

NEROLAC



24.4.2020

Corporate Presentation

24.4.2020



Ownership

Subsidiary of
Kansai Paint Co.,
Ltd., Japan



Founded

1920



Market Position

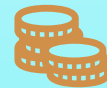
One of India's largest
Paint company: Leader
in industrial paints



Net Sales (₹)

(FY20 – standalone)

4,943.2 Cr



PBT (₹)

(FY 20 – standalone)

683.6 Cr

June 2020



Mar. Cap. (₹)

(31st March 2020)

20,880 Cr

Indian Paint Industry

Size

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

Growth Rates

- Double digit since 1991

Organized : Un-organized Market

- 70:30

Per Capita consumption

- ~3.75 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

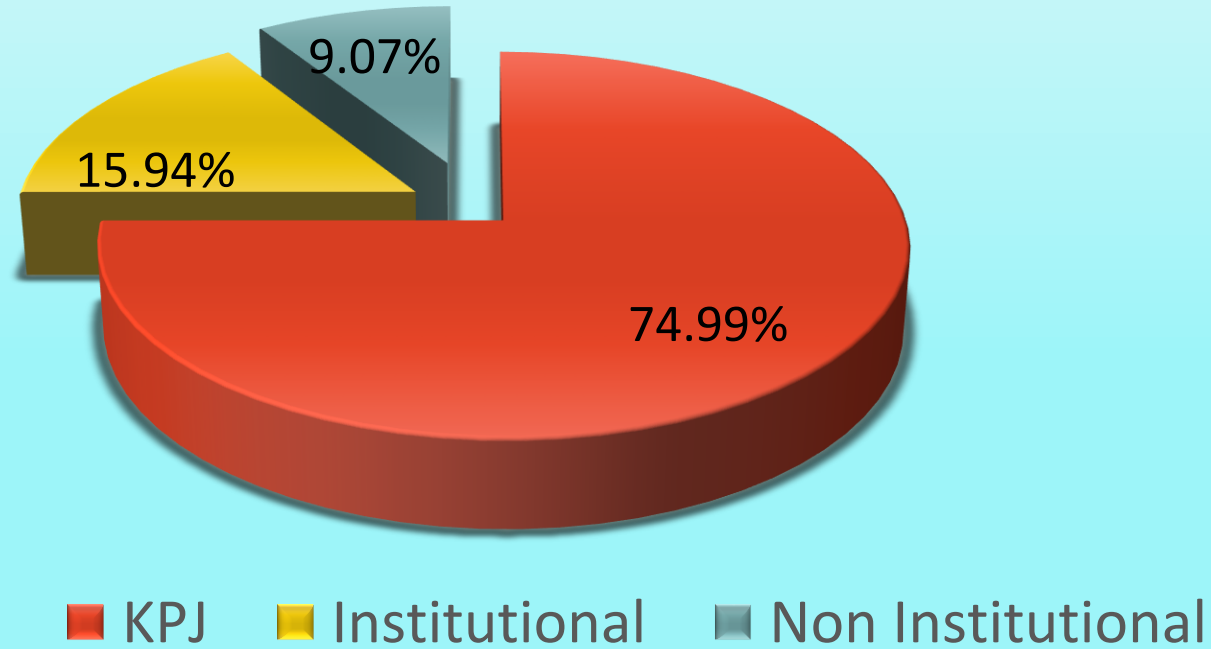
2018

Acquisition of RAK Paints, Bangladesh



Shareholding Pattern

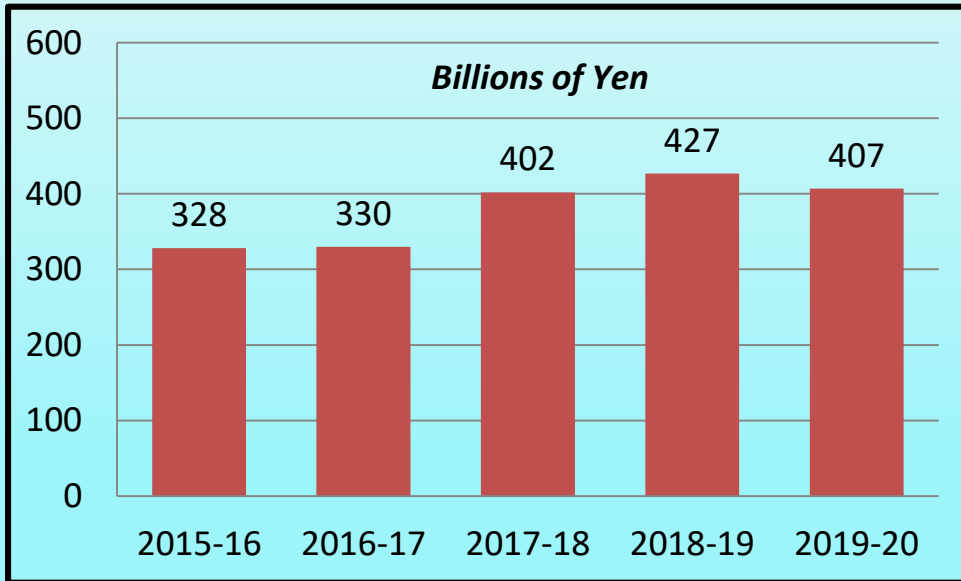
Shareholding Pattern as on March 31, 2020



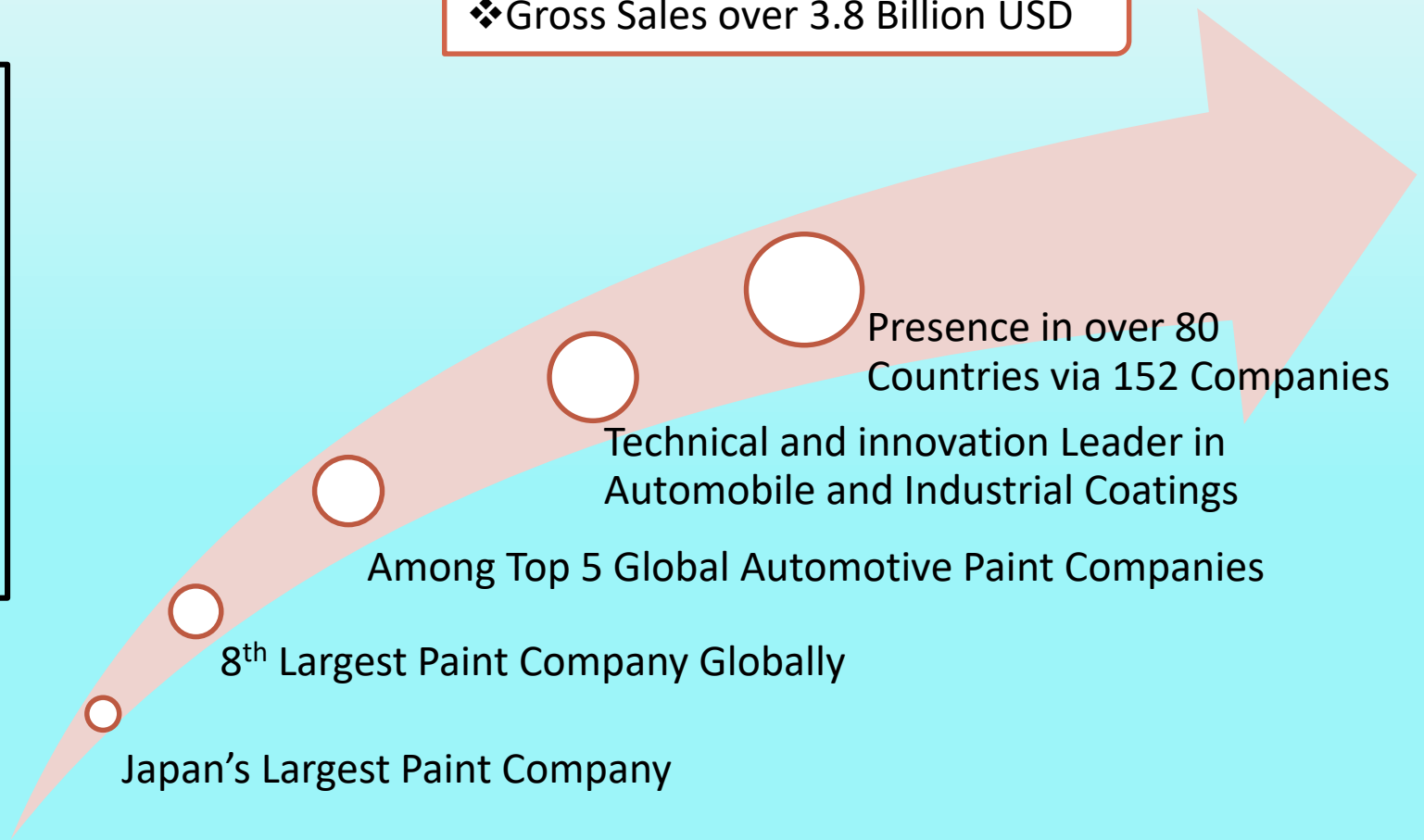
Our Heritage – Kansai Paint Co., Ltd., Japan



