

July 30, 2021

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| <p>1. Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.</p> | <p>2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051.</p> |
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Sub.: Outcome of the Board Meeting of Kansai Nerolac Paints Limited held on July 30, 2021 – Financial Results

- Ref.: 1. Regulation 30 (read with Schedule III - Part A), Regulation 33 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**
2. Scrip Codes: BSE - 500165, NSE - KANSAINER

Dear Sirs,

This is to inform you that the Board of Directors of Kansai Nerolac Paints Limited (“Company”) has, in its meeting held today i.e. on Friday, July 30, 2021 (“Board Meeting”), *inter alia* considered and approved the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2021 (“Unaudited Financial Results”).

The Board Meeting commenced at 10.15 a.m. and concluded at 1.35 p.m.

Further, pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), please find enclosed herewith:

- (i) the Unaudited Financial Results for the quarter ended June 30, 2021; and
- (ii) Limited Review Report dated July 30, 2021, issued by the Statutory Auditors of the Company with respect to the Unaudited Financial Results and taken on record by the Board of Directors of the Company.

A press release on the Unaudited Financial Results is also enclosed herewith.

In reference to the Circular bearing Ref. No. SEBI/HO/CFD/CMD1/ CIR/P/2020/84 issued by the Securities and Exchange Board of India on May 20, 2020 about the impact of COVID-19, we wish to inform you that Note No. 5 of the Unaudited Financial Results (both Standalone and Consolidated) and the third paragraph of the Press Release annexed to this letter, provide further update on impact of COVID-19 pandemic on the Company.

Necessary arrangements have been made for publishing the Unaudited Financial Results in the newspapers, in the prescribed formats, in terms of Regulation 47 of SEBI Listing Regulations.

The above is for your information and record.

For **KANSAI NEROLAC PAINTS LIMITED**

G. T. GOVINDARAJAN
COMPANY SECRETARY

Encl.: As above.

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Kansai Nerolac Paints Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Kansai Nerolac Paints Limited (the "Company") for the quarter ended June 30, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S R B C & C O L L P
Chartered Accountants
ICAI Firm registration number: 324982E/E300003



per Anil Jobanputra
Partner
Membership No.: 110759

UDIN: 21110759AAAADT7883

Place: Mumbai
Date: July 30, 2021



STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2021

₹ in Crores

Sr. No.	Particulars	For the quarter ended			For the year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		(Unaudited)	(Audited) Refer Note 2	(Unaudited)	(Audited)
1	Income				
a.	Revenue from Contracts with Customers (Net of Discounts and Rebates)	1295.28	1321.09	590.43	4655.69
b.	Other Operating Revenues	5.91	9.39	7.62	34.31
	Total Revenue from Operations	1301.19	1330.48	598.05	4690.00
	Other Income	9.67	12.38	7.93	38.71
	Total Income	1310.86	1342.86	605.98	4728.71
2	Expenses				
a.	Cost of Materials Consumed	759.09	881.89	230.06	2694.59
b.	Purchase of Stock-in-Trade	83.33	86.04	43.47	315.33
c.	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	13.62	(95.08)	75.44	(98.49)
d.	Employee Benefits Expense	69.82	65.87	64.50	258.58
e.	Finance Costs	2.52	4.02	1.32	7.49
f.	Depreciation and Amortisation Expense	35.76	40.47	31.83	138.97
g.	Other Expenses	188.21	188.40	104.07	686.91
	Total Expenses	1152.35	1171.61	550.69	4003.38
3	Profit before exceptional items and tax	158.51	171.25	55.29	725.33
4	Exceptional item	-	-	-	(10.82)
5	Profit before tax	158.51	171.25	55.29	714.51
6	Tax Expense				
a.	Current Tax	39.12	39.19	14.23	180.18
b.	Deferred Tax	0.74	4.26	(1.65)	3.34
	Total Tax Expense	39.86	43.45	12.58	183.52
7	Profit for the Period	118.65	127.80	42.71	530.99
8	Other Comprehensive Income				
	(i) Items that will not be reclassified to Statement of Profit and Loss	(0.25)	2.06	(0.60)	0.26
	(ii) Income tax on item that will not be reclassified to Statement of Profit and Loss	0.06	(0.52)	0.15	(0.07)
9	Other Comprehensive Income (net of tax)	(0.19)	1.54	(0.45)	0.19
10	Total Comprehensive Income	118.46	129.34	42.26	531.18
11	Paid up Equity Share Capital (Face value of ₹ 1 each)	53.89	53.89	53.89	53.89
12	Other Equity				4027.04
13	Earnings Per Equity Share (of ₹ 1 each) (not annualised)				
a.	Basic	2.20	2.37	0.79	9.85
b.	Diluted	2.20	2.37	0.79	9.85

