

NEROLAC



24.4.2020

Corporate Presentation

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Ownership

Subsidiary of
Kansai Paint Co.,
Ltd., Japan



Founded

1920



Market Position

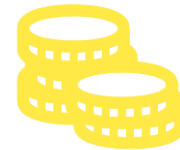
One of India's largest
Paint company: Leader
in industrial paints



Net Sales (₹)

(FY22 – standalone)

5,948.9 Cr



PBT (₹)

(FY 22 – standalone)

505.1 Cr



Mar. Cap. (₹)

(31st March 2022)

25,178 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

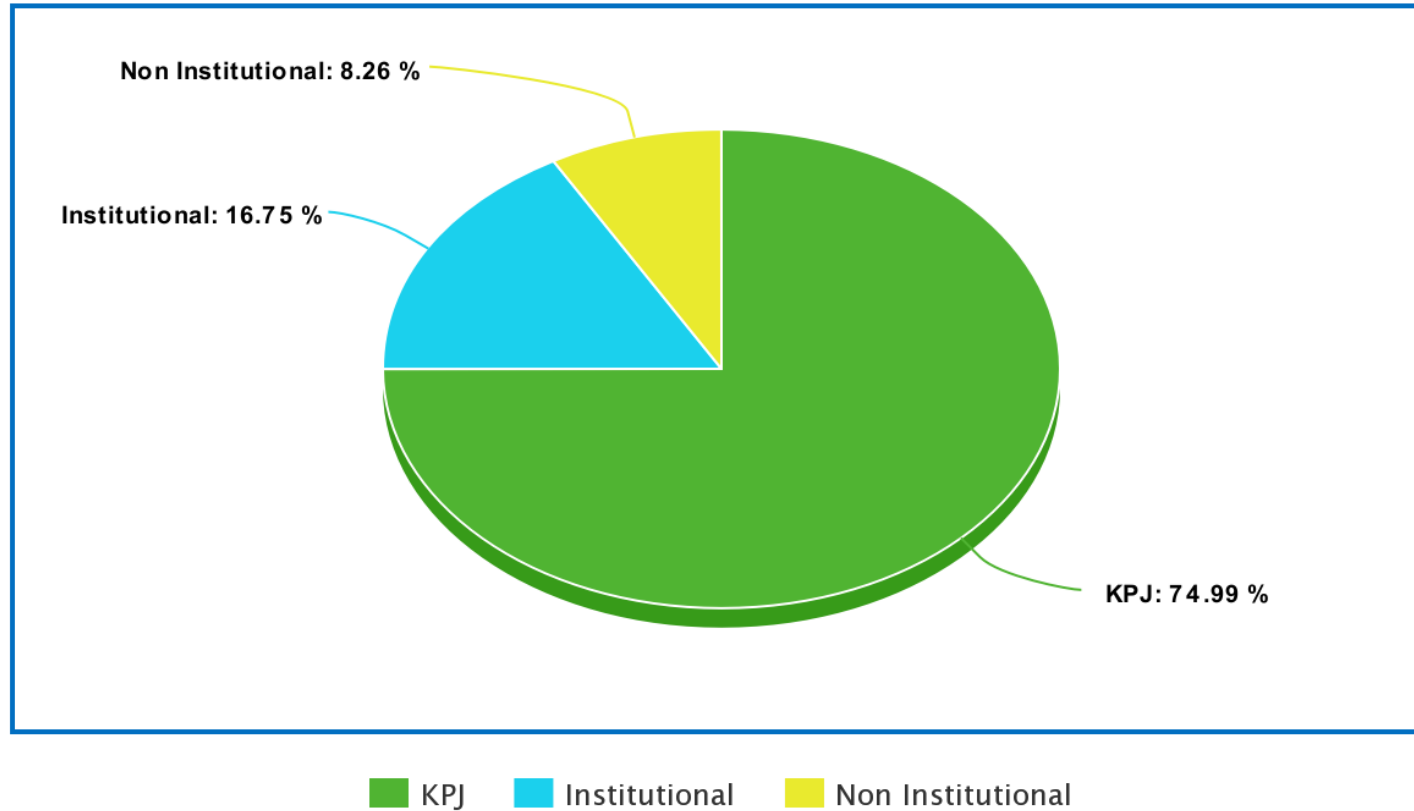
2018

Acquisition of RAK Paints, Bangladesh



Shareholding Pattern

Shareholding Pattern as on March 31, 2022

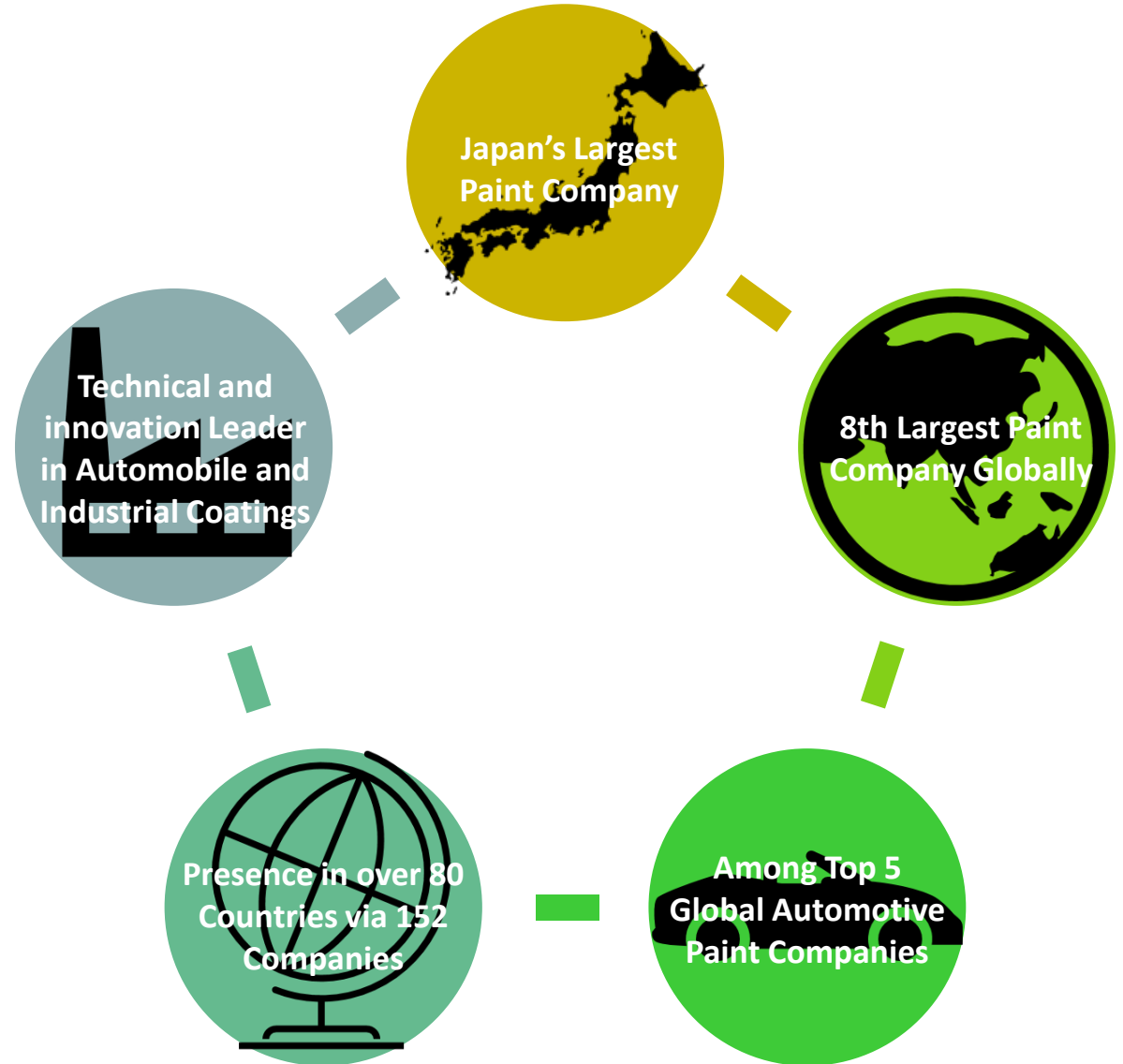
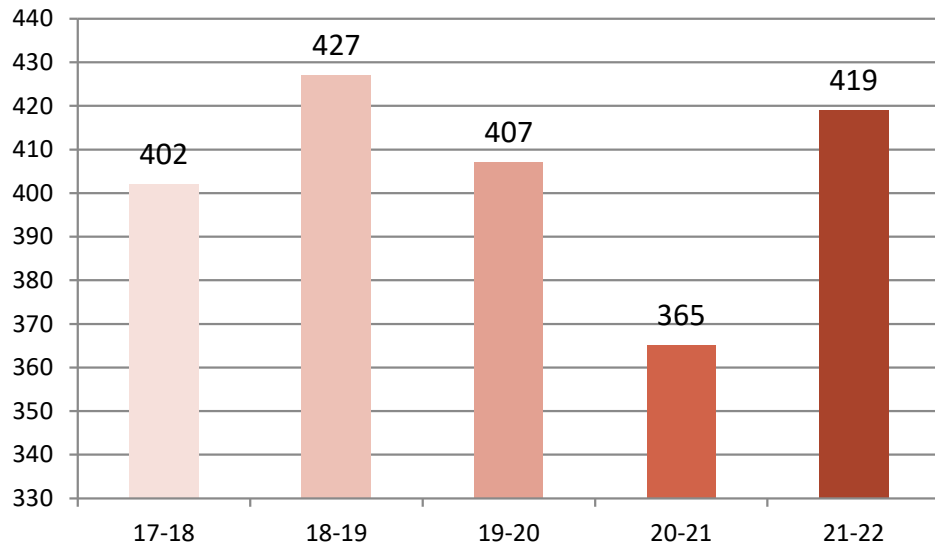


