



Towards New Frontiers



## Towards New Frontiers

In today's hyper expanding business environment, there is a heightened need to ensure that organization has the right mix of products, operations, technologies and services to balance risk and capitalize on growth opportunities, all while responding to evolving customer demand. Kansai Nerolac Paints Limited (KNPL) has been strategically investing in a number of ideas and initiatives which will help in offering long term sustained value to its valued stakeholders.

Digitalization has strongly emerged as a tool to achieve desired business results with the ability to drive organization-wide process optimization and change. KNPL has believed and invested in the power of digitalization to not only drive massive improvements in internal operations but also to bring untapped sources of value to the customers. In this respect to boost KNPL's digital quotient, the Company has forayed into the space of Machine Learning (ML) with the adoption of next generation technology SAP Leonardo.

Embracing the need to make the growth momentum sustainable, KNPL has invested in setting up 3 green-field state-of-the-art Plants. The plants are strategically located in different geographical zones so as to cater to different growing markets. The first of these 3 plants has commenced trial production this year.

KNPL has always believed in the power of Technology as a key driving force for innovation in businesses. Many breakthrough concepts and development in businesses have been primarily driven by the development of new generation technology. The Company has laid the foundation for new manufacturing technologies which has provided a new dimension in the production value chain.

The experience garnered by KNPL over the years has made it evident that success depends on innovation so as to create differentiated value to our valued customers. Innovation is what KNPL is passionate about and so the Company is in the process of kick starting operations at the cutting-edge global Research & Development center in Navi Mumbai.

Aiming to leverage KNPL's core competencies, the Company has forayed into allied business segments like Construction Chemicals, Coil Coatings, Rebar Coatings, Adhesives and Floor Coatings. KNPL plans to establish product platforms aligned to the capabilities that the Company has developed over the last many years.

With emphasis on moving towards new frontiers and creating new possibilities all while leveraging its existing capabilities, KNPL is poised to take advantage of the opportunities that arise in the years ahead.

#### **DIRECTORS**

P. P. SHAH (Chairman)  
H. M. BHARUKA (Vice Chairman and Managing Director)  
N. N. TATA  
P. D. CHAUDHARI (Whole-time Director – upto March 31, 2018)  
M. TANAKA  
H. FURUKAWA  
MRS. B. SOMAYA  
K. KATO  
A. JAIN (Whole-time Director – from April 1, 2018)

#### **COMPANY SECRETARY**

G. T. GOVINDARAJAN

#### **BANKERS**

- UNION BANK OF INDIA
- STANDARD CHARTERED BANK
- HDFC BANK LTD.
- BNP PARIBAS

#### **AUDITORS**

B S R & CO. LLP, MUMBAI

#### **SOLICITORS**

KANGA & CO., MUMBAI

#### **REGISTERED OFFICE**

NEROLAC HOUSE, GANPATRAO KADAM MARG,  
LOWER PAREL, MUMBAI-400 013

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Website: [www.nerolac.com](http://www.nerolac.com)

Investors Relations e-mail ID: [investor@nerolac.com](mailto:investor@nerolac.com)

Corporate Identity Number (CIN): L24202MH1920PLC000825

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Investors Relations e-mail Id: investor@nerolac.com • Corporate Identity Number (CIN): L24202MH1920PLC000825

## NOTICE

Notice is hereby given that the Ninety-Eighth Annual General Meeting of KANSAI NEROLAC PAINTS LIMITED will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Behind Prince of Wales Museum, Kala Ghoda, Mumbai 400 001 on Thursday, 21st June, 2018 at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2018 including audited Balance Sheet as at 31st March, 2018 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare a normal dividend of ₹ 2.60 (260%) per Equity Share of the nominal value of ₹ 1 each for the year ended 31st March, 2018.
3. To appoint a Director in place of Mr. Masaru Tanaka (holding DIN 06566867), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Hidenori Furukawa (holding DIN 06924589), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Katsuhiko Kato (holding DIN 07556964), who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment(s) or

re-enactment(s) thereof, for the time being in force), B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and that their remuneration be fixed by the Audit Committee in addition to the reimbursement of service tax and actual out of pocket expenses incurred in connection with the audit of accounts of the Company for the financial year ending 31st March, 2019."

