

# **Asian Paints Ltd.**

## **Financial Modelling & Valuation Report**

**Prepared By:**

Prakash Mallick



# TABLE OF CONTENTS

- 1 One Page Profile (Asian Paints Ltd.)
- 2 Historical Financial Statement
- 3 Common Size Statement
- 4 Ratio Analysis
- 5 Forecasting
- 6 Weighted Average Cost of Capital
- 7 Market Return
- 8 Calculation of Intrinsic Growth
- 9 Free Cash Flow to Firm (FCFF)
- 10 Comparable Company Valuation
- 11 Dupont Analysis
- 12 Altman's Z Score Analysis
- 13 Summary
- 14 Sources

## ASIAN PAINTS LTD - One Page Profile



Asian Paints Limited is India's largest paint manufacturer and a leading player in the global coatings industry. Established in 1942, the company has a strong presence in over 15 countries and serves consumers in more than 60 markets. With a diversified portfolio across decorative paints, industrial coatings, waterproofing, and home décor. Asian Paints is renowned for its innovation, brand strength, and extensive distribution network.

Key Financial Matrix	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Share Price 5 Year
Total Sales	21,712.79	29,101.28	34,488.59	35,494.73	33,905.62	
Sales Growth (y-o-y)	7.43%	34.03%	18.51%	2.92%	-4.48%	
Gross Profit Margin (%)	35.36%	29.25%	31.09%	35.17%	32.93%	
EBITDA Margins (%)	22.36%	16.51%	18.15%	21.37%	17.71%	
EBIT Margins (%)	18.72%	13.70%	15.66%	18.97%	14.69%	
Net Profit Margins (%)	13.24%	9.58%	10.91%	13.34%	9.91%	
Earning Per Share (In Rs)	29.97	29.08	39.24	49.38	35.02	
EPS Growth (y-o-y)	18.85%	-3.00%	34.96%	25.85%	-29.08%	
Dividend Per Share (In Rs)	17.85	19.15	25.65	33.30	24.80	
Dividend Growth (y-o-y)	59.55%	65.86%	65.37%	67.43%	70.81%	

Key Financial Matrix	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Volume 5 Years
Price to Earnings	77.53x	97.48x	64.51x	50.01x	61.22x	
EV/EBITDA	30.53x	34.31x	33.58x	38.26x	38.54x	
EV/Sales	5.83x	6.82x	6.40x	7.49x	7.93x	
Price to Book Value	12.77x	13.54x	12.78x	15.12x	15.78x	
Return on Equity (%)	22.45%	20.19%	23.54%	25.29%	17.32%	
Return on Capital Employed (%)	29.24%	25.89%	30.14%	31.75%	22.96%	

Top 10 Shareholders	No. Shares (In Cr)	Holding (%)	Market Value (In Cr)	Shareholding Pattern
Life Insurance Corporation of India	8.16	8.51%	19202.67	
Sattva Holding and Trading Private Limited	5.48	5.71%	12886.42	
Smiti Holding and Trading Company Private	5.18	5.40%	12175.75	
SBI Mutual Fund	5.17	5.39%	12155.70	
Geetanjali Trading and Investments Private	4.57	4.77%	10750.08	
Elcid Investments Limited	2.83	2.95%	6659.42	
Shubhit Holdings Private Limited	2.32	2.41%	5445.05	
ICICI Prudential Mutual Fund	2.13	2.22%	5004.14	
Sudhanva Investments and Trading Compai	1.90	1.98%	4469.21	
Rupen Investment & Industries Private Limi	1.88	1.97%	4433.48	

Top 10 Shareholders	Designation	Remuneration	X of Median Salary	Capital Structure
R Seshasayee	ID & Chairman	0.86	6.93x	
Manish Choksi	NED & Vice-Chairman	0.79	6.37x	
Amit Syngle	MD & CEO	11.19	90.25x	
R J Jeyamurugan	CFO, CS & CO	5.31	42.88x	
Malav Dani	NED	0.66	5.32x	

### Notes:

- The remuneration paid to Amit Syngle is linked to achievement of predetermined performance parameters. Jigish Choksi ceased to be a Non-Executive Director of the Company with effect from close of business hours on 31st March 2025.
- Ratio to median remuneration and changes in remuneration are not reported as they held directorship only part of FY 2023-24 and/or 2024-25, or were appointed during these years.
- The increase in median remuneration of employees for the financial year 2024-25, as compared to financial year 2023-24 is 4.69%.
- R J Jeyamurugan's remuneration includes a perquisite value of ₹39,80,595 from ESOPs granted in FY 2020-21 and exercised in FY 2024-25. It excludes stock options worth ₹61,00,000 granted under the Asian Paints ESOP 2021 Plan for FY 2024-25, which will vest upon meeting the plan's conditions.

### Recent Updates

- Asian Paints maintained a healthy EBITDA margin of 18.2% in Q4 FY25 despite volume pressures.
- Asian Paints posted a 45% YoY drop in Q4 FY25 net profit to ₹692 crore, on 4.3% weaker revenue of ₹8,330-8,360 crore.
- Decorative paint volumes rose modestly (1.8% YoY), but revenue declined due to downtrading and poor mix.
- Industrial coatings grew 6.1% YoY, partially offsetting soft decorative demand.
- For FY25, full-year revenue fell 4.5% to ₹33,797 crore with net profit down 33% to ₹3,667 crore.
- Market share dropped from 59% to 52% YoY due to Grasim/Birla Opus's aggressive entry (~6.8%).
- Management plans to focus on premiumisation, expanding home décor, waterproofing & adhesives, and cost control while targeting margins of 18-20%.
- Operating cash flow stood at ₹1,143 crore in Q4 FY25, supported by strong collections and inventory efficiency.
- Foreign institutional investors (FII) increased their stake in Asian Paints to 20.3% in Q4 FY25, reflecting long-term confidence.

[illegible]

ASIAN PAINTS LTD

(ASIANPAINT I BSE Code: 500820)

