

5th June, 2017

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,
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051

BSE Scrip Code: 500165
NSE Scrip Code: KANSAINER

Dear Sirs,

Subject: Intimation on Presentation to Analysts/ Investors

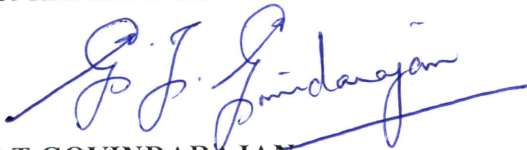
This is to inform you that pursuant to Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Presentation (Corporate Presentation and Investor Presentation 2016-17) will be made by the Management of the Company to Analysts / Investors on Tuesday, June 6, 2017 and Wednesday, June 7, 2017 at Singapore.

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

Thanking you,

Yours Faithfully,

For **KANSAI NEROLAC PAINTS LIMITED**



G.T.GOVINDARAJAN
COMPANY SECRETARY

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

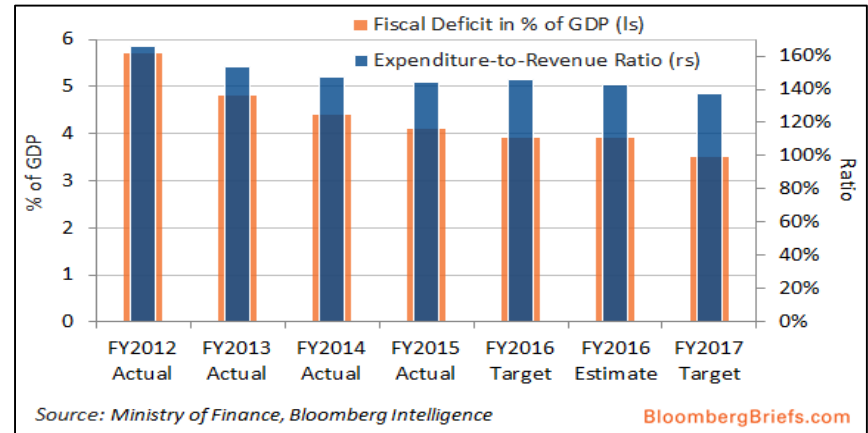
* - world's 1129 largest Paint & Coating Manufacturing Companies

Indian Economy

Political Stability
Fiscal Prudence

Series of reforms
Pro- Industry environment
Strong Governance

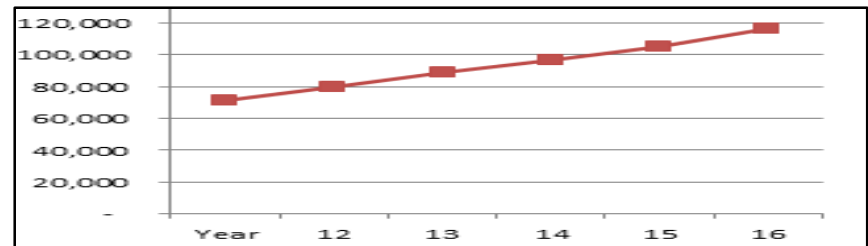
Increasing GDP
Increasing Per Capita Income



Ease of doing Business Ranking

2015 - 142

2017 - 130

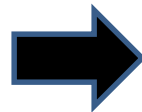


*Source: Bloomberg

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.)

