

Kansai Nerolac Paints Limited

Corporate Presentation

Corporate Profile

Parameter	
Ownership	Subsidiary of Kansai Paints, Japan
Founded	1920
Market Position	One of India's largest Paint company
	Leader in Industrial Paints
Turnover	Rs. 4936 Cr.
PBT	Rs. 759 Cr.
Market Cap	Rs. 20368 Cr.
2017 Plimsoll Analysis*	Ranked Globally 49th by sales revenue
	Ranked Globally 19 th most profitable

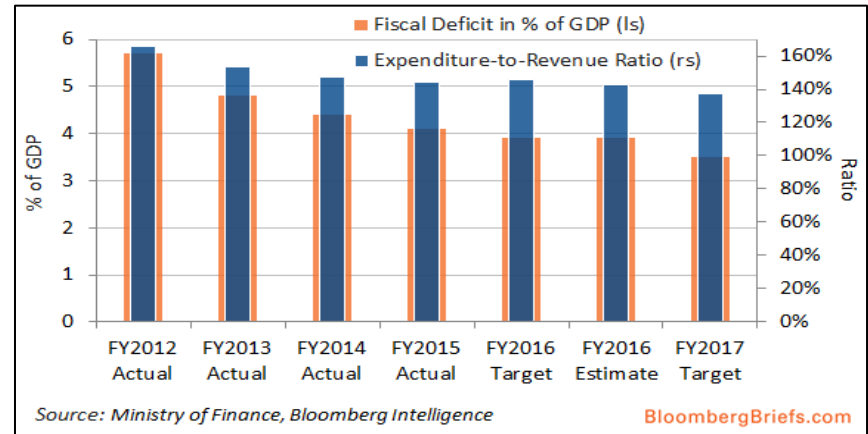
* - world's 1129 largest Paint & Coating Manufacturing Companies

Indian Economy

Political Stability
Fiscal Prudence

Series of reforms
Pro- Industry environment
Strong Governance

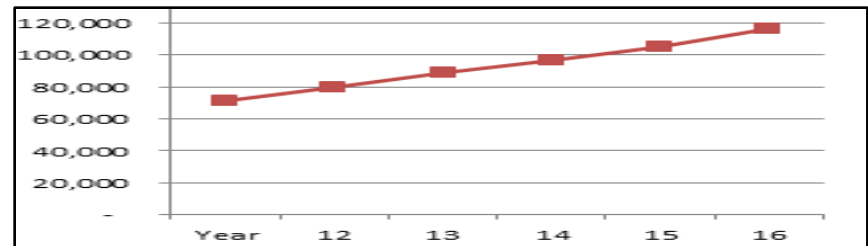
Increasing GDP
Increasing Per Capita Income



Ease of doing Business Ranking

2015 - 142

2017 - 130

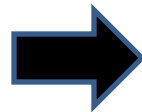


*Source: Bloomberg

Indian Paint Industry Facts

Parameter	Facts
Size	Rs. 43000 Crores (Approx.)
Growth Rates	Double digit for last 25 years
Organized : Un-organized Market	78:22 (Approx.)
Per Capita consumption	4 kg (Approx.)

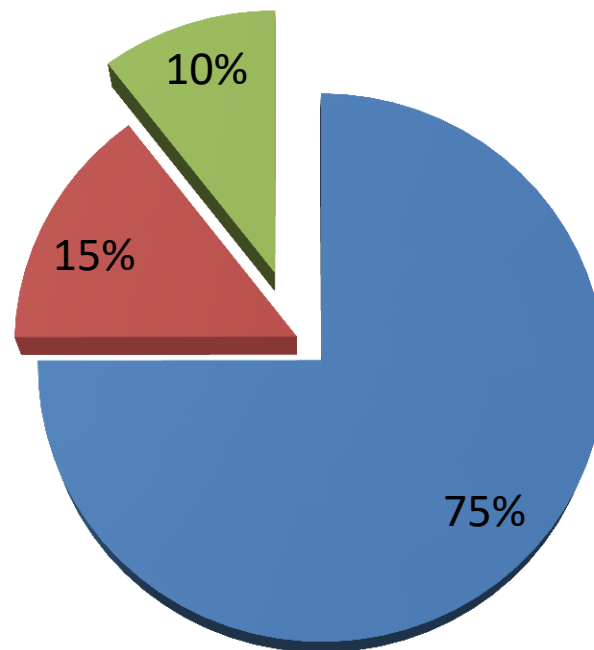
Future Growth Drivers



Favorable demographics
Rapid urbanization
Make in India
Affordable Housing

Shareholding Pattern (31st Mar, 17)

■ KPJ ■ Institutional ■ Non Institutional



Kansai Paints, Japan

- Japan's largest paint company
- 9th largest Paint company globally
- Gross sales 3 B USD
- 49 JVs, subsidiaries around the globe

97 Years History

Year	Key Milestone
1920	Started as Gahagan Paints and Varnish Co. Ltd
1957	Changed name to Goodlass Nerolac Paints Ltd.
1976	Became Part of TATA group
1986	Acquisition of stake by Kansai Paints, Japan
2000	Became subsidiary of Kansai Paints, Japan
2006	Change of name to Kansai Nerolac Paints Ltd.
2012	Acquisition in Nepal
2017	Commencement of operations in Sri Lanka

Company Vision

To leverage global technology, for serving our customers with superior coating systems built on innovative and superior products and world class solutions, to strengthen our leadership in Industrial coatings and propel for leadership in Architectural coatings, all to the delight of our stakeholders.