Notes:

- The above unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 30 July 2021. The statutory auditors have expressed an unqualified review opinion. The review report has been filed with stock exchange and is available on the Company's website.
- The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to March 31, 2021 and the unaudited published year-to-date figures up to December 31, 2020, being the date of the end of the third quarter of the previous financial year which were subjected to limited review.
- The Standalone financial results are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- As the Management Committee monitors the business activity consisting of paints and other related products of the Company as a single segment viz. 'Paints' and the sales substantially being in the domestic market, the financial results are reflective of the disclosure requirements of Ind AS 108 - Operating Segments.
- The Company has considered the impact of COVID-19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions and expects that the carrying amount of the assets will be recovered. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration. Accordingly, the Company will continue to monitor any material changes to future economic conditions.
- Previous period figures have been regrouped / rearranged, wherever necessary, to correspond to current period's presentation.



For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA
VICE CHAIRMAN AND MANAGING DIRECTOR

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Kansai Nerolac Paints Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Kansai Nerolac Paints Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended June 30, 2021 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Holding Company

- Kansai Nerolac Paints Limited

Subsidiary Companies

- i. KNP Japan Private Limited
 - ii. Kansai Paints Lanka (Private) Limited
 - iii. Kansai Nerolac Paints (Bangladesh) Limited
 - iv. Marpol Private Limited
 - v. Perma Construction Aids Private Limited
 - vi. Nerofix Private Limited
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



SRBC & COLLP

Chartered Accountants

Kansai Nerolac Paints Limited

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6. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of 5 subsidiaries, whose unaudited interim financial results include total revenues of Rs 99.05 Crores, total net loss after tax of Rs. 2.61 Crores and total comprehensive loss of Rs. 3.54 Crores, for the quarter ended June 30, 2021, as considered in the Statement which have been reviewed by their respective independent auditors.

The independent auditor's reports on interim financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

7. Certain of these subsidiaries are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion on the Statement in respect of matters stated in paragraph 6 and 7 above is not modified with respect to our reliance on the work done and the reports of the other auditors.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Anil Jobanputra

Partner

Membership No.: 110759

UDIN: 21110759AAAADS6289



Place: Mumbai

Date: July 30, 2021

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2021

Sr. No.	Particulars	For the quarter ended			₹ in Crores
		30.06.2021	31.03.2021	30.06.2020	For the year ended
		Unaudited	(Audited) Refer Note 2	Unaudited	(Audited)
1	Income				
a	Revenue from Contracts with Customers (Net of Discounts and Rebates)	1397.20	1450.83	631.37	5041.39
b	Other Operating Revenues	5.56	8.74	7.55	32.86
	Total Revenue from Operations	1402.76	1459.57	638.92	5074.25
	Other Income	9.94	10.93	8.16	38.21
	Total Income	1412.70	1470.50	647.08	5112.46
2	Expenses				
a	Cost of Materials Consumed	832.16	975.08	250.69	2935.79
b	Purchase of Stock-in-Trade	84.69	86.47	43.81	317.21
c	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	6.15	(106.36)	79.57	(106.47)
d	Employee Benefits Expense	82.05	78.65	74.81	304.68
e	Finance Costs	6.66	7.78	5.51	23.74
f	Depreciation and Amortisation Expense	41.72	48.16	37.92	165.30
g	Other Expenses	207.19	212.28	113.22	759.76
	Total Expenses	1260.62	1302.06	605.53	4400.01
3	Profit before tax	152.08	168.44	41.55	712.45
4	Tax Expense				
a	Current Tax	40.57	40.96	14.39	186.02
b	Deferred Tax	0.13	3.86	(2.48)	0.71
	Total Tax Expense	40.70	44.82	11.91	186.73
5	Profit for the Period	111.38	123.62	29.64	525.72
6	Other Comprehensive Income				
a	(i) Items that will not be reclassified to Statement of Profit and Loss	(0.25)	2.00	(0.60)	0.20
	(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss	0.06	(0.52)	0.15	(0.07)
b	(i) Items that will be reclassified to Statement of Profit and Loss	(0.93)	(0.58)	(0.87)	(0.22)
	(ii) Income tax relating to items that will be reclassified to Statement of Profit and Loss	-	-	-	-
	Total Other Comprehensive Income	(1.12)	0.90	(1.32)	(0.09)
7	Total Comprehensive Income	110.26	124.52	28.32	525.63
8	Profit for the period attributable to:				
	Owners of the Company	114.09	124.28	33.47	529.74
	Non-controlling interests	(2.71)	(0.66)	(3.83)	(4.02)
		111.38	123.62	29.64	525.72
9	Other Comprehensive Income attributable to:				
	Owners of the Company	(1.12)	0.97	(1.32)	(0.02)
	Non-controlling interests	-	(0.07)	-	(0.07)
		(1.12)	0.90	(1.32)	(0.09)
10	Total Comprehensive Income attributable to:				
	Owners of the Company	112.97	125.25	32.15	529.72
	Non-controlling interests	(2.71)	(0.73)	(3.83)	(4.09)
		110.26	124.52	28.32	525.63
11	Paid up Equity Share Capital (Face value of ₹ 1 each)	53.89	53.89	53.89	53.89
12	Other Equity				3999.01
13	Earnings Per Equity Share (of ₹ 1 each) (not annualised)				
a	Basic	2.12	2.31	0.62	9.83
b	Diluted	2.12	2.31	0.62	9.83

