

BRINGING JOY TO PEOPLE'S LIVES

CHAIRMAN'S LETTER

Dear Shareholders,

Yet another exciting and challenging year came to a close at Asian Paints. It has truly been a year of many learnings. As always, we worked relentlessly to offer solutions that deliver enhanced value to a wide cross section of consumers, communities and citizens. Despite a difficult economic environment, we registered healthy growth in each of the first three quarters. The lockdown in March this year affected performance in the last quarter and to an extent cast its impact on the results for year. Viewed in the context of the challenges, we were able to deliver a good performance and make considerable progress across businesses.

Transitions

After a journey spanning four decades and many roles, Mr. KBS Anand retired as Managing Director and CEO of the Company. Under his able leadership, the Company moved from being a product-centric to a consumer and service-oriented brand, forayed into Home Improvement, made international acquisitions and established world-class manufacturing plants. His contribution to our growth and development have been truly commendable.

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Mr. Amit Syngle, who has succeeded Mr. KBS Anand is a veteran with thirty years of experience in the Company. Credited with game-changing innovations in marketing colour, introducing new age retailing and envisioning product innovations in the industry, Amit brings strong and determined leadership which, I am sure, will take the Company to new heights. Another leadership change was the appointment of Mr. R J Jeyamurugan as Company Secretary and CFO, in place of Mr. Jayesh Merchant who retired after an illustrious 17 years in the organisation.

I am confident that the Company will benefit immensely under the guidance of the new leadership.

Key Areas of Focus

The unexpected events towards the close of the year notwithstanding, Asian Paints achieved many milestones in FY 2019-20. The Decorative business focused on product innovations and growing the overall market in various areas

like value for money emulsions, innovative solutions in the waterproofing and construction chemicals segment and more inspiring options in Home décor. In the Home Improvement business, some of the developments in the year included new choices in the Full Kitchen business and a strengthened offering in sanitaryware business. On the International front, attention was on re-energising our business in markets like Egypt, Bangladesh and Sri Lanka which were performing below their potential. The industrial business saw emphasis being put on certain key areas in protective coatings and improved product offerings.

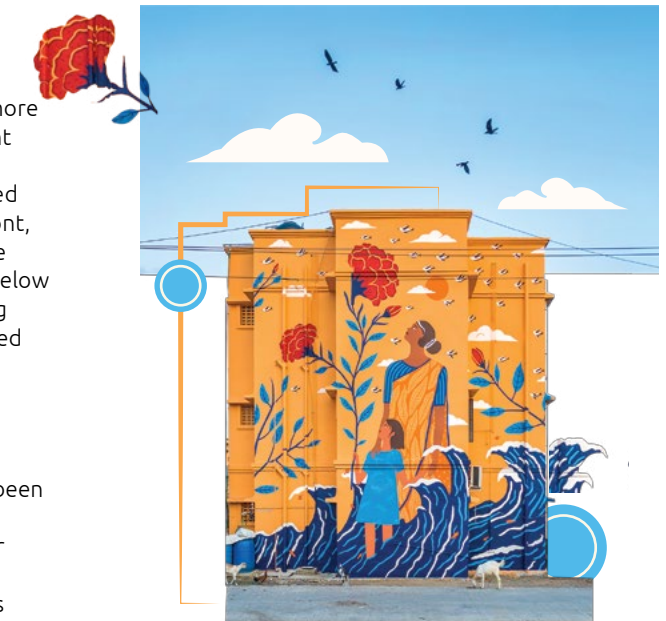
People and the Community

Being one with the community of which we are a part and playing an active role in its development and progress has been an integral aspect of our philosophy. Our Colour Academies continued to hone talents within the painter and contractor teams, orienting them towards taking responsibility for the overall project. In Himachal Pradesh, upskilling programmes were conducted for plumbers, opening the door to more opportunities. Our associations like that with St+Art Foundation resulted in many new initiatives in Chennai and Goa. We made significant strides in promoting inclusive education and health and hygiene awareness in our adjoining communities. During the year, 43,000 persons benefited through our employee volunteering programmes which carried out successful healthcare camps in rural communities. I am also pleased to report our participation in restoration of safe water structures in parts of Gujarat.

Responding to the Pandemic

The ongoing pandemic and consequent lockdowns are having a devastating effect on lives, occupations and wellbeing of people at large. We have taken several steps to help the community navigate through these troubled times. Contributions to Central and State Emergency Relief Funds, support to NGOs supplying essential items to the needy, protocols to ensure employee safety, addition of hand sanitizers and surface disinfectants to our product portfolio, launch of safe painting campaigns, mitigating hardships faced by retailers and contractors and helping shops restart their business safely are amongst the many initiatives implemented by the Company.

Being a responsible & caring Brand, the Company has forayed into the hand sanitizers and surface disinfectants to support the Government and its stakeholders. To deepen the connect with the consumers and all the stakeholders, the Company has launched a Safe Painting Campaign which continues to receive a very good response. The campaign has attempted to assure the consumers about the Safe Painting Services by helping them overcome their reservations following the pandemic and strengthen the bond which the Company enjoys with the consumers.



In line with our brand saliency, we attempted to connect more strongly with our customers through multiple campaigns and events. Our campaigns promoted our connect with homes, showcasing common day-to-day life moments to bring joy and happiness in customers' lives while at the same time giving a social message of staying safe and at home during the lockdown.

Navigating the New

As the world hesitatingly limps back to normalcy, much would change. Business in a post-pandemic world will be full of new challenges and new opportunities. The customer who emerges after months of lockdown would come with new expectations. Skills learnt and talents discovered while in prolonged isolation will not be forsaken easily. As people at large seek to make changes in the way they live, work, travel or unwind or look for new ways to pursue leisure, sports and entertainment, it will inevitably impact our business. Winners will be the organisations that guide customers through the transition with innovative ideas and solutions and bring joy to their lives. I am sure our inherent resilience and the unparalleled dedication of our employees will help us navigate through the exciting times ahead and continue to create unmatched value for all.

I take this opportunity to thank you all for your unwavering support and commitment that continues to provide us strength to forge ahead in our endeavour.

Yours sincerely,

ASHWIN DANI
Chairman