

March 13, 2020

1. Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051.

Sub.: Intimation on behalf of Kansai Nerolac Paints Limited (“Company”) with respect to Presentation to Analysts/ Investors

- Ref.: 1. Regulation 30(6) (read with Schedule III - Part A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**
2. Scrip Codes: BSE - 500165, NSE - KANSAINER

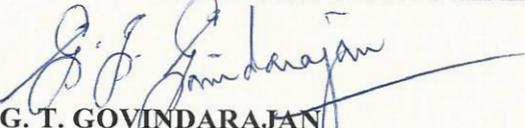
Dear Sirs,

Pursuant to the provisions of Regulation 30(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that Presentation (Corporate Presentation and Investor Presentation) will be made by the Management of the Company to Analysts / Investors on Tuesday, March 17, 2020 over Video Conference.

The Presentation is attached for your reference. The same will also be uploaded on the website of our Company, www.nerolac.com.

The above is for your information and record.

For **KANSAI NEROLAC PAINTS LIMITED**


G. T. GOVINDARAJAN
COMPANY SECRETARY



Encl.: As above



Corporate Presentation

CORPORATE OVERVIEW

Kansai Nerolac Paints Ltd.

Parameter	
Ownership	Subsidiary of Kansai Paint, Japan
Founded	1920
Market Position	One of India's largest Paint company
	Leader in Industrial Paints
Turnover (FY 18-19 standalone)	Rs. 51736 Mn.
PBT (FY 18-19 standalone)	Rs. 7134 Mn.
Market Cap (31st March 2019)	Rs. 247094 Million

Company Vision

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

Company 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.

