



Asian Paints Limited
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APL/SEC/32/2023-24/29

27th June, 2023

BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Fort, Mumbai – 400 001
Scrip Code: 500820

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
Block G, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051
Symbol: ASIANPAINT

Sir/Madam,

Sub: 77th Annual General Meeting of the Company

The 77th Annual General Meeting (“AGM”) of the Company was held today, i.e. Tuesday, 27th June, 2023. Please find enclosed the speech delivered by Mr. Deepak Satwalekar, Chairman of the Company, at the AGM.

You are requested to kindly take the above information on record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

R J JEYAMURUGAN
CFO & COMPANY SECRETARY

Encl.: As above

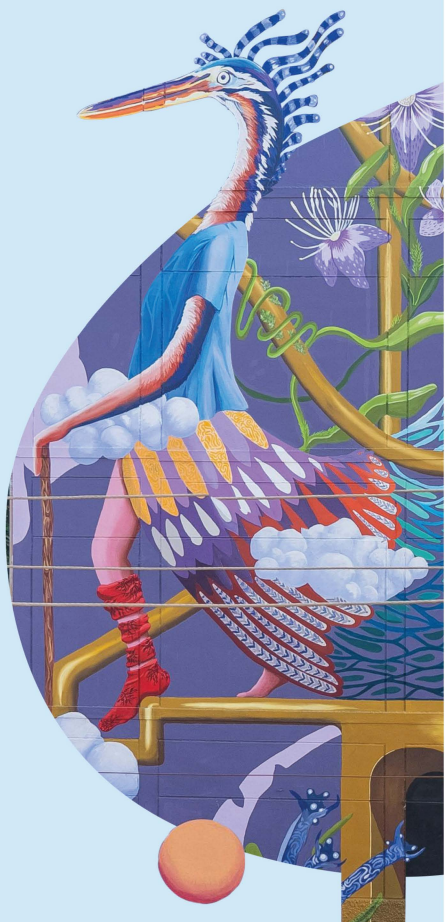




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77th Annual General Meeting

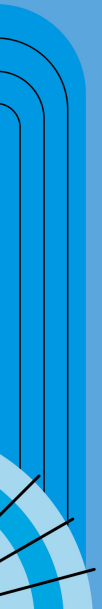
27th June, 2023






Dear Shareholders,

The past year has seen significant challenges. While widespread concerns around Covid-19 were on the backburner, uncertainties and challenges persisted. The ongoing war in Europe and the persistent inflationary trend impacted economic activities across countries. The economic uncertainty was further heightened with the steep monetary policy rate hikes across advanced and emerging economies.



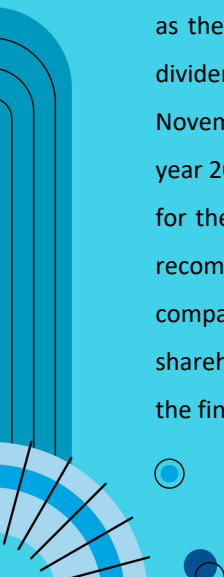
Amid this unprecedented inflationary and dynamic demand environment, our management team continued to execute its business plans and made progress on driving sustainable growth. I feel proud to state that your Company has reported yet another year of stellar performance delivering on our promise of industry-beating growth. We launched new customer propositions and innovations across segments which helped us galvanize overall demand. We also implemented some calibrated and gradual price hikes which helped us protect our margins and also support the overall demand sentiment. Towards the latter half of the year, we started seeing some softening in raw material prices. This coupled with work on cost efficiencies and formulations ensured that we were able to drive a recovery in our profit margins in the second half of the year.

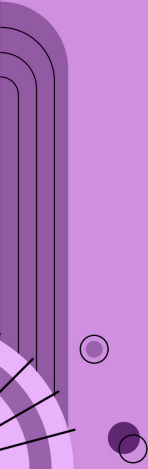


At standalone level, your Company reported growth of 19.8% in revenue from sale of products and services at Rs. 29,953 crores. Despite the inflationary environment, the profit before exceptional items and tax increased by 29.2% to Rs. 5,490 crores and the profit after tax and exceptional items for the year increased by 30.8% to Rs. 4,100 crores.