Net Sales (Consolidated)




❖ Gross Sales over 3.8 Billion USD



Technology tie-ups




Japan

 **Cashew Tsusho**
Auto Paint – Plastic




Japan

 **Oshima Kogyo**
Heat Resistant Paints



Canada

 **Protech Oxyplast**
Powder Coating

Our Foot-Print



6 plants:

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



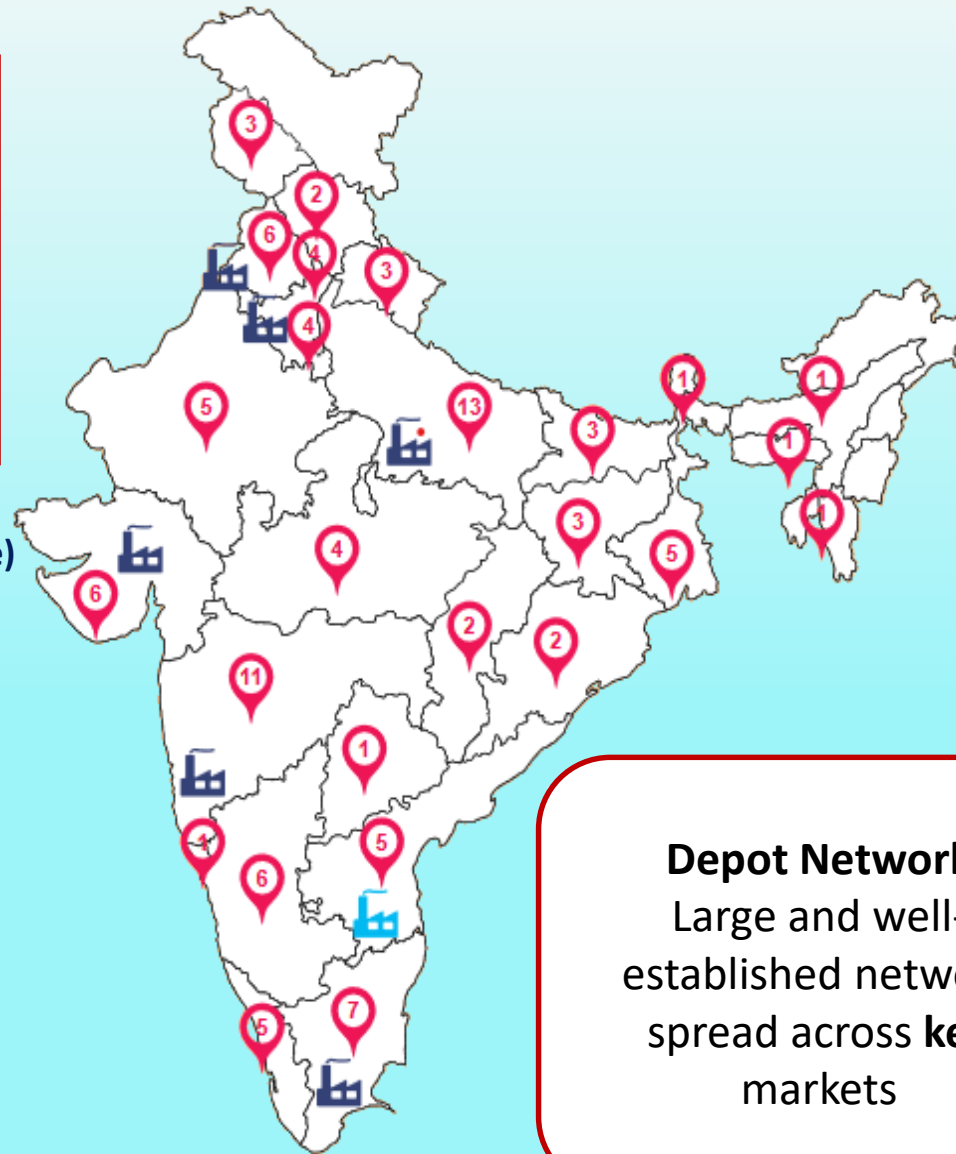
1 upcoming plant
(Andhra Pradesh)



104 Depots pan India (Denoted State Wise)

❖ **27500+** Customers Network

British Safety Award
ZERO liquid Discharge
OHSAS 18001
ISO 14001



Six Plants
Strategically Located near
OEMs (Auto Clusters)

Strong Competitive Edge

Depot Network
Large and well-
established network
spread across **key**
markets



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



icare!



