India - Paints

12 March 2021

Can entry barriers be broken?

We believe that Grasim has all the ingredients needed to capture reasonable market share in the paints industry; however, the upshot is contingent on the right strategy and consistent execution. No entry barrier, by itself, is insurmountable (not even tinting machines, discussed at length in this report); however a host of them reinforce each other. Traversing all barriers simultaneously could reverse this effect into a virtuous cycle of growth. New entrants including MNCs have not succeeded due to an unsuitable product portfolio, rigid corporate policies, weak sales, and lack of investment in branding & distribution. If Grasim were to succeed, sales growth as well as margins of incumbents would be at risk. Asian Paints could be relatively less impacted. We maintain our negative view on the sector.

Tinting machines as an entry barrier: Although tinting machines are indeed an entry barrier for new entrants in the paint industry, their importance is overstated. Our checks reveal that dealers are able to deliver shades of one brand using the tinting machine provided by another brand. Moreover, a new entrant with strong fiscal muscle could find ways to ensure tinting-machine penetration via various financial incentives.

Centralised tinting machines: Although a suboptimal solution from a cost point of view, we believe a centralised tinting machine could be one model that would support dealers to act as the sales/order-taking/order-fulfilling point. There could be some limitations with such a system (and a more detailed study would be required with regard to its viability), but we have highlighted certain favourable aspects of such a model in our note. In case a new entrant is not able to penetrate the tinting-machine barrier, there could be a case for such a model, which could enable entry into the market, albeit at a higher cost.

Why new entrants have not been successful thus far: The paint industry has multiple barriers, such as the need to build a strong brand, penetration into the dealer network, connect with painters, and creating perceived product differentiation. Each barrier on its own is not insurmountable, but barriers in chorus reinforce each other and are difficult to traverse. Moreover, new entrants have been unable to break these barriers, due to factors like (1) product portfolio not being suited for Indian markets (preponderance of premium paints with portfolio gaps in the mid/mass-end; (2) restrictive policies of MNCs; (3) the sales-force lacking adequate drive/motivation; (4) lack of scale, ability or willingness to spend.

Playbook for Grasim: As entry barriers collectively reinforce each other, the only solution seems to be to address them all at once. This requires ability & willingness to spend, a strong brand, some connect with dealers/painters and management talent – all characteristics that Grasim either already has or has the wherewithal to acquire. Grasim can hence succeed where others have failed, but whether it does will depend on its strategy being precise and its execution being consistent & exceptional. We believe that giving a simultaneous push to branding, perceived product differentiation, and expanding the dealer network and painter connect (the latter two mainly involve higher financial rewards) could work, leading to the entry barriers (that usually work against new entrants) reversing and setting off a virtuous growth cycle, once a certain momentum has been achieved.

Impact on incumbents: Impact on incumbents could be two-fold, if Grasim gets traction in the market: (1) As Grasim will need to offer better terms to dealers and painters in order to succeed, incumbents may have to follow suit, resulting in margin erosion; (2) market share gain by Grasim would hurt the topline of incumbents. We believe that Berger/Kansai could see higher impact, given the stronger brand and dealer network of Asian Paints.

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Tinting machines as an entry barrier

Our conversations with various market participants suggest a belief among them that tinting machines are the main barrier for a new entrant in the paint market. Against this backdrop, we elected to do an in-depth study of tinting machines.

Tinting machines – A historical perspective

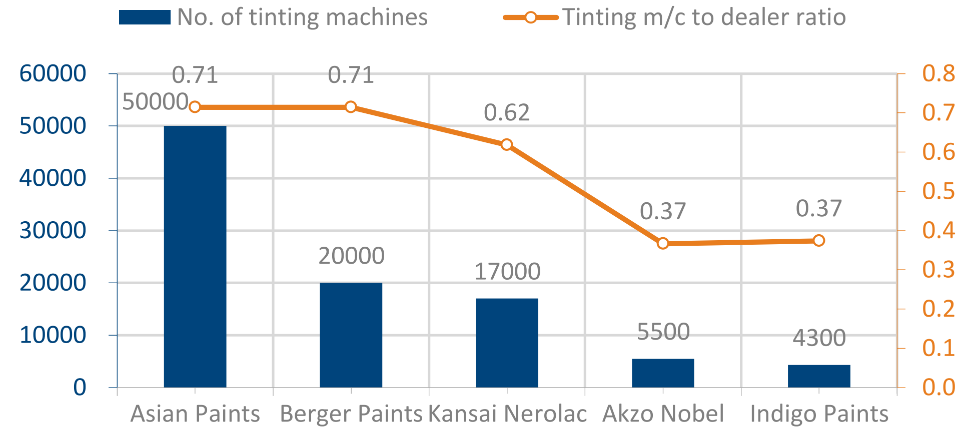
Several years ago, paints used to be supplied to dealers in cans. If there were, say, 100 shades, the dealer had to carry inventory of all 100, or at least a large majority of the fast-moving ones. If he ran out of a particular shade, he had to obtain it from the company, thus leading to delays; alternatively, he would attempt to replicate it himself by mixing certain shades in a process called "staining".

