

NEROLAC



24.4.2020

Corporate Presentation

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Ownership

Subsidiary of
Kansai Paint Co.,
Ltd., Japan



Founded

1920



Market Position

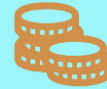
One of India's largest
Paint company: Leader
in industrial paints



Net Sales (₹)

(FY21 – standalone)

4,690.0 Cr



PBT (₹)

(FY 21 – standalone)

714.5 Cr



Mar. Cap. (₹)

(31st March 2021)

32,370 Cr

Indian Paint Industry

Size

- Over Rs 55,000 Cr (USD 7 Billion approx.)

Growth Rates

- Double digit since 1991

Organized : Un-organized Market

- 75:25

Per Capita consumption

- ~4 kg (Global average @12-15 kg)



History of KNPL

1920

Started as Gahagan Paints and Varnish Co Ltd. with factory at Lower Parel



1933

Acquired by Lead Industries, UK

1933

Name changed to Goodlass Wall (India) Ltd.

1946

Name changed to Goodlass Wall Pvt Ltd.

1957

Changed name to Goodlass Nerolac Paints Ltd

2000

Company implements SAP ERP across all locations

2000

Tata Group divested its holding in favour of Kansai Paint Japan Co., Ltd, Japan

1986

Kansai Paint Japan Co., Ltd acquired stake of the UK Partner, Cookson

1983

Technical collaboration with Kansai Paint Japan Co., Ltd

1976

Tata group acquired a part of the foreign shareholding

2006

Name changed to Kansai Nerolac Paints Ltd. with a new logo



2012

Acquisition of Nepal Shalimar Paints Pvt. Ltd. In Nepal

2015

Tie-up with Capital Holdings Maharaja Pvt. Ltd., Sri Lanka for Lanka Operations

2018

Acquisition of Marpol Pvt. Ltd.

2018

State-of-the-art R&D Lab in Vashi, Mumbai commissioned

2020

Unveiled the new corporate identity of Nerolac- Colours that Care



2019

JV with Polygel Industries Pvt. Ltd. to form Nerofix Pvt. Ltd

2019

Acquired Perma Construction Aids Private Ltd

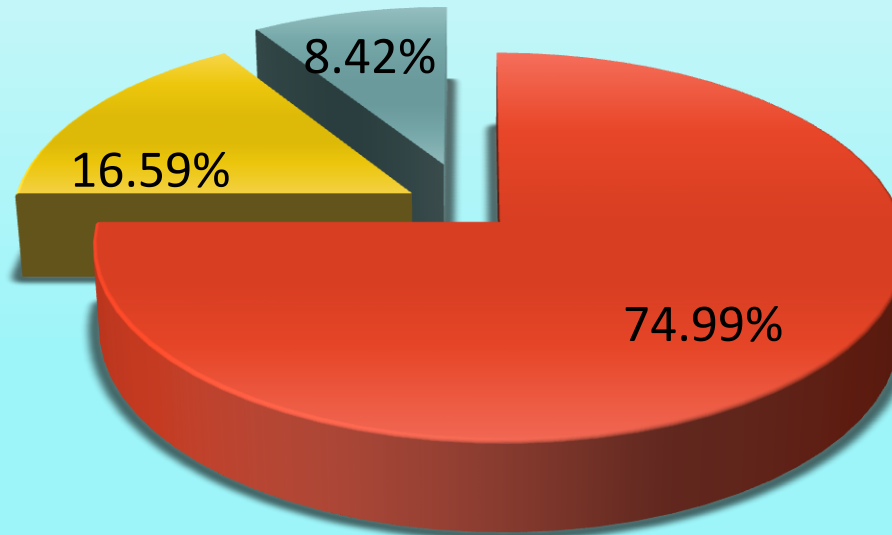
2018

Acquisition of RAK Paints, Bangladesh



Shareholding Pattern

Shareholding Pattern as on March 31, 2021

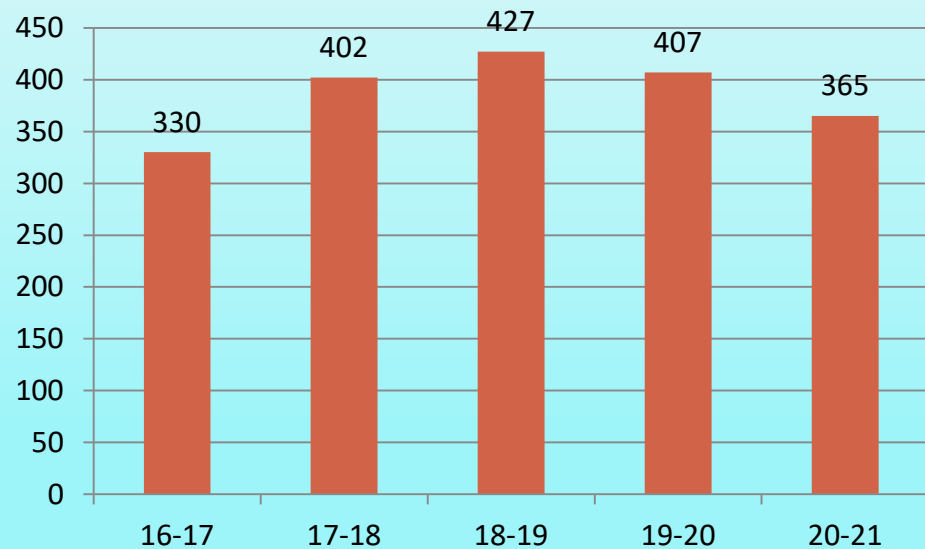


■ KPJ ■ Institutional ■ Non Institutional

Our Heritage – Kansai Paint Co., Ltd., Japan



Net Sales Bn Yen (Consolidated)



❖ Gross Sales over 3.8 Billion USD

Presence in over 80 Countries via 152 Companies

Technical and innovation Leader in Automobile and Industrial Coatings

Among Top 5 Global Automotive Paint Companies

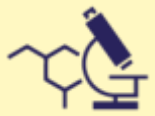
8th Largest Paint Company Globally

Japan's Largest Paint Company

Technology tie-ups



Japan

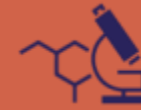


Cashew Tsusho

Auto Paint – Plastic



Japan

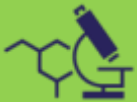


Oshima Kogyo

Heat Resistant Paints



Canada



Protech Oxyplast

Powder Coating



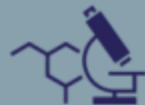
Turkey



Altan Boya Sanayi A S



Europe



Helios

Our Foot-Print



6 plants:

Jainpur-UP, Bawal-Haryana, Hosur-TN,
Lote-Maharashtra, Sayakha-Gujarat,
Goindwal-Punjab.



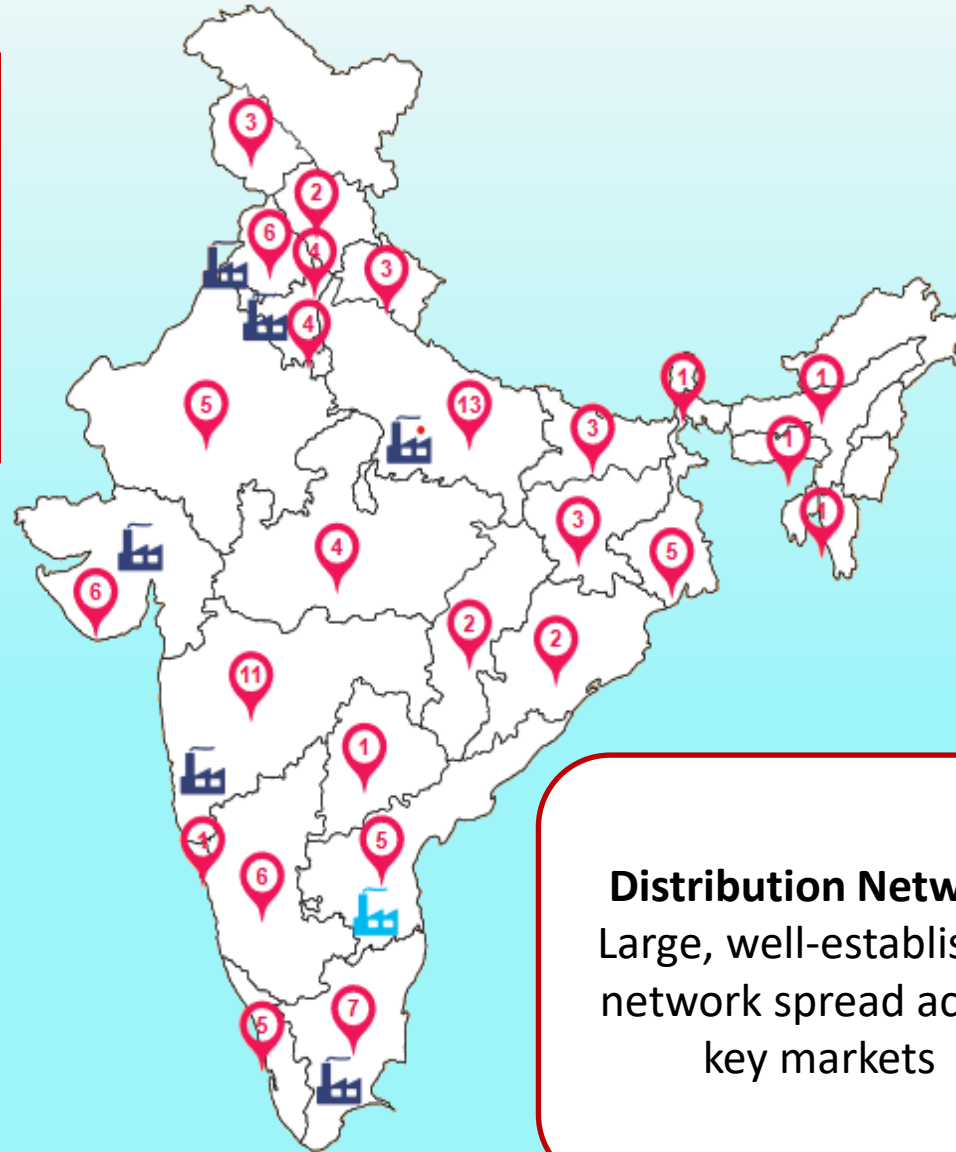
1 upcoming plant (Andhra Pradesh)