Decorative Coatings

Exterior



Economy



Popular



Premium



Super Premium

Interior



Economy



Popular



Premium

Decorative Range: Enamels, Distemper, Emulsions, Primers, Putty, Wood finishes

Automotive Coatings



Automotive : Leadership with Full system (Primer+ Top Coat + Clear Coat, including plastic paints)

General Industrial Coatings



Sewing Machine



Drums & Barrel



Gas Cylinder



Helmet Coating



Security Equipment



Zip



Electrical Equipments



Agricultural Equipment



Generator Sets



Pre Engineering Building

General Industrial : Market leader with wide range to cater to a variety of Industries

High Performance Coatings



Petroleum / Petrochemical



Metal Industries



Fertilizer Industries



Infra



Cement Industry



Railways



Floor Coating

High Protective Coatings: Wide range to tackle corrosion protection

Powder Coatings



Light Fixtures



Electrical Equipments



Fans



Auto Ancillary



Refrigerators



Washing Machine



Air Conditioner



Microwaves

Powder Coatings: Leadership through a variety of products

Selective List of Customers



Automotive Coatings

And many more...

Selective List of Customers



General Industrial Coating



High Performance Coating



Powder Coating

And many more...

Strength of the Nerolac brand

BRAND EQUITY

THE ECONOMIC TIMES NOVEMBER 25-DECEMBER 01, 2015 6

Where Do They Stand?

TRUST BY CATEGORY: HOW BRANDS STACK UP IN THEIR RESPECTIVE TERRITORIES

Airlines

- 1 Air India
- 2 Jet Airways
- 3 Indigo Airlines
- 4 Spicejet
- 5 GoAir



Recently discovered photos from Air India's bygone Flying Palace era in the 1970s show an actual bar in the top deck and walls decorated with images from Indian mythology and history. A far cry from the rather functional planes of today.

Apparel

- 1 Raymond
- 2 Lee

Raymond began life in 1925 as a woolen blankets manufacturer. In 1992, Nexus Equity created 'The Complete Man' not in the Errol Flynn

Consumer Durables

- 1 Samsung
- 2 Sony
- 3 LG
- 4 Usha
- 5 Philips
- 6 Whirlpool
- 7 Godrej Appliances
- 8 Videocon

The Samsung Group is rumored to be responsible for roughly 20% of South Korea's GDP.

Another Korean warhorse where LG stands for Lucky Goldstar that eventually became synonymous with the tagline 'Life Is Good.'

Paints

- 1 Asian Paints
- 2 Nerolac Paints
- 3 Berger Paints
- 4 Dulux Paints

In 1954, RK Lakman created one of India's most iconic brand mascots. But the company still needed a name for him. In an early crowdsourced campaign, they ran a 'Give Me A Name' contest, with ₹500 as the prize. They received 47,000 entries. The winning entry was the name 'Gattu'.



OTC

Edible Oils (Refined)

- 1 Saffola
- 2 Fortune
- 3 Sundrop
- 4 Ruchi Gold
- 5 Gemini

While it heads the leaderboard on oil, it's also a poster child for life beyond oil, having extended to oats and muesli.



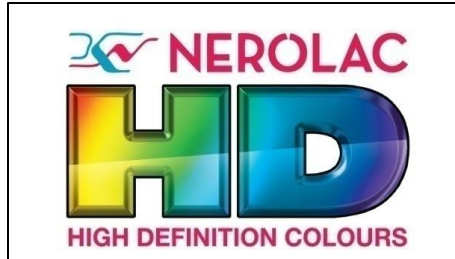
Footwear

- 1 Bata

King Khan's long dalliance with endorse

One of India's most trusted Brand

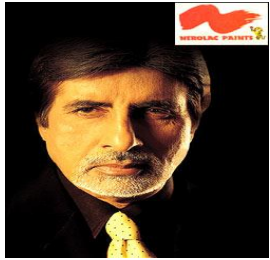
Known for Innovation



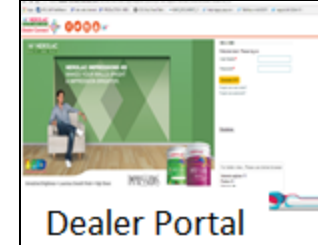
Products



Pioneering concepts (Lead free, Low VOC, Healthy Home Paints)



Celebrity Endorsement



Use of Social, Digital & Mobile



Use of Sports for Endorsement



Modern Retail

Known for Innovation - Technology

Technology from
Kansai Paints Japan
Technical Collaboration with
Oshima Kogyo Co. Ltd, Japan
Cashew Co. Ltd, Japan
Protech Chemicals Ltd, Canada

