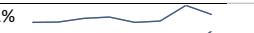


Historical Financial Statement - ASIAN PAINTS LTD										
Years	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
<b>Income Statement</b>										
Sales	₹ 12,220.37	₹ 13,615.26	₹ 14,271.49	₹ 15,061.99	₹ 16,824.55	₹ 19,240.13	₹ 20,211.25	₹ 21,712.79	₹ 29,101.28	₹ 34,488.59
Sales Growth	-	11.41%	4.82%	5.54%	11.70%	14.36%	5.05%	7.43%	34.03%	18.51%
COGS	₹ 8,438.98	₹ 9,298.77	₹ 9,413.84	₹ 9,732.66	₹ 11,194.17	₹ 12,905.81	₹ 13,158.02	₹ 14,035.07	₹ 20,590.57	₹ 23,766.70
COGS % Sales	69.06%	68.30%	65.96%	64.62%	66.53%	67.08%	65.10%	64.64%	70.75%	68.91%
<b>Gross Profit</b>	<b>₹ 3,781.39</b>	<b>₹ 4,316.49</b>	<b>₹ 4,857.65</b>	<b>₹ 5,329.33</b>	<b>₹ 5,630.38</b>	<b>₹ 6,334.32</b>	<b>₹ 7,053.23</b>	<b>₹ 7,677.72</b>	<b>₹ 8,510.71</b>	<b>₹ 10,721.89</b>
Selling and General Expenses	₹ 1,777.73	₹ 2,073.60	₹ 2,132.61	₹ 2,335.57	₹ 2,426.37	₹ 2,569.38	₹ 2,896.41	₹ 2,822.12	₹ 3,707.10	₹ 4,462.05
S&G Expenses % Sales	14.55%	15.23%	14.94%	15.51%	14.42%	13.35%	14.33%	13.00%	12.74%	12.94%
<b>EBITDA</b>	<b>₹ 2,003.66</b>	<b>₹ 2,242.89</b>	<b>₹ 2,725.04</b>	<b>₹ 2,993.76</b>	<b>₹ 3,204.01</b>	<b>₹ 3,764.94</b>	<b>₹ 4,156.82</b>	<b>₹ 4,855.60</b>	<b>₹ 4,803.61</b>	<b>₹ 6,259.84</b>
EBITDA % Sales	16.40%	16.47%	19.09%	19.88%	19.04%	19.57%	20.57%	22.36%	16.51%	18.15%
Interest	₹ 47.99	₹ 42.24	₹ 49.00	₹ 37.33	₹ 41.47	₹ 110.47	₹ 102.33	₹ 91.63	₹ 95.41	₹ 144.45
Interest % Sales	0.39%	0.31%	0.34%	0.25%	0.25%	0.57%	0.51%	0.42%	0.33%	0.42%
Depreciation	₹ 245.66	₹ 265.92	₹ 275.58	₹ 334.79	₹ 360.47	₹ 622.14	₹ 780.50	₹ 791.27	₹ 816.36	₹ 858.02
Depreciation % Sales	2.01%	1.95%	1.93%	2.22%	2.14%	3.23%	3.86%	3.64%	2.81%	2.49%
<b>Earnings Before Tax</b>	<b>₹ 1,710.01</b>	<b>₹ 1,934.73</b>	<b>₹ 2,400.46</b>	<b>₹ 2,621.64</b>	<b>₹ 2,802.07</b>	<b>₹ 3,032.33</b>	<b>₹ 3,273.99</b>	<b>₹ 3,972.70</b>	<b>₹ 3,891.84</b>	<b>₹ 5,257.37</b>
EBT % Sales	13.99%	14.21%	16.82%	17.41%	16.65%	15.76%	16.20%	18.30%	13.37%	15.24%
Tax	₹ 571.51	₹ 649.54	₹ 844.49	₹ 943.29	₹ 1,040.96	₹ 1,098.06	₹ 854.85	₹ 1,097.60	₹ 1,102.91	₹ 1,493.50
Effective Tax Rate	33.42%	33.57%	35.18%	35.98%	37.15%	36.21%	26.11%	27.63%	28.34%	28.41%
<b>Net Profit</b>	<b>₹ 1,138.50</b>	<b>₹ 1,285.19</b>	<b>₹ 1,555.97</b>	<b>₹ 1,678.35</b>	<b>₹ 1,761.11</b>	<b>₹ 1,934.27</b>	<b>₹ 2,419.14</b>	<b>₹ 2,875.10</b>	<b>₹ 2,788.93</b>	<b>₹ 3,763.87</b>
Net Margin	9.32%	9.44%	10.90%	11.14%	10.47%	10.05%	11.97%	13.24%	9.58%	10.91%
No. of Equity Shares	₹ 95.92	₹ 95.92	₹ 95.92	₹ 95.92	₹ 95.92	₹ 95.92	₹ 95.92	₹ 95.92	₹ 95.92	₹ 95.92
Earnings Per Share	₹ 11.87	₹ 13.40	₹ 16.22	₹ 17.50	₹ 18.36	₹ 20.17	₹ 25.22	₹ 29.97	₹ 29.08	₹ 39.24
EPS Growth	12.88%	21.07%	7.87%	4.93%	9.83%	25.07%	18.85%	-3.00%	34.96%	
Dividend Per Share	₹ 5.30	₹ 6.10	₹ 7.50	₹ 10.30	₹ 8.70	₹ 10.50	₹ 12.00	₹ 17.85	₹ 19.15	₹ 25.65
Dividends Payout Ratio	44.65%	45.53%	46.23%	58.87%	47.38%	52.07%	47.58%	59.55%	65.86%	65.37%
Retained Earnings	55.35%	54.47%	53.77%	41.13%	52.62%	47.93%	52.42%	40.45%	34.14%	34.63%



