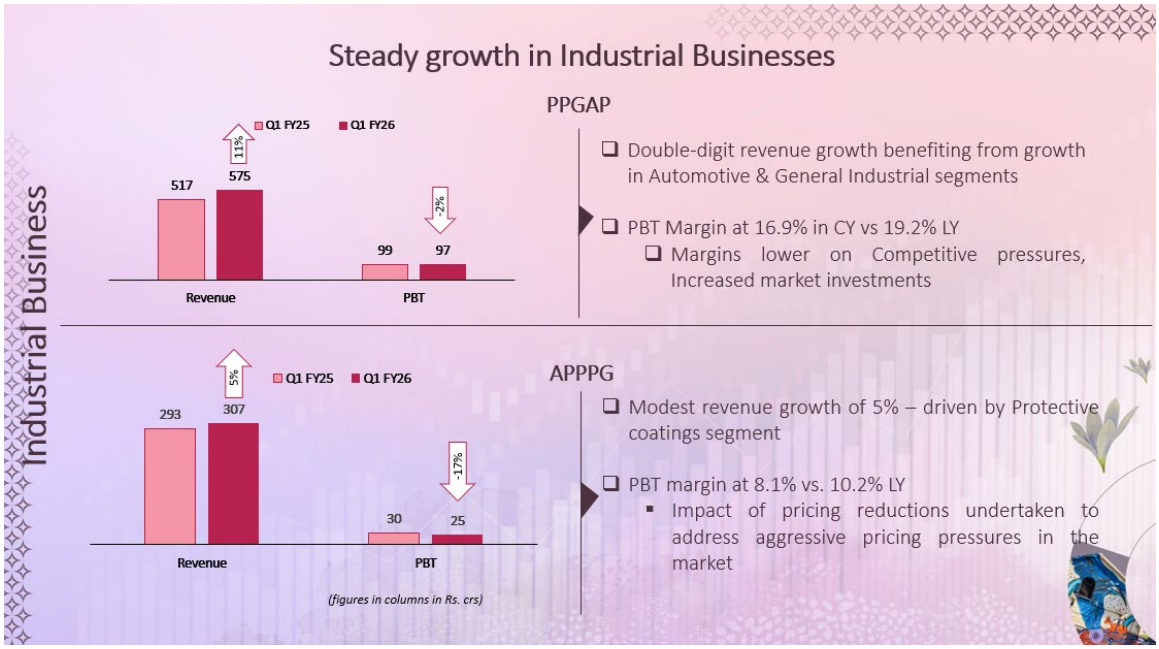
As you see, one other area which we have opened is the Nilaya Anthology. It is an international design center in a way. It is something which is literally a center, a nucleus for culture, art and design. Something which stands out as a retail store as well. It is based on a principle of confluence in design where we see the Indian design manning the international design strongly and it is one of the possibly the best international decor stores what you see. This is one-of-a-kind, and we've got a very strong response of taking our Nilaya brand forward as part of a journey to create a super luxury brand.

So, that's the Nilaya Anthology store for you.

Moving now quickly on to the international, when we look at our AP Global, this is where we are present across the globe largely in some parts of Pacific, Africa, South Asia and Middle East.