At the consolidated level, the group achieved growth in revenue from sale of products and services of 18.8% at Rs. 34,368 crores. The consolidated profit before exceptional items and tax grew by 33.3% to Rs. 5,738 crores for the financial year. The net profit after tax for the group was higher by 36% at Rs. 4,195 crores.

Considering the financial performance for the year, the Board of Directors have recommended payment of Rs. 21.25 per equity share as the final dividend for the year. This is in addition to the interim dividend of Rs. 4.40 per equity share which was paid in the month of November, 2022. If approved, the total dividend for the financial year 2022-23 will be Rs. 25.65 against Rs. 19.15 per equity share paid for the previous financial year, an increase of about 34%. With this recommendation, dividend pay-out for the year will be at 60% as compared to 58.6% for the previous year. I would request all shareholders to approve the recommended final dividend for the financial year 2022-23.





Moving ahead, I would like to take you through the business highlights of the last financial year. We delivered a robust double-digit volume and value growth in the Decorative business. During the year, we took multiple steps to expand the market and also gain from the organized and unorganized segments through our distinct product and service offerings. Our focus on expanding the market and making inroads in the bottom of the pyramid segment resulted in strong growth in the economy range of products. Overall, our decorative business delivered a volume growth of 14% and a strong value growth of 20% for the year. We ended the year with a presence across 1.5 Lakhs retail touchpoints widening our distribution network across smaller cities and towns. Focusing on our core mantra of providing customers with a hassle-free and reliable painting experience, our Safe Painting Service and Trusted Contractor Service, gained further momentum. Addressing lakhs of customers with presence in over 600 towns, we are committed to elevating our service levels and further expanding the reach of these services. Our projects and institutional business maintained its high growth trajectory during the year. Demand was buoyant from the construction and the factory segments, boosted further by the increased Government push on infrastructure.