Years	Historical Financial Statement - ASIAN PAINTS LTD									
	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
<b>Cash Flow</b>										
<b>Operating Activities</b>										
Profit from Operations	₹ 2,051.00	₹ 2,271.00	₹ 2,848.00	₹ 3,056.00	₹ 3,274.00	₹ 3,861.00	₹ 4,380.00	₹ 4,970.00	₹ 4,957.00	₹ 6,460.00
Receivables	(₹ 254.00)	(₹ 155.00)	(₹ 146.00)	(₹ 475.00)	(₹ 483.00)	(₹ 205.00)	₹ 160.00	(₹ 849.00)	(₹ 1,326.00)	(₹ 834.00)
Inventory	(₹ 231.00)	(₹ 144.00)	₹ 202.00	(₹ 629.00)	(₹ 39.00)	(₹ 492.00)	(₹ 251.00)	(₹ 409.00)	(₹ 2,354.00)	(₹ 56.00)
Payables	₹ 317.00	(₹ 151.00)	₹ 142.00	₹ 501.00	₹ 442.00	₹ 287.00	(₹ 241.00)	₹ 1,143.00	₹ 644.00	(₹ 539.00)
Other WC items	-	-	-	-	-	-	-	(₹ 92.00)	₹ 242.00	₹ 657.00
Working Capital changes	(₹ 168.00)	(₹ 450.00)	₹ 198.00	(₹ 603.00)	(₹ 80.00)	(₹ 410.00)	(₹ 331.00)	(₹ 206.00)	(₹ 2,795.00)	(₹ 772.00)
Direct Taxes	(₹ 480.00)	(₹ 633.00)	(₹ 802.00)	(₹ 925.00)	(₹ 1,081.00)	(₹ 982.00)	(₹ 1,011.00)	(₹ 1,080.00)	(₹ 1,176.00)	(₹ 1,494.00)
Exceptional CF items	-	-	-	-	-	-	-	-	-	-
<b>Cash from Operating activities</b>	<b>₹ 1,235.00</b>	<b>₹ 738.00</b>	<b>₹ 2,442.00</b>	<b>₹ 925.00</b>	<b>₹ 2,033.00</b>	<b>₹ 2,059.00</b>	<b>₹ 2,706.00</b>	<b>₹ 3,477.00</b>	<b>(₹ 1,808.00)</b>	<b>₹ 3,422.00</b>
<b>Investing Activities</b>										
Fixed assets purchased	(₹ 251.00)	(₹ 454.00)	(₹ 817.00)	(₹ 684.00)	(₹ 1,426.00)	(₹ 1,151.00)	(₹ 404.00)	(₹ 282.00)	(₹ 551.00)	(₹ 1,446.00)
Fixed assets sold	₹ 16.00	₹ 16.00	₹ 15.00	₹ 17.00	₹ 17.00	₹ 17.00	₹ 37.00	₹ 28.00	₹ 40.00	₹ 26.00
Investments purchased	(₹ 872.00)	(₹ 243.00)	(₹ 282.00)	(₹ 153.00)	(₹ 320.00)	(₹ 573.00)	(₹ 25.00)	(₹ 140.00)	-	(₹ 146.00)
Investments sold	₹ 463.00	₹ 278.00	₹ 205.00	₹ 357.00	₹ 362.00	₹ 733.00	₹ 134.00	₹ 272.00	₹ 207.00	₹ 446.00