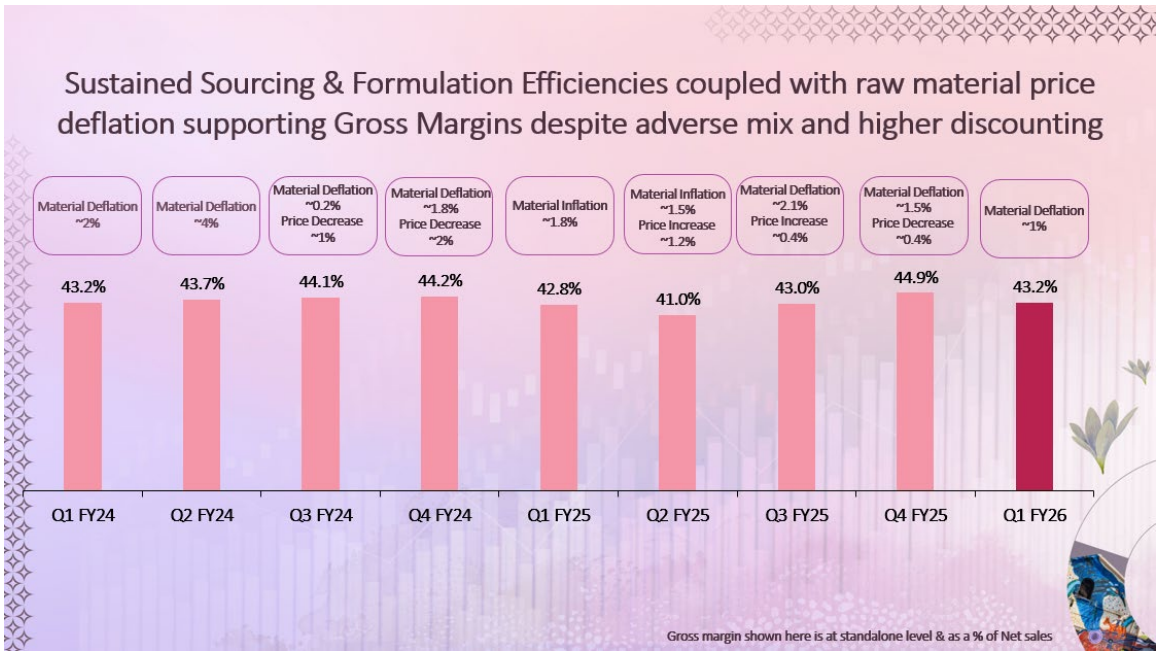


Overall, we got a strong global presence. We grew almost 8.4% in INR terms. In constant currency growth would be closer to 17.5%. Overall, we have seen very strong trajectory in the Asian markets, especially when we look at Lanka and Nepal and so on so forth. UAE and Egypt have also done fairly well. Ethiopia was impacted with currency issues a little bit and therefore down a bit. But overall, global there has been a very strong result this quarter which is also reflected on bottom lines. The profitability was affected last year in the same quarter and this year we are seeing quite a surge in the overall numbers and in profits. So, this is good news, and we hope that this we carry on as we go ahead.