Our Heritage – Kansai Paint Co., Ltd., Japan



Gross Sales over 3.8 Billion USD

Net Sales Bn Yen (Consolidated)

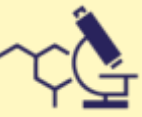


Technical and innovation Leader in Automobile and Industrial Coatings

Technology tie-ups



Japan

 **Cashew Tsusho**
Auto Paint – Plastic

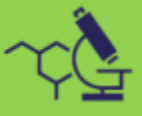


Japan

 **Oshima Kogyo**
Heat Resistant Paints



Canada

 **Protech Oxyplast**
Powder Coating



Turkey

 **Altan Boya Sanayi A S**



Europe

 **Helios**

Our Foot-Print

8 PLANTS

- Jainpur, Uttar Pradesh
- Lote, Maharashtra
- Bawal, Haryana
- Hosur, Tamil Nadu
- Sayakha, Gujarat
- Goindwal Sahib, Punjab
- Kakoda, Goa (Marpol)
- Sarigam, Gujarat (Perma)

1 UPCOMING PLANT

Visakhapatnam, Andhra Pradesh



99

DEPOTS PAN-INDIA



Eight 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 Brand Expression

This year, KNPL envisioned its new brand expression of "PAINT+".

EXPRESSION
PAINT+

PAINT+ is a testament to our commitment to offer world class products with added features. The "+" represents our promise to provide products that go beyond standard market offerings. It exemplifies our dedication to leverage our Japanese expertise and legacy of over 100 years in becoming the brand that goes beyond colour and finish.

Core Values



icare!