Core Values



integrity



customer focus



accountability



respect

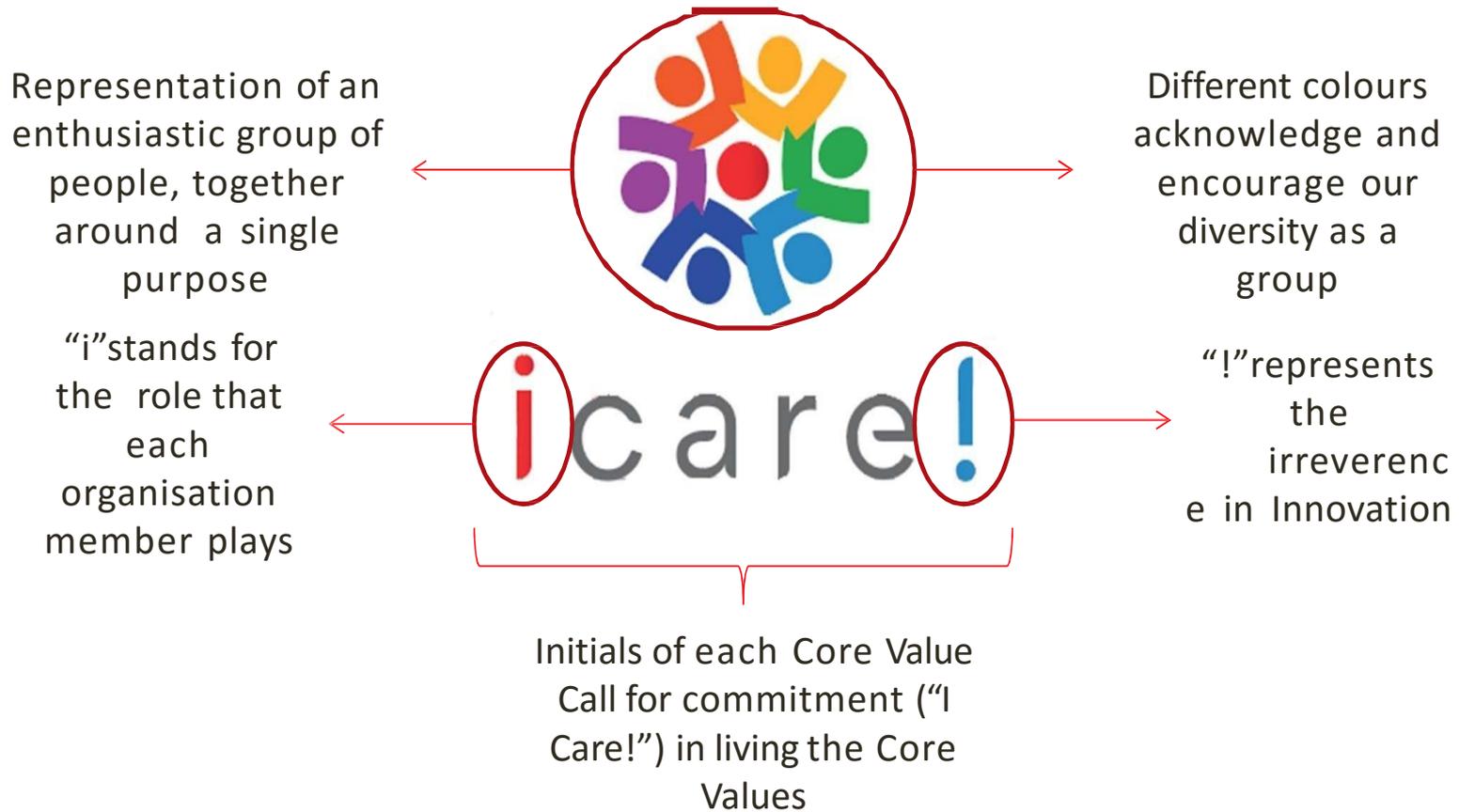


entrepreneurial
mindset



innovation

icare! Logo



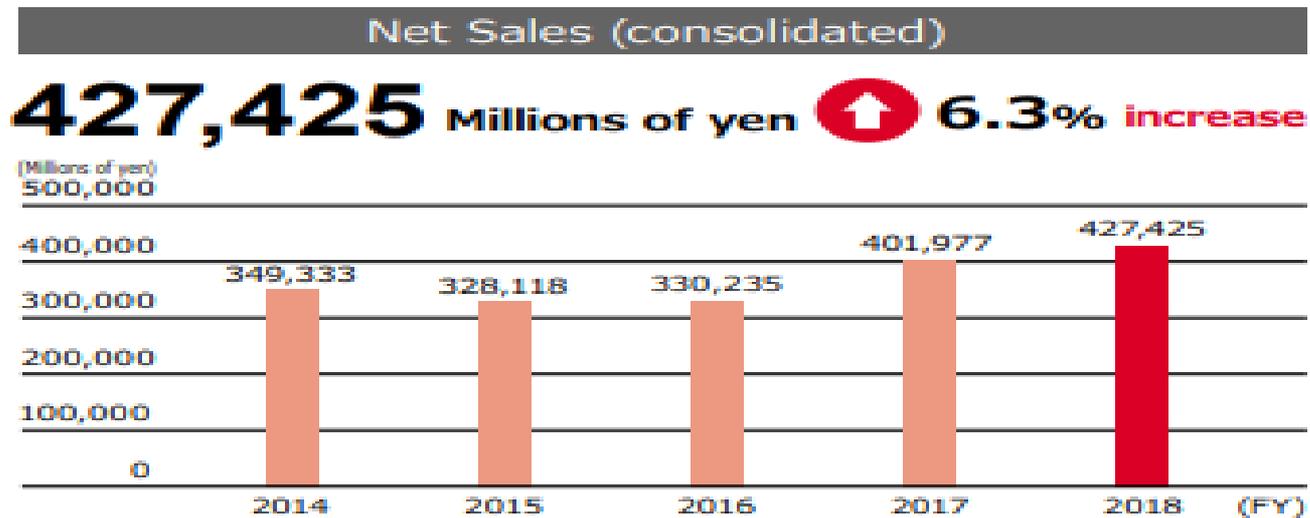
Strong Legacy

99 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 Paint, Japan
2000	Became subsidiary of Kansai Paint, Japan
2006	Change of name to Kansai Nerolac Paints Ltd.
2012	Acquisition in Nepal
2017	Commencement of operations in Sri Lanka
2018	Acquisition of Marpol (Powder Coating) Acquisition in Bangladesh(RAK Paints) Acquisition of Perma (Construction Chemicals)
2019	Joint Venture with Polygel (Adhesives)

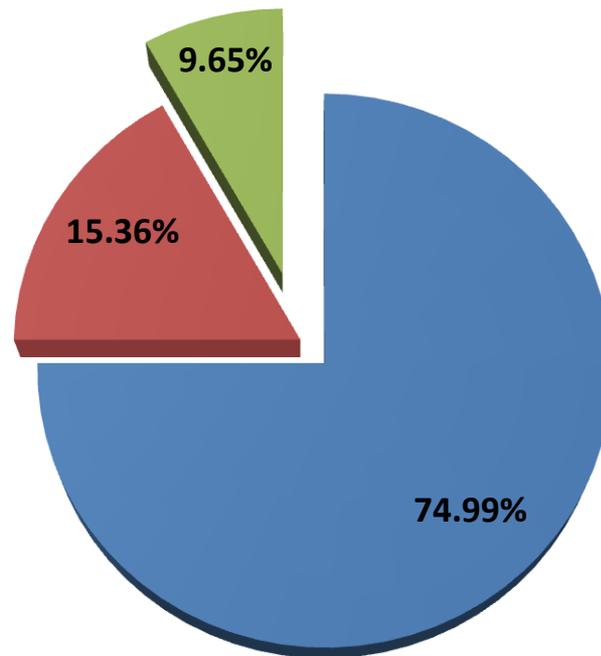
Kansai Paint, Japan

- Japan's largest paint company
- 8th largest Paint company globally
- Among top 5 global automotive paint companies
- Presence in 80 countries via 152 companies
- Gross sales over 3.9B USD



Shareholding Pattern (31st March, 19)

■ KPJ ■ Institutional ■ Others



KPJ-Kansai Paint Japan

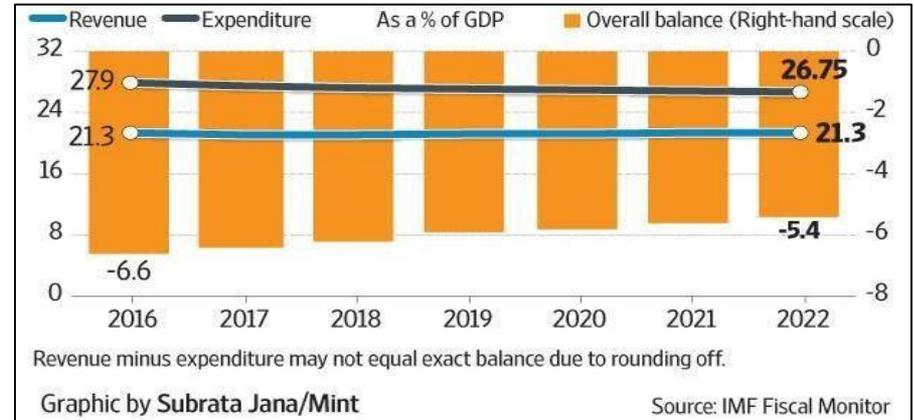
INDUSTRY OVERVIEW

Indian Economy

Political Stability
Fiscal Prudence

Series of reforms
Pro- Industry environment
Strong Governance

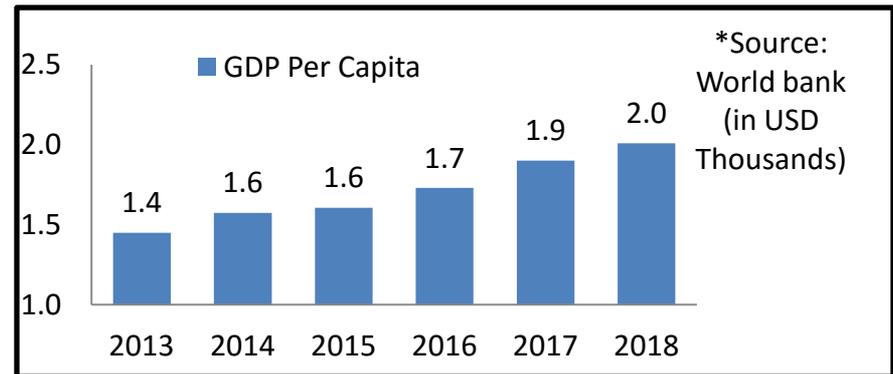
Increasing GDP
Increasing Per Capita Income