Integrity



Customer
Focus



Accountability



Respect



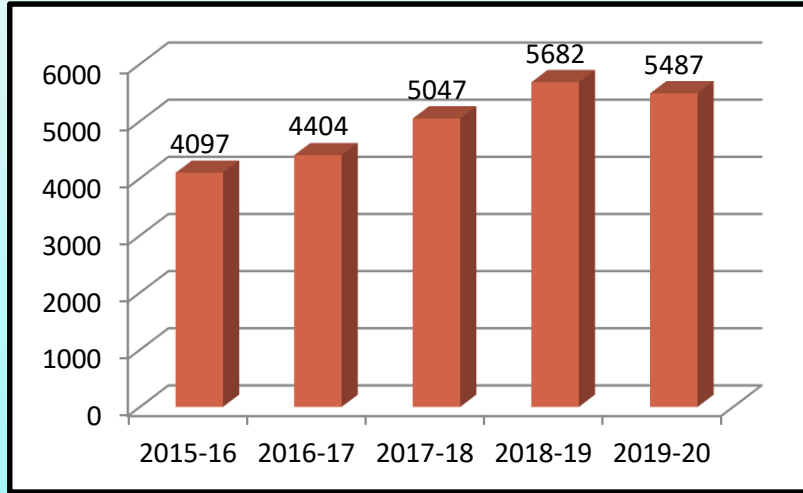
Entrepreneurial
Mindset



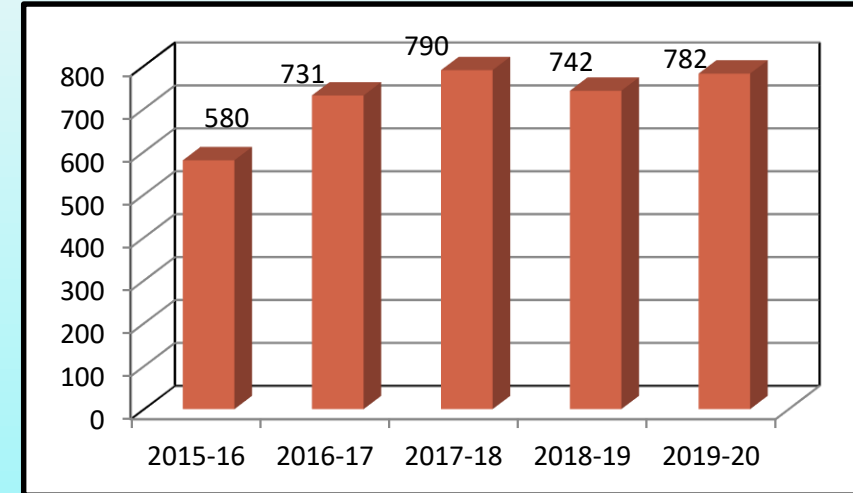
Innovation

Overview of our Performance

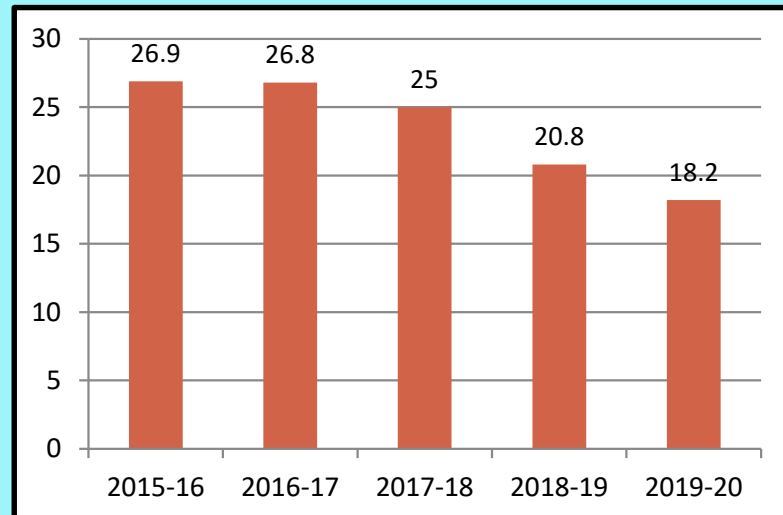
Sales In Rs Crores



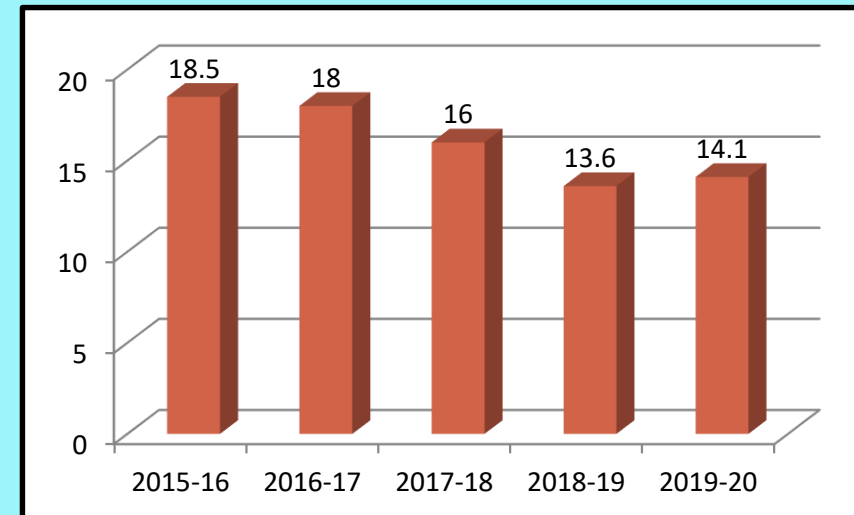
PBDIT In Rs Crores



Return on Capital Employed(%)

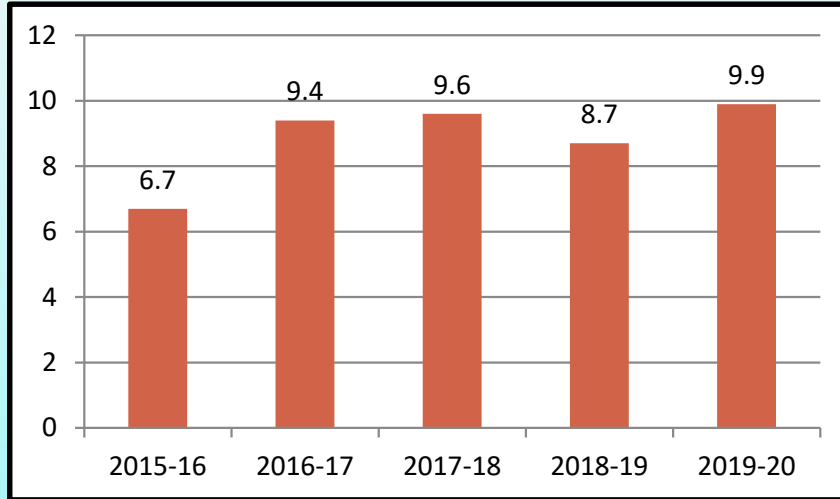


Return on net Worth(%)

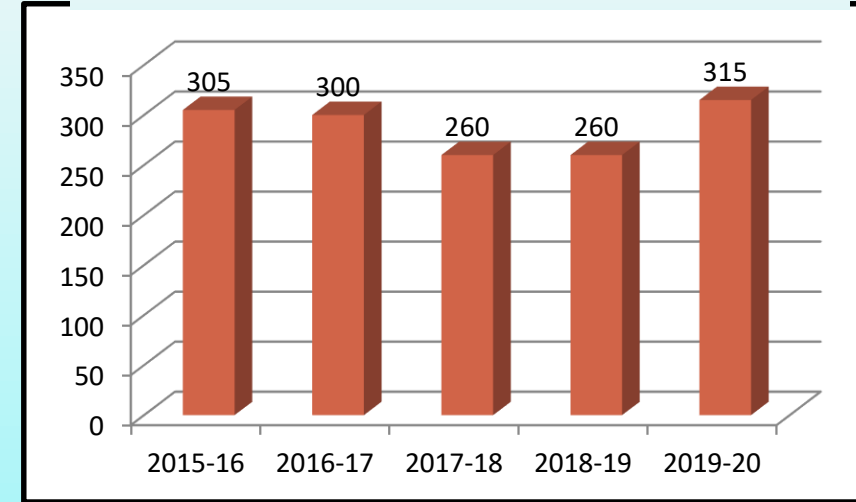


Overview of our Performance

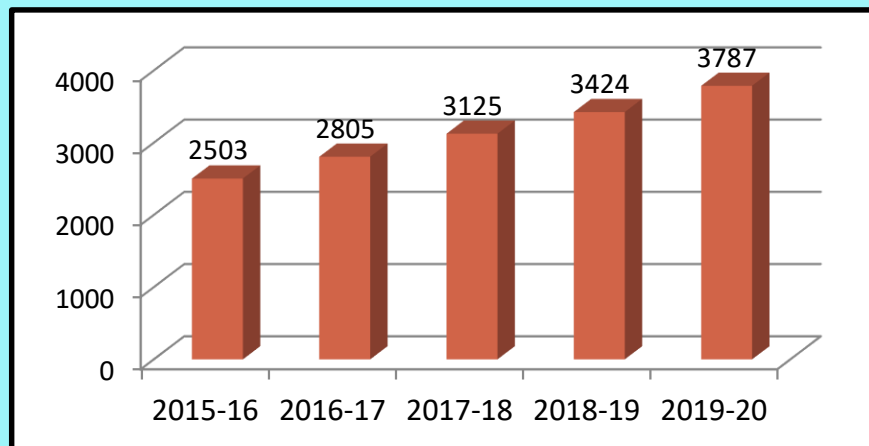
Earnings Per Share(₹)