Integrity



Customer
Focus



Accountability



Respect



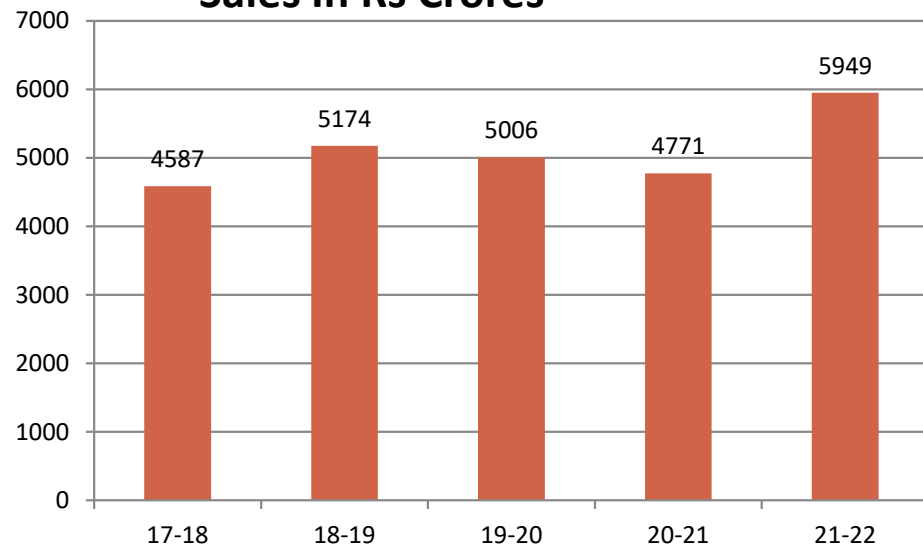
Entrepreneurial
Mindset



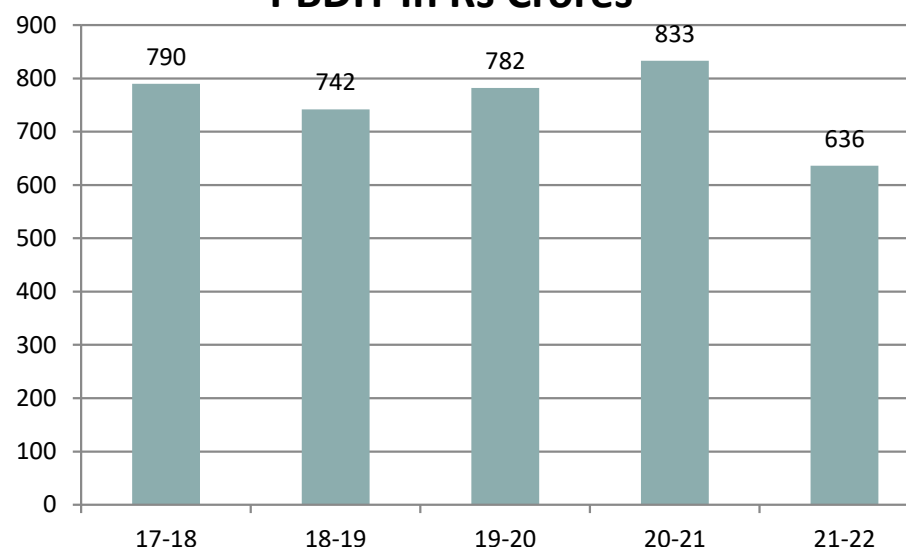
Innovation

Overview of our Performance

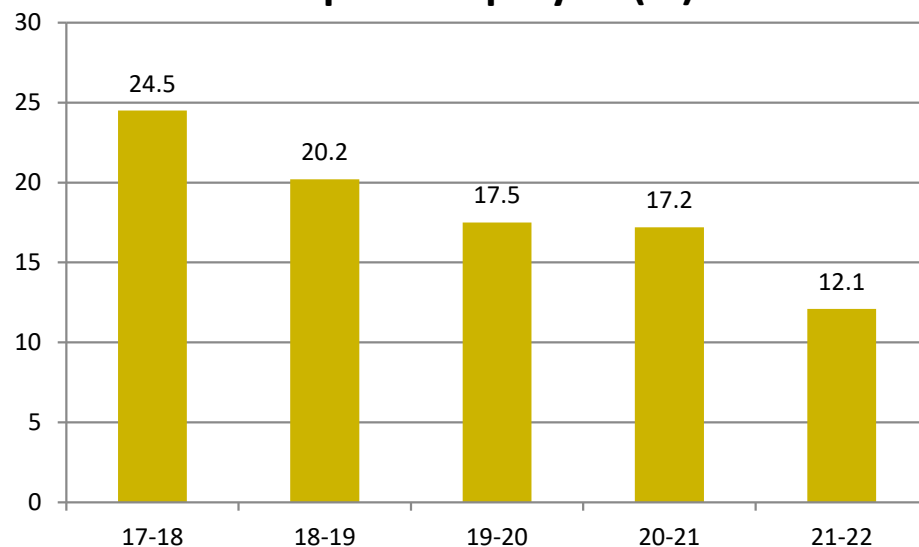
Sales In Rs Crores



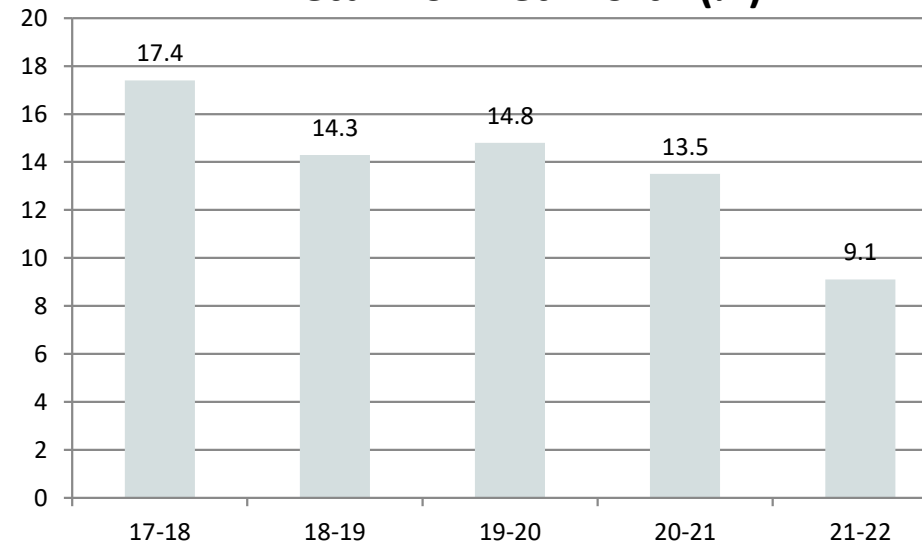
PBDIT In Rs Crores



Return on Capital Employed (%)

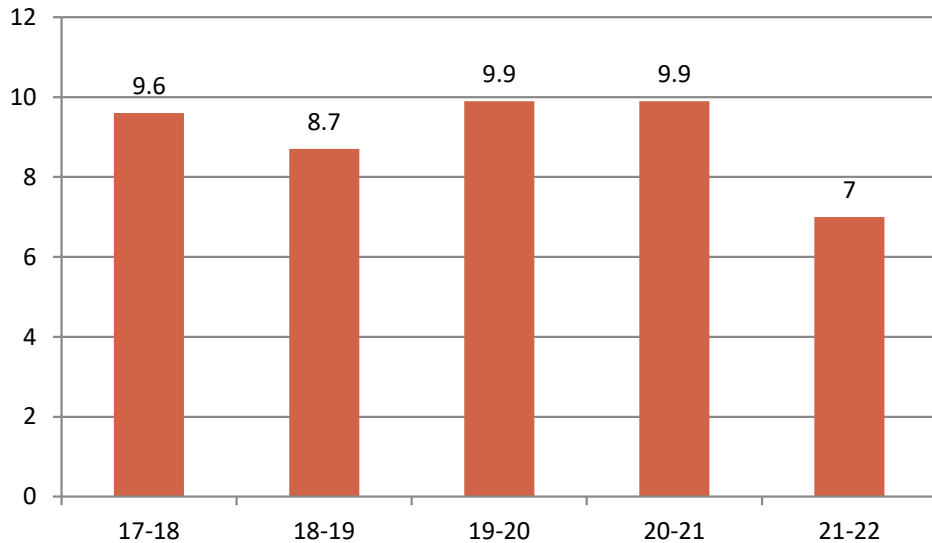


Return on net Worth (%)

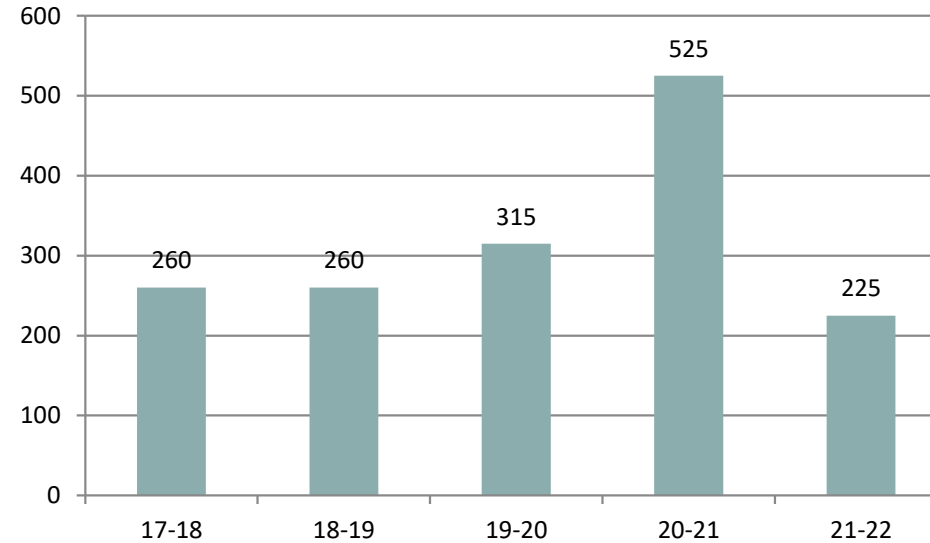


Overview of our Performance

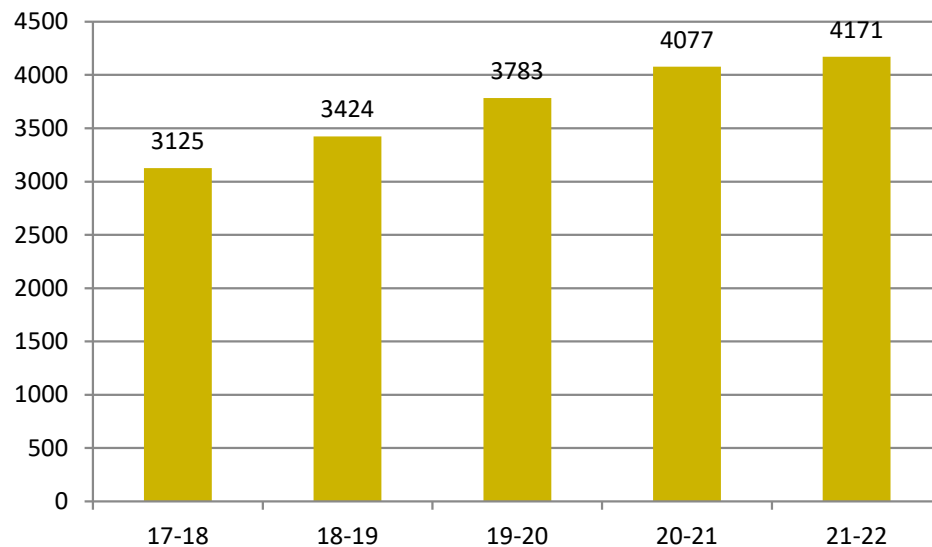
Earnings Per Share(₹)



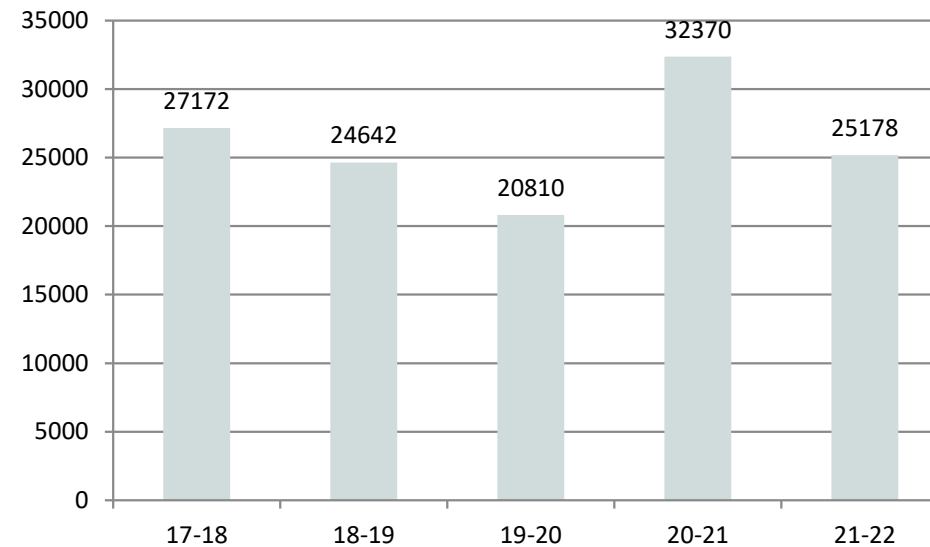
Dividend (%)



