**Deloitte
Haskins & Sells LLP**

Chartered Accountants
Commerz III, 30th & 31st floors
International Business Park
Oberoi Garden City
Off. Western Express Highway
Goregaon (East)
Mumbai-400 063
Maharashtra, India

INDEPENDENT AUDITOR'S REPORT

To The Members of BASF India Coatings Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of BASF India Coatings Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Loss), 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 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 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 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 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 Loss, 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 Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

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. Refer Note 35 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, 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, 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

Viral Shah

Viral R. Shah
Partner
Membership No. 117654
UDIN:26117654EKTGVW1522

Place: Mumbai
Date: May 19, 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

To The Members of BASF India Coatings Private Limited

(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 BASF India Coatings 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. 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.

Deloitte
Haskins & Sells LLP

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

Viral R. Shah
Partner
Membership No. 117654
UDIN: 26117654EKTGVW1522

Place: Mumbai
Date: May 19, 2026

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

To The Members of BASF India Coatings Private Limited

(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) In respect of the Company's Property, Plant and Equipment and Intangible Assets;

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and capital work-in-progress.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, at reasonable intervals of 2 years having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than 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, according to the information and explanations given to us and based on the examination of the Business Transfer Agreement, we report that, the title deeds of such immovable properties are deemed to be 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) In respect of Inventories;

(a) The inventories, except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on the information and explanation 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. In respect of goods in transit, substantial portion of goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable when compared with books of account.

(b) According to the information and explanations given to us, at any point of the year, the Company has not been sanctioned any working capital facility from bank or financial institutions on the basis of security of current assets, 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 advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has granted unsecured interest free loans to employees during the year.

a) The Company has provided interest free loans to employees, details of which are given below:

(Rs. in millions)

	Loans
A. Aggregate amount granted / provided during the year:	
- Loan to employees	-
B. Balance outstanding as at balance sheet date in respect of above cases*:	
- Loan to employees	0.1

* Includes opening balances

b) The terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, not prejudicial to the Company's interest.

c) In respect of loans granted provided by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation.

d) In respect of loans granted provided by the Company, there is no amount overdue for more than 90 days at the balance sheet date.

e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(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 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 Section 148(1) 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.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year. We have been informed that the provisions of the Employees' State Insurance, Sales Tax, Service Tax, duty of Excise and Value Added Tax are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, duty of Custom, 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) 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) 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, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture hence, reporting under clause 3(ix)(e) & 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 debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the 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 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 188 of the Act 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 Act are not applicable to the Company.

(xiv)
(a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of this report.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Act 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.

(d) The Group does not have any Core Investment Company (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 but had incurred cash loss amounting to Rs. 106.6 million 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, 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

Viral Shah

Viral R. Shah
Partner
Membership No. 117654
UDIN: 26117654EKTGVW1522

Place: Mumbai
Date: May 19, 2026

BASF India Coatings Private Limited

Balance Sheet as at March 31, 2026

(Rs. in million)

	Notes	March 31, 2026	March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	1 A	941.1	818.1
Right-of-use assets	1 B	82.0	90.0
Capital work-in-progress	1 C	29.6	135.5
Intangible assets	1 D	73.0	-
Financial assets			
(i) Loans	2	0.1	0.2
(ii) Other financial assets	3	0.8	2.4
Deferred tax assets (net)	4	65.0	55.8
Income tax assets (net)	5	42.7	6.2
Other non-current assets	6	17.5	34.6
Total non-current assets		1,251.8	1,142.8
Current assets			
Inventories	7	1,332.8	1,501.6
Financial assets			
(i) Trade receivables	8	1,668.0	1,035.0
(ii) Cash and cash equivalents	9	131.1	133.0
(iii) Other financial assets	10	61.3	44.1
Other current assets	11	490.0	122.3
Total current assets		3,683.2	2,836.0
Total assets		4,935.0	3,978.8
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	2,119.1	2,119.1
Other equity	13	(243.1)	(220.2)
Total equity		1,876.0	1,898.9
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	37	70.2	79.3
(ii) Other financial liabilities	14	9.7	-
Provisions	14A	70.6	51.7
Total non-current liabilities		150.5	131.0
Current liabilities			
Financial liabilities			
(i) Borrowings	15	580.8	320.8
(ii) Lease liabilities	37	17.3	12.9
(iii) Trade payables	16		
(a) Outstanding dues to Micro Enterprises and Small Enterprises		50.6	30.9
(b) Outstanding dues to creditors other than micro enterprises and small enterprises		2,088.7	1,478.7
(iv) Other financial liabilities	17	58.0	54.0
Provisions	18	44.0	41.5
Other current liabilities	19	69.1	10.1
Total current liabilities		2,908.5	1,948.9
Total liabilities		3,059.0	2,079.9
Total equity and liabilities		4,935.0	3,978.8
Material accounting policies	1.1		
The accompanying notes form an integral part of the financial statements.	1-48		

As per our report of even date attached.

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

Viral Shah

Viral R. Shah
Partner
Membership No: 117654

Place: Mumbai
Date: 19 May 2026

For and on behalf of Board of Directors of
BASF India Coatings Private Limited
CIN No.: U20220MH2023PTC415224

Sunil Sarangi
Managing Director
DIN : 10422451

Place: Mangaluru
Date: 19 May 2026

Nils Lessmann
Director
DIN : 10892307

Place: Muenster,Germany
Date: 19 May 2026

BASF India Coatings Private Limited

Statement of Profit and Loss for the year ended March 31, 2026

(Rs. in million)

	Notes	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations	43		
Sale of products		5,639.7	4,608.0
Sale of services		303.0	78.0
Other operating revenues		23.9	14.5
		5,966.6	4,700.5
Other income	20	2.1	6.3
Total Income		5,968.7	4,706.8
Expenses			
Cost of materials consumed	21	3,757.9	3,276.8
Purchase of stock-in-trade		37.6	14.4
Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	(17.3)	(71.4)
Employee benefit expenses	23	530.1	412.6
Finance costs	24	23.5	4.6
Depreciation and amortisation expenses	25	131.2	101.9
Other expenses	26	1,532.7	1,175.6
Total Expenses		5,995.7	4,914.5
Loss before tax		(27.0)	(207.7)
Tax expense/ (credit):	27		
Current tax		-	-
Deferred tax		(7.9)	(38.6)
		(7.9)	(38.6)
Loss for the year		(19.1)	(169.1)
Other comprehensive income / (loss)			
Items that will not be reclassified to statement of profit and loss			
Gain/ (Loss) on remeasurement of post employment benefit plan		(5.1)	3.2
Income tax relating to these items		1.3	(0.8)
Other comprehensive income / (loss) for the year, net of tax		(3.8)	2.4
Total comprehensive income / (loss) for the year		(22.9)	(166.7)
Weighted average number of equity shares outstanding during the year		21,19,10,000	21,19,10,000
Basic and diluted earnings per share (in Rs.)		(0.1)	(0.8)
Face value per share (in Rs.)		10.0	10.0
Material accounting policies	1.1		
The accompanying notes form an integral part of the financial statements.	1-48		

As per our report of even date attached.

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

Viral Shah

Viral R. Shah
Partner
Membership No: 117654

Place: Mumbai
Date: 19 May 2026

For and on behalf of Board of Directors of
BASF India Coatings Private Limited
CIN No.: U20220MH2023PTC415224

Sunil Sarangi
Managing Director
DIN : 10422451

Place: Mangaluru
Date: 19 May 2026

Nils Lessmann
Director
DIN : 10892307

Place: Muenster,Germany
Date: 19 May 2026

BASF India Coatings Private Limited

Statement of Cash Flows for the year ended March 31, 2026

(Rs. in million)

		For the year ended March 31, 2026	For the year ended March 31, 2025
A	**Cash flow from operating activities**		
	Loss before tax	**(27.0)**	(207.7)
	Adjustments for:		
	Depreciation and amortisation expenses	**131.2**	101.9
	Finance costs	**23.5**	4.6
	Unrealised loss/ (gain) on derivative transactions (net)	**(12.6)**	-
	Unrealised loss/ (gain) on foreign exchange (net)	**24.4**	(5.7)
	Provision for loss allowance on trade receivables (net)	**9.9**	4.7
	Operating cash flow before working capital changes	**149.4**	(102.2)
	Adjustments for changes in working capital:		
	(Increase)/ Decrease in trade receivables	**(616.0)**	(1,039.8)
	(Increase)/ Decrease in other financial assets	**(2.90)**	-
	(Increase)/ Decrease in other current and non current assets	**(350.6)**	(39.7)
	(Increase)/ Decrease in inventories	**168.8**	(377.0)
	Increase/ (Decrease) in other financial liabilities	**21.1**	46.6
	Increase/ (Decrease) in long term provisions	**13.8**	14.2
	Increase/ (Decrease) in trade payables	**578.4**	1,513.1
	Increase/ (Decrease) in other current and non current liabilities	**59.0**	10.1
	Increase/ (Decrease) in short-term provisions	**2.5**	(5.5)
	Cash generated from operations	**23.5**	19.8
	Income taxes paid (net)	**(36.6)**	(6.2)
	Net cash generated from / (used in) operating activities	**(13.1)**	13.6
B	**Cash flow from investing activities:**		
	Purchase of property plant and equipment (net of capital creditors and including capital advances)	**(211.6)**	(189.5)
	Net cash (used in) investing activities	**(211.6)**	(189.5)
C	**Cash flow from financing activities**		
	Inter corporate deposits received (Refer Note 42) (excluding renewals during the year)	**950.0**	-
	Inter corporate deposits repaid (Refer Note 42) (excluding renewals during the year)	**(830.0)**	-
	Other short-term borrowings taken / (repaid) (net)	**(25.0)**	85.0
	Interest paid	**(17.5)**	(2.6)
	Payment of lease liabilities	**(19.6)**	(9.4)
	Net cash generated from financing activities	**57.9**	73.0
	Net (decrease) / increase in cash and cash equivalents	**(166.8)**	(102.9)
	Cash and cash equivalents at the beginning of the financial year	**(102.8)**	0.1
	Cash and cash equivalents at the end of the financial year	**(269.6)**	(102.8)

BASF India Coatings Private Limited

Statement of Cash Flows for the year ended March 31, 2026 *(Continued)*

(Rs. in million)

	As at March 31, 2026	As at March 31, 2025
Opening cash and cash equivalents		
Balances with banks:		
- In current accounts (Refer Note 9 for cash and cash equivalents)	**133.0**	0.1
Bank overdraft	**(235.8)**	-
	(102.8)	0.1
Closing cash and cash equivalents		
Balances with banks:		
- In current accounts (Refer Note 9 for cash and cash equivalents)	**131.1**	133.0
Bank overdraft	**(400.7)**	(235.8)
	(269.6)	(102.8)

Notes:

1 The above Standalone Cash Flow Statement has been prepared under the "Indirect Method" setout in Indian Accounting Standard - 7 on Statement of Cash Flows.

