

Chairman's letter

A legacy of performance and excellence

Dear Shareholders,

I feel very privileged to put forth my first communication to all of you, as the Chairman of the Board of Directors of this widely admired organisation. I took over this responsibility from my esteemed predecessor, Mr. Deepak Satwalekar, who had been an integral part of our Board over the last two decades and had stepped into the role of Chairman during FY 2021-22. I take this opportunity to express, on behalf of the Board, my deep gratitude to Mr. Satwalekar for the invaluable guidance and wise advice that he had provided to the organisation over the years.

I have always known Asian Paints as a pioneering leader in the industry and over the years, I have come to greatly respect and admire the Company, its values, its people and their capabilities. The Asian Paints Charter and the values embedded in it remain the founding stone of our organisation, seamlessly driving the actions and behaviours of all our employees, led by an effective management team.

Consistent Performance

Against a very dynamic business environment clouded by unprecedented inflation and geopolitical tensions, our Company has delivered a solid performance relentlessly pursuing innovation to bring out products and services to provide newer and enhanced value propositions for all its consumers. Our foray in the home décor space has taken a quantum leap over the past few years catapulting us into the position of being the leading integrated home décor player.



Our Industrial business has grown exponentially over the past few years, and we have been able to expand our reach and capabilities backed by a sturdy technology base which has enabled us to gain significantly in the market.

FY 2023-24 saw consumption demand moderating on the back of the lingering impact of retail inflation, particularly in the rural markets. This led to the revenue growth trajectory tapering down to single digits for the FY 2023-24. Despite this subdued revenue growth, we delivered strong profit growth supported by the correcting raw material prices as well as various internal cost optimisation initiatives. On a medium-term basis, we have maintained our double-digit revenue growth trajectory delivering mid-teen compounded growth rates.

Our Long-term Commitment to ESG

ESG has consistently been at the core of all our business objectives and operations. We firmly believe that a persistent focus on ESG is fundamental for long-term success and resilient value creation. We consider supporting our local communities, respecting our environment and sharing the collective fruits of our work as imperatives for our social licence to operate. I encourage you to read our Integrated Annual Report and the Business Responsibility and Sustainability Report to gain a comprehensive understanding of the progress we have made on our ESG commitments.



Board Leadership

Our Company is founded on the highest standards of governance, integrity, ethics and transparency. These attributes have been sustained and reinforced over the years through the calibre of our Board.

During the year, Mr. Ashwin Dani, Non – Executive Promoter Director, departed for his heavenly abode. He had been associated with the Company since 1968 and had been a strong force in heralding the Company to technological excellence. He joined the Board in the year 1970 and contributed in various capacities through his long association. Under his visionary leadership, Asian Paints expanded its operations across the globe, solidifying its place as one of the world's leading paint companies. For the period between 2018 to 2021, he held the position of Chairman of the Board. He was not just a business leader but a pioneer and philanthropist who left an indelible mark on both the paint industry and society as a whole. I place on record our profound appreciation for his valuable contribution.

As mentioned earlier, Mr. Deepak Satwalekar, Independent Director and Chairman, retired from the Board on 30th September 2023. Also, during the year, we had three Independent directors completing their tenure on our Board. Ms. Vibha Paul Rishi, chairing both the Stakeholders Relationship Committee and the Risk Management Committee as well as member of the Audit Committee and Corporate Social Responsibility Committee ceased to be Director upon completion of her tenure.

Ms. Pallavi Shroff, member of both the Audit and Risk Management Committee, completed her tenure as Director. Mr. Suresh Narayanan, chairman of the Nomination and Remuneration Committee, and member of the Investment Committee completed his tenure as well. I would like to thank all of them for their immensely valuable contribution and guidance to our Board and the Company.

Furthermore, I am delighted to welcome Ms. Ireena Vittal, Mr. Soumitra Bhattacharya and Dr. Gopichand Katragadda as Independent Directors to the Board. Their extensive experience will significantly add value to our company and enhance our capacity to grow and develop our business.

Moving Forward

Good results are the product of an effective management team and a professional and committed workforce. The energy and talent of all our 12,000+ employees across geographies truly came to the fore during the year. I would like to express my deep gratitude to our people and their families. It is clear to me that we have, within the organisation, profound commercial acumen, proven capabilities and a tremendous culture of fostering leaders.

I believe there is not a more exciting economy in the world than our own here in India. It is a nation brimming with opportunity and enterprise looking to modernise, expand and accommodate the rising aspirations of its growing population. We are well-positioned to capitalise on this exponential growth opportunity. Our focused growth strategy and hunger

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for cutting edge technology and innovation will lead the way forward. The widening competitive landscape has given us an added impetus to excel, further strengthening our growth ambitions. This increasing competitive interest also highlights the strong growth potential of the industry, benefitting our consumers with numerous choices and inspiring all players to put their best foot forward.

We are all here, as an organisation, to deliver value to our customers, our shareholders, our employees and all stakeholders. 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.

Warm regards,

R Seshasayee
Chairman