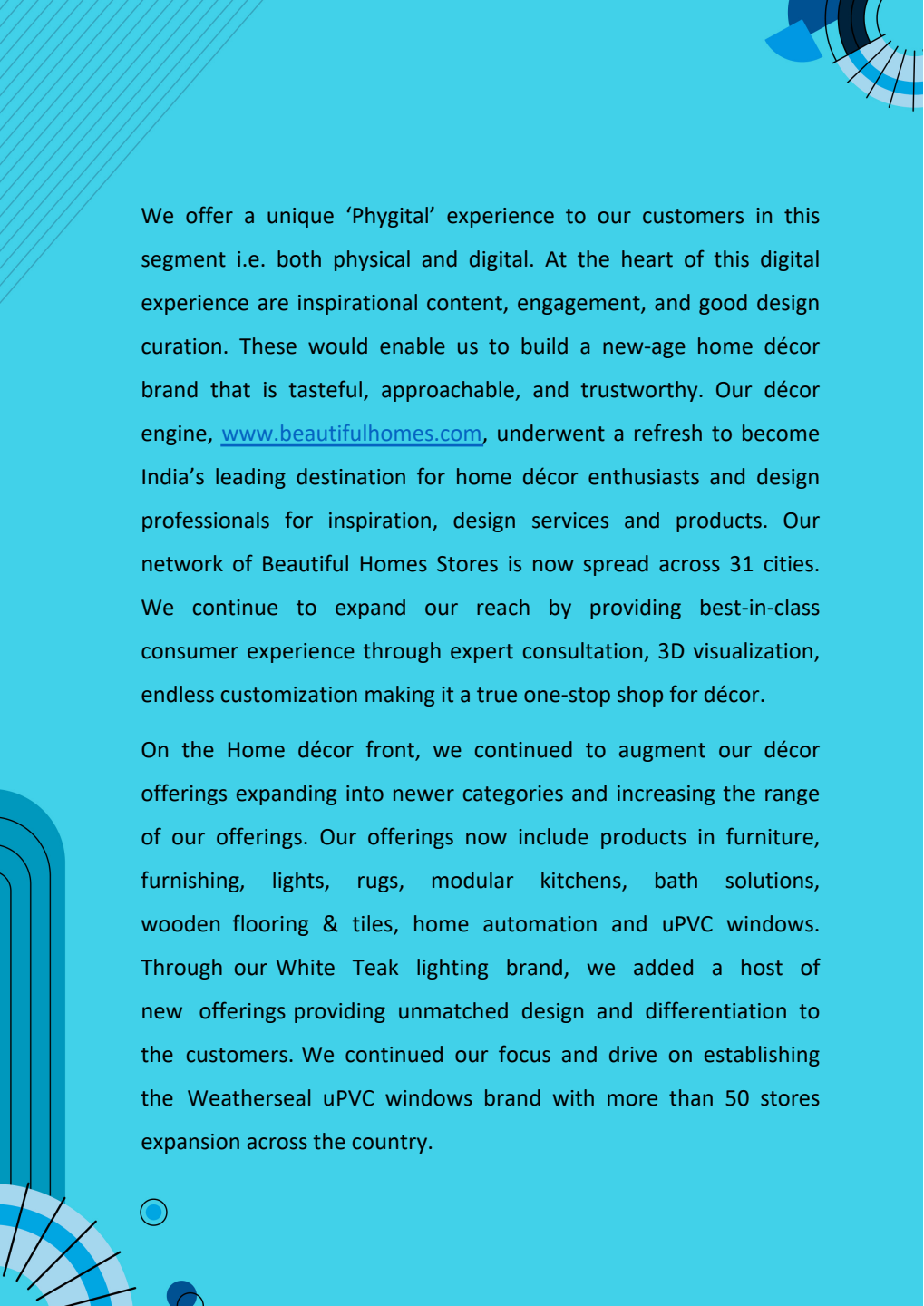


Innovation is the backbone of our Company and the key to our sustained leadership position. We leveraged our technological edge and have made strategic investments to deliver superior, sustainable, and safer products. We launched 22 new products in the architectural paints, waterproofing and adhesives segments. During the year, 10 patents were granted to your Company, taking the overall count till date to 49 patents.




For almost a decade, Asian Paints has collaborated with St+art India Foundation to democratize art and transform urban landscapes in India. Our partnership continued to thrive this year as well. During the year, we embarked on one of our most formidable projects. We joined forces for the Mumbai Urban Art Festival, and you will see more of the wonderful work we accomplished together published in some of the pages of our Annual Report. Our evolution from share of surface to share of space has grown from strength to strength this year. We are moving well on our stated objective to make this business about 8 to 10% of our overall decorative business over the next 3 to 4 years. With its natural synergy with decorative paints business, this segment will make Asian Paints a key partner in our customer's décor life journey in creating 'Beautiful Homes'.





We offer a unique 'Phygital' experience to our customers in this segment i.e. both physical and digital. At the heart of this digital experience are inspirational content, engagement, and good design curation. These would enable us to build a new-age home décor brand that is tasteful, approachable, and trustworthy. Our décor engine, www.beautifulhomes.com, underwent a refresh to become India's leading destination for home décor enthusiasts and design professionals for inspiration, design services and products. Our network of Beautiful Homes Stores is now spread across 31 cities. We continue to expand our reach by providing best-in-class consumer experience through expert consultation, 3D visualization, endless customization making it a true one-stop shop for décor.

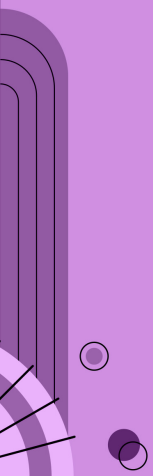
On the Home décor front, we continued to augment our décor offerings expanding into newer categories and increasing the range of our offerings. Our offerings now include products in furniture, furnishing, lights, rugs, modular kitchens, bath solutions, wooden flooring & tiles, home automation and uPVC windows. Through our White Teak lighting brand, we added a host of new offerings providing unmatched design and differentiation to the customers. We continued our focus and drive on establishing the Weatherseal uPVC windows brand with more than 50 stores expansion across the country.