99 Depots pan India (Denoted State Wise)

❖ 29500+ Customers Network

British Safety Award
ZERO liquid Discharge
OHSAS 18001
ISO 14001



Six Plants

Strategically Located near
OEMs (Auto Clusters)

Strong Competitive Edge

Distribution Network

Large, well-established
network spread across
key markets

Vision, Mission



Our Vision

“We design solutions that Protect, Inspire and Touch Lives everyday”



Our Mission

We leverage superior technology to contribute to our Customers and Society, in a sustainable manner, with innovative Products and Services, through a competent workforce, built on a culture of Customer Focus, Integrity and Respect to our Stakeholders.

New Corporate Identity

PURPOSE

Create Environments
for a healthy and
beautiful future

EXPRESSION

Colors that care

PROMISE
Renew Life

Core Values



Integrity



Customer
Focus



Accountability



Respect

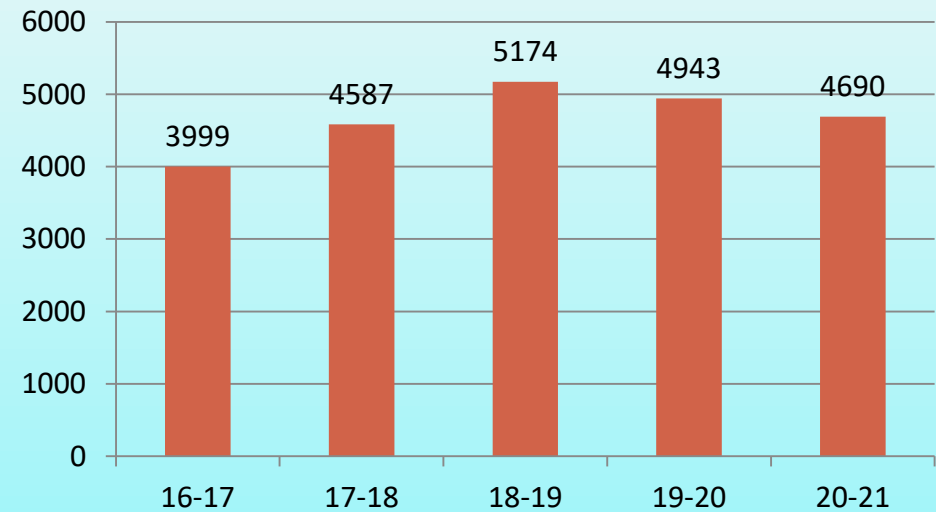


Entrepreneurial
Mindset

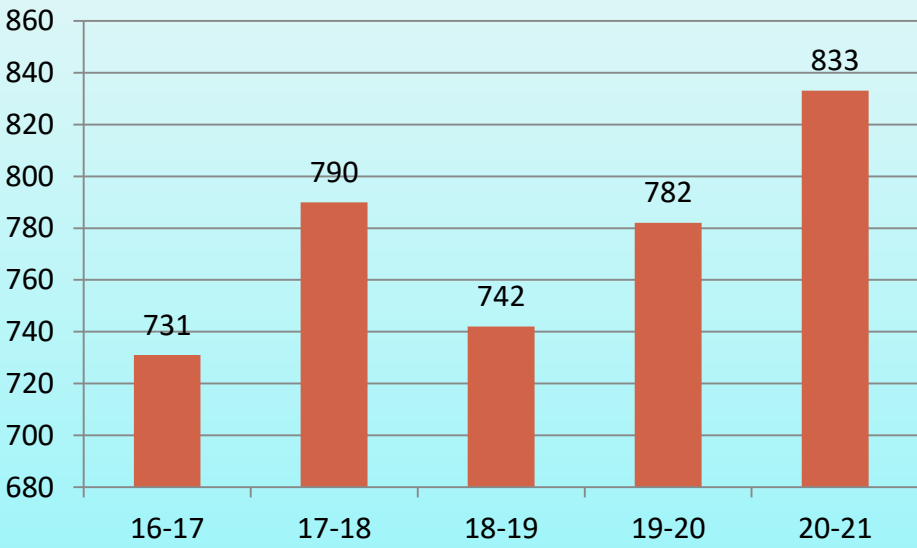


Innovation

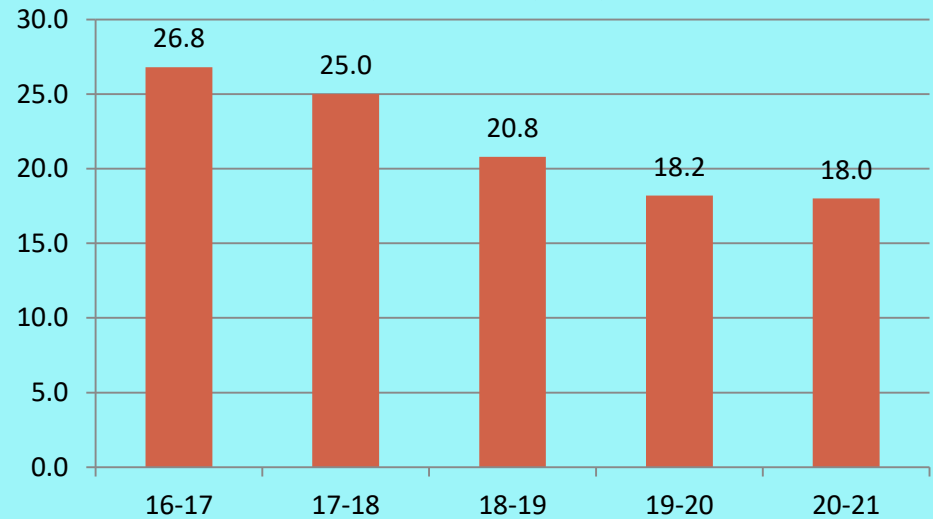
Sales In Rs Crores



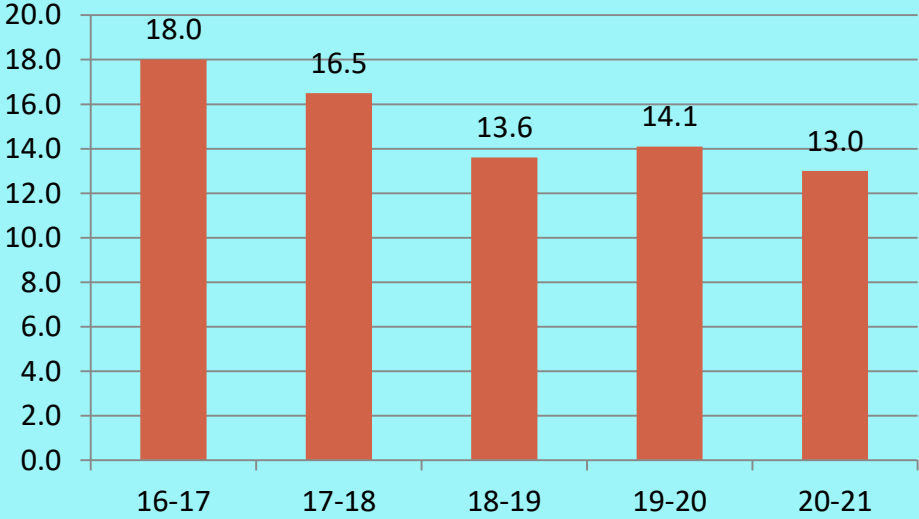
PBDIT In Rs Crores



Return on Capital Employed(%)