INR 2404.8

52 Week (High - INR 3,394.90 & Low - 2,124.75)



Cash Flow Statements	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Operating Activities										
Profit from operations	₹ 2,848.00	₹ 3,056.00	₹ 3,274.00	₹ 3,861.00	₹ 4,380.00	₹ 4,970.00	₹ 4,957.00	₹ 6,460.00	₹ 7,929.00	₹ 6,390.00
Receivables	(₹ 146.00)	(₹ 475.00)	(₹ 483.00)	(₹ 205.00)	₹ 160.00	(₹ 849.00)	(₹ 1,326.00)	(₹ 834.00)	(₹ 362.00)	₹ 282.00
Inventory	₹ 202.00	(₹ 629.00)	(₹ 39.00)	(₹ 492.00)	(₹ 251.00)	(₹ 409.00)	(₹ 2,354.00)	(₹ 56.00)	₹ 315.00	(₹ 805.00)
Payables	₹ 142.00	₹ 501.00	₹ 442.00	₹ 287.00	(₹ 241.00)	₹ 1,143.00	₹ 644.00	(₹ 539.00)	₹ 269.00	(₹ 160.00)
Other WC items	-	-	-	-	-	(₹ 92.00)	₹ 242.00	₹ 657.00	(₹ 212.00)	₹ 114.00
Working capital changes	₹ 198.00	(₹ 603.00)	(₹ 80.00)	(₹ 410.00)	(₹ 331.00)	(₹ 206.00)	(₹ 2,795.00)	(₹ 772.00)	₹ 10.00	(₹ 570.00)
Direct taxes	(₹ 802.00)	(₹ 925.00)	(₹ 1,081.00)	(₹ 982.00)	(₹ 1,011.00)	(₹ 1,080.00)	(₹ 1,176.00)	(₹ 1,494.00)	(₹ 1,835.00)	(₹ 1,396.00)
Cash From Operating Activities	₹ 2,243.00	₹ 1,527.00	₹ 2,113.00	₹ 2,470.00	₹ 3,038.00	₹ 3,683.00	₹ 986.00	₹ 4,193.00	₹ 6,104.00	₹ 4,424.00
Investing Activities										
Fixed assets purchased	(₹ 817.00)	(₹ 684.00)	(₹ 1,426.00)	(₹ 1,151.00)	(₹ 404.00)	(₹ 282.00)	(₹ 551.00)	(₹ 1,446.00)	(₹ 2,496.00)	(₹ 1,830.00)
Fixed assets sold	₹ 15.00	₹ 17.00	₹ 17.00	₹ 17.00	₹ 37.00	₹ 28.00	₹ 40.00	₹ 26.00	₹ 5.00	₹ 10.00
Investments purchased	(₹ 282.00)	(₹ 153.00)	(₹ 320.00)	(₹ 573.00)	(₹ 25.00)	(₹ 140.00)	-	(₹ 146.00)	(₹ 212.00)	(₹ 1.00)
Investments sold	₹ 205.00	₹ 357.00	₹ 362.00	₹ 733.00	₹ 134.00	₹ 272.00	₹ 207.00	₹ 446.00	₹ 240.00	₹ 421.00
Interest received	₹ 15.00	₹ 32.00	₹ 39.00	₹ 40.00	₹ 65.00	₹ 73.00	₹ 77.00	₹ 87.00	₹ 135.00	₹ 155.00
Dividends received	₹ 69.00	₹ 74.00	₹ 38.00	₹ 40.00	₹ 27.00	₹ 8.00	₹ 15.00	₹ 56.00	₹ 129.00	₹ 136.00
Investment in group cos	-	-	-	-	-	-	-	(₹ 180.00)	-	-
Redemption of Shares	-	-	₹ 141.00	-	-	-	-	-	-	₹ 38.00
Acquisition of companies	-	-	(₹ 525.00)	-	-	-	-	-	-	-
Other investing items	(₹ 70.00)	(₹ 324.00)	₹ 118.00	(₹ 24.00)	(₹ 353.00)	(₹ 500.00)	(₹ 105.00)	(₹ 126.00)	(₹ 350.00)	₹ 130.00
Cash From Investing Activities	(₹ 865.00)	(₹ 681.00)	(₹ 1,556.00)	(₹ 918.00)	(₹ 519.00)	(₹ 541.00)	(₹ 317.00)	(₹ 1,283.00)	(₹ 2,549.00)	(₹ 941.00)
Financing Activities										
Proceeds from shares	-	-	-	-	-	-	-	-	₹ 1.00	-
Proceeds from borrowings	₹ 8.00	₹ 271.00	₹ 10.00	₹ 243.00	₹ 18.00	₹ 155.00	₹ 418.00	₹ 254.00	₹ 101.00	₹ 415.00
Repayment of borrowings	(₹ 119.00)	(₹ 58.00)	(₹ 54.00)	(₹ 26.00)	(₹ 279.00)	(₹ 14.00)	(₹ 8.00)	(₹ 25.00)	(₹ 98.00)	(₹ 428.00)
Interest paid fin	(₹ 40.00)	(₹ 36.00)	(₹ 35.00)	(₹ 106.00)	(₹ 101.00)	(₹ 89.00)	(₹ 94.00)	(₹ 142.00)	(₹ 191.00)	(₹ 203.00)
Dividends paid	(₹ 764.00)	(₹ 947.00)	(₹ 1,218.00)	(₹ 1,049.00)	(₹ 2,121.00)	(₹ 499.00)	(₹ 1,763.00)	(₹ 1,936.00)	(₹ 2,551.00)	(₹ 3,140.00)
Financial liabilities	-	-	-	(₹ 180.00)	(₹ 179.00)	(₹ 203.00)	(₹ 221.00)	(₹ 256.00)	(₹ 286.00)	(₹ 325.00)
Other financing items	₹ 66.00	₹ 13.00	(₹ 82.00)	-	(₹ 209.00)	-	(₹ 140.00)	(₹ 36.00)	₹ 41.00	(₹ 72.00)
Cash From Financing Activities	(₹ 849.00)	(₹ 757.00)	(₹ 1,379.00)	(₹ 1,118.00)	(₹ 2,871.00)	(₹ 650.00)	(₹ 1,808.00)	(₹ 2,141.00)	(₹ 2,983.00)	(₹ 3,753.00)
Net Cash Flow	₹ 529.00	₹ 89.00	(₹ 822.00)	₹ 434.00	(₹ 352.00)	₹ 2,492.00	(₹ 1,139.00)	₹ 769.00	₹ 572.00	(₹ 270.00)

# ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

INR 2404.8

52 Week (High - INR 3,394.90 & Low - 2,124.75)



## Common Size Income Statement - TATA MOTORS LTD

Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
<b>Sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Raw Material Cost	46%	49%	48%	52%	49%	48%	59%	55%	49%	52%
Change in Inventory	-1%	4%	-1%	2%	1%	0%	5%	1%	-1%	1%
Power and Fuel	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%
Other Mfr. Exp	11%	11%	10%	10%	10%	10%	10%	8%	8%	8%
Employee Cost	7%	7%	7%	6%	7%	7%	6%	6%	7%	8%
Selling and admin	27%	29%	13%	12%	11%	10%	10%	10%	11%	11%
Other Expenses	-12%	-13%	1%	1%	3%	3%	3%	3%	3%	4%
Other Income	1%	2%	2%	1%	2%	2%	1%	1%	2%	1%
Depreciation	2%	2%	2%	3%	4%	4%	3%	2%	2%	3%
Interest	0%	0%	0%	1%	1%	0%	0%	0%	1%	1%
Profit before tax	18%	20%	19%	17%	18%	20%	14%	16%	21%	15%
Tax	6%	6%	6%	6%	4%	5%	4%	4%	5%	4%
Net profit	12%	13%	12%	11%	13%	14%	10%	12%	15%	11%
Dividend Amount	5%	7%	5%	5%	6%	8%	6%	7%	9%	7%

## Common Size Income Statement - TATA MOTORS LTD

Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
<b>Total Liabilities</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Equity Share Capital	0.91%	0.77%	0.70%	0.59%	0.59%	0.47%	0.42%	0.37%	0.32%	0.32%
Reserves	60.89%	60.52%	60.41%	57.69%	62.18%	62.44%	59.74%	61.66%	62.31%	63.59%
Borrowings	3.06%	4.52%	3.88%	8.12%	6.93%	5.37%	6.91%	7.50%	8.28%	7.54%
Other Liabilities	35.14%	34.19%	35.02%	33.59%	30.30%	31.72%	32.93%	30.47%	29.09%	28.55%
<b>Total Assests</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Net Block	32.35%	26.63%	27.12%	39.98%	38.87%	28.78%	24.04%	22.38%	23.90%	30.37%
Capital Work in Progress	1.01%	2.08%	10.21%	1.29%	0.87%	0.90%	1.86%	3.96%	9.02%	4.13%
Investments	25.69%	21.38%	15.55%	15.81%	12.51%	23.27%	14.15%	16.53%	15.34%	15.56%
Other Assests	6.77%	10.62%	12.29%	9.06%	10.77%	12.60%	12.53%	11.78%	11.94%	11.01%
Receivables	11.24%	11.66%	12.57%	11.74%	11.12%	12.78%	16.86%	17.99%	16.35%	14.21%
Inventory	18.92%	21.18%	19.31%	19.39%	21.01%	18.66%	26.80%	24.09%	19.81%	22.14%
Cash & Bank	4.02%	6.46%	2.94%	2.74%	4.85%	3.00%	3.76%	3.27%	3.63%	2.58%



# ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

INR 2404.8

52 Week (High - INR 3,394.90 & Low - 2,124.75)



Ratio Analysis - Asian Paints Ltd.													
Years	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Trend	Mean	Median
SalesGrowth		5.54%	11.70%	14.36%	5.05%	7.43%	34.03%	18.51%	2.92%	-4.48%		10.56%	7.43%
EBITDA Growth		9.86%	7.02%	17.51%	10.41%	16.81%	-1.07%	30.32%	21.17%	-20.81%		10.13%	10.41%
EBIT Growth		8.55%	6.94%	10.52%	7.43%	20.38%	-1.90%	35.48%	24.62%	-26.03%		9.56%	8.55%
EBT Growth		9.21%	6.88%	8.22%	7.97%	21.34%	-2.04%	35.09%	24.15%	-27.18%		9.29%	8.22%
Net Profit Growth		7.87%	4.93%	9.83%	25.07%	18.85%	-3.00%	34.96%	25.85%	-29.08%		10.59%	9.83%
Dividend Growth		37.33%	-15.53%	20.69%	14.29%	48.75%	7.28%	33.94%	29.82%	-25.53%		16.78%	20.69%
Gross Margin	34.04%	35.38%	33.47%	32.92%	34.90%	35.36%	29.25%	31.09%	35.17%	32.93%		33.45%	33.75%
EBITDA Margin	19.09%	19.88%	19.04%	19.57%	20.57%	22.36%	16.51%	18.15%	21.37%	17.71%		19.43%	19.33%
EBIT Margin	17.16%	17.65%	16.90%	16.33%	16.71%	18.72%	13.70%	15.66%	18.97%	14.69%		16.65%	16.80%
EBT Margin	16.82%	17.41%	16.65%	15.76%	16.20%	18.30%	13.37%	15.24%	18.39%	14.02%		16.22%	16.43%
Net Profit Margin	10.90%	11.14%	10.47%	10.05%	11.97%	13.24%	9.58%	10.91%	13.34%	9.91%		11.15%	10.91%
SalesExpenses%Sales	14.94%	15.51%	14.42%	13.35%	14.33%	13.00%	12.74%	12.94%	13.80%	15.21%		14.02%	14.07%
Depreciation%Sales	1.93%	2.22%	2.14%	3.23%	3.86%	3.64%	2.81%	2.49%	2.40%	3.03%		2.78%	2.65%
OperatingIncome%Sales	17.16%	17.65%	16.90%	16.33%	16.71%	18.72%	13.70%	15.66%	18.97%	14.69%		16.65%	16.80%
Return on Capital Employed	35.77%	32.57%	31.79%	29.13%	30.02%	29.24%	25.89%	30.14%	31.75%	22.96%		29.93%	30.08%
Retained Earnings%	53.77%	41.13%	52.62%	47.93%	52.42%	40.45%	34.14%	34.63%	32.57%	29.19%		41.88%	40.79%
Return on Equity%	23.85%	22.07%	20.94%	20.42%	23.88%	22.45%	20.19%	23.54%	25.29%	17.32%		22.00%	22.26%
Self Sustained Growth Rate	12.82%	9.08%	11.02%	9.79%	12.52%	9.08%	6.89%	8.15%	8.24%	5.06%		9.26%	9.08%
Interest Coverage Ratio	49.99x	71.23x	68.57x	28.45x	32.99x	44.36x	41.79x	37.40x	32.81x	21.94x		42.95x	39.59x
Debtor Turnover Ratio	12.02x	10.41x	9.72x	10.09x	11.26x	8.34x	7.52x	7.44x	7.26x	7.86x		9.19x	9.03x
Creditor Turnover Ratio	3.85x	3.55x	3.49x	3.52x	4.13x	3.36x	3.85x	4.39x	4.08x	3.91x		3.81x	3.85x
Inventory Turnover	7.14x	5.73x	6.33x	6.11x	5.96x	5.72x	4.73x	5.55x	5.99x	5.05x		5.83x	5.85x
Fixed Asset Turnover	4.18x	4.56x	4.51x	2.96x	3.22x	3.71x	5.27x	5.98x	4.97x	3.68x		4.30x	4.34x
Capital Turnover Ratio	2.19x	1.98x	2.00x	2.03x	2.00x	1.70x	2.11x	2.16x	1.90x	1.75x		1.98x	2.00x
(In days)													
Debtor Days	30	35	38	36	32	44	49	49	50	46		40.96x	40.64x
Payable Days	95	103	105	104	88	109	95	83	89	93		96.33x	94.86x
Inventory Days	51	64	58	60	61	64	77	66	61	72		63.34x	62.44x
Cash Conversion Cycle (in days)	-13	-4	-9	-8	5	-1	31	32	22	25		7.98x	2.21x
CFO/Sales	15.72%	10.14%	12.56%	12.84%	15.03%	16.96%	3.39%	12.16%	17.20%	13.05%		12.90%	12.94%
CFO/Total Assets	21.24%	12.31%	15.35%	15.20%	18.83%	18.09%	4.29%	16.26%	20.41%	14.57%		15.66%	15.81%
CFO/Total Debt	21.24%	12.31%	15.35%	15.20%	18.83%	18.09%	4.29%	16.26%	20.41%	14.57%		15.66%	15.81%

# ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

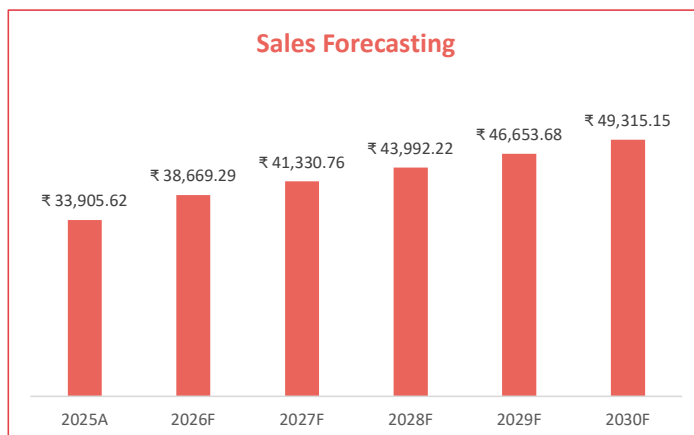
INR 2404.8

52 Week (High - INR 3,394.90 & Low - 2,124.75)



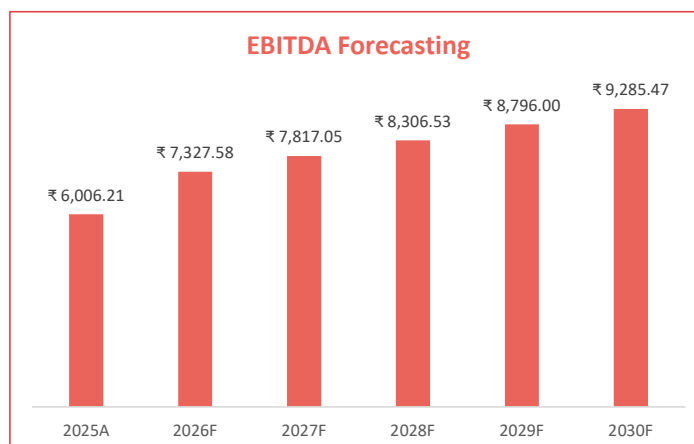
## Sales Forecasting

Year Weight	Year	Sales	Sales Growth
1	2016A	14271.49	
2	2017A	15061.99	5.54%
3	2018A	16824.55	11.70%
4	2019A	19240.13	14.36%
5	2020A	20211.25	5.05%
6	2021A	21712.79	7.43%
7	2022A	29101.28	34.03%
8	2023A	34488.59	18.51%
9	2024A	35494.73	2.92%
10	2025A	33905.62	-4.48%
11	2026F	₹ 38,669.29	14.05%
12	2027F	₹ 41,330.76	6.88%
13	2028F	₹ 43,992.22	6.44%
14	2029F	₹ 46,653.68	6.05%
15	2030F	₹ 49,315.15	5.70%



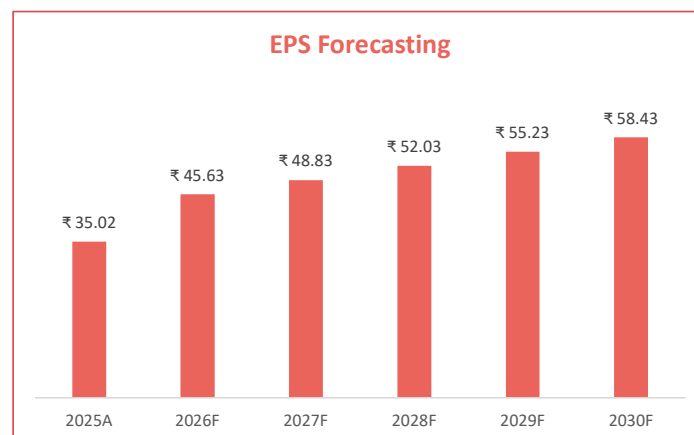
## EBITDA Forecasting

Year Weight	Year	EBITDA	Sales Growth
1	2016A	2725.04	
2	2017A	2993.76	9.86%
3	2018A	3204.01	7.02%
4	2019A	3764.94	17.51%
5	2020A	4156.82	10.41%
6	2021A	4855.6	16.81%
7	2022A	4803.61	-1.07%
8	2023A	6259.84	30.32%
9	2024A	7584.98	21.17%
10	2025A	6006.21	-20.81%
11	2026F	₹ 7,327.58	22.00%
12	2027F	₹ 7,817.05	6.68%
13	2028F	₹ 8,306.53	6.26%
14	2029F	₹ 8,796.00	5.89%
15	2030F	₹ 9,285.47	5.56%



## EPS Forecasting

Year Weight	Year	EPS	Sales Growth
1	2016A	₹ 16.22	
2	2017A	₹ 17.50	7.87%
3	2018A	₹ 18.36	4.93%
4	2019A	₹ 20.17	9.83%
5	2020A	₹ 25.22	25.07%
6	2021A	₹ 29.97	18.85%
7	2022A	₹ 29.08	-3.00%
8	2023A	₹ 39.24	34.96%
9	2024A	₹ 49.38	25.85%
10	2025A	₹ 35.02	-29.08%
11	2026F	₹ 45.63	30.27%
12	2027F	₹ 48.83	7.02%
13	2028F	₹ 52.03	6.56%
14	2029F	₹ 55.23	6.15%
15	2030F	₹ 58.43	5.80%





# ASIAN PAINTS LTD

(ASIANPAINT I BSE Code: 500820)

INR 2404.8

52 Week (High - INR 3,394.90 & Low - 2,124.75)



## Weighted Average Cost of Capital

All figures are in INR unless stated otherwise.

