

# Research Report

## Asian Paints Limited



Prepared By-

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# About

Asian Paints is the largest home decor company in India. The 80+yr old company has major brands like Asian Paints, Apco, etc under its umbrella. The co. is into wall paints, wall coverings, waterproofing, texture painting, wall stickers, mechanized tools, adhesives, modular kitchens, sanitaryware, lightings, soft furnishings, and uPVC windows.

## Business Segments

**1) Decorative Business (~84% in Q1 FY25 vs 88% in FY22):** The company offers interior and exterior wall finishes, waterproofing, wood finishes, enamels, adhesives, and more. It also includes a **home decor business** that offers modular kitchens and wardrobes, bath fittings and sanitaryware, and decorative lighting. etc **Home decor contributes approximately 4% to the decorative revenue.**

**2) International Business (7% in Q1 FY25 vs 10% in FY22):** The company operates in 14 countries spanning across 4 regions globally. It serves 60+ countries.

**3) Industrial Business (9% in Q1 FY25 vs 2% in FY22):** The company operates in the industrial coatings segment through a 50:50 joint ventures with PPG Industries Inc. It offers custom-formulated products for the automotive and industrial sectors, including automotive, marine, and packaging coatings, as well as industrial protective coatings.

## Synopsis of Financials

### FY26/Q4 performance snapshot (what changed vs prior quarters)

- Standalone Q4: Net sales +10.3%, PBDIT +26%, PBDIT margin 21.2% (+260 bps YoY); PAT +67% reported, but management notes ~32.7% YoY “excluding the exceptional items.”
- Consolidated Q4: Net sales +11%, PBDIT +24.4%, PBDIT margin 19.4% (+210 bps YoY); PAT (pre-minority, ex-exceptionals) +34.1%.

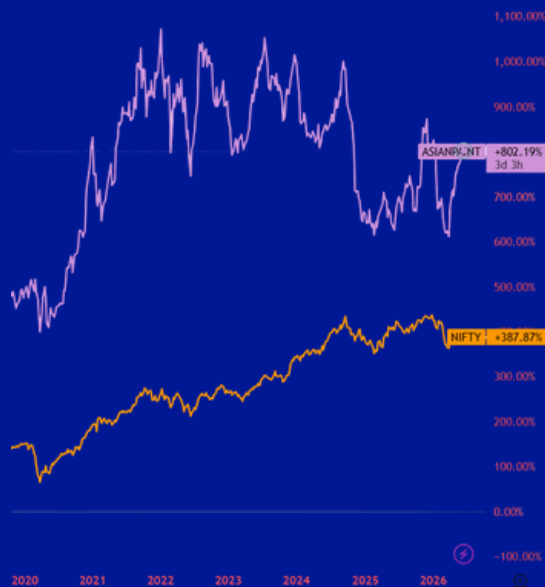
## Stock data (as 16th June 2026)

Nifty Price	: 23,923.95
52 week High (in Rs.)	: 2,985.70
52 week Low (in Rs.)	: 2,115.00
Market Cap. (in Crore)	: 2,63,788.98
NSE Code	: INE021A01026

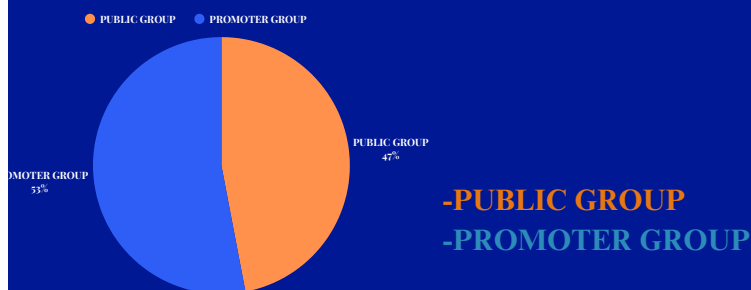
## Stock data

-NIFTY-50

Asian Paints Limited



## Shareholding Pattern (March 2026)



## Financial Summary

Particular	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26
Sales -	29,101	34,489	35,495	33,906	35,584
Sales Growth %	34.03%	18.51%	2.92%	-4.48%	4.95%
Expenses +	24,298	28,229	27,910	27,899	28,888
Operating Profit	4,804	6,260	7,585	6,006	6,696
OPM %	17%	18%	21%	18%	19%
Net Profit +	3,085	4,195	5,558	3,710	4,395
EPS in Rs	31.59	42.81	56.92	38.23	45.09
Dividend Payout %	61%	60%	58%	65%	61%