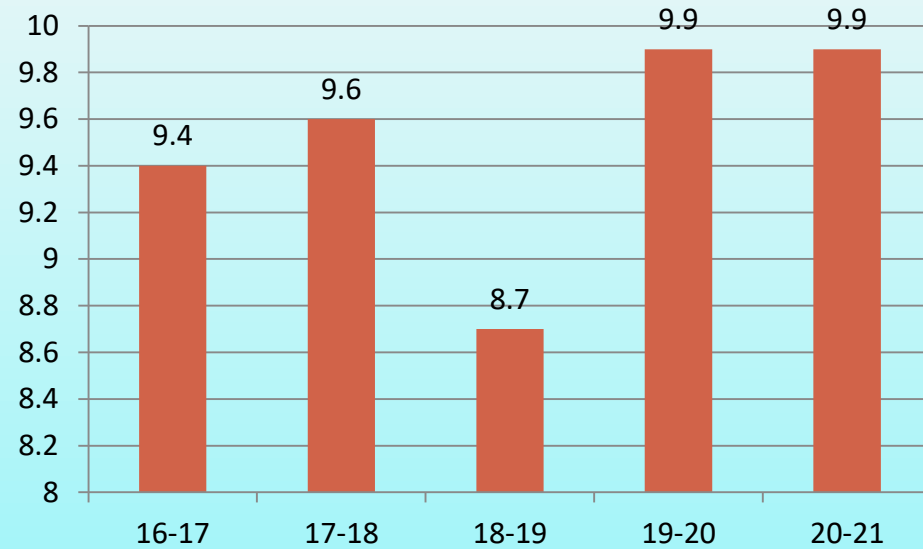


Return on net Worth(%)

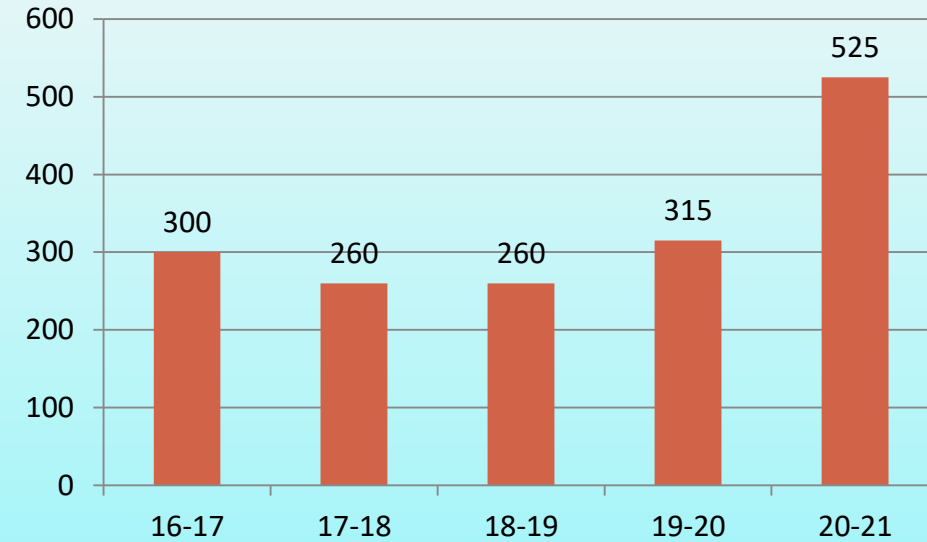


Overview of our Performance

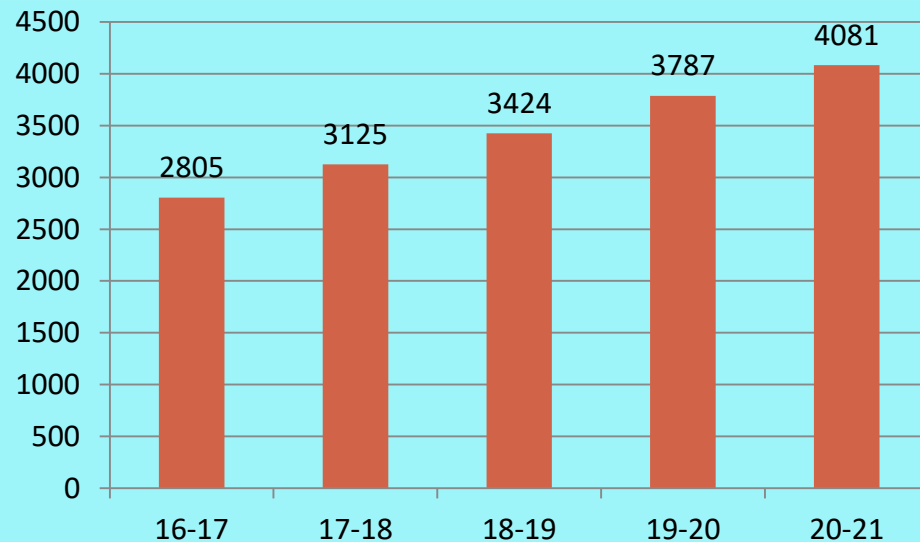
Earnings Per Share(₹)



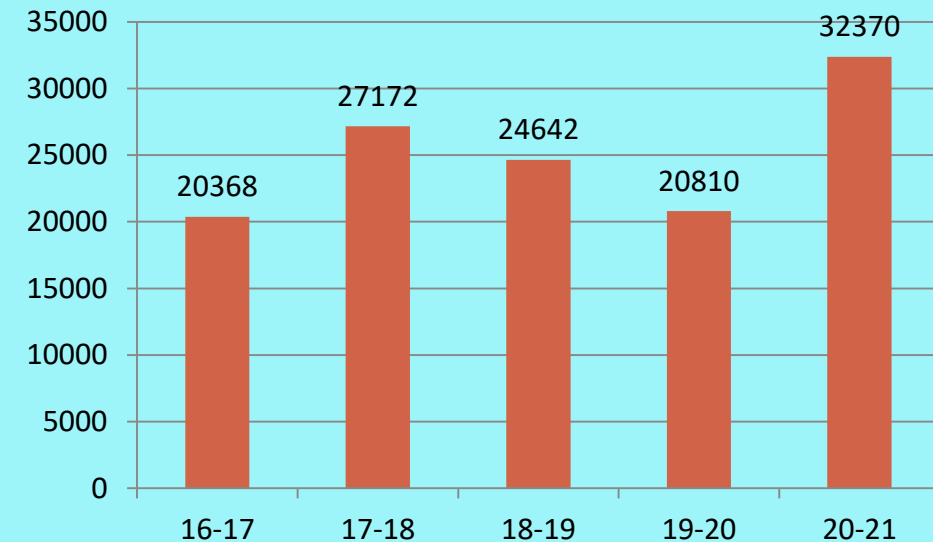
Dividend (%)