Interest received	₹ 14.00	₹ 11.00	₹ 15.00	₹ 32.00	₹ 39.00	₹ 40.00	₹ 65.00	₹ 73.00	₹ 77.00	₹ 87.00
Dividends received	₹ 65.00	₹ 71.00	₹ 69.00	₹ 74.00	₹ 38.00	₹ 40.00	₹ 27.00	₹ 8.00	₹ 15.00	₹ 56.00
Investment in group cos	-	-	-	-	-	-	-	-	-	(₹ 180.00)
Redemp n Canc of Shares	-	-	-	-	₹ 141.00	-	-	-	-	-
Acquisition of companies	-	-	-	-	(₹ 525.00)	-	-	-	-	-
Other investing items	(₹ 21.00)	(₹ 144.00)	(₹ 70.00)	(₹ 324.00)	₹ 118.00	(₹ 24.00)	(₹ 353.00)	(₹ 500.00)	(₹ 105.00)	(₹ 126.00)
<b>Cash from Investing activities</b>	<b>(₹ 565.00)</b>	<b>(₹ 321.00)</b>	<b>(₹ 795.00)</b>	<b>(₹ 357.00)</b>	<b>(₹ 1,674.00)</b>	<b>(₹ 894.00)</b>	<b>(₹ 166.00)</b>	<b>(₹ 41.00)</b>	<b>(₹ 212.00)</b>	<b>(₹ 1,157.00)</b>
<b>Financing Activities</b>										
Proceeds from borrowings	₹ 44.00	₹ 239.00	₹ 8.00	₹ 271.00	₹ 10.00	₹ 243.00	₹ 18.00	₹ 155.00	₹ 418.00	₹ 254.00
Repayment of borrowings	(₹ 81.00)	(₹ 86.00)	(₹ 119.00)	(₹ 58.00)	(₹ 54.00)	(₹ 26.00)	(₹ 279.00)	(₹ 14.00)	(₹ 8.00)	(₹ 25.00)
Interest paid fin	(₹ 42.00)	(₹ 35.00)	(₹ 40.00)	(₹ 36.00)	(₹ 35.00)	(₹ 106.00)	(₹ 101.00)	(₹ 89.00)	(₹ 94.00)	(₹ 142.00)
Dividends paid	(₹ 547.00)	(₹ 695.00)	(₹ 764.00)	(₹ 947.00)	(₹ 1,218.00)	(₹ 1,049.00)	(₹ 2,121.00)	(₹ 499.00)	(₹ 1,763.00)	(₹ 1,936.00)
Financial liabilities	-	-	-	-	-	(₹ 180.00)	(₹ 179.00)	(₹ 203.00)	(₹ 221.00)	(₹ 256.00)
Other financing items	-	-	₹ 66.00	₹ 13.00	(₹ 82.00)	-	(₹ 209.00)	-	(₹ 140.00)	(₹ 36.00)
<b>Cash from Financing activities</b>	<b>(₹ 626.00)</b>	<b>(₹ 577.00)</b>	<b>(₹ 849.00)</b>	<b>(₹ 757.00)</b>	<b>(₹ 1,379.00)</b>	<b>(₹ 1,118.00)</b>	<b>(₹ 2,871.00)</b>	<b>(₹ 650.00)</b>	<b>(₹ 1,808.00)</b>	<b>(₹ 2,141.00)</b>
<b>Net Cash Flow</b>	<b>₹ 44.00</b>	<b>(₹ 160.00)</b>	<b>₹ 798.00</b>	<b>(₹ 189.00)</b>	<b>(₹ 1,020.00)</b>	<b>₹ 47.00</b>	<b>(₹ 331.00)</b>	<b>₹ 2,786.00</b>	<b>(₹ 3,828.00)</b>	<b>₹ 124.00</b>