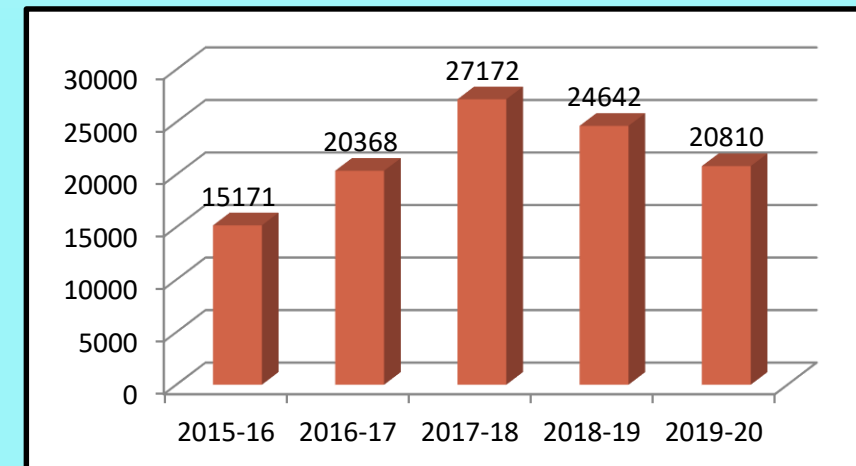
Dividend (%)



Shareholders fund in Rs Crores

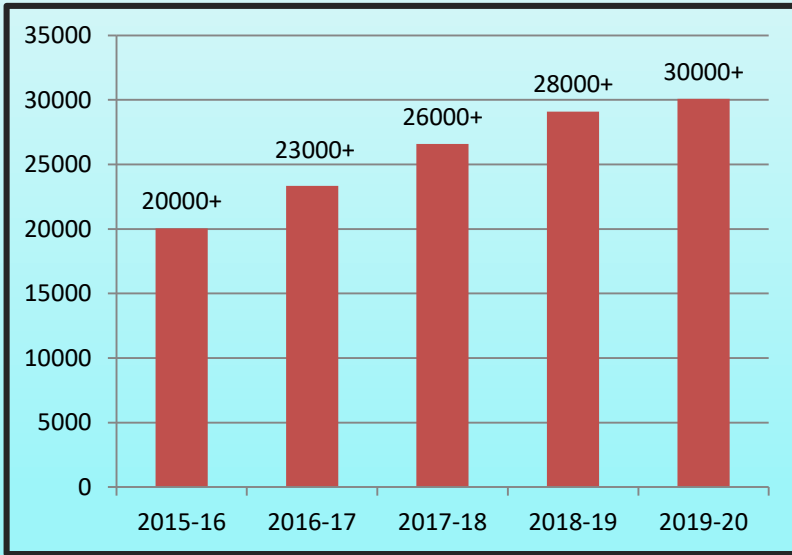


Market Capitalization in Rs Crores

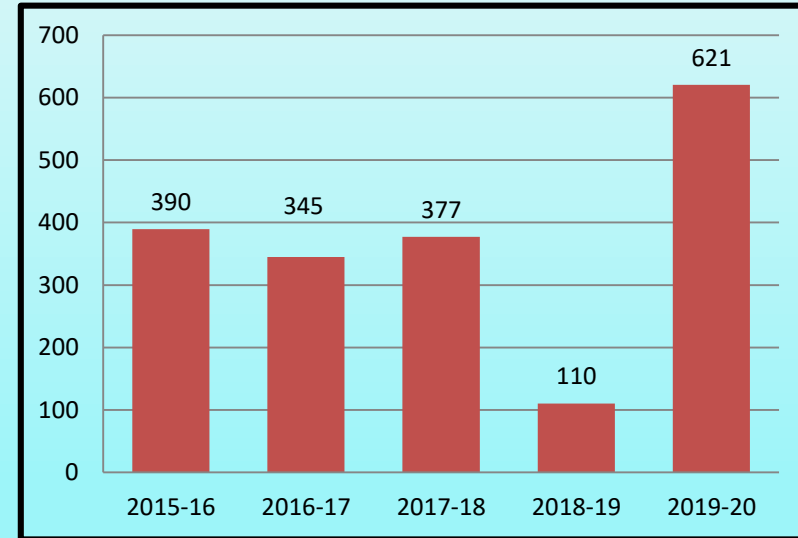


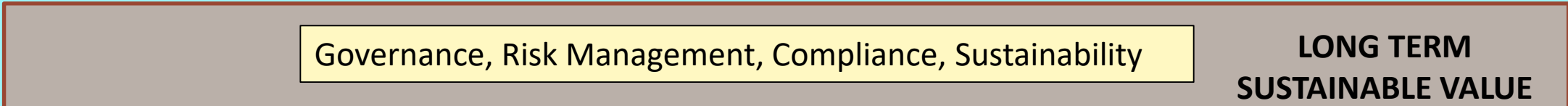
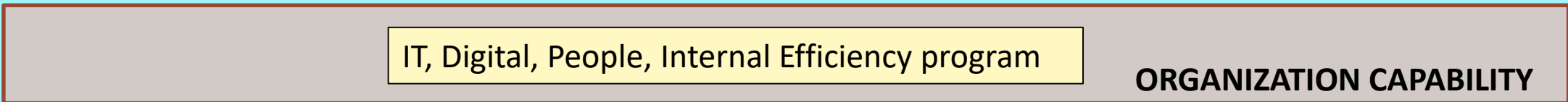
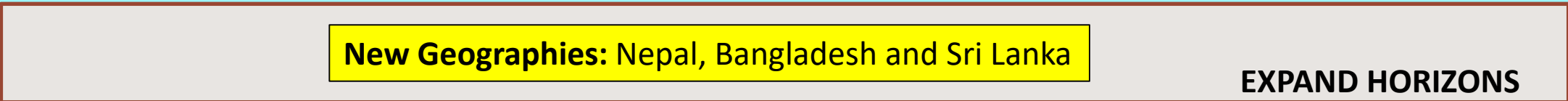
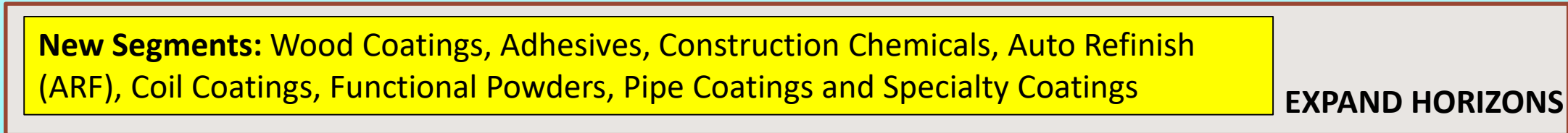
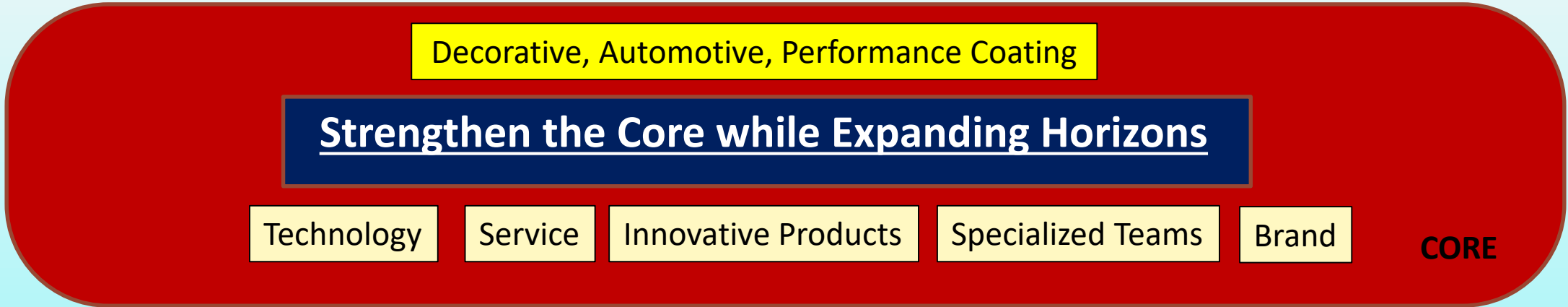
Overview of our Performance