Shareholders fund in Rs Crores

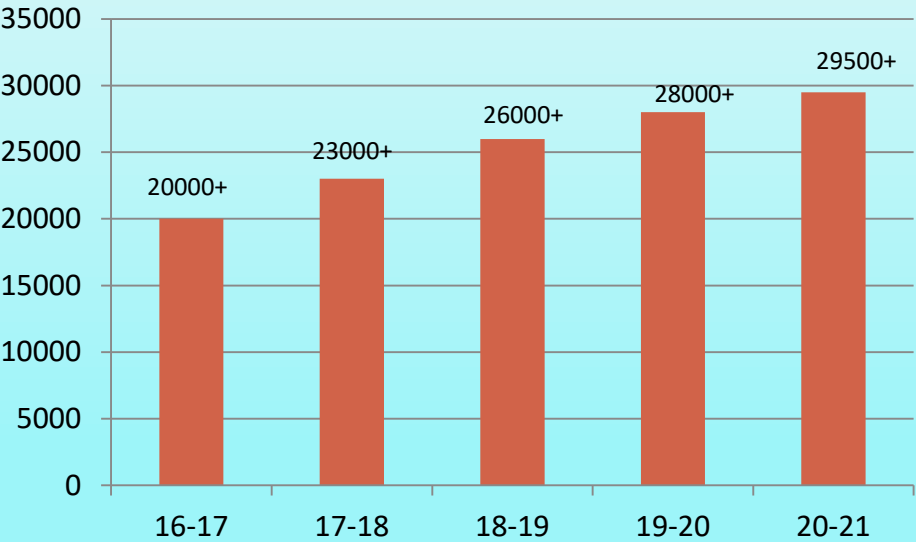


Market Capitalization in Rs Crores

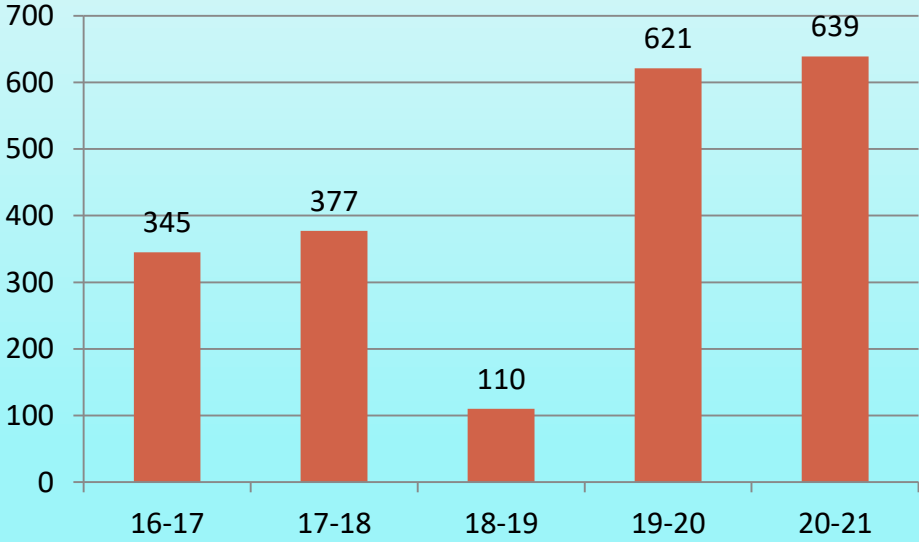


Overview of our Performance

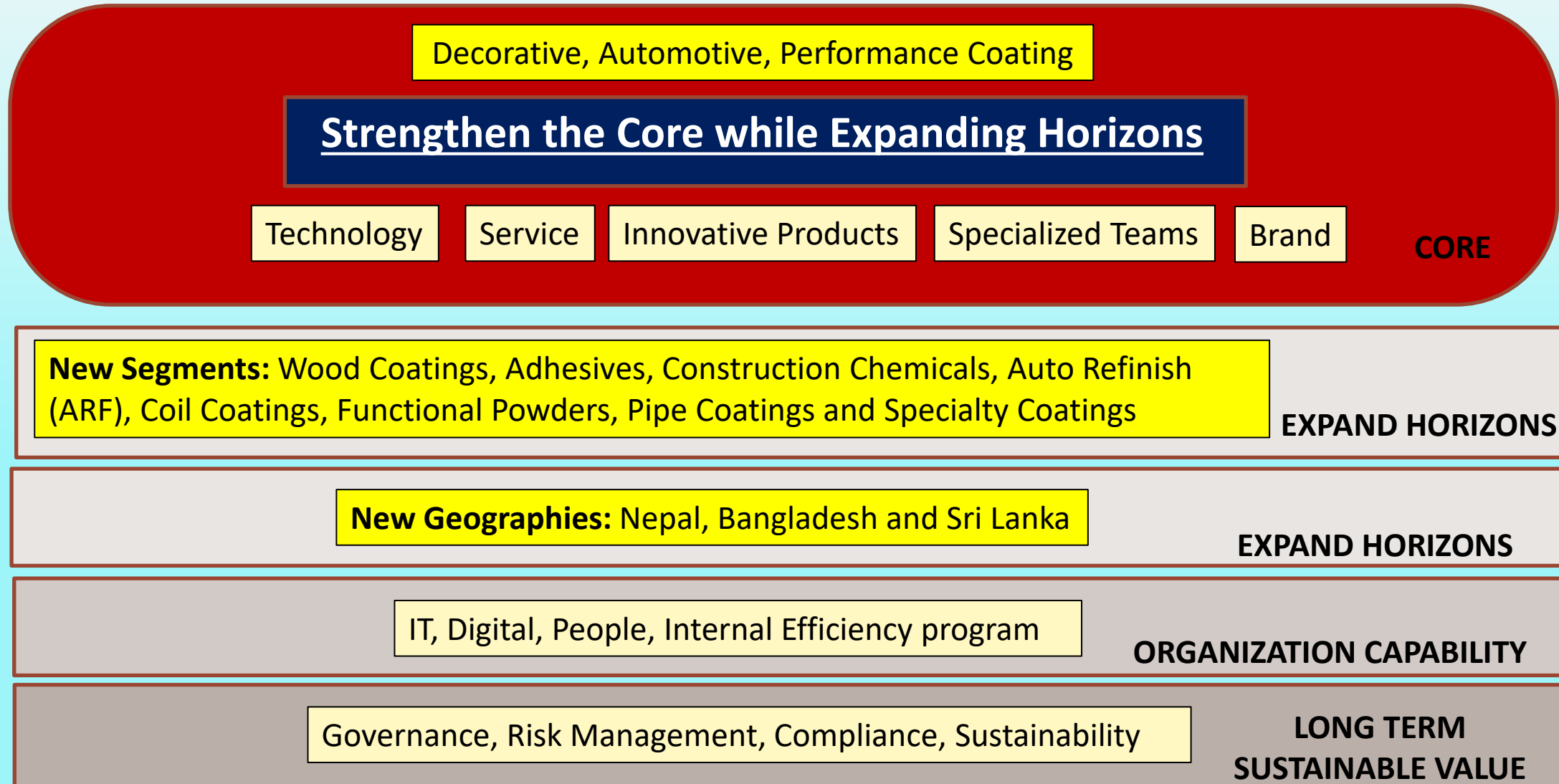
Count of Customers



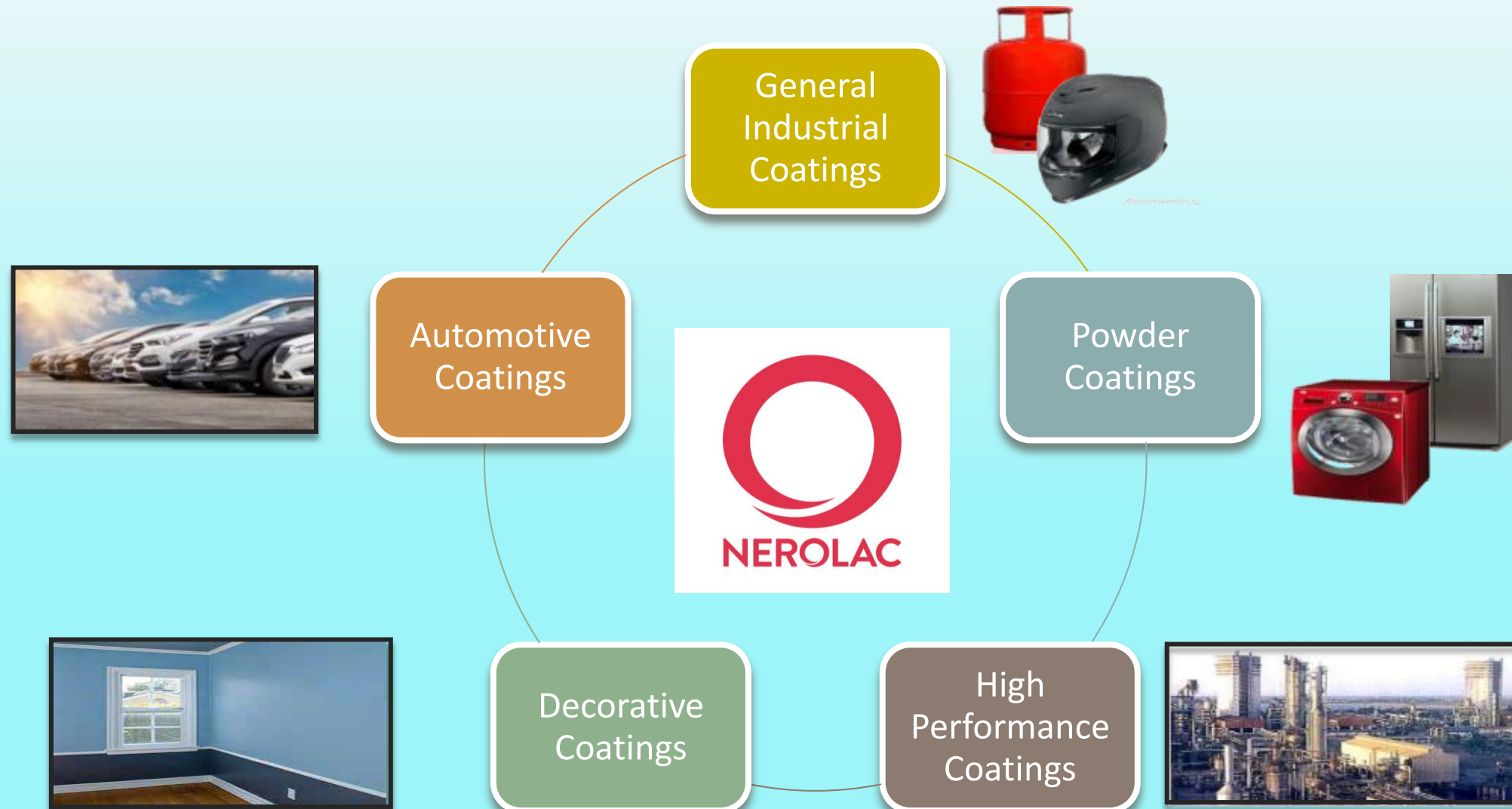
Operating Cash Flow in Rs Crores



Strategy



Core Business



Decorative

Super Premium



Impressions
UHD



Impressions
Ultra Fresh

Premium



Impressions
HD

Popular



Beauty Gold



Beauty Smooth



Beauty Little
Master

Interior Emulsion Range

Super Premium



Excel Top
Guard



Excel Total

Premium



Excel Mica
Marble



Excel Anti Peel

Popular



Suraksha Dust
Resist



Suraksha Plus

Economy



Suraksha Sheen

Exterior Emulsion Range

Decorative



Impressions
Ideaz



Impressions
Glitter



Impressions
Metallic



Excel Alkali
primer



Exterior Primer



Redimix (Putty
cum Primer)