Years	Ratio Analysis - ASIAN PAINTS LTD								Trend	Mean	Median
	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23			
SalesGrowth	4.82%	5.54%	11.70%	14.36%	5.05%	7.43%	34.03%	18.51%		12.68%	9.57%
EBITDA Growth	21.50%	9.86%	7.02%	17.51%	10.41%	16.81%	-1.07%	30.32%		14.04%	13.61%
EBIT Growth	23.90%	8.55%	6.94%	10.52%	7.43%	20.38%	-1.90%	35.48%		13.91%	9.54%
Net Profit Growth	21.07%	7.87%	4.93%	9.83%	25.07%	18.85%	-3.00%	34.96%		14.95%	14.34%
Dividend Growth	22.95%	37.33%	-15.53%	20.69%	14.29%	48.75%	7.28%	33.94%		21.21%	21.82%
Gross Margin	34.04%	35.38%	33.47%	32.92%	34.90%	35.36%	29.25%	31.09%		33.30%	33.75%
EBITDA Margin	19.09%	19.88%	19.04%	19.57%	20.57%	22.36%	16.51%	18.15%		19.40%	19.33%
EBIT Margin	17.16%	17.65%	16.90%	16.33%	16.71%	18.72%	13.70%	15.66%		16.61%	16.80%
EBT Margin	16.82%	17.41%	16.65%	15.76%	16.20%	18.30%	13.37%	15.24%		16.22%	16.43%
Net Profit Margin	10.90%	11.14%	10.47%	10.05%	11.97%	13.24%	9.58%	10.91%		11.03%	10.91%
SalesExpense % Sales	14.94%	15.51%	14.42%	13.35%	14.33%	13.00%	12.74%	12.94%		13.90%	13.84%
Depreciation % Sales	1.93%	2.22%	2.14%	3.23%	3.86%	3.64%	2.81%	2.49%		2.79%	2.65%
Operating Income % Sales	17.16%	17.65%	16.90%	16.33%	16.71%	18.72%	13.70%	15.66%		16.61%	16.80%
Return on Capital Employed	35.77%	32.57%	31.79%	29.13%	30.02%	29.24%	25.89%	30.14%		30.57%	30.08%
Retained Earnings %	53.77%	41.13%	52.62%	47.93%	52.42%	40.45%	34.14%	34.63%		44.64%	44.53%
Return on Equity %	23.85%	22.07%	20.94%	20.42%	23.88%	22.45%	20.19%	23.54%		22.17%	22.26%
Self Sustained Growth Rate	12.82%	9.08%	11.02%	9.79%	12.52%	9.08%	6.89%	8.15%		9.92%	9.44%
Interest Coverage Ratio	49.99x	71.23x	68.57x	28.45x	32.99x	44.36x	41.79x	37.40x		46.85x	43.07x
Debtor Turnover Ratio	12.02x	10.41x	9.72x	10.09x	11.26x	8.34x	7.52x	7.44x		9.60x	9.90x
Creditor Turnover Ratio	3.85x	3.55x	3.49x	3.52x	4.13x	3.36x	3.85x	4.39x		3.77x	3.70x
Inventory Turnover Ratio	7.14x	5.73x	6.33x	6.11x	5.96x	5.72x	4.73x	5.55x		5.91x	5.85x
Fixed Asset Turnover	4.18x	4.56x	4.51x	2.96x	3.22x	3.71x	5.27x	5.98x		4.30x	4.34x
Capital Asset Turnover	2.19x	1.98x	2.00x	2.03x	2.00x	1.70x	2.11x	2.16x		2.02x	2.02x
Debtor Days	30 days	35 days	38 days	36 days	32 days	44 days	49 days	49 days		39 days	37 days
Payable Days	95 days	103 days	105 days	104 days	88 days	109 days	95 days	83 days		98 days	99 days
Inventory Days	51 days	64 days	58 days	60 days	61 days	64 days	77 days	66 days		63 days	62 days
Cash Conversion Cycle	-13 days	-4 days	-9 days	-8 days	5 days	-1 days	31 days	32 days		4 days	-2 days
CFO/Sales	15.72%	10.14%	12.56%	12.84%	15.03%	16.96%	3.39%	12.16%		12.35%	12.70%
CFO/TotalAsset	21.24%	12.31%	15.36%	15.20%	18.83%	18.10%	4.30%	16.27%		15.20%	15.81%
CFO/TotalDebt	693.79%	272.57%	396.20%	187.14%	271.63%	336.96%	62.17%	216.98%		304.68%	272.10%