Count of Customers

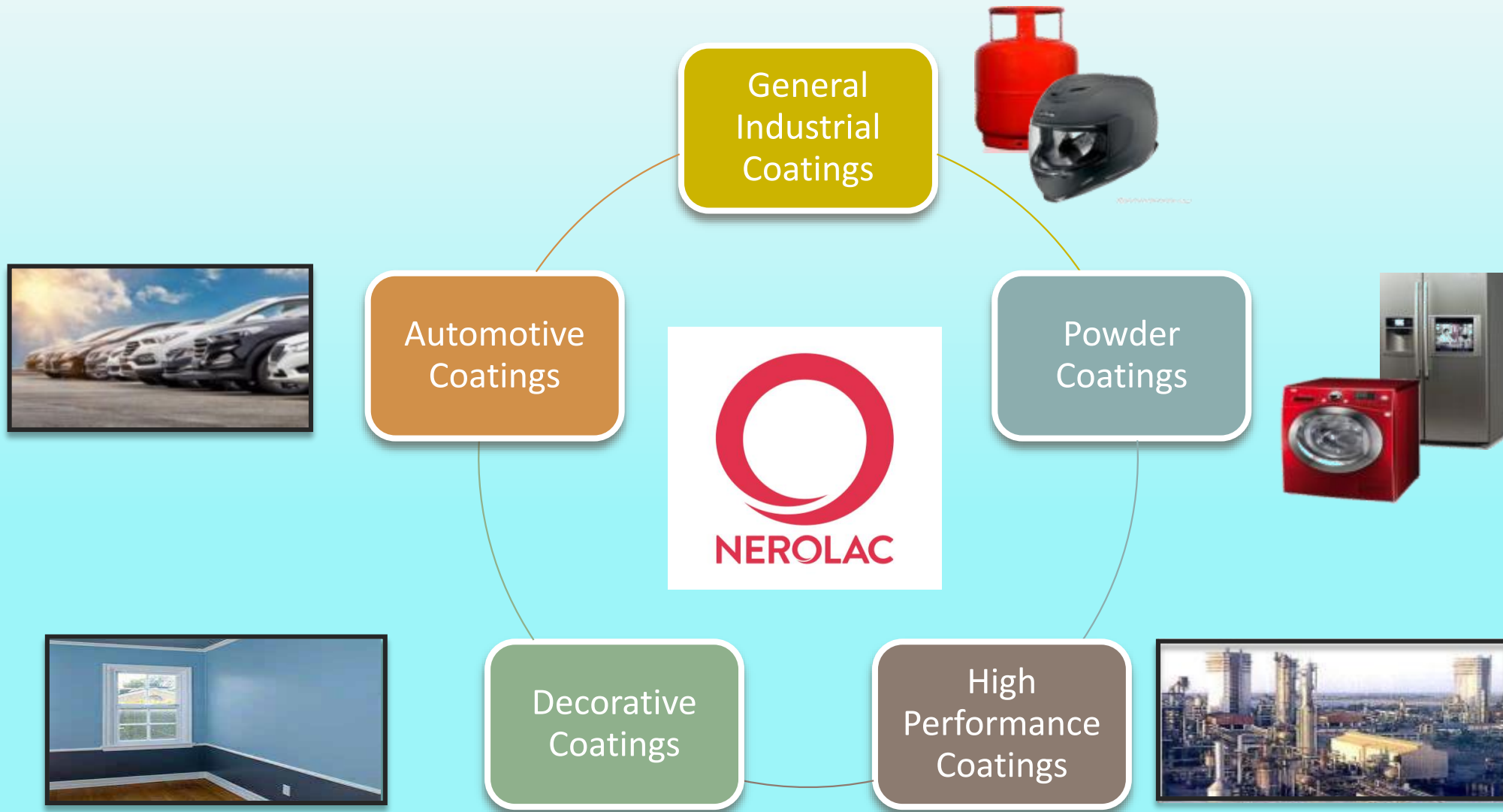


Operating Cash Flow in Rs Crores





Core Business



Decorative

Super Premium



Impressions UHD



Impressions Ultra Fresh

Premium



Impressions Eco Clean



Impressions HD

Popular



Beauty Gold



Beauty Smooth

Economy



Beauty Little Master

Interior Emulsion Range

Super Premium



Excel Top Guard



Excel Total

Premium



Excel Mica Marble



Excel Anti Peel

Popular



Suraksha Advanced



Suraksha Plus

Economy



Suraksha

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

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

Product Line Up



Petroleum / Petrochemical



Metal Industries



Fertilizer Industries



Cement Industry



Construction Equipment



Drum Barrel



Helmet Coating



Cycle

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

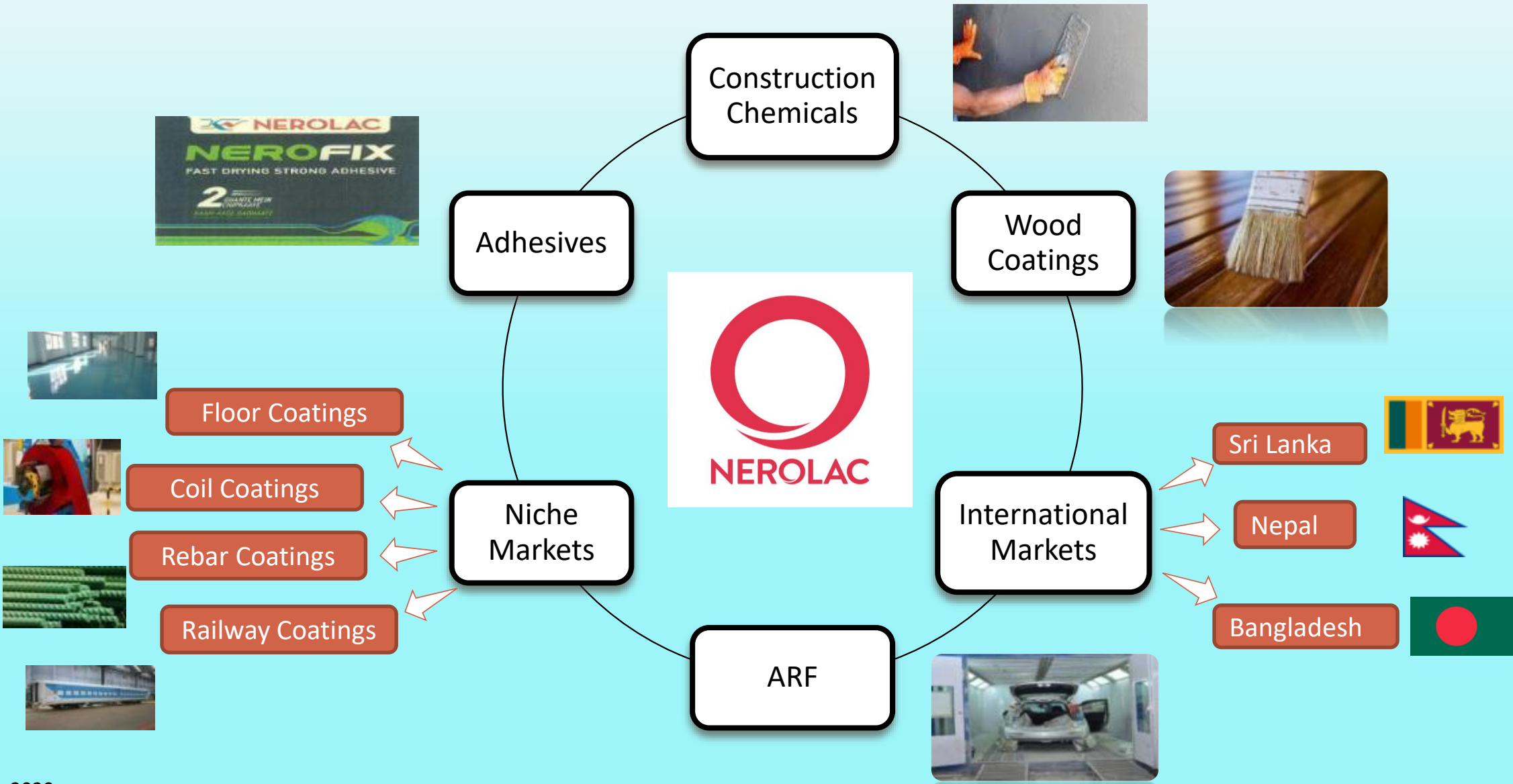
Heat Resistance Powder

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'20
Turnover	137.6
EBIDTA%	16.4