Collaborations

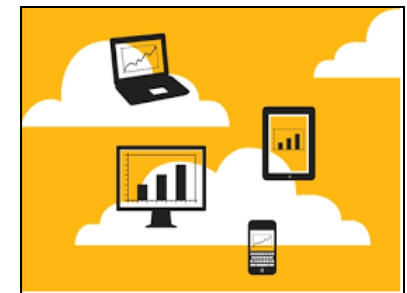
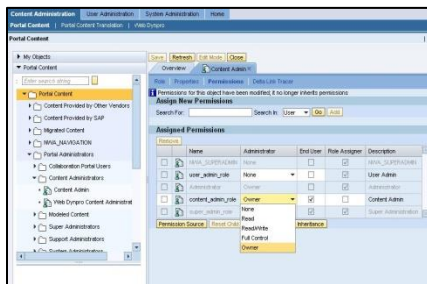
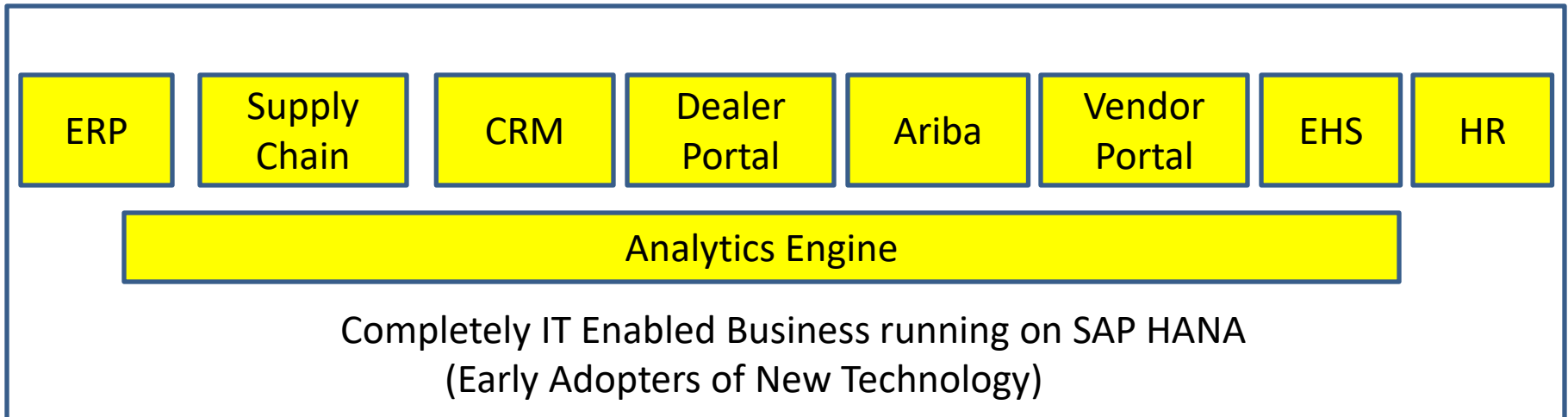
In-house R&D
Number of patents – 7
R & D Spend – Rs. 23.1 Crores
Number of R&D Personnel - 171

R&D Prowess

Innovative products
3C-1B Paints
Medium Solid Paints
Acrylic CED
Mar Resistant Clear
Multi metal Primer
Low bake & Fine film powders