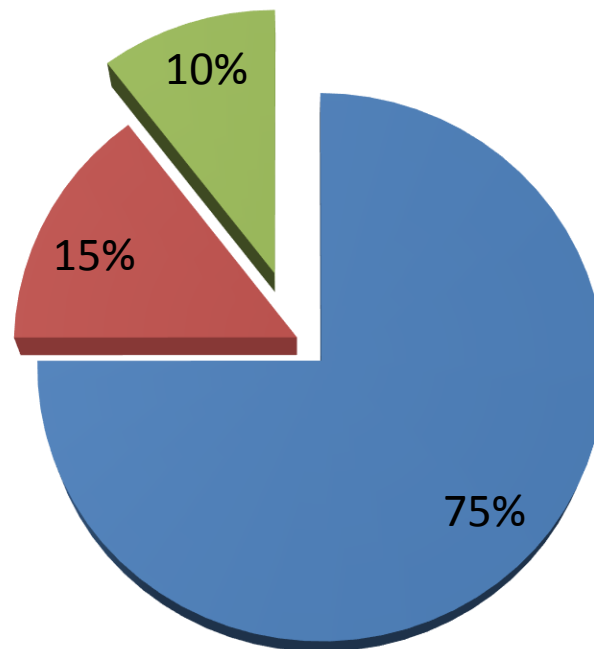
Future Growth Drivers



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 Escalop

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

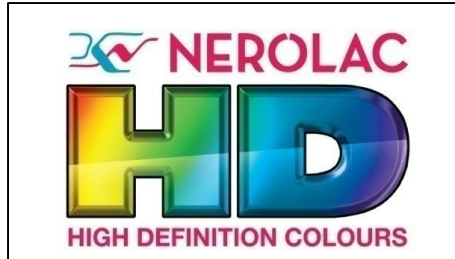
- 1 Bata



King Khan's long dalliance with endorse

One of India's most trusted Brand

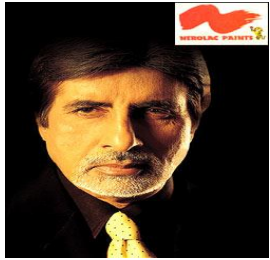
Known for Innovation



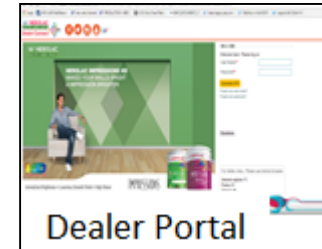
Products



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

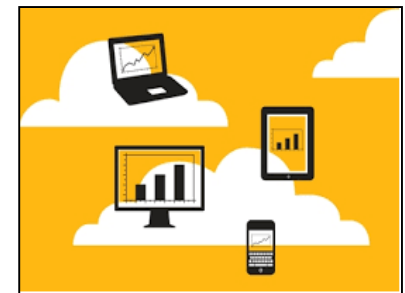
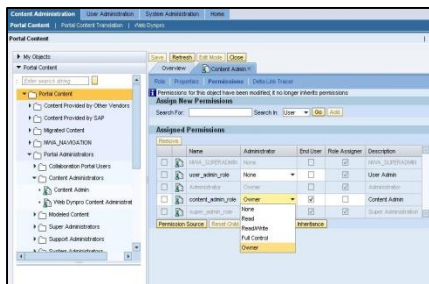
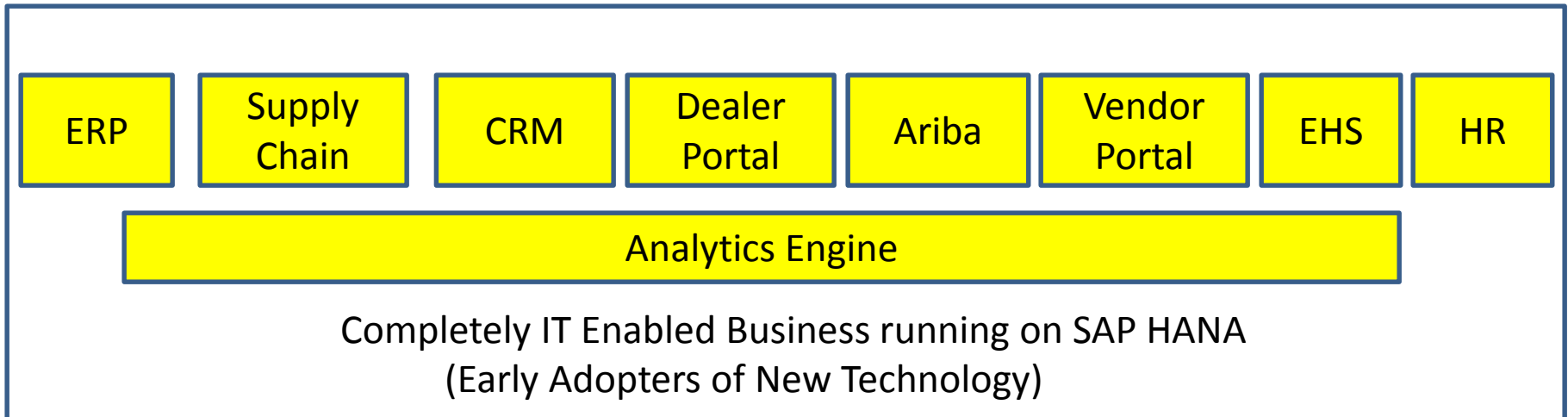
In-house R&D
Number of patents – 7
R & D Spend – Rs. 23.1 Crores
Number of R&D Personnel - 171