Material accounting policies (Refer Note 1.1)
The accompanying notes form an integral part of the financial statements. (Note 1 - 48)

As per our report of even date attached.

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

Viral Shah

Viral R. Shah
Partner
Membership No: 117654

Place: Mumbai
Date: 19 May 2026

For and on behalf of Board of Directors of
BASF India Coatings Private Limited
CIN No.: U20220MH2023PTC415224

Sunil Sarangi	**Nils Lessmann**
Managing Director	Director
DIN : 10422451	DIN : 10892307
Place: Mangaluru	Place: Muenster,Germany
Date: 19 May 2026	Date: 19 May 2026

BASF India Coatings Private Limited

Statement of changes in equity as at March 31, 2026

(Rs. in million)

A. Equity share capital

	Notes	Rs. in million
As at March 31, 2024		**0.1**
Changes in equity share capital	12	2,119.0
As at March 31, 2025		**2,119.1**
Changes in equity share capital	12	-
As at March 31, 2026		**2,119.1**

B. Other equity (Refer Note 13)

	Reserves and Surplus		
	Retained earnings	Capital Reserve	Total
Balance at April 1, 2024	-	(51.4)	(51.4)
Loss for the year	(169.1)	-	(169.1)
Change in net assets pursant to Business Transfer (Refer note 46)	-	(2.1)	(2.1)
Other comprehensive income / (loss):			
- Remeasurement of the net defined benefit asset/ liability, net of tax effect	2.4	-	2.4
Transfer to capital reserve	20.7	(20.7)	
Balance at March 31, 2025	(146.0)	(74.2)	(220.2)
Balance at April 1, 2025	(146.0)	(74.2)	(220.2)
Loss for the year	(19.1)	-	(19.1)
Other comprehensive income / (loss):			
- Remeasurement of the net defined benefit asset/ liability, net of tax effect	(3.8)	-	(3.8)
Balance at March 31, 2026	(168.9)	(74.2)	(243.1)

For material accounting policies, refer Note 1.1

The accompanying notes form an integral part of the financial statements. (Note 1 - 48)

As per our report of even date attached.

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

Viral R. Shah
Partner
Membership No: 117654

Place: Mumbai
Date: 19 May 2026

For and on behalf of Board of Directors of
BASF India Limited
CIN No.: L33112MH1943FLC003972

Sunil Sarangi
Managing Director
DIN : 10422451

Place: Mangaluru
Date: 19 May 2026

Nils Lessmann
Director
DIN : 10892307

Place: Muenster,Germany
Date: 19 May 2026

Background of the Company

BASF India Coatings Private Limited (the 'Company') is engaged in manufacturing and trading of chemicals and chemical products related to Coatings business.
The Company is a private limited company incorporated and domiciled in India with its registered office located in Mumbai. The Company is a wholly owned subsidiary of BASF India Limited.

1.1 Material accounting policies

a. Basis of preparation

(i) Compliance with Ind AS

The 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 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions and amendments of the Act.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All amounts have been rounded off to the nearest million, unless otherwise indicated.

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 Schedule III to the Act. The Company has identified twelve months as its operating cycle.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

(ii) Basis of measurement

The financial statements have been prepared on an accrual basis and on a historical cost basis, except for the following item:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value,
- assets held for sale – measured at carrying amount or fair value less cost to sale whichever is low,
- Net defined benefit (asset)/liability – Fair value of plan assets less present value of defined benefit obligations.

(iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended / notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

1.1 Material accounting policies *(Continued)*

(iii) New and amended standards adopted by the Company *(Continued)*

Ind AS 1, Presentation of Financial Statements, w.e.f. April 1. 2025:

The amendment relates to classification of liabilities as current or non current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants.

Ind AS 107, Financial Instruments: Disclosures, w.e.f. April 1, 2025:

The amendment introduces enhanced disclosure requirements for supplier finance arrangements (such as supply-chain finance or reverse factoring). Entities are required to disclose information that enables users of financial statements to assess the effects of such arrangements on the entity's liabilities, cash flows and exposure to liquidity risk. The disclosures include the nature and terms of the arrangements, the carrying amounts of related financial liabilities, the portion for which suppliers have already been paid by finance providers, and a comparison of payment terms under supplier finance arrangements with those of normal trade payables.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b. Use of estimates and judgements

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by management that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known or materialise.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

a. Measurement of defined benefit obligations – Note 40
b. Measurement of useful lives for property, plant and equipment & intangible assets and impairment– Note 1.1(d), 1.2(c) and 1.2(e)
c. Loss allowance on trade receivables and other financial assets – Note 1.1(g), Note 1.2(d) and Note 33(iv)
d. Determination of lease terms and incremental borrowing rate – Note 37 and Note 1.1(h)

1.1 Material accounting policies *(Continued)*

c. Revenue Recognition

Sales of products are recognised when control of the products has been transferred based on the agreed terms. Sales are net of returns, trade discounts, rebates, sales tax and goods and service tax (GST), as applicable.

Sale of services includes indent commission and revenue from technical and service charges to group and other companies based on terms of the respective agreement. Revenue from sale of services are recognised as and when the services are provided.

The Company evaluates the arrangement with customers/ suppliers whether it is acting as a principal or an agent of the customers/ suppliers, considering underlying substance and terms and conditions of the arrangements. Accordingly, revenue is accounted either on gross or net basis based on the fulfillment of criteria of principal or agency.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in Ind AS 115 have been applied and accordingly:

- The Company does not adjust the promised amount of consideration for the effects of a significant financing component
- The Company recognises the incremental costs of obtaining a contract as an expense when incurred
- No information on remaining performance obligations as of March 31, 2026 that have an expected original term of one year or less was reported.

d. Depreciation on Property, Plant and Equipment

Depreciation on property plant and equipment is calculated on a straight-line basis considering the following useful lives estimated by the Management based on technical evaluation or those prescribed under Schedule II of the Act:

Assets Category	Useful life
Buildings	10-33 years
Plant and machinery	5-20 years
Computers	4 years
Vehicles	4 years
Furniture and fixtures	5-10 years
Office equipment	5 years

Property, Plant and Equipment individually costing Rs. 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions / deletions is calculated on a monthly pro-rata basis.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The Company reviews the residual value, useful lives and depreciation method annually

1.1 Material accounting policies *(Continued)*

d. Depreciation on Property, Plant and Equipment *(Continued)*

and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Leasehold land and Leasehold Improvements are amortised over the period of lease or useful life whichever is lower, unless the entity expects to use the assets beyond the lease term.

e. Inventories

Inventories including raw materials, packing materials, work-in-progress, stores and spares, traded and finished goods are valued at cost or estimated net realisable value, whichever is lower. The costs are determined on weighted average basis and includes expenditure incurred in acquiring inventories, production of conversion costs and other costs incurred in bringing them to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Goods and service tax (GST) is excluded from valuation of the finished goods. The comparison of cost and net realisable value is made on an item-by-item basis.

f. Financial instruments

The Company classifies its financial asset at amortised cost only when if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The amortised cost of a financial asset is also adjusted for impairment loss, if any.

g. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects the Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost, less loss allowance on account of expected credit loss.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime credit losses to be recognised from initial recognition of the receivables. The impairment losses and reversals are recognized in statement of profit and loss.

1.1 Material accounting policies *(Continued)*

h. Leases

As a Lessee

As a lessee, the Company generally recognises for all leases a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The Company separates non-lease components, such as services from lease payments. Lease liabilities are measured at the present value of the remaining lease payments, taking into account the incremental borrowing rate.

Lease payments are discounted using the interest rate implicit in the lease contracts if that rate can be determined from the lease contracts. If the discount rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a risk free rate of interest which is adjusted for lease term, country risk and currency risk.

A right-of-use asset is recognized at the same amount as the lease liability. After capitalization at commencement date, whereby the right-of-use asset is measured at cost, the right-of-use asset is generally depreciated over the lease term using the straight-line method. Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

A number of leases include extension and termination options. Extension and termination options are taken into account on recognition of the lease liability only if the Company is reasonably certain that these options will be exercised in the future. Estimates and expectations which are asserted at the commencement date of the lease liability and the right-of-use asset and pertain to future payments not yet determined on the date of provision are assessed continuously during the lease term. If subsequently improved or changed knowledge influences the expected payment profile over time, the lease liability is remeasured. Any amount on account of re-measurement of lease liabilities is adjusted to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the income statement.

1.1 Material accounting policies *(Continued)*

h. Leases *(Continued)*

Initial direct costs are excluded for the measurement of right-of-use assets at the date of initial application The Company exercises the exemption for lease arrangements with a maximum term of 12 months (short-term leases) and low-value assets. Payments associated with such short-term leases and low-value assets are recognised as an expense in Statement of Profit and Loss. Variable lease payments that depend on usage and / or other variable conditions are recognised in the Statement of Profit and Loss in the period in which the conditions that trigger those payments occur.

1.2 Other Accounting Policies

a. Revenue Recognition

As part of the adoption of Ind AS 115, contract liabilities are disclosed in the Balance Sheet. A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

Interest income is recognised using the effective interest rate method. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

b. Property, plant and equipment

Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Items such as stores, spare parts and stand by equipment are recognized as property, plant and equipment when it is held for use in production or supply of goods or services, or for administrative purpose and are expected to be used for more than one year. Otherwise, such items are classified as inventory.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised 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 de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

1.2 **Other accounting policies** ***(Continued)***

b. Property, plant and equipment ***(Continued)***

Derecognition

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 item. Any gain or loss arising on disposal or retirement of item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the item and is recognized in the statement of profit and loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

c. Intangible assets and amortization

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. Computer software is amortized over a period of four years and other intangible assets are amortized over a period of 2 to 4 years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

d. Financial Instruments

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Measurement

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) 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 the Statement of Profit and Loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement

For subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

1.2 Other Accounting Policies *(Continued)*

d. Financial Instruments *(Continued)*

- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value minus, in case of financial liabilities not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial liabilities.

Subsequent to initial recognition these financial liabilities are measured at amortised cost using effective interest method.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts in the normal course of business and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets (other than trade receivables)

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since its initial recognition. Note 38 details how the Company determines whether there has been a significant increase in credit risk.

Derecognition of financial assets and financial liabilities

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the Company

1.2 Other Accounting Policies *(Continued)*

d. Financial Instruments *(Continued)*

retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. The difference between the carrying amount and the financial liability extinguished and the new liability with modified terms is recognized in the Statement of Profit and Loss.

Measurement of fair values

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 of 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 categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (level 3 inputs).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

e. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors. Where the carrying value exceeds the estimated recoverable amount, provision for impairment is made to adjust the carrying value to the recoverable amount. The recoverable amount is the greater of the assets estimated net realisable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

1.2 Other Accounting Policies *(Continued)*

f. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are derecognized when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

g. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting and are based on monitoring of operating results by the Chief Operating Decision Maker, separately for making decision about resource allocation and performance assessment. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

h. Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

1.2 Other Accounting Policies *(Continued)*

h. Non-current asset (or disposal groups) held for sale *(Continued)*

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

i. Foreign Currency

Transactions in foreign currencies are translated in to currency of the primary economic environment in the which the entity operates (the 'functional currency' of the Company) using the exchange rates prevailing on the date of transaction. Monetary items in foreign currencies are stated at the closing exchange rate.

