

Kansai Nerolac Paints Ltd Announces Q2 Results FY 2019-2020

Mumbai, November 1, 2019: Kansai Nerolac Paints Limited (**KNPL**), one of the leading Paint companies in India, today at the Board meeting announced its un-audited results for the second quarter of financial year 2019-20. For the quarter, the company declared Net sale of Rs. 1237 Crores a de-growth of 3.8 % over the corresponding quarter of the previous year. For the half year ending September 30, 2019, the company declared a Net sale of Rs. 2693.8 Crores a growth of 1.5 % over the corresponding period of the previous year.

EBIDTA was at Rs. 212.9 crores a growth of 9.2 % over the same quarter of the previous year. Lower Tax has resulted in Net profit growth of 58.5 %. For the half year ending September 30, 2019, company reported an EBITDA of Rs. 462 Crores a growth of 11.2 % over the same period last year. Net profit growth was 30.4 %.

Commenting on the results, **Mr. H. M. Bharuka, Vice Chairman and Managing Director, Kansai Nerolac Paints Ltd said**, “Decorative segment has registered good volume and value growth in the given environment. This helped offset the continued and unprecedented slow-down in the automotive and other OEMs segments where the company has a significant exposure. The company’s decorative sales were impacted due to factors like extended monsoon, floods in many key states and low off-take in Kashmir where KNP has a major presence. The company has been building traction in the niche business areas that the company is focusing on. Company was able to maintain growth in ARF, Protective Coating and Powder segments of the market. Our subsidiaries in Nepal and Bangladesh have done well.

During the quarter, input costs were stable and in line with the previous quarter trend. This along with judicious control on costs has helped improve the bottom-line. Exchange rate and crude oil prices continued to show volatility creating challenges in raw material cost management. Company commenced commercial operations at the Punjab plant. The company sees a slowdown in Decorative segment though it expects a revival once the unseasonal rains subside. Challenges of demand in Industrial are expected to continue for the near future.”

Outlook of Indian Paint Industry:

The size of domestic paint industry is estimated at Rs.50000 crores as of Mar 2019. 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.

About Kansai Nerolac Paints Ltd:

Kansai Nerolac Paints has been at the forefront of paint manufacturing for more than 90 years pioneering a wide spectrum of quality paints. Kansai Nerolac is one of the leading paint company in India and is the leader in Industrial segment, having a turnover of Rs.5682 crores. The company has

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five 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