Designer Range

Primer



Synthetic



Satin

Enamel

Automotive

Customer Segments



Product Line Up

Cathodic Electro
Deposition (CED) and
Acrylic Cathodic Electro
Deposition (ACED)
Primers

3 Coat – 1 Bake System

Medium Solid, Thermal
Sprayed Aluminium
(TSA) Polyester

Monocoat Metallics

High Mar Resistant Clear
Coats

Super Durable
Monocoats

Heat Resistant Paints

Auto Interior Coatings

Polyurethane (PU)
Coatings for Metal and
Plastics

Automotive : Leadership since decades (Primer+ Top Coat + Clear Coat, including plastic paints)

Performance Coating - Liquid

Customer Segments



Petroleum /
Petrochemical



Metal Industries



Fertilizer Industries



Cement Industry



Construction Equipment



Drum Barrel



Helmet Coating



Cycle

Product Line Up

Polyurethane (PU)
Primer and Top
Coats

Chlorinated Rubber
Coatings

Epoxy Coatings

Alkyds – Primers
and Top Coats

Zinc Rich Coatings

Heat Resistant
Coating

Floor Coatings

Pipe Coatings

Polysiloxane, C5,
IPNet

Meeting painting requirements of all possible segments

Powder Coating

Customer Segments



Light Fixtures



Electrical Equipments



Fans



Auto Ancillary



Refrigerators



Washing Machine



Air Conditioner



Microwaves

Product Line Up

Epoxy Polyester Powder

Epoxy Powder

Pure Polyester
Polyurethane

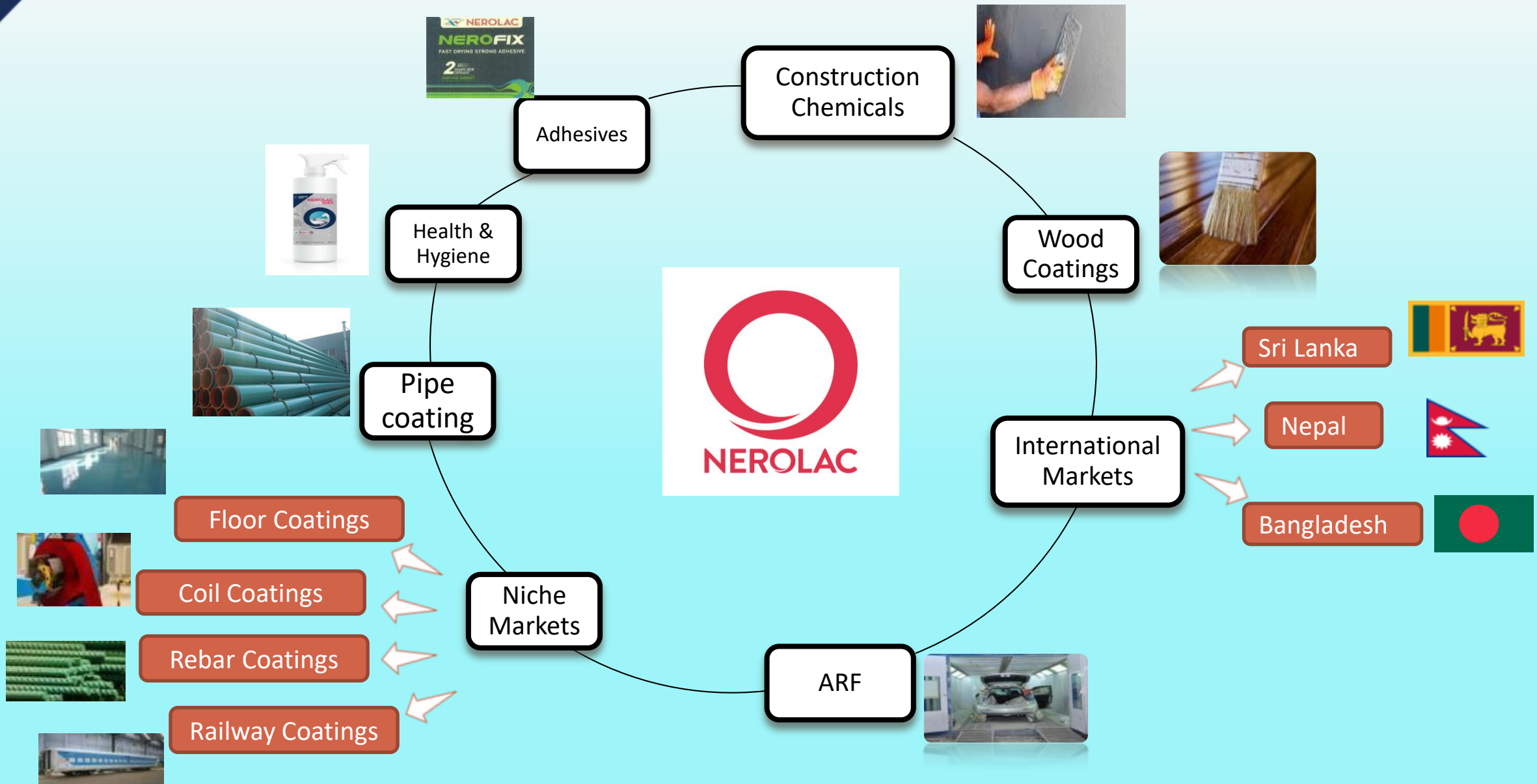
Heat Resistance Powder

Rebar Coatings, Pipe
Coating Powders

Super Durable Powders,
Bonded Metallic
Powders

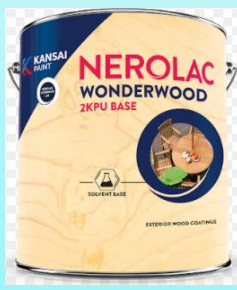
Powder Coatings: Undisputed Leadership and high market share through a variety of products

Expanding Horizons (New Markets/ Geographies)



WOOD FINISH

An extensive range of high quality products for all kinds of wooden surface, veneers and MDF



WOOD FINISH- NEROLAC ICRO

A luxury range of ultra – premium wood finish range imported from Italy



Construction Chemicals- Nerolac Perma

An extensive range of waterproofing and general repair products which are easy to use with a vision to increase life expectancy of the treated surface area in both retail as well as project business.



Adhesives- Nerofix

An evolving range of woodworking adhesives developed after months of research and field trials to deliver superior results at optimum cost with a focus on “safe to use” for carpenters.



Auto Re-Finish

An extensive range of high quality products to cater all segments in Auto Refinish. Committed to deliver optimum solution to body shops with productivity and profitability.



**After Market
Repainting and
Touch-up**

Passenger Vehicles

**Commercial
Vehicles**

Two Wheelers

Three Wheelers

Bus Body

Auto Parts &

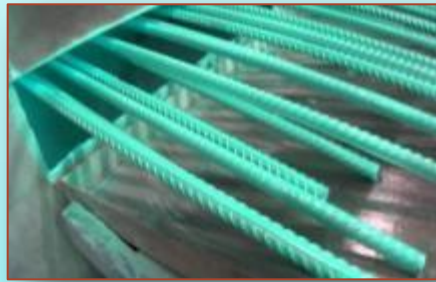
Furniture.

Niche Industrial Markets

Railways



Rebar



Floor



Coil



Future Industrial Growth Drivers

International Subsidiaries

Nepal

- Operations Started in 2012
- Fastest growing company
- 3rd biggest player in Nepal

Amt NPR Cr	Mar'21
Turnover	110.9
EBIDTA%	18.0

Sri Lanka

- Operations Started in 2017
- Tie-up with one of the largest conglomerates in Lanka Maharaja - SLon