Tinting machines were introduced to address this inconvenience and simplify the supply chain. With the advent of tinting machines:

- Paint companies did not have to manufacture a multitude of shades – they could manufacture a few base shades and a few colorants, and the dealer could produce thousands of shades with the help of the tinting machine. This helped paint companies attain lower SKU complexity as well as maintain lower inventory.
- The number of shades available to the customer increased dramatically.
- Dealer inventory reduced, resulting in better return on capital.
- Differences in shades from batch to batch in the staining process were done away with, given lower room for human error in shade matching via the tinting machine.

Companies gradually built up the tinting machine infrastructure and, in FY20, the top-4 paint companies had a total of ~90k tinting machines installed with dealers.

Figure 1: Distribution of tinting machines across major paint players, as of FY20



Source: Company, IIFL Research

Tinting machines – Are they really as strong an entry barrier as perceived?

As there is limited physical space at a paint dealership (i.e. shop), it may not be possible to keep tinting machines of all companies. Also, as each tinting-machine setup costs Rs150k-200k, it would not make economic sense to purchase a tinting machine of a particular company if the sales generated from it do not surpass a certain threshold. If a dealer does not have a tinting machine of a particular paint company, he would sell only the ready-shades available in cans and dealers who do not have a tinting machine are, typically, not able to generate much sales. For these reasons, the impression among investors and analysts seems to be that tinting machines are the main entry barrier for any new paint player.

Departing from the theoretical and academic points of view, we spoke to ~20 dealers and ~15 contractors across India, to understand how tinting machines are used in practice, and whether they really are as huge an entry barrier as believed.

Our key takeaway was that almost every dealer mentioned that he could provide us with any particular shade of any paint company, irrespective of which company's tinting machine he has.

- In case of a manual tinting machine, this is quite an easy task for a dealer (refer the annexure below, on how tinting machines work).
- Achieving this is possible even in the case of automatic tinting machines. Experienced dealers know exactly what combination of a company's colorants will provide a particular shade of another company; this was confirmed by multiple dealers, and it was evident that such a practice is not uncommon.

It seems to us that the tinting machine itself is not a big barrier to entry. However, if a painter wants to buy a shade of a particular brand, he tends to go to the dealer who deals with that particular brand.

Centralised tinting machine model – Will it work?

In case dealers are unwilling to keep a tinting machine for a new entrant, we examine if there is any other way to operate. We spoke to dealers and contractors about a centralised tinting model. Our suggested centralised tinting system could entail the following:

- Tinting machines would be located centrally, serving a radius of, say, 7-10km. In a large city such as Mumbai this may involve 5-7 locations, but in a tier-2 city, only 1 location would be required.
- Dealers would act as sales and order-taking points. They will convey the order to the centralised tinting machine.
- The centralised tinting machine can deliver large orders directly to the site, and other orders (medium and small) can be delivered to the dealer.
- The dealer can deliver medium orders to the site.
- Small orders – typically refills – can be picked up by the painter from the dealer's shop, after first calling the dealer and allowing a few hours for placing the order.
- The logistics of supplying from the centralised tinting machine can be handled either in-house or via a tie up with one of the many logistics providers.

What could be the issues?

- This model is clearly sub-optimal from a cost point of view. However, the objective for a new entrant could be market share, even if it means a lower profit margin initially.
- The waiting time could be an issue for painters/contractors/home owners – It could be a few hours (if the order is placed by, say, noon, the delivery could happen the same day, or if post noon time, then the next day). Our interactions with painters/contractors suggest that over half of them are acceptable of the delay. In any case, work begins the next day after shade selection and even if it begins the same day, it takes a day or two for scraping out old paint, etc at the site.
- However, to the extent that there are some contractors/painters who may not want to wait, there could be an issue with this business model.

What are the advantages?

- Inventory at the dealer's end will be minimal, reducing investment needed by the dealer and improving RoI.
- Faster rollout for a new entrant, as he will be able to on-board many more dealers, if they do not have to invest in a tinting machine.

Conclusion

Although apparently the centralised tinting machine model may work, sure-fire success could only be ascertained if such a model is tested in the real world, or with much more detailed study. Moreover, while such a machine is strategically favourable for a new entrant to gain market share, it does not seem like an optimal solution on a permanent basis; hence, the new entrant would need to change back to the dealer-based tinting machine at some point in time. A more detailed study needs to be undertaken for any final verdict on this model.

Reducing resistance to tinting-machine adoption

If, post a detailed study, a decision is reached that the centralised tinting machine system is not the way to proceed, the new entrant will have to convince dealers to keep its tinting machine. As mentioned earlier, it is possible to use another company's tinting machine, but this is not a long-term solution – in the absence of tinting machines, market share within that dealer network will remain low.