Gains/losses on conversion/translation are recognised in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

j. 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 are recognized in the Statement of Profit and Loss as an expense at the undiscounted amount on an accrual basis.

Post Employment Employee Benefits
The Company's contributions to defined contribution plans such as Superannuation Fund (administered through BASF India Limited Superannuation Fund Trust), Provident Fund and Employee State Insurance and Labour Welfare Fund are recognized as expense in the Statement of Profit and Loss on an accrual basis. The Company does not have any further obligation beyond this contribution.

1.2 Other Accounting Policies *(Continued)*

j. Employee Benefits *(Continued)*

The Company's liability towards gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Remeasurement of the net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling if any (excluding interest) are recognised immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Re-measurement recognised in Other Comprehensive Income is recognised immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Provident Fund

Eligible employees receive benefits from a provident fund which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

Other Long Term Employee Benefits

The Company's liabilities towards Compensated Absences and Long Service Awards to employees are determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

1.2 Other Accounting Policies *(Continued)*

j. Employee Benefits *(Continued)*

Termination Benefits

Compensation paid to employees under Voluntary Retirement Scheme/Severance payments are recognised as an expense in the Statement of Profit and Loss when employees accept the scheme/payments.

k. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year computed in accordance with relevant provisions of Income Tax Act, 1961 adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax charge or credit and correspondingly deferred tax liability or asset is recognised using tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax is recognised, subject to the consideration of prudence, on temporary differences, being the difference between carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized.

Deferred tax assets – unrecognized or recognized are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and these relate to income taxes levied by the same tax authorities and are intended to settle current tax liabilities and assets on a net basis or such tax assets and liabilities will be realized simultaneously.

Current tax assets and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on net a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.2. Other Accounting Policies *(Continued)*

l. Earnings per share

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

m. Cash and cash equivalents

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 which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

n. Derivative financial instruments

The Company enters majorly into foreign exchange forward contracts to mitigate the foreign currency exposure risk.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately. Derivative assets and derivative liabilities are presented on gross basis in the Balance Sheet.

o. Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

p. Exceptional items

Exceptional items reflect items which individually or, if of a similar type, in aggregate, are disclosed separately due to their size or incidence in order to obtain clear and consistent presentation of the Company’s performance.

1.2. Other Accounting Policies *(Continued)*

q. Provisions and contingent liabilities

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 to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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, unless the possibility of outflow of resources embodying economic benefits are remote. When some or all of the economic benefits required to settle, a provision are expected to be recovered from a third party, a 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.

r. Business combination - common control transaction

- The assets and liabilities of the business are reflected at their carrying amounts
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

s. New and amended standards issued but not effective

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 not notified any new standards or amendments to the existing standards applicable to the Company.

BASF India Coatings Private Limited

Notes to the financial statements as at March 31, 2026 (Continued)

(Rs. in million)

1(A). Property, plant and equipment

Particulars	Gross Block				Depreciation/ Amortisation				Net Block
	As at April 1, 2025	Additions	Deductions	As at March 31, 2026	As at April 1, 2025	For the year	Deductions	As at March 31, 2026	As at March 31, 2026
Buildings	360.6	39.5	-	400.1	106.3	21.0	-	127.3	272.8
Plant & machinery and Computers	1,050.1	187.6	0.2	1,237.5	501.8	86.9	0.2	588.5	649.0
Furniture and fixtures	24.3	7.0	-*	31.3	13.4	2.7	-*	16.1	15.2
Vehicles	2.6	-	-	2.6	2.6	-	-	2.6	-
Office equipment	38.9	1.5	-	40.4	34.3	2.0	-	36.3	4.1
Total	1,476.5	235.6	0.1	1,711.8	658.4	112.6	0.1	770.8	941.1

*Amount is below rounding off norms

1(B). Right-of-use assets

(Refer Note 37)

Particulars	Gross Block				Depreciation/ Amortisation				Net Block
	As at April 1, 2025	Additions	Deductions	As at March 31, 2026	As at April 1, 2025	For the year	Deductions	As at March 31, 2026	As at March 31, 2026
Right-of-use land	81.3	-	-	81.3	2.3	9.0	-	11.3	70.0
Right-of-use Buildings	24.8	9.0	-	33.8	13.8	8.0	-	21.8	12.0
Total	106.1	9.0	-	115.1	16.1	17.0	-	33.1	82.0

1(C). Capital work-in-progress

(Refer Note 29)

Particulars	As at April 1, 2025	Additions	Amounts Capitalised	As at March 31, 2026
Capital work-in-progress	135.5	204.3	310.2	29.6
Total	135.5	204.3	310.2	29.6

1(D). Intangible assets

Particulars	Gross Block				Amortisation				Net Block
	As at April 1, 2025	Additions	Deductions	As at March 31, 2026	As at April 1, 2025	For the year	Deductions	As at March 31, 2026	As at March 31, 2026
Software	-	74.6	-	74.6	-	1.6	-	1.6	73.0
Total	-	74.6	-	74.6	-	1.6	-	1.6	73.0

BASF India Coatings Private Limited

Notes to the financial statements as at March 31, 2026 (Continued)

(Rs. in million)

1(A). Property, plant and equipment

Particulars	Gross Block				Depreciation/ Amortisation				Net Block
	As at April 1, 2024	Additions	Deductions	As at March 31, 2025	As at April 1, 2024	For the year	Deductions	As at March 31, 2025	As at March 31, 2025
Buildings	330.4	30.2	-	360.6	93.3	13.0	-	106.3	254.3
Plant & machinery and Computers	814.8	235.3	-	1,050.1	426.4	75.4	-	501.8	548.3
Furniture and fixtures	23.5	0.8	-	24.3	11.1	2.3	-	13.4	10.9
Vehicles	2.6	-	-	2.6	2.6	-	-	2.6	-
Office equipment	38.8	0.1	-	38.9	32.2	2.1	-	34.3	4.6
Total	**1,210.1**	**266.4**	**-**	**1,476.5**	**565.6**	**92.8**	**-**	**658.4**	**818.1**

1(B). Right-of-use assets

(Refer Note 37)

Particulars	Gross Block				Depreciation/ Amortisation				Net Block
	As at April 1, 2024	Additions	Deductions	As at March 31, 2025	As at April 1, 2024	For the year	Deductions	As at March 31, 2025	As at March 31, 2025
Right-of-use land	-	81.3	-	81.3	-	2.3	-	2.3	79.0
Right-of-use Buildings	12.0	12.8	-	24.8	7.0	6.8	-	13.8	11.0
Total	**12.0**	**94.1**	**-**	**106.1**	**7.0**	**9.1**	**-**	**16.1**	**90.0**

1(C). Capital work-in-progress

(Refer Note 29)

Particulars	As at April 1, 2024	Additions	Amounts Capitalised	As at March 31, 2025
Capital work-in-progress	205.0	196.9	266.4	135.5
Total	**205.0**	**196.9**	**266.4**	**135.5**

1(D). Intangible assets

Particulars	Gross Block				Amortisation				Net Block
	As at April 1, 2024	Additions	Deductions	As at March 31, 2025	As at April 1, 2024	For the year	Deductions	As at March 31, 2025	As at March 31, 2025
Software	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(Rs. in million)

2 Loans (non-current)
(Unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025
Loan to employees	**0.1**	0.2
	0.1	0.2

3 Other financial assets (non-current)
(Unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025
Security deposits	**0.8**	2.4
	0.8	2.4

4 Deferred tax assets (net)

	As at March 31, 2026	As at March 31, 2025
Deferred tax assets		
Temporary differences on account of:		
Loss allowance on trade receivables	**3.7**	1.2
Business loss	**47.0**	11.3
Impact of lease liabilities	**1.2**	0.5
Carrying value of property plant and equipment	**-**	21.8
Others (Amounts allowable on a payment basis under the Income Tax Act, 1961)	**24.2**	21.0
Total deferred tax assets	**76.1**	55.8
Deferred tax liabilities		
Temporary differences on account of:		
Carrying value of property plant and equipment	**(11.1)**	-
Total deferred tax liabilities	**(11.1)**	-
Deferred tax assets (net)	**65.0**	55.8

5 Income tax assets (net)

	As at March 31, 2026	As at March 31, 2025
Advance payment of Income Tax [Net of Provision for Taxation Rs. Nil]	**42.7**	6.2
	42.7	6.2

6 Other non-current assets
(Unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025
Prepayments	**17.5**	34.6
	17.5	34.6

7 Inventories
(Valued at lower of cost and net realisable value)

	As at March 31, 2026	As at March 31, 2025
Raw materials	**822.6**	1,019.7
Finished goods	**422.3**	413.4
Stock-in-trade	**22.9**	23.8
Work-in-progress	**34.4**	25.1
Others		
Packing materials	**12.8**	8.6
Stores and spares	**17.8**	11.0
	1,332.8	1,501.6
Goods in transit (included above)		
Raw materials	**334.4**	343.4
Stock-in-trade	**10.5**	5.3
Finished goods	**0.7**	3.4

Amounts recognised in Statement of Profit and Loss

Write off of inventories to net realisable value amounted to **Rs. 17.9 million** (Previous year: Rs. 12.9 million). These were recognised in the Statement of Profit and Loss during the year under the heads 'cost of materials consumed' and 'Changes in inventories of finished goods, stock-in-trade and work-in-progress'.

(Rs. in million)

8 Trade receivables

	As at March 31, 2026	As at March 31, 2025
Considered good:		
Secured	**-**	-
Unsecured	**1,668.0**	1,035.0
	1,668.0	1,035.0
Credit impaired	**14.5**	4.7
	1,682.5	1,039.7
Less : Loss allowance on trade receivables	**14.5**	4.7
	1,668.0	1,035.0

For aging of Trade receivables, refer Note 30.