# Quarterly Results

Particular	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Sales -	8,549	8,359	8,939	8,531	8,867	9,247
YOY Sales Growth %	-6.08%	-4.26%	-0.35%	6.28%	3.71%	10.62%
Expenses -	6,913	6,923	7,314	7,028	7,086	7,460
Material Cost %	58%	56%	57%	57%	56%	55%
Employee Cost %	7%	8%	8%	8%	8%	8%
Operating Profit	1,637	1,436	1,625	1,503	1,781	1,787
OPM %	19%	17%	18%	18%	20%	19%
Other Income -	193	-60	229	237	69	197
Other income normal	193	123	229	237	227	197
Interest	56	53	44	44	48	59
Depreciation	256	301	301	305	313	310
Profit before tax	1,518	1,022	1,509	1,392	1,489	1,614
Tax %	26%	31%	26%	27%	28%	27%
Net Profit +	1,128	701	1,117	1,018	1,074	1,185

Source: Screener

## Key Ratios

Sr. No.	Ratios	Numerator	Denominator	FY 2025-26	FY 2024-25	% Variance
1	Current ratio	Current Assets	Current Liabilities	2.46	2.30	7.07%
2	Debt-equity ratio*	Total Debt (Borrowings)	Total Equity	0.059	0.004	1410.45%
3	Debt service coverage ratio^	Earning available for debt service <sup>®</sup>	Finance Costs (excluding cost pertaining to lease liabilities) + Repayment of borrowings	138.98	60.50	129.71%
4	Return on Equity	Profits after tax	Average Total Equity	21.34%	19.25%	10.87%
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	3.20	3.05	4.79%
6	Trade receivables turnover ratio	Revenue from Sale of Products and Services	Average Trade receivables	9.53	8.52	11.84%
7	Trade payables turnover ratio	Net Purchases of raw material, packing material and stock-in-trade	Average Trade payables	5.15	5.48	-5.96%
8	Net capital turnover ratio	Revenue from Operations	Working Capital (Current Assets - Current Liabilities)	3.00	3.65	-17.65%
9	Net profit ratio	Profit after tax	Revenue from Operations	13.79%	12.14%	13.61%
10	Return on capital employed	Profit before interest (excluding interest on lease liabilities), exceptional items and tax	Average Capital Employed [Total Equity + Total Debt (Borrowings)]	28.90%	28.41%	1.73%
11	Return on investment	Income during the year	Time weighted average of investment			
a.	Return on Mutual Funds			6.24%	7.70%	-19.01%
b.	Return on Fixed Deposits			7.03%	7.35%	-4.32%
c.	Return on Bonds			7.92%	8.77%	-9.69%
d.	Return on quoted equity investment <sup>^</sup>			-6.21%	50.32%	-112.34%

Source: Company Annual Report

# Yearly Results

Particulars	March 2022	March 2023	March2024	March2025	March2026
Equity Capital	96	96	96	96	96
Reserves	13,716	15,896	18,632	19,304	21,276
Borrowings	1,587	1,933	2,474	2,290	3,929
Other Liabilities	7,560	7,854	8,698	8,665	9,218
Total Liabilities	22,958	25,779	29,901	30,355	34,519
Fixed Assets	5,519	5,770	7,147	9,220	9,640
CWIP	426	1,020	2,698	1,254	1,849
Investments	3,248	4,262	4,588	4,725	7,062
Other Assets	13,765	14,728	15,468	15,156	15,968
Total Assets	22,958	25,779	29,901	30,355	34,519

# Synopsis Quarter Results

## Concall Notes - Jun-2026: Key Highlights

### **FY26/Q4 performance snapshot (what changed vs prior quarters):**

- Volume growth re-accelerated to double-digits in Q4 with improving demand “in all three months.” Decorative paints delivered 12.4% volume / 10.2% value growth (gap ~2.2%), while total coatings (decorative + industrial) was 12.7% volume / 11% value.
- FY26: Decorative ~9% volume / 4.3% value; total coatings ~9% volume / 5.3% value—management emphasized it is “strongly above the market growth rates.”
- Deflation persisted in Q4: “even in Q4 we saw a deflation of about 1.4%,” lifting gross margin to ~45.6% (standalone) and driving a sharp profitability uptick.
- Standalone Q4: Net sales +10.3%, PBDIT +26%, PBDIT margin 21.2% (+260 bps YoY); PAT +67% reported, but management notes ~32.7% YoY “excluding the exceptional items.”
- Consolidated Q4: Net sales +11%, PBDIT +24.4%, PBDIT margin 19.4% (+210 bps YoY); PAT (pre-minority, ex-exceptionals) +34.1%.
- Dividend: Maintained policy stance—~60% payout; final ₹23/share + interim ₹4.5/share = ₹27.5/share.