### Peer Comps

Name	Country	Total Debt	Total Equity	Tax Rate <sup>1</sup>	Debt/Equity	Debt/Capital	Levered Beta <sup>2</sup>	Unlevered Beta <sup>3</sup>
Asian Paints	India	₹ 2,290.29	₹ 238,263.76	30.00%	0.96%	0.95%	0.65	0.65
Berger Paints	India	₹ 670.27	₹ 67,959.80	30.00%	0.99%	0.98%	1.02	1.01
Kansai Nerolac	India	₹ 296.39	₹ 20,204.17	30.00%	1.47%	1.45%	0.93	0.92
Akzo Nobel	India	₹ 62.10	₹ 16,799.10	30.00%	0.37%	0.37%	0.61	0.61
Indigo Paints	India	₹ 19.69	₹ 5,717.12	30.00%	0.34%	0.34%	0.85	0.84
Average				30.00%	0.83%	0.82%	0.81	0.81
Median				30.00%	0.96%	0.95%	0.85	0.84

### Cost of Debt

Pre-tax Cost of Debt	9.91%
Tax Rate	30.00%
After Tax Cost of Debt	6.94%

### Cost of Equity

Risk Free Rate	6.36%
Equity Risk Premium	8.97%
Levered Beta <sup>4</sup>	1.09
Cost of Equity	16.18%

### Capital Structure

		Current	Target
Total Debt	₹ 2,290.29	0.95%	0.82%
Market Capitalization	₹ 238,263.76	99.05%	99.18%
Total Capitalization	₹ 240,554.05	100.00%	100.00%

Debt / Equity	0.96%	0.82%
---------------	-------	-------

### Levered Beta

Comps Median Unlevered Beta	0.84
Target Debt/ Equity	0.82%
Tax Rate	30.00%
Levered Beta	1.09

### Weighted Average Cost of Capital

Cost of Equity	16.18%
Equity Weight	99.18%
Cost of Debt	6.94%
Debt Weight	0.82%

WACC	16.10%
------	--------

1. Tax Rate considered as Marginal Tax Rate for the country
2. Levered Beta is based on 5 year monthly data
3. Unlevered Beta = Levered Beta / (1 + (1 - Tax Rate) x Debt/Equity)
3. Levered Beta = Unlevered Beta / (1 + (1 - Tax Rate) x Debt/Equity)

# ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

INR 2404.8

52 Week (High - INR 3,394.90 & Low

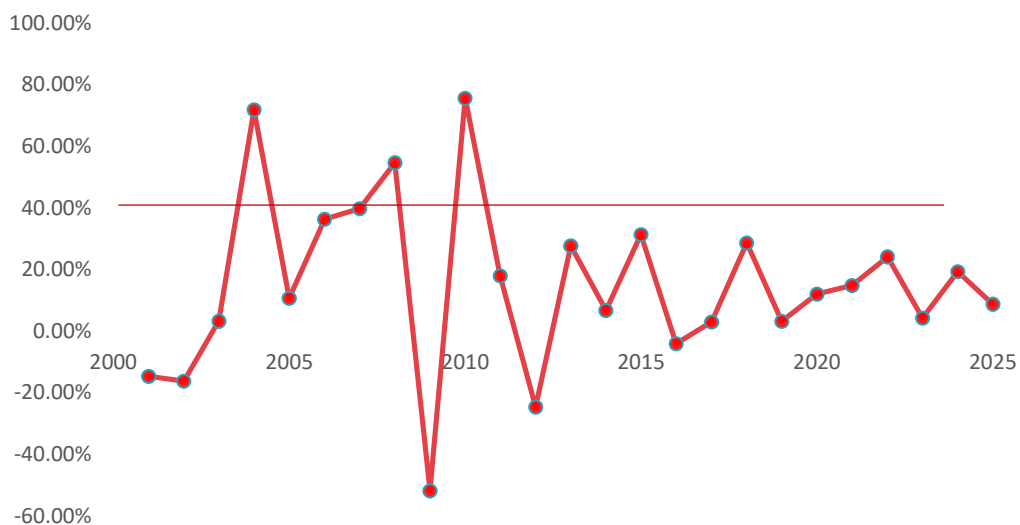


## Return on Markets

Year	Annual
2001	-14.65%
2002	-16.18%
2003	3.25%
2004	71.90%
2005	10.68%
2006	36.34%
2007	39.83%
2008	54.77%
2009	-51.79%
2010	75.76%
2011	17.95%
2012	-24.62%
2013	27.70%
2014	6.76%
2015	31.39%
2016	-4.06%
2017	3.01%
2018	28.65%
2019	3.15%
2020	12.02%
2021	14.90%
2022	24.12%
2023	4.32%
2024	19.42%
2025	8.75%

Average Return	15.33%
Dividend Yield	1.39% <sup>1</sup>
<b>Total Market Returns</b>	<b>15.33%</b>