### Common Size Income Statement - ASIAN PAINTS LTD

Particulars	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
<b>Sales</b>	<b>100.00%</b>								
Raw Material Cost	50.49%	46.03%	49.48%	48.31%	51.84%	49.39%	48.02%	58.84%	55.05%
Change in Inventory	1.09%	-1.40%	3.51%	-0.84%	1.52%	1.18%	0.43%	4.55%	0.90%
Power and Fuel	0.96%	0.80%	0.70%	0.66%	0.62%	0.48%	0.40%	0.40%	0.40%
Other Mfr. Exp	11.05%	10.76%	11.04%	10.05%	9.68%	9.63%	9.53%	9.90%	8.46%
Employee Cost	6.88%	6.97%	6.90%	6.67%	6.46%	6.78%	7.13%	6.17%	5.90%
Selling and admin	24.62%	27.41%	28.97%	13.40%	12.30%	11.44%	10.34%	10.11%	10.15%
Other Expenses	-9.39%	-12.47%	-13.47%	1.02%	1.05%	2.89%	2.65%	2.63%	2.79%
Other Income	1.04%	1.50%	2.24%	2.00%	1.42%	1.76%	1.53%	1.02%	1.25%
Depreciation	1.95%	1.93%	2.22%	2.14%	3.23%	3.86%	3.64%	2.81%	2.49%
Interest	0.31%	0.34%	0.25%	0.25%	0.57%	0.51%	0.42%	0.33%	0.42%
Profit before tax	15.25%	18.32%	19.65%	18.65%	17.18%	17.96%	19.82%	14.39%	16.49%
Tax	4.77%	5.92%	6.26%	6.19%	5.71%	4.23%	5.06%	3.79%	4.33%
Net profit	10.25%	12.23%	12.88%	12.12%	11.21%	13.38%	14.46%	10.41%	11.91%
Dividend Amount	4.30%	5.04%	6.56%	4.96%	5.23%	5.70%	7.89%	6.31%	7.13%
EBITDA	16.47%	19.09%	19.88%	19.04%	19.57%	20.57%	22.36%	16.51%	0.00%

### Common Size Balance Sheet - ASIAN PAINTS LTD

Particulars	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
<b>Total Liabilities</b>	<b>100%</b>								
Equity Share Capital	1.08%	0.91%	0.77%	0.70%	0.59%	0.59%	0.47%	0.42%	0.37%
Reserves	52.12%	60.89%	60.52%	60.41%	57.69%	62.18%	62.44%	59.74%	61.66%
Borrowings	4.69%	3.06%	4.52%	3.88%	8.12%	6.93%	5.37%	6.91%	7.50%
Other Liabilities	42.11%	35.14%	34.19%	35.02%	33.59%	30.30%	31.72%	32.93%	30.47%
<b>Total Assets</b>	<b>100%</b>								
Net Block	29.84%	32.35%	26.63%	27.12%	39.98%	38.87%	28.78%	24.04%	22.38%
Capital Work in Progress	2.20%	1.01%	2.08%	10.21%	1.29%	0.87%	0.90%	1.86%	3.96%
Investments	17.81%	25.69%	21.38%	15.55%	15.81%	12.51%	23.27%	14.15%	16.53%
Other Assets	9.26%	6.77%	10.62%	12.29%	9.06%	10.77%	12.60%	12.53%	11.78%
Receivables	13.26%	11.24%	11.66%	12.57%	11.74%	11.12%	12.78%	16.86%	17.99%
Inventory	25.34%	18.92%	21.18%	19.31%	19.39%	21.01%	18.66%	26.80%	24.09%
Cash & Bank	2.29%	4.02%	6.46%	2.94%	2.74%	4.85%	3.00%	3.76%	3.27%

## Weighted Average Cost of Capital

All figures are in INR unless stated otherwise

### Peer Comps

Name of the Company	Country	Total Debt	Total Equity	Tax Rate	Debt/ Equity	Debt/ Capital	Levered Beta <sup>2</sup>	Unlevered Beta <sup>3</sup>
Asian Paints	India	1932.6	321163.4	30.00%	0.60%	0.60%	0.99	0.98
Berger Paints	India	1189.0	65585.6	30.00%	1.81%	1.78%	0.84	0.83
Kansai Nerolac	India	160.0	24625.9	30.00%	0.65%	0.65%	0.84	0.84
Akzo Nobel	India	69.7	11096.8	30.00%	0.63%	0.62%	0.86	0.86
Indigo Paints	India	11.9	6781.3	30.00%	0.17%	0.17%	0.82	0.82
			<b>Average</b>	30.00%	0.77%	0.76%	0.87	0.87
			<b>Median</b>	30.00%	0.63%	0.62%	0.84	0.84

### Cost of Debt

Pre-Tax Cost of Debt	6.01%
Tax Rate	30.00%
Post-Tax Cost of Debt	4.21%

### Cost of Equity

Risk Free Rate	7.07%
Equity Risk Premium	9.70%
Levered Beta <sup>4</sup>	0.84
Cost of Equity	15.23%

### Capital Structure

		Current	Target
Total Debt	1932.6	0.60%	0.76%
Market Capitalization	321163.4	99.40%	99.24%
Total Capital	323096.0	100.00%	100.00%
Debt/Equity		0.60%	0.77%

### Levered Beta

Comps Median Unlevered Beta	0.84
Target Debt/Equity	0.77%
Tax Rate	30.00%
Levered Beta	0.84

### Weighted Average Cost of Capital

Cost of Equity	15.23%
Equity Weight	99.24%
Cost of Debt	4.21%
Debt Weight	0.76%
<b>WACC</b>	<b>15.14%</b>

