

## Asian Paints Ltd

Asian Paints (APL) is India's leading paint manufacturer and marketer, with a dominant share in the decorative segment (with market share of 45-50% in the organised domestic paints segment while second-largest player has market share of about 15%). Driven by its leadership position, the group's revenue registered compound annual growth rate of 10% over the last five years. Asian Paints group will maintain its leadership position, driven by its strong brand equity, extensive distribution network, and wide product portfolio. The company started two new capacities in Mysore and Vizag with 3lac kl each capacity for water-based emulsion paints). Supply from these plants also aided the top-line growth supported by surge in volumes. Total capacity stands at 11,30,000 kl with 75-80% utilization. APL will be key beneficiary of rising urbanisation and government's housing push and falling crude oil prices. APL has been maintaining a healthy dividend payout of average 40%. It has reported a bottom-line of 12% CAGR over FY2015-19. Further, the company is virtually debt free and also the cash flow has improved from ₹1,187cr in FY2015 to ₹2,214r in FY2019. APL has maintained good return on equity (ROE) track record for last 3 Years at 25.5%. **Hence Buy.**

## BUY

CMP ₹1559

### Stock Info

Sector	Paints
Market Cap (₹ cr)	1,49,539
Beta	0.9
52 Week High / Low	1623/1118
Avg. Daily Volume	40,866
Face Value (₹)	1
BSE Sensex	36,691
Nifty	10,856
Reuters Code	ASPN.BO
Bloomberg Code	APNT IN

### Shareholding Pattern (%)

Promoters	52.8
MF / Banks / Indian FIs	9.1
FII / NRIs / OCBs	16.7
Indian Public / Others	21.5

Abs. (%)	3m	1yr	3yr
Sensex	(4.1)	(2.6)	30.2
Asian Paints	12.3	9.8	35.7

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### Disclosure of Interest Statement

### Asian Paints

1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

**Ratings (Based on expected returns over 12 months investment period):**

Buy (> 15%)

Accumulate (5% to 15%)  
Reduce (-5% to -15%)

Neutral (-5 to 5%)  
Sell (< -15)