9 Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash and bank balances		
Balances with banks:		
- In current accounts	**131.1**	133.0
	131.1	133.0

10 Other financial assets (current)

(Unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025
Derivatives with positive fair values	**12.6**	-
Security deposits	**2.4**	-
Refund receivable from government authorities	**2.2**	
Others receivable from customers	**44.1**	44.1
	61.3	44.1

11 Other current assets

(Unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025
Prepayments	**19.4**	15.2
Advances to vendors	**19.4**	7.9
Balances with government authorities	**451.1**	99.1
Advances to employees	**0.1**	0.1
	490.0	122.3

(Rs. in million)

	As at March 31, 2026	As at March 31, 2025
12 Share capital		
Authorised:		
220,000,000 (Previous Year 220,000,000) Equity Shares of Rs.10/- each	**2,200.0**	2,200.0
Issued:		
211,910,000 (Previous Year 211,910,000) Equity Shares of Rs.10/- each	**2,119.1**	2,119.1
Subscribed and paid-up:		
211,910,000 (Previous Year 211,910,000) Equity Shares of Rs.10/- each fully paid	**2,119.1**	2,119.1
	2,119.1	2,119.1

a. Reconciliation of number of equity shares outstanding as at the beginning and at the end of reporting year

	As at March 31, 2026		As at March 31, 2025	
Particulars	**Number**	**Rs. in million**	Number	Rs. in million
Shares outstanding at the beginning of the year	**21,19,10,000**	**2,119.1**	10,000	0.1
Add : - Issued during the year	**-**	**-**	21,19,00,000	2,119.0
Shares outstanding at the end of the year	**21,19,10,000**	**2,119.1**	21,19,10,000	2,119.1

b. Rights, preferences and restrictions attached to the shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Equity shares held by Ultimate Holding Company/ Holding Company and /or their associates or subsidiaries

Name of Shareholder	Relationship	As at March 31, 2026	As at March 31, 2025
BASF India Limited	Holding Company	**21,19,10,000**	21,19,10,000

d. Equity shares in the Company held by each shareholder holding more than 5% shares

Name of Shareholder	Relationship	As at March 31, 2026		As at March 31, 2025	
		Number	**Percentage**	Number	Percentage
BASF India Limited	Holding Company	**21,19,10,000**	**100%**	21,19,10,000	100%

e. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back

During the previous year, the Company has issued and allotted 211,900,000 equity shares of Rs. 10 each as fully paid equity share for consideration other than cash i.e., pursuant to the purchase of business on slump sale basis from BASF India Limited (Refer Note 46).

f. Details of shareholding of promoters:

Name of the promoter	As at March 31, 2026			As at March 31, 2025		
	Number of shares	**Percentage of total number of shares**	**Percentage of change during the year ended March 31, 2026**	Number of shares	Percentage of total number of shares	Percentage of change during the year ended March 31, 2025
BASF India Limited	**21,19,10,000**	**100%**	**-**	21,19,10,000	100%	-
Total	**21,19,10,000**	**100%**	**-**	21,19,10,000	100%	-

(Rs. in million)

13 Other equity

	As at March 31, 2026	As at March 31, 2025
Retained earnings	**(168.9)**	(146.0)
Capital Reserve	**(74.2)**	(74.2)
	(243.1)	(220.2)

(a) Retained earnings

This represents surplus of profit and loss account.

	As at March 31, 2026	As at March 31, 2025
Balance at beginning of the year	**(146.0)**	-
Add: Loss for the year	**(19.1)**	(169.1)
Items of other comprehensive income/(loss):		
Add/ (Less): Remeasurement of the net defined benefit asset/ liability, net of tax effect	**(3.8)**	2.4
Less: Transfer to Capital reserve	**-**	20.7
Balance at end of the year	**(168.9)**	(146.0)

(b) Capital Reserve

Capital Reserve represents the movement between net identified assets/liabilities of Coatings business and purchase consideration

	As at March 31, 2026	As at March 31, 2025
Balance at beginning of the year	**(74.2)**	(51.4)
Add / Less: Change in net assets pursant to Business Transfer (Refer note 46)	**-**	(2.1)
Add / Less: Profit / loss (Refer note 46)	**-**	(20.7)
Balance at end of the year	**(74.2)**	(74.2)

(Rs. in million)

14 Other financial liabilities (non-current)

	As at March 31, 2026	As at March 31, 2025
Accrual for employee benefits	**9.7**	-
	9.7	-

14A Provisions (non-current)

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits (Refer Note 40)		
- Long service award	**8.4**	8.2
- Gratuity	**62.2**	43.5
	70.6	51.7

15 Borrowings (current)

	As at March 31, 2026	As at March 31, 2025
(Secured)		
From bank - overdraft facilities	**400.7**	235.8
(Unsecured)		
Short-term loan from bank	**60.0**	85.0
Inter Corporate deposits ("ICDs") from group companies (Refer Note 42)	**120.0**	-
Interest accrued but not due on borrowings	**0.1**	-
	580.8	320.8

a) Terms of repayment

Short-term loan and bank overdraft are in the nature of working capital loans taken by the Company which carries interest ranging from 6.5% to 7.75% from and are repayable on due dates as agreed with bank. Bank overdraft is secured by guarantee given by ultimate holding company ('BASF SE') (Refer Note 42).

Inter Corporate Deposit is received from Holding Company during the year having interest ranging from 5.40% to 7.15% (Previous Year – Not Applicable), repayable by April 2026, for working capital requirements. The maximum outstanding during the year is Rs 650.0 million (Previous year Nil)

16 Trade payables

	As at March 31, 2026	As at March 31, 2025
(a) Outstanding dues to Micro Enterprises and Small Enterprises (Refer Note 38)	**50.6**	30.9
(b) Outstanding dues to creditors other than micro enterprises and small enterprises	**2,088.7**	1,478.7
	2,139.3	1,509.6

For payables to related parties, refer Note 42.

For aging of Trade payables, refer Note 31.

17 Other financial liabilities (current)

	As at March 31, 2026	As at March 31, 2025
Capital creditors	-	7.4
Accrual for employee benefits	**58.0**	46.6
	58.0	54.0

18 Provisions (current)

	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits (Refer Note 40)		
- Compensated absences	**43.4**	41.0
- Long service award	**0.6**	0.5
	44.0	41.5

19 Other current liabilities

	As at March 31, 2026	As at March 31, 2025
Advances received from customers	**0.6**	1.0
Statutory dues payable	**68.5**	9.1
	69.1	10.1

(Rs. in million)

20. Other income	**For the year ended March 31, 2026**	For the year ended March 31, 2025
Foreign exchange gain (net)	**-**	5.6
Miscellaneous income	**2.1**	0.7
	2.1	6.3

21. Cost of materials consumed	**For the year ended March 31, 2026**	For the year ended March 31, 2025
Raw materials :		
Stock at the beginning of the year	**1,019.7**	721.4
Add: Purchases	**3,394.5**	3,398.5
Less: Stock at the end of the year	**(822.6)**	(1,019.7)
Cost of raw materials consumed	**3,591.6**	3,100.2
Packing materials consumed	**166.3**	176.6
	3,757.9	3,276.8

22. Changes in inventories of finished goods, stock-in-trade and work-in-progress	**For the year ended March 31, 2026**	For the year ended March 31, 2025
Stock at the end of the year		
Finished goods	**422.3**	413.4
Stock-in-trade	**22.9**	23.8
Work-in-progress	**34.4**	25.1
Sub-total	**479.6**	462.3
Stock at the beginning of the year		
Finished goods	**(413.4)**	(362.2)
Stock-in-trade	**(23.8)**	(28.7)
Work-in-progress	**(25.1)**	-
Sub-total	**(462.3)**	(390.9)
	(17.3)	(71.4)

23. Employee benefit expenses	**For the year ended March 31, 2026**	For the year ended March 31, 2025
Salaries, wages and bonus	**466.1**	371.1
Contribution to provident and other funds (Refer Note 40)	**29.6**	26.0
Gratuity (Refer Note 40)	**13.5**	11.8
Staff welfare expense	**20.9**	3.6
	530.1	412.6

(Rs. in million)

24. Finance costs

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on borrowings	**16.5**	2.6
Interest on lease liabilities	**5.9**	2.0
Interest- others	**1.1**	-
	23.5	4.6

25. Depreciation and amortisation expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of Property, plant and equipment	**112.6**	92.8
Amortisation of Right-of-use assets	**17.0**	9.1
Amortisation of intangible assets	**1.6**	-
	131.2	101.9

26. Other expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Freight and handling charges	**70.1**	111.2
Power and fuel	**109.7**	26.5
Professional charges (Refer Note 28)	**745.1**	643.9
Communication / system expenses	**167.1**	31.6
Foreign exchange loss (net) [Includes net gain **Rs. 12.6 million** (Previous Year: Nil) on fair valuation of trade derivatives]	**24.4**	-
Sales promotion expenses	**5.3**	2.9
Travelling	**35.8**	28.2
Subcontracting charges	**28.3**	26.6
Rent (Refer Note 37)	**15.0**	4.7
Royalty	**158.0**	140.7
Consumption of stores and spare parts	**27.8**	12.9
Repairs		
- Machinery	**25.0**	24.9
- Buildings	**7.3**	4.7
- Others	**12.9**	5.8
Insurance	**24.7**	17.7
Rates and taxes	**9.1**	21.9
Loss allowance on trade receivables (net)	**9.9**	4.7
Miscellaneous expenses	**57.2**	66.9
	1,532.7	1,175.6

BASF India Coatings Private Limited

Notes to the financial statements as at March 31, 2026 (Continued)

(Rs. in million)

27. Tax expense

	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Income tax expense		
Current tax		
Current tax	-	-
Income tax impact on items included in Other comprehensive income	-	-
Total current tax expense	-	-
Deferred tax (including tax on Other comprehensive income)(Refer Note 4)		
(i) (Increase) / Decrease in deferred tax assets	**(20.3)**	(35.3)
(ii) Increase / (Decrease) in deferred tax liabilities	**11.1**	(2.5)
Total deferred tax (credit)/ expense [(i)+(ii)]	**(9.2)**	(37.8)
Total tax (credit)/ expense	**(9.2)**	(37.8)
Income tax impact on items included in Other comprehensive income		
Total income tax (credit)/ expense		

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit / (Loss) before income tax expense	**(27.0)**	(207.7)
Other comprehensive income / (loss) (before tax)	**(5.1)**	3.2
Total	**(32.1)**	(204.5)
Income tax rate	**25.17%**	25.17%
Tax on income	**(8.1)**	(51.5)
Tax effect of items in reconciliations		
Current tax not recongnised for restated period	-	8.3
Impact of Other expenses	**(1.1)**	-
Impact of stamp duty on business transfer	-	5.4
Total tax expense	**(9.2)**	(37.8)

28. Payment to auditors (net of taxes)

Professional charges in Note 26 includes payment to auditors as follows:

	For the year ended March 31, 2026	For the year ended March 31, 2025
As auditors :		
- Statutory Audit*	**2.7**	2.5
- Tax Audit	**0.4**	0.4
For reimbursement of expenses	**0.5**	-
Total	**3.6**	2.9

* (March 31, 2026 includes Rs 0.7 million pertaining to FY 24-25)

29 Aging of Capital work-in-progress (CWIP)

(a) Aging of CWIP:

Rs. in million

	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	
Projects in progress	**29.6**	**-**	**-**	**-**	**29.6**
	135.5	*-*	*-*	*-*	*135.5*
Total	**29.6**	**-**	**-**	**-**	**29.6**
	135.5	*-*	*-*	*-*	*135.5*

The previous Year's figures are given in italic light type below each item.

There were no temporarily suspended projects as on Balance Sheet date of current year as well as previous year.