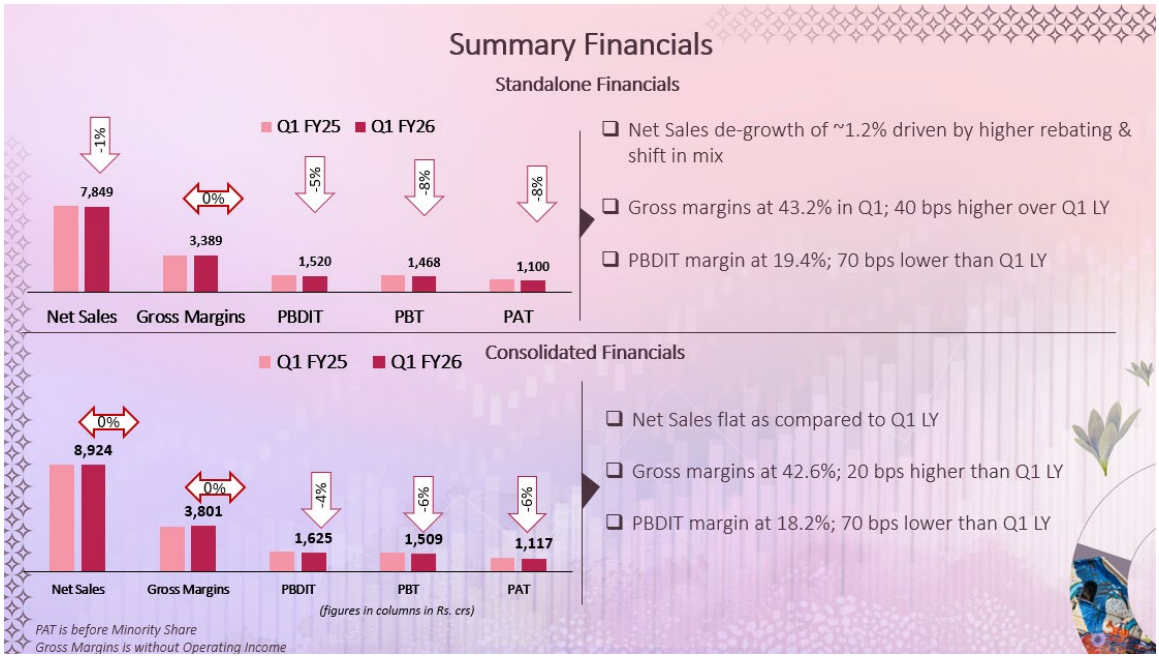


Industrial business, When I look at the two businesses which we have, the PPGAP business which talks of auto refinishes, industrial marine business. This business has done quite well with double-digit growth, 11% is the growth what we have registered. A little bit of lowering in PBT margins given the competitive pressures, but overall, still on a healthy PBT margin in terms of what we see.

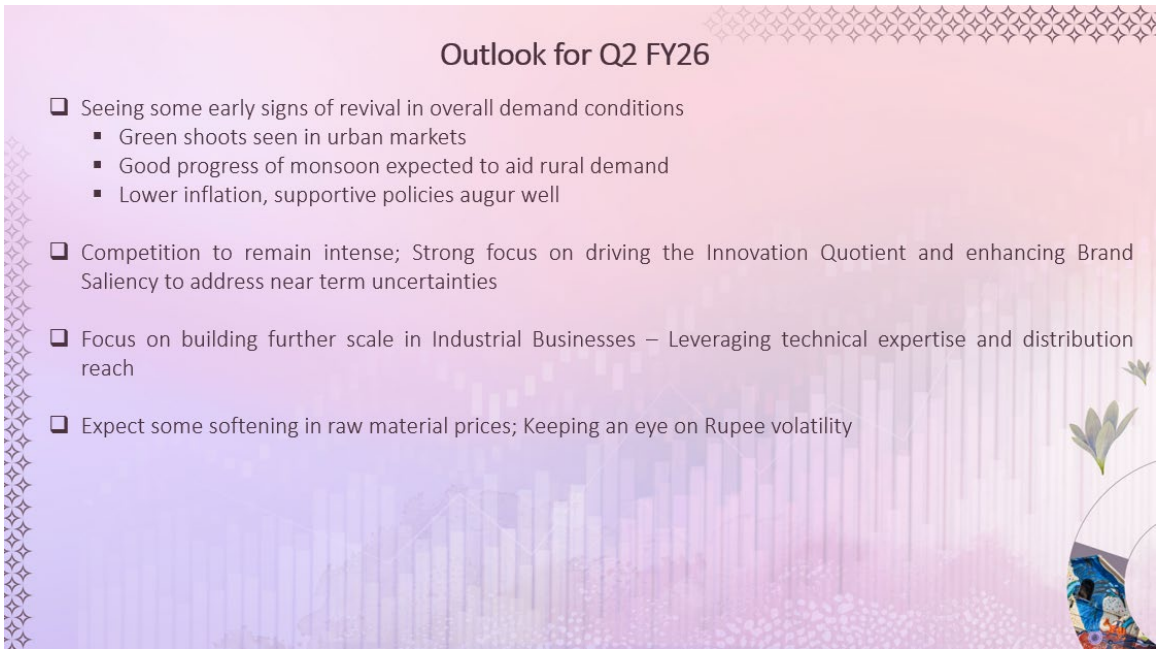
The second business, which is the APPPG is about protective paints, powder coatings, road marking paints and so on and so forth. And this business also grew by almost about 5% on top line. PBT margins a little bit depressed, some competitive pressures coming on pricing and so on and so forth. But overall, a steady business what we have seen over the last almost now four years in how we've been able to grow it, which is an indication of the industrialization happening in India. That overall, what we see that segments which is B2B segments like industrial are something which are doing well.