There can be two reasons why a dealer may be reluctant to keep a tinting machine.

1. There is no space at his dealership.
2. Financial constraints:
   a. A capex of Rs150,000-200,000
   b. Uncertainty about the brand being able to generate enough business, to make a good return on investment on this capex.

A new entrant such as Grasim, with strong fiscal muscle, may decide to provide a tinting machine free of cost to dealers. The company could build up a dealer network of, say, 10,000 tinting machines (vs 50,000 for Asian Paints, 20,000 for Berger, and 4,500 for Indigo), if it announces a limited-time-only scheme, further to which it provides the tinting machine free of cost. This will entail a cost of Rs2bn no doubt; but when the company is ready to make a capital investment of Rs50bn, a mere 4% of this (Rs2bn) to get a decent foothold in the paints market seems like a good bargain.

Why do incumbents rule the paint market? Why is it so notoriously difficult for new entrants to traverse the barriers to entry?

The story till now: tinting machines are an entry barrier, but their importance is overblown. There are ways to overcome this barrier by a large company with strong fiscal muscle.

In reality there are multiple entry barriers in the paints market, and it is extremely difficult for a new entrant to build momentum because such barriers reinforce each other – in other words, the whole is greater than the sum of their parts. However, once a particular velocity is reached, these factors work synergistically in the opposite direction – i.e. they reinforce each other to build, rather than hinder, momentum.

We elucidate, in detail, these entry barriers below.

1. **Tinting machines /dealer network:** Please refer to the aforementioned text (already discussed at length above).

2. **Brand:** A brand is built over several years and various factors add to its strength. For paints, the main feature a brand embodies is the trust in the quality. As painting is undertaken only once every few years, any mistake in the painting process is difficult to rectify. A customer (either the home owner or, indeed, even the painter) needs the assurance that the paint is of good quality and will not pose any problems over a few years. There are, of course, other attributes to the brand, but this is the most important.

   If there is a brand in some other product segment which already exudes trust, and is a household name, then that is certainly an advantage for entry into paints.

3. **Innovation:** Innovation is an entry barrier in most cases, not in terms of R&D capability, but as regards identifying an unmet consumer need and marketing a product which fulfils that need. Paint is not a technology-intensive sector, as in the case of mobile phones or laptops, in which a company can have numerous occasions of differentiation, based on product features. When it is difficult to differentiate your product (or rather when it is difficult to create a perception of product differentiation), the advantage always rests with the incumbent, because in a "no innovation" situation, the new entrant will find it difficult to make a mark.

4. **Connect with contractors/painters:** In the paint industry, the contractor/painter is a considerably important influencer of the purchase decision. Painters are, in turn, influenced by dealers, their own perception of quality and the financial incentives that they derive either from paint companies or the dealers. It would take time for a new entrant to address all these three aspects.

5. **Scale:** There are several small-scale companies in paints and, therefore, scale is not an entry barrier, *per se*. However, a large scale and strong financial muscle can increase the staying power in the industry – the ability to operate at a loss for a longer period of time – and, thereby, help overcome the entry barriers present in this industry. As mentioned earlier, it may take some time for a new entrant to counter each of the industry's entry barriers and, till such time, these barriers would continue to reinforce each other.

Entry barriers reinforce each other

Each entry barrier is, by itself, not insurmountable. However, a new entrant, to be successful, needs to address all the barriers all at once.

If a new entrant has somehow established a good dealer network, but owns an unknown brand, most home owners may not be willing to use it. This, in turn, will result in poor sales for the dealer. Consequentially, after a few months, the dealer will become disinterested in pushing the brand, and will move on to other, potentially better-yielding, names.

Similarly, if a new entrant owns a considerably well-known brand, has a bulky kitty for advertising and builds up a fair amount of homeowner demand, but his dealer network build-out is unsuccessful for any reason, it will result in loss of sales.

If a new entrant has built a brand and a good dealer network, but has short-changed the painter/contractor, the latter will talk the homeowner out of his decision, stating: "I can't guarantee good results with this product". If this situation persists for a certain period of time, sales will suffer, dealers will give up, and the company will not have enough funds to continue with its brand-building exercise; subsequently, the two strong pillars (brand and dealer network) of the company will, in turn, weaken because the painters were unhappy with the brand.

In summary, one cannot tackle one entry barrier at a time in the paints industry – all barriers need to be addressed simultaneously. One may argue that this is true in any other FMCG segment too; however, it is more true for paints, because:

- Paints are not as frequently bought as are FMCG products and, hence, propensity to experiment is lower.
- Versus other products like A/Cs, mobiles and laptops bought once in a few years, it is difficult to sell paint on product differentiation.
- Dealers are more of a barrier in paints than in FMCG, as, in addition to being a selling/distribution point, a dealer is an influencer too.
- Other influencers such as painters/contractors are unique to paints vs other FMCG products.