(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

Rs. in million

	To be completed in				Total
	Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	
Projects in progress:					
i) Routine Small Capex	**-**	**-**	**-**	**-**	**-**
	50.4	*-*	*-*	*-*	*50.4*
Total	**-**	**-**	**-**	**-**	**-**
	50.4	*-*	*-*	*-*	*50.4*

The previous Year's figures are given in italic light type below each item.

30 Aging of Trade Receivables:

Rs. in million

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	**1,305.5**	**286.8**	**75.7**	**-**	**-**	**-**	**1,668.0**
	231.5	*803.5*	*-*	*-*	*-*	*-*	1,035.0
Credit impaired	**8.5**	**5.7**	**0.3**	**0.0**	**-**	**-**	**14.5**
	4.2	*0.5*	*-*	*-*	*-*	*-*	*4.7*
Disputed Trade Receivables							
Credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*	*-*
Total	**1,314.0**	**292.5**	**76.0**	**0.0**	**-**	**-**	**1,682.5**
	235.7	*804.0*	*-*	*-*	*-*	*-*	*1,039.7*

The previous Year's figures are given in italic light type below each item.

31 Aging of Trade Payables:

Rs. in million

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Payables							
Micro enterprises and	**-**	**47.4**	**3.2**	**-**	**-**	**-**	**50.6**
small enterprises	*-*	*29.3*	*1.6*	*-*	*-*	*-*	*30.9*
Others	**26.4**	**1,478.9**	**560.3**	**23.1**	**-**	**-**	**2,088.7**
	618.3	*650.2*	*210.2*	*-*	*-*	*-*	*1,478.7*
Disputed Trade Payables							
Micro enterprises and	**-**	**-**	**-**	**-**	**-**	**-**	**-**
small enterprises	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	*-*	-	-	-	*-*	*-*
Total	**26.4**	**1,526.3**	**563.5**	**23.1**	**-**	**-**	**2,139.3**
	618.3	*679.5*	*211.8*	*-*	*-*	*-*	*1,509.6*

The previous Year's figures are given in italic light type below each item.

32 Financial Ratios:

Ratio	Numerator	Denominator	Current year ended March 31, 2026	Previous year ended March 31, 2025	% variance	Reason for variance (wherever % variance is > 25%)
Current Ratio (times)	Current Assets	Current Liabilities	**1.3**	1.5	-13%	Below threshold
Return on Equity (net worth) (%)	Profit After Tax (PAT)	Total Equity	Not Applicable since the Company incurred a loss		NA	Not Applicable
Inventory Turnover Ratio (times)	Cost of goods sold [Refer Note (i) below]	Average Inventory	**2.7**	2.5	9%	Below threshold
Trade Receivables Turnover Ratio (times)	Revenue from Operations	Average Trade Receivables	**4.4**	4.5	-3%	Below threshold
Trade Payables Turnover Ratio (times)	Total Purchases [Refer Note (ii) below]	Average Trade Payables	**1.9**	2.3	-17%	Below threshold
Net Capital Turnover Ratio (times)	Revenue from Operations	Average Working capital (Current assets - Current liabilities)	**7.2**	5.3	36%	On account of higher revenue from operations
Net Profit Ratio (%)	Profit After Tax (PAT)	Revenue from Operations	Not Applicable since the Company incurred a loss		NA	Not Applicable
Return on Capital Employed (%)	Earnings Before Interest & Tax before exceptional items	Capital Employed (Shareholder's Equity + borrowings)	Not Applicable since the Company incurred a loss		NA	Not Applicable
Operating Profit Margin (%)	Earnings Before Interest & Tax (EBIT) before exceptional items	Revenue from Operations	**-0.1%**	-4.3%	-99%	On account of higher loss in previous year
Interest Coverage Ratio (times)	Earnings Before Interest Tax & Depreciation (EBITDA) before exceptional items	Finance cost	**5.4**	(22.0)	-125%	On account of higher loss in previous year

Notes:
(i) Cost of goods sold = Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress.
(ii) Total purchases = Purchase of Raw Materials (as disclosed in Note 21) + Purchase of stock-in-trade.
(iii) Average balances are derived by taking average of Opening balance and closing balance.

33 Fair value measurement

Financial instruments

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Indian accounting standard 113 - 'Fair value measurement'.

Explanation of each

Level 1: Determination of the fair value based on quoted, unadjusted prices on active markets.
Level 2: Determination of fair value based on parameters for which directly or indirectly quoted prices on active market are available.
Level 3: Determination of fair value based on parameters for which there is no observable market data.

Fair values for financial assets and liabilities (other than those disclosed below) approximates the carrying amount.
All other financial assets and financial liabilities are carried at amortised costs.

Rs. in million

	Fair value hierarchy	Valuation category and technique	As at March 31, 2026	As at March 31, 2025
Financial assets				
Derivatives - no hedge accounting	Level 2	Fair value through profit and loss. Valuation technique - use of dealer quotes for similar instruments.	**12.6**	-

The following table presents the carrying amounts and fair value of each category of financial assets and liabilites as at March 31, 2026.

Rs. in million

Particulars	Amortised cost	Total carrying value	Total fair value
Financial assets			
Loans	**0.1**	**0.1**	**0.1**
Trade receivables	**1,668.0**	**1,668.0**	**1,668.0**
Cash and cash equivalents	**131.1**	**131.1**	**131.1**
Other financial assets	**62.1**	**62.1**	**62.1**
Total	**1,861.3**	**1,861.3**	**1,861.3**
Financial liabilities			
Lease liabilities	**87.5**	**87.5**	**87.5**
Borrowings	**580.8**	**580.8**	**580.8**
Trade payables	**2,139.3**	**2,139.3**	**2,139.3**
Other financial liabilities	**67.7**	**67.7**	**67.7**
Total	**2,875.3**	**2,875.3**	**2,875.3**

The following table presents the carrying amounts and fair value of each category of financial assets and liabilites as at March 31, 2025.

Rs. in million

Particulars	Amortised cost	Total carrying value	Total fair value
Financial assets			
Loans	0.2	0.2	0.2
Trade receivables	1,035.0	1,035.0	1,035.0
Cash and cash equivalents	133.0	133.0	133.0
Other financial assets	46.5	46.5	46.5
Total	1,214.7	1,214.7	1,214.7
Financial liabilities			
Lease liabilities	92.2	92.2	92.2
Borrowings	320.8	320.8	320.8
Trade payables	1,509.6	1,509.6	1,509.6
Other financial liabilities	54.0	54.0	54.0
Total	1,976.6	1,976.6	1,976.6

Risk Exposure:

(i) Foreign currency risk

The fluctuation in foreign currency exchange rate may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets and liabilities are denominated in a currency other than the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to foreign currency risks.

The sensitivity analysis is conducted by simulating a 10% appreciation/ depreciation of the functional currency against respective other currencies.

33 Fair value measurement *(Continued)*

(i) Foreign currency risk *(Continued)*

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting year is as follows:

Rs. in million

	As at March 31, 2026	As at March 31, 2025
Trade payable		
USD	**1,224.1**	500.4
EUR	**20.6**	-
JPY	**1.8**	-
Trade receivables		
USD	**524.8**	66.6
EUR	**79.0**	-

Forward contracts	**As at March 31, 2026**	As at March 31, 2025
USD	**552.0**	-
EUR	**-**	-

Net exposure	**As at March 31, 2026**	As at March 31, 2025
USD	**147.3**	**433.8**
EUR	**(58.4)**	**-**
JPY	**1.8**	**-**

33 Fair value measurement *(Continued)*

(i) Foreign currency risk *(Continued)*

(b) Sensitivity

The sensitivity of profit or loss to changes in exchange rates by 10%* arises mainly from foreign currency denominated financial instruments. Impact of sensitivity on net exposure for major currency balances is as follows:

Rs. in million

Currency	As at March 31, 2026		As at March 31, 2025	
	Increase in exchange rate	**Decrease in exchange rate**	Increase in exchange rate	Decrease in exchange rate
USD	**14.7**	**(14.7)**	43.4	(43.4)
EUR	**(5.8)**	**5.8**	-	-
JPY	**0.2**	**(0.2)**	-	-

** Holding all other variables constant*

(ii) Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. To hedge interest rate risk, mix of variable and fixed instruments is judiciously applied for financing the Company's requirements.

(iii) Liquidity risk

The Company recognises any risk from cash flow fluctuations as a part of liquidity planning. The Company has access to sufficient liquidity from unutilised credit lines from banks.

(a) Financing arrangements

The company has access to undrawn borrowing facilities from banks for **Rs. 163.1 million** (Previous year Rs. 315.8 million) as on March 31, 2026

(b) Maturities of financial liabilities

Trade accounts payable are generally interest-free and due within one year. Therefore, the carrying amount of trade accounts payable equals the sum of future cash flows. Contractual maturities of lease liabilities are disclosed on an undiscounted basis.

Rs. in million

Contractual maturities of financial liabilities As at March 31, 2026	Upto 1 year	1 year to 2 years	2 years to 3 years	more than 3 years	Total
Non derivatives					
Borrowings	**580.8**	**-**	**-**	**-**	**580.8**
Trade payables	**2,139.3**	**-**	**-**	**-**	**2,139.3**
Lease liabilities	**22.3**	**17.0**	**11.9**	**56.6**	**107.8**
Other financial liabilities	**58.0**	**-**	**-**	**-**	**67.7**
Total	**2,800.4**	**17.0**	**11.9**	**56.6**	**2,895.6**

(b) Maturities of financial liabilities *(Continued)*

Rs. in million

Contractual maturities of financial liabilities As at March 31, 2025	Upto 1 year	1 year to 2 years	2 years to 3 years	more than 3 years	Total
Non derivatives					
Borrowings	320.8	-	-	-	320.8
Trade payables	1,509.6	-	-	-	1,509.6
Lease liabilities	18.5	17.2	13.7	68.5	117.9
Other financial liabilities	54.0	-	-	-	54.0
Total	**1,582.1**	**17.2**	**13.7**	**68.5**	**1,681.5**

(iv) Credit risk

Trade receivables

Credit risk arise when counterparties do not fulfil their contractual obligations. The Company regularly analyses the credit worthiness of relevant customers and grants credit limits on the basis of this analysis. Due to the diversified customer structure of the Company, there is no significant concentration of default risk. The company uses simplified approach for trade receivables whereby the loss allowance is measured at an amount equal to the lifetime expected credit losses. The carrying amount of all receivables subject to expected credit loss and default risk represents the maximum default risk for the Company. The expected credit losses are calculated taking into consideration the credit rating of the customer, probability of default for various different credit ratings and loss given default.

Counterparties generally considered as stage 3 when they becomes insolvent or are in a finance related legal dispute with the company. Receivable are derecognised when they are definitively found to be uncollectable such as in the event of concluded insolvency proceedings.