Sri Lanka

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

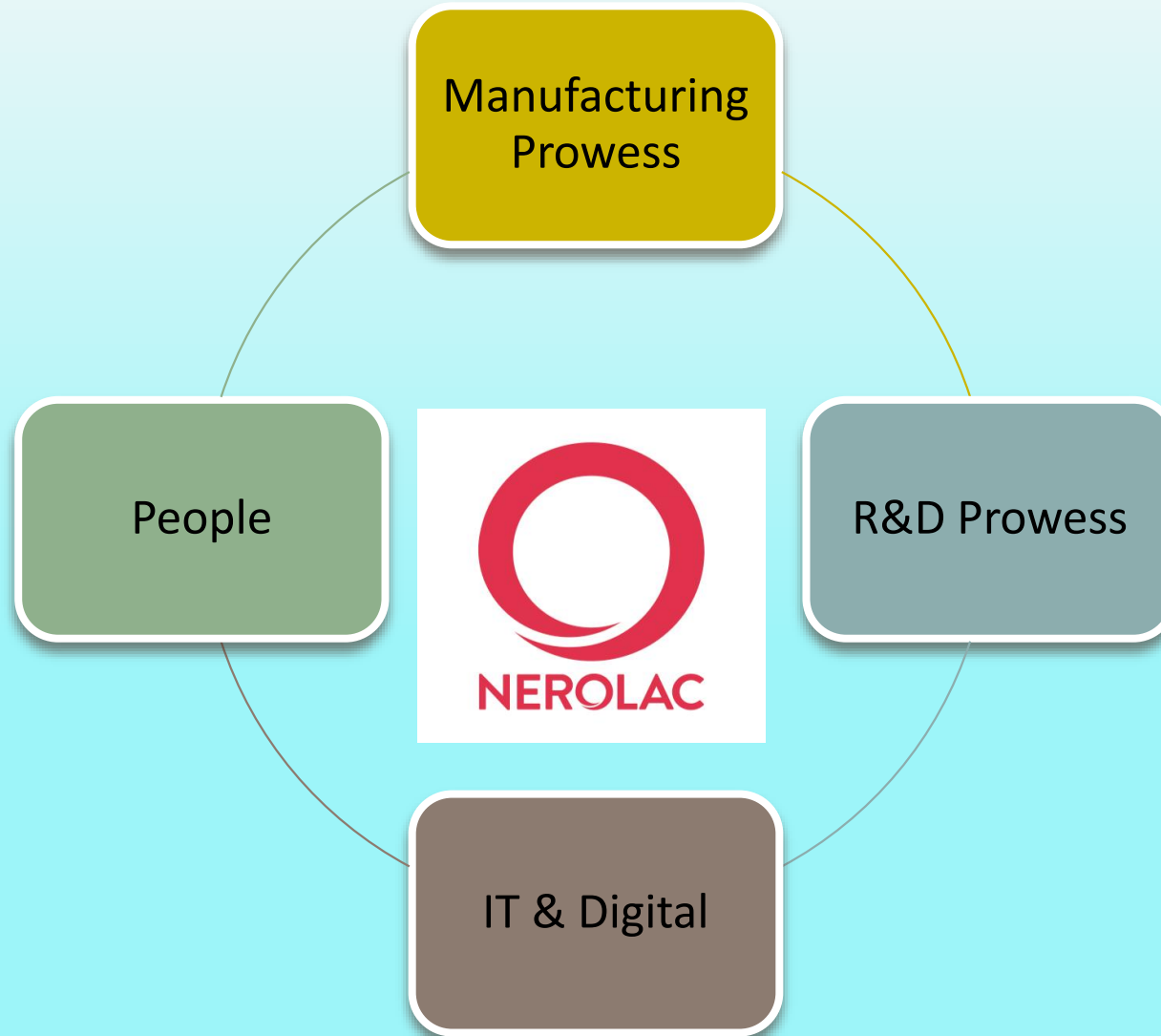
Amt LKR Cr	Mar'20
Turnover	32.3
EBIDTA%	-45

Bangladesh

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

Amt BDT Cr	Mar'20
Turnover	163.7
EBIDTA%	1.8

Organizational Capabilities



Manufacturing Prowess

	Year	Annual Capacity in KL/MT
Existing	2017-18	4,13,772
	2018-19	4,52,676
Current	2019-20	5,18,576
Planned	2020-21	5,37,380

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

World Class Manufacturing Systems

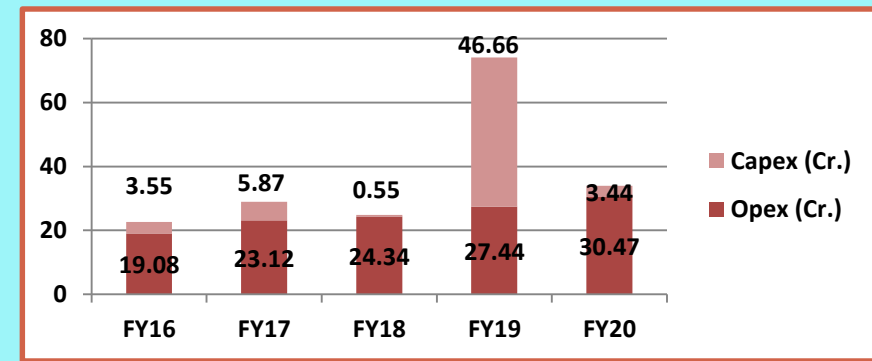
- MES (Manufacturing Execution System)
- WMS (Warehouse Management System)
- Bar Coding
- ASRS (Automatic Storage and Retrieval System)
- Pigging
- Modular Paint and Pigment Production (MoFa) Technology
- Closed Pneumatic Conveying System for Powder Conveying
- Robotic Palletisers
- Latest Bells to Simulate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

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

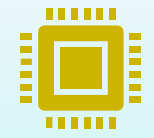
Digital Platform

Captures real-time machine parameters and production data.

