



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

### Weighted Average Cost of Capital

#### Peers Comparison

Name of Company	Country	Total Debt	Total Equity	Tax Rate	Debt/ Equity	Debt/ Capital	Levered Beta	Unlevered 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%	10.89%	9.82%	0.52	0.48
Kansai Nerolac Paints Ltd	Ind-Jap	296.4	6,423.0	30.00%	4.61%	4.41%	0.59	0.57
Akzo Nobel India Ltd	Ind-Dutch	62.1	1,329.0	30.00%	4.67%	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

Pre Tax cost of debt	9.91%
Tax Rate	30.00%
Post Tax cost of debt	6.94%

#### Capital Structure

		Current	Target
Total Debt	2,290.3	0.94%	6.22%
Market Capitalization	242552.35	99.06%	93.78%
<b>Total Capitalization</b>	<b>244,842.6</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Debt/Equity</b>	11.81%	6.77%
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#### Cost of Equity

Risk free rate	6.40%
Market Return	15.00%
Equity risk premium	8.60%
Levered beta	0.63
<b>Cost of Equity</b>	<b>11.82%</b>

#### Levered Beta

Comps Meadian Unlevered beta	0.60
Target Debt/Equity	6.77%
Tax Rate	30.00%
<b>Levered Beta</b>	<b>0.63</b>

#### WACC

Cost of Equity	11.82%
Equity Weight	93.78%
Post Tax Cost of Debt	6.94%
Debt Weight	6.22%
<b>WACC</b>	<b>11.52%</b>

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.