Shareholders fund in Rs Crores

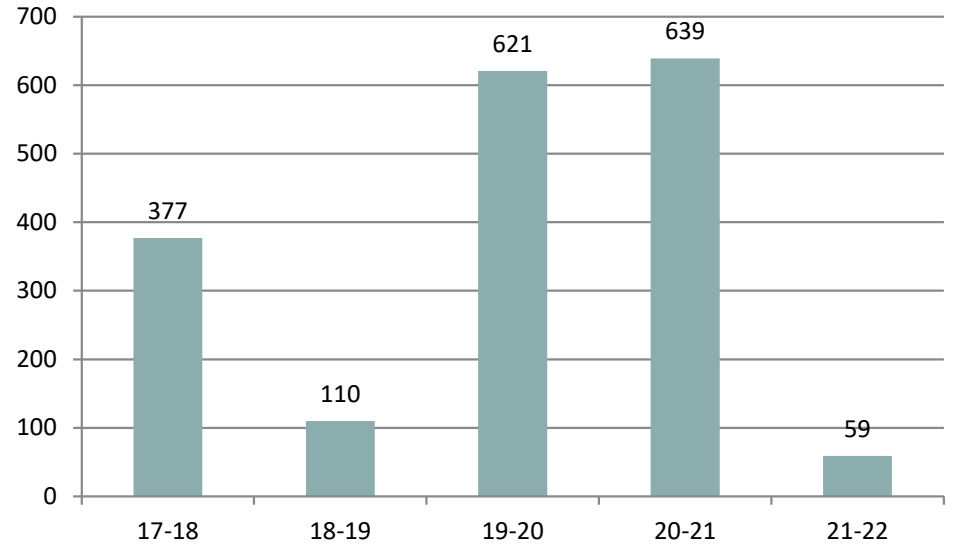


Market Capitalization in Rs Crores



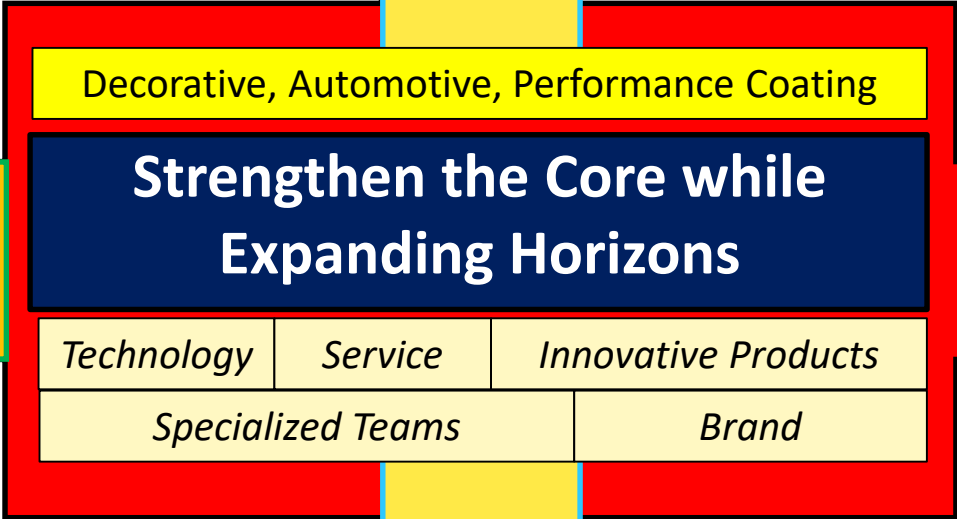
Overview of our Performance

Operating Cash Flow in Rs Crores



Strategy

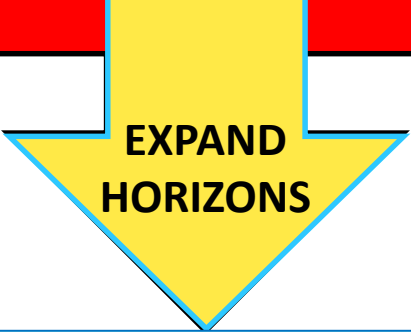
New Segments: Wood Coatings, Adhesives, Construction Chemicals, Auto Refinish (ARF), Coil Coatings, Functional Powders, Pipe Coatings and Specialty Coatings



Governance, Risk Management, Compliance, Sustainability

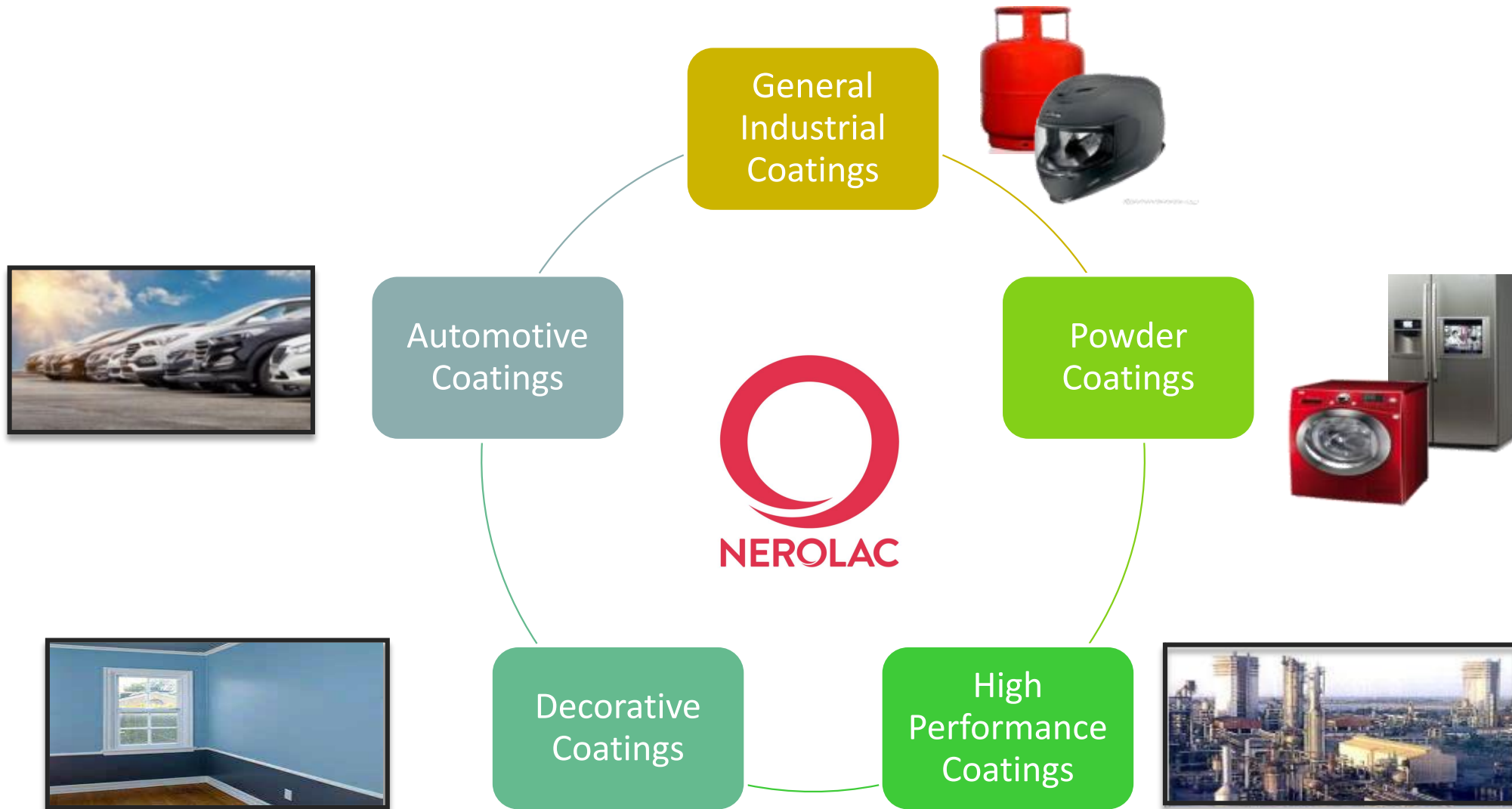


IT, Digital, People, Internal Efficiency program



New Geographies: Nepal, Bangladesh and Sri Lanka

Core Business



Decorative

Super Premium

Premium

Economy



Impressions
UHD

Impressions
HD

Beauty Gold
Washable

Beauty Gold
Classic

Beauty Ceiling
Emulsion

Beauty Smooth

Beauty Little
Master

Interior Emulsion Range

Super Premium

Premium

Economy



Excel Mica Marble
Stretch & Sheen

Excel Total

Excel Mica
Marble

Excel Anti Peel

Suraksha Dust
Resist

Suraksha Plus

Suraksha Sheen

Exterior Emulsion Range

Decorative



Impressions
Ideaz



Impressions
Glitter



Impressions
Metallic



Excel Alkali
primer



Nerolac Zinc
Yellow Primer



Redimix (Putty
cum Primer)

