

ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

INR 3076.45

52 Week (High - INR 3568 & Low - 2685)

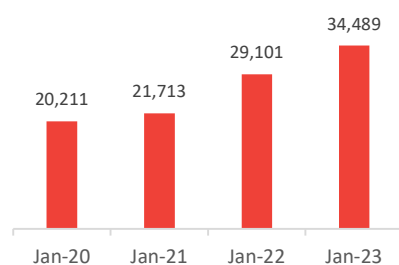


About the Company

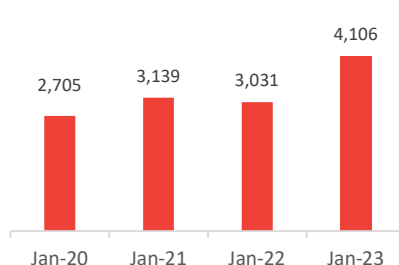
Asian Paints Ltd is an Indian multinational paint company, headquartered in Mumbai, Maharashtra, India. The company is engaged in the business of manufacturing, selling, and distribution of paints, coatings, products related to home décor, bath fittings and providing related services.

Financial Summary

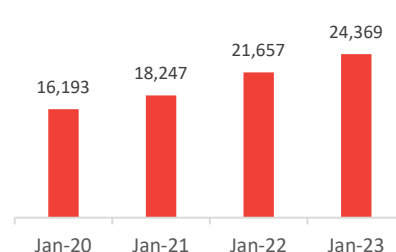
Revenues (in INR Cr.)



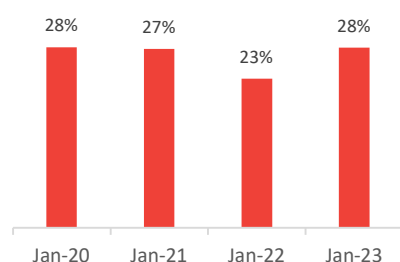
Net Profit (in INR Cr.)



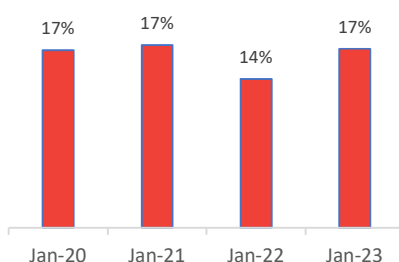
Average Total Assets (in INR Cr.)



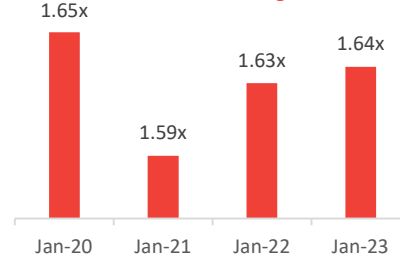
Return on Equity (%)



Return on Assets(%)



Financial Leverage



- Q2 FY2024 saw moderation in top line due to weak consumer sentiment, but volume growth was 6% over double-digit in Q2 FY23.
- Innovation remains a focus, with new products contributing 11% to overall revenue. New products include the Nilaya Naturals Top-Coat and the Whites and Ivories collection.
- The CAGR has been very strong at about 15% over a four-year period.
- Overall financials show improvement in gross margins, PBDIT margins, and PBT growth.
- Dividend of Rs. 5.15 per share has been declared.

Dupont Analysis - Return on Equity

	Return on Equity (ROE)						
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Net Profit	1,939.4	2,038.9	2,155.9	2,705.2	3,139.3	3,030.6	4,106.5
Average Shareholder Equity	7,064.4	8,007.1	8,940.4	9,800.4	11,468.2	13,308.9	14,901.9
Return on Equity	27.45%	25.46%	24.11%	27.60%	27.37%	22.77%	27.56%

	ROE - Dupont Equation						
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Net Profit	1,939.4	2,038.9	2,155.9	2,705.2	3,139.3	3,030.6	4,106.5
Revenue	15,062.0	16,824.6	19,240.1	20,211.3	21,712.8	29,101.3	34,488.6
Net Profit Margin (A)	12.88%	12.12%	11.21%	13.38%	14.46%	10.41%	11.91%

Revenue	15,062.0	16,824.6	19,240.1	20,211.3	21,712.8	29,101.3	34,488.6
Average Total Asset	11,482.1	13,084.3	15,006.2	16,193.4	18,246.7	21,656.9	24,368.9
Asset Turnover Ratio (B)	1.3x	1.3x	1.3x	1.2x	1.2x	1.3x	1.4x

Average Total Asset	11,482.1	13,084.3	15,006.2	16,193.4	18,246.7	21,656.9	24,368.9
Average Shareholder Equity	7,064.4	8,007.1	8,940.4	9,800.4	11,468.2	13,308.9	14,901.9
Equity Multiplier (C)	1.63x	1.63x	1.68x	1.65x	1.59x	1.63x	1.64x

Return on Equity (A*B*C)	27.45%	25.46%	24.11%	27.60%	27.37%	22.77%	27.56%
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	Return on Asset						
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Return on Asset	16.89%	15.58%	14.37%	16.71%	17.20%	13.99%	16.85%

	ROA - Dupont Equation						
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Net Profit	1,939.4	2,038.9	2,155.9	2,705.2	3,139.3	3,030.6	4,106.5
Revenue	15,062.0	16,824.6	19,240.1	20,211.3	21,712.8	29,101.3	34,488.6
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Asset Turnover Ratio (B)	1.3x	1.3x	1.3x	1.2x	1.2x	1.3x	1.4x

Return on Asset (A*B)	16.89%	15.58%	14.37%	16.71%	17.20%	13.99%	16.85%
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Dupont Analysis Sumamry:

- ROE of Asian Paints saw a breakdown in FY2022 to 22.77% from staying constant near 27.5%, which has now again rose back to 27.56% and has been forecasted to remain steady for FY2024.
- Asset Turnover ratio has been consistently rising at a constant rate, the reason for instability in the ROE is due to inconsistent Financial Leverage ranging from 1.68x to 1.53x.
- ROA of Asian Paints saw a breakdown in FY2022 to 13.99% from staying constant near 16.7% which has now again rose back to 16.85% and has been forecasted to remain steady for FY2024.
- Asset Turnover ratio has been consistently rising at a constant rate, which is due to consistent rise in the Revenues and Net Profit for the company.

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