Why did other players, including paint MNCs not do well in India?

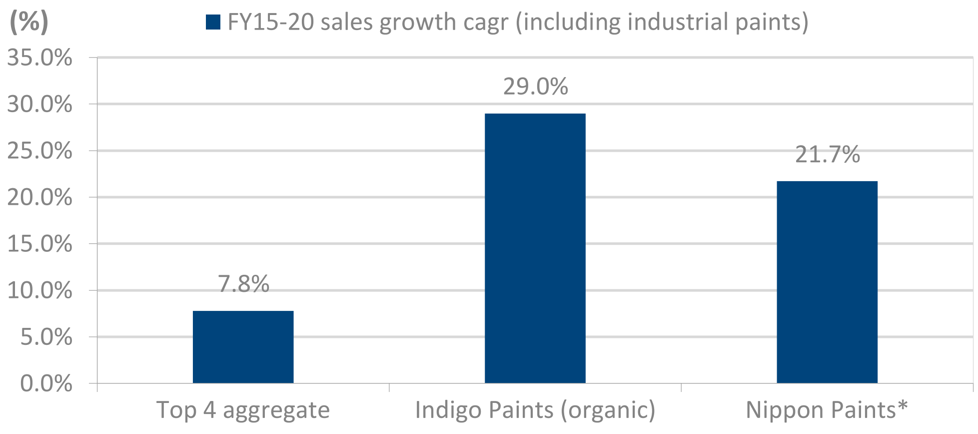
Paint MNCs such as Jotun and Nippon have been present in India since 2008 and 2006, respectively. Moreover, Sherwin-Williams entered India in 2007, but sold off its business to Berger in 2013. Incumbents such as Asian Paints, Berger and Kansai have continued to grow well, despite the presence of these MNCs.

Our understanding on why MNCs have not been able to scale up well in India reveals that:

- MNCs' product portfolio is not suited to India, given preponderance of premium paints in a market dominated by entry level paints. This prevents the company from gaining scale.
- Restrictive policies of an MNC companies which does not allow them to be aggressive, nor does it allow for empowerment of people on the ground to take decisions without red tape.
- The sales force not being motivated/driven enough.

Having said that, Nippon Paint has clocked a sales Cagr of 22% over FY15-19 which is higher than the average of the top-4 companies at 8% over the same period. The current size is low and, therefore, this higher growth rate does not impact incumbents, as of now. However, if it continues to grow faster than the industry on a larger base, it may cause problems for incumbents.

Figure 2: Newer entrants have grown at a faster pace vs. the top 4 in recent years

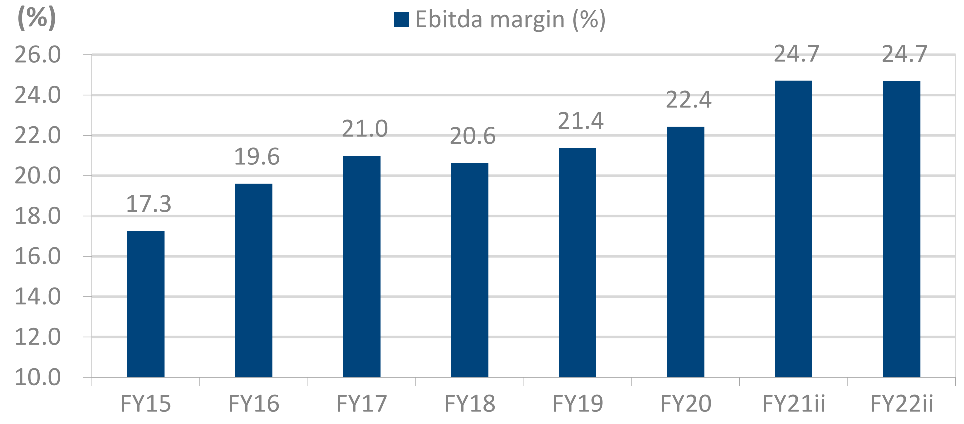


Source: Company, IIFL Research; *Pertains to FY15-19

High margins, a cause for concern

Ebitda margin for incumbents has increased over the past two years and is expected at 25% in FY22 vs 17% in FY15 (taking standalone Asian Paints' Ebitda margin as a proxy).

Figure 3: APNT – Standalone Ebitda margin, over FY15-22ii



Source: Company, IIFL Research

At ~25% now, Ebitda margins are at the highest ever. This gives a new entrant more leeway to spend without incurring losses, when entering a new market.

Playbook for Grasim

Grasim has all the ingredients for making a meaningful play in paints. This does not necessarily mean it will see success – it could err on its strategy or on execution. But with our recommended strategy (detailed ahead), along with good execution, Grasim has a fairly good chance of achieving double-digit market share within a decade of launch.