- Improvement in
- Equipment efficiency
 - Predictive maintenance
 - Enhanced safety



R & D Prowess



R&D Spends

Rs 30 Cr



Number of R&D personnel

178



**New Products Launched
in FY 19-20**

33



Total Patents

8

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



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

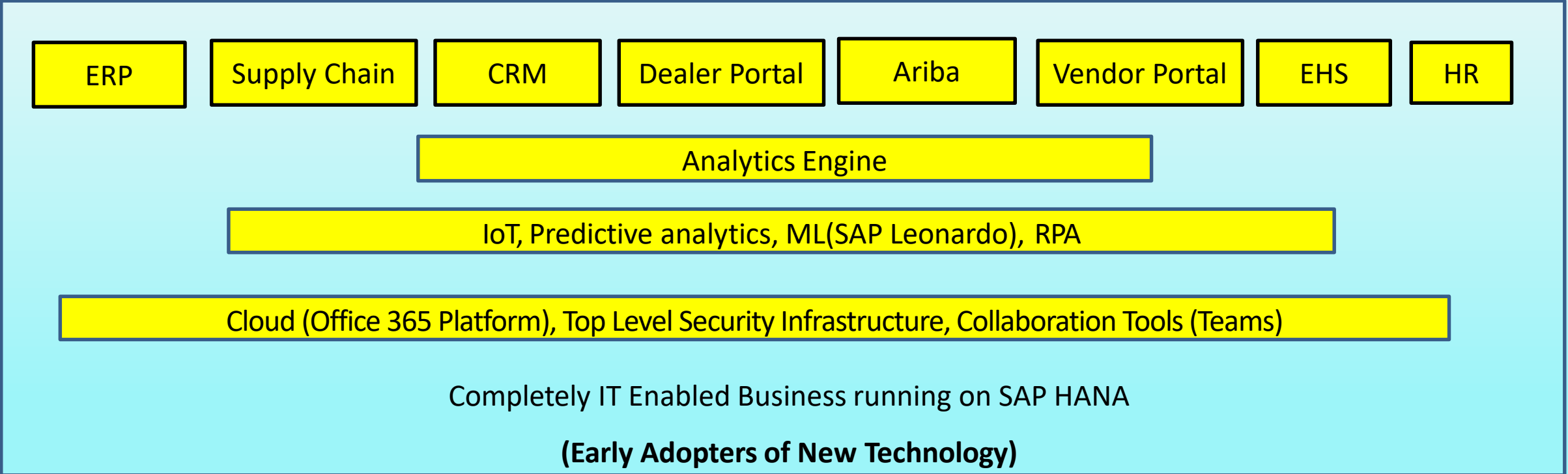
The Company was built on its pioneering work in the Indian market on Heavy Metal free and Low VOC Products

- 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*



CREATE DIGITAL ASSETS

VISION

INCORPORATE DATA & INFO WITHIN & OUTSIDE

AUTOMATION & CONTROL

VISION

AUTOMATE FOR AVAILABILITY & RELIABILITY

INTELLIGENCE LAYER

VISION

OUTSIDE IN PERSPECTIVE, PREDICTIVE, VISUAL

SMART ENTERPRISE

VISION

DEPLOY SMART NEXT GENERATION TOOLS

EXPERIENCE LAYER

VISION

DIGITALIZE LIFECYCLE OF STAKEHOLDERS

Employee experience

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



Learning and Growth opportunity

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



Organization Connect

- #Departmental Contact Programme
- #Coffee with HR
- #Virtual On boarding
- #Idea Management Programme
- #Gems
- #Kaizen Competition
- #Sales Meets

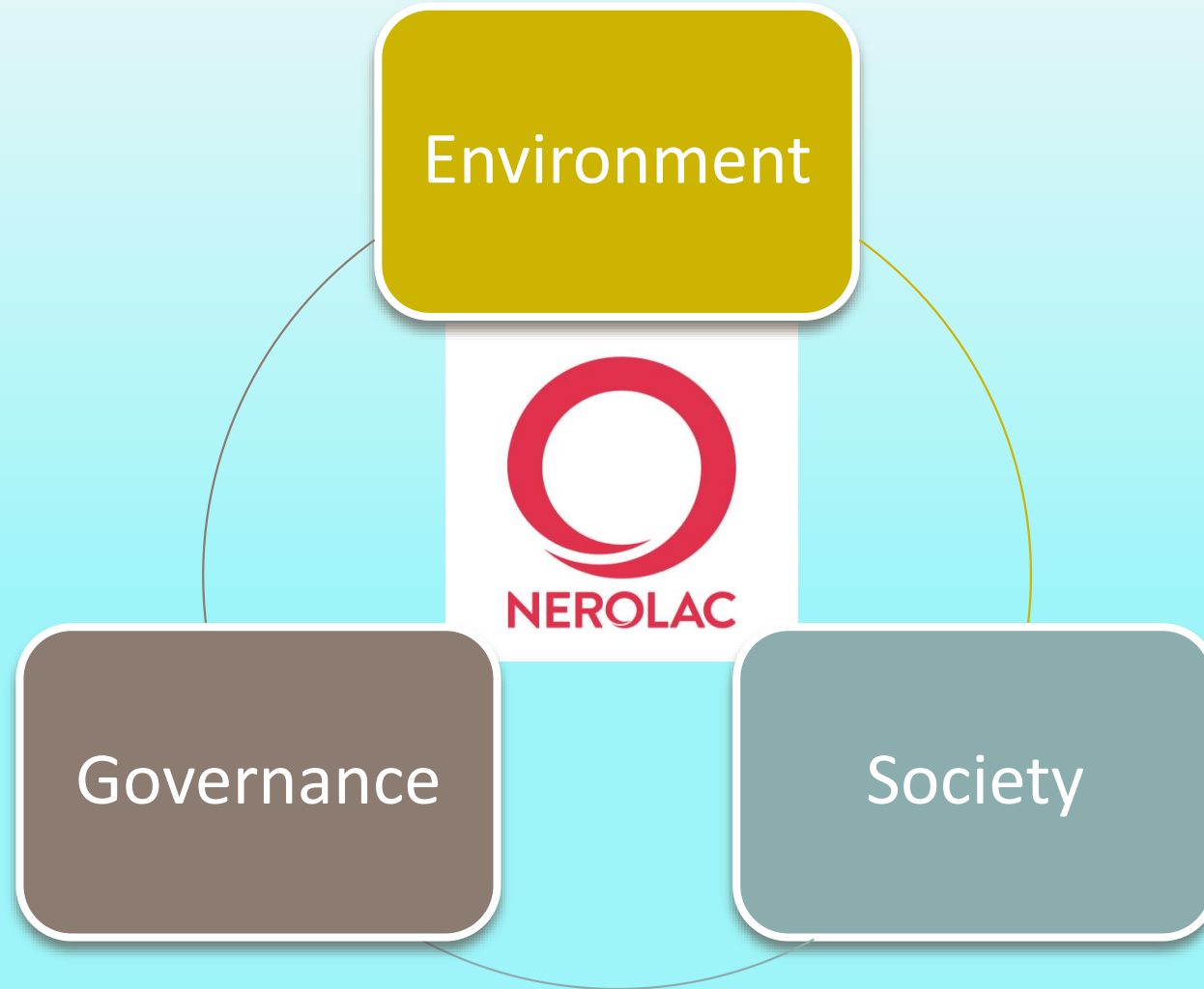


Leveraging IT to bring Culture of excellence

- #Contest Dashboards
- #Engagement Surveys and Opinion Polls
- #Driving culture of innovation through Kaizen dashboard
- #Online performance management system/ Contest



Long Term Sustainable Value



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 19-20 over the last 4 years

Specific Fuel Consumption - 19%	Specific Power Consumption - 2%	GHG emission- 20%	Specific Water Consumption - 10%	Specific Hazardous Waste Generation- 13%
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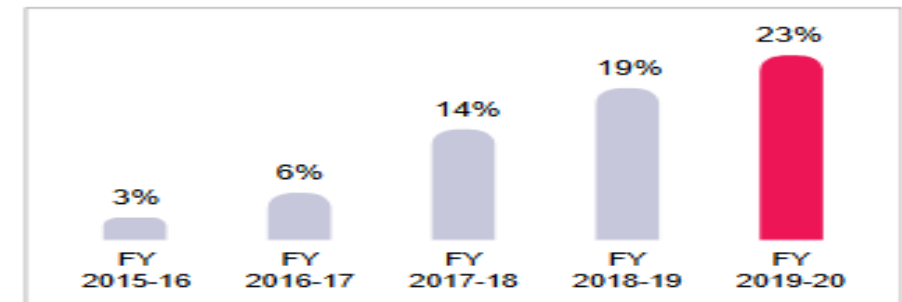