R&D Prowess

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

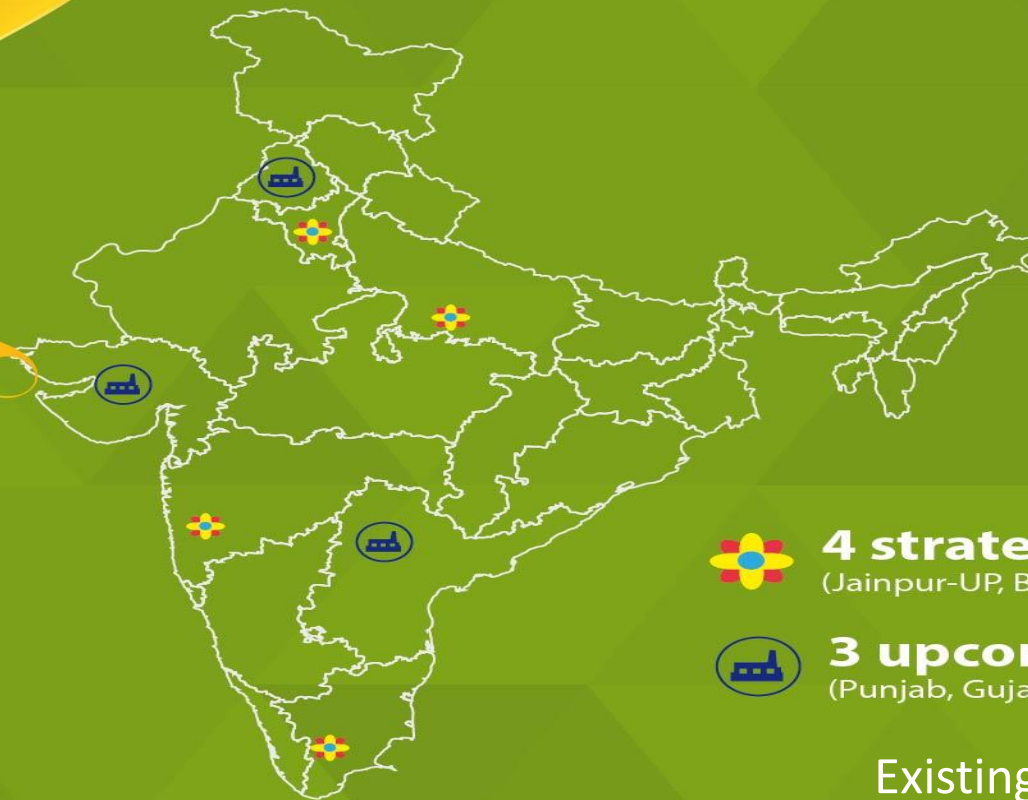
Technology Innovations

Known for Innovation - IT



Manufacturing Facilities

British Safety Award
ZERO liquid Discharge
OHSAS 18001
ISO 14001



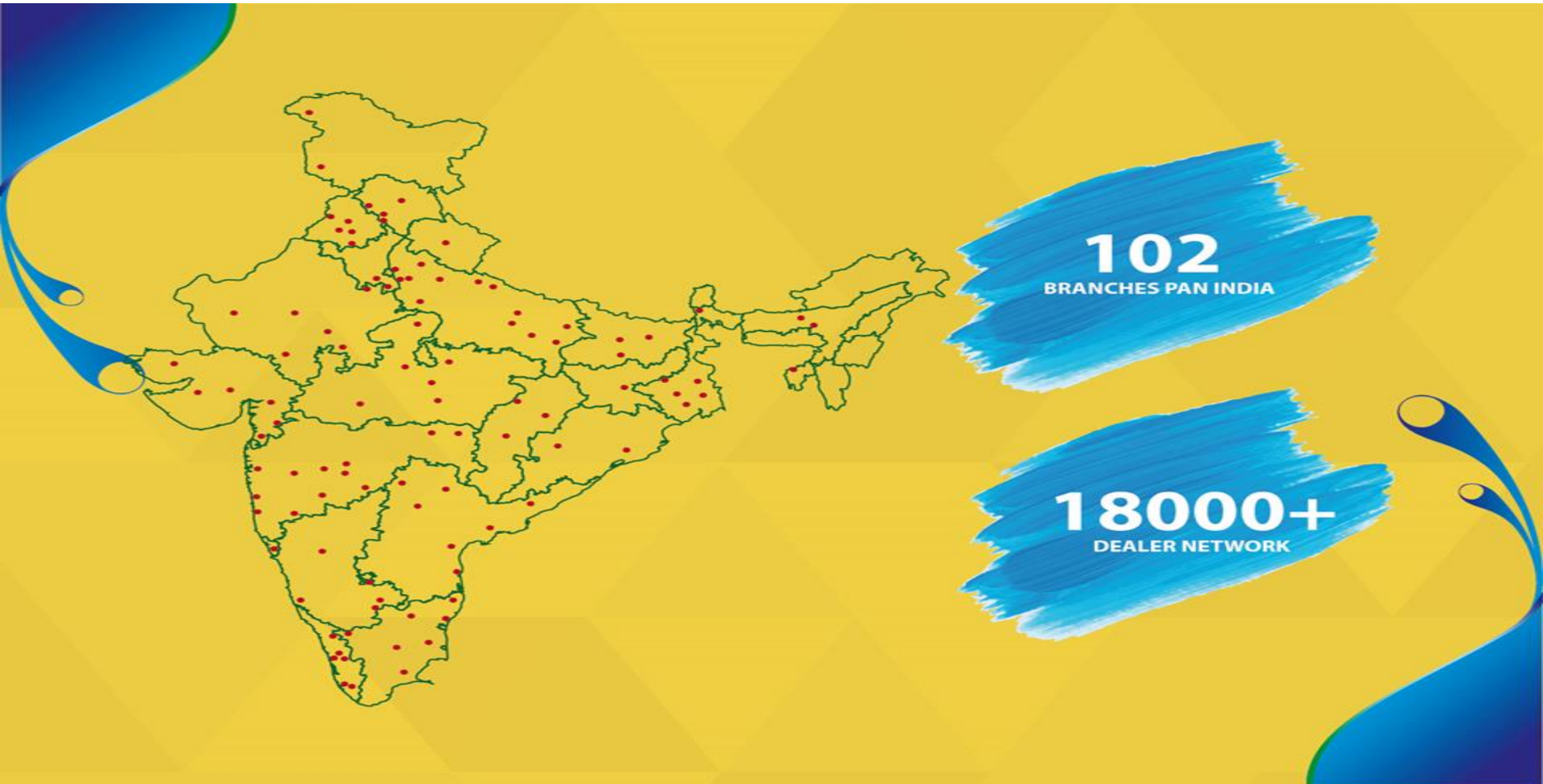
 **4 strategically located plants**
(Jainpur-UP, Bawal-Haryana, Hosur-TN , Lotte-Maharashtra)

 **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

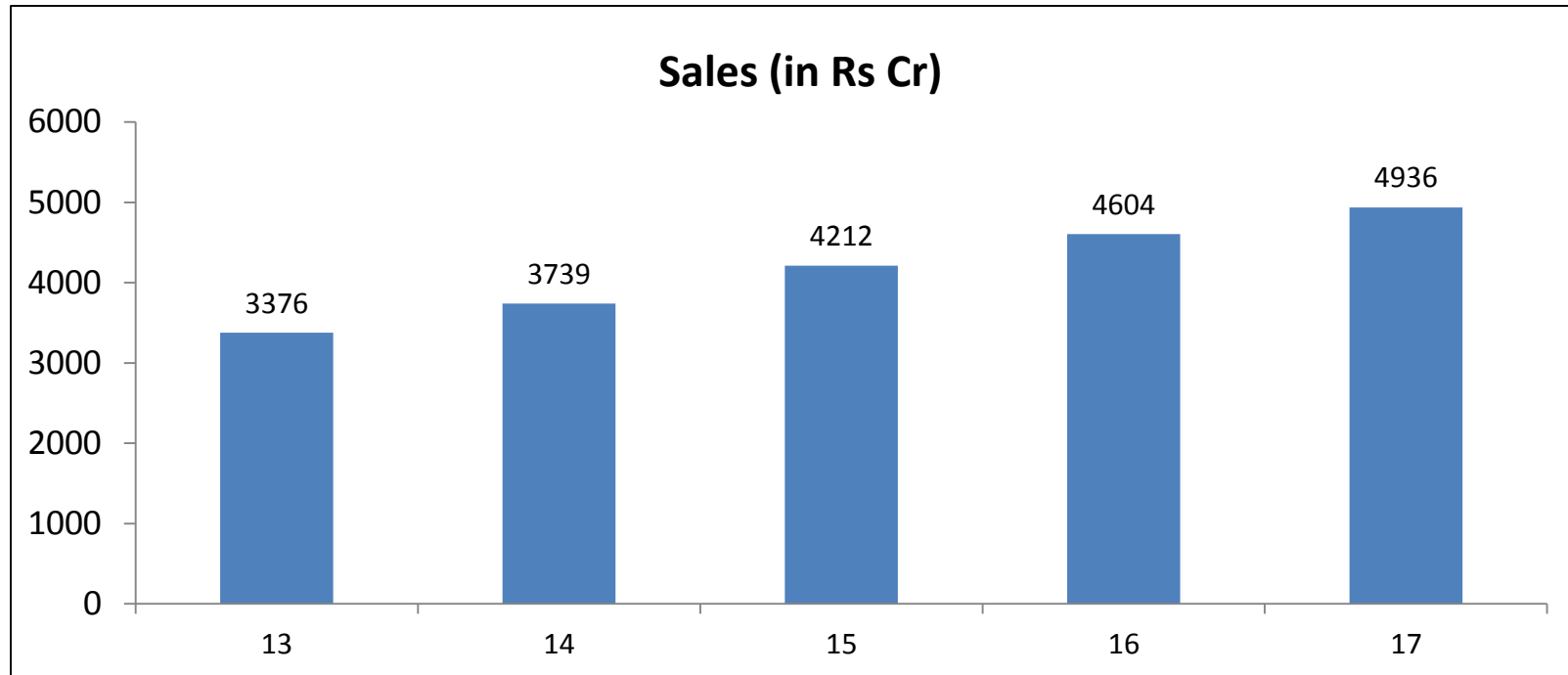
Among the Top 50 CEOs – Entrepreneur Magazine (2013-14)
Best CEO in Chemicals Category – Business Today (2016-17)
Asia Pacific Entrepreneurship Award 2017 in Chemicals and Plastics – Enterprise Asia
1st Non Japanese to be on the board of Kansai Paints Japan