1. **Regional vs national rollout:** Both options entail pros & cons. A regional rollout reduces risk, provides more execution focus, and allows for learnings to be applied in other regions. A national launch, in contrast, leverages media spends and creates a greater market buzz. Typically, a regional rollout would be more suitable, but for Grasim, a national rollout is also appropriate, given that there would be lower constraint on funds, and on human & other resources. A hybrid approach – i.e. it first launches in one region and, post a couple of years, goes national (versus a gradual regional rollout) – would be ideal, incorporating the best elements of both strategies.

2. **Product portfolio suited to Indian realities:** The key mistake made by multinationals (including Akzo Nobel) in India is that their product portfolio is suited only for the top 20% of the Indian paint market. Although it is worthwhile to have some products in the premium segment, nevertheless, equal or greater focus should be given to the mid & mass-end market, which holds the bulk of the clientele. A strategy involving an umbrella brand with sub brands (like Asian Paints) is most appropriate, as it entails benefits of a single brand synergy as well as being able to segment the market.

3. **Be very aggressive in dealer recruitment:** Grasim already has an in with dealers via its white cement and putty products. However, this should not be a cause for complacency, in terms of recruiting dealers for paints. While the question on a centralised tinting machine system remains unanswered, Grasim being able to convince dealers to keep its tinting machines would be the most optimal solution. Even if this means that Grasim has to bear the cost of the tinting machines, it will be well worth the investment.
   - Keep the "free tinting machine" a limited-period-scheme – this is likely to generate a better response than a permanent company policy, and result in faster dealer recruitment.
   - Target the weakest company in that micro market – our conversations with dealers lead us to believe that there is a non trivial percentage of dealers frustrated with at least one of the companies they deal with and are willing to give up its dealership, if another offers a better deal.

4. **Innovate…or, rather, maintain such a perception:** There is very limited 'genuine innovation' in the paint industry and whatever little there is, is quite easily mimicked by other players. Therefore, it is important to create a perceived differentiation. Indigo Paints has done a good job regarding this, by marketing its paints under different uses – be it a "bright ceiling paint" or "super gloss enamel". These are products all paint companies are able to provide, but Indigo has marketed these as unique solutions, addressing particular consumer needs. Grasim too needs to first identify certain unmet consumer needs and then market related products as innovations.

5. **Spend more on opex rather than capex:** Grasim has announced a Rs50-billion capex in its paints venture. This is rather excessive, given that the #2 player, Berger Paints, has a total gross block of less than half (adjusted for Ind-AS accounting). We believe that this number should be taken with a pinch of salt. While the company seems quite willing towards spending considerable capital expenditure, even more important would be to spend on revenue expenditure. In our view, the company should spend generously on the following, in the first few years:
   - Media spend, at least equal to Indigo/Kansai's, from the start (say, the second year of national launch), without worrying about ad spend as a percentage of sales.
   - Dealer commissions higher than others, with higher commission rates for higher volumes.
   - A painter loyalty programme, where the painter gets back cash or loyalty points, based on his purchases within a particular period. The rewards should increase exponentially with volume.

6. **Most importantly – do all this simultaneously:** As mentioned earlier, each entry barrier by itself is not formidable, but combined, the barriers support and fortify each other. Therefore, it is important that Grasim simultaneously addresses all issues, with guns blazing on all fronts – branding, innovation, dealer network and painter connect. The reason why no new entrants in the paint market have been able to make it big (including Indigo, from Grasim's perspective – although a commendable achievement from Indigo's point of view, Grasim should be highly disappointed if it is able to garner only 2% market share after two decades of operations) is their inability to simultaneously address these barriers in a large enough geographical area. This incapability may stem from rigid corporate policies, out-of-kilter product portfolio or lack of willingness or ability to commit significant funds upfront for a few years, without any guarantee of success. Grasim is the first company that actually has a fighting chance, to make for a large play in the paints market. Time will tell whether it played its cards right.

7. **Prioritise market share over margins:** In the white cement / putty segment the company has been a little more profit focussed that it should. In paints it will have to pivot focus towards market share, even if it means lower margins. The size of the prize in paints is much larger than putty/white cement and between two scenarios (1) lower margin for a decade but higher market share at the end of the decade (2) higher margin now and later but lower market share at the end of the decade, option 1 will be much more value accretive. We believe that there is no alternative but to work on low margins for a decade and build up double digit market share because all the entry barriers need to be addressed simultaneously, and each one requires funding.

Effect on incumbents

There could be two ways in which Grasim impacts incumbents

Impact on margins
Any new players in the market will have to give higher incentives to dealers and painters. If a large company such as Grasim does it across a large enough number of dealers and painters, incumbents will have to follow suit. Till now, no new entrant has played this game at a large enough scale to cause an impact on the incumbents either due to restrictive MNC policies or inability / unwillingness to spend. Grasim on the other hand can be the first player to do this. Margins for paint companies are at all time highs and there is enough leeway for a new player to bear additional cost.