## Annual Return



# ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

INR 2404.8

52 Week (High - INR 3,394.90 & Low - 2,124.75)



Calculation of ROIC	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
<b>Current Assests</b>					
Inventories	₹ 3,799.0	₹ 6,153.0	₹ 6,211.0	₹ 5,923.0	₹ 6,719.0
Trade receivables +	₹ 2,602.0	₹ 3,871.0	₹ 4,637.0	₹ 4,889.0	₹ 4,314.0
Other asset items	₹ 2,555.0	₹ 2,869.0	₹ 3,024.0	₹ 3,555.0	₹ 3,319.0
Loans n Advances	₹ 11.0	₹ 8.0	₹ 12.0	₹ 17.0	₹ 22.0
<b>Total Current Assets</b>	<b>₹ 8,967.0</b>	<b>₹ 12,901.0</b>	<b>₹ 13,884.0</b>	<b>₹ 14,384.0</b>	<b>₹ 14,374.0</b>
<b>Current Liabilities</b>					
Trade Payables	₹ 3,379.0	₹ 4,164.0	₹ 3,635.0	₹ 3,831.0	₹ 3,848.0
Advance from Customers	₹ 41.0	₹ 76.0	₹ 108.0	₹ 154.0	₹ 173.0
Other liability items	₹ 2,613.0	₹ 2,932.0	₹ 3,657.0	₹ 4,017.0	₹ 3,985.0
<b>Total Current Liabilities</b>	<b>₹ 6,033.0</b>	<b>₹ 7,172.0</b>	<b>₹ 7,400.0</b>	<b>₹ 8,002.0</b>	<b>₹ 8,006.0</b>
<b>Net Working Capital</b>	<b>₹ 2,934.0</b>	<b>₹ 5,729.0</b>	<b>₹ 6,484.0</b>	<b>₹ 6,382.0</b>	<b>₹ 6,368.0</b>
<b>Non Current Assets</b>					
Land	₹ 644.0	₹ 644.0	₹ 804.0	₹ 1,126.0	₹ 1,050.0
Building	₹ 2,249.0	₹ 2,325.0	₹ 2,883.0	₹ 3,390.0	₹ 4,136.0
Plant Machinery	₹ 4,340.0	₹ 4,531.0	₹ 4,825.0	₹ 5,422.0	₹ 7,576.0
Equipments	₹ 243.0	₹ 253.0	₹ 270.0	₹ 298.0	₹ 325.0
Furniture n fittings	₹ 99.0	₹ 113.0	₹ 146.0	₹ 175.0	₹ 203.0
Vehicles	₹ 38.0	₹ 32.0	₹ 36.0	₹ 40.0	₹ 39.0
Intangible Assets	₹ 476.0	₹ 345.0	₹ 422.0	₹ 850.0	₹ 827.0
Other fixed assets	₹ 302.0	₹ 294.0	₹ 289.0	₹ 321.0	₹ 328.0
<b>Gross Block</b>	<b>₹ 8,392.0</b>	<b>₹ 8,538.0</b>	<b>₹ 9,676.0</b>	<b>₹ 11,622.0</b>	<b>₹ 14,484.0</b>
<b>Accumulated Depreciation</b>	<b>₹ 2,533.0</b>	<b>₹ 3,019.0</b>	<b>₹ 3,814.0</b>	<b>₹ 4,381.0</b>	<b>₹ 4,945.0</b>
<b>Net Non Current Assets</b>	<b>₹ 5,859.0</b>	<b>₹ 5,519.0</b>	<b>₹ 5,862.0</b>	<b>₹ 7,241.0</b>	<b>₹ 9,539.0</b>
Invested Capital	₹ 8,793.0	₹ 11,248.0	₹ 12,346.0	₹ 13,623.0	₹ 15,907.0
EBIT	₹ 4,064.3	₹ 3,987.3	₹ 5,401.8	₹ 6,732.0	₹ 4,979.9
ROIC	46.22%	35.45%	43.75%	49.42%	31.31%
Calculation of Reinvestment Rate	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Capex	₹ 254.0	₹ 511.0	₹ 1,420.0	₹ 2,491.0	₹ 1,820.0
Change in Working Capital		₹ 2,795.0	₹ 755.0	(₹ 102.0)	(₹ 14.0)
EBIT	₹ 4,064.3	₹ 3,987.3	₹ 5,401.8	₹ 6,732.0	₹ 4,979.9
Marginal Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-t)	₹ 3,048.2	₹ 2,990.4	₹ 4,051.4	₹ 5,049.0	₹ 3,734.9
Reinvestment		₹ 3,306.0	₹ 2,175.0	₹ 2,389.0	₹ 1,806.0
<b>Reinvestment Rate%</b>		110.55%	53.69%	47.32%	48.35%
			<b>4 Year Average</b>		<b>64.98%</b>
			<b>4 Year Median</b>		<b>51.02%</b>
Calculation of Growth Rate	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Reinvestment Rate		110.55%	53.69%	47.32%	48.35%
ROIC		35.45%	43.75%	49.42%	31.31%
<b>Intrinsic Growth</b>		<b>39.19%</b>	<b>23.49%</b>	<b>23.38%</b>	<b>15.14%</b>
			<b>4 Year Average</b>		<b>25.30%</b>
			<b>4 Year Median</b>		<b>23.44%</b>

# ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

INR 2404.8

52 Week (High - INR 3,394.90 & Low - 2,124.75)



Calculation of PV of FCFF	Mar-25A	Mar-26F	Mar-27F	Mar-28F	Mar-29F	Mar-30F
EBIT	4,979.9	6,013.2	7,260.9	8,767.6	10,586.8	12,783.6
Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-t)	3,734.9	4,509.9	5,445.7	6,575.7	7,940.1	9,587.7
Less: Reinvestment Rate	51.02%	54.51%	58.00%	61.49%	64.98%	64.98%
Free Cash Flow to Firm (FCFF)	1,829.3	2,051.6	2,287.3	2,532.4	2,780.9	3,357.9
Mid Year Convention		0.5	1.5	2.5	3.5	4.5
Discounting Factor		0.910	0.754	0.624	0.517	0.428
<b>PV of FCFF</b>		<b>1,867.00</b>	<b>1,723.79</b>	<b>1,580.59</b>	<b>1,437.38</b>	<b>1,437.38</b>

Expected Growth	20.75%
Terminal Growth	5.50%
WACC	16.10%

## Calculation of Terminal Value

FCFF(n+1)	4,054.6
WACC	16.10%
Terminal Growth Rate	5.50%

<b>Terminal Value</b>	<b>38,248.0</b>
-----------------------	-----------------

## Calculation of Equity Value Per Share

PV of FCFF	8,046.2
PV of Terminal Value	16,372.6
<b>Value of Operating Assests</b>	<b>24,418.7</b>

Add: Cash	782.0
Less: Debt	864.0
<b>Value of Shares</b>	<b>24,336.7</b>
No of Shares	95.92

<b>Equity Value Per Share</b>	<b>253.7</b>
-------------------------------	--------------

Share Price	2497.00
Discount/Premium	8.84x

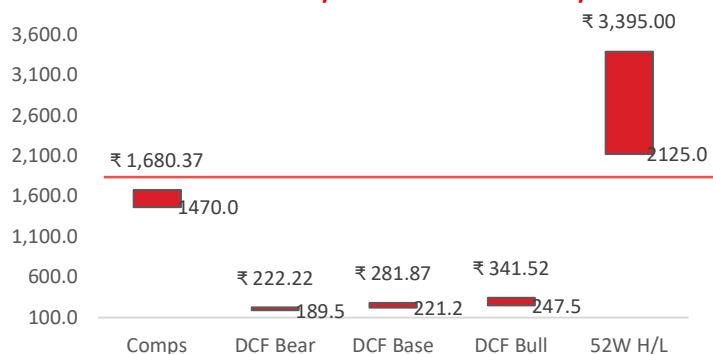
## Sensitivity Analysis - Enterprise Value

	14.00%	16.10%	18.00%	20.00%
3.00%	36,860.3	30,951.4	27,030.9	23,850.8
4.00%	40,546.4	33,509.4	28,961.7	25,341.5
5.50%	47,701.6	38,251.3	32,437.1	27,963.0
6.00%	50,683.0	40,144.9	33,788.6	28,961.7
7.00%	57,923.4	44,556.5	36,860.3	31,189.5

## Sensitivity Analysis - Equity Value

	14.00%	16.10%	18.00%	20.00%
3.00%	247.5	221.2	203.7	189.5
4.00%	264.0	232.6	212.3	196.1
5.50%	295.9	253.7	227.8	207.8
6.00%	309.2	262.2	233.8	212.3
7.00%	341.5	281.9	247.5	222.2

## Football Field Analysis - Valuation Summary



# ASIAN PAINTS LTD

(ASIANPAINT I BSE Code: 500820)

INR 2404.8

52 Week (High - INR 3,394.90 & Low - 2,124.75)



Amount in Crores

## Comparable Company Valuation

Company	Ticker	Market Data				Financials			Valuation			
		Share Price	Share Outstanding	Equity Value	Net Debt	Enterprise Value	Revenue	EBITDA	Net Income	EV/Revenue	EV/EBITDA	P/E
Asian Paints		2,451.2	95.9	235,119.1	1,508.3	236,627.4	33,905.6	6,716.2	3,709.7	6.98x	35.23x	63.38x
Berger Paints		578.2	116.6	67,412.3	169.8	67,582.1	11,544.7	1,985.9	1,182.8	5.85x	34.03x	56.99x
Kansai Nerolac		249.1	80.9	20,139.7	6.3	20,146.1	7,823.0	1,020.9	1,109.3	2.58x	19.73x	18.15x
Akzo Nobel		3,601.1	4.6	16,385.0	(237.4)	16,147.6	4,091.2	668.4	428.6	3.95x	24.16x	38.23x
Indigo Paints		1,200.2	4.8	5,713.0	(17.4)	5,695.5	1,277.2	249.0	143.9	4.46x	22.87x	39.69x
Sirca Paints		423.8	5.5	2,322.4	(54.2)	2,268.3	374.0	72.6	49.1	6.06x	31.24x	47.30x
Shalimar Paints		98.5	8.4	824.6	118.4	943.0	599.1	(46.8)	(80.2)	1.57x	-20.13x	-10.29x
Kamdhenu Venture		10.0	31.4	314.4	21.1	335.5	266.1	17.4	6.7	1.26x	19.30x	47.21x
Siddhika Coatings		200.0	0.6	124.0	(5.8)	118.2	48.0	10.4	8.0	2.46x	11.33x	15.44x
Retina Paints		57.6	1.5	88.2	7.8	95.9	11.7	2.0	0.7	8.23x	47.49x	119.15x
High										8.23x	47.49x	119.15x
75th Percentile										6.01x	33.33x	54.57x
Average										4.34x	22.53x	43.53x
Median										4.20x	23.51x	43.45x
25th Percentile										2.49x	19.41x	23.17x
Low										1.26x	-20.13x	-10.29x