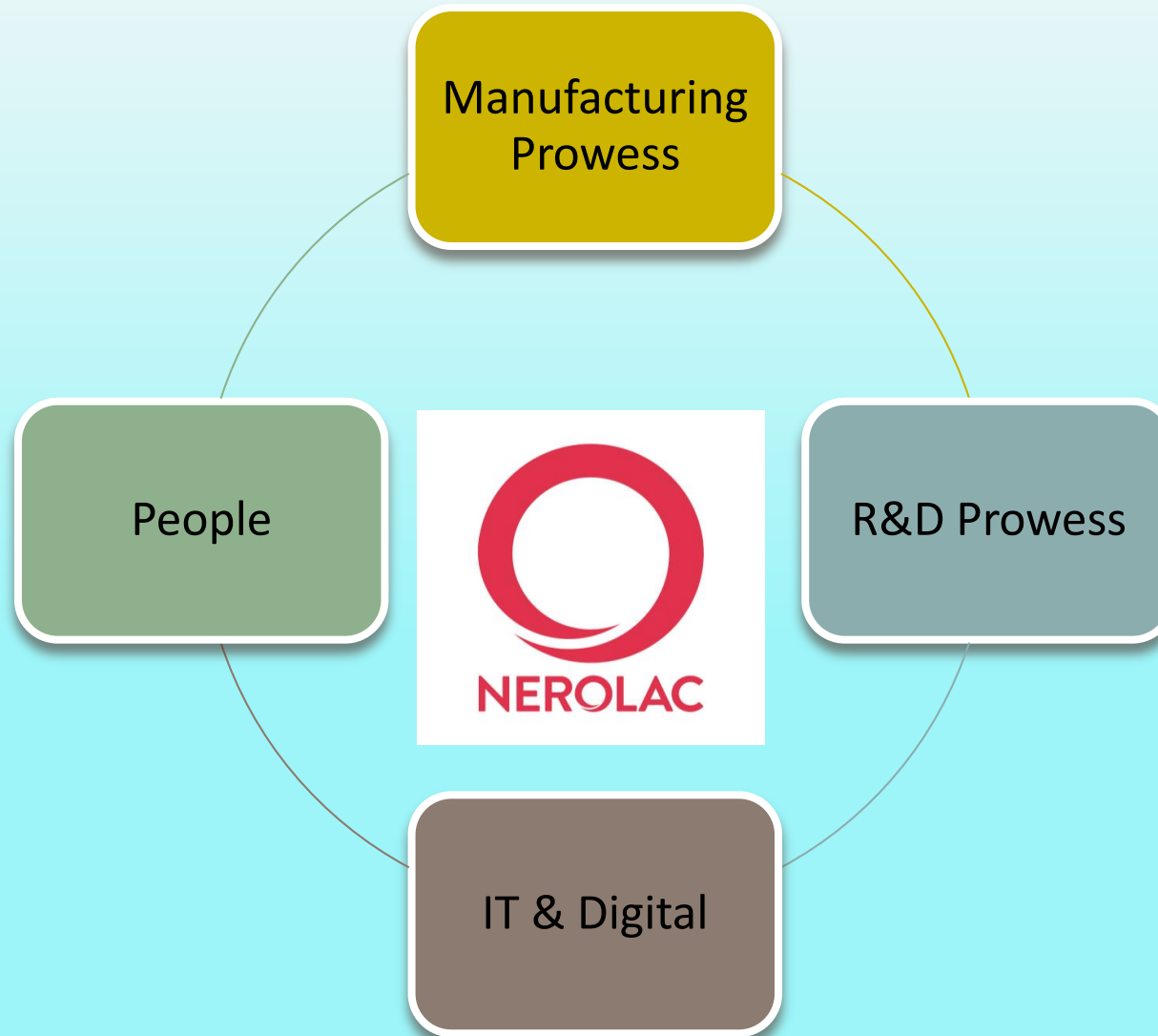
Amt LKR Cr	Mar'21
Turnover	38.9
EBIDTA%	-25.1

Bangladesh

- Acquired in 2018-19
- Diverse range of products in Decorative and Protective coating

Amt BDT Cr	Mar'21
Turnover	189.7
EBIDTA%	6.0

Organizational Capabilities



Manufacturing Prowess

	Year	Annual Capacity in KL/MT
Existing	2018-19	4,52,676
	2019-20	5,18,576
Current	2020-21	5,47,260
Planned	2021-22	5,49,120

1 Green field Project in Pipeline

Risk Mitigation: Only Company with plants for Industrial segment in each geographical zone

All Plants are Certified for the Highest Level of Quality-
IATF 16949: 2016, ISO 9001: 2015, ISO 14001:2015, ISO 45001: 2018

World Class Manufacturing Systems

- MES (Manufacturing Execution System)
- WMS (Warehouse Management System)
- Bar Coding
- ASRS (Automatic Storage and Retrieval System)
- Pigging
- Modular Paint and Pigment Production (MoFa) Technology
- Closed Pneumatic Conveying System for Powder Conveying
- Robotic Palletisers
- Latest Bells to Simulate Line Conditions for Auto, HSPMs, amongst others

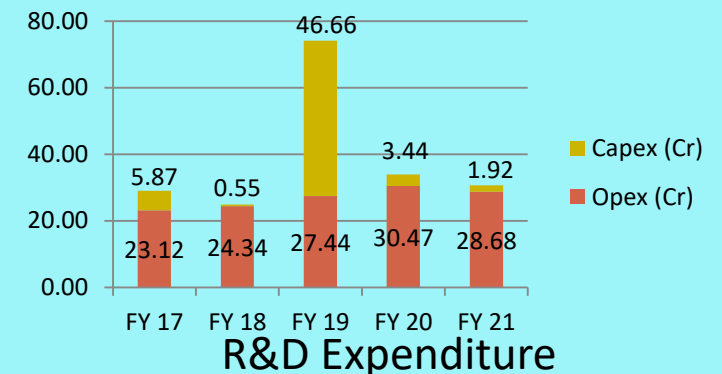
State-of-the-art technologies and modern digital solutions help to achieve end to end automation.

Digital Platform

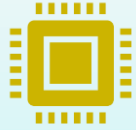
Captures real-time machine parameters and production data.

Improvement in

- Equipment efficiency
- Predictive maintenance
- Enhanced safety



R & D Prowess



R&D Spends

Rs 30.6 Cr



Number of R&D personnel

153



**New Products Launched
in FY 20-21**

40



Total Patents

2

New R&D Centre

- Commissioning of State-of-the-art Research and Development facility at Vashi, Navi Mumbai.
- Equipped with latest technologies which enable tapping into the huge pool of resources readily available across Kansai Paint Co. Ltd, Japan's different group companies across the globe.



Technical Collaborations

- Key Technology partner: Kansai Paints Co. ,Ltd. Japan- Paint and resin formulations customized as per Indian Automotive customers
- Oshima Kogyo Co. Ltd., Japan- Heat Resistance Coatings
- Cashew Co. Ltd., Japan- MICRON and Thinner for Micron
- Protech Oxyplast Ltd., Canada- Powder Coating products
- Kansai Altan Boya Sanayi A.S. and Helios- Auto Paints



R & D Prowess

LEADERSHIP IN INDUSTRIAL

The Company is a leader in Industrial Coatings and has pioneered many important technology breakthroughs for its customers. It has a Dedicated Technical Services team stationed at OEMs to support the Production line

Passenger Vehicles: Innovations which have become industry benchmarks of excellence such as the *Common Base Coat System* and the *3C -1B Wet on Wet System*

Two-wheelers: Multiple innovations like *Mono-coat Metallics* which have given benefit in process time reduction and energy saving to the customers. It is the sole supplier of ACED in India today.

Performance Coating and Powder Coating: Multiple technologies which has enabled it to sustain its Market Leadership

LEADERSHIP CONCEPTS IN DECORATIVE

The Company was built on its pioneering work in the Indian market on Heavy Metal free and Low VOC Products

- Kansai Nerolac Paints Ltd., was the **first company** to produce *lead free* decorative paints

- Recently, KNPL has differentiated its Decorative Product Line with the launch of Functional Smart Coatings such as *Formaldehyde Abatement, Air Purifying* and *Anti-Bacterial offerings*

EMERGING AREAS OF R&D FOCUS

The Company is now focussing its efforts on business opportunity areas such as *emulsions, coil coatings, rebar coatings, pipe coatings, high-end wood finishes, adhesives* and *construction chemicals*

ERP

Supply Chain

CRM

Dealer Portal

Ariba

Vendor Portal

EHS

HR

Analytics Engine

IoT, Predictive analytics, ML(SAP Leonardo), RPA

Cloud (Office 365 Platform), Top Level Security Infrastructure, Collaboration Tools (Teams)

Completely IT Enabled Business running on SAP HANA

(Early Adopters of New Technology)

CREATE DIGITAL ASSETS

AUTOMATION & CONTROL

INTELLIGENCE LAYER

SMART ENTERPRISE

EXPERIENCE LAYER

VISION

INCORPORATE DATA & INFO WITHIN & OUTSIDE

VISION

AUTOMATE FOR AVAILABILITY & RELIABILITY

VISION

OUTSIDE IN PERSPECTIVE, PREDICTIVE, VISUAL

VISION

DEPLOY SMART NEXT GENERATION TOOLS

VISION

DIGITALIZE LIFECYCLE OF STAKEHOLDERS

Employee experience

- #Purpose and Expression on Mission, Vision and Core Values
- # Learning Conferences
- #Best Practices Interview
- #Talent Development



Organization Connect

- #Town hall meeting by MD
- #Coffee with HR
- #Virtual On boarding
- #Idea Management Programme
- #Gems
- #Kaizen Competition
- #Sales Meets