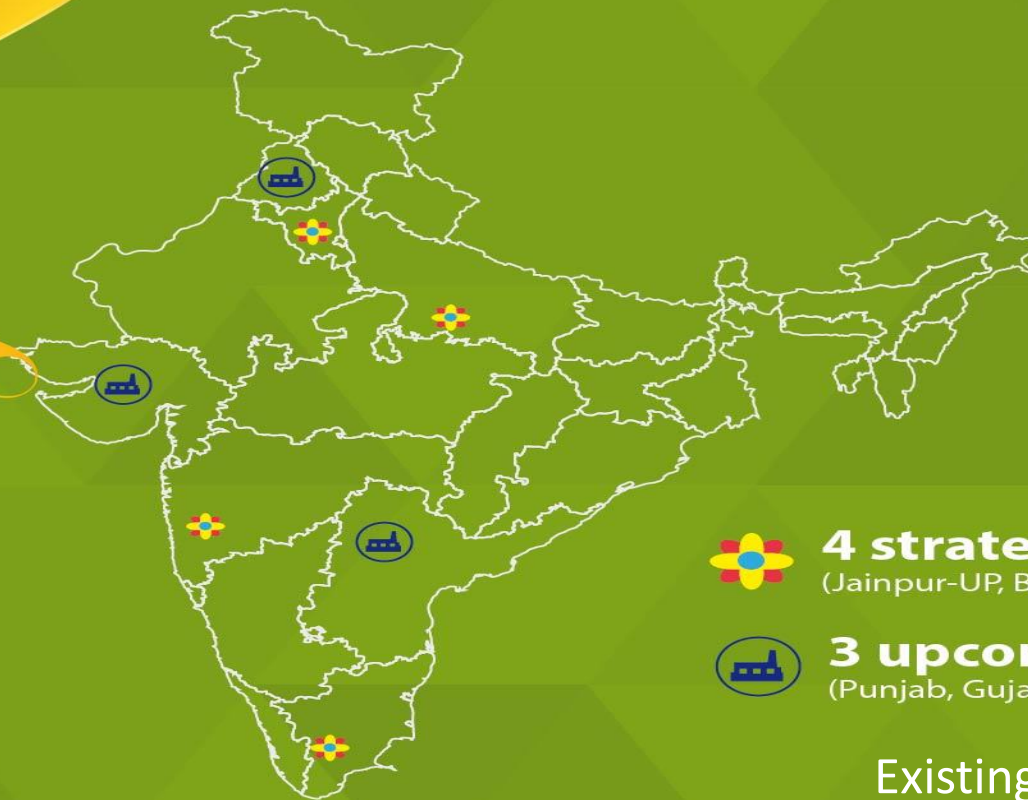
Technology Innovations

Known for Innovation - IT



Manufacturing Facilities

British Safety Award
ZERO liquid Discharge
OHSAS 18001
ISO 14001



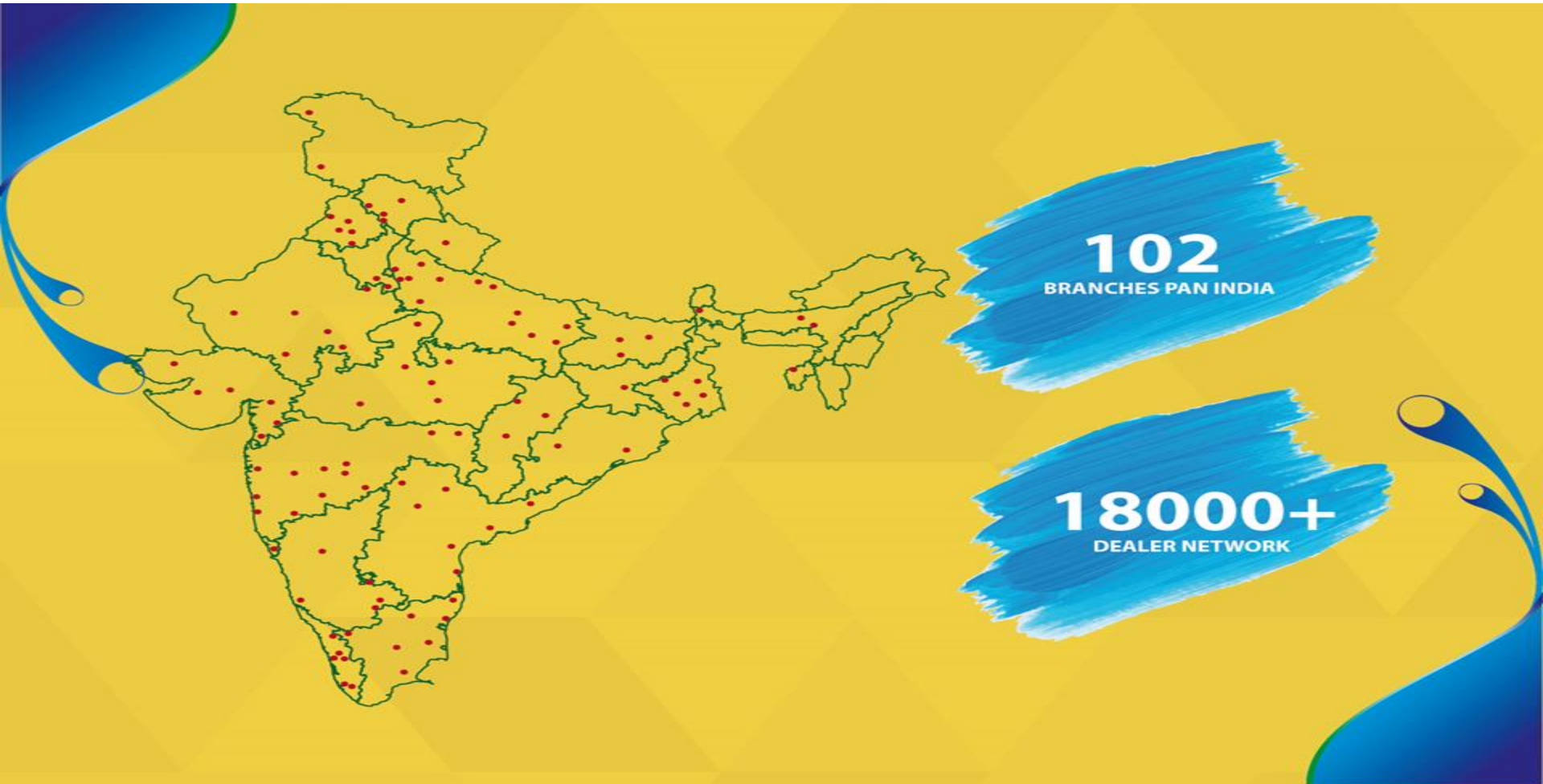
 **4 strategically located plants**
(Jainpur-UP, Bawal-Haryana, Hosur-TN , Lotte-Maharashtra)

 **3 upcoming plants**
(Punjab, Gujarat, Andhra Pradesh)

Existing capacity: 364000 KL

New capacity: 136000 KL

Distribution reach



Environmental Initiatives

Publishing Report since 2005

Implemented SAP EHS in 2011

Water and Carbon Foot print
tracking

Zero Liquid discharge at all
manufacturing facilities

Products meeting VOC regulation
Reduction in Co2 emissions
Green Program with vendors



Our CSR Activities



People Initiatives

Young Vibrant organization

Professionally run & managed

Core Values & Competency
Framework defined

Transparent Performance
Management System

Industry Recognition

Best Managed Company – Business Today
2004-05
Golden Peacock – Corporate Governance
2005-06
Institute of Company Secretaries – Corporate
Governance 2007-08

Corporate

Best Vendor Award for Cost – Toyota (2015-
16)
Best Supplier Award – Toyota (2016-17)
Best vendor Award – Maruti Suzuki (2015-16)
Best Vendor Award – HMSI (2014-15)
Best Vendor Award – Suzuki (2016-17)