Bio-Composting Machines
Conversion of Canteen Food Waste to good quality Manure



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

% of Electricity from Renewable Share



Green Power Generation



RURAL/COMMUNITY DEVELOPMENT



PROMOTING EDUCATION



PREVENTIVE HEALTHCARE AND SANITATION



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

Internal Audit with
Focus on

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

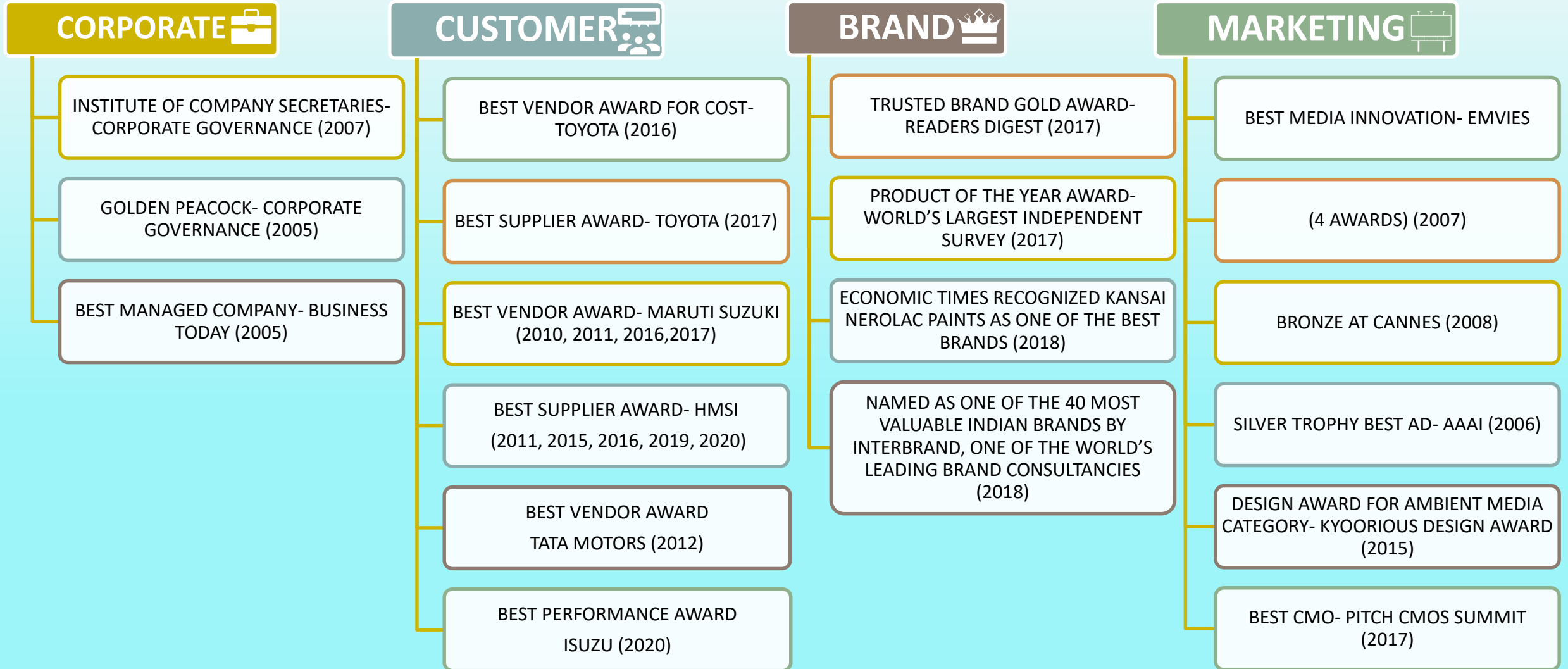
Compliance

Online Compliance
tracking through
Legatrix Software

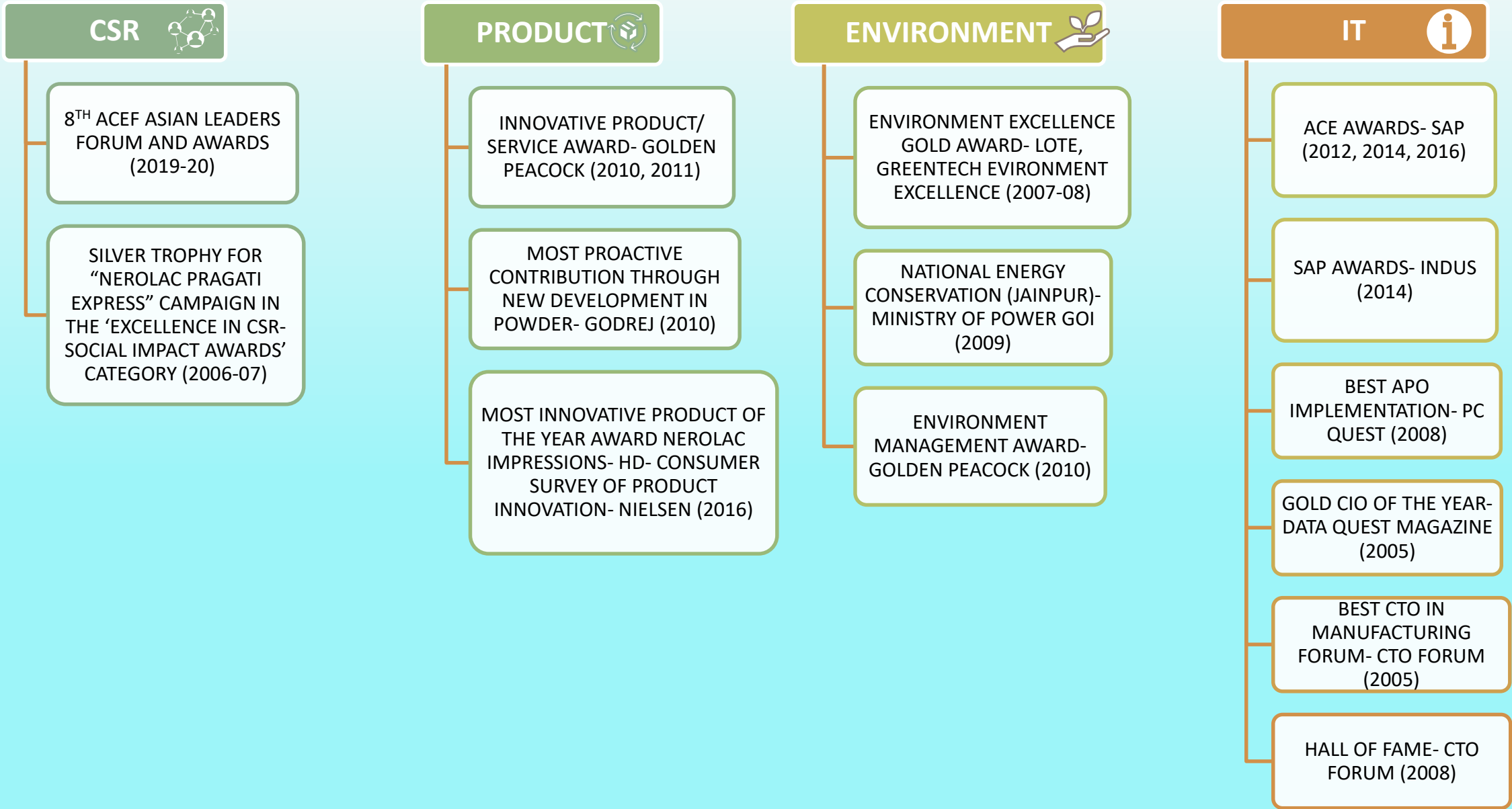
Risk

System enabled
**Enterprise Risk
Management**

Key Awards



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)

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
<ul style="list-style-type: none"> <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 	<ul style="list-style-type: none"> <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 	<ul style="list-style-type: none"> <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 	<ul style="list-style-type: none"> <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 year)
Sales Rs. mn.	11
PBDIT Rs. mn.	16
PBT Rs. mn.	17

End of Presentation