Learning and Growth opportunity

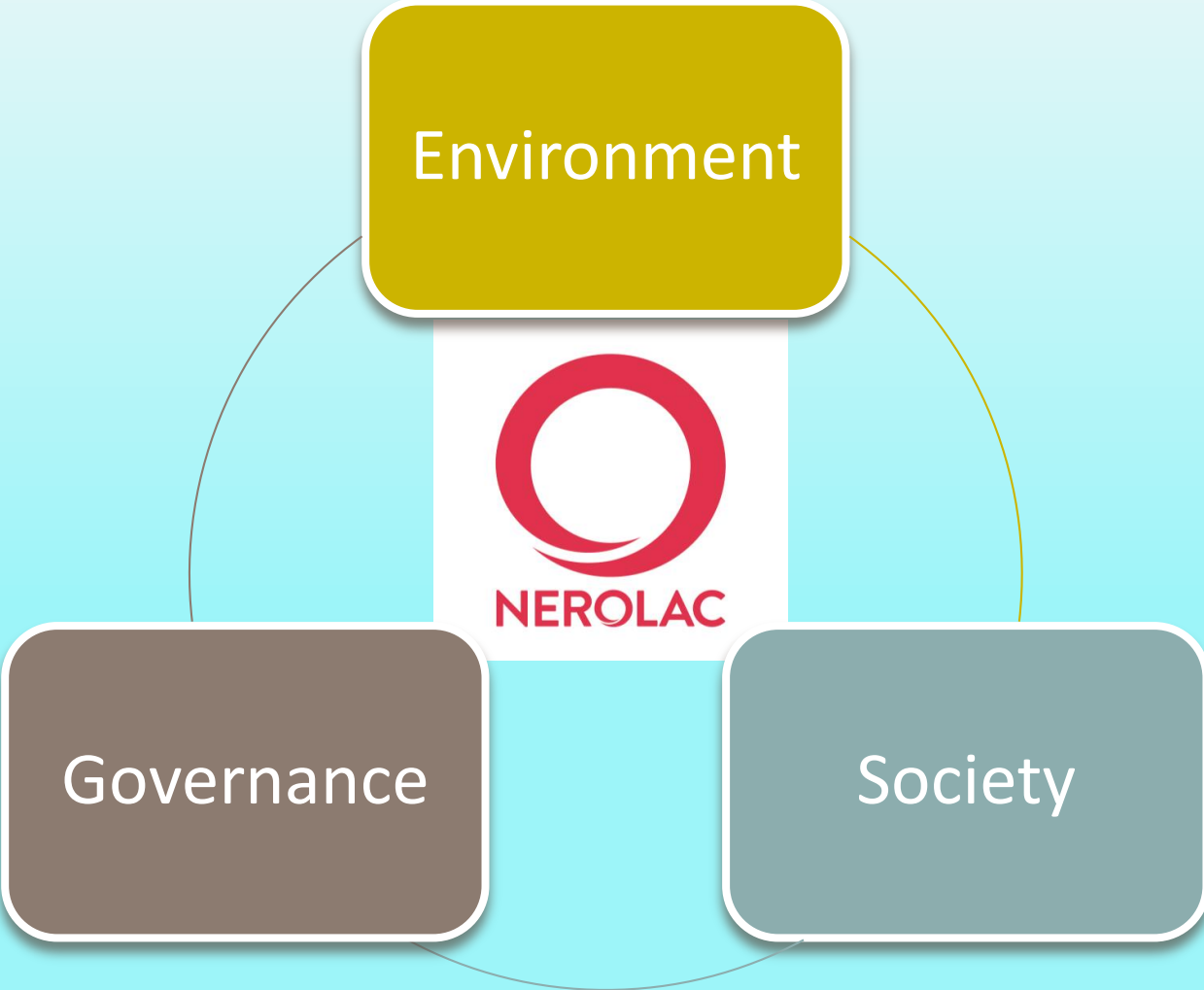
- #Competency Training Programmes
- #Functional Training Programmes
- #Skill Development Programmes
- #People Manager Programmes
- #Digital University



Leveraging IT to bring Culture of excellence

- #Contest Dashboards (Nerolac Premier League)
- #Engagement Surveys and Opinion Polls
- #Driving culture of innovation through Kaizen dashboard
- #HealthApp





Product Stewardship

- Environmentally friendly innovations helped in the reduction of
- Consumption of Water and Energy
- Air Emissions
- Waste

Environmental Stewardship

- All Plants are equipped with
 - Dry or Close Loop process technologies
 - Zero Liquid Discharge enabling Units
 - Online Stack and effluent monitoring systems

Decrease in Key Parameters in FY 20-21 over the last 4 years

Specific Fuel Consumption - 2.1%	Specific Power Consumption - 1.1%	GHG emission- 18%	Specific Water Consumption - 16%	Specific Hazardous Waste Generation-- -17%
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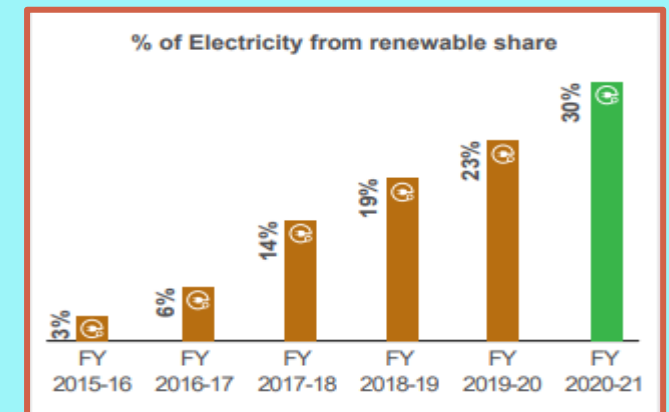


Bio-Composting Machines

Conversion of Canteen Food Waste to good quality Manure



Zero Liquid Discharge through installation of Ultrafiltration (UF), Reverse Osmosis (RO) and Multi-effect Evaporator (MEE)



Green Power Generation

Society



**PREVENTIVE HEALTHCARE
AND SANITATION**



**RURAL/COMMUNITY
DEVELOPMENT**



**PROMOTING
EDUCATION**



**ENSURING ENVIRONMENTAL
STABILITY**

**LIVELIHOOD AND SKILL
ENHANCEMENT
PROGRAMME**

**ENGAGEMENT WITH LOCAL COMMUNITIES
AND ORGANIZATIONS TO CONTRIBUTE
TOWARDS SOCIAL BENEFITS**

**RESTORATION OF BUILDINGS
AND SITES OF HISTORICAL
IMPORTANCE**

Governance

Governance

Internal Audit with
Focus on

- **Control Efficiency Index (CEI)**
- **Robust Control Index (RCI)**

Compliance

Online Compliance
tracking through
Legatrix Software

Risk

System enabled
**Enterprise Risk
Management**

Key Awards

CORPORATE

INSTITUTE OF COMPANY SECRETARIES-
CORPORATE GOVERNANCE (2007)

GOLDEN PEACOCK- CORPORATE
GOVERNANCE (2005)

BEST MANAGED COMPANY- BUSINESS
TODAY (2005)

CUSTOMER

BEST VENDOR AWARD FOR COST-
TOYOTA (2016)

BEST SUPPLIER AWARD- TOYOTA (2017)

BEST VENDOR AWARD- MARUTI SUZUKI
(2010, 2011, 2016,2017)

BEST SUPPLIER AWARD- HMSI
(2011, 2015, 2016, 2019, 2020,2021)

BEST VENDOR AWARD
TATA MOTORS (2012)

BEST PERFORMANCE AWARD
ISUZU (2020)

BRAND

TRUSTED BRAND GOLD AWARD-
READERS DIGEST (2017)

PRODUCT OF THE YEAR AWARD-
WORLD'S LARGEST INDEPENDENT
SURVEY (2017)

ECONOMIC TIMES RECOGNIZED KANSAI
NEROLAC PAINTS AS ONE OF THE BEST
BRANDS (2018)

NAMED AS ONE OF THE 40 MOST
VALUABLE INDIAN BRANDS BY
INTERBRAND, ONE OF THE WORLD'S
LEADING BRAND CONSULTANCIES
(2018)

MARKETING

BEST MEDIA INNOVATION- EMVIES

(4 AWARDS) (2007)