Customer

Trusted Brand Gold Award – Readers
Digest
Product of the Year Award – World's
largest Independent Survey (2008-12)

Brand

Best Media Innovation – Emvies 2007
(4 Awards)
Bronze at Cannes 2007-08
Silver Trophy Best Ad – AAI (2005-06)
Design Award for Ambient Media Category –
Kyoorious Design Awards (2014-15)
Best CMO – Pitch CMO Summit 2017

Marketing

Industry Recognition

Asian Manufacturing Excellence Award – Frost & Sullivan (2009-10)
Certificate of Merit - Lote (Zero Accident Frequency) – National Safety Council Maharashtra (3 Years) 2011-12, 2013-14, 2016-17
Safety Systems Excellence Award – FICCI

Manufacturing

National Energy Conservation (Jainpur) – Ministry of Power GOI (2005-06)
Environmental Excellence Gold Award – Lote Greentech Environment Excellence (2008-09)
Environment Management Award – Golden Peacock (2009-10)

Environment

Innovative product / service award – Golden Peacock (2009-10, 2010-11)
Most proactive contribution through new development in Powders – Godrej (2009-10)
Most Innovative Product of the Year Award Nerolac Impressions HD – Consumer survey of product innovation – Nielson (2015-16)

Product

Industry Recognition

ACE Awards – SAP (2011-12, 2013-14, 2015-16)
SAP Award – INDUS (2013-14)
Best APO Implementation – PC Quest (2007-08)
Hall of Fame – CTO Forum (2008)
Gold CIO of the Year – Data Quest Magazine (2005)
Best CTO in Manufacturing – CTO Forum (2005)

Information technology

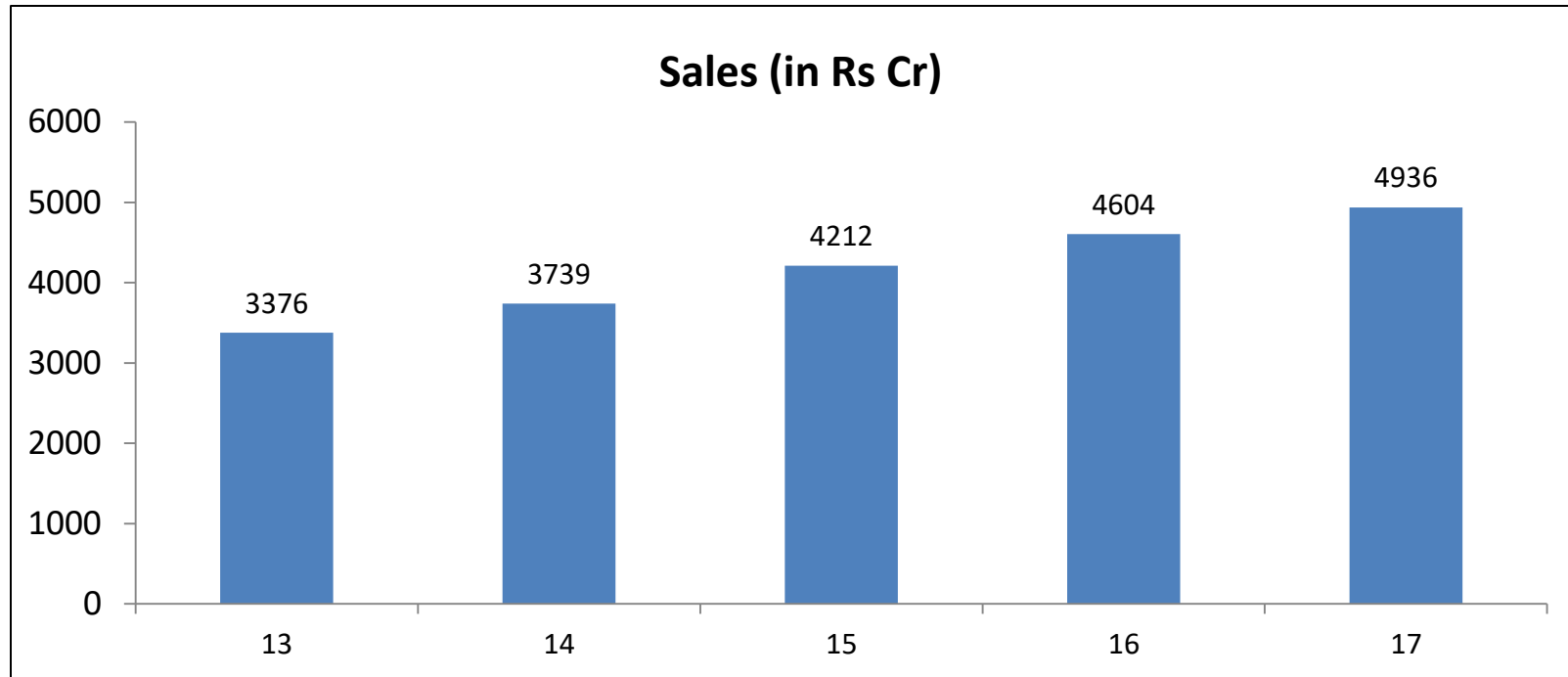
Among the Top 50 CEOs – Entrepreneur Magazine (2013-14)
Best CEO in Chemicals Category – Business Today (2016-17)
Asia Pacific Entrepreneurship Award 2017 in Chemicals and Plastics – Enterprise Asia
1st Non Japanese to be on the board of Kansai Paints Japan