Accordingly expected credit loss is recognised under two stages as follows :

Stage 2 - Loss allowance at an amount equivalent lifetime expected credit losses at the reporting date for the customers with High, Medium and Low rating based on internal and external credit ratings

Stage 3 - Loss allowance on account of credit impaired at the reporting date

33 Fair value measurement *(Continued)*

(iv) Credit risk ***(Continued)***

Cash and bank balances

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Security deposits and other receivables

The Company periodically monitors the recoverability and credit risks of its security deposits and other receivables. The Company evaluates 12 month expected credit losses of all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.

Accordingly, Cash and bank balances, Security deposits and other receivables, are subject to the impairment requirements of Ind AS 109 and the identified impairment loss was immaterial.

(a) Provision for expected credit loss:

Rs. in million

For trade receivables	Gross carrying amount	
Creditworthiness	**As at March 31, 2026**	As at March 31, 2025
High/medium credit rating	**963.5**	260.5
Low credit rating	**719.0**	779.2

- For trade receivables under life time expected credit loss model (simplified approach)

Year ended March 31, 2026 *Rs. in million*

Ageing	Stage 2	Stage 3	Total
Gross carrying amount	**1,682.5**	**-**	**1,682.5**
Expected loss rate	**0.9%**	**-**	
Expected credit losses (loss allowance provision)	**14.5**	**-**	**14.5**
Carrying amount of trade receivable (net of impairment)	**1,668.0**	**-**	**1,668.0**

Year ended March 31, 2025 *Rs. in million*

Ageing	Stage 2	Stage 3	Total
Gross carrying amount	1,039.7	-	1,039.7
Expected loss rate	0.5%	-	
Expected credit losses (loss allowance provision)	4.7	-	4.7
Carrying amount of trade receivable (net of impairment)	1,035.0	-	1,035.0

Significant estimates and judgements

Impairment of financial assets

The impairment provision for the financial assets disclosed above are based on credit ratings, 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 year.

34 Capital management

(a) Risk management

The aim of capital structure management is to maintain the financial flexibility needed to further develop the Company's business portfolio and take advantage of strategic opportunities. The objective of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital.

The Company's capital structure is managed using equity and debt ratios as a part of the Company's financial planning.

Generally a mix of inter corporate deposits, overdraft facilities and bank loans are used for short term financing.
The goal is to optimise the Company's capital cost financing conditions.

The Company monitors capital on the basis of the following ratios:
1. Equity ratio - Total equity divided by Total assets

Rs. in million

	As at March 31, 2026	As at March 31, 2025
Total equity	**1,876.0**	1,898.9
Total assets	**4,935.0**	3,978.8
Equity ratio	**38.0%**	47.7%

2. Debt equity ratio - Total debt divided by Total Equity

Rs. in million

	As at March 31, 2026	As at March 31, 2025
Total debt	**580.8**	320.8
Total equity	**1,876.0**	1,898.9
Debt Equity ratio	**0.31**	0.17

35 Contingent liabilities

Contingent liability of the Company as at March 31, 2026 is Nil (Previous Year Nil)

36 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) for **Rs. 81.8 million** (Previous year Rs. 46.0 million)

37 Leases

The Company has taken on lease warehouses, office facilities, land etc.

The lease liabilities are measured at the present value of the remaining lease payments, discounted using the leasee's incremental borrowing rate. The weighted average incremental borrowing rate used to discount the gross lease liability additions during the current year & previous year was 4 to 9%.

a) Amounts recognised in the Statement of Profit and Loss:

Rs. in million

	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Amortisation charge on Right-of-use assets (Refer Notes 1(B) and 25)	**17.0**	9.1
(ii) Interest expense for lease liabilities (Refer Note 24)	**5.9**	2.0
(iii) Rent expense (Refer Note 26):		
- Expenses for short-term leases and others	**15.0**	4.7
Total	**37.9**	15.8

b) Other disclosures:

(i) Lease liabilities:

Rs. in million

	As at March 31, 2026	As at March 31, 2025
Non-current lease liabilities	**70.2**	79.3
Current lease liabilities	**17.3**	12.9
Total lease liabilities	**87.5**	92.2

For maturity profile of Lease liabilities, refer Note 33(iii)(b)

(ii) Additions to the right-of-use assets and carrying values of right-of-use assets as at end of reporting year / period are disclosed in Note 1(B).

c) Net debt Reconciliation

Rs. in million

Net debt Reconciliation	**As at March 31, 2026**		As at March 31, 2025	
	Cash and Cash Equivalents	**Liabilities from financing activities**	Cash and Cash Equivalents	Liabilities from financing activities
Opening Net debt	**133.0**	**85.0**	0.1	-
Cash inflow (net)	**(1.9)**	**95.0**	132.9	85.0
Interest expense	**-**	**17.6**	-	2.6
Interest Paid	**-**	**(17.5)**	-	(2.6)
Closing Net debt (I)	**131.1**	**180.1**	133.0	85.0
Opening lease liabilities	**-**	**92.2**	-	5.5
Interest on leases liabilities	**-**	**5.9**	-	2.0
Change in lease liabilities during the year	**-**	**9.0**	-	9.1
Repayment of lease liabilities	**-**	**(19.6)**	-	(9.4)
Closing lease liabilities (II)	**-**	**87.5**	-	92.2
Total closing Net debt (I+II)	**131.1**	**267.6**	133.0	177.2

38 Micro, Small and Medium Enterprises Development Act, 2006

On the basis of information and records available with the Management, the following disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are made for the amounts due to the Micro and Small enterprises, who have registered with the competent authorities:

Rs. in million

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount and the interest due thereon remaining unpaid to any supplier registered under the MSMED Act as at the end of the year / period.		
- Principal amount	**49.7**	30.8
- Interest amount	**0.0**	-
The interest paid / settled by the buyer in terms of Sections 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payments made beyond the appointed date during each account year / period		-
- Principal amount	**101.2**	1.6
- Interest amount	**-**	-
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 MSMED Act, 2006.	**0.8**	0.1
The amount of interest accrued and remaining unpaid at the end of each accounting year / period.	**0.8**	0.1
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro, small and medium enterprise.	**0.9**	0.1

39 Offsetting financial assets and financial liabilities

Rs. in million

	Gross amounts (Financial Assets - Trade Receivables)	Gross amounts set off in the balance sheet (Financial Liabilities - Rebates/ Discounts)*	Net amounts presented in balance sheet (Net Financial Assets - Trade Receivables)
March 31, 2026	**1,707.3**	**39.3**	**1,668.0**
Total	**1,707.3**	**39.3**	**1,668.0**
March 31, 2025	1,045.2	10.2	1,035.0
Total	1,045.2	10.2	1,035.0

* Amounts set off under "Not due" aging bucket in Note 30.

Trade receivables

The Company gives rebates/ discounts. Under the terms of contract, the amounts payable by the Company are offset against receivables from customers and only the net amount is settled (i.e. after adjustment of credit notes towards rebates/ discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

40 Employee benefits:

a) Defined contribution plans:

The Company's contribution to defined contribution funds comprising of Superannuation fund, provident fund, Employees' State Insurance Schemes and National Pension System (NPS) scheme amounting to **Rs. 29.6 million** (Previous year Rs. 26.0 million) (net of recoveries) has been charged to the Statement of Profit and Loss.

b) Defined benefit plans:

(i) Gratuity
Gratuity is payable to all eligible employees of the Company on retirement, death, permanent disablement and resignation in terms of provisions of the Social Security rules, or as per the Company's scheme whichever is more beneficial. The Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income Tax authorities.

Rs. in million

	Gratuity Funded	
	As at March 31, 2026	As at March 31, 2025
I) Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	**103.6**	100.7
Benefits paid from plan	**(6.4)**	(12.9)
Current service cost	**9.3**	9.0
Past service cost*	**1.3**	-
Interest cost	**6.7**	6.8
Actuarial gain/loss recognised in other comprehensive income		
-Changes in financial assumptions	**(1.0)**	3.8
-Changes of experience adjustments	**(1.4)**	(3.8)
Transfer in purusant to Business Transfer Agreement (Refer note 46)	**-**	-
Balance at the end of the year	**112.1**	103.6
II) Reconciliation of present value of plan assets		
Balance at the beginning of the year	**60.1**	65.8
Benefits paid	**(6.4)**	(12.9)
Return on plan assets (excluding interest income)	**3.7**	4.0
Actuarial Gains and Losses on Plan Assets	**(7.5)**	3.2
Transfer in purusant to Business Transfer Agreement (Refer note 46)	**-**	-
Balance at the end of the year	**49.9**	60.1
Net liability (I-II)	**62.2**	43.5
III) Expenses recognised in the Statement of Profit and Loss		
Current service cost	**9.3**	9.0
Past service cost	**1.3**	-
Interest cost	**6.7**	6.8
Interest income	**(3.7)**	(4.0)
Expenses recognised in the Statement of Profit and Loss	**13.6**	11.8
IV) Remeasurements recognised in other comprehensive income		
Actuarial loss/ (gain) on defined benefit obligation	**(2.4)**	0.0
Return on plan assets excluding interest income	**7.5**	(3.2)
	5.1	(3.2)

*The "Past Service Cost" in the table above is on account of the implementation of the wages definition as given in the new labour code.

The plan assets under the Gratuity scheme are deposited under approved securities. The major categories of plan assets as a percentage of total plan assets are provided below :-

	As at March 31, 2026	As at March 31, 2025
Government of India securities	**24%**	30%
State government securities	**13%**	12%
Public Sector Unit bonds	**36%**	32%
Fixed deposit and others	**0%**	16%
Special deposit scheme	**5%**	0%
Mutual funds	**21%**	10%
Total	**100%**	100%

40 Employee benefits (Continued):

The assumptions used for actuarial valuation are as follows:-

	As at March 31, 2026	As at March 31, 2025
Discount rate	**6.85%**	6.72%
Expected salary increase rate	**6% - 8% p.a.**	6% - 8% p.a.
Attrition Rate	**2% - 9% p.a.**	2% - 9% p.a.
In-service mortality rates	**Indian Assured Lives Mortality (2012-14) Ultimate**	Indian Assured Lives Mortality (2012-14) Ultimate

The expected rate of return on assets is based on the expectation of the average long term rate of return on investment of the fund, during the estimated term of obligation.

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Expected total benefit payments	As at March 31, 2026	As at March 31, 2025
Year 1	**10.1**	8.8
Year 2	**10.7**	9.6
Year 3	**15.6**	9.7
Year 4	**9.2**	14.0
Year 5	**9.9**	8.3
Next 5 years	**56.3**	52.4

Sensitivity analysis - defined benefit obligation end of period

	As at March 31, 2026	As at March 31, 2025
Discount rate +100 basis points	**104.6**	96.5
Discount rate -100 basis points	**120.5**	111.7
Salary Increase Rate +100 basis points	**120.0**	111.2
Salary Increase Rate -100 basis points	**105.0**	96.8
Attrition Rate +100 basis points	**111.6**	103.2
Attrition Rate -100 basis points	**112.7**	104.2

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The method and type of assumptions used in preparing the sensitivity analysis for current year are in line with previous year.

