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APL/SEC/26/2024-25/30

25<sup>th</sup> June 2024

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
Security Code: 500820

National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400 051  
Symbol: ASIANPAINT

Sir/Madam,

**Sub: Chairman's Speech at the 78<sup>th</sup> Annual General Meeting of the Company**

The 78<sup>th</sup> Annual General Meeting (“AGM”) of the Company was held today, i.e., Tuesday, 25<sup>th</sup> June 2024 through video conference. Please find enclosed the speech delivered by Mr. R Seshasayee, Chairman of the Company, at the AGM.

You are requested to take the above information on record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

**R J JEYAMURUGAN**  
**CFO & COMPANY SECRETARY**

Encl.: As above



# 78<sup>TH</sup> ANNUAL GENERAL MEETING 2024

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Dear Shareholders,

It is my pleasure to address all of you today at the 78<sup>th</sup> Annual General Meeting of your Company.

The year gone by saw bouts of market volatility and geopolitical instability with the backdrop of continued conflict in Ukraine and renewed escalations in the Middle East. Globally, inflation remained above targeted norms, despite moderating from the previous year's highs and hence preventing the anticipated easing of monetary policies in major economies.



Amidst this challenging business environment, your Company relentlessly pursued its goals, innovating across critical elements of its business and driving volumes across all segments. The year saw some tapering down of the consumption demand post-COVID due to the continued effect of high inflation, especially in rural areas. This led to revenue growth trajectory moderating to single digits – for the industry as well as for us. Also, we continued to focus on smart economy products, undercoats and waterproofing to deliver a strong double digit volume growth for the year. On a medium-term basis, we maintained our double-digit revenue value and volume growth trajectory delivering mid teen compounded growth rates. We also delivered strong profit growth for the year despite subdued revenue growth. Moderating raw material prices and our diligent efforts in pursuing formulation efficiencies provided a healthy cushion to our margins. We took this opportunity to pass on some of these benefits to our consumers and support the consumption demand.





At the standalone level, your Company reported growth of 2.6% in revenue from sale of products and services at Rs. 30,728 crores. The profit before tax increased by a strong 27.6% to Rs. 7,005 crores and the profit after tax for the year increased by 29.8% to Rs. 5,322 crores.

At the consolidated level, the group achieved growth in revenue from sale of products and services of 3.0% at Rs. 35,382 crores. The consolidated profit before exceptional items and tax grew by 28.1% to Rs. 7,348 crores for the financial year. The net profit after tax for the group was higher by 32.5% at Rs. 5,558 crores.

The Board of Directors have recommended payment of Rs. 28.15 per equity share as the final dividend for the financial year 2023-24. This is in addition to the interim dividend of Rs. 5.15 per equity share which was paid in the month of November 2023. If approved, the total dividend for the financial year 2023-24 will be Rs. 33.3 against Rs. 25.65 per equity share paid for the previous financial year, an increase of about 30%. With this recommendation, dividend pay-out for the year will be at 60%. I would request all shareholders to approve the recommended final dividend for the financial year 2023-24.



I would now like to take you through the key business highlights of the last financial year. Our Decorative business delivered a volume growth of 9% and value growth of 3% for the year. Price cuts implemented in the second half of the year had an impact on the value growth. Both our Luxury and Economy range of products grew well. Our focus to widen the organised market and strengthen our foray into the bottom of the pyramid segment delivered results as seen in the increased portion of Economy products in our mix. However, our premium products grew at a slower clip impacted by the price increases taken in previous years to tackle unprecedented raw material inflation. With price moderation at play, this segment is likely to see some bounce back going forward.

Our Projects and Institutional business maintained a robust growth trajectory, supported by builders, factories, and the government sector. Our approach of looking at customer requirements holistically, across all product categories, and our commitment to provide products as per varied requirements, have positioned us as the largest player in this segment.



Further, our presence here has been significantly strengthened by our expanding range of offerings in the waterproofing and construction chemicals segment.

Our distribution footprint, the largest in the industry, saw a further expansion in the year, to over 1.6 Lakhs retail touchpoints and the addition of a substantial number of Colour World tinting machines. As we consistently augment our network strength, a majority of our associations have been maintained across generations of dealer families. These relationships have only become stronger with time as we have built on our supply chain capabilities ensuring efficient and industry-best servicing levels for our entire network. Training and upskilling the contractor community has also ensured that we live up to our commitment to delivering a superior experience to our customers.