Designer Range

Primer



PU Enamel 10 in 1



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

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

Fluoropolymer Coatings

DTM Coatings

Monocoat Metallic Coatings

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

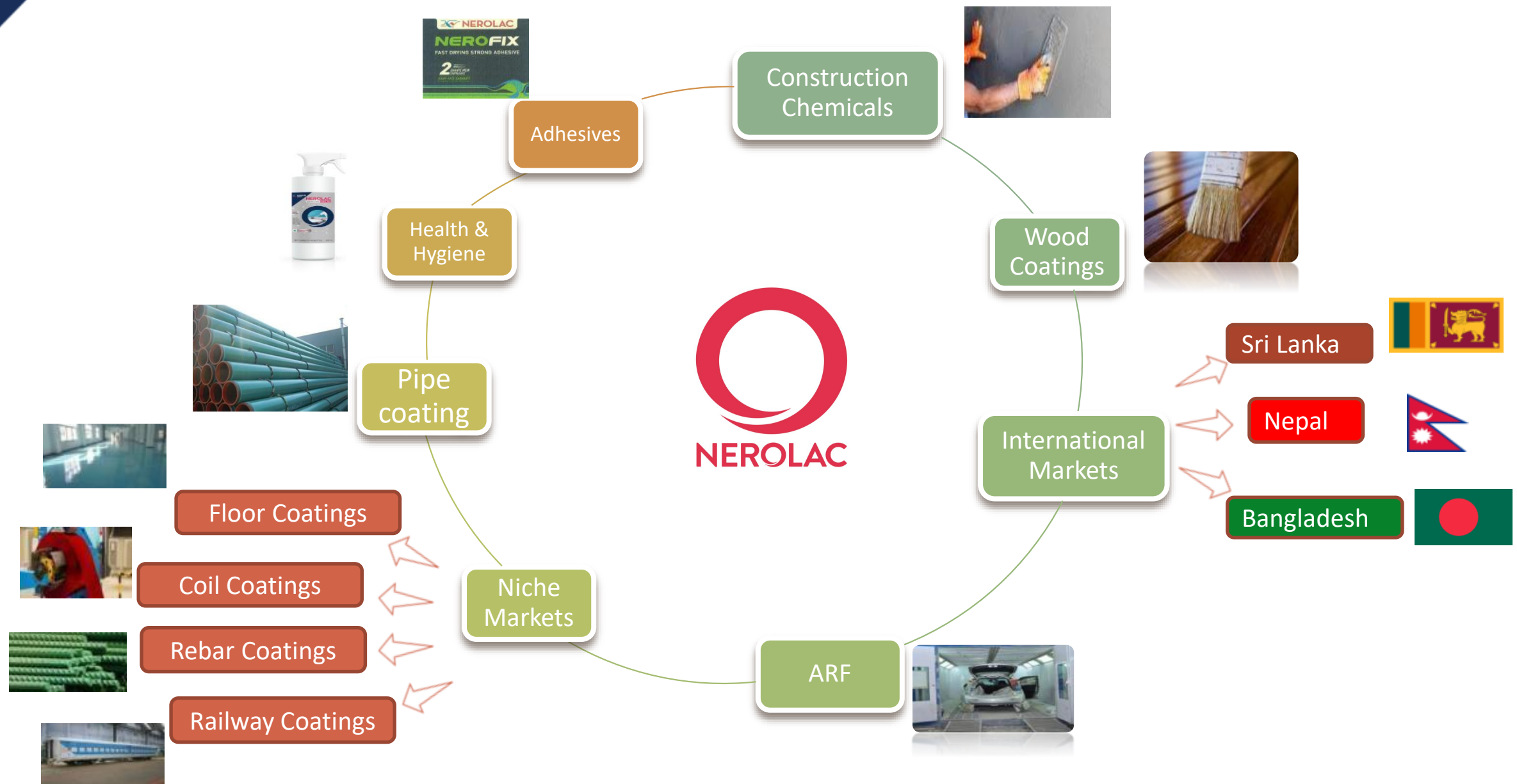
Rebar Coatings, Pipe Coating Powders

Super Durable Powders, Bonded Metallic Powders

High Performance Anti-Corrosion Powder System

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

Expanding Horizons (New Markets/ Geographies)



WOOD FINISH

KNPL has a complete range of products and are present in **PU, Polyester, Melamine and NC Coatings**. 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

KNPL has an entire range of construction chemicals consisting of General waterproofing, General repairs, Tiling, Admixture, High end waterproofing, sealants, structural repairs, flooring, industrial grouts and Waterproof putty



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. KNPL has a complete range of products covering both white-based and rubber-based adhesives



Auto Re-Finish

An extensive range of high quality products to cater all segments in Auto Refinish. KNPL has developed a complete range of products catering to the **Premium, Economy and Retail market**



After Market Repainting and Touch-up for Passenger Vehicles, Commercial Vehicles, Two-Wheelers, Three-Wheelers, Bus Body, Auto Parts and Furniture

