

9th May, 2023

1. Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.
2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051.

Sub.: Q4 & FY 2022-23 Financial Results Investors Meet – Updated Investor Presentation

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

Dear Sirs,

Further to the intimation done by the Company on 5th May, 2023 and 8th May, 2023 with respect to the Investors Meet to be hosted by the Management of our Company on Tuesday, 9th May, 2023 from 5:00 p.m to 6:15 p.m at MCA Bandra Club, Bandra Kurla Complex, Mumbai to discuss Q4 & FY 2022-23 Financial Results of the Company and Investor Presentation respectively, we are enclosing herewith an Updated Investor Presentation.

For KANSAI NEROLAC PAINTS LIMITED

**G. T. GOVINDARAJAN
COMPANY SECRETARY**

NEROLAC

FY 22-23 Investor Presentation

9th May 2023



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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

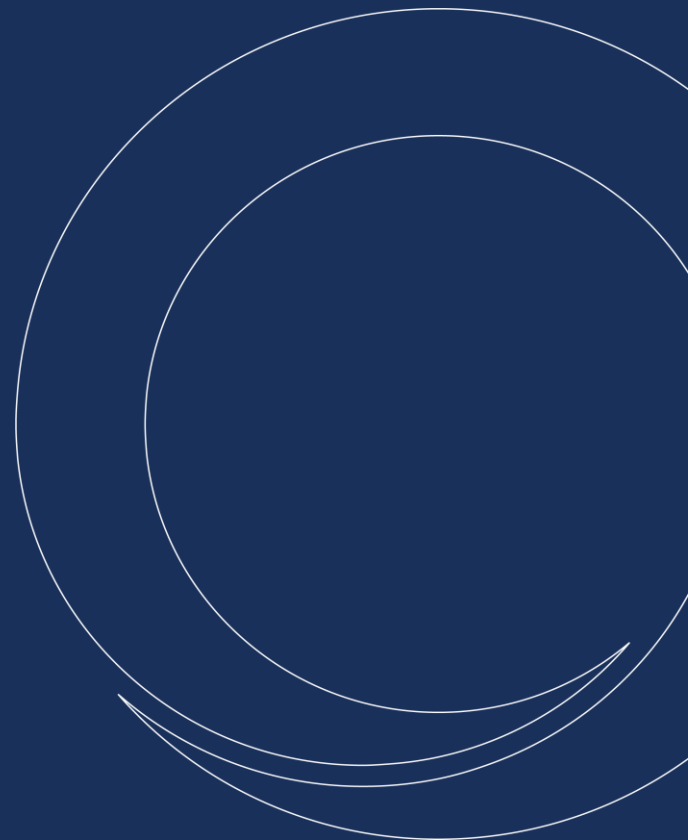
1 Business Environment

2 Nerolac Story

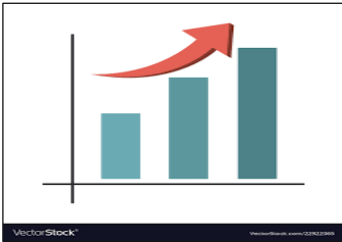
3 Financial Performance



1. Business Environment



Good Demand in Automotive



Infrastructure Growth



Demand Uptick



Extended Monsoon



Geopolitical Challenges & Ukraine War



Crude Oil Price



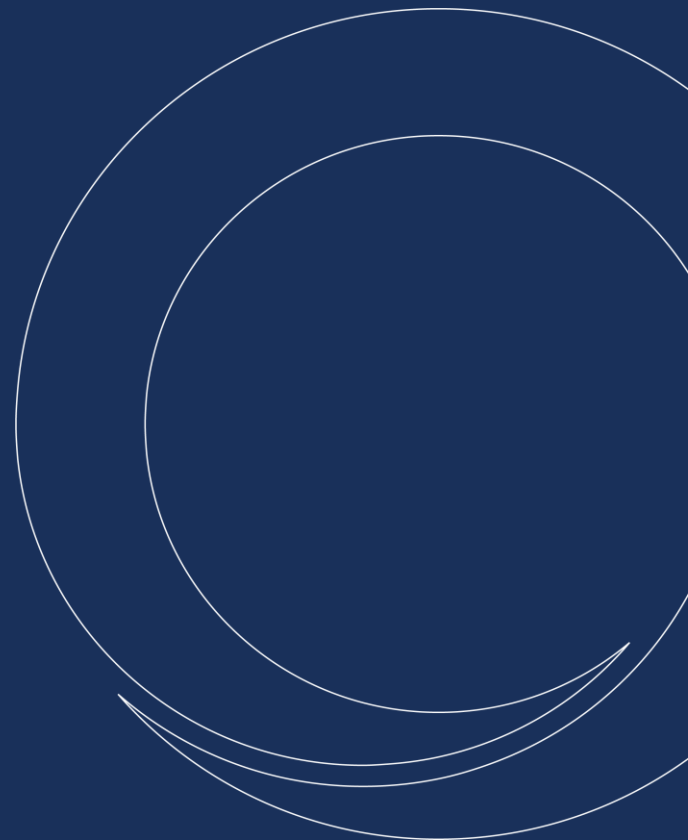
Currency Depreciation



Chip Shortage

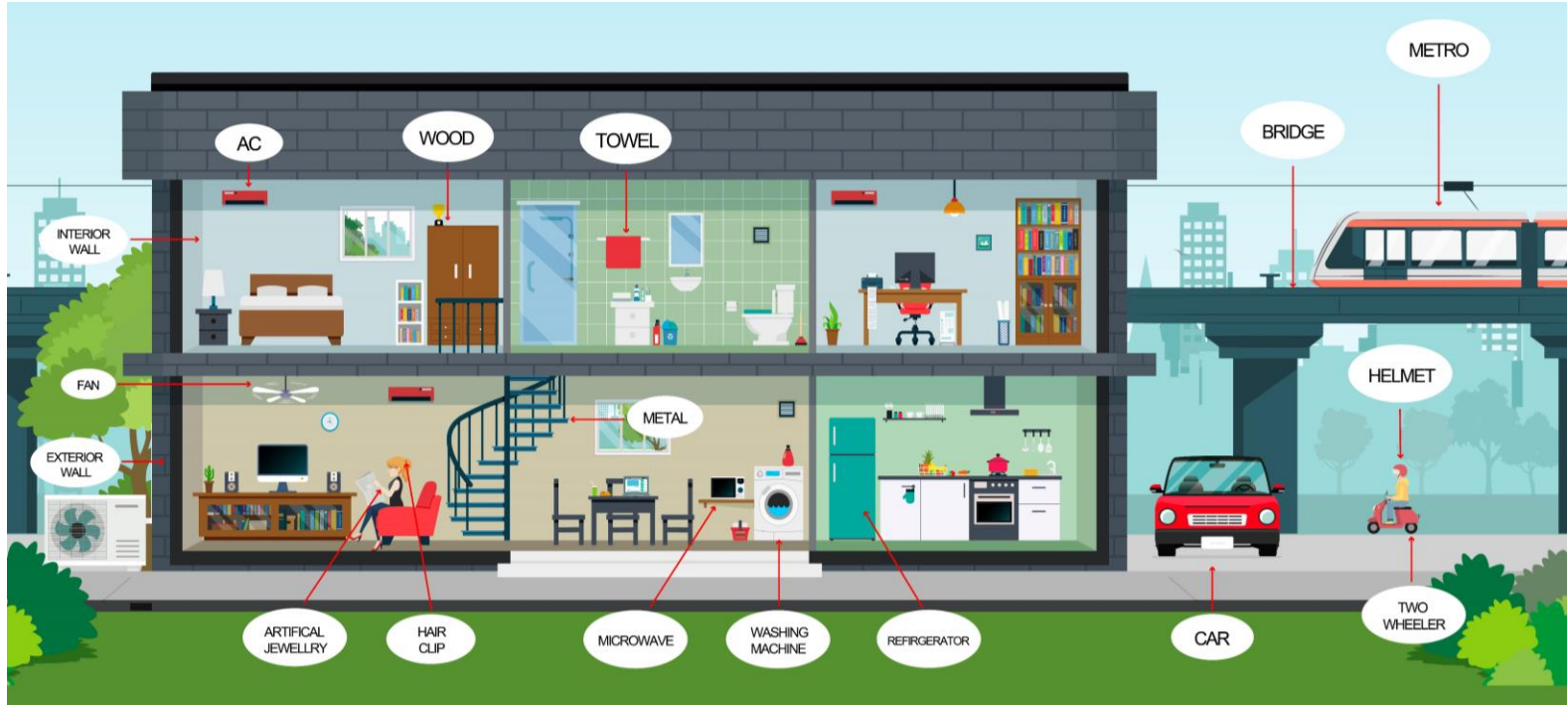


2. Nerolac Story



Purpose: Create environments for a healthy and beautiful future.