Leadership

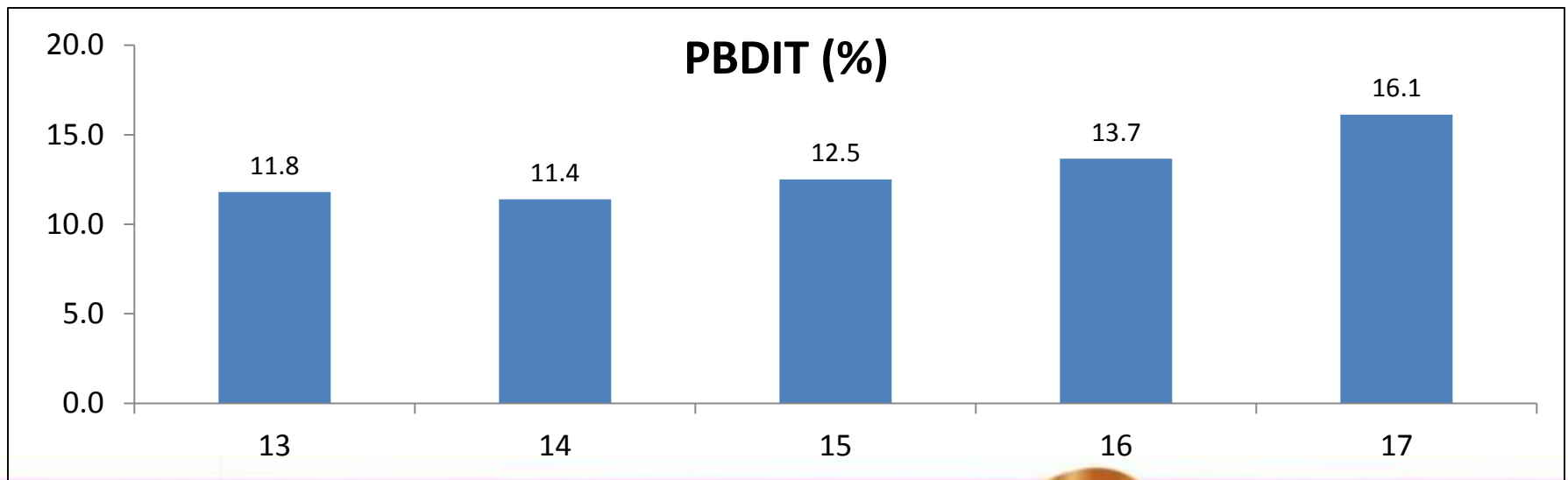
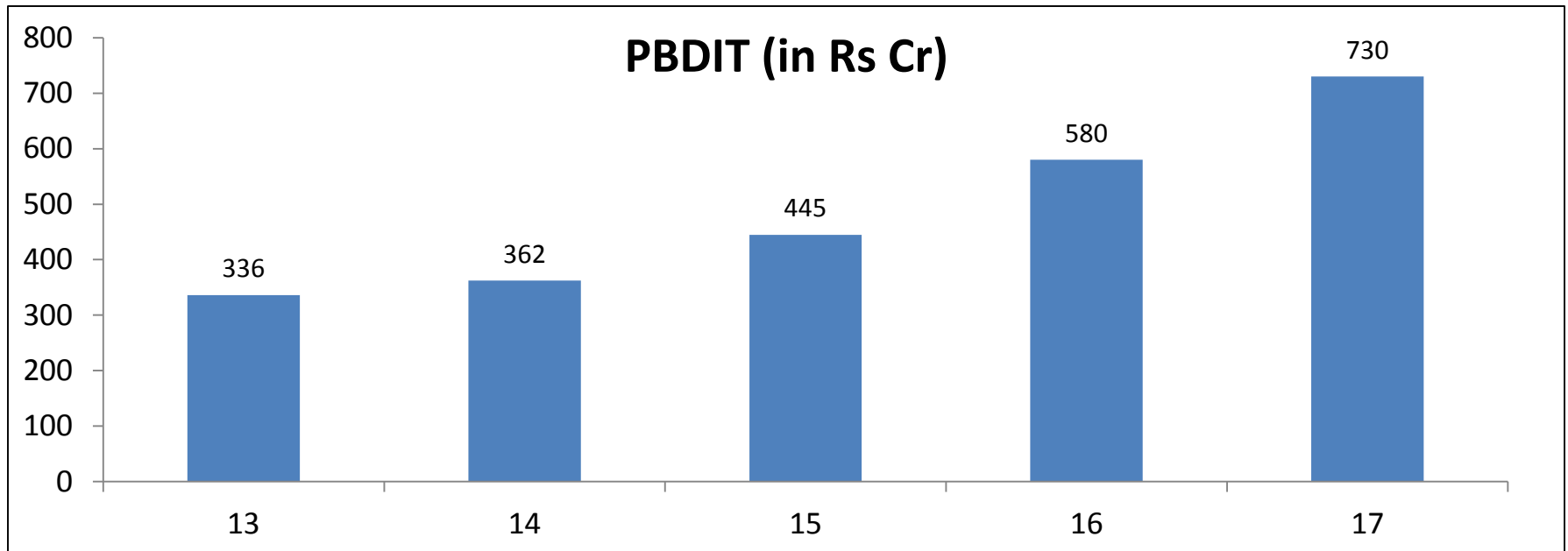
CSR Report Gold Trophy – ABCI Award (2006-07)
Karmayog 2008 Rating 4/5
Association of Business Communicators of India – Gold (2008-09)