Notes:

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-TaxRate)\*(Debt/Equity))

4. Levered Beta = Unlevered Beta\*(1+(1-TaxRate)\*(Debt/Equity))

Intrinsic Growth					
Calculation of ROIC	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
<b>Current Assets</b>					
Inventories	3,150.0	3,390.0	3,799.0	6,153.0	6,211.0
Trade Receivables	1,907.0	1,795.0	2,602.0	3,871.0	4,637.0
Short Term Loans	16.0	12.0	11.0	8.0	12.0
Other Asset Items	1,456.0	1,727.0	2,555.0	2,869.0	3,024.0
<b>Total Current Assets</b>	<b>6,529.0</b>	<b>6,924.0</b>	<b>8,967.0</b>	<b>12,901.0</b>	<b>13,884.0</b>
<b>Current Liabilities</b>					
Trade Payables	2,394.0	2,137.0	3,379.0	4,164.0	3,635.0
Advance from Customers	13.0	29.0	41.0	76.0	108.0
Other liability items	2,690.0	2,320.0	2,613.0	2,932.0	3,657.0
<b>Total Current Liabilities</b>	<b>5,097.0</b>	<b>4,486.0</b>	<b>6,033.0</b>	<b>7,172.0</b>	<b>7,400.0</b>
<b>Net Working Capital</b>	<b>1,432.0</b>	<b>2,438.0</b>	<b>2,934.0</b>	<b>5,729.0</b>	<b>6,484.0</b>
<b>Non Current Assets</b>					
Land	605.0	640.0	644.0	644.0	799.0
Building	2,402.0	2,257.0	2,249.0	2,325.0	2,617.0
Plant Machinery	4,006.0	4,208.0	4,340.0	4,531.0	4,825.0
Computers	221.0	241.0	243.0	253.0	270.0
Furniture n fittings	88.0	94.0	99.0	113.0	146.0
Vehicles	47.0	43.0	38.0	32.0	30.0
Intangible Assets	512.0	505.0	476.0	345.0	330.0
Other fixed assets	261.0	293.0	302.0	294.0	289.0
<b>Gross Block</b>	<b>8,142.0</b>	<b>8,281.0</b>	<b>8,391.0</b>	<b>8,537.0</b>	<b>9,306.0</b>
Accumulated Depreciation	(1,592.0)	(2,010.0)	(2,533.0)	(3,019.0)	(3,536.0)
<b>Net Non-Current Assets</b>	<b>6,550.0</b>	<b>6,271.0</b>	<b>5,858.0</b>	<b>5,518.0</b>	<b>5,770.0</b>
<b>Invested Capital</b>	<b>7,982.0</b>	<b>8,709.0</b>	<b>8,792.0</b>	<b>11,247.0</b>	<b>12,254.0</b>
<b>EBIT</b>	<b>3,142.8</b>	<b>3,376.3</b>	<b>4,064.3</b>	<b>3,987.3</b>	<b>5,401.8</b>
<b>ROIC</b>	<b>39.37%</b>	<b>38.77%</b>	<b>46.23%</b>	<b>35.45%</b>	<b>44.08%</b>

<b>Calculation of Reinvestment Rate</b>	<b>Mar-19</b>	<b>Mar-20</b>	<b>Mar-21</b>	<b>Mar-22</b>	<b>Mar-23</b>
Net Capex	1,134.0	367.0	254.0	511.0	1,420.0
Change in Working Capital		1,006.0	496.0	2,795.0	755.0
EBIT	3,142.8	3,376.3	4,064.3	3,987.3	5,401.8
Marginal Tax Rate	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>
EBIT(1-T)	2,357.1	2,532.2	3,048.2	2,990.4	4,051.4
Reinvestment		1,373.0	750.0	3,306.0	2,175.0
Reinvestment Rate		54.22%	24.60%	110.55%	53.69%

**4-Year Average** 60.77%  
**4-Year Median** 53.95%

<b>Calculation of Growth Rate</b>	<b>Mar-19</b>	<b>Mar-20</b>	<b>Mar-21</b>	<b>Mar-22</b>	<b>Mar-23</b>
Reinvestment Rate	54.22%	24.60%	110.55%	53.69%	
ROIC	38.77%	46.23%	35.45%	44.08%	
<b>Intrinsic Growth</b>	<b>21.02%</b>	<b>11.37%</b>	<b>39.19%</b>	<b>23.67%</b>	