Impact on top-line
If Grasim's market share gain could either hurt the top 3-4 players or the small unorganised ones, or both. If it is the latter, that too is a loss for the top players because it was always assumed that in the longer run the top incumbents would gradually take that share. The top 4 players account for ~70-75% of the decorative market by value.

Asian Paints to be relatively less impacted:
We believe that Kansai, Berger and Akzo will be relatively more impacted than Asian Paints. Asian Paints is by far the market leader with stronger dealer network and brand. Dealers who have dealerships / tinting machine of Asian Paints and a second brand would be more likely to give up the second brand in our view.

Annexure: What is a tinting machine? How does it work?

We have attempted to explain the basic mechanism of a tinting machine, using the example of an Asian Paints machine.

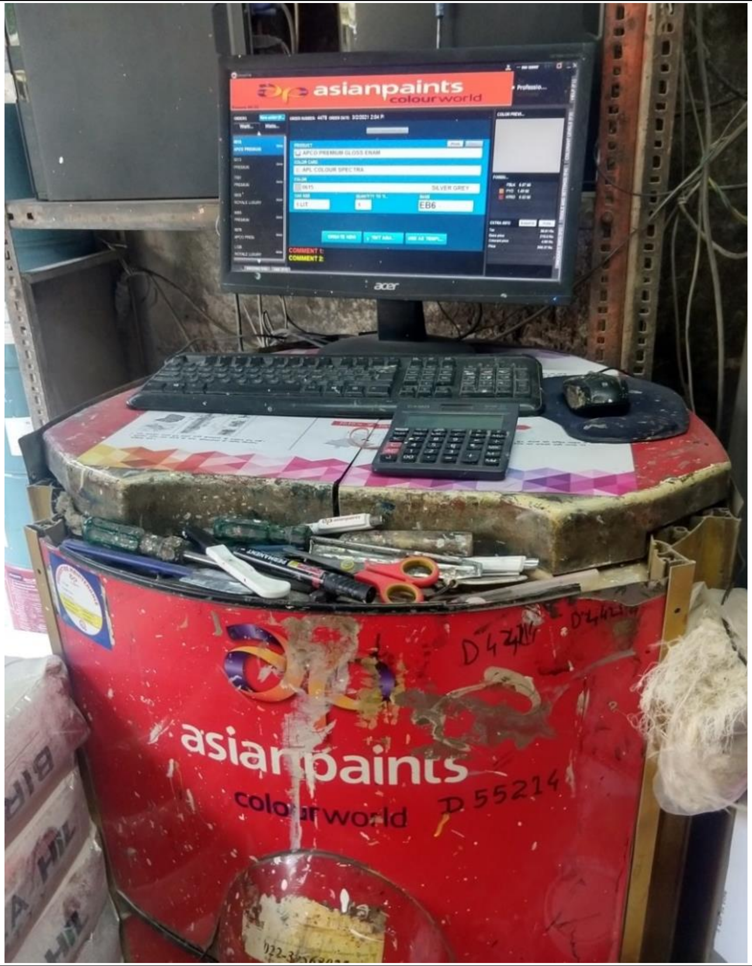
Types: There are 2 types of tinting machines used by paint brands: i) Manual colour dispensing (MCD) machines, where dealers manually type-in the quantity of each colorant, to get the desired colour combination/shade; ii) Automatic colour dispensing (ACD) machines, where the dealer directly enters only the name of the shade in the software integrated with the dispensing machine. Our research indicates that at present, most of the machines used by dealers are automatic in nature (70:30), with the number of MCDs gradually declining.

Suppliers: Basically, there are two major suppliers of automatic tinting machines for all Indian paint brands: AGS and Corob.

Tinting process:

- Paint manufacturers provide basic colorants (pigment concentrates), which are required to be added to the base solvent (white) in order to generate the desired shade.
- The colorants (in the right proportion) are poured into the bucket containing the base solvent, either manually (which requires measuring colour quantity via a scale stating inches or mL) or via an automatic machine (by entering the exact shade into the software installed on a desktop terminal). It usually takes 2-3 minutes for dispensing colorants, depending on the dealer's expertise in operating MCD machines; the same amount of time is taken for an automatic machine too
- Once the mixture is ready, the container is placed in the gyro shaker, which clamps the bucket and shakes the mixture for 1-2 minutes, depending on the capacity (1L to 20L), post which it is given to the customer.

Figure 4: Automatic Colorworld tinting machine



Source: Company, IIFL Research

Bases and Colorants: Asian Paints provides 22 different types of base solvents (1 black and the remaining white) and 30-40 different colorants, which can generate around 2,200-2,400 shades in total. Note that only 15 different colorants can be poured into the tinting machine at any given time (as many container slots are available). Typically, the base (either water-based or oil-based solvent) will be over 19 litres and the colorants poured (250-400ml) account for the remaining, which goes into the mixture.