Vision: We design solutions that protect, inspire and touch lives everyday Beauty & Protection



WE ARE A POWERHOUSE OF PAINT

BRAND NEROLAC:

2nd STRONGEST BRAND
THE NEROLAC JINGLE

INNOVATOR'S SPIRIT:

JAPANESE TECHNOLOGY
LEADERS IN INDUSTRIAL

HOME OF INDUSTRY FIRSTS:
IMPRESSIONS KASHMIR
EXCEL EVERLAST 12
PERMA NODAMP+
PERMA CRYSTALSEAL

EXPERTISE AND LEGACY:



PAINT +**SERVICES****PAINTERS****CONTRACTORS****ARCHITECTS
INTERIOR
DESIGNERS**

**Strategy to create
unique about Nerolac**

Innovation

Nerolac Paint +



Paint+ = Added Feature & Benefits

- Introduced 14 New Products
- 1st self-cleaning paint - Excel Everlast 12
- No Cracks Paint- Excel Mica Marble Stretch & Sheen
- No Smell Paint- Impression Kashmir
- Waterproofing + Surface Temp reduction - No damp+

NXTGEN Painting Services



- Holistic Painting Experience under one Roof
- Cities Presence 450+
- NextGen Dealers 100+
- DGA Team 750+
- No of house painted 20000+

Influencers

- Strengthened front-line operations
- Engagement program launch for Architects & Interior Designers (AID)
- Good traction with AID (Architect & Interior Designers)
- Launched “Connect Application” to track secondary sales

Projects

- Project business has shown a good trajectory
- Presence in 55 cities
- Focused on Approvals & reach to Site Engineers

**Nerolac Excel
Everlast 12**

**Impressions
Kashmir**

Nerolac - Nxt Range

Epoxy Primer

**Economy
Exterior Primer**



**Nerolac Perma
NoDamp+**

**Nerolac Perma
Damp Lock**

**Nerolac Perma
Tile Adhesive**

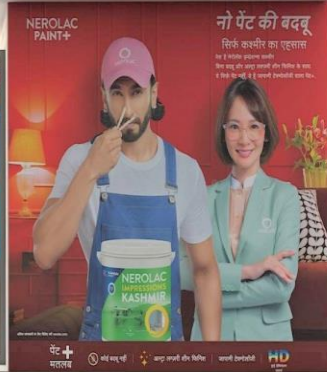
**True sheen
Exterior Emulsion**

**Nerolac
TermiProtect**

**Wonderwood 111
Thinner**



NXTGEN Premium Shoppe



NEROLAC PAINT+

Ab Ghar Rahe Saaf + Safe

Introducing Nerolac Beauty Gold Washable with 1.25X Washability and Antibacterial property. Not just paint. Its PAINT+ with Japanese technology.

PAINT+ MEANS

- 1.25X WASHABILITY
- ANTI-BACTERIAL
- JAPANESE TECHNOLOGY

NEROLAC PAINT+

AUTOSAAF PAINT KA KAMAAL, GHAR LAGE NAYA

12 SAAL

PAINT+ MEANS

- SELF-CLEANING PROPERTY
- ANTI-ALGAL WITH ENIGAT TECHNOLOGY
- PU-SILOXAN BASE

12 YEARS WARRANTY

NEROLAC PAINT+

No paint ki badboo. Only Kashmir ka ehsaas.

Introducing Nerolac Impressions Kashmir with No Smell & Ultra Luxury Sheen Finish. Not just any paint. It's Paint+ with Japanese technology.