When we look at pricing, despite all the geopolitical things happening the volatility of the crude prices was a relatively good quarter even from a point of view of rupee dollar parity. So, the overall deflation is what we have seen this quarter is closer to 1%, which possibly also props up the overall gross margins, while sequentially the margins are down, but they are equivalent to the quarter when we look at Q1 of FY24. It is higher than the quarter of Q1 FY25 by 40 bps. But as you see it, we've been able to stay at margin range of about 43% over the quarters, which is quite healthy.



When we look at the financials as a summary overall this is how it pans out. We have seen that the net sales is a little bit of a degrowth of 1.2% in the stand-alone financials. Gross margins as I just said is 43.2, a little bit higher than Q1 of last year, but by and large strong PBDIT margins again is still healthy at 19.4%, a little bit lower than Q1 of last year, but higher than the sequential quarter which is Q4. In terms of consolidated financials, literally the same to what you see of stand-alone to some extent. However, in terms of sales, it is at base overall. In terms of gross margins at 42.6% bit higher than Q1 of last year. And in terms of PBDIT margins still healthy at 18.2% a bit lower than the Q1 of last year, but sequentially again higher from Q4. So, that's how the overall financials span out in both stand alone and consolidated.



And this is something which people look at obviously how are we looking at as we are going ahead as I said, some good shoots which we are seeing in the urban markets which basically is indicating some revival of demand which is happening.

Similarly, I think the monsoons this year have been fairly consistent and quite regular, which means that it is going to be definitely a normal monsoon and it is looking at upping the agrarian economy and therefore the rural demand should be definitely better and what we should see from a point of view of demand. At this stage, the inflation also seems to be in control. Although in the paint industry we also have anti-dumping duty which is being imposed in key raw material which is TiO_2. But overall, we think the inflation should be in control at this stage.

When we look at overall competition, it's now a lot of new competition coming in, existing competition also being strong. Overall, I think it's an exciting market. The competition is intense, and it is driving us to look at doing more of innovation, seeing how we can look at propelling the brand further, increasing the saliency, looking at prepositions which are new. But what we are committed is we would like to look at good growth in coming times.

Overall, when we look at industrial, that's another business which I spoke of. This is a business where we are leveraging a lot of areas of technical expertise, even our smart care range, some of the construction chemicals, all these businesses are adding to this in a big way. As I said, government factories are something which we look forward to propelling as we go forward. Along with this the B2B business is the other area which we are looking very strongly, and we feel that that's a big area what will give us, some results as we go forward. As I said, we see a little bit of a softening of raw material prices, but we are really keeping a very close eye on the rupee and in terms of tariffs which are kind of coming, which can impact overall the material prices going forward. So, this is the outlook we are looking at going forward. Thank you so much.

Moderator: Thank you so much, sir. We will now open the call for the Q&A session.

Abneesh Roy (Nuvama): Thanks. I have two questions. First is on the demand side and competition. On the demand side, you have mentioned some green shoots in urban which some of the other FMCG companies are also highlighting. But when you see that against the 12,000 job cuts by TCS and maybe other IT companies will also soon follow and overall job market, do you see some reversing of the earlier green shoots because IT jobs will be one small subset for you because you cater to every sector. So, would you be concerned on that and from a competition, the second subset to the first question now this is now fifth quarter of the new competition. The other large legacy player has said that the last 3-4 months for the new player the sales is stagnating. What will be your comment on that. And on the premium and mid segment, how is the response to the new player from the customers? And here I'm talking about the secondary sales, the primary sales is a number which is initially doable. But if you could comment on the secondary sales in terms of the premium and comment for the new player, you are the number one player. So, you will have a very good sense. Thank you.