Asian Paints Comparable Valuation				EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value				142,511.1	157,928.8	162,689.7
Net Debt				1,508.3	1,508.3	1,508.3
Implied Market Value				141,002.8	156,420.5	161,181.4
Shares Outstanding				95.92	95.92	95.92
Implied Value Per Share				1,470.0	1,630.7	1,680.4

Overvalued    Overvalued    Overvalued

## ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

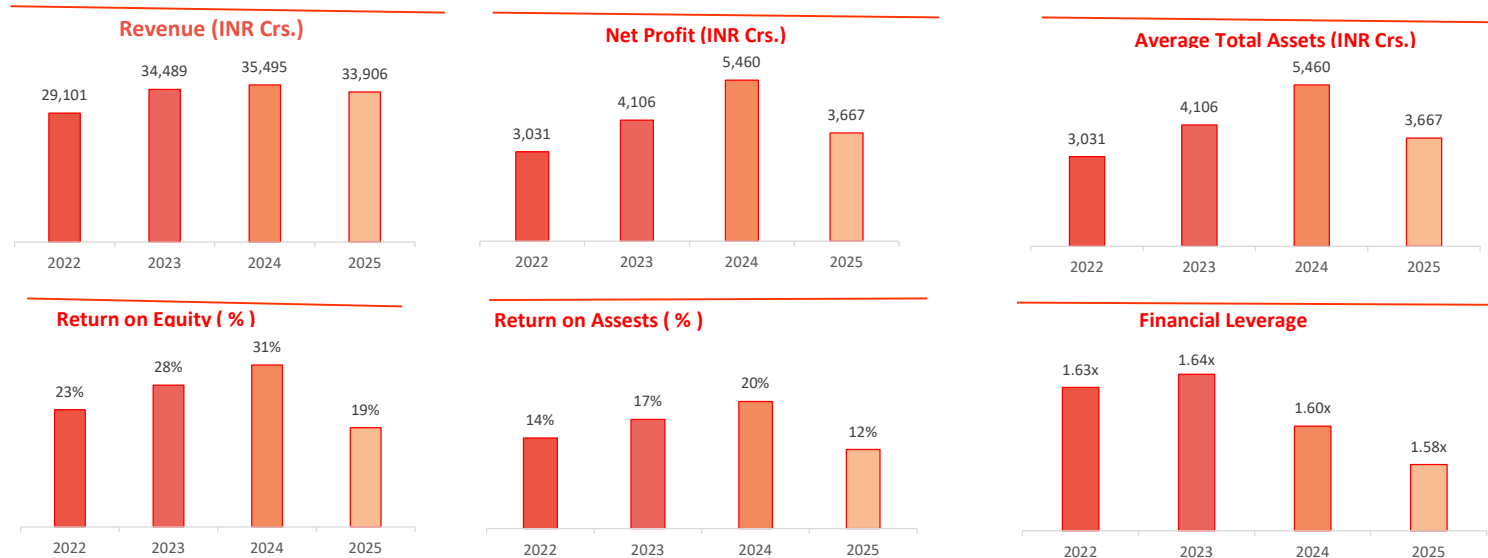
INR 2404.8

52 Week (High - INR 3,394.90 & Low - 2,124.75)

### About the Company

Asian Paints Ltd is an Indian multinational paint company, headquartered in Mumbai. 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. It is India's largest paints company by market share. The company has 27 paint manufacturing facilities in 15 countries, servicing consumers in over 60 countries.

### Financial Summary



#### Recent Updates :

- Net profit declined 45% YoY to ₹692 crore, likely prompting downward earnings revisions.
- Revenue fell 4.3% YoY to ₹8,359 crore, signaling softer topline growth.
- EBITDA dropped 15% YoY to ₹1,436 crore, impacting operating profitability outlook.
- EBITDA margin contracted 219 bps to 17.2%, requiring margin forecast adjustments.
- Gross margin improved slightly to 43.9%, aided by lower raw material costs.
- Domestic Decorative saw 1.8% volume growth but 5% value decline, highlighting pricing pressure.

### Dupont Analysis - Return on Equity & Return on Assets

Return on Equity (ROE)							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	2,155.9	2,705.2	3,139.3	3,030.6	4,106.5	5,460.2	3,667.2
Average Shareholder Equity	8,940.4	9,800.4	11,468.2	13,308.9	14,901.9	17,360.3	19,064.1
Return on Equity	24.11%	27.60%	27.37%	22.77%	27.56%	31.45%	19.24%

Dupont Equation -ROE							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	2,155.9	2,705.2	3,139.3	3,030.6	4,106.5	5,460.2	3,667.2
Revenue	19,240.1	20,211.3	21,712.8	29,101.3	34,488.6	35,494.7	33,905.6
Net Profit Margin (A)	11.21%	13.38%	14.46%	10.41%	11.91%	15.38%	10.82%
Revenue	19,240.1	20,211.3	21,712.8	29,101.3	34,488.6	35,494.7	33,905.6
Average Total Asset	15,006.2	16,193.4	18,246.7	21,656.9	24,368.9	27,840.1	30,128.0
Assets Turnover Ratio (B)	1.28x	1.25x	1.19x	1.34x	1.42x	1.27x	1.13x
Average Total Assets	15,006.2	16,193.4	18,246.7	21,656.9	24,368.9	27,840.1	30,128.0
Average Shareholder Equity	8,940.4	9,800.4	11,468.2	13,308.9	14,901.9	17,360.3	19,064.1
Equity Multiplier (C)	1.68x	1.65x	1.59x	1.63x	1.64x	1.60x	1.58x
Return on Equity (A*B*C)	24.11%	27.60%	27.37%	22.77%	27.56%	31.45%	19.24%

Return on Asset (ROA)							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	2,155.9	2,705.2	3,139.3	3,030.6	4,106.5	5,460.2	3,667.2
Average Total Assets	15,006.2	16,193.4	18,246.7	21,656.9	24,368.9	27,840.1	30,128.0
Return on Asset	14.37%	16.71%	17.20%	13.99%	16.85%	19.61%	12.17%

Dupont Equation -ROA							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	2,155.9	2,705.2	3,139.3	3,030.6	4,106.5	5,460.2	3,667.2
Revenue	19,240.1	20,211.3	21,712.8	29,101.3	34,488.6	35,494.7	33,905.6
Net Profit Margin (A)	11.21%	13.38%	14.46%	10.41%	11.91%	15.38%	10.82%
Revenue	19,240.1	20,211.3	21,712.8	29,101.3	34,488.6	35,494.7	33,905.6
Average Total Assets	15,006.2	16,193.4	18,246.7	21,656.9	24,368.9	27,840.1	30,128.0
Assets Turnover Ratio (B)	1.28x	1.25x	1.19x	1.34x	1.42x	1.27x	1.13x
Return on Assets (A*B)	14.37%	16.71%	17.20%	13.99%	16.85%	19.61%	12.17%

# ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

INR 2404.8

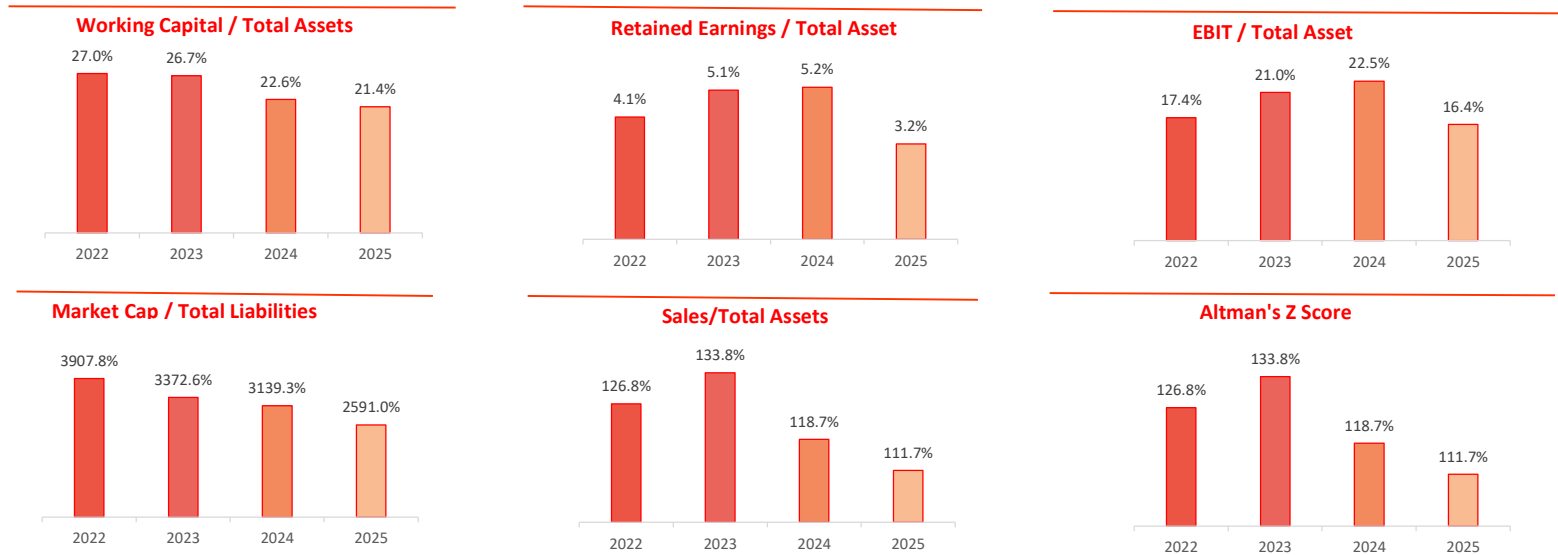
52 Week (High - INR 3,394.90 & Low - 2,124.75)