Product Line Up

Polyurethane Paints - Retan PG Eco, Cardea, Nerokan, Acric EZ, Perfect Match

Nitrocellulose (NC) and NC Acrylic - NAP

Modified Hybrid Alkyd-Based - Nova Plus

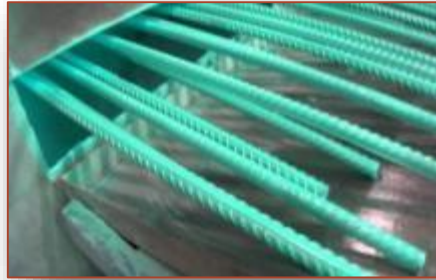
Putty - NC, Polyester, Body Fillers

Niche Industrial Markets

Railways



Rebar



Floor



Coil



Future Industrial Growth Drivers

Nepal

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

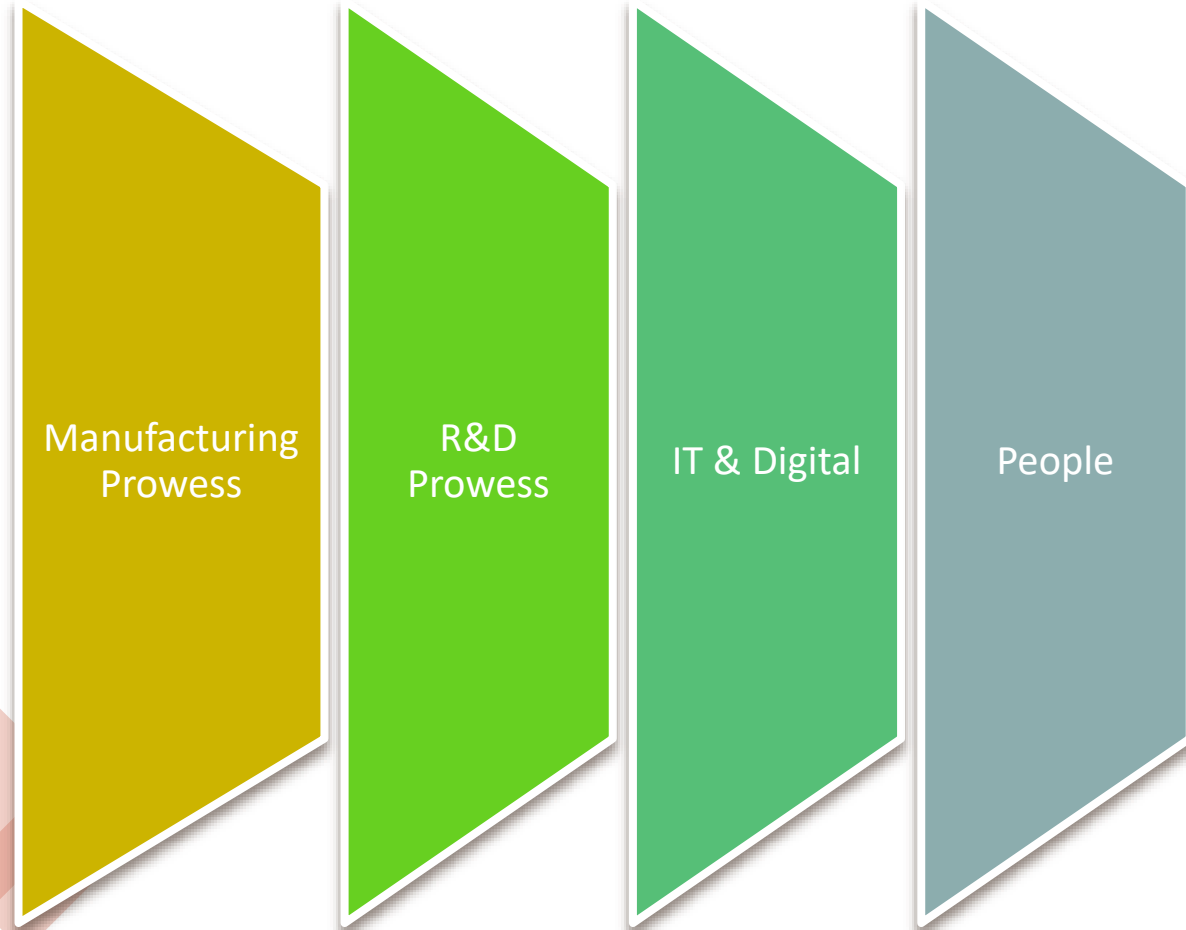
Sri Lanka

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

Bangladesh

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

Organizational Capabilities



Manufacturing Prowess

	Year	Annual Capacity in mn Ltr
Existing	2018-19	452
	2019-20	518
	2020-21	547
Current	2021-22	583

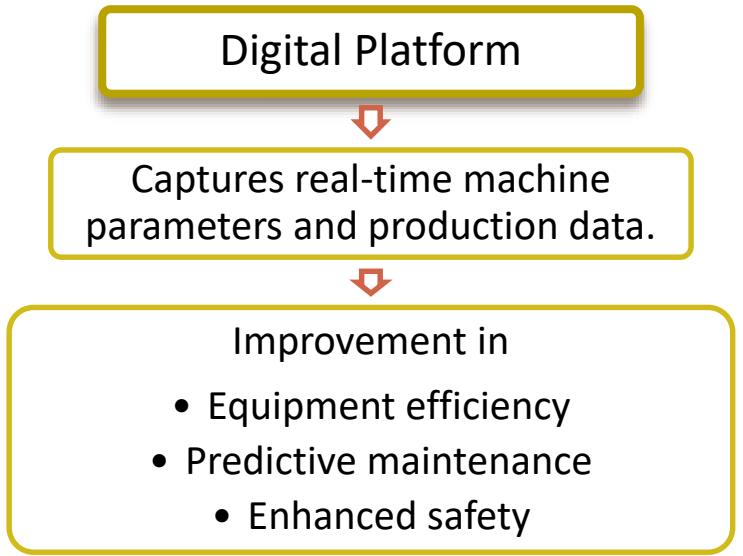
Risk Mitigation: Only Company with plants for Industrial segment in each geographical zone

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

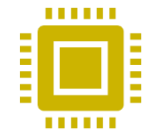
World Class Manufacturing Systems

- 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.



R & D Prowess



R&D Spend

~ Rs.31 Cr



Number of R&D personnel

178



**New Products Launched
in FY 21-22**

46



**Number of patents
filed in 21-22**

3

New R&D Centre

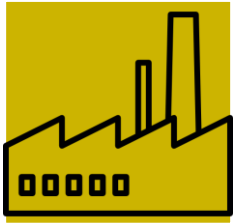
- Commissioning of State-of-the-art Research and Development facility at Vashi, Navi Mumbai.
- Equipped with latest technologies which enable tapping into the huge pool of resources readily available across Kansai Paint Co. Ltd, Japan's different group companies across the globe.



Technical Collaborations

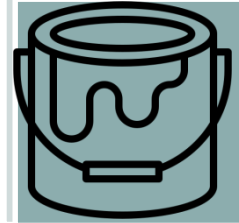
- Key Technology partner: Kansai Paints Co. ,Ltd. Japan- Paint and resin formulations customized as per Indian Automotive customers
- Oshima Kogyo Co. Ltd., Japan- Heat Resistance Coatings
- Cashew Co. Ltd., Japan- MICRON and Thinner for Micron
- Protech Oxyplast Ltd., Canada- Powder Coating products





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:** has developed high solid anti-chip primer which gives VOC reduction as well as it has excellent anti-chip performance
- **Two-wheelers:** has introduced Matt Lacquer for petrol tanks of motorcycles with superior mar & scrub resistance as advancement in the segment
- **Performance Coating and Powder Coating:** Multiple technologies which has enabled it to sustain its Market Leadership



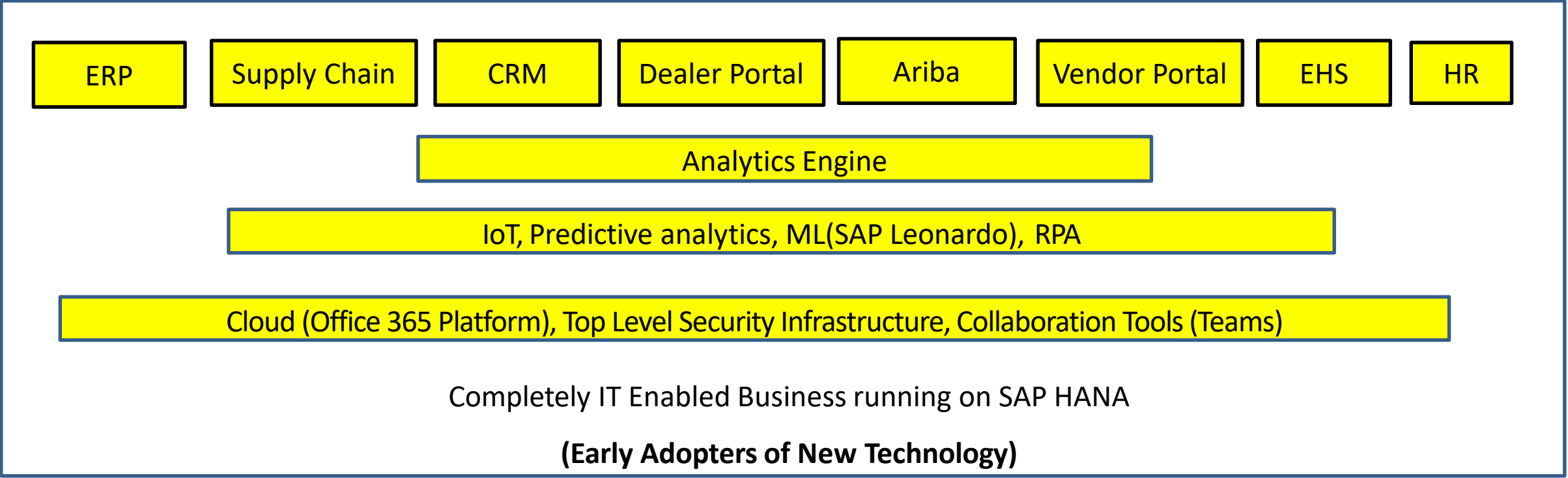
Leadership in Decorative

- 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*
- Innovating its way to adopt product standards that match the regulations of the European Union, KNPL has launched REACH certified products in the Wood Coatings Division



Emerging Areas of 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

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



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



Our ESG Approach – 3P Approach



We follow a triple bottomline (3P – People, Planet and Profit) approach and judiciously manage the six capitals (Natural, Human, Financial, Manufactured, Intellectual and Social & Relationship) to achieve our strategic objectives.