Amit Syngle: Okay, great Abneesh. So, overall, when we look at from a demand perspective, you're right, we are seeing a quite a bit of tussle happening in the environment with the recent announcement in the job scene. However, what we see very clearly is when we look at from a point of view of demand, our demand is divided into two, three kinds of segments. First is the repainting segment. So, the repainting segment is either a maintenance led, or an occasion led. So, principally, I don't think so that gets really affected because it's a need-based thing which comes in, it only gets deferred sometime, but it doesn't really get affected from a point of view of consumption. The second area is the new construction, new homes. Yes, that is something which possibly can get affected. But you know a large part of some of these segments, especially the IT segments are in rental homes. And therefore, we feel that possibly the new homes, especially the premium and the luxury homes is something which should not get affected too much looking at how it is going. Obviously, it remains to be seen that whether it becomes really a large-scale movement overall in terms of the way it is going. But I think what we are confident is that today whatever shoots we have seen in demand should continue because the paint industry has anyway not seen very high demand to that extent. And I think in a way some of these things that bottomed out. So, I think we are still seeing that the demands conditions should not go worse than what we have seen in this quarter. That's point one. Second area which you mentioned about new competition. Overall, I've been always saying that new competition is always very exciting. It keeps us on our toes, new things, innovation what we want to bring. Overall, what we see is everyone in the competition would really make the best efforts of what they can do going forward. Because today, as I said, the competitive intensity has gone up. So, whether it is new players, whether it is existing players, we expect that the intensity of competition will remain to that extent. And therefore, what we are channelizing in terms of our ways is very clear that as we go ahead, we will look at possibly very strong ways to keep on growing, looking at innovation, brand saliency, looking at very different ways of what we can look at various regions. Regionalization is a strategy which I spoke of. So, therefore we are very committed to saying that we wanted to pursue the whole business of looking at growth going forward.

You also mentioned about a point in terms of the mid-level, and you know other premium level in emulsion. As I see it today, I think in some of these segments possibly the consumers consideration to buy is very strong. And the work which we keep on doing, whether it is digital, whether it is ATL, whether it is BTL in terms of really exciting the consumer with innovations is remaining quite strong. Our share of search even in the digital medium is strong. So, I feel that till the time, we have the

consumer with us, and we have the retailer supporting us in taking some of these areas. I think we should not see too much of possibly, interference happening in terms of how we see the growth in these segments. But at the same time, we are very clear the best brands should always win. So, if competition does good stuff, possibly they will get results.

Abneesh Roy: Sure thanks. One quick follow up on that. So, the 10% extra grammage, how big is that a deterrent and how are you responding to that specifically? Is it that the four-year warranty which you are now giving, which new competition is also giving plus the regionalization which you mentioned, which FMCG does quite well and now you are seeing benefit. How are you specifically responding to the 10% extra grammage which the new player is giving?

Amit Syngle: So, see from a customer's point of view, some of these areas sometimes also become blind spots because the customer is just not looking at saying what is that extra will give the customer in per square feet or how the customer will benefit. Sometimes it is the intermediary who benefits a little bit more in terms of looking at what extra the person is getting because that might result in a higher margin for the intermediary which could be a contractor, which could be a dealer. So, to some extent it is in a way like a discount is what we see and not too much of a consumer proposition what we are seeing because sometimes it is the intermediary which is making a decision in pushing it in some manners. So, I think that according to us will not really matter too much in this thing you have seen almost a year plus, that thing going in the market, and we see it as a discount in what possibly the new competition is giving.

Tejash Shah: You called out that higher rebates were also one of the reasons for lower reported net sales this quarter. So, just wanted to know was it in respond to the broader competitive strategy and YoY how that number would have turned out?

Amit Syngle: So, overall, you know we have upped our sales and marketing expenses the way we have gone in the market. Because as I said very clearly, we are looking at growth as we go ahead. And that is something which is the largest strategy at base. And as we see it, that is something which we adjust according to regions of how we need to look at on which segment how we want to go about. Because one thing which we are looking very strongly in some of these areas is that it has to be a sustainable growth. It's not something which is a flash in the pan that you can just increase some discounts here and there and there you got something in the short term and then you say that the number which you're getting. So, we are definitely not in that business and that is something which we have looked very clearly. So, it is strategic in the way we are looking, it comes from a point of view of region, product segments overall and with a strong marketing push in terms of what we want to do.