The contribution expected to be made by the Company during the financial year 2026-27 is **Rs. Nil** (Previous year Rs. Nil).

c) Other long term employee benefits:

(i) Long service awards:

Long Service Awards are payable to employees on completion of specified years of service.

(ii) Compensated absences:

Eligible employees can carry forward and encash leave on superannuation, death, permanent disablement and resignation as per Company's policy.

For compensated absences, the amount of the provision of **Rs. 43.4 million** (Previous period: Rs. 41.0 million) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Leave obligations not expected to be settled within the next 12 months is **Rs. 39.1 million** (Previous period: Rs. 37.0 million) as per acturial report.

41 Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available. All operating segments' operating results are reviewed by the Company's Chief Operating Decision Maker to make decision about resources to be allocated to the segments and assess their performance.

The Company has identified business segment as its Primary Segment.

The Company engaged in the manufacture of Coatings chemicals which, in the context of IndAS 108 "Segment Reporting" constitutes a single reportable business segment. Thus the segment revenue, segment results, total carrying value of segment assets and segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation during the year are all reflected in financial statements as at and for the year ended March 31, 2026 and March 31, 2025.

A. Geographic Segments

Rs. in million

	Domestic	Exports	Total
Revenue from operations	**5,423.8**	**542.8**	**5,966.6**
	4,528.5	*172.0*	*4,700.5*
Non-current assets (excluding financial instruments & deferred/ income tax asset)	**1,143.2**	**-**	**1,143.2**
	1,078.2	-	*1,078.2*

The previous year's figures are given in italic light type below each item.

B. Revenue from major customer:

Revenue from customers that individually constituted more than 10% of the Company's revenue are as follows

	For the year ended March 31, 2026	For the year ended March 31, 2025
Customer A	**899.9**	903.7
Customer B	**747.4**	615.8
Customer C	**737.6**	482.6

42 Related Party Disclosure

a) Parties where control exists

BASF Societas Europaea ('SE') — Ultimate holding company
BASF India Limited — Holding company

b) Other related parties with whom transactions have taken place during the year or balances outstanding at the year end

Parties under common control

BASF (Shanghai) Coatings Manufacturing Company Limited
BASF Asia-Pacific Service Centre Sdn. Bhd.
BASF Bangladesh Ltd.
BASF Chemicals India Private Limited
BASF Chemicals India Pvt. Ltd.
BASF Coatings (Guangdong) Co. Ltd.
BASF Coatings Company Limited
BASF Coatings Española S.L.
BASF Coatings France SAS
BASF Coatings GmBH
BASF Coatings Japan LLC
BASF Coatings Limited
BASF Coatings LLC
BASF Coatings Mexicana
BASF Coatings Technology (Shanghai) Co., Ltd.
BASF Coatings Vietnam Co. Ltd.
BASF Company Ltd.
BASF Corporation
BASF Digital Solutions GmbH
BASF East Asia Regional Headquarters Ltd.
BASF Española S.L.
BASF Hong Kong Ltd.
BASF Japan Ltd.
BASF Services Europe GmbH
BASF Shanghai Coatings Co. Ltd.
BASF South East Asia Pte. Ltd.
BASF Vietnam Co., Ltd.
Chemetall India Private Limited
PT BASF Coatings Indonesia
PT BASF Distribution Indonesia
Shanghai Chemetall Chemicals Co. Ltd.

c) Key management personnel

Sunil Sarangi (Managing Director)
Anil Choudhary (Director) (till March 31, 2026)
Manohar Kamath (Director) (till March 31, 2026)
Nils Lessmann (Director)

d) Details of transactions with parties where control exists/ under common control for the year ended March 31, 2026

Rs. in million

Nature of Transactions	Ultimate holding company/ Holding company		Parties under common control		Total	
	March 31, 2026	March 31, 2025	**March 31, 2026**	March 31, 2025	**March 31, 2026**	March 31, 2025
Sale of Goods						
PT BASF Distribution Indonesia	**-**	-	**10.6**	-	**10.6**	-
BASF (Shanghai) Coatings Manufacturing Company Limited	**-**	-	**159.4**	1.0	**159.4**	1.0
Others	**-**	-	**13.2**	22.0	**13.2**	22.0
Sub-Total	**-**	-	**183.2**	23.0	**183.2**	23.0
Services Rendered						
BASF India Limited	**3.5**	-	**-**	-	**3.5**	-
BASF Coatings LLC	**-**	-	**23.9**	35.2	**23.9**	35.2
BASF Coatings GmBH	**-**	-	**290.1**	42.7	**290.1**	42.7
Others	**-**	-	**2.6**	-	**2.6**	-
Sub-Total	**3.5**	-	**316.6**	77.9	**320.1**	77.9
Purchase of Goods/Materials						
BASF SE	**40.5**	64.3	**-**	-	**40.5**	64.3
BASF India Limited	**137.7**	161.1	**-**	-	**137.7**	161.1
BASF Coatings GmBH	**-**	-	**273.2**	278.2	**273.2**	278.2
BASF Coatings Española S.L.	**-**	-	**278.1**	241.0	**278.1**	241.0
BASF Coatings Japan LLC	**-**	-	**150.5**	70.8	**150.5**	70.8
BASF Coatings LLC	**-**	-	**50.6**	0.6	**50.6**	0.6
Others	**-**	-	**82.2**	217.6	**82.2**	217.6
Sub-Total	**178.2**	225.4	**834.6**	808.2	**1,012.8**	1,033.6
Services Received#						
BASF SE	**95.9**	146.4	**-**	-	**95.9**	146.4
BASF India Limited	**289.2**	551.1	**-**	-	**289.2**	551.1
BASF Digital Solutions GmbH	**-**	-	**103.4**	19.0	**103.4**	19.0
BASF Coatings GmbH	**-**	-	**324.7**	79.0	**324.7**	79.0
BASF Asia-Pacific Service Centre Sdn. Bhd.	**-**	-	**78.2**	11.7	**78.2**	11.7
BASF Coatings Technology (Shanghai) Co., Ltd.	**-**	-	**53.7**	-	**53.7**	-
Others	**-**	-	**49.2**	22.0	**49.2**	22.0
Sub-Total	**385.1**	697.5	**609.2**	131.7	**994.3**	829.2
Royalty						
BASF Coatings GmbH	**-**	-	**157.5**	140.7	**157.5**	140.7
Sub-Total	**-**	-	**157.5**	140.7	**157.5**	140.7
Interest expenses on Inter Corporate Deposits						
BASF India Limited	**14.9**	-	**-**	-	**14.9**	-
Sub-Total	**14.9**	-	**-**	-	**14.9**	-
Issue of shares (Refer note 45)						
BASF India Limited	**-**	2,119.0	**-**	-	**-**	2,119.0
Sub-Total	**-**	2,119.0	**-**	-	**-**	**2,119.0**

Services received mainly consist of Support service charges, Professional charges, Communication / system expenses, etc

Note - For the year ended March 31, 2026, the above disclosed transactions includes transactions pertaining to restated periods which were incurred by BASF India Limited.
All related party transactions entered during the year were in ordinary course of business and on arms length basis.

42 Related Party Disclosure *(Continued)*

e) Details of transactions with parties where control exists/ under common control for the year ended March 31, 2026 ***(Continued)***

Rs. in million

Nature of transactions	Ultimate holding company/ Holding company		Parties under common control		Total	
	March 31, 2026	March 31, 2025	**March 31, 2026**	March 31, 2025	**March 31, 2026**	March 31, 2025
Inter Corporate Deposits received during the year (including renewals during the year)						
BASF India Limited	**2,390.0**	-	**-**	-	**2,390.0**	-
Sub-Total	**2,390.0**	**-**	**-**	**-**	**2,390.0**	**-**
Inter Corporate Deposits repayment made during the year (including renewals during the year)						
BASF India Limited	**2,270.0**	-	**-**	-	**2,270.0**	-
Sub-Total	**2,270.0**	**-**	**-**	**-**	**2,270.0**	**-**
Inter Corporate Deposits received Outstanding (including interest accrued not due)						
BASF India Limited	**120.0**	-	**-**	-	**120.0**	-
Sub-Total	**120.0**	**-**	**-**	**-**	**120.0**	**-**
Outstanding Receivables						
BASF Coatings Japan LLC	**-**	-	**-**	-	**-**	-
BASF Coatings LLC	**-**	-	**64.9**	35.2	**64.9**	35.2
BASF Coatings GmBH	**-**	-	**311.6**	15.0	**311.6**	15.0
BASF (Shanghai) Coatings Manufacturing Company Limited	**-**		**214.1**	2.3	**214.1**	2.3
Others	**-**	-	**21.8**	6.6	**21.8**	6.6
Sub-Total	**-**	**-**	**612.4**	59.1	**612.4**	59.1
Outstanding Payables						
BASF SE	**70.9**	27.1	**-**	-	**70.9**	27.1
BASF India Limited	**107.2**	252.5	**-**	-	**107.2**	252.5
BASF Coatings GmbH	**-**	-	**616.4**	169.1	**616.4**	169.1
BASF Coatings Española S.L.	**-**	-	**163.8**	129.9	**163.8**	129.9
BASF Coatings Japan LLC	**-**	-	**128.3**	70.1	**128.3**	70.1
Others	**-**	-	**218.6**	83.7	**218.6**	83.7
Sub-Total	**178.1**	**279.6**	**1,127.1**	452.9	**1,305.2**	**732.5**

f) Details of transactions with Key Management Personnel

Rs. in million

Particulars	**March 31, 2026**	March 31, 2025
Short term employee benefits	**11.9**	3.2
Post-employment benefits	**0.6**	6.9
Total	**12.5**	10.1

g) Guarantee received

Rs. in million

Particulars	**March 31, 2026**	March 31, 2025
BASF SE	**543.8**	462.0
Total	**543.8**	462.0

43 Disclosure under Indian Accounting Standard 115

Reconciliation of Revenue recognised with contract price

Rs. in million

	For the year ended March 31, 2026	**For the year ended March 31, 2025**
Contract Price	**5,995.8**	4,703.5
Adjustment for: Rebates/ discounts/ customer incentive scheme	**(29.2)**	(3.0)
Revenue from operations	**5,966.6**	4,700.5

42 Related Party Disclosure *(Continued)*

e) Details of transactions with parties where control exists/ under common control for the year ended March 31, 2026 ***(Continued)***