NEROLAC IMPRESSIONS KASHMIR

For more information visit nerolac.com

Co-Associate Sponsor for Indian idol Season



Co-Presenting Sponsorship on Star Vijay's show Bharati Kanama



Art Salute



Presence in Popular News



Presence in Entertainment Channel



Website Revamp

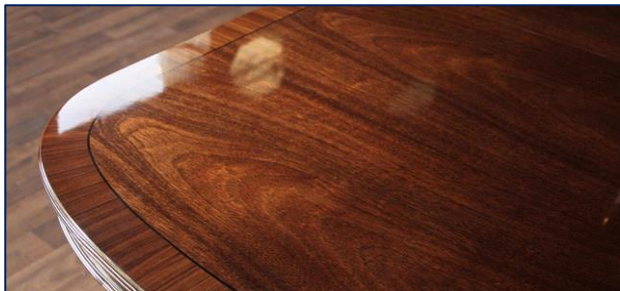


New Business

- Overall New Business Saliency improved
- Growth in Premium Segment Categories
- Entry in new markets at category level
- Increase in overall distribution
- Exponential Gain in influencer participation
- Increase in trained manpower

Wood Finish

- Introduced Termiprotect & 111 Thinner



Construction Chemical

- Introduced Nodamp+ & Perma Damp Lock



Adhesives

- Introduced Tile Adhesive



Passenger Vehicles



- Healthy double-digit growth in Value and Volume supported by record number production by OEM's
- Gained Market Share
- Entry in new segments like Seam Sealer, Underbody Blacks & Alloy Wheels
- Aligned Synergy with Kansai Helios for entry in Fasteners segment
- Focus on sustainability driven products

2 Wheeler



- Gained Market Share
- Aligning technology towards newer compliances for E20 and E30
- Launched energy efficient products, which is in line with our goal to promote sustainability

Commercial Vehicles & Tractors



- Gained Market Share
- Introduced energy-efficient products as part of our efforts to promote sustainability

Electric Vehicle



- Gained Market Share
- Aggressive focus on market penetration
- Introduced new vibrant colours

**INNOVATE AND CREATE NEW TECHNOLOGIES TO
INCREASE TOTAL ADDRESSABLE MARKET**

- Continued with Strong Growth
- Focus on Body Shops and Retail Channel
- Introduced 8 Products in Retail Channel to address untapped market segments
- Ventured into new range of ancillary products
- Digital Training Module has been introduced
- Refinish Training Center has been upgraded to provide better training experience to Sales Team & Customers
- Revamped Packaging across range for visibility



- Introduced Tinting Machine
- Focused on Premiumisation
- Exited from Non-Profitable Segments
- Aligning Technological Synergy with KPJ & Group Companies

- Strong presence in OEM's
- Focusing on Approvals
- Privileged to paint Coastal road, Bullet Train and Mumbai Trans Harbour Link (Fluoro polymer-based system)

Liquid



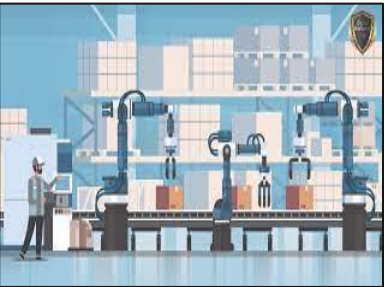
Powder



JAPAN, EUROPE & TURKEY PROVIDE TECHNOLOGICAL SUPPORT TO INDIA



Capacity



Capacity FY 2022-23
606 Million L

Future Capacity Addition		
Location	Capacity KL/ yr	Capex Rs cr
Vizag	82,500	160
Jainpur	52,800	130
Hosur	18,780	26
Total	1,54,080	316

Backward



- Commenced Production of Resin at Sayakha
- Augmented Polyester Powder Coating resin capacity at Lote

Digitalisation



Piloting of Real time tracking and monitoring of data along with Artificial intelligence Implementation underway at Hosur Factory

Procurement & Supply Chain

Procurement

- Reducing single vendor dependency
- Managed uninterrupted supplies despite tight global conditions

Decorative SC

- Focusing on continuous availability
- Increased supply frequency and reach

Industrial SC

- Focusing On Time In Full (OTIF)
- Improvement in Service level along with focus on Small Orders
- Reduction in Loss of Sales

Distribution Network



Decorative

- Expanding Depots to strengthen distribution network
- Total depots: 103
- Introduced **Nerolac Premium Delivery Service** for servicing small urgent orders for premium products