Leadership

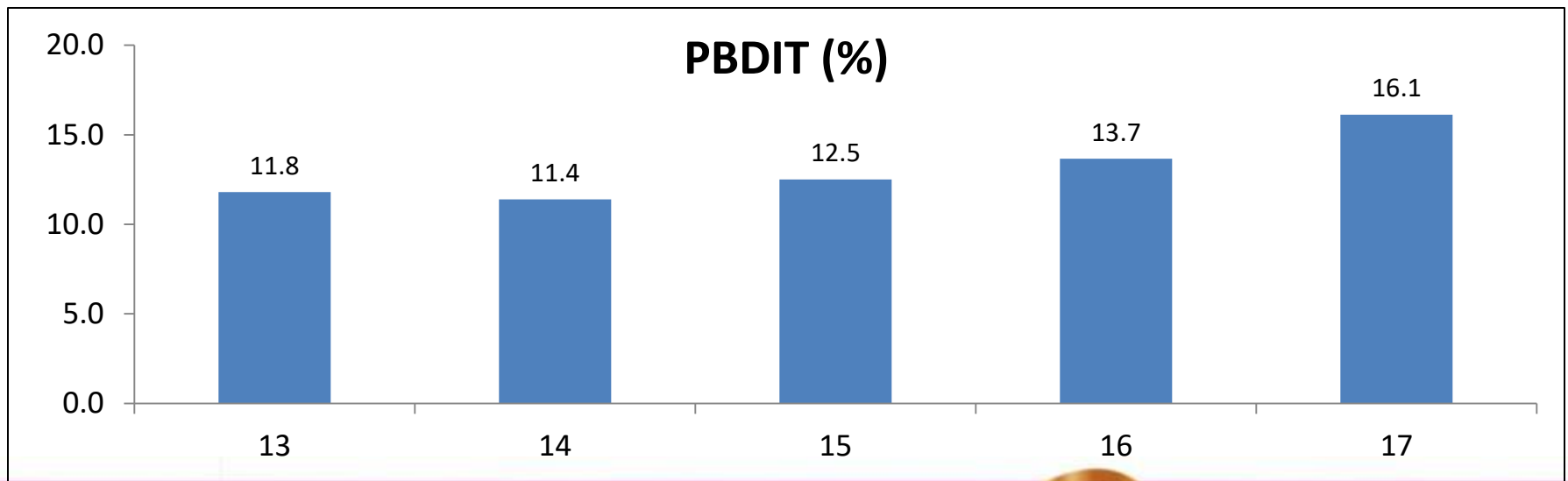
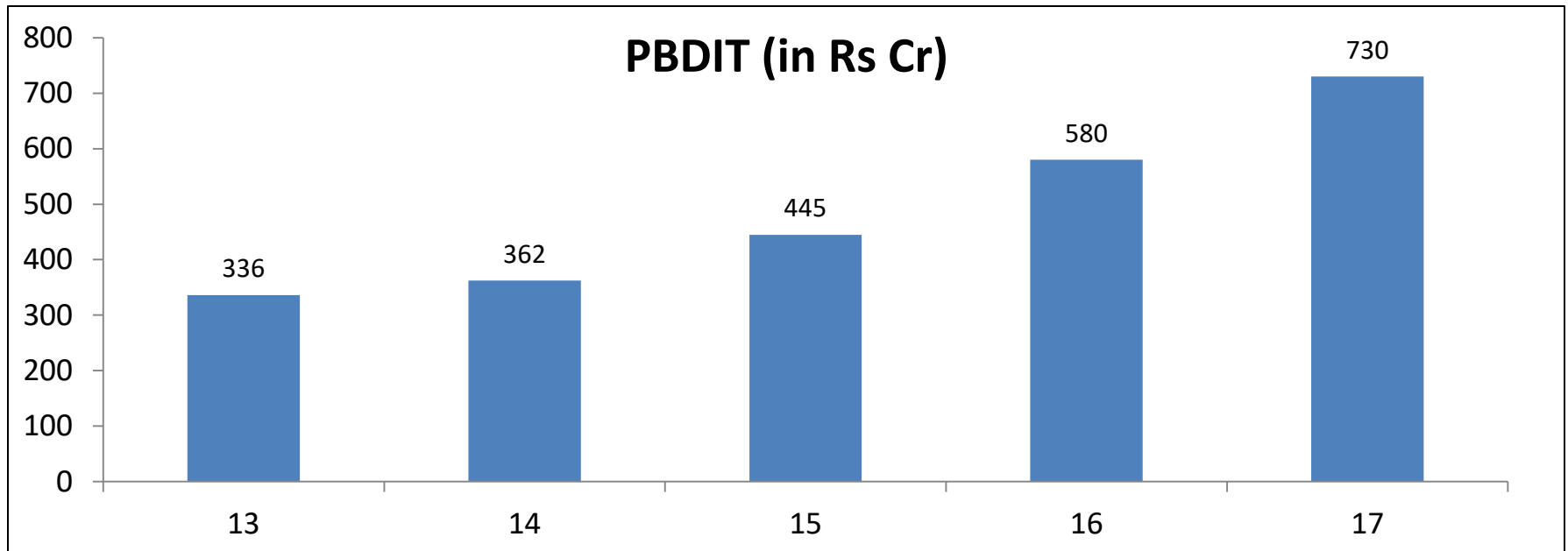
CSR Report Gold Trophy – ABCI Award (2006-07)
Karmayog 2008 Rating 4/5
Association of Business Communicators of India – Gold (2008-09)