*Source: IMF Fiscal Monitor(Estimated)

Ease of Doing Business Ranking				
2015	2016	2017	2018	2019
142	130	100	77	63

*Source: World bank



Indian Paint Industry Facts

Parameter	Facts
Size	Over \$7 Billion
Growth Rates	Double digit since 1991
Organized : Un-organized Market	70:30
Per Capita consumption	~4 kg (Global average @12-15 kg)

Future Growth Drivers



- Favorable demographics
- Rapid urbanization
- Make in India
- Infrastructure growth
- Unorganized to Organized with GST implementation

KANSAI NEROLAC PAINTS LTD



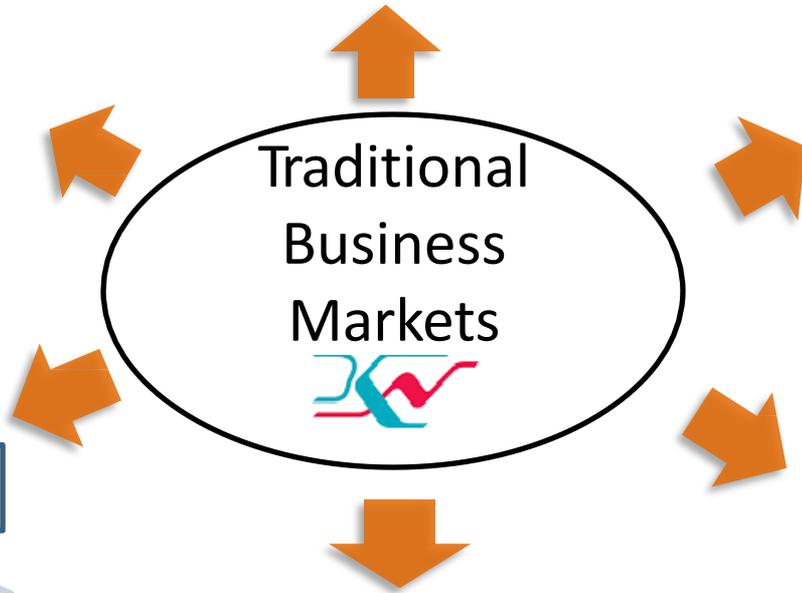
General Industrial Coatings



Powder Coatings



High performance Coatings



Automotive Coatings



Auto Refinish (ARF) Coatings



Decorative Coatings



Decorative Coatings

Exterior



Economy



Popular



Premium



Super Premium

Interior



Economy



Popular



Premium



Super Premium

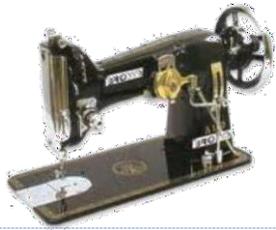
Decorative Range: Enamels, Distemper, Emulsions, Primers, Putty, Wood finishes

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

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...

Floor Coatings



Rebar Coatings



Construction Chemicals



Railway Coatings



New/Emerging
Business
Markets

Adhesives



Coil Coatings



Subsidiaries

Nepal

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

Amt NPR Mn	On Acquisition	March 2018	March 2019
Turnover	250.0	1027.8	1348.5
PBT	(10.0)	145	224.2

Sri Lanka

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

Amt LKR Mn	March 2018	March 2019
Turnover	203.7	306.1
PBT	(172.6)	(275)

Subsidiaries

Bangladesh

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

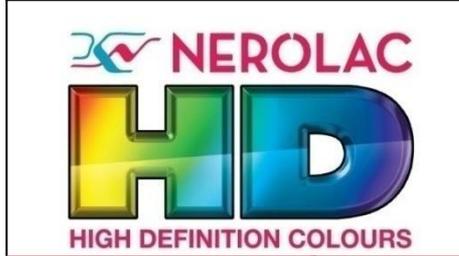
Amt BDT Mn	March 2019
Turnover	1100
PBT	(104)

Marpol

- Acquired in 2018-19

Amt Rs Mn	March 2019
Turnover	620.3
PBT	19.3

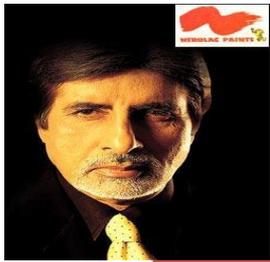
Known for Innovation - Branding



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
R&D Spend : Rs 25 Cr (0.5% of Sale)
Number of R&D personnel:
176

R&D Prowess

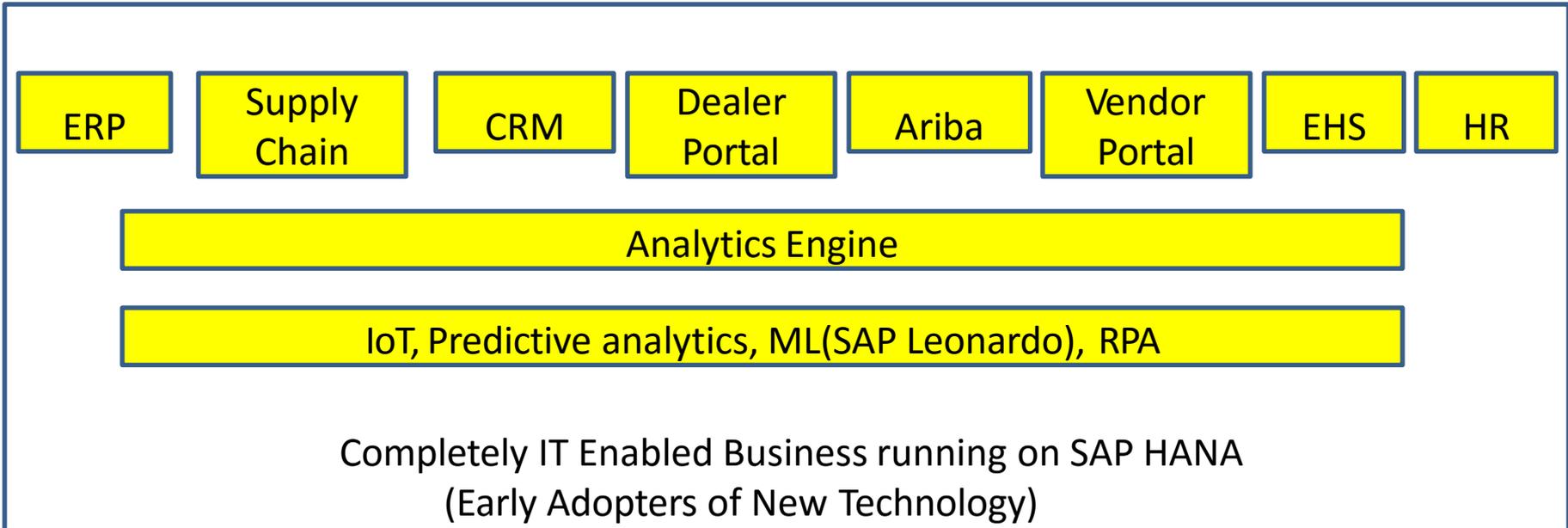
Innovative products
3C-1B Paints
Medium Solid Paints
Acrylic CED
Mar Resistant Clear
Multi metal Primer
Low bake & Fine film powders