#LifeAtNerolac

HEALTH AND
WELLBEING



SECURITY AND
INFRASTRUCTURE



LIFESTYLE



LEARNING AND
DEVELOPMENT



AWARDS AND
RECOGNITION

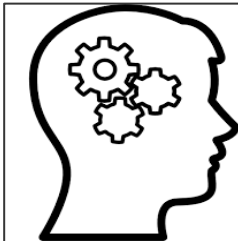


People First



- **Employee Wellbeing**
 - Launched Truworth Wellness Corner App
 - Focus on employee health & well-being by various activities
 - Launched Advantage Club for differentiated offerings to the employees
 - Increase in limit of Medical and Accident Insurance for all Employees

Learning & Development



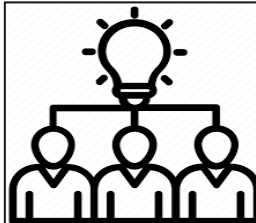
- **Capability Building**
 - Percipio Learning App for Managers
 - Advance Sales Training
 - Digital Training Videos
- **Talent Pipeline**
 - Unnati- Career Growth for front liners
 - Management Development Program
 - Management Development Centre

Talent Management



- Building Pride
- Closing Market Gaps
- Capability Building and Career Path
- Ease of Working Policies

Innovation, Collaboration and Empowerment



- Drove innovation culture in the organisation, where in 184 Ideas were received and the best Ideas were deliberated during Annual Learning Conference 2023

INNOVATE TO DIGITIZE OUR OPERATIONS FULLY

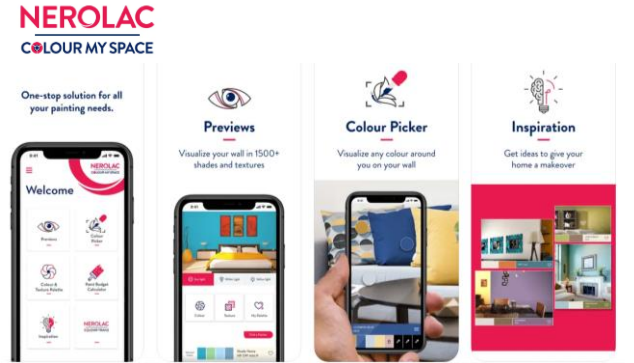
WHAT WE ARE DOING

Giving exception products and services to our consumers to help beautify their lives.



WHAT WE CAN DO

To enhance this offering through a cutting-edge digital experience.



INSIDE OUT TO OUTSIDE IN
THINK SAY DO

Customer Experience

Dealer Saathi App



Influencer Pragati App



Intelligent Operations and Controls

Transport Management System



Far Disaster Recovery System

DISASTER RECOVERY



Cloud Call Centre

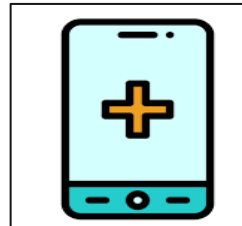


Implementation in Bangladesh



Service App

- Sales force Automation
- Connect App for DGA's
- Distribution Management system App

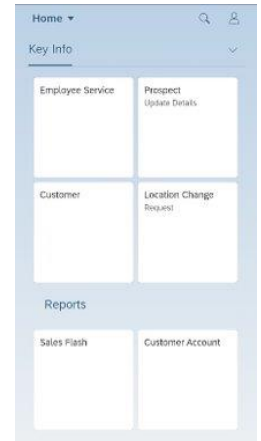


Better Decision Making

Forecasting Module



CRM App



Audits and Reviews

- Global Safety Quality (GSQ) audits were conducted by KPJ at Hosur, Sayakha, and Bawal. The score achieved were 90%, 94% and 96% respectively.



Occupational, Health & Safety

- All plants underwent a Safety Survey on Entangled Accident Prevention measures (360° guard and basket) in accordance with KPJ guidelines.
- KNPL has rolled out a policy on disciplinary action for a safety violation in line with KPJ guidelines w.r.f January 2023.



Greenbelt Development

- A total of 60307 trees were planted within the factory premises, out of which 6496 trees were planted in the reporting year.