Reports

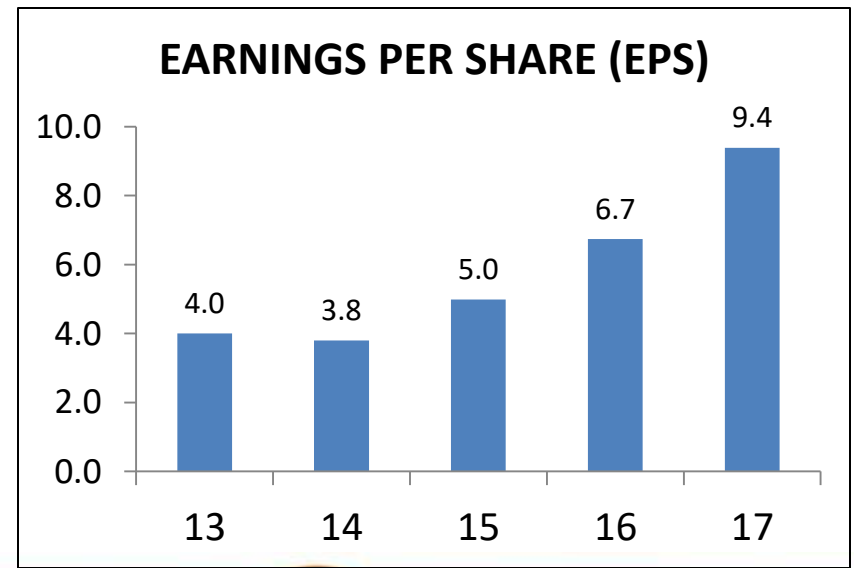
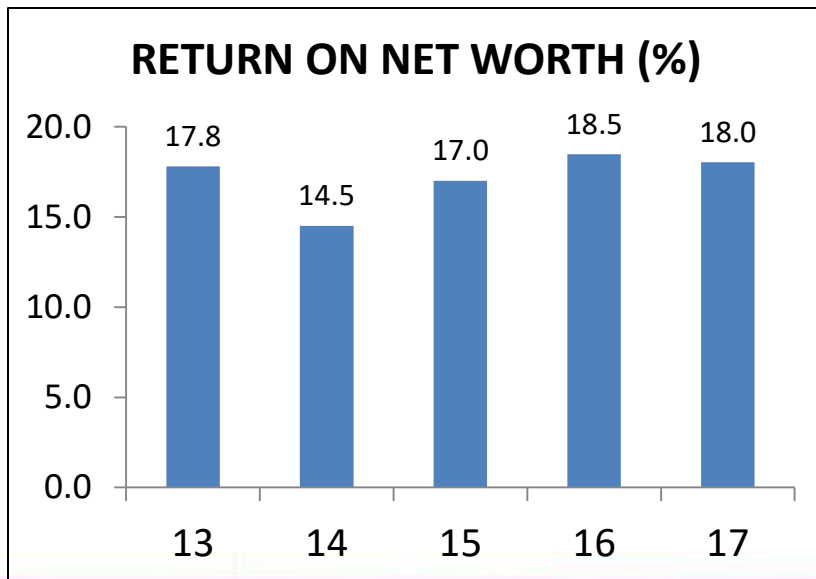
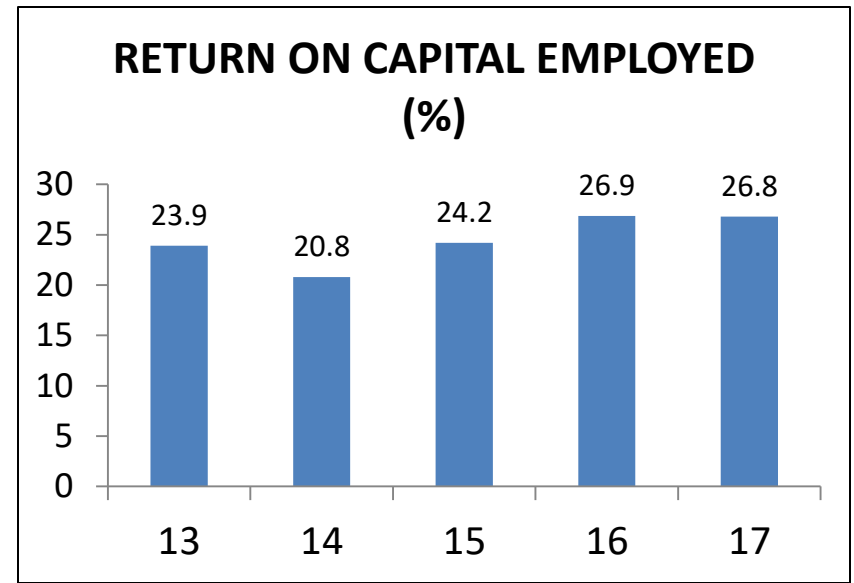
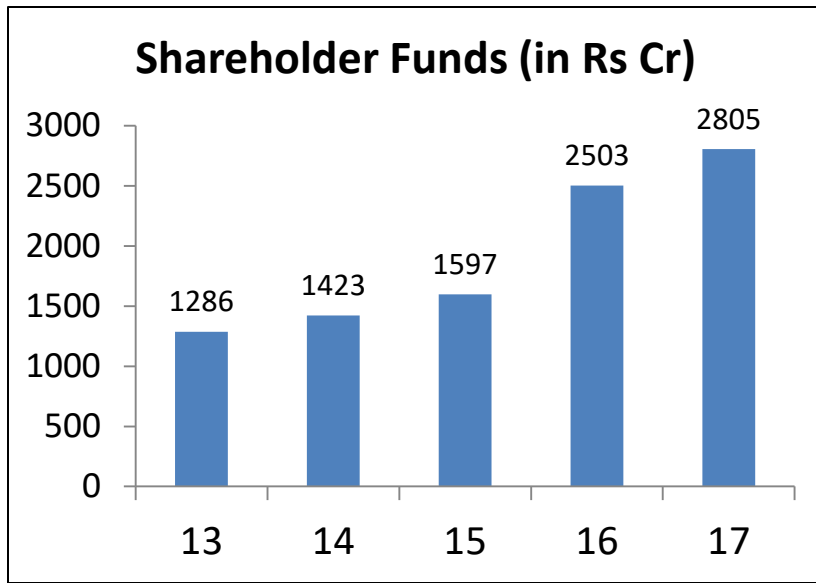
Financial Ratios