Reports

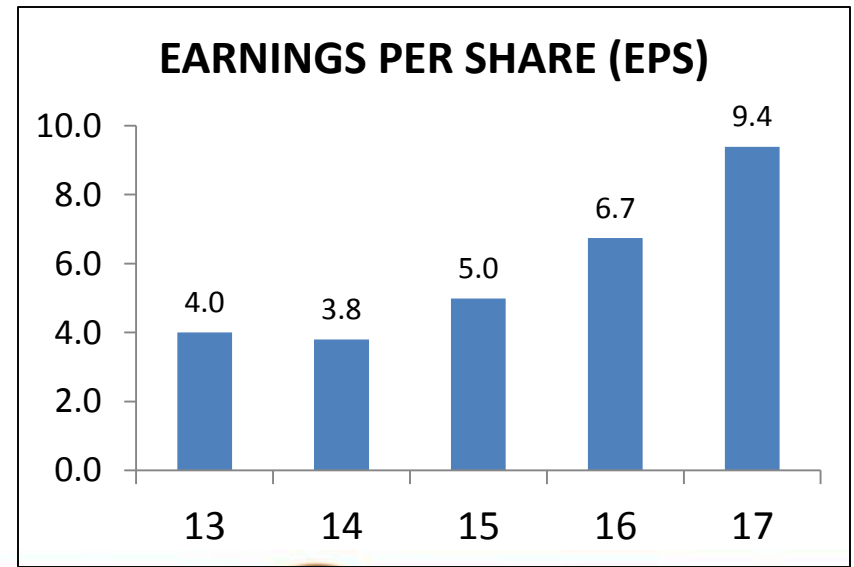
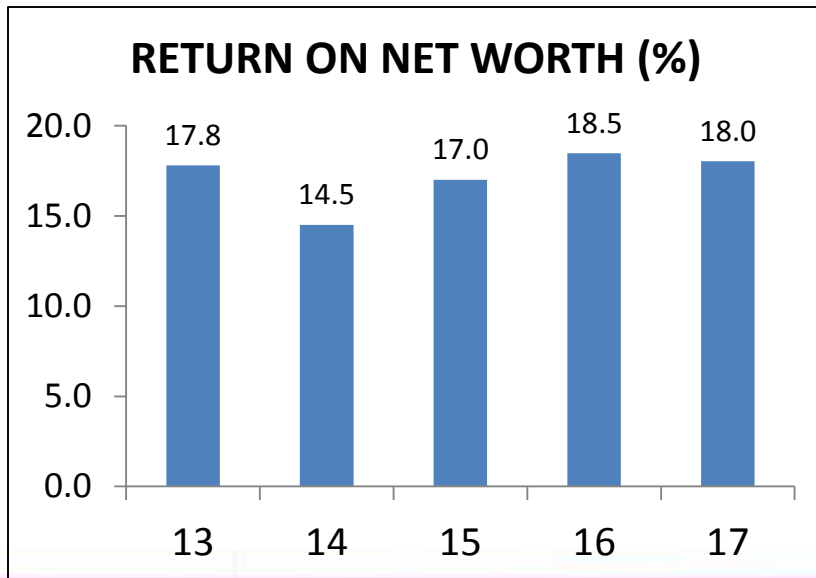
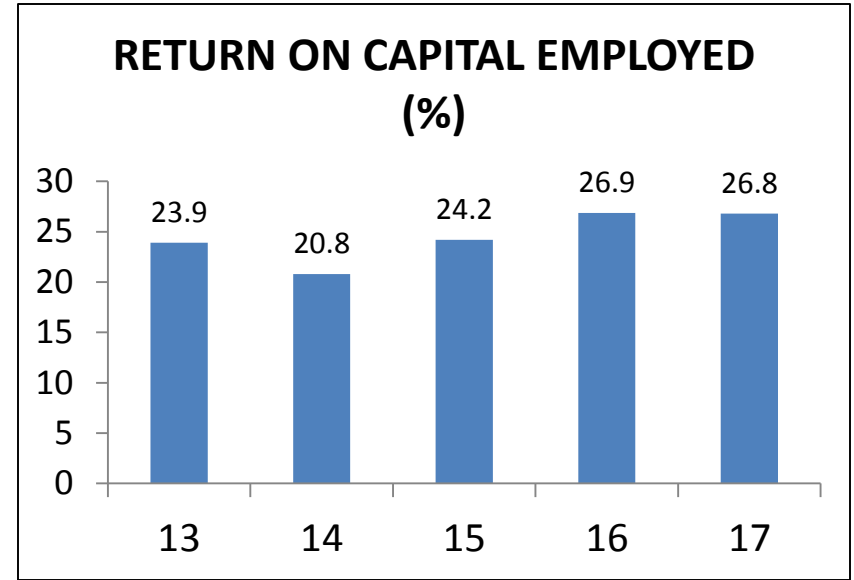
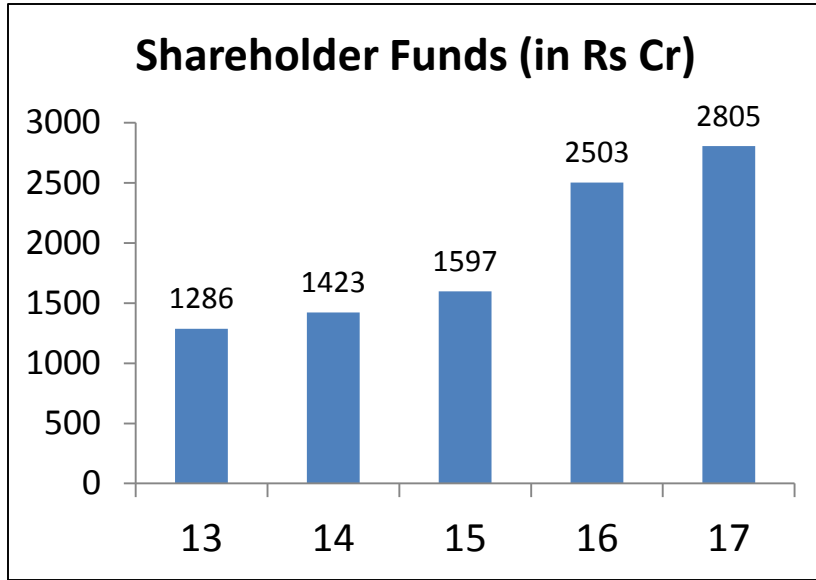
Financial Ratios



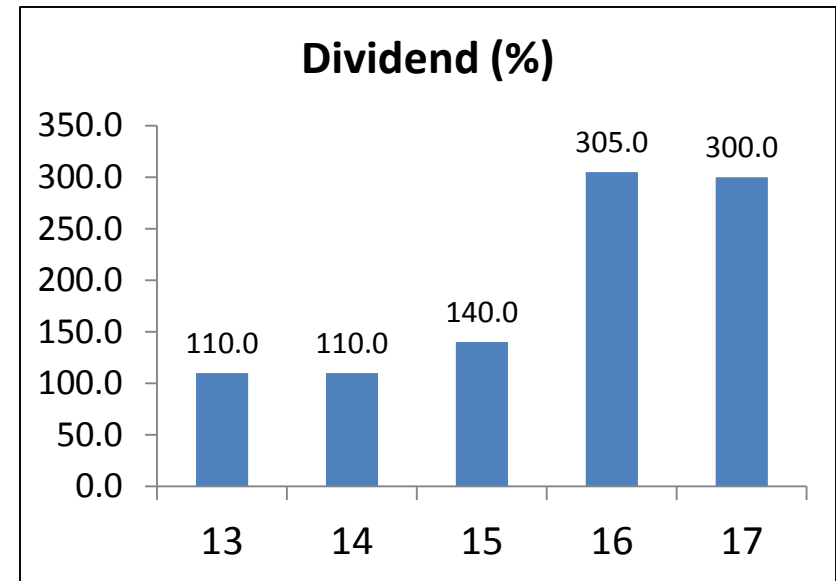
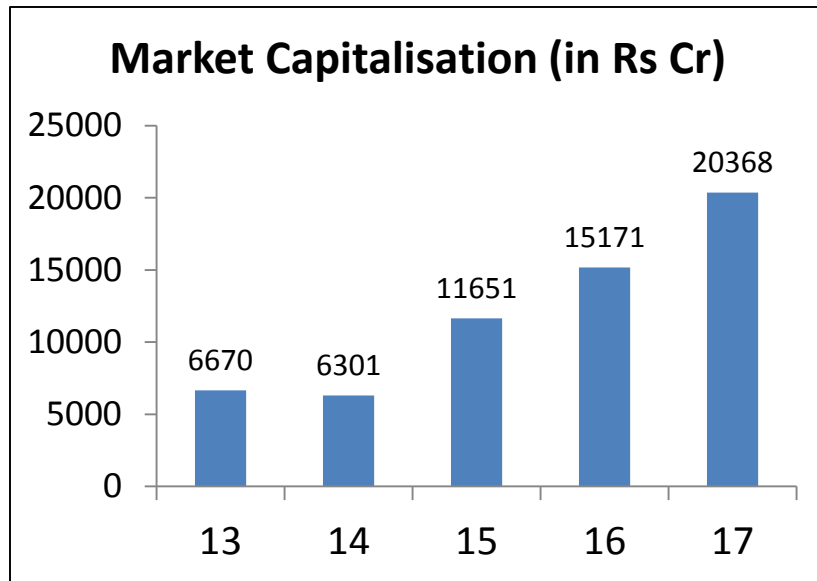
Financial Ratios