## Altman's Z Score Analysis

Asian Paints Ltd is an Indian multinational paint company, headquartered in Mumbai. 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.It is India's largest paints company by market share. The company has 27 paint manufacturing facilities in 15 countries, servicing consumers in over 60 countries.

### Financial Summary



#### Recent Updates:

- Net profit declined 45% YoY to ₹692 crore, likely prompting downward earnings revisions.
- Revenue fell 4.3% YoY to ₹8,359 crore, signaling softer topline growth.
- EBITDA dropped 15% YoY to ₹1,436 crore, impacting operating profitability outlook.
- EBITDA margin contracted 219 bps to 17.2%, requiring margin forecast adjustments.
- Gross margin improved slightly to 43.9%, aided by lower raw material costs.
- Domestic Decorative saw 1.8% volume growth but 5% value decline, highlighting pricing pressure.

## Altman's Z Score Calculation

Working Capital / Total Assets							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Working Capital	1,515.3	2,817.3	3,121.1	6,205.4	6,873.1	6,769.8	6,490.8
Total Asset	16,248.8	16,138.0	20,355.3	22,958.4	25,779.3	29,900.8	30,355.3
Working Capital / Total Assets (A)	9.33%	17.46%	15.33%	27.03%	26.66%	22.64%	21.38%

Retained Earnings / Total Asset							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Retained Earnings	927.1	1,268.1	1,162.9	952.1	1,303.5	1,542.6	980.7
Total Asset	16,248.8	16,138.0	20,355.3	22,958.4	25,779.3	29,900.8	30,355.3
Retained Earnings / Total Asset (B)	5.71%	7.86%	5.71%	4.15%	5.06%	5.16%	3.23%

EBIT / Total Asset							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
EBIT	3,142.8	3,376.3	4,064.3	3,987.3	5,401.8	6,732.0	4,979.9
Total Asset	16,248.8	16,138.0	20,355.3	22,958.4	25,779.3	29,900.8	30,355.3
EBIT/Total Assets (C)	19.34%	20.92%	19.97%	17.37%	20.95%	22.51%	16.41%

Market Cap / Total Liabilities							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Market Cap	143,179.5	159,850.3	243,386.8	295,428.1	264,896.9	273,059.6	224,514.6
Long Term Liability	5,458.7	4,889.3	6,455.9	7,560.0	7,854.5	8,698.1	8,665.2
Market Cap / Long Term Liabilities (D)	2622.96%	3269.38%	3769.97%	3907.78%	3372.56%	3139.31%	2591.01%

Sales/Total Assets							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Total Sales	19,240.1	20,211.3	21,712.8	29,101.3	34,488.6	35,494.7	33,905.6
Total Assets	16,248.8	16,138.0	20,355.3	22,958.4	25,779.3	29,900.8	30,355.3
Return on Asset (E)	118.41%	125.24%	106.67%	126.76%	133.78%	118.71%	111.70%

Altman's Z Score							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Final Score	17.8	21.9	24.6	25.7	22.7	21.1	17.5
Financial Stability	Strong	Strong	Strong	Strong	Strong	Strong	Strong

**Disclaimer :** This report is made as part of educational assignment and is meant for educational purpose only. The author of the report is not liable for any losses due to actions taken basis this report. It is advisable to consult SEBI registered research analyst before making any investment.



# ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

INR 2404.8

52 Week (High - INR 3,3



## Value At Risk - Historical

Date	Adj Close	Return	Sorted Return	Calculation of Value at Risk - Asian Paints (Historical)				
01-01-15	856.26	-0.045640343	-0.045640343	Mean				1.06%
01-02-15	817.18	-0.008920923	-0.008920923	Std Deviation				6.93%
01-03-15	809.89	-0.060218054	-0.060218054	Min				-15.53%
01-04-15	761.12	0.032268236	0.032268236	Max				24.8%
01-05-15	785.68	-0.040270848	-0.040270848	CMP				2404.8
01-06-15	754.04	0.16871784	0.16871784					
01-07-15	881.26	-0.038739986	-0.038739986					
01-08-15	847.12	-0.008239683	-0.008239683					
01-09-15	840.14	-0.013009736	-0.013009736					
01-10-15	829.21	0.009442723	0.009442723					
01-11-15	837.04	0.053725031	0.053725031					
01-12-15	882.01	-0.015442002	-0.015442002					
01-01-16	868.39	-0.027360978	-0.027360978					
01-02-16	844.63	0.026354735	0.026354735					
01-03-16	866.89	-0.00248013	-0.00248013					
01-04-16	864.74	0.136919768	0.136919768					
01-05-16	983.14	0.018725716	0.018725716					
01-06-16	1001.55	0.110488742	0.110488742					
01-07-16	1112.21	0.039273159	0.039273159					
01-08-16	1155.89	0.002413724	0.002413724					
01-09-16	1158.68	-0.07318673	-0.07318673					
01-10-16	1073.88	-0.098400194	-0.098400194					
01-11-16	968.21	-0.081294347	-0.081294347					
01-12-16	889.5	0.089387296	0.089387296					
01-01-17	969.01	0.05511811	0.05511811					
01-02-17	1022.42	0.048130905	0.048130905					
01-03-17	1071.63	0.043737111	0.043737111					
01-04-17	1118.5	0.027447474	0.027447474					
01-05-17	1149.2	-0.040245388	-0.040245388					
01-06-17	1102.95	0.053266241	0.053266241					
01-07-17	1161.7	0.005896531	0.005896531					
01-08-17	1168.55	-0.031534808	-0.031534808					

Percentile	Confidence	VAR %	Stock Price	VAR (INR)
5.00%	95.00%	-9.41%	2631.15	-226.35
1.00%	99.00%	-13.03%	2718.16	-313.36
0.50%	99.50%	-14.02%	2741.87	-337.07
10.00%	90.00%	-6.86%	2569.73	-164.93