**4-Year Average** 23.81%  
**4-Year Median** 22.34%

## DCF

Calculation of PV of FCFF	Mar-22A	Mar-23A	Mar-24E	Mar-25E	Mar-26E	Mar-27E
EBIT	3,987.3	5,401.8	6,522.9	7,876.7	9,511.4	11,485.4
Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-T)	2,990.4	4,051.4	4,892.2	5,907.5	7,133.5	8,614.0
Less: Reinvestment Rate	53.95%	52.99%	52.03%	51.07%	50.10%	49.14%
Free Cash Flow to Firm (FCFF)	1,377.0	1,904.5	2,346.9	2,890.8	3,559.4	4,381.1
Mid-Year Convention	0.5	1.5	2.5	3.5	4.5	
Discounting factor	0.93	0.81	0.70	0.61	0.53	
PV of FCFF	1,774.9	1,899.5	2,032.0	2,173.0	2,322.9	
Expected Growth	20.75%					
Terminal Growth	6.20%					
WACC	15.14%					

Calculation of Terminal Value	Sensitivity Analysis				
FCFF (n+1)	13.00%	15.14%	17.00%	19.00%	21.00%
WACC	4.00%	41368.5	35381.4	31778.9	28902.0
Terminal Growth Rate	5.00%	45264.3	37864.6	33576.9	30237.7
	6.20%	51451.7	41577.7	36174.1	32116.0
	7.00%	56951.6	44661.2	38251.9	33576.9
<b>Terminal Value</b>	<b>8.00%</b>	<b>66301.5</b>	<b>49487.4</b>	<b>41368.5</b>	<b>35701.9</b>

Calculation of Equity Value	
PV of FCFF	10,202.3
PV of Terminal Value	31,368.1
<b>Value of Operating Asset</b>	<b>41,570.4</b>
Add: Cash	843.8
Less: Debt	972.0
<b>Value of Equity</b>	<b>41,442.2</b>
No. of Shares	95.9
<b>Equity Value per Share</b>	<b>432.1</b>
<b>Share Price</b>	<b>3,350.0</b>
Discount/Premium	6.8x

# ASIAN PAINTS LTD

(ASIANPAINT | BSE Code: 500820)

**INR 3500.00**

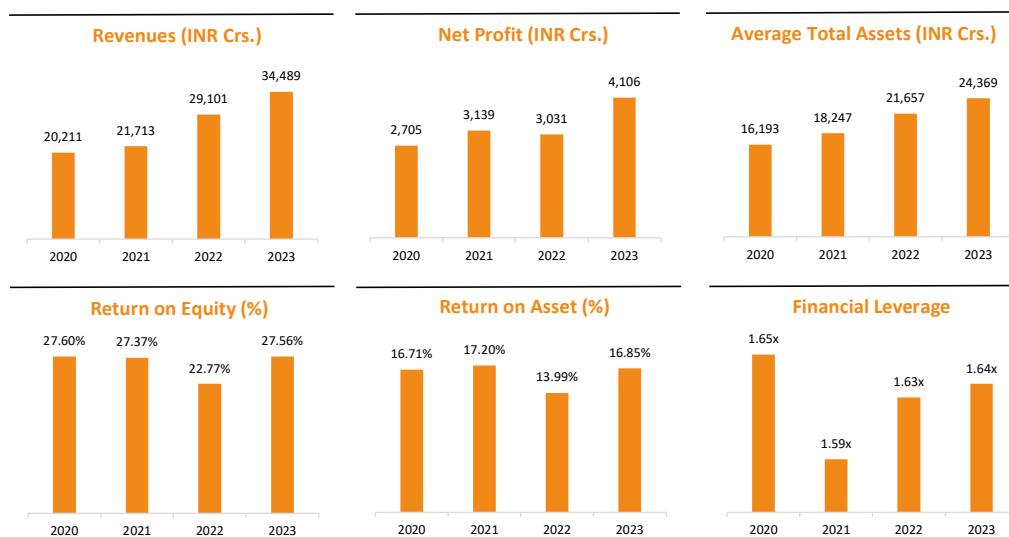
52 Week (High - INR3582.90 & Low-2678.00)



## About the company

Asian Paints Ltd is a leading paint company based in India. Founded in 1942, the company has emerged as one of the largest and most trusted paint manufacturers in the country. Asian Paints offers a wide range of decorative and industrial paints, coatings, and related products. With a focus on innovation, quality, and sustainability, Asian Paints has introduced several pioneering initiatives in the industry. The company's products are known for their vibrant colors, durability, and excellent finish. Asian Paints has a strong distribution network, making its products easily accessible across India and in international markets. As a market leader, Asian Paints continues to set benchmarks in the paint industry through its cutting-edge technology, customer-centric approach, and commitment to environmental stewardship.