Extended Producer Responsibility under PWM Rules

- As per obligation under the Brand Owner, 7421 MT of pre- and post-consumer plastic waste was collected and recycled.



	Bawal	Hosur	Jainpur	Lote	Sayakha	Goindwal Sahib	Perma, Sarigam	Marpol, Goa	Nerofix - Rudrapur	Nerofix - Dadra	Sri Lanka	Nepal	Bangladesh
IATF 16949: 2016	✓	✓	✓	✓	✓	NA	NA	NA	NA	NA	NA	NA	✗
ISO 9001:2015	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ISO 14001:2015	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✗	✗	✓
ISO 45001: 2018	✓	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗	✗	✓

Digital leader- 2023 in
Manufacturing (Paints) by
Alden



Dream Employer of the
Year' 2022, by Times Ascent
World HRD Congress



Zero Defect Supplier by
Toyota Kirloskar Motors
Ltd



Zero PPM Awards by
Daimler Trucks



Environment

Emission Management

- Scope 1,2 and 3 GHG emission inventorisation
- Committed to emission reduction (near-term) targets in-line with SBTi



Energy Management

- Identified decarbonisation levers to meet SBTi commitments by FY 2030

Climate Change

- Adopted Task Force on Climate related Disclosures (TCFD) framework and integrated with Enterprise Risk Management

Water Management

- Achieved 100% water neutrality

Waste Management

- Collected and recycled 7,421 MT of pre- and post-consumer plastic

Social

Diversity & Inclusivity

- Accelerated Gender diversity
- Accessibility audit of HO premises



Governance

Business Continuity

- Implemented Business Continuity Policy, Plan and Management Framework



Cybersecurity Policy

- Drafted Cybersecurity Policy

Awards and Ratings

S&P Dow Jones Indices

A Division of S&P Global



FTSE4Good

CRISIL

An S&P Global Company

- Rated in top 10% in the S&P Corporate sustainability Assessment 2022 in chemicals Category out of 400+ companies
- Ranked in the Top Quartile of FTSE4Good Index Series June 2022
- Recognized in the “Leadership” Category by CRISIL in Sustainability Yearbook 2022

LINKAGE OF KNPL CSR PROGRAMS WITH UN SDGs

PROGRAM HEAD	SDG HEAD	SDG NO.	Approx. spent in %	Goal Category
Skill Enhancement	Partnership for the Goals <i>(Advanced Open training in Painting)</i>		42	Partnership Goal (42%)
Ensuring Env. Sustainability	Climate Action <i>(Tree Plantations, Usage of Solar Energy, Painting Activities)</i>		10	Economic & Env. Goals (34%)
	Life on Land <i>(Pond Rejuvenation, Water conservation, Cleanliness drive)</i>		11	
Community Development	Sustainable Cities and Communities <i>(Pick up sheds, Women Empowerment)</i>		13	
Prev. Health care & Sanitation	Good Health & Wellbeing <i>(Health Camps, Providing Toilets, Equipment to Hospitals)</i>		10	Social Goals (24%)
	Clean Water and Sanitation <i>(Toilets, drinking water facility through Bore wells, RO)</i>		5	
Promoting Education	Quality Education <i>(Construction of class-rooms, Labs, Providing Educational Material)</i>		9	

Skill Development



Preventive Health Care & Sanitation



Promoting Education



Ensuring Environment Sustainability



Protection of Heritage, Art & Culture



Community Development



3. Financial Performance



Rs. In Millions	Q4	% to	Q4	% to	YTD	% to	YTD	% to
	2021-22	NR	2022-23	NR	2021-22	NR	2022-23	NR
Net Revenue (NR)	14,128		16,051		59,489		70,810	
Material Cost	10,177	72.0	10,985	68.4	41,293	69.4	49,553	70.0
Operating Exp.	3,122	22.1	3,541	22.1	11,723	19.7	13,318	18.8
PBDIT	829	5.9	1,525	9.5	6,474	10.9	7,939	11.2
PAT	245	1.7	940	5.9	3,743	6.3	4,864	6.9

- Growth (Q4 22-23) - Net Revenue : 13.6% PBDIT: 83.9%, PAT : 283.7%
- Growth (FY 22-23) - Net Revenue : 19.0% PBDIT: 22.6%, PAT : 29.9%

