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APL/SEC/29/2022-23/15

30th June, 2022

BSE Limited
Corporate Relationship Department
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: **76th Annual General Meeting (AGM) of the Company**

Please find enclosed the speech delivered by Mr. Deepak Satwalekar, Chairman of the Company, at the AGM held on Wednesday, 29th June, 2022.

The recording of the webcast of the AGM has been uploaded on the website of the Company (www.asianpaints.com) and can be accessed through the following link:

[AGM Webcast](#)

This is for your information and record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

R J JEYAMURUGAN
CFO & COMPANY SECRETARY

Encl.: as above



76th Annual General Meeting





Bringing joy
to people's lives[®]



The last couple of years have been affected by heightened unpredictability and disruptions of large magnitude, while also ushering in new opportunities and novel ways to take the business forward. As we meet virtually today amid the recent COVID resurgence and the new normal, it is my pleasure to acknowledge on behalf of the Board that your Company has delivered another year of solid performance even during these volatile times.

The last financial year was a year of recovery from the lows of the earlier pandemic year, a year of renewed optimism in the economy albeit with its own set of challenges, in the form of increasing inflationary pressures and the two waves of COVID 19 variants.

Today, the uncertainty in the environment has again increased, fueled by changing macroeconomic dynamics and geopolitical turbulence. However, amidst these uncertainties, your Company continues to strive forward with a strong growth trajectory under the leadership of Mr. Amit Syngle. During his tenure, Mr. Amit Syngle has delivered exceptional performance in the coatings business, both Industrial and Decorative businesses along with propelling your Company towards becoming a strong Home Décor brand.



I am delighted to mention that the Board has unanimously recommended his re-appointment as Managing Director and CEO of your Company for a further period of five years from 1st April, 2023 to 31st March, 2028. I would request all the shareholders to approve his re – appointment.

Dr. S Sivaram and Mr. M. K. Sharma retired from the Board of Directors of your Company upon completion of their tenure as Independent Directors. Your Company has benefitted greatly from their guidance and the role they have played in further strengthening the governance standards of your Company.

I am delighted to welcome Mr. Milind Sarwate, Independent Director, on the Board and as the Chairman of the Audit Committee. The Board will gain immense value from his rich and diverse industry experience. I take this opportunity to also welcome Ms. Nehal Vakil, Non-Executive Promoter Director, on the Board and look forward to her contribution towards taking your Company ahead.





Moving ahead, I would like to take you through the business highlights of the last financial year. The year saw the onset of the second wave of the pandemic which affected the demand recovery. Our operations however, made a quick recovery, given our learnings from the first wave and through our continuous efforts to raise the customer value proposition across product categories and price points. While inflation headwinds impacted our margins, we took a series of price increases along with cost optimisation measures to mitigate the impact, recovering the margins sequentially over the quarters. Our network penetration initiatives, complemented by brand strength, opened allied avenues of distribution in the markets. Overall, our decorative business delivered a volume growth of 31% and strong value growth of 36% for the year.

With innovation as the bedrock of our strategy, we launched 29 new products across the range, which will become future growth levers. This was led by the launch of Royale Glitz, an ultra-luxury interior emulsion paint providing unrivalled sheen along with exceptional stain removal and anti-burnishing properties. Our continued focus on empowering the customer with product upgradations also gained further traction.






The foray into Smartcare waterproofing solutions continues to garner rich response from the market, given our unique proposition of a complete coatings system. This has strengthened our position in the market, specifically in the institutional business. Our quest for continuous innovation in this range has led to the launch of the revolutionary Smartcare Hydroloc, an unmatched offering that provides best-in-class solutions to problems like dampness and efflorescence.

The collaboration with St+art India Foundation continued to gain strength, pushing forward our goal of altering the urban landscapes while also making art accessible to everyone. In addition to building our brand image, these initiatives have brought the community together by bridging the cultural divide and instilling a sense of belonging.

Our zeal to provide quality experience to our customers during the painting process has resulted in a rapid expansion of our Safe Painting Service which is now available in many towns across the country. This is now augmented by Trusted Contractor Service which has been a gamechanger in our engagement with contractors.






Taking forward our endeavor to evolve from 'share of surface' to 'share of space', we have expanded our Beautiful Homes Stores to 18 cities in India with 29 stores. This footprint enables us to provide 'Décor under one roof' to our customers, offering one-of-its-kind immersive consumer experience.

'Sleek by Asian Paints', our kitchens brand has grown phenomenally well during the year, reporting 55% revenue growth despite the disruptive market environment caused by the pandemic. Sleek today has a strong network of over 250 franchisee owned showrooms that is winning consumer hearts through its unique kitchen solutions along with excellent servicing.

Our bath fittings and sanitaryware business also registered high growth led by network and product expansion initiatives. We launched various bath fitting products under CANVAS and BESPOKE brands, catering innovative and differentiated solutions to a wide spectrum of residential and institutional customers.