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED that in accordance with the provisions of Section 148 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Amendment Rules, 2016, the remuneration of the Cost Auditor, D. C. Dave & Co., Cost Accountants, for the year ending 31st March, 2019, as recommended by the Audit Committee and approved by the Board of Directors be and is hereby ratified."

### SPECIAL BUSINESS:

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 160, 161 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Anuj Jain (holding DIN 08091524), whose term of office expires at this Annual General Meeting be and is hereby appointed as a Director of the Company."

“RESOLVED FURTHER that pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the said Act, the consent of the Company be and is hereby accorded to the appointment of Mr. Anuj Jain as a Whole-time Director of the Company for a period of five years commencing from 1st April, 2018 to 31st March, 2023 (both days inclusive) on the remuneration and perquisites as set out in the draft Agreement to be entered into between the Company and Mr. Jain placed before this meeting and initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER that the Directors of the Company be and are hereby authorised to enter into an Agreement on behalf of the Company with Mr. Jain, in terms of the aforesaid draft Agreement.”

For and on behalf of the Board

P. P. Shah  
Chairman

Mumbai, 2nd May, 2018.

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

The instrument of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

2. Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board resolution together with the specimen signatures of their authorized representatives to attend and vote on their behalf at the meeting.

3. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to Item Nos. 6, 7 and 8 of the Notice of the Annual General Meeting (AGM) is annexed hereto.
4. The Board of Directors has recommended for consideration of the Members a dividend of ₹ 2.60 (260%) per Equity share of the nominal value of ₹ 1 each for the year ended 31st March, 2018.
5. The Register of Members and Share Transfer books of the Company will remain closed from Friday 15th June, 2018 to Thursday 21st June, 2018 (both days inclusive), for the purpose of Annual General Meeting and Dividend. Dividend, if declared, will be payable on or after 26th June, 2018 to those members whose names are registered as such in the Register of Members of the Company as on 14th June, 2018 and to the Beneficiary holders as per the beneficiary list as on 14th June, 2018 provided by the NSDL and CDSL.
6. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed 14th June, 2018 as the “cut-off date” to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 14th June, 2018, shall be entitled to avail the facility of remote e-voting or voting in the general meeting.
7. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. Electronic copy of the Annual Report including Notice of the 98th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Admission Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes. However, those members who desire to have a physical copy may request for the same to the Registrar & Transfer Agent (RTA), TSR Darashaw Ltd. For members who have not registered their email IDs, physical copies of the Annual Report are being sent in the permitted mode.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant



in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to TSR Darashaw Ltd.

9. The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs with their Depository Participant are requested to register their e-mail address at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly provide their e-mail address to the RTA by sending an e-mail at [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com). The Annual Report of the Company would also be made available on the Company's website [www.nerolac.com](http://www.nerolac.com).

#### 10. Voting through Electronic means

In compliance with Section 108 and other applicable provisions of the Companies Act, 2013, if any, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Shareholders with the facility of "remote e-voting" (e-voting from a place other than venue of the AGM), to enable them to cast their votes at the 98th Annual General Meeting (AGM) and the business at the 98th AGM may be transacted through such voting. The Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) for facilitating e-voting to enable all its Shareholders to cast their vote electronically.

The facility for voting, either through electronic voting system or ballot/polling paper shall also be made available at the venue of the AGM, apart from the remote e-voting facility provided prior to the date of AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the AGM. The Company has appointed Mr. H. R. Thakur, Practising Company

Secretary, as the Scrutiniser for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The Scrutiniser shall make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, during the remote e-voting and voting at the AGM, not later than three days of conclusion of the meeting, to the Chairman or a person, authorised by him in writing. The Chairman or a person, authorised by him in writing, shall declare the results of the AGM forthwith. The results declared along with the Scrutiniser's report shall be placed on the Company's website and on the website of CDSL and shall be communicated to the Stock Exchanges.

Members holding shares in physical form or in demat form as on 14th June, 2018, the cut-off date shall only be eligible for e-voting.

