

Chairman's letter

# Taking a brilliant innings forward

Dear Shareholders,

This is my first communication with all of you as the Chairman of the Board of Directors at Asian Paints, a baton that I took over from my illustrious predecessor, Mr. Ashwin Dani. On behalf of all of you, I take this opportunity to express my appreciation and gratitude for the stellar guidance and direction, especially in the area of paint technology, that Mr. Dani has provided to the organisation. He has been an integral part of the Board over the decades and has been a strong force in propelling your company into a league of its own.

Asian Paints has always stood out as a brand that has been steadfast in upholding its 'Customer first' focus, always striving to better its own industry-beating benchmarks and thereby continuously bringing joy to its customers. This relentless pursuit has helped us deliver yet another year of robust performance despite the many challenges in the environment.

Relentlessly forging ahead

The year gone by continued to be impacted by the pandemic - its multiple waves delaying the return to a sense of normalcy for economies the world over. At the same time, the strain on the global supply chain networks led to runaway inflation and the situation has only worsened with the on-going geo-political conflict further fracturing the supply chain stability. Through this uncertainty, what has stood out is the resilience of mankind, to look for opportunities in adversities, to innovate and address the challenges. Your Company has shown the same resilience to overcome all the challenges and continues to forge ahead in its journey to be the customer's 'partner of choice', helping her realise her dream home.

Throughout its leadership journey, your Company has relentlessly looked at innovation to provide newer and better value propositions for customers, to cater to their said and unsaid needs and thus increase our relevance to them. This year was no different, with multiple new product launches, some of them with unique, first-to-the-world value features that are bound to expand the possibilities around Home Décor for our customers. Today the customer is also expecting us to handhold her through her entire Home Décor journey and this has led to multiple innovations around services from our side. We now have a repertoire of Home Décor services being run at scale and delivering to exacting standards. Many of these innovations have also been woven into our global business operations, enabling your Company to be seen as trendsetters in these markets.

Our consistent ESG focus

In today's world, an industry leader also has the onus of taking initiatives to build sustainable business models that unlock greater value for all stakeholders. While 'ESG' is today's fad word, we have always looked at intertwining the sustainability agenda into your Company's business objectives and considered sustainability focus a key driver of long-term value creation. Some of the key elements that we continue to work on in this area are around providing customers with environmentally sustainable products, driving water neutrality, energy conservation and taking initiatives around enhancing community livelihood. While each of these elements helps the organisation drive its sustainability efforts, collectively they create a deep moat for our business, enabling us to generate value for years to come. You will find greater details of the various elements that your company is pursuing as part of its ESG agenda in the later sections of this integrated report. I would urge you to read it.

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Board leadership

A key hallmark of our leadership has also been the high standards of corporate governance that we have set for ourselves. This has been reinforced with the quality of Board leadership we have maintained throughout our journey. I am delighted to welcome Mr. Milind Sarwate, Independent Director, on the Board and as the Chairman of the Audit Committee. Your Company will draw immense learning from his rich and diverse industry experience. Mr. M. K. Sharma, Independent Director, Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee, has retired with effect from 31<sup>st</sup> March 2022. His contribution has been immensely valuable and has strengthened the governance standards and I thank him wholeheartedly. I also thank Dr. S. Sivaram, Independent Director, who retired from the Board with effect from 30<sup>th</sup> September 2021. Your Company has benefitted greatly from his guidance especially in the areas of technology, governance and risk management.

During the year, Mr. Abhay Vakil, Non – Executive Promoter Director, departed for his heavenly abode. He had contributed immensely to the growing stature of the business in various capacities over his long association with the company and his sad demise is an irreparable loss for your Company. Mr. Amar Vakil, an erstwhile Non – Executive Promoter Director on the Board, also passed away during the year. I place on record our profound appreciation for their valuable contribution to the Board.

I also take this opportunity to welcome Ms. Nehal Vakil, Non-Executive Promoter Director, on the Board and look forward to her contribution towards taking your Company ahead.

Looking ahead with self-belief

For the immediate future, the environment has turned uncertain with the economic recovery under challenge from multiple fronts. Inflation is at a multi-decade high across geographies, partly induced by the global supply chain disruptions and partly by the ultra-accommodative



policies pursued by governments and monetary authorities to pump-prime the pandemic affected economies. The geopolitical situation is threatening to further worsen inflation across key commodities. As a result, monetary authorities are tightening the money supply, hoping to squeeze out the inflationary pressures. This could hurt the demand conditions across industries.

Amidst this upheaval, organisations that stay true to their core vision and fundamental character would continue to prosper, looking at every hurdle as a possibility to reinvent themselves into a partner much more relevant to their customers. The zeal with which each and every member of Team Asian Paints took on the challenges to, not just surmount the odds but also create new benchmarks in their quest of delivering joy to customers, gives me the confidence that your Company will continue to thrive and keep delivering sustainable value to all its stakeholders. I thank you all for your continued commitment and support.

Warm regards,

**Deepak Satwalekar**  
Chairman