Tejash Shah: Just one last question. So, can you share some reasonable nuance on the demand side and any specific observation why premium end of the demand has not done that well in this quarter?

Amit Syngle: Overall, when we look at various geographies, we feel that the Northwest and Eastern geographies have been still done definitely better. I think the southern geographies got affected little bit from a point of view of a demand. But this is something which we are thinking is a little bit of a short-term phenomenon in the way it is going. And from the point of view of overall premium and

luxury, I think the premium segment has still done better it is the luxury which has little bit come down as such the luxury segment is not very big. It is a smaller segment because the larger emulsions market is overall dominated by more the eco as well as the premium segment. So, luxury we feel that there is an element of downtrading also which is happening which is possibly due to either liquidity or it is with respect to some constraints which are there. And I think it is a matter of time what we should see in terms of some spending because some of the other sectors, if you see whether it is auto and other areas even housing, we don't see that people are really cringing in terms of looking at down trading. But in the luxury segment at Asian Paints, we definitely saw that this is something which is a phenomenon which is happening.

Mihir Shah (Nomura): Hi sir, thank you for taking my question. So, firstly, I wanted to check if you can share some more color on the demand front. Firstly, how has July shaped up and this year festive season seems to be early and historically we've seen that usually reduces the number of painting days post monsoon and impact is usually there. So, do you foresee any impact because of that? And by when do you expect double digit volume growth to come back? Will it be this year, next year? So, some color on that, that's my first question.

Amit Syngle: Okay. So, when I look at, from a point of view of demand, I think June definitely the exit was not very great in what we were seeing because of early monsoons. The intensity of the monsoons was much higher of what we would have expected in terms of buildup. And so, we have seen in July as well that the rainfall has been overall strong. However, I think we have seen a little bit of a similar pattern in July as well as we have been seeing in Q1 in terms of demand. So, I think there are no adverse and not very positive things what is there. So, overall, demand seems to be going in that same direction. When you look at from a point of view of the overall quarter, I think it is quarter three which might be affected a little bit more because we have lesser number of retail days in quarter three, which is October. Given the fact that Diwali is around 20th of October, I think the larger retailing season comes into September when there is a shorter Diwali. So, we are still hopeful that possibly a larger retailing season should be September as we go ahead and look at this quarter unless rains really play a spoiler as we see it this quarter.

Mihir Shah: Got it. Thank you for that sir. Secondly, you did mention on the anti dumping duty and also you're seeing some lowering of raw material costs. How should one tie up both because I think anti dumping duty was up by about 20% versus the earlier duty structure. Will this impact our margins in the coming quarters? Will it trigger any price change, when looking at both the raw materials and the rise in anti dumping? And I have one last bookkeeping question, CapEx for the year, if you can share and when should we expect the backward integration benefits to kick in from? That's all from my side. Thank you very much. All the best.

Amit Syngle: Okay. When we look at the overall raw material, we are looking at various raw materials which are also crude derivatives. There we have seen some softening as we have said in quarter one as well should continue in quarter 2. However, you are right in terms of TiO_2 the anti dumping duty will have an impact because TiO_2 is a very critical ingredient in the paint industry. So, given this some of that impact will start coming this quarter how we see, it might initially balance with some of the deflation what we are seeing, we'll have to see it very closely. So, the options of any pricing change would depend on how the elements of deflation balance out the elements with the increase in TiO_2.

So, we would watch it very carefully over the next month as well and then take calls of what we need to do in the pricing decision.