Figure 5: Asian Paints manual tinting machine with 16 colorant slots

Source: Company, IIFL Research

Cost: The cost of installing the tinting machine is borne by the dealer. For Asian Paints, the initial billing is Rs180k-220k for a tinting machine, gyro shaker and a desktop with installed software.

Other points

- Historically, tinting machines were recommended but not made compulsory by paint companies. However, over the last 1.5-2 years, Asian Paints has made it compulsory for dealers to set up a colorworld tinting machine (~50k tinting machines at present). All big paint dealers typically keep tinting machines of at least two different brands or even two machines from the same company, given the demand through the day.
- Sub-dealers, who do not keep a tinting machine due to high costs or store size constraints, make the needed procurement from a nearby paint dealer who has a tinting machine; such a dealer sells products at dealer prices to the sub-dealers. The main dealer still receives rebates from the company and a sub-dealer makes margins on the MRP (with discount) for the customer.
- It is practically possible (although the contract prohibits dealers from doing so) to generate colour shades of one brand using another brand's tinting machine for both, manual and automatic formats. (The reason being that the majority of brands use tinting machines manufactured by one of the two major players – AGS and Corob. Besides, the basic colorant chemicals used are similar across all companies.)

Figure 6: Gyro shaker is used to mix the solvent with colorants within 2-5 min

Source: Company, IIFL Research

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Key to our recommendation structure

BUY - Stock expected to give a return 10%+ more than average return on a debt instrument over a 1-year horizon.

SELL - Stock expected to give a return 10%+ below the average return on a debt instrument over a 1-year horizon.

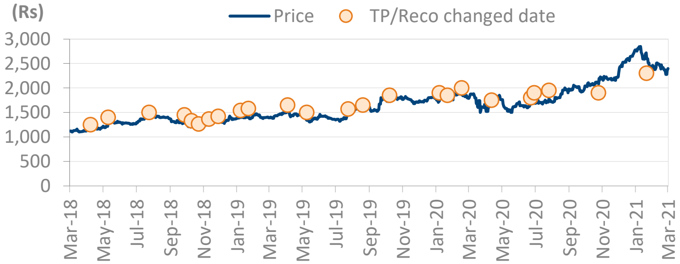
Add - Stock expected to give a return 0-10% over the average return on a debt instrument over a 1-year horizon.

Reduce - Stock expected to give a return 0-10% below the average return on a debt instrument over a 1-year horizon.

Distribution of Ratings: Out of 236 stocks rated in the IIFL coverage universe, 123 have BUY ratings, 8 have SELL ratings, 74 have ADD ratings and 30 have REDUCE ratings

Price Target: Unless otherwise stated in the text of this report, target prices in this report are based on either a discounted cash flow valuation or comparison of valuation ratios with companies seen by the analyst as comparable or a combination of the two methods. The result of this fundamental valuation is adjusted to reflect the analyst's views on the likely course of investor sentiment. Whichever valuation method is used there is a significant risk that the target price will not be achieved within the expected timeframe. Risk factors include unforeseen changes in competitive pressures or in the level of demand for the company's products. Such demand variations may result from changes in technology, in the overall level of economic activity or, in some cases, in fashion. Valuations may also be affected by changes in taxation, in exchange rates and, in certain industries, in regulations. Investment in overseas markets and instruments such as ADRs can result in increased risk from factors such as exchange rates, exchange controls, taxation, and political and social conditions. This discussion of valuation methods and risk factors is not comprehensive – further information is available upon request.

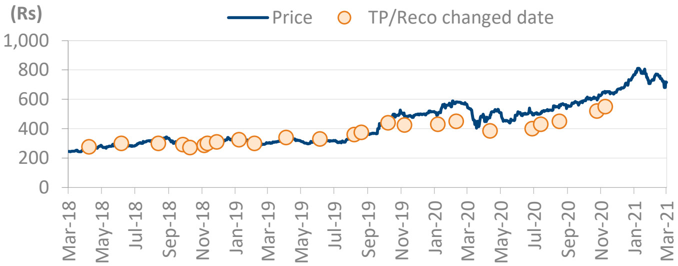
Asian Paints: 3 year price and rating history



Date	Close price (Rs)	Target price (Rs)	Rating
22 Jan 2021	2715	2300	REDUCE
26 Oct 2020	2120	1900	REDUCE
27 Jul 2020	1712	1950	BUY
30 Jun 2020	1695	1900	BUY
24 Jun 2020	1684	1800	BUY
13 Apr 2020	1653	1750	BUY
18 Feb 2020	1880	2000	BUY
23 Jan 2020	1779	1850	BUY
08 Jan 2020	1730	1900	BUY
09 Oct 2019	1725	1850	BUY
21 Aug 2019	1590	1650	BUY
25 Jul 2019	1483	1570	BUY

