

Press Release**Mumbai, Nov 3, 2020****Kansai Nerolac Paints Ltd Announces Q2 Results FY 2020-2021**

Mumbai, November 3, 2020: 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 2020-21. For the quarter, the company earned Net revenue from operations of Rs. 1288 Crores, a growth of 3.6% over the corresponding quarter of the previous year. For the first half, the company earned Net Revenue from operations of Rs. 1886 Crores a de-growth of 30.3% over the corresponding period of the previous year.

EBIDTA was at Rs. 259.4 Crores, a growth of 21.8% over Q2 of 2019-20. PBT before exceptional item was at Rs. 229.6 Crore, a growth of 22.8% over Q2 of 2019-20.

Exception item represents provision made by the Company for impairment of Rs. 10.82 Crores on its Investment in Kansai Paints (Lanka) Private Limited after taking in to account the past business performance, prevailing business conditions and revised future performance due to COVID-19 Pandemic.

For the first half EBITDA was at Rs. 339.9 Crores, a de-growth of 26.4% over H1 of 2019-20. PBT before exceptional item was at Rs. 284.9 Crores, a de-growth of 31.1% over H1 of 2019-20.

PAT for the quarter was at Rs 158.5 Crores, a degrowth of 18% over Q2 of 2019-20. This degrowth is due to provision for impairment and reversal of tax expenses in the previous year's quarter due to downward revision in the tax rates. PAT for the first half was Rs 201.3 Crores, a degrowth of 41% over H1 of 2019-20.

Commenting on the results, **Mr. H. M. Bharuka, Vice Chairman and Managing Director, Kansai Nerolac Paints Ltd said**, "The quarter saw a gradual return in demand as the un-lock progressed. Decorative witnessed high double-digit volume growth in the quarter. Industrial witnessed negative growth with end user demand being impacted for a better part of the quarter on account of COVID and gradually recovering only in September.

An aggressive cost control program along with judicious management of overheads helped the company report a growth in EBITDA. Basic raw material prices were benign this quarter though rates were seen firming up gradually along with continued volatility in forex rates.

Looking forward, the company is optimistic that demand recovery would continue.

Outlook of Indian Paint Industry:

The size of domestic paint industry is estimated at Rs. 52000 crores as of March 2020. 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 100th 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, having a Net revenue from operations of Rs. 4943 crores (FY 2019-20). The company has six 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 .