Technology Innovations

Innovative Products
Eco Clean (zero smell and VOC)
Little Master (economical emulsion
Anti-Dust fan coating
Self Leveling floor coating
Nerotuff Powder

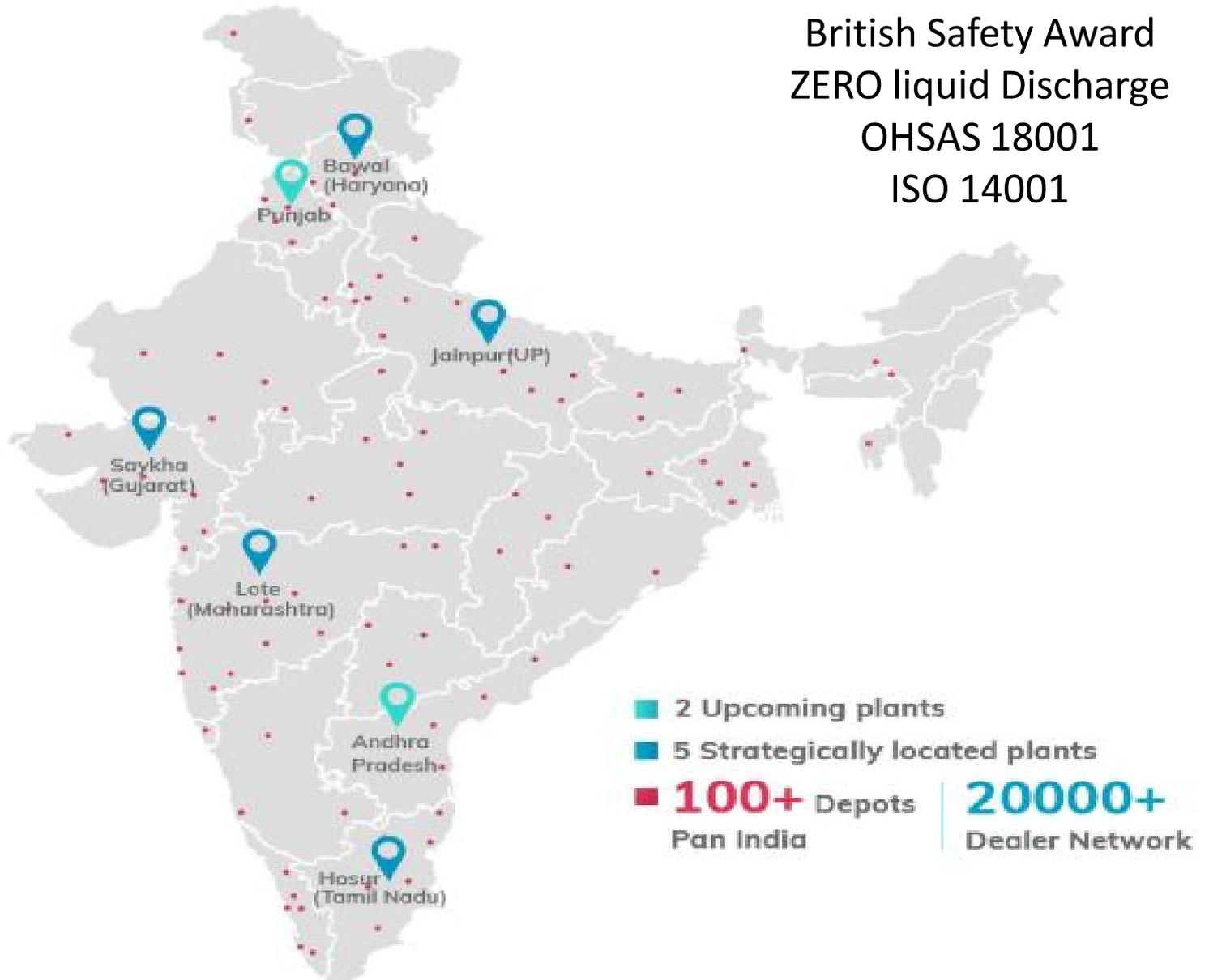
Technology Innovations

Known for Innovation - IT



Distribution

British Safety Award
ZERO liquid Discharge
OHSAS 18001
ISO 14001



Capacity

	Year	Annual Capacity in KL/MT
Existing	2017-18	4,10,000
	2018-19	4,50,000
Current	2019-20	5,10,000
Planned	2020-21	5,25,000

1 Green field Project in Pipeline

Environmental Initiatives

Publishing Report since 2005.
Sustainability report as per GRI
guidelines since 2012

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

People Initiatives

Young Vibrant organization with average age of organization 35

Professionally run & managed

Core Values & Competency Framework defined

Transparent Performance Management System



Our CSR Activities



Strength of the Nerolac brand



BRANDEQUITY

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 woollen blankets manufacturer. In 1992, Nexus Equity created 'The Complete Man' suit in the 1980s.