#### The instructions for voting electronically are as under:

- (i) The voting period begins on Sunday, 17th June, 2018 at 9.00 a.m. and ends on Wednesday, 20th June, 2018 at 5.00 p.m. During this period, the eligible shareholders of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders/Members
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
<b>PAN*</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN of KANSAI NEROLAC PAINTS LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote or cast your vote again.
- (xvi) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If the Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively.**
- (xix) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

Those persons, who have acquired shares and have become members of the Company after the despatch of Notice of the AGM by the Company and whose names appear in the Register of Members or Register of beneficial holders as on the cut-off date i.e. 14th June, 2018 shall view the Notice of the 98th AGM on the Company's website or on the website of CDSL. Such Members shall exercise their voting rights through remote e-voting by following the procedure as mentioned above or by voting at the AGM.

## Annexure to the Notice

### EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 6

The Shareholders of the Company have appointed B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company from the conclusion of 94th Annual General Meeting until the conclusion of the 99th Annual General Meeting. The appointment of B S R & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company is placed for the ratification of the shareholders at this Annual General Meeting of the Company.

In accordance with Section 139 of the Act, B S R & Co. LLP, Chartered Accountants have certified that they are eligible to be appointed as the Statutory Auditors of the Company and they satisfy the criteria as provided in Section 141 of the Act. The certificate is available for inspection of the Shareholders at the Registered Office of the Company during business hours on any working day, except Saturday.

None of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item no. 6.

#### ITEM NO. 7

In accordance with the Companies (Cost Records and Audit Rules) 2014, read with the Companies (Cost Records and Audit) Amendment Rules, 2016, the Company is required to conduct cost audit of its cost records pertaining to the products falling under the product categories – Organic & Inorganic chemicals, Ores and mineral products, Plastics & Polymers and Rubber & Allied products for the year ending 31st March, 2019. The products of the Company covered under the aforesaid categories are different types of thinners, floor coating products, powder coating products & hardeners and Construction Chemicals.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, has approved the appointment of D. C. Dave & Co., Cost Accountants as the Cost auditor for the aforesaid product categories for the financial year 2018-19 on the same remuneration as was approved for the previous year, i.e. ₹ 2,50,000 plus service tax and out of pocket expenses. D. C. Dave & Co., has also conveyed its willingness to act as cost auditor of the Company for the year ending 31st March, 2019. The eligibility and consent letter is

available for inspection of the Shareholders at the Registered Office of the Company during business hours on any working day, except Saturday.

In terms of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration recommended by the Audit Committee for the Cost Auditor and approved by the Board of Directors is required to be ratified subsequently by the Shareholders. Hence the resolution of Item No. 7 of the Notice.

None of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

#### ITEM NO. 8

The Board of Directors of the Company at its meeting dated 19th January, 2018, approved the appointment of Mr. Anuj Jain as an Additional Director of the Company with effect from 1st April, 2018. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") read with Article 113 of the Articles of Association of the Company, Mr. Jain holds the office of Director only up to the date of the forthcoming Annual General Meeting.

Notice in writing has been received from some shareholders of the Company, pursuant to Section 160 of the Act, signifying their intention to propose Mr. Jain as a candidate for the office of Director.

Mr. Anuj Jain was also appointed at the aforesaid Board meeting as a Whole-time Director of the Company for a period of five years commencing from 1st April, 2018 to 31st March, 2023 (both days inclusive). The Board of Directors at its meeting dated 2nd May, 2018, approved the remuneration and perquisites to be paid or granted to Mr. Jain as set out in the draft Agreement between the Company and Mr. Jain referred to in the Resolution at Item No. 8 of the Notice.

The appointment of Mr. Jain as a Whole-time Director of the Company and the remuneration and perquisites proposed to be paid or granted to him as set out in the aforesaid draft Agreement are in conformity with the provisions and requirements of Schedule V to the Act. Accordingly, no approval of the Central Government is required to be obtained for the appointment of Mr. Jain as the Whole-time Director of the Company or the proposed remuneration.

The appointment of Mr. Jain as the Whole-time Director of the Company on the remuneration and perquisites as set out in the aforesaid draft Agreement is however subject