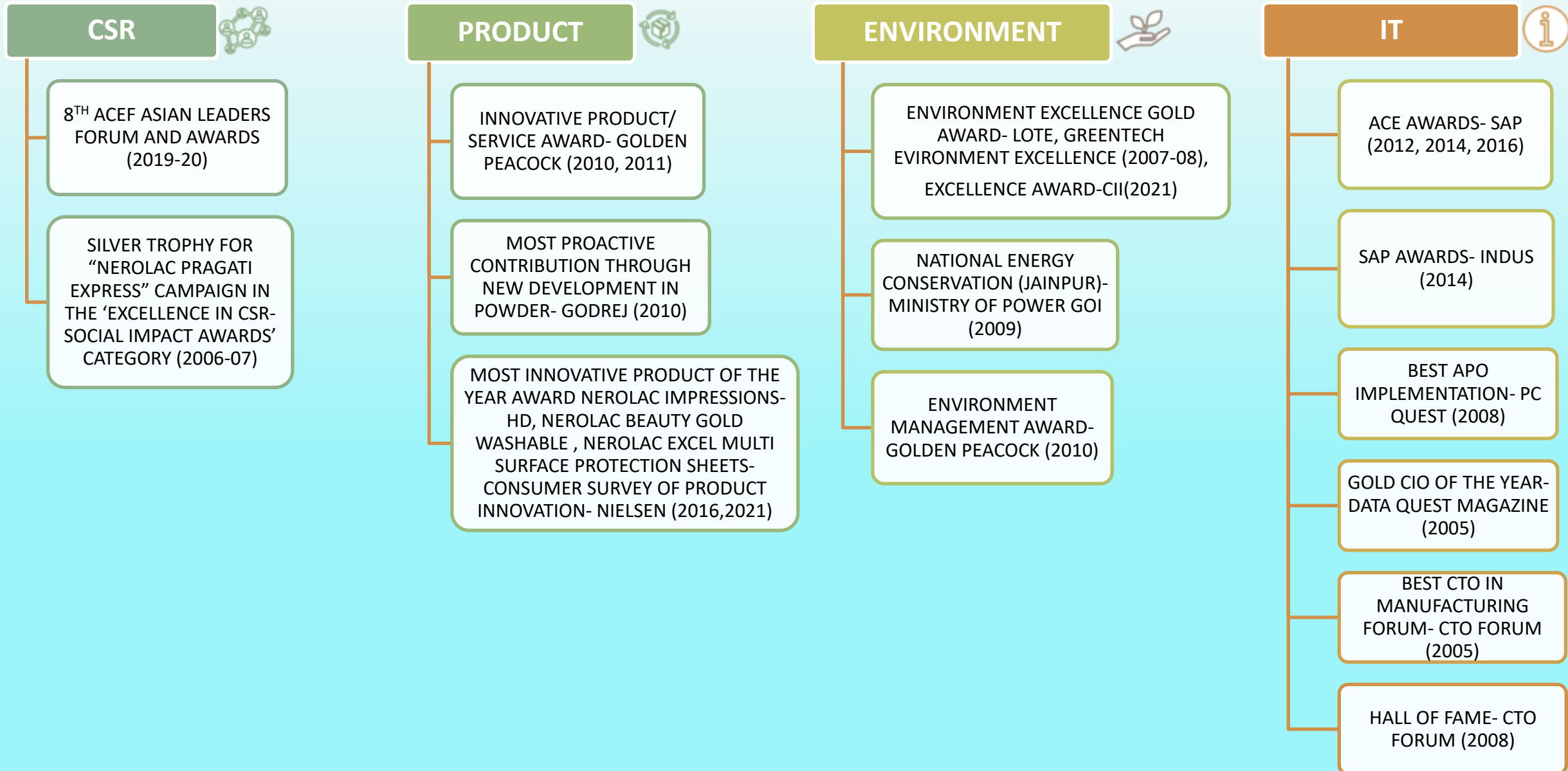
BRONZE AT CANNES (2008)

SILVER TROPHY BEST AD- AAAI (2006)

DESIGN AWARD FOR AMBIENT MEDIA
CATEGORY- KYOORIOUS DESIGN AWARD
(2015)

BEST CMO- PITCH CMOS SUMMIT
(2017)

Key Awards



Key Awards

MANUFACTURING

ASIAN MANUFACTURING
EXCELLENCE AWARD- FROST AND
SULLIVAN (2010)

CERTIFICATE OF MERIT- LOTE- (ZERO
ACCIDENT FREQUENCY) BY NATIONAL
SAFETY COUNCIL, MAHARASHTRA (3
YEARS)
(2012, 2014, 2017)

SAFETY SYSTEM EXCELLENCE AWARD-
FICCI (2014-15),
FAME(2020-21),
PRASHANSA PATRA -NSCI

ENERGY CONSERVATION-1st
PLACE-MEDA

GOLD AWARD-QUALITY
CIRCLE FORUM OF INDIA,
RUNNER UP-QIMPRO

HUMAN RESOURCE

KNPL WAS CERTIFIED AS
ONE OF THE GREAT
PLACE TO WORK BY
GPTW IN YEAR
(2018-19)

LEADERSHIP

AMONG THE TOP 50 CEOS-
ENTREPRENEUR MAGAZINE
(2014)

BEST CEO IN CHEMICALS
CATEGORY- BUSINESS TODAY
(2017)

ASIA PACIFIC
ENTREPRENUERSHIP AWARD IN
CHEMICAL AND PLASTIC-
ENTERPRISE ASIA (2016)

MR. H. M. BHARUKA WAS
AWARDED WITH THE
PRESTIGIOUS ICC D.M. TRIVEDI
LIFETIME ACHIEVEMENT AWARD
FOR CONTRIBUTION TO INDIA
CHEMICAL INDUSTRY

OTHERS

CSR REPORT GOLD
TROPHY- ABCI
AWARD (2007)

KARMAYOG- RATING
4/5 (2008)

ASSOCIATION OF BUSINESS
COMMUNICATIONS OF
INDIA- GOLD (2009)

Selective List of Customers

General Industrial Coatings	Automotive Coatings OEMs	High Performance Coatings	Powder Coatings
<input type="checkbox"/> GODREJ <input type="checkbox"/> WHIRPOOL <input type="checkbox"/> KIRBY BUSINESS SYSTEMS <input type="checkbox"/> ZAMIL STEEL <input type="checkbox"/> ORIENT FANS <input type="checkbox"/> HAVELLS <input type="checkbox"/> BALMER LAWRIE <input type="checkbox"/> PANASONIC <input type="checkbox"/> STUDDS <input type="checkbox"/> STEELBIRD <input type="checkbox"/> YKK <input type="checkbox"/> TIRTH AGRO <input type="checkbox"/> PENNAR <input type="checkbox"/> EVEREST <input type="checkbox"/> KOBELCO <input type="checkbox"/> KOMATSU <input type="checkbox"/> STI SANOH <input type="checkbox"/> T&D	<input type="checkbox"/> MARUTI SUZUKI <input type="checkbox"/> TOYOTA KIRLOSKAR <input type="checkbox"/> HONDA CARS <input type="checkbox"/> RENAULT NISSAN <input type="checkbox"/> MAHINDRA & MAHINDRA <input type="checkbox"/> TATA MOTORS <input type="checkbox"/> FIAT <input type="checkbox"/> FORD <input type="checkbox"/> MERCEDES-BENZ <input type="checkbox"/> VOLKSWAGEN <input type="checkbox"/> ISUZU <input type="checkbox"/> VOLVO EICHER <input type="checkbox"/> ASHOK LEYLAND <input type="checkbox"/> DAIMLER INDIA CV <input type="checkbox"/> FORCE MOTORS <input type="checkbox"/> HERO MOTOCORP <input type="checkbox"/> HONDA MOTORCYCLES & SCOOTER <input type="checkbox"/> TVS MOTORS <input type="checkbox"/> BAJAJ AUTO <input type="checkbox"/> SUZUKI MOTORCYCLES <input type="checkbox"/> YAMAHA <input type="checkbox"/> ROYAL ENFIELD <input type="checkbox"/> TAFE <input type="checkbox"/> SONALIKA INTERNATIONAL <input type="checkbox"/> ESCORTS	<input type="checkbox"/> RELIANCE INDUSTRIES <input type="checkbox"/> ADANI <input type="checkbox"/> AMBUJA CEMENT <input type="checkbox"/> ADITYA BIRLA <input type="checkbox"/> LARSEN & TOUBRO <input type="checkbox"/> NTPC <input type="checkbox"/> BHARAT PETROLEUM <input type="checkbox"/> INDIAN OIL <input type="checkbox"/> HPCL <input type="checkbox"/> JSW <input type="checkbox"/> THERMAX <input type="checkbox"/> BHEL <input type="checkbox"/> ONGC <input type="checkbox"/> SIMPLEX INFRA <input type="checkbox"/> L&T <input type="checkbox"/> AFCONS <input type="checkbox"/> SUZLON <input type="checkbox"/> TATA STEEL	<input type="checkbox"/> GODREJ <input type="checkbox"/> HITACHI <input type="checkbox"/> WHIRPOOL <input type="checkbox"/> SAMSUNG <input type="checkbox"/> LG <input type="checkbox"/> PANASONIC <input type="checkbox"/> BAJAJ AUTO <input type="checkbox"/> HERO MOTOCORP <input type="checkbox"/> HONDA <input type="checkbox"/> ASHOK LEYLAND <input type="checkbox"/> MAHINDRA <input type="checkbox"/> MINDA <input type="checkbox"/> USHA <input type="checkbox"/> LARSEN & TOUBRO <input type="checkbox"/> JCB <input type="checkbox"/> CROMPTON GREAVES <input type="checkbox"/> ABB <input type="checkbox"/> LEGRAND <input type="checkbox"/> PHILLIPS <input type="checkbox"/> POWERICA <input type="checkbox"/> SIEMENS

Consolidated Snapshot

	CAGR (Last 20 years) (FY 2001- FY 2021)
Sales Rs. mn.	11
PBDIT Rs. mn.	12
PBT Rs. mn.	17

End of Presentation