Date	Close price (Rs)	Target price (Rs)	Rating
10 May 2019	1354	1500	BUY
05 Apr 2019	1518	1650	BUY
23 Jan 2019	1407	1580	BUY
09 Jan 2019	1396	1540	BUY
29 Nov 2018	1324	1420	BUY
12 Nov 2018	1295	1365	BUY
24 Oct 2018	1138	1265	BUY
11 Oct 2018	1226	1330	BUY
28 Sep 2018	1294	1450	BUY
25 Jul 2018	1468	1500	BUY
11 May 2018	1215	1400	BUY
09 Apr 2018	1146	1250	BUY

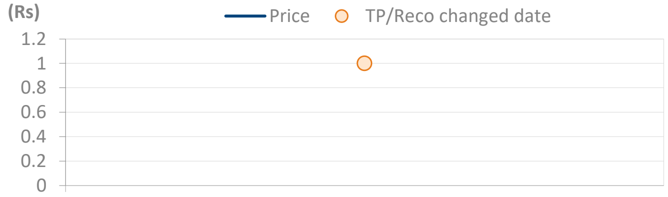
Berger Paints India: 3 year price and rating history



Date	Close price (Rs)	Target price (Rs)	Rating
10 Nov 2020	654	550	SELL
26 Oct 2020	609	520	SELL
18 Aug 2020	542	450	SELL
15 Jul 2020	500	430	SELL
29 Jun 2020	511	400	SELL
13 Apr 2020	474	385	SELL
11 Feb 2020	582	450	SELL
08 Jan 2020	494	430	REDUCE
08 Nov 2019	507	425	REDUCE
09 Oct 2019	425	440	ADD
21 Aug 2019	366	375	ADD
08 Aug 2019	349	360	ADD

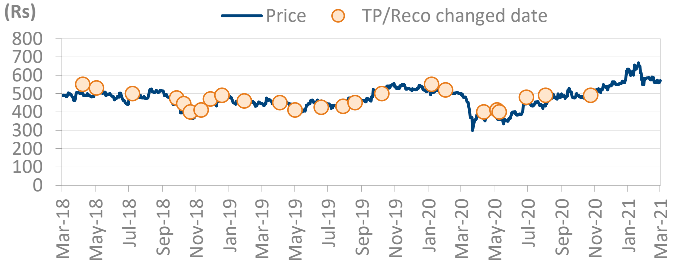
Date	Close price (Rs)	Target price (Rs)	Rating
06 Jun 2019	323	330	ADD
05 Apr 2019	332	340	ADD
06 Feb 2019	308	300	REDUCE
09 Jan 2019	319	325	REDUCE
29 Nov 2018	313	310	REDUCE
12 Nov 2018	309	300	REDUCE
06 Nov 2018	301	285	REDUCE
11 Oct 2018	276	270	REDUCE
28 Sep 2018	292	290	REDUCE
14 Aug 2018	321	300	REDUCE
07 Jun 2018	283	300	ADD
09 Apr 2018	266	275	ADD

#N/A



Date	Close price (Rs)	Target price (Rs)	Rating
30 Mar 2012	2792	2978	ADD
25 Apr 2013	2262	2145	SELL
22 Nov 2013	3344	3729	ADD
22 Jun 2012	2491	2821	ADD
21 Sep 2012	2617	2524	ADD
18 Mar 2014	3394	3723	ADD
16 Apr 2012	2403	2542	ADD
15 Oct 2012	2395	2373	ADD
15 Jul 2013	2804	3100	ADD
15 Apr 2013	2297	2145	SELL
14 Oct 2013	3275	3527	ADD
14 Jan 2013	2712	2492	SELL

Kansai Nerolac: 3 year price and rating history



Date	Close price (Rs)	Target price (Rs)	Rating
26 Oct 2020	517	490	REDUCE
04 Aug 2020	443	490	ADD
30 Jun 2020	445	480	ADD
11 May 2020	359	400	ADD
07 May 2020	393	410	ADD
13 Apr 2020	379	400	ADD
03 Feb 2020	512	520	ADD
08 Jan 2020	504	550	ADD
09 Oct 2019	492	500	REDUCE
21 Aug 2019	475	450	REDUCE
30 Jul 2019	432	430	REDUCE
20 Jun 2019	448	425	REDUCE

Date	Close price (Rs)	Target price (Rs)	Rating
03 May 2019	419	410	REDUCE
05 Apr 2019	470	450	REDUCE
30 Jan 2019	434	460	ADD
20 Dec 2018	477	490	ADD
29 Nov 2018	459	470	ADD
12 Nov 2018	400	410	ADD
23 Oct 2018	387	400	ADD
11 Oct 2018	417	445	BUY
28 Sep 2018	445	475	BUY
09 Jul 2018	482	500	BUY
04 May 2018	507	530	BUY
09 Apr 2018	500	550	BUY