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 Gearstar 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 Lakshmi created one of India's most iconic brand mascots. But the company still needed a name for hats. 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 'Gator'.

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 ballance with...
with...
with...

One of India's most trusted Brands

Some Important Awards

Institute of Company Secretaries :
 Corporate Governance - 2007
 Golden Peacock : Corporate Governance –
 2005
 Best Managed Company : Business Today –
 2005

Corporate

Best Supplier Award – HMSI - 2016
 Best Supplier Award Toyota -2017
 Best Vendor Award – Suzuki - 2017
 Best Vendor Award for Cost – Toyota -2016
 Best Vendor Award – MSIL – 2016

Customer

Certified Great Place to Work by GPTW -
 2019
 'Best Brands' by Economic Times – 2018
 40 Most Valuable Brands – Interbrand - 2018
 Trusted Brand Gold Awards – Readers Digest
 Product of the year Award – 2017

Brand

Best media Innovation-Emvies 2007(4 Awards)
 Bronze at Cannes-2008
 Silver Trophy Best Ad-2006
 Design Award for Ambient Media category-
 Kyoorious Design Awards-2015
 Best CMO –Pitch CMO summit 2017

Marketing

Some Important Awards

Asian Manufacturing Excellence Award-Frost & Sullivan-2010
Certificate of merit-Lote(Zero Accident Frequency)-National safety council
Maharashtra(3 years)-2012,2014,2017
Safety Excellence Award-FICCI

Manufacturing

National Energy Conservation (Jainpur)-
Ministry of Power GOI-2006
Environmental Excellence Gold Award-Lote
Greentech Environment excellence-2009
Environment Management Award-Golden
Peacock 2010

Environment

Innovative Product/Service-Golden
Peacock -2010,2011
Most Proactive contribution through new
development in Powder- Godrej,2010
Most Innovative Product of the year award
Nerolac Impression HD-Consumer Survey
of product innovation-Nilesen

Product

Some Important Awards

ACE Awards,SAP-2012,2014,2016
SAP Awards Indus-2014
Best APO Implementation-PC Quest 2008
Hall of fame-CTO forum 2008
Gold CIO of the year-Data quest of the magazine 2005
Best CTO in manufacturing-CTO forum 2005

Information Technology

Among the top 50 CEO's-Entrepreneur Magazine-2014
Best CEO in chemicals category-Business Today-2017
Asia Pacific Entrepreneurship Award 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 2007
Karmayog 2008 Rating 4/5
Associations of Business Communicators of India-Gold-2009

Reports

18-19 Key Achievements

Sustainable growth

- Double digit growth in Decorative, with Market Share gain in All Industrial segments
- Inorganic growth via M&A in international and niche markets

Branding

- Mr. Ranveer Singh signed up as new face of Nerolac brand
- Continued sponsorship & branding in sports