Secondly, from a CapEx point of view, we have committed closer to 700 crores of CapEx this year. We've spent about 100 crores this year already on that. When I look at from a larger commitment in the backward integration initiatives, our white cement plant is near commissioning. So, we should start soon seeing the benefits of the white cement outputs to start coming in the next quarters or so. When we look at the VAM VAE plant, some of the activities around that possibly will come to fruition in quarter one of next year as we see it today. So, I think quarter one and quarter 2 of next year, you should start seeing some implications from the VAM VAE facility, which is being put up.

Aditya Soman (CLSA): Hii, good evening. Two questions from me. Firstly, on the sort of luxury demand, just to follow up on that, you mentioned that obviously it's not impacting some other categories. Is it a function of your own products like Apcolite which are obviously higher quality products, relatively new launches impacting luxury demand as they take up some of the volumes? And the second question would be from your perspective, what is sort of a fair growth given the competitive environment and the general weakness and overall demand that Asian paint should target in the short term, medium term, I understand the sort of construct of 1.5 times GDP and so on?

Amit Syngle: When we look at from a luxury point of view, as I said very clearly that one luxury is not a very big category in the overall pie. But if you combine premium and luxury, then that becomes a larger segment. So, if I put premium and luxury together, it's not bad how it is doing. However, in luxury we have seen some down trading, and it is not just because of the quality, but we have put in a decent bit of excitement there in terms of some of the new products we have introduced Royale Glitz which is there, Royal Glitz Reserv which is another product, Nilaya Arc which we have introduced. So, there is umpteen excitement in what we have put in the luxury as well. So, it's not that there's no excitement or the quality is not something which is great. It's just that at this point of time possibly we are saying that a big element of the downloading is resulting which possibly we'll see that as we get closer to the festival time how does it really pan out of going ahead.

When you talk from a near term growth, We are still looking at basically a single digit growth in how it would pan out in overall numbers in terms of both value and volume as we go ahead. And that is something which possibly is a more realistic way how we see given the current way how the demand is panning out.

Jaykumar Doshi (Kotak): Hi, thanks for the opportunity When you talk about green shoots on demand, is this largely, pertaining to Asian Paints given that your base is fairly favorable as we move into 2Q and 3Q? Or do you expect the same for overall industry as well?

Amit Syngle: So, when you look at last year for the full industry, the industry has not grown. So, whatever is true for Asian Paints is true for everyone to that extent. So, it's not something which is going to be very different for anyone as we see it going ahead. So, that is very realistic in how we see, how this base pans out.

Jaykumar Doshi: But two-year CAGR basis also, do you think we should expect some improvement as we move forward? Last year 2Q, 3Q were exceptionally weak for Asian Paints, right, 6-7% decline, so if you look at the year before on that based on two-year CAGRs, do you expect this to improve?

Amit Syngle: Yeah, if you analyze it even today the CAGRs, have still been decent, and I think they should be decent as we go ahead.

Jaykumar Doshi: Okay. Thank you so much.

Aditya Bhartiya (Investec): My first question is on the raw material deflation of around one percentage point that you spoke in this quarter. Despite that, if we look on a quarter-on-quarter basis, we have seen a bit of a gross margin erosion and quarter one we understand typically tends to be a better mixed quarter with more exterior paints getting sold and therefore it generally has better margins. So, is this a reflection of high rebating that we are seeing in the industry? That's my first question, sir.

Amit Syngle: While there has been some deflation, you're right in terms of what we have seen. Overall we have seen gross margins largely consistent in the band of about that 43 to 43.5% kind of a zone and that has been consistent over the several quarters. So, I don't think that there is too much of an impact. But yes, from a mix point of view, we would have preferred the mix to be much better overall. While we have done well in eco and premium emulsions the mix is still inferior from our expectations in terms of what we wanted. So, that is one reason where it has impacted. The other thing which I said is that you know, whatever we look at from a point of view of discounting and other things, there is nothing disproportionate which is not sustainable. So, that is something which is a reasonable push in what we will continue to give as we have looked at possibly going forward.