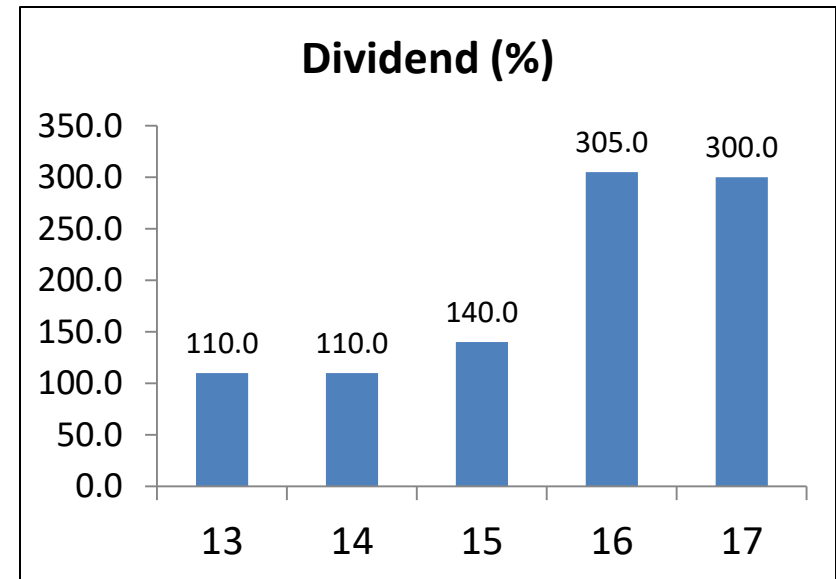
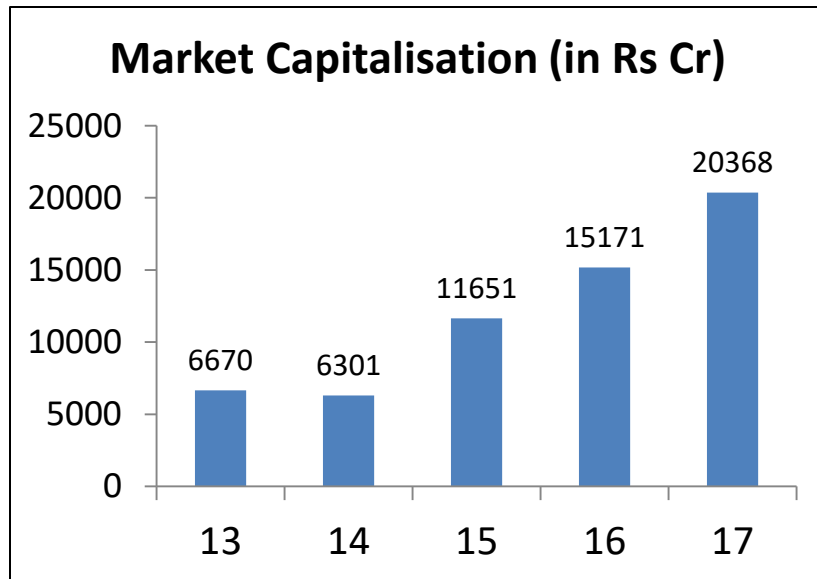
Financial Ratios



Financial Ratios



Financial Ratios



Snap Shot

	Year 2001	Year 2017	CAGR
Sales Rs. cr.	683	4936	13.2
PBDIT Rs. cr.	48	731	18.5
PBT Rs. cr.	33	759	21.6
EPS Rs	0.44	9.39	21 times
Market Capitalization Rs Cr	138	20368	147 times
Dealers Nos.	10300	18300	
No. of Distribution Centers Nos.	60	102	

International Operations

Nepal Operation – 2012

Amt Rs NPR	On Acquisition	March 2017
Turnover	25.0	92.1
PBT	(1.00)	11.2

Sri Lanka Operation – 2017

Thank You