18-19 Key Achievements

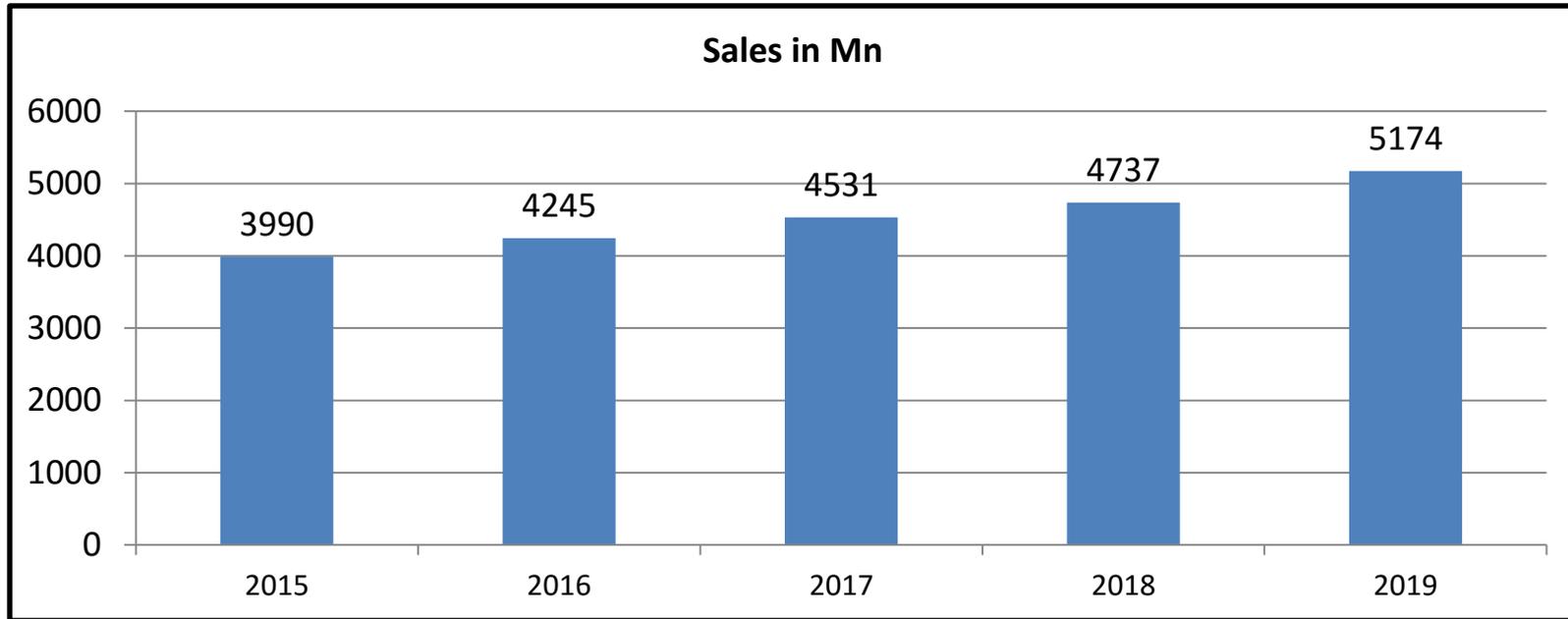
Technology

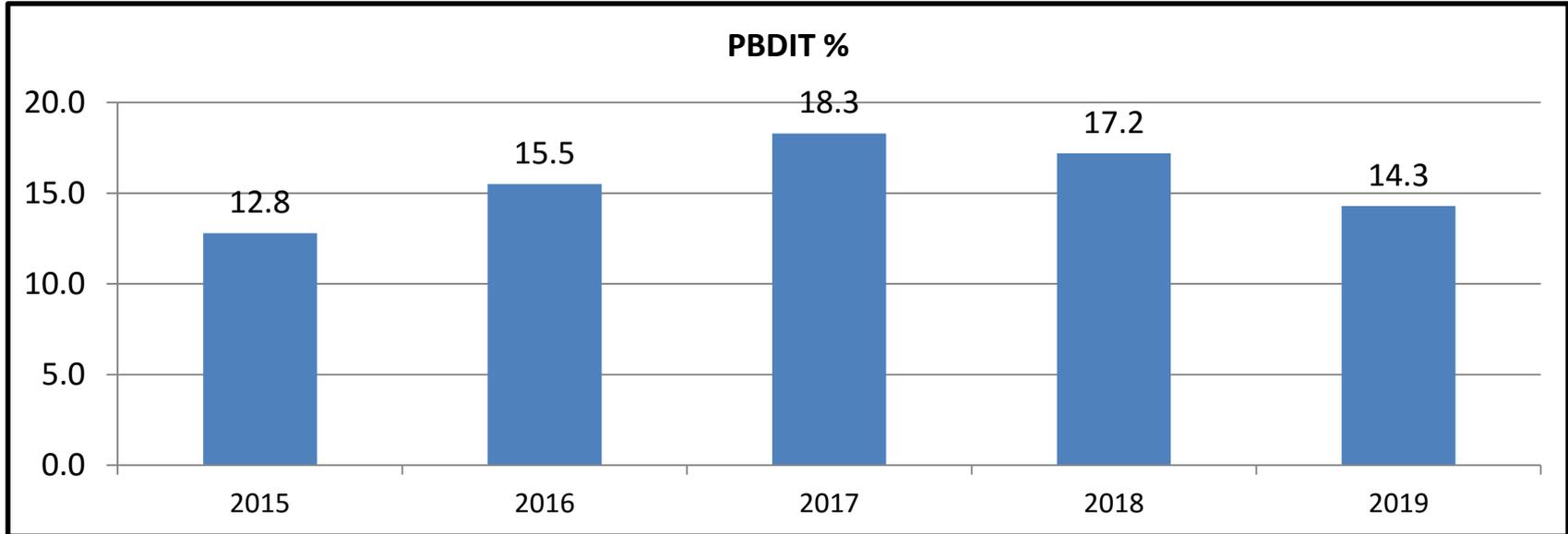
- MonoCoat and Common Painting system launched resulting in 50% reduction in energy for consumers
- Product launched which captures indoor air Pollutants and free Formaldehyde, making the air cleaner

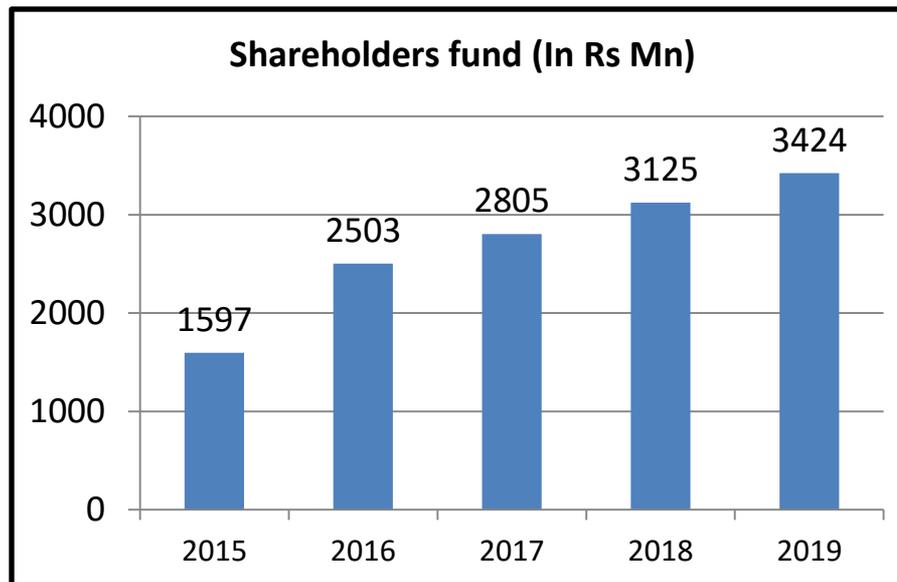
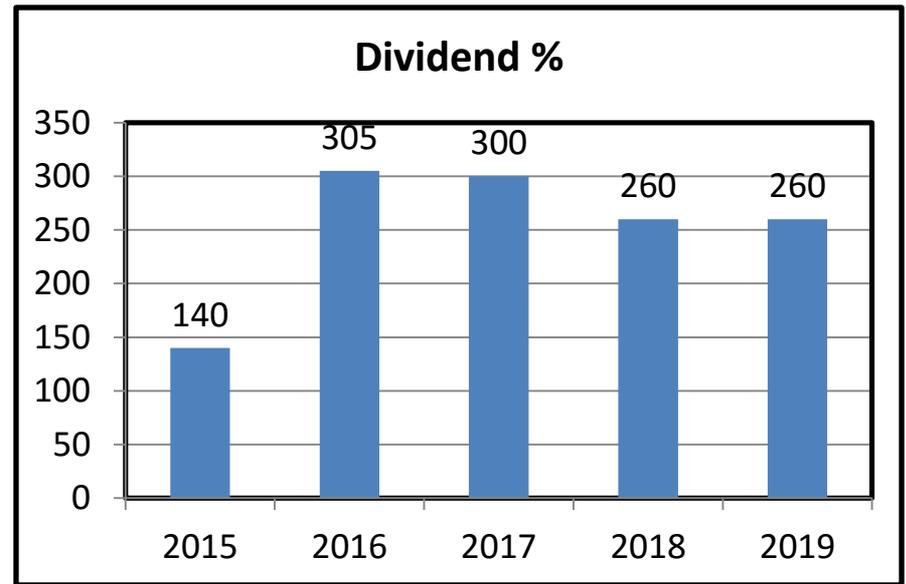
Recognition