Aditya Bhartiya: Understood sir. sir my second question is on the anti-dumping duty on imports of TiO_2 from China. Now this I understand is only from imports that are happening from China. What is the implication that it may have on our overall cost structure? And is it fair to assume that in this particular quarter we would not have suffered at all given that we were operating with higher than usual inventory?

Amit Syngle: Yeah, that you're right. So, I think in the current quarter, obviously the inventory has helped us in looking at biding over this whole anti-dumping duty which has come in.
Overall as I see it, as I said, the anti-dumping duty will definitely have an impact, although what we have seen is that some of the Chinese manufacturers have already decreased their prices further. But they won't be able to compensate for the whole duty impact which is going to come in because of the ADD coming in. So, in net, net, I think it would look at increase in raw material prices because TiO_2 is something which is a very important ingredient. From the point of impact of ADD alone, the impact would be anywhere from 1.5% to 2.5% in the overall raw material cost index level.
Pratik Gothi (HSBC): Can you please give an indicative split of your standalone business how much is core decor retail business, how much is waterproofing putty business? Anything else that I might have missed?

Amit Syngle: We don't talk of any splits as of now in looking at where it is to that extent. But definitely both emulsions and waterproofing are a very important part of the overall business and contributes in a strong way in our standalone business.

Amit Purohit (Elara): Just one thing on the margin you indicated, one on the TiO_2 pressure. And 2nd, you highlighted a point that you would like to focus on growth. So, are we looking to revisit our guidance of 18 to 20% or do you think that you have enough levers to clear?

Amit Syngle: So, as of now, we will keep the guidance on in terms of our 18 to 20% guidance. We continuously work on lot of areas from a overall cost excellence perspective looking at that we have enough ammunition of how we need to really look at the market conditions and how we want to go in the market. So, we look at formulation efficiencies, sourcing efficiencies. The materials are a very big part of the paint industry. So, that is possibly the more you work, the better cost effectiveness you get. So, that is one focus which possibly continues to guide us that we should maintain this guidance going forward. But having said that, today it is not only one way that you can approach the market, you can approach the market in several ways in what you can do. So, we look at innovation in a very strong way. We look at how you can entice the customer from a point of view of a preposition which comes in. And we look at possibly in saying that there could be some initiatives which could really give you a lot of step jump in area which you're working. For instance, we feel the whole area of even B2B projects is a big area in what we are working, which would come in looking at growths coming from that sector as well. So, it's an all-round growth which we are considering and in terms of mechanics, as I said, which are far more sustainable, which keeps us possibly in the zone of guidance in terms of what we have given from a point of view of our PBDIT margins.

Amit Purohit: Okay. And sir one last thing, you indicated that your focus is on one industrial and B2B segment. Is it medium term or would you say that these segments will probably do better than the decorative segments beyond FY26?

Amit Syngle: So, as I see it and I have been speaking about it that given the industrialization of what we are seeing, we are seeing a large part of CapEx coming into the market and people investing into expanding businesses, new businesses, new technologies coming into India. And that's the flavor which we have seen overall. If you look at the entire infrastructure, whether it is the road networks, the airports, the railway station, we see a very strong investments coming in from the government also, which is a very prime consumer in looking at the overall paints and coatings. So, to my mind, industrial and the B2B business both would be strong proponents in propelling the growth as we go ahead.

Amit Purohit: And volume value gap should maintain right for the year.

Amit Syngle: Yeah. So, the gap has come down in the decorative range as I said, and that is what we are looking at in maintaining as we go ahead.

Amit Purohit: Okay, thanks sir. Thank you so much.

Moderator: Thank you so much everyone for all your questions. With that, we come to an end with the Q&A session. I now hand over the call to Mr. Amit Syngle for his closing comments. Over to you, sir.

Amit Syngle: Thank you everyone for joining us today for the Q1FY2026 results. Wishing you all the best as we kind of look forward to an exciting quarter.

Moderator:: On behalf of Asian Paints Limited, this concludes today's conference. Thank you for joining us. You may now disconnect your line and exit the webinar. Thank you so much everyone.