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



KANSAI NEROLAC PAINTS LIMITED

Investor Presentation

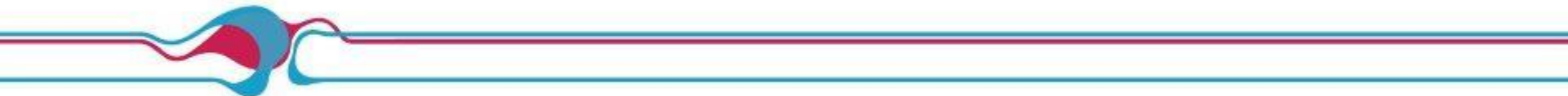
2016-17

June 2017



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 16-17

Financial performance FY 16-17

Business Review FY 16-17

Risks and future outlook



Business Environment 16-17

- ❑ Challenging business environment with domestic economic activity showing signs of modest improvement
- ❑ Infrastructure slowdown and weak demand climate from the manufacturing sector weighing down on the economy
- ❑ Demonetization in Q3 resulted in sales drop in both rural as well as urban markets
- ❑ Industrial production data points to a slow recovery
- ❑ Inflationary trend for the last 2 quarters
- ❑ On Global Front
 - ❖ Chinese economy slowdown has added to volatility
 - ❖ Uncertainty due to unexpected US elections result



Agenda

Business Environment FY 16-17

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Business Review FY 16-17

Risks and future outlook



Financials

Q4 and 16-17

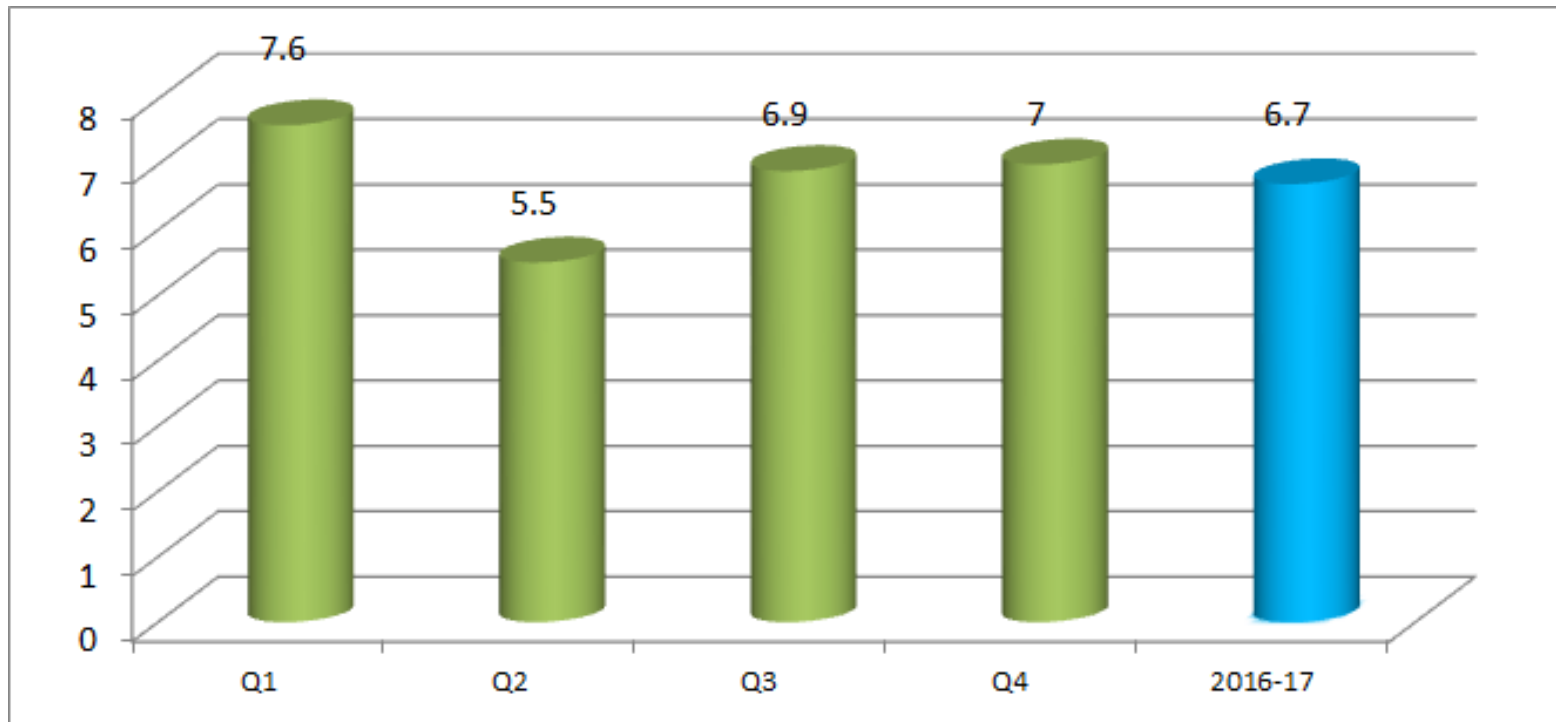
Rs. Crore

Standalone	Q4 1516	Q4 1617	% Gr	1516	1617	% Gr
Gross Sales	1063	1156	8.8	4604	4936	7.2
Net Sales	991	1060	7.0	4235	4520	6.7
PBDIT	135	164	21,8	580	731	26.0
PBDIT % of Net Sales	13.6	15.5		13.7	16.2	
PAT	84	116	38.3	364	506	39.2
PAT % of Net Sales	8.5	11.0		8.6	11.2	