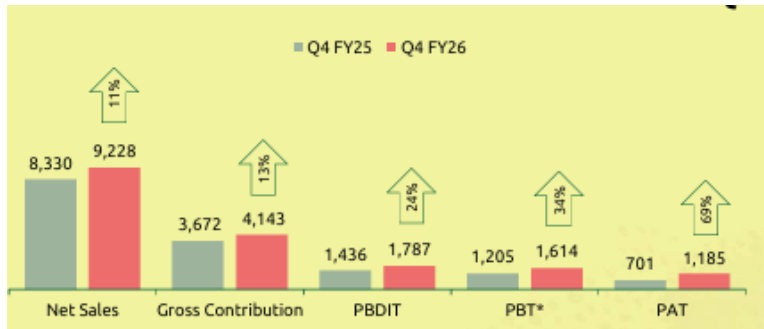
### **International business: growth + margin expansion despite geopolitics:**

- Q4 and FY26 both delivered double-digit quarter and ~9% annual growth; strongest contributions from Asia, with Middle East and Africa also strong.
- Specific market strength cited: Sri Lanka, Egypt, UAE.
- Profitability improvement notable: international PBT margin ~8.5% in Q4, up ~370 bps YoY, described as resilience “despite the current geopolitical situation continuing.”

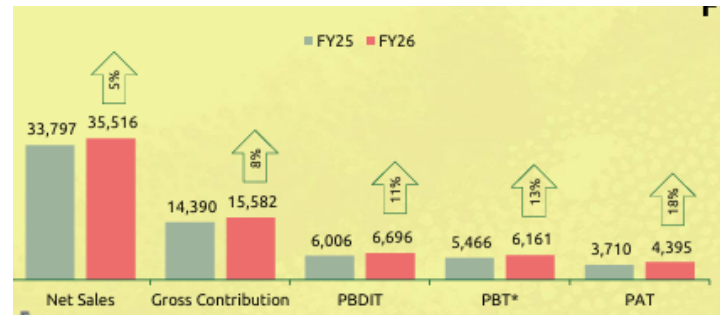
# Highlights



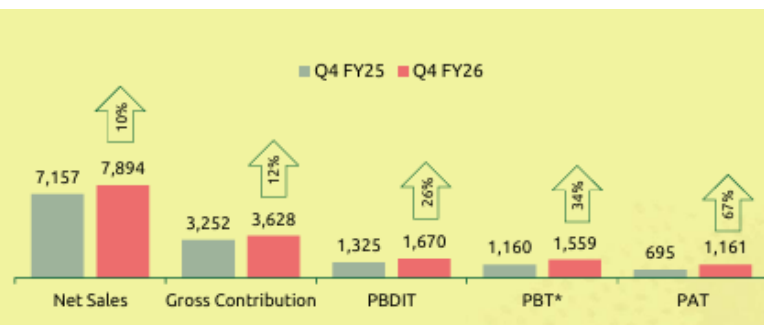
## Summary Consolidated Financials Q4FY26



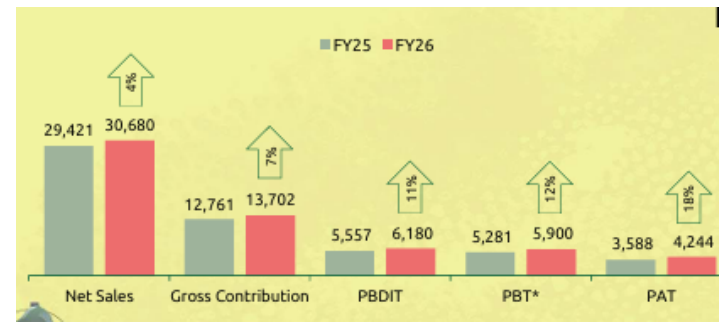
## Summary Consolidated Financials Q4FY26



## Summary Standalone Financials Q4FY26



## Summary Standalone Financials Q4FY26



# Peer Comparison

## Peer Stock Performance (5Y) Indexed



Source: Trading View

## Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit	Sales Qtr	Qtr Sales	ROCE %
Asian Paints	2752	59.43	263971.2	1	1185.49	43.83	9246.7	10.62	26.34
Berger Paints	518.6	51.87	60468.91	0.73	335.25	17.33	2868.03	6.07	22.2

Source: Screener

# Final Outlook

**ASIANPAINT: HOLD | LTP: 2,754 .90**

## **Summary:**

Asian Paints remains the market leader in India's paint industry with a strong brand, extensive distribution network, and diversified product portfolio. Although revenue growth has moderated due to increased competition and weaker demand in certain periods, the company continues to maintain healthy margins and strong profitability. Its decorative paints business remains the key growth driver, while international operations and home décor businesses provide additional growth opportunities. With consistent dividend payouts, strong cash generation, and leadership in the industry, Asian Paints continues to be one of India's highest-quality consumer-facing businesses.

## **Recent Performance (FY26 – Easy View)**

- Q4 standalone sales grew 10.3% YoY.
- Decorative paints volume growth accelerated to 12.4%.
- PBDIT margin improved to 21.2%, up 260 bps YoY.
- PAT increased significantly due to better margins and operating leverage.
- International business delivered double-digit growth with improving profitability.
- Dividend maintained at ₹27.5 per share for FY26.

Asian Paints is a high-quality market leader with strong brand equity, healthy margins, and a proven track record of creating shareholder value. The company is well-positioned to benefit from India's long-term housing, renovation, and infrastructure growth trends. However, slower revenue growth and increasing competition in the paint industry may limit near-term upside.

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