Our alignment with 'Pure' brand in the fabrics and furnishing space also made good inroads, strengthened by an expanded network of more than 600 retailers and enriched offerings. Our play in Home Décor is further accentuated through the strategic stake your Company acquired in 'White Teak' and 'Weatherseal' which are established names in Decorative & designer lighting and uPVC windows and door space, respectively.





‘beautifulhomes.com’ – our digital property, is now one of the most inspiring and cutting-edge décor engines, attracting customers in large numbers and providing them inspiration for their dream homes. Beautiful Homes service, our personalized design to execution service brand, led by a strong technical backbone with smooth project management, is also gaining significant traction since its launch last year and is now available in 11 cities across India. This omnichannel approach to connect with our customers, will go a long way in realizing our vision of being a preferred partner in our customer’s Home Décor journey.

In the Industrial coatings segment, the non-auto industrial coating business delivered record revenues despite unprecedented raw material cost inflation throughout the year. Growth was driven by new customer wins, strong execution in key government projects and emerging demand from export-focused sectors.

The automotive industrial coating business faced demand challenges emanating from the automotive industry but still managed to deliver strong growth. We continue to leverage our technological footprint towards creating innovative products and optimizing costs.

Our pursuit of delivering a holistic value proposition to all our institutional customers is amplified with the industrial and decorative businesses working together in a cohesive manner as One team, thereby leveraging each other’s strengths.





For the International business, it was a tough year as inflationary pressures impacted economic activity in many of the markets we operate in, denting the overall performance. Supply side constraints coupled with currency devaluations kept margins under stress. Despite this, we undertook several initiatives driving growth of premium-luxury products and launching/revamping the product portfolio, ensuring a comprehensive and quality offering to our customers. Various initiatives like the Safe Painting service, Smartcare waterproofing and Bath fittings, have revolutionised these markets and redefined our brand equity.

On the sustainability front, the previous financial year has seen significant achievements in all the initiatives undertaken for community well-being, safety, mitigating climate change issues, waste management and energy conservation. For every mega-litre of water consumed in our manufacturing facilities, we were able to replenish close to 3 times of the same back into the ecosystem. Our share of consumption of renewable energy increased to 61% during the year, demonstrating our resolve to reduce dependence on fossil fuels. As a responsible social citizen, we continue to invest in these areas drawing inspiration from our charter promise of creating a beautiful world that is safe and sustainable.





Being an industry leader, our consistent focus on Environment, Social and Governance aspect is reflected in our non-financial performance which is intertwined with financial performance. We have therefore been able to report value creation and business sustainability in a true light. Our second year of Integrated Reporting depicts this with high standards of transparency. Our ESG strategy truly depicts our belief of ESG being an integral element for driving long term sustainable growth for the business.

In a rapidly evolving external environment, one thing that remained constant was growth across our businesses. At standalone level, your Company has crossed the Rs. 25,000 crores mark, with 36.8% growth in revenue from sale of products and services. Despite the challenging situation posed by unprecedented inflationary environment, the profit before exceptional items and tax increased by 3.9% to Rs. 4,248 crores and the profit after tax and exceptional items for the year increased by 2.7% to Rs. 3,135 crores.

At the consolidated level, the group achieved growth in revenue from sale of products and services of 34.6% at approximately Rs. 29,000 crores. The consolidated profit before exceptional items and tax remained flat at Rs. 4,303 crores for the financial year. The net profit after tax and non-controlling interest for the group was lower by 3.5% at Rs. 3,031 crores after considering impact of exceptional items to the tune of Rs. 116 crores, due to the revised accounting treatment for recognition of state government incentives and impact of currency devaluation in the Sri Lankan operations.



Considering the financial performance for the year, the Board of Directors have further recommended payment of Rs. 15.50 per equity share as the final dividend for the financial year 2021 - 22. This is in addition to the interim dividend of Rs. 3.65 per equity share of face value of Re. 1 each which was paid in the month of November 2021. If approved, the total dividend for the financial year 2021-22 will be Rs. 19.15 per equity share against Rs. 17.85 per equity share paid for the previous financial year. With this recommendation, dividend pay-out for the year will be at 58.6% as compared to 56.1% for the previous year. I would request all the shareholders to approve the recommended final dividend for the financial year 2021 – 22.

As we look ahead, uncertainties will continue to abound with ever changing and dynamic macro-economic, geopolitical, and environmental situations. Amidst these uncertainties would be opportunities – opportunities to reinvent and reinvigorate our passion to fulfill the aspirations of our customers. I am certain that team Asian Paints would continue to harness these opportunities and will continue to deliver joy to all its stakeholders.

I conclude by thanking all my colleagues on the Board for their unflinching support. I also thank the Asian Paints team, our business partners and the shareholders for their trust and encouragement that inspires us in our journey to achieve greater heights.

Thank you!