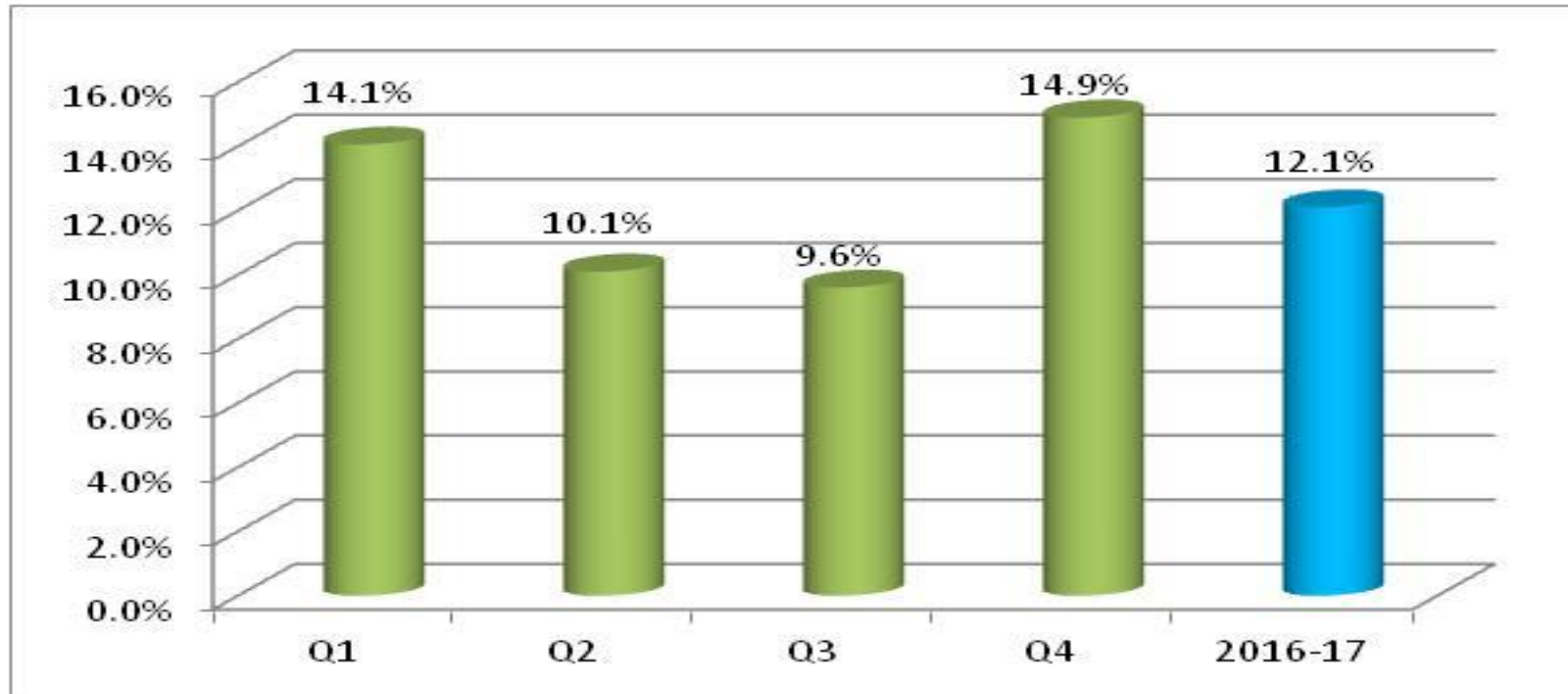
Growth Trend – Net Sales

(over LY same period)



Growth Trend – Volume

(over LY same period)



Dividend

14-15

- Total Dividend of Rs. 1.4 per share (140%)
- Earnings per share: Rs 5.04

15-16

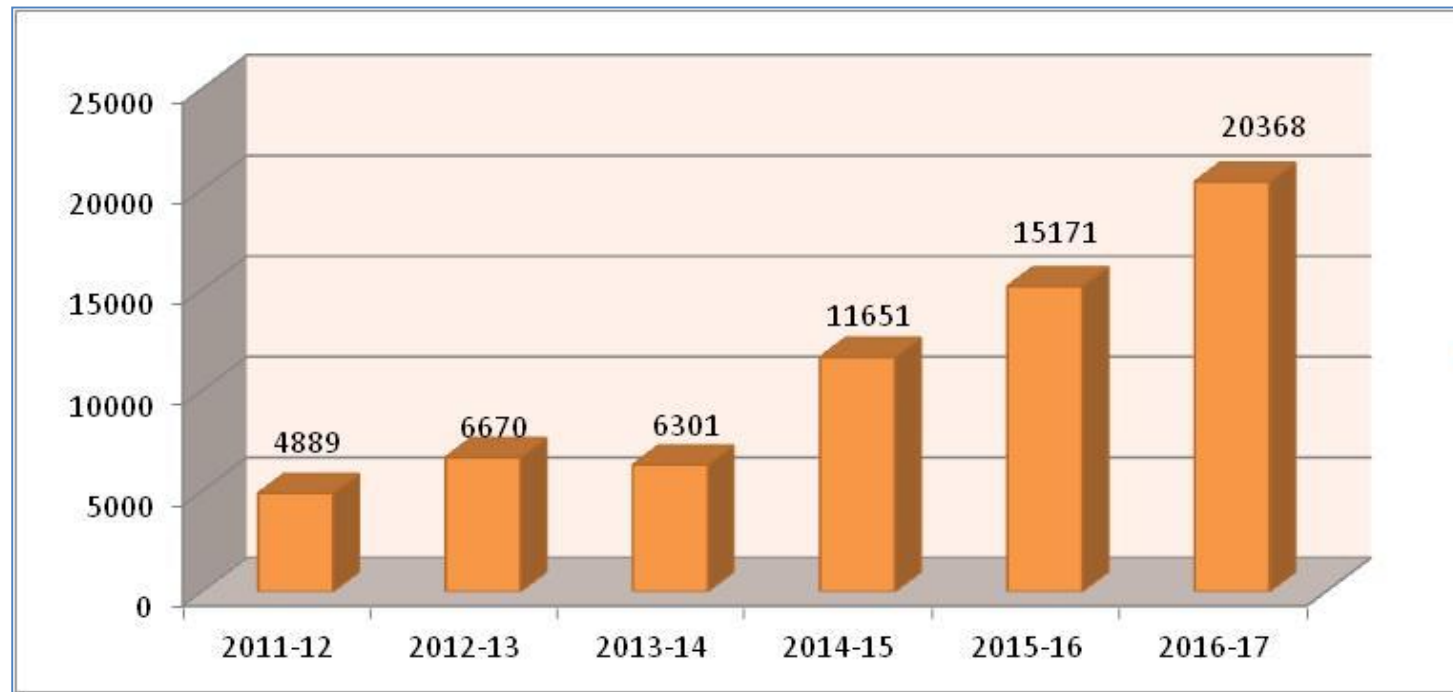
- Total Dividend of Rs. 3.05 per share (305%)
 - Normal Dividend Rs 1.80 (180%)
 - Special Dividend Rs 1.25 (125%)
- Earnings per share: Rs. 6.75 (without exceptional income)