Rs. in million

Nature of transactions	Ultimate holding company/ Holding company		Parties under common control		Total	
	March 31, 2026	March 31, 2025	**March 31, 2026**	March 31, 2025	**March 31, 2026**	March 31, 2025
Inter Corporate Deposits received during the year (including renewals during the year)						
BASF India Limited	**2,390.0**	-	**-**	-	**2,390.0**	-
Sub-Total	**2,390.0**	-	**-**	-	**2,390.0**	-
Inter Corporate Deposits repayment made during the year (including renewals during the year)						
BASF India Limited	**2,270.0**	-	**-**	-	**2,270.0**	-
Sub-Total	**2,270.0**	-	**-**	-	**2,270.0**	-
Inter Corporate Deposits received Outstanding (including interest accrued not due)						
BASF India Limited	**120.0**	-	**-**	-	**120.0**	-
Sub-Total	**120.0**	-	**-**	-	**120.0**	-
Outstanding Receivables						
BASF Coatings Japan LLC	**-**	-	**-**	-	**-**	-
BASF Coatings LLC	**-**	-	**64.9**	35.2	**64.9**	35.2
BASF Coatings GmBH	**-**	-	**311.6**	15.0	**311.6**	15.0
BASF (Shanghai) Coatings Manufacturing Company Limited	**-**		**214.1**	2.3	**214.1**	2.3
Others	**-**	-	**21.8**	6.6	**21.8**	6.6
Sub-Total	**-**	-	**612.4**	59.1	**612.4**	59.1
Outstanding Payables						
BASF SE	**70.9**	27.1	**-**	-	**70.9**	27.1
BASF India Limited	**107.2**	252.5	**-**	-	**107.2**	252.5
BASF Coatings GmbH	**-**	-	**616.4**	169.1	**616.4**	169.1
BASF Coatings Española S.L.	**-**	-	**163.8**	129.9	**163.8**	129.9
BASF Coatings Japan LLC	**-**	-	**128.3**	70.1	**128.3**	70.1
Others	**-**	-	**218.6**	83.7	**218.6**	83.7
Sub-Total	**178.1**	**279.6**	**1,127.1**	452.9	**1,305.2**	**732.5**

f) Details of transactions with Key Management Personnel

Rs. in million

Particulars	**March 31, 2026**	March 31, 2025
Short term employee benefits	**11.9**	3.2
Post-employment benefits	**0.6**	6.9
Total	**12.5**	10.1

g) Guarantee received

Rs. in million

Particulars	**March 31, 2026**	March 31, 2025
BASF SE	**543.8**	462.0
Total	**543.8**	462.0

43 Disclosure under Indian Accounting Standard 115

Reconciliation of Revenue recognised with contract price

Rs. in million

	For the year ended March 31, 2026	**For the year ended March 31, 2025**
Contract Price	**5,995.8**	4,703.5
Adjustment for: Rebates/ discounts/ customer incentive scheme	**(29.2)**	(3.0)
Revenue from operations	**5,966.6**	4,700.5

44 **Relationship with Struck off Companies**

The company did not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year.

45 The transactions until December 31, 2024 were recorded in SAP R/3 instance. The Company uses SAP HANA (ERP System) effective January 1, 2025 as its primary accounting software for recording all transactions and maintaining its books of accounts. SAP as said above has a feature of recording audit trail (edit log) facility and has been operated effectively throughout the year. The Company has adequate mechanisms in form of security audit logging, review of change activities and access rights authorisation review in place for changes made by users with specific privilege access rights and direct changes if any made on database level.

Further, the Company has been maintaining daily backup of books of accounts and other records, on servers physically located in India throughout the year and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

46 **Business Combination**

Globally, BASF’s Coatings division has decided to migrate from the existing Enterprise Resource Planning (ERP) system to a new ERP system, i.e., S/4HANA. Due to this intended migration and to capture the potential and benefits of the new ERP system, the Coatings businesses worldwide, which are part of legal entities with multiple operating divisions, will be transferred to separate legal entities.

In view of the above, the BASF India Limited ('Holding Company' or ‘Parent entity’) incorporated BASF India Coatings Private Limited (‘the Subsidiary’) as its wholly owned subsidiary on December 11, 2023. The Board of Directors of the Holding Company at its meeting held on February 12, 2024 had approved the transfer of Company’s Coatings business to its wholly owned subsidiary, on slump sale and at arm’s length basis as determined by an Independent Valuer i.e., for consideration of Rs. 1,820 million, subject to necessary adjustments, as may be required, on the closing date in accordance with the conditions specified in the Business Transfer Agreement.

Consequently, as per requirement of Appendix C to Ind AS-103 on Business Combinations, the Company has accounted the acquisition of Coatings business as common control transaction effective December 11, 2023 (date of incorporation). Accordingly, the financial statements of the Company for the year ended March 31, 2024 have been restated to include results for Coatings business with effect from December 11, 2023 (i.e. the common control acquisition date) including,all the business transactions relating to the Coatings business with effect from December 11, 2023 to March 31, 2024 and from April 1, 2024 to December 31, 2024 even though the actual business transactions has, contractually and legally, started only with effect from January 1, 2025 i.e. after conclusion of slump sale.

As of the closing date December 31, 2024, Purchase consideration was revised to Rs 2,119.0 million as per conditions specified under Business Transfer Agreement.

Effective January 1, 2025, the Coatings Business of the holding Company was transferred to the Company, for a total consideration of Rs 2,119.0 million settled through the issuance of 211,900,000 equity shares of face value of Rs 10 each by the Company.

Previous year financial statements include loss of Rs 21.4 million for period April 1, 2024 to December 31, 2024 as per restated financials in compliance with Appendix C to Ind AS-103 on Business Combinations. However, these form part of transactions under erstwhile coatings division of BASF India Limited prior to slump sale.

Movement of Captial Reserve

Particulars	Amount
Purchase consideration payable to BASF India Limited	2,119.0
Less: Difference on account of net assets transferred as at December 11, 2023	1,745.5
Capital Reserve as at December 11, 2023	373.5
Less: Difference on account of net assets transferred as at March 31, 2024 (including profit for the period and net of deferred tax)	322.1
Capital Reserve as at March 31, 2024	51.4
Less: Difference on account of net assets transferred as at December 31, 2024 (including loss for the period and net of deferred tax)	(22.8)
Capital Reserve as at December 31, 2024	74.2

46 **Business Combination** (Continued)

The position of assets and liabilities as at the common control acquisition date (December 11, 2023) is as follows

	As at December 11, 2023
Assets	
Non current	
Property, plant and equipment	591.2
Right-of-use assets	6.4
Capital work-in-progress	143.0
Financial assets	2.7
Other non-current assets	18.5
	761.7
Current	
Inventories	996.2
Financial assets	44.1
Other current assets	19.4
	1,059.7
Total Assets (A)	**1,821.4**
Liabilities	
Non current	
Financial liabilities	6.9
Provisions	26.0
	32.9
Current	
Financial liabilities	
Provisions	43.1
	43.1
Total Liabilities (B)	**75.9**
Net Asset transferred (C) = (A-B)	**1,745.5**

46 **Business Combination** (Continued)

Re-stated Balance sheet as on March 31, 2024

Particulars	Period ended March 31, 2024		
	Before effect of business combination	**Effect of Coatings business purchased**	**Revised balance post effect of business combination**
Non-current assets			
Property, plant and equipment	-	644.5	644.5
Right-of-use assets	-	5.0	5.0
Capital work-in-progress	-	205.0	205.0
Financial assets	-		
(i) Loans	-	0.2	0.2
(ii) Other financial assets	-	2.4	2.4
Deferred tax assets (net)	-	18.0	18.0
Income tax assets (net)	-	-	-
Other non-current assets	-	16.3	16.3
Total non-current assets	-	**891.4**	**891.4**
Current assets			
Inventories	-	1,124.6	1,124.6
Financial assets			
(i) Trade receivables	-	-	-
(ii) Cash and cash equivalents	0.1	-	0.1
(iii) Other financial assets	-	44.1	44.1
Other current assets	-	100.8	100.8
Total current assets	**0.1**	**1,269.5**	**1,269.6**
Total assets (A)	**0.1**	**2,160.9**	**2,161.0**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	-	0.9	0.9
Provisions	-	40.7	40.7
Total non-current liabilities	-	**41.6**	**41.6**
Current liabilities			
(i) Lease liabilities	-	4.6	4.6
(ii) Trade payables	0.7	(0.6)	0.1
(iii) Other financial liabilities	-	2,119.0	2,119.0
Provisions	-	47.0	47.0
Other current liabilities	-	-	-
Total current liabilities	**0.7**	**2,170.0**	**2,170.7**
Total liabilities (B)	**0.7**	**2,211.6**	**2,212.3**
Net Asset (C) = (A-B)	**(0.6)**	**(50.7)**	**(51.3)**

46 **Business Combination** (Continued)

Re-stated Statement of Profit and loss for the period from December 11, 2023 to March 31, 2024

Particulars	**For the period from December 11, 2023 to March 31, 2024**		
	Before effect of business combination	**Effect of Coatings business purchased**	**Revised balance post effect of business combination**
Total Income	-	1,510.4	1,510.4
Total Expenses	0.8	1,488.1	1,488.9
Profit / (Loss) before tax	(0.8)	22.3	21.5
Tax expense/ (credit)	-	(14.7)	(14.7)
Profit / (Loss) for the year	(0.8)	37.0	36.2
Total comprehensive income for the year	**(0.8)**	**27.3**	**26.5**

Details of profit and loss for nine months ended December 31, 2024 of Coatings undertaking, which has been included in the statement of profit and loss for the year ended March 31, 2025 of the Company

Particulars	**April 1, 2024 to December 31, 2024**	**January 1, 2025 to March 31, 2025**
Total Income	3,508.4	1,198.4
Total Expenses	3,536.0	1,378.5
Profit / (Loss) before tax	**(27.6)**	**(180.1)**
Tax expense/ (credit)	(6.9)	(31.7)
Profit / (Loss) for the year	**(20.7)**	**(148.4)**

47 BASF SE, Germany (Ultimate Holding Company) had globally announced on October 10, 2025 that BASF SE and funds managed by global investment firm Carlyle (NASDAQ: CG), in partnership with Qatar Investment Authority (QIA), has entered into a binding transaction agreement relating to BASF's automotive OEM coatings, automotive refinish coatings, and surface treatment businesses ("BASF Coatings"). Further, BASF will reinvest in the coatings business holding a 40% equity stake.

Further during the year, the Board of Directors of the BASF India Limited (BIL) (Holding Company) at its meeting held on March 30, 2026 has decided & approved the transfer / sale of the 100% stake held in BASF India Coatings Private Limited, a Wholly Owned Subsidiary of the Company, to Bond German BidCo 2 GmbH and Bond France BidCo SAS (Carlyle Group Companies). The transaction is expected to close during the first quarter of FY 2026-27 and thereafter BASF India Coatings Private Limited would cease to be wholly owned subsidiary of the BASF India Limited.

48 The financial statements were approved for issue by the board of directors on May 19, 2026 and are subject to the approval of the shareholders at the Annual General meeting .

For and on behalf of Board of Directors of
BASF India Coatings Private Limited
CIN No.: U20220MH2023PTC415224

Sunil Sarangi	**Nils Lessmann**
Managing Director	Director
DIN : 10422451	DIN : 10892307
Place: Mangaluru	Place: Muenster,Germany
Date: 19 May 2026	Date: 19 May 2026