The year saw significant progress in our evolution from 'share of surface' to 'share of space'. In FY 2023-24, our revenue contribution from the home décor space was at approximately 4% of our Decorative revenues. We are committed to growing exponentially as we move forward to our next goal to make this business about 8 to 10% of our overall Decorative business in the next 3 to 4 years. Complementing our Decorative Coatings' product offerings, this segment has made Asian Paints a key partner in our customers' home décor journey to create their 'Beautiful Home'. We are the country's leading integrated home décor player, offering a unique 'Phygital' experience to our customers through our omnichannel presence. Our network of 60 + Beautiful Homes Stores and Studios across 45 cities allows our customers to experience all our products and services under one roof.

We continued to invest in the saliency of our brand 'Asian Paints' during the year. We have been constantly reinforcing our 'Har Ghar Kuch Kehta Hai' proposition. Our campaign 'Where the Heart is', connects us to millions of people across the country. We have also boosted our digital marketing initiatives.







Our collaboration with St+art India Foundation to democratize art and transform urban landscapes in India has also been impactful. We are truly proud of the 7 art districts and 450+ murals that had a meaningful imprint on communities across the country. This year, on World Braille Day, we aligned with them to create a one-of-a-kind tactile museum that made art accessible to the visually impaired. This event was a milestone for our coatings brand, setting a precedent for inclusive initiatives.

Innovation has always been one of the key pillars of our success. Over the last 4 years, we have introduced 120+ new products, with chemistries and features that are unique in the market. During this time, we have filed for 85+ patents, of which, 60 have been granted and about 50% of these are commercialized. In FY 2023-24, new products contributed to over 11% of our revenue.

Both our Industrial businesses have registered double-digit revenue growth and improved profit margins in the year. Growth in our Automotive Industrial Coatings business was driven by the automotive segment as well as the refinish space. The Non-Automotive Industrial Coatings business has doubled in 3 years, driven by exceptional growth in the Protective and Powder Coatings space. Our partnership with PPG Industries Inc., USA across both these businesses has enabled sales of differentiated and technology-driven product solutions thus making inroads in key sectors.



Progress in our International Business was constrained due to several extraneous issues. In South Asia, macroeconomic challenges continued to impact Bangladesh and the liquidity crunch triggered softer sales in Nepal. At the same time, stabilizing economic conditions supported recovery in Sri Lanka. The Middle East market grew well both on the retail and project side, supported by robust new product introduction work. Our waterproofing and painting services across markets have given us a strong edge and will continue to strengthen our performance in the international markets as we look at enhancing our brand presence in these markets.

We have always taken pride in the way we operate our businesses sustainably, with ESG being a critical element of designing all our processes. We continued to advance our commitments on ESG during the year. Our renewable energy consumption is now at 65.8% of our total electricity consumption at our decorative paint manufacturing locations. On the water consumption front, we have been water-neutral for some time now. This year, we replenished 3.9x of our freshwater consumption through various initiatives in water harvesting, water regeneration and educating local communities. The health and safety of the communities around our manufacturing locations is of utmost importance to us. We impacted and touched the lives of more than 3.53 Lakhs people through our various health initiatives. Our commitment to disclosures, ethical business practices, impartiality and mutual trust, has enabled us to emerge as a leading company for over 50 years.



As we look ahead, we are seeing the competitive environment evolve with new set of entrants in the fray. This would demand a continued and deeper effort from our side to maintain our 'preferred brand' and market leadership status. Innovation has been a key pillar of our success and we remain focused on bringing innovative ideas and new value propositions to life for our customers. Some of our strategic investments such as our backward integration project to establish manufacturing capabilities for the VAE emulsion – a next generation, environment friendly emulsion will also provide us with a sustainable competitive edge and cost advantage in the future. In the face of the unfolding competitive landscape, we will maintain our consumer focus, keeping their interests at the forefront, as we have been doing for decades.

In the medium term, volatility in the macroeconomic environment is expected to continue as concerns over political transitions rise, particularly in Asia-Pacific, Europe, and North America. India remains well-poised to deliver strong economic growth and its strong correlation with the domestic paint industry will ensure that we continue to grow well.

Over the past few decades, our Company has created tremendous value for all, and I remain confident that we will continue to do so in the future as well. I look forward to your continued support in this pursuit.

