

Press Release

Mumbai, Oct 25, 2021

Kansai Nerolac Paints Ltd Announces Q2 Results FY 2021-2022

Mumbai, October 25, 2021: Kansai Nerolac Paints Limited (**KNPL**), one of the leading Paint companies in India, today at the Board meeting announced its unaudited results for the second quarter of financial year 2021-22. For the quarter, the company declared Net revenue of Rs.1521 Crores, a growth of 16.2% over the corresponding quarter of the previous year.

EBIDTA was at Rs.165 Crores, a de-growth of 37.3% over the same quarter of the previous year. PAT was at Rs 99 Crores, a de-growth of 38.1% over the same quarter of the previous year.

For the half year net revenue was Rs 2842 Crores, growth of 48.3% over the same period of the previous year. EBIDTA was at Rs.354 Crores, a growth of 3.3% over the same period of the previous year. PAT was at Rs 217 Crores, a growth of 9.0% over the same period of the previous year.

The National Company Law Tribunal, Mumbai and Ahmedabad Bench have approved the Scheme of Amalgamation of Marpol Pvt. Ltd and Perma Construction Aids Pvt Ltd, wholly owned subsidiaries, with the Holding Company KNPL. Scheme is effective from 21st October 2021. The appointed date of the Scheme is 1st July,2019. Accordingly, the amalgamation has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations under common control' and comparatives have been restated to give effect of the amalgamation from the beginning of the previous year. The impact of amalgamation is not material to the standalone financial results of the Company.

Commenting on the results, **Mr. H. M. Bharuka, Vice Chairman and Managing Director, Kansai Nerolac Paints Ltd said**, "The quarter witnessed good demand in Decorative. Automotive production was hampered due to the unavailability of semiconductor chips. Inflationary trend has further intensified during the quarter and has reached unprecedented levels. Inflation is more severe in Industrial. Numerous force majeure across the globe have created supply chain issues. Forex markets continued to be volatile. Given the circumstances, the effort of the company has been to strike a balance between topline and bottom-line. Keeping in mind the sentiments in the market, the company has been able to partly pass on the inflationary effect in both Decorative and Industrial. Sustained efforts continue to obtain further price increases to offset the impact of inflation.

The company focused on selling a better product mix as well as aggressive cost controls along with judicious management of overheads.

Looking forward, factors like good monsoon, buoyancy of the economy on account of containment of COVID due to the vaccination program should keep demand healthy."

Outlook of Indian Paint Industry:

The size of domestic paint industry is estimated at around Rs. 55000 crores as of March 2021. The good growth in infrastructure, core sector as well as automobile and real estate is likely to have a positive effect on the overall demand of paint for the industry in the long run.

About Kansai Nerolac Paints Ltd:

Kansai Nerolac Paints now in its 101st year has been at the forefront of paint manufacturing pioneering a wide spectrum of quality paints. Kansai Nerolac is one of the leading paint company in India and is the leader in Industrial paints. The company has strategically located manufacturing units all over India and a strong dealer network across the country. The company manufactures a diversified range of products ranging from decorative paints coatings for homes, offices, hospitals, and hotels to sophisticated industrial coatings for most of the industries. Please visit www.nerolac.com .