Our ESG Approach - Materiality

We have categorized our material topics under 5 broad areas:

Decarbonisation



- Energy Management
- Emission Management
- Climate Change

Resource Use



- Water Management
- Waste Management
- Product Stewardship
- Responsible Product
- Sustainable Supply Chain

Quality of Life



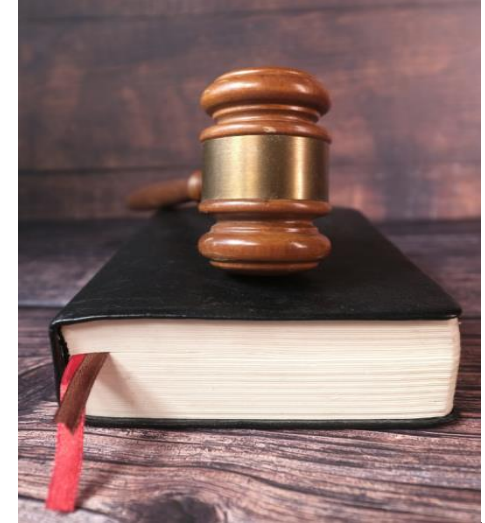
- Human Rights
- Occupational Health and Safety
- Employee Engagement and Well-being
- Community Development
- Customer Satisfaction

Diversity



- Gender Diversity
- Inclusivity

Governance



- Corporate Governance
- Risk Management
- Compliances
- Innovation / IP Management

Our ESG Approach



ENVIRONMENTAL

Reducing Our Environmental Impact & Sourcing Sustainably

DECARBONISATION

Approach:

- Increase contribution of energy from renewable sources
- Adopt targets in line with Science-Based Target initiative (SBTi)
- Undertake risk assessment as per Task force on Climate related Financial Disclosures (TCFD) framework
- Reduce Specific Power Consumption (SPC)
- Green Belt Development

Commitment:

- RE 70 (70% Electricity from Renewable source) by 2030
- Carbon Neutrality
- Reduce Specific Power Consumption

RESOURCE USE

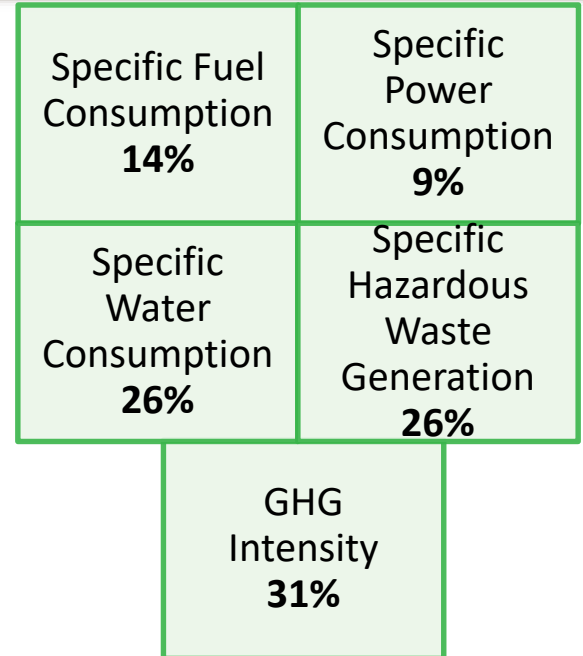
Approach:

- Reduce our water footprint by increasing water efficiency, rain water and recycled water consumption within our operations
- Improving water availability in the communities where we operate through watershed development projects
- Co-processing of waste across all plants
- Incremental Specific Water Consumption (SWC) and Specific Hazardous Waste Generation (SHWG) reduction targets
- Leveraging our R&D strength to develop green, sustainable, and responsible products

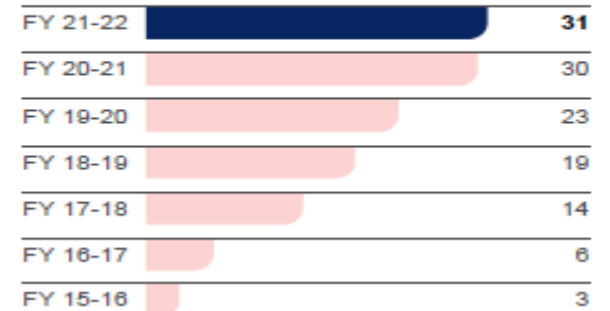
Commitment:

- Being Water Positive by FY 2024-25
- Divert waste away from landfill
- Increase sustainable product portfolio

Decrease in Key Parameters in FY 21-22 over the last 5 years



% of Electricity from Renewable sources - Manufacturing Facilities



Green Power Generation



SOCIAL

Empowering People & Communities

QUALITY OF LIFE

Approach:

- Community Development
- Promote Equality
- Employee Engagement
- Promote Human Rights
 - Robust Code of Conduct
 - Dedicated Internal Complaints Committee (IC)
- Promote Safe and Healthy Working Conditions

Commitment:

- Zero human rights abuse
- Zero incident-accident
- Foster behavioural-based safety culture

DIVERSITY

Approach:

- Fostering diversity and nurturing inclusivity by promoting advancement for our colleagues, culture, and communities
- Ensured no discrimination on the basis of gender, race, age, religion and ethnicity

Commitment:

- Achieve 2.5% gender diversity by Mar'24
- Achieve 0.25% for differently abled by Mar'24



GOVERNANCE

Empowering People & Communities

GOVERNANCE

Approach:

- Enterprise Risk Management
- Board Oversight
- Statutory Compliances
- Fair Practices across Value-Chain

Commitment:

- Zero non-compliances
- Reduce Enterprise Risk

Recognition

S&P Dow Jones Indices
A Division of **S&P Global**

S&P
Featured in the **Top Quartile** of Global Chemical Industry S&P ESG Index in CSA 2021

CRISIL
An **S&P Global** Company

CRISIL ESG Gauge
Ranked in **Top Quartile** in manufacturing space on ESG performance in the CRISIL compendium 2021 and rated #1 in Paint Sector


CRISIL
An **S&P Global** Company

CRISIL ESG Gauge
Recognized in the **“Leadership”** Category by CRISIL in its Sustainability Yearbook 2022


FTSE4Good

FTSE4Good
Ranked in the **Top Quartile** of FTSE4Good Emerging Index June 2022 Review

