

ASIAN PAINTS LTD - WACC Using Peers Comparison (MAR-2025)

Weighted Average Cost of Capital

Peers Comparison

					Debt/	Debt/	Levered	Unlevered
Name of Company	County	Total Debt	Total Equity	Tax Rate	Equity	Capital	Beta	Beta
Asian Paints	India	2,290.3	19,400.0	30.00%	11.81%	10.56%	0.67	0.62
Berger Paints India Ltd	India	670.3	6,155.0	30.00%		9.82%	0.52	0.02
Kansai Nerolac Paints Ltd		296.4	•					0.48
	Ind-Jap		6,423.0	30.00%		4.41%	0.59	
Akzo Nobel India Ltd	Ind-Dutch	62.1	1,329.0	30.00%		4.46%	0.43	0.42
Indigo Paints Ltd	India	19.7	1,048.0	30.00%	1.88%	1.85%	0.80	0.79
		_	Average	30.00%	6.77%	6.22%	0.60	0.58
		-	Mean	30.00%	4.67%	4.46%	0.59	0.57
Cost of Debt					Cost of Equity			
Pre Tax cost of debt			9.91%		Risk free rate			6.40%
Tax Rate			30.00%		Market Return			15.00%
Post Tax cost of debt			6.94%		Equity risk premium			8.60%
					Levered beta			0.63
					Cost of Equity			11.82%
Capital Structure					Levered Beta			
		Current	Target		Comps Meadian l	Jnlevered beta		0.60
Total Debt	2,290.3	0.94%	6.22%		Target Debt/Equity			6.77%
Market Capitalization	242552.35	99.06%	93.78%		Tax Rate			30.00%
Total Capitalization	244,842.6	100.00%	100.00%		Levered Beta			0.63
Debt/Equity		11.81%	6.77%		WACC			
					Cost of Equity			11.82%
					Equity Weight			93.78%
					Post Tax Cost of Debt		6.94%	
					Debt Weight			6.22%
					WACC			11.52%

Asian Paints must earn at least 11.52% on its investments to create value. Investors (debt + equity) require a 11.52% return for the risk they are taking.