- Vendor Award by Honda & BHEL
- Lote and Bawal plant received certificate of Merit and Appreciation
- Nerolac recognized as one of the Best & Valuable Brands for 2018-19 by organizations – Economic Times and Interbrand

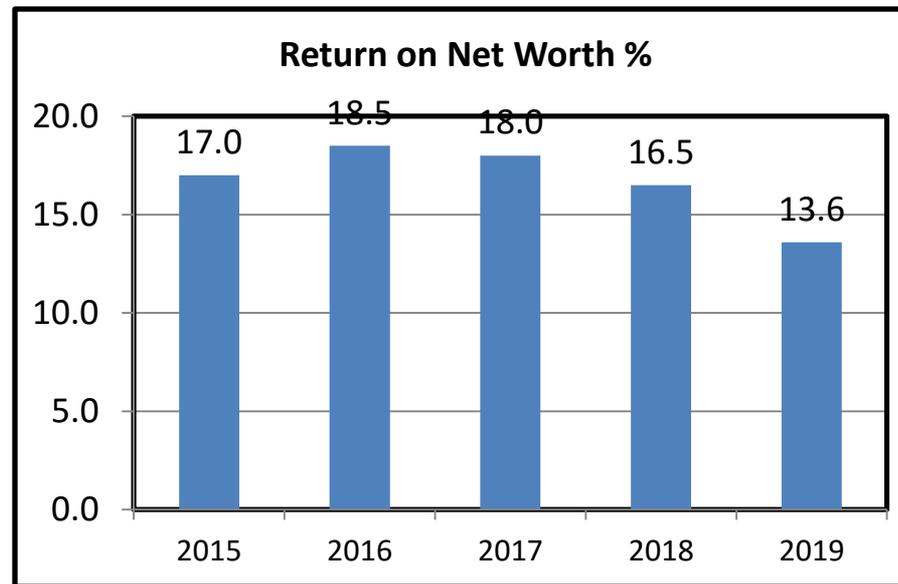
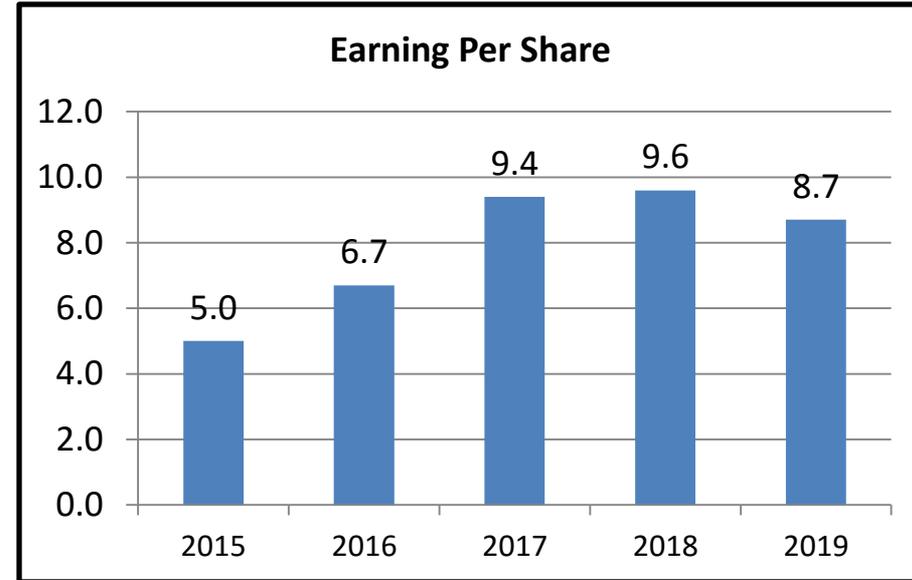
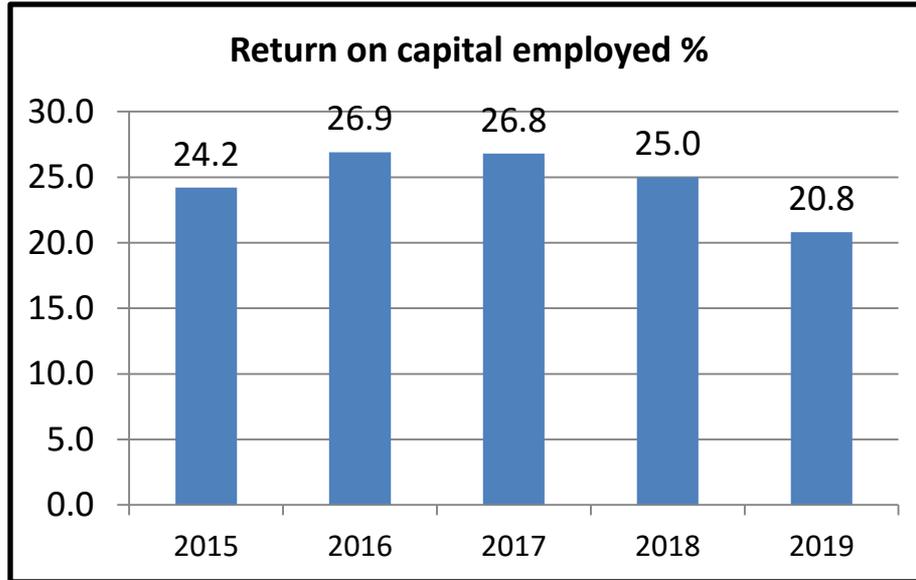
FINANCIALS







Financial Ratios



Standalone Snap Shot

	FY 2001	FY 2019	CAGR from 2001
Sales Rs. mn.	6830	51736	12
PBDIT Rs. mn.	480	7420	16.4
PBT Rs. mn.	330	7134	19
EPS Rs	0.44	8.7	19 times
Market Capitalization Rs Mn	1380	247094	179 times