16-17

- Total Dividend of Rs. 3.00 per share (300%)
 - Normal Dividend Rs 2.50 (250%)
 - Special Dividend Rs 0.50 (50%)
- Earnings per share: Rs. 9.39

****Face Value Rs 1**

Market Capitalization



Market Capitalization Rs Cr

****Face Value split Rs 10 to Re 1 during FY 2014-15**

Agenda

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Risks and future outlook



Decorative 1617

- ❑ Decorative Paints business registered double digit volume and higher than market value growth
- ❑ Cumulative price decrease around 2.6%
- ❑ Increase in Dealer Network and CCD penetration
 - ❑ Highest ever New Dealer Openings
- ❑ Increased visibility of the Brand
 - ❑ Tie up with IPL and ISL teams
 - ❑ Launch of new Website
 - ❑ Increase in Marketing Expenditure
 - ❑ Focus on Social Media campaigns



Decorative 1617

- ❑ Launched India's First Paint Advisory Service on phone

- ❑ Successful launch of new products
 - ❑ Excel Mica Marble
 - ❑ Impressions Glitter
 - ❑ Alkali Primer
 - ❑ Ready Mix – Primer + Putty

- ❑ Successful extension of New Brand – Soldier Paints to 18 states

- ❑ Institutional Business registered good growth

- ❑ Aggressive campaign for Impressions HD and Excel Mica Marble

- ❑ Higher sale of Emulsions



Decorative 1617



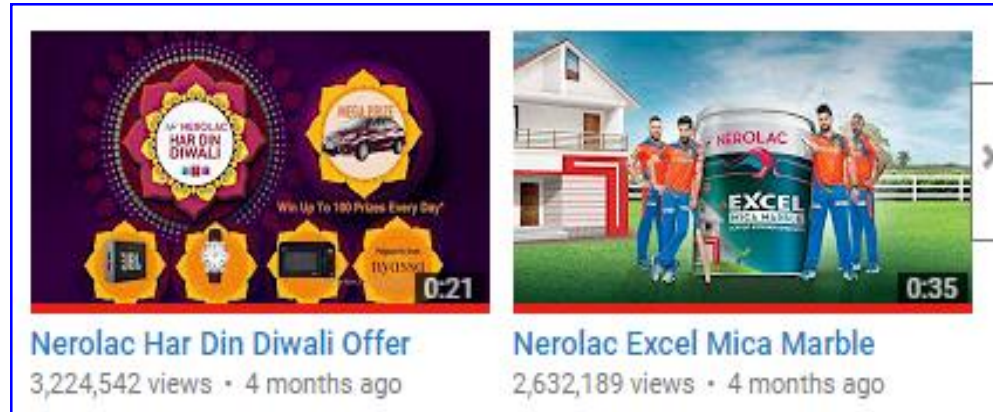
Soldier Paints stabilized



Aggressive Campaign for Impressions HD



Tie up with IPL team for Excel Mica Marble



Videos with highest views achieved

Industrial 1617

- ❑ Low growth in auto sector led to single digit volume growth in automotive coatings
- ❑ Capture of New Business and New CED lines led to further increase in Market Share
- ❑ Auto- refinish continues to grow at accelerated pace and better than the market
- ❑ KNPL witnessed low market growth in the Industrial Liquid Paints and Powder coating segment owing to higher base effect
- ❑ Many new and innovative products introduced for all segments of the market
- ❑ Company continued its push into new technologies and entered Coil coatings segment



International Operations

Nepal

- Higher than Market Growth in Nepal leading to Increase in Market Share

Lanka

- Factory set up
- Commenced operations in Q1 2017



Other Areas 16 -17

- ❑ Strong commitment to EHS. Company's manufacturing facilities are certified for ISO 14001: 2004 and OHSAS 18001:2007
- ❑ All IT systems are upgraded to latest HANA database from SAP
- ❑ Company has made a strong push for Digitalization
- ❑ Company launched its Mobility initiative
- ❑ IT systems made GST ready



Costs 1617

- ❑ Inflationary pressures in Q3 and Q4 accelerated the cost of raw materials
- ❑ Tight availability of key raw materials in last quarter drove prices up
- ❑ Company increased marketing spend substantially
- ❑ Company continued to work on improvement in internal efficiencies



Profitability 16-17

- ❑ Material cost has decreased from 55.3% to 51.7% in Current year

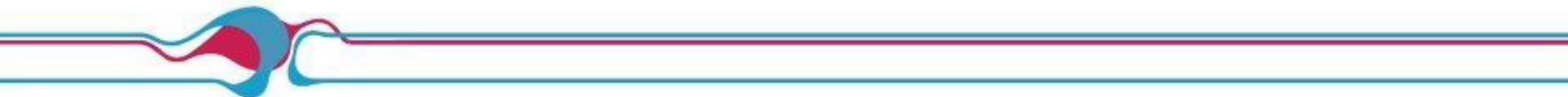
- ❑ This has primarily happened because of
 - ❑ Cost Reduction efforts
 - ❑ Reduction in crude oil prices in initial quarters
 - ❑ Constant cost review
 - ❑ Improved Product Mix
 - ❑ Use of innovative technology

- ❑ This has led to an improvement in profitability



Capacity Utilization 16-17

- ❑ Current Capacity is 364000 KL
- ❑ Capacity utilization is at 82%



Capex 16-17

- ❑ CAPEX for 1617 was about Rs. 89.6 Cr

- ❑ Work initiated for state of the art green field projects at AP with a capacity of 60000 KL /annum

- ❑ Work in progress as scheduled for the ongoing projects
 - ❑ New Plant Gujarat – 40000 KL/annum
 - ❑ New Plant Punjab – 36000 KL/annum
 - ❑ R&D lab at Navi Mumbai



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Risks and future outlook



Risk and Outlook

- ❑ Domestic demand outlook remains uncertain, atleast over the short term.
 - ❑ However, we expect improvement in conditions going forward
 - ❑ Good growth in the agriculture sector coupled with reduced interest rates in the economy should provide necessary impetus for growth
 - ❑ On the industrial front, current improvement in demand conditions would need further support from pick-up in industrial activity & infrastructure push from Govt
 - ❑ Over the long term, a “less-cash” economy and implementation of GST, would push the demand to the formal sector
- ❑ Raw material prices have seen an upward trend in the last 2 quarters
- ❑ Global factors such as China Slowdown and US Elections will increase volatility in exchange rates
- ❑ Prediction of below par monsoon can act as a dampener
- ❑ Series of anti dumping duties could affect profitability going forward



Thank You