Rs. In Millions	Q4 2021-22	% to NR	Q4 2022-23	% to NR	YTD 2021-22	% to NR	YTD 2022-23	% to NR
Net Revenue (NR)	15,366		17,336		63,694		75,427	
Material Cost	11,074	72.1	11,806	68.1	44,273	69.5	52,643	69.8
Operating Exp.	3,452	22.5	3,849	22.2	12,927	20.3	14,605	19.4
PBDIT	839	5.5	1,680	9.7	6,494	10.2	8,179	10.8
PAT	192	1.2	963	5.6	3,431	5.4	4,685	6.2

Growth (Q4 2023) - Net Revenue : 12.8% PBDIT: 100.3% , PAT : 401.4%

Growth (YTD 2023) - Net Revenue : 18.4% PBDIT: 25.9%, PAT : 36.5%

Rs Millions	FY 2021-2022		FY 2022-2023	
	Value	NOD	Value	NOD
Working Capital				
Inventories	15,315	135	16,480	120
Debtors	9,654	50	11,172	49
Loans & Advances	4,177		4,546	
Cash & Bank balances	806		947	
Total	29,952		33,145	
Less: Curr. Liab. & Prov	12,248		14,678	
Net Working Capital	17,704		18,467	

Financial Year	2020-21	2021-22	2022-23
Dividend %	525*	225	270
Dividend per share Rs (Face Value Re 1 each)	5.25	2.25	2.70

** Includes special dividend of 200%*

The Board has considered and approved issue of 1 bonus equity share of face value of ₹ 1 each against 2 equity shares of the face value of ₹ 1 each.

This is subject to shareholders' approval.

Rs Million	2020-21	2021-22	2022-23
Projects	1,140	1,415	280
Normal	600	875	1,116
Total Capex	1,740	2,290	1,396

Nepal

- Liquidity situation remains tough
- Marginal de-growth during the year

Bangladesh

- Net Sales grew in double digits
- Positive EBITDA for the year
- Q4 PBT was positive

Sri Lanka

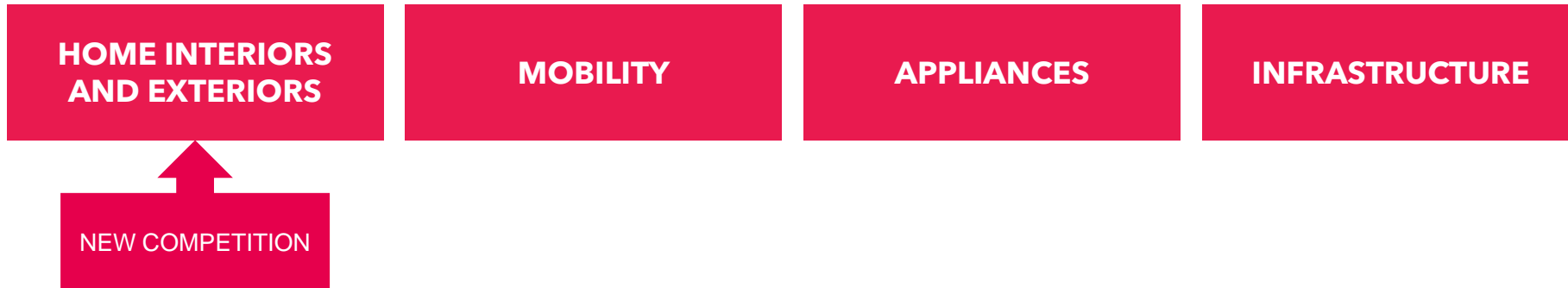
- Net sales Grew by 83% Y-O-Y
- Increased Market share
- LKR Currency showing signs of stabilization

Nerofix

- Acquisition of balance 40% of equity shares of Nerofix.
- Nerofix has become a wholly owned (100%) subsidiary of the Company.

Nerolac Story

BOTH BUSINESSES ARE ABOUT **BEAUTY**
BOTH BUSINESSES ARE ABOUT **PROTECTION**



MICRO STEPS

Marketing

Manpower

Capacity Creation

Digitisation

Training

Culture

Infrastructure

Policies

Working

People



Thank you