These partnerships have grown and scaled up well over the year benefitting from the integration with our Beautiful Homes Stores and Beautiful Homes Services network.

Our performance in Industrial Coatings has been one of the best in the last decade leveraging our partnership with PPG Industries Inc. of USA. The automotive industrial coatings business benefitted from the recovery in the automotive space and was also supported by the growth in the refinish segment. Our non-automotive industry coatings business grew exceptionally well crossing the Rs. 1,000 crores annual revenue mark. Both the businesses, Automotive and Non-Automotive industrial coatings, also registered improvement in profit margins. Furthermore, we are expanding our technological capabilities and product offerings to address some key infrastructure project requirements.

Against the backdrop of tough economic conditions across South Asia and Africa, our international business has delivered good profits for the year. Overall, the business grew in value terms and to a larger extent in constant currency terms given the currency devaluation in many countries. All geographies grew except for South Asia due to the economic crisis in Sri Lanka and depleted demand conditions in Nepal and Indonesia, especially in the second half of the year. We have registered good gains in our premium & luxury product offerings and the project sales segment across countries.

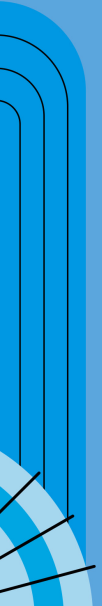





Our foray into waterproofing and painting services will continue to fuel our performance in the international markets.

We have always focused on intertwining our sustainability agenda into the Company's business objectives. Through our commitment to clean energy, renewable energy is now over 62% of our electricity consumption at our manufacturing locations. One of our key achievements is becoming water positive replenishing 3.8 times of our freshwater consumption. Several of our factories were recognized and awarded for their environmental performance be it on our initiatives on water or for our efforts under energy use. We also impacted and touched the lives of over 3.5 Lakh people through our various health initiatives. Employee well-being is paramount to our commitment for sustainable operations and our promise of 'care'. We actively engage in initiatives aimed at promoting positivity, wellness and good health among employees and their families. Our people form the backbone of our organization and are our pride. We will continue to lay focus on their development, health, and well-being, thereby making the organization stronger.


We consider our focus on ESG to be a key driver of long-term value creation for all our stakeholders. This year, we have established and published targets for ourselves through 2030 across all critical areas of ESG. We will annually report progress on these targets to update all stakeholders on our ongoing initiatives.






During the year, we embarked upon certain key strategic steps to enable our next growth milestone. Our prioritized investments will differentiate and further enhance the 'Asian Paints' brand saliency with our customers. We have commenced several initiatives laying out an investment plan of Rs. 8,750 crores across multiple areas. These include capacity expansion, futuristic technology and product capabilities and a host of other initiatives. We believe that all these investments will propel your Company on to its next growth trajectory.

As I look forward, I am certain that this new year and the years ahead will present their own unique set of challenges. But I firmly believe that your Company is well positioned strategically to continue being the partner of choice for our customers. Throughout your Company's legacy, we have seen many changes and overcome several hurdles treating every challenge as an opportunity to evolve. We have always emerged stronger enhancing our brand saliency and pushing ourselves to stay relevant to the emerging customer needs. India is well-poised to deliver strong and consistent economic growth and its high correlation with the domestic paint industry will ensure that the industry will continue to grow well. The industry is seeing elevated interest from many new players which highlights this strong growth potential for the industry.





We believe that this offers enough opportunities for existing and emerging competition to co-exist and thrive. Within the emerging landscape, as a leading Company, we will continue to strive to build on our leadership strength, driving ‘customer centricity’ to propel your Company forward.

I take this opportunity to thank my colleagues on the Board for their wisdom, engagement, and support. I also want to appreciate all our stakeholders for their trust and confidence. We will continue to deliver as we have always, whilst bringing joy to people’s lives.