## Financial Summary



## Recent Updates

- At the consolidated level, the group achieved growth in revenue from sale of products and services of 18.51% at Rs. 34,489 crores.
- The net profit after tax for the group was higher by 35% at Rs. 4,106 crores.
- Decorative business delivered a volume growth of 14% and a strong value growth of 20% for the year.
- The company launched 22 new products in the architectural paints, waterproofing and adhesives segments.
- During the year, 10 patents were granted to the company, taking the overall count till date to 49 patents.

RETURN on EQUITY (ROE)							
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Net Profit	1939.4	2038.9	2155.9	2705.2	3139.3	3030.6	4106.5
Average Shareholder Equity	7064.4	8007.1	8940.4	9800.4	11468.2	13308.9	14901.9
<b>RETURN on EQUITY</b>	<b>27.45%</b>	<b>25.46%</b>	<b>24.11%</b>	<b>27.60%</b>	<b>27.37%</b>	<b>22.77%</b>	<b>27.56%</b>
ROE - Dupont Analysis							
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Net Profit	1939.4	2038.9	2155.9	2705.2	3139.3	3030.6	4106.5
Revenue	15062.0	16824.6	19240.1	20211.3	21712.8	29101.3	34488.6
<b>Net Profit Margin (A)</b>	<b>12.88%</b>	<b>12.12%</b>	<b>11.21%</b>	<b>13.38%</b>	<b>14.46%</b>	<b>10.41%</b>	<b>11.91%</b>
Revenue	15062.0	16824.6	19240.1	20211.3	21712.8	29101.3	34488.6
Average Total Asset	11482.1	13084.3	15006.2	16193.4	18246.7	21656.9	24368.9
<b>Asset Turnover Ratio (B)</b>	<b>1.31x</b>	<b>1.29x</b>	<b>1.28x</b>	<b>1.25x</b>	<b>1.19x</b>	<b>1.34x</b>	<b>1.42x</b>
Average Total Asset	11482.1	13084.3	15006.2	16193.4	18246.7	21656.9	24368.9
Average Shareholder Equity	7064.4	8007.1	8940.4	9800.4	11468.2	13308.9	14901.9
<b>Equity Multiplier (C)</b>	<b>1.63x</b>	<b>1.63x</b>	<b>1.68x</b>	<b>1.65x</b>	<b>1.59x</b>	<b>1.63x</b>	<b>1.64x</b>
<b>Return on Equity (A*B*C)</b>	<b>27.45%</b>	<b>25.46%</b>	<b>24.11%</b>	<b>27.60%</b>	<b>27.37%</b>	<b>22.77%</b>	<b>27.56%</b>
RETURN on ASSET							
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Net Profit	1939.4	2038.9	2155.9	2705.2	3139.3	3030.6	4106.5
Average Total Asset	11482.1	13084.3	15006.2	16193.4	18246.7	21656.9	24368.9
<b>RETURN on ASSET</b>	<b>16.89%</b>	<b>15.58%</b>	<b>14.37%</b>	<b>16.71%</b>	<b>17.20%</b>	<b>13.99%</b>	<b>16.85%</b>
ROA - Dupont Equation							
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Net Profit	1939.4	2038.9	2155.9	2705.2	3139.3	3030.6	4106.5
Revenue	15062.0	16824.6	19240.1	20211.3	21712.8	29101.3	34488.6
<b>Net Profit Margin (A)</b>	<b>12.88%</b>	<b>12.12%</b>	<b>11.21%</b>	<b>13.38%</b>	<b>14.46%</b>	<b>10.41%</b>	<b>11.91%</b>
Revenue	15062.0	16824.6	19240.1	20211.3	21712.8	29101.3	34488.6
Average Total Asset	11482.1	13084.3	15006.2	16193.4	18246.7	21656.9	24368.9
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<b>Return on Asset (A*B)</b>	<b>16.89%</b>	<b>15.58%</b>	<b>14.37%</b>	<b>16.71%</b>	<b>17.20%</b>	<b>13.99%</b>	<b>16.85%</b>

#### Dupont Summary

- ROE of Asian Paints has been fairly stable at around 27% with a decrease to 22.77% in FY22.
- The company's net profit margin increase during the covid period to a maximum of 14.46% in FY21 but since then has decreased and is now standing at 11.91%.
- Asset turnover ratio decreased during the pandemic but is now standing at 1.42x, higher than pre-pandemic levels.
- Company's financial leverage is constantly maintained throughout the period.
- The decrease in net margins and increase financial leverage are the factors behind stable ROE except in FY22 where there was steep decline in net margins from 14.16% in FY21 to 10.41% in FY22.