Consolidated Snapshot

	FY 2001	FY 2019	CAGR from 2001
Sales Rs. mn.	6830	54243	12
PBDIT Rs. mn.	480	8129	17
PBT Rs. mn.	330	6967	18

Thank You



Investor Presentation Update (FY19-20)

Disclaimer

This presentation may contain statements which reflect management's current views and estimates and could be construed as forward making statements. The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

Agenda

Business Environment FY 19-20*

Financial Performance FY 19-20*

Business Review FY 19-20*

Risks and future outlook

**The details in the presentation are for the period April – Dec 2019*

Business Environment 19-20

- ❑ Demand slow down witnessed across sectors
- ❑ Several Initiatives taken by Government to spark revival have seen limited impact
- ❑ Corporate Tax Rate reduction announced
- ❑ Currency volatility experienced throughout the year
- ❑ Geo-political concerns at a global level

Agenda

Business Environment FY 19-20*

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Financials - Standalone

Q3 and FY19-20 (9 Months)

Rs. Crore

	Q3	Q3	Gr%	9 M	9 M	Gr%
	2018-19	2019-20		2018-19	2019-20	
Revenue from Operations (Net)	1350.7	1248.1	-7.6	4020.5	3955.1	-1.6
PBDIT (without other income)	177.0	191.9	8.4	592.4	653.8	10.4
PBDIT as % of sale	13.1	15.4		14.7	16.5	
PAT	112.7	122.7	8.9	374.5	463.9	23.9
PAT as % of sale	8.3	9.8		9.3	11.7	

Financial Analysis 19-20

Positive Factors

- Increased saliency of Decorative
- Relative stability in Raw Materials prices with a declining trend
- Strong control on overheads through systemic efforts
- Contribution improvement in Decorative and Industrial products
- Improvement in Operating Profit % by 230 basis points in Q3 primarily driven by reduction in material costs
- JV with Polygel for Adhesives

Negative Factors

- Decline in consumer demand across Industrial especially Automotive
- Reduced demand in Decorative in Q3
- Volatile exchange rate

Agenda

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Consistent Robust delivery

Nerolac Colour trails went across the country



Pragati Express painter training extended to 7 more states



Nerolac launched first 'Rongeen Bongo' shade card for West Bengal



Association with India's first water based sports league



Nerolac wins silver trophy at 8th ACEF Asian Leaders Forum



Market

- Situation in Kashmir, where KNP* is a leader, impacted performance
- Demand in Q2 was affected due to a prolonged monsoon and floods
- This was coupled with an early festive season

Highlights

- Soldier continued to perform well
- Double digit Emulsion volume growth leading to improved product mix
- Launch of new Products
 - Suraksha Range
 - Beauty Little Master
 - Nerolac ICRO wood finish range
 - Nerolac Perma Construction Chemicals range
- Price Decrease in select products amounting to 1.9% for Decorative during the year

Automotive

In line with Auto Sector

Market

- Unprecedented and prolonged slowdown in Auto
- Automotive production dropped by 13.2 % for the first 9 months
- For KNP customer base, this resulted in 17 % reduction in surface area
- All segments viz. PV (-18%), CV (-27%), 2W (-13 %), 3W (-7 %) and Tractors (-17 %) recorded huge drops in production for KNP customers
- Inflation of earlier years not yet compensated

Highlights

- Introduced new technologies for productivity improvement, process improvement and energy saving
- Auto-refinish continued to grow at accelerated pace

*PV-Passenger Vehicles
CV-Commercial vehicles
2W-Two wheelers
3W-Three Wheelers*

Performance Coating

Broad based growth across categories

Market

- Growth continues to be single digit

Highlights

- Focus segments growing in double digits
- Major gains in Coil Coating
- Continued penetration in new segments

Subsidiary Performance

India

Marpol

- EBITDA improvement over same period Last Year
- Expansion in Dealer network
- Capacity expansion undertaken
- Synergy benefit on track

Perma

- Improved profitability
- Distribution enhancement
- Price increases taken
- New Range launched under Nerolac
- Synergy benefit on track

Nerofix

- JV launched in Adhesives business along with Polygel

Subcontinent

Nepal

- Continued higher than Market growth
- Revamp of Plant started
- SAP Implemented

Lanka

- Sluggish Market initially due to terrorist attack and secondly due to heavy rainfall
- New distribution introduced
- Cost Reduction initiatives led to increase in Contribution

Bangladesh

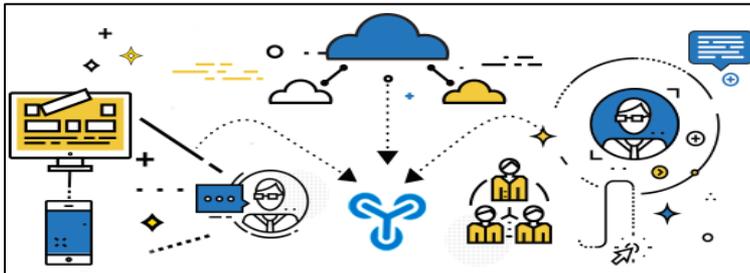
- High Double digit Growth
- Nerolac Range contributed 30% of Sale
- Synergy benefit on track

Operations Support

Goindwal Plant Commissioned during Q2



SAP leornado based Intelligent Sales App and Chtbot



CAPACITY INCREASE

- Commissioning of State -of -the -Art Goindwal, Punjab Plant with Phase I capacity of more than 52.8 Million litre annually for Water based Products
- ED Plant at Saykha Commissioned for OEMs in west
- Polyester Resin Capacity increased at Marpol to service internal needs

STRENGTHENING IT

- Intelligent Sales App based on Machine Learning and chatbots rolled out for Decorative Sales team across the Country
- RPA extended to 10 business processes across functions

SERVICE

- Multiple initiatives to improve the back end

Agenda

Business Environment FY 19-20*

Financial Performance FY 19-20*

Business Review FY 19-20*

Risks and future outlook

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Risks and Outlook

☐ Risks:

- Covid-19 can be a deterrent to growth revival
- Currency Volatility

☐ Outlook:

- Low end products shall continue to drive volume growth
- The Outlook for Automotive Segment continues to be negative

Thank You