Participation


CDP
DISCLOSURE INSIGHT ACTION

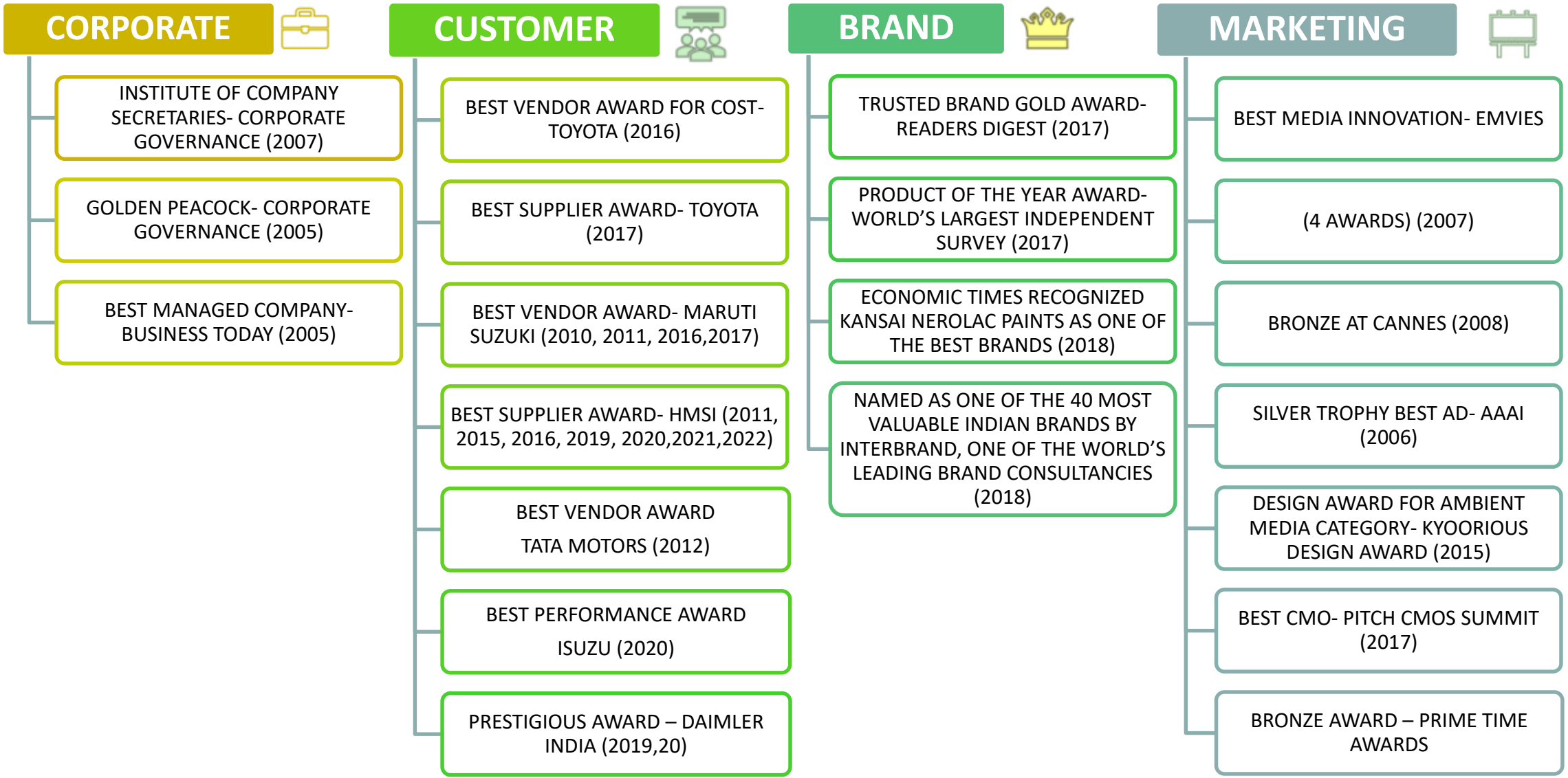
CDP
Responded to the CDP for Climate Change & Water Security

3rd Party Assurance

Our disclosures on Key ESG parameters are independently assured by a third-party external agency based on International Standard on Assurance Engagement (ISAE) 3000.

Additionally, the assurance has been given against the disclosures’ adherence to the GRI’s Sustainability Reporting Standards.

Key Awards



Key Awards

CSR

8TH ACEF ASIAN LEADERS FORUM AND AWARDS (2019-20)

SILVER TROPHY FOR "NEROLAC PRAGATI EXPRESS" CAMPAIGN IN THE 'EXCELLENCE IN CSR- SOCIAL IMPACT AWARDS' CATEGORY (2006-07)

PRODUCT

INNOVATIVE PRODUCT/ SERVICE AWARD- GOLDEN PEACOCK (2010, 2011)

MOST PROACTIVE CONTRIBUTION THROUGH NEW DEVELOPMENT IN POWDER- GODREJ (2010)

MOST INNOVATIVE PRODUCT OF THE YEAR AWARD NEROLAC IMPRESSIONS- HD, NEROLAC BEAUTY GOLD WASHABLE , NEROLAC EXCEL MULTI SURFACE PROTECTION SHEETS- CONSUMER SURVEY OF PRODUCT INNOVATION- NIELSEN (2016,2021)

ENVIRONMENT

ENVIRONMENT EXCELLENCE GOLD AWARD- LOTE, GREENTECH ENVIRONMENT EXCELLENCE (2007-08), EXCELLENCE AWARD-CII(2021)

NATIONAL ENERGY CONSERVATION (JAINPUR)- MINISTRY OF POWER GOI (2009)

ENVIRONMENT MANAGEMENT AWARD- GOLDEN PEACOCK (2010)
PLATINUM AWARD - GOLDEN PEACOCK (2021)

GREENPRENEUR AWARD – FICCI AMRITSAR (2021)

IT

ACE AWARDS- SAP (2012, 2014, 2016)

SAP AWARDS- INDUS (2014)

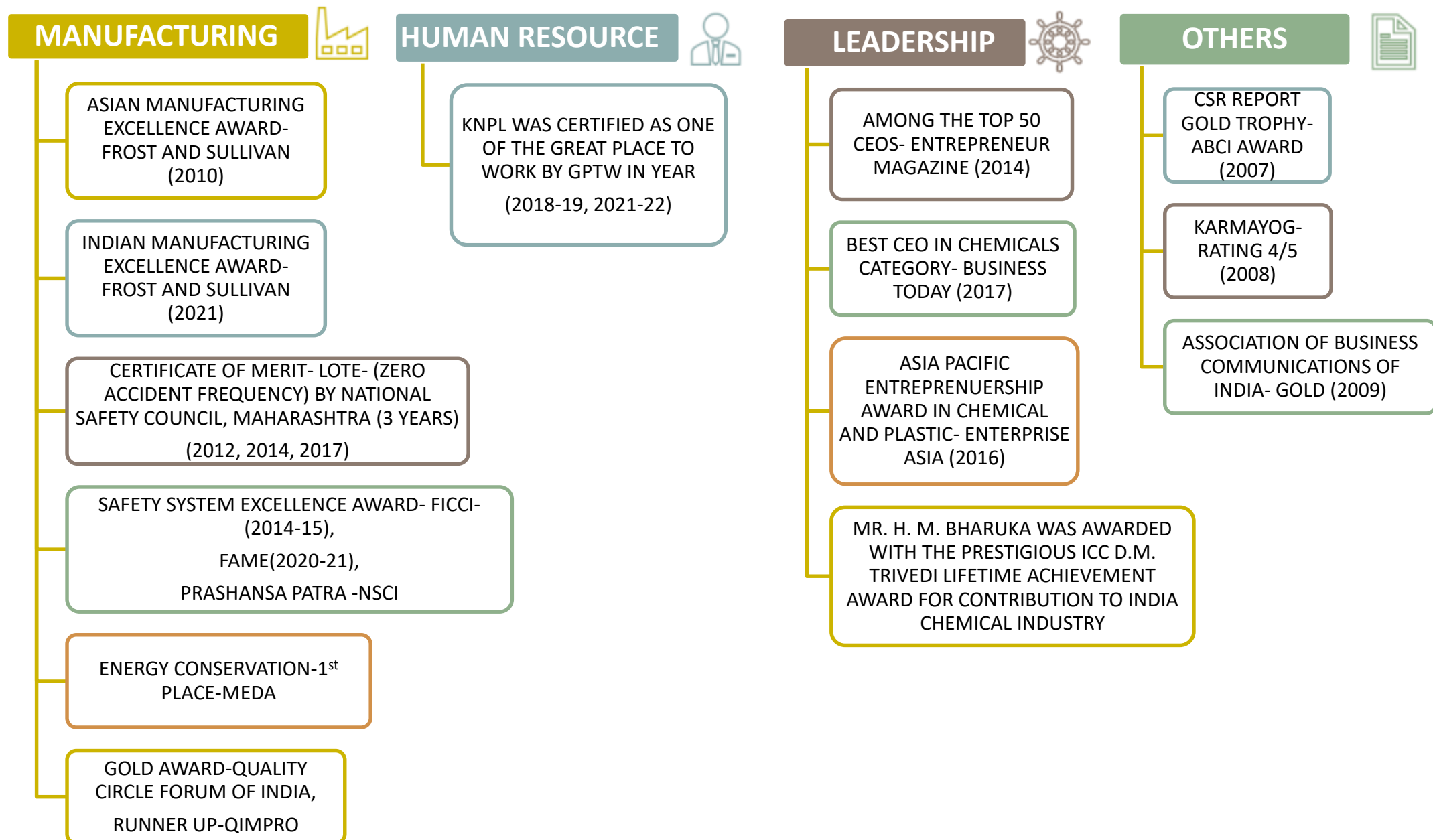
BEST APO IMPLEMENTATION- PC QUEST (2008)

GOLD CIO OF THE YEAR- DATA QUEST MAGAZINE (2005)

BEST CTO IN MANUFACTURING FORUM- CTO FORUM (2005)

HALL OF FAME- CTO FORUM (2008)

Key Awards



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 YEARS) (FY 2002- FY 2022)
Sales Rs. mn.	12
PBDIT Rs. mn.	13
PBT Rs. mn.	14

End of Presentation