*Note: VAR is Calculated using 15 year Monthly Returns.*

## ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

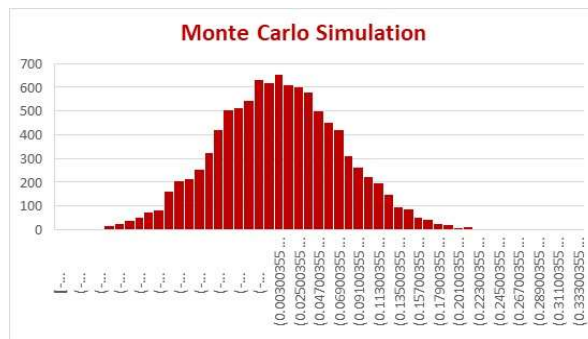
INR 2404.8

52 Week (High - INR 3,394.90 & Low - 2,124.75)



### Value At Risk - Monte Carlo Stimulation

Date	Adj Close	Return	Sorted Return	Replication	Simulated Return	Calculation of Value at Risk - Asian Paints (Monte Carlo Simulation)	
01-01-15	856.26	-0.04564	-0.045640343	1	0.12722297	<b>Historical Approach</b>	
01-02-15	817.18	-0.00892	-0.008920923	2	-0.040371266		
01-03-15	809.89	-0.06022	-0.060218054	3	0.02038461		Mean 1.06%
01-04-15	761.12	0.032268	0.032268236	4	-0.044711179		Std Deviation 6.93%
01-05-15	785.68	-0.04027	-0.040270848	5	0.03038487		Min -15.53%
01-06-15	754.04	0.168718	0.16871784	6	-0.029680838	Max	24.79%
01-07-15	881.26	-0.03874	-0.038739986	7	0.114565963	CMP	2404.8
01-08-15	847.12	-0.00824	-0.008239683	8	-0.010228503	<b>Monte Carlo Stimulation</b>	
01-09-15	840.14	-0.01301	-0.013009736	9	-0.048469134		
01-10-15	829.21	0.009443	0.009442723	10	-0.008122361		Mean 1.08%
01-11-15	837.04	0.053725	0.053725031	11	-0.038790693		Std Deviation 6.96%
01-12-15	882.01	-0.01544	-0.015442002	12	-0.022084064		Min -25.37%
01-01-16	868.39	-0.02736	-0.027360978	13	-0.038115499	Max	26.26%
01-02-16	844.63	0.026355	0.026354735	14	-0.007641212	CMP	2404.8
01-03-16	866.89	-0.00248	-0.00248013	15	0.099710112		
01-04-16	864.74	0.13692	0.136919768	16	0.015677285		
01-05-16	983.14	0.018726	0.018725716	17	0.041201869		
01-06-16	1001.55	0.110489	0.110488742	18	-0.022559634		
01-07-16	1112.21	0.039273	0.039273159	19	-0.040938166		
01-08-16	1155.89	0.002414	0.002413724	20	-0.065786352	<b>Percentile</b>	<b>Confidence</b>
01-09-16	1158.68	-0.07319	-0.07318673	21	0.018776829	5.00%	95.00%
01-10-16	1073.88	-0.0984	-0.098400194	22	-0.033237844	1.00%	99.00%
01-11-16	968.21	-0.08129	-0.081294347	23	0.157839253	0.50%	99.50%
01-12-16	889.5	0.089387	0.089387296	24	-0.050568022	10.00%	90.00%
01-01-17	969.01	0.055118	0.05511811	25	-0.034423011	<b>VAR %</b>	<b>Stock Price</b>
01-02-17	1022.42	0.048131	0.048130905	26	0.023268563	-10.33%	2653.20
01-03-17	1071.63	0.043737	0.043737111	27	0.077016311	-14.95%	2764.25
01-04-17	1118.5	0.027447	0.027447474	28	-0.103454272	-16.49%	2801.26
01-05-17	1149.2	-0.04025	-0.040245388	29	0.068886107	-7.80%	2592.31
01-06-17	1102.95	0.053266	0.053266241	30	0.023410195		
01-07-17	1161.7	0.005897	0.005896531	31	0.050216822		
01-08-17	1168.55	-0.03153	-0.031534808	32	-0.022713111		
01-09-17	1131.7	0.04343	0.043430238	33	-0.010237301		
01-10-17	1180.85	-0.02888	-0.028877503	34	-0.077417985		
01-11-17	1146.75	0.010246	0.010246348	35	0.017549847		
01-12-17	1158.5	-0.02607	-0.026068192	36	0.099357116		
01-01-18	1128.3	-0.00935	-0.00935035	37	-0.000269012		
01-02-18	1117.75	0.002371	0.002370834	38	-0.021081495		
01-03-18	1120.4	0.072563	0.07256337	39	0.057444439		
01-04-18	1201.7	0.08567	0.0856703	40	-0.070413131		
01-05-18	1304.65	-0.03081	-0.030812862	41	-0.060467867		
01-06-18	1264.45	0.147851	0.147850844	42	-0.076061565		



# ASIAN PAINTS LTD

(ASIANPAINT I BSE Code: 500820)

INR 2404.8

52 Week (High - INR 3,394.90 & Low - 2,124.75)



## Summary

The valuation of Asian Paints was performed using a hybrid approach, combining Discounted Cash Flow (DCF) and Relative Valuation methodologies. This comprehensive analysis incorporated sector-specific assumptions, relevant regulatory benchmarks, and prevailing trends within the Indian paints industry.

### Key Assumptions:

1. The terminal growth rate has been aligned with the Reserve Bank of India's long-term GDP growth projection for India, offering a stable and economy-linked outlook.
2. The Cost of Equity is estimated using the CAPM, with the 10-year government bond yield as the Risk-Free Rate and a levered beta based on comparable companies and regression analysis.
3. A tax rate of 30% has been considered for operating metrics, with a marginal tax rate of 25% applied in valuation related calculations.
4. The Value at Risk (VaR) calculation is Based on 2 years Monthly Returns.

### Valuation Outcomes :

#### 1. Discounted Cash Flow (DCF) Results

- A. Enterprise Value : ₹ 24,418.7
- B. Equity Value per Share : ₹ 253.7
- C. WACC (Weighted Average Cost of Capital) : 16.10%
- D. 4 Year Median Reinvestment Rate : 51.02%
- E. 4 Year Median Intrinsic Growth Rate: 23.44%

The Discounted Cash Flow (DCF) analysis estimates the stock's intrinsic value at ₹253.7 per share. In contrast, the current market price, as of 22 July 2025, stands at ₹1,606. This indicates that the stock is trading at a substantial premium to its fundamental valuation. Such a disparity suggests that the market may be pricing in factors beyond the base-case financial projections—such as strong brand equity, investor sentiment, or anticipated growth opportunities—which are not fully reflected in the DCF model.

#### 2. Relative Valuation Results

- A. EV/Revenue Based Value : ₹ 1470.0
- B. EV/EBITDA-Based Value: ₹ 1630.7
- C. P/E-Based Value: ₹ 1680.4
- C. Current Market Price : ₹ 1906.0

Relative valuation methods (EV/Revenue: ₹1,470, EV/EBITDA: ₹1,630.7, P/E: ₹1,680.4) suggest a fair value range below the current market price of ₹1,906. This indicates the stock is trading at a premium, likely driven by market optimism, future growth prospects, and strong industry positioning, which may not be fully reflected in the current financial multiples.

### Disclaimer:

This report has been created solely for academic purposes as part of an educational exercise. It is intended to facilitate learning and illustrate financial analysis techniques. The financial model, valuation analysis, and related commentary are based on publicly accessible information, reasonable assumptions, and commonly used financial methods.

This document does not serve as investment advice, stock recommendations, or financial guidance. Readers should independently verify the information and seek advice from a qualified financial professional before making any investment decisions. Neither the author nor the associated academic institution accepts responsibility for the accuracy, completeness, or future relevance of the content provided.

# ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

INR 2404.8

52 Week (High - INR 3,394.90 & Low - 2,124.75)



## Summary

### Sources of Data and Information :

The preparation of this financial model for Asian Paints Ltd. has been based on data and insights obtained from the following credible and publicly accessible sources:

#### 1. Financial Data Platforms:

- A. **Screener.in** - Comprehensive financial statements, valuation metrics, and historical performance data.
- B. **Primeinvestor.in** - In-depth equity research and stock analysis
- C. **Investing.com** - Market data, historical prices, and macroeconomic indicators.
- D. **Equitymaster.com** - Independent research reports and market insights.
- E. **NSEIndia.com** - Official exchange-provided stock prices, corporate filings, and market announcements.

#### 2. Official Corporate Disclosures:

- Asian Paints Annual Report 2024–2025 – Detailed financial statements, management commentary, strategic initiatives, and operational updates directly issued by the company.

#### 3. Financial News Outlets:

- **The Times of India** - Business news and industry coverage.
- **The Economic Times** - Market trends, company developments, and economic updates.
- **Moneycontrol** - Real-time market information, analyst opinions, and financial news.

#### 4. Rationale for Source Selection:

- All sources have been chosen based on their reputation for accuracy, reliability, and timeliness in financial reporting.
- The combination of corporate disclosures, independent research, and market news ensures a balanced and well-substantiated foundation for the financial model.

### Disclaimer:

*This report has been created solely for academic purposes as part of an educational exercise. It is intended to facilitate learning and illustrate financial analysis techniques. The financial model, valuation analysis, and related commentary are based on publicly accessible information, reasonable assumptions, and commonly used financial methods.*

*This document does not serve as investment advice, stock recommendations, or financial guidance. Readers should independently verify the information and seek advice from a qualified financial professional before making any investment decisions. Neither the author nor the associated academic institution accepts responsibility for the accuracy, completeness, or future relevance of the content provided.*