

### KNPL Supply Chain

KNPL supply chain is illustrated in simplified format in the diagram below. We cater to industrial as well as Decorative customers. The Planning and Distribution part of supply chain differs for two major group of customers – Industrial and Decorative as mentioned below. For Industrial customers, planning is carried out as per “Make to Order” philosophy, while decorative customers are served through our wide distribution network and planning is carried out based on forecasted demand. Production plan is the output of planning phase, which provides input for manufacturing in terms of finished goods and to purchase department with respect to raw materials to be procured to fulfill the demand. Purchasing of required materials and manufacturing of paint is carried out as per production plan. This is followed by distribution to customer through the distribution network.

This year, KNPL focused on superior supply chain management and smarter procurement, driven via advanced digital solutions. Multiple system driven initiatives were undertaken which resulted in improved flexibility, operational effectiveness and cost optimization. The Company will commence commercial production at its new state-of-the-art manufacturing unit in Sayakha, Gujarat. The strategic geographical set up of the new plant will help KNPL to further improve its flexibility in offering better services to its industrial customers. Work is also progressing at a brisk pace at new upcoming manufacturing unit in Amritsar. The Company commissioned and started operations on an innovative and cost effective emulsion manufacturing technology at Jainpur as well as the in-house emulsion facility at Hosur. This year saw an increase in the total space and realignment of depots to take advantage of GST and enhance the reach of KNPL to help serve customers better.