Notes:

- The above unaudited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 30 July 2021. The statutory auditors have expressed an unqualified review opinion. The review report has been filed with stock exchange and is available on The Group's website.
- The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to March 31, 2021 and the unaudited published year-to-date figures up to December 31, 2020, being the date of the end of the third quarter of the previous financial year which were subjected to limited review.
- The Consolidated financial results are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- As the Management Committee monitors the business activity consisting of paints and other related products of the Group as a single segment viz. 'Paints' and the sales substantially being in the domestic market, the financial results are reflective of the disclosure requirements of Ind AS 108 - Operating Segments.
- The Group has considered the impact of COVID-19 pandemic on its business operations and financial results based on its review of current indicators of future economic conditions and expects that the carrying amount of the assets will be recovered. However, the impact assessment of this pandemic is a continuing process given the uncertainties associated with its nature and duration. Accordingly, the Group will continue to monitor any material changes to future economic conditions.
- Previous period figures have been regrouped / rearranged, wherever necessary, to correspond to current period presentation.



For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA
VICE CHAIRMAN AND MANAGING DIRECTOR

KANSAI NEROLAC PAINTS LIMITED

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Website: www.nerolac.com CIN: L24202MH1920PLC000825

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2021

₹ in Crores

Particulars	Standalone				Consolidated			
	For the quarter ended			For the year ended	For the quarter ended			For the year ended
	30.06.2021	31.03.2021	30.06.2020	31.03.2021	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Total Income from Operations	1301.19	1330.48	598.05	4690.00	1402.76	1459.57	638.92	5074.25
Net Profit for the Period (before Tax and Exceptional items)	158.51	171.25	55.29	725.33	152.08	168.44	41.55	712.45
Net Profit for the Period before tax (after Exceptional items)	158.51	171.25	55.29	714.51	152.08	168.44	41.55	712.45
Net Profit for the Period after tax (after Exceptional items)	118.65	127.80	42.71	530.99	111.38	123.62	29.64	525.72
Total Comprehensive Income for the Period	118.46	129.34	42.26	531.18	110.26	124.52	28.32	525.63
Equity Share Capital	53.89	53.89	53.89	53.89	53.89	53.89	53.89	53.89
Other Equity				4027.04				3999.01
Earnings Per Equity Share (of ₹ 1/- each) (not annualised)								
Basic	2.20	2.37	0.79	9.85	2.12	2.31	0.62	9.83
Diluted	2.20	2.37	0.79	9.85	2.12	2.31	0.62	9.83

Note: The above is an extract of the detailed format of Statement of Unaudited Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of Statement of Unaudited Financial Results are available on the websites of Stock Exchanges at <https://www.bseindia.com> and <https://www.nseindia.com> and also on the Company's website at <https://www.nerolac.com>. The auditors have expressed an unqualified review report on the financial results for the quarter ended 30 June, 2021.



For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA
VICE CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai
Date: 30 July 2021

Press Release

Mumbai, July 30, 2021

Kansai Nerolac Paints Ltd Announces Q1 Results FY 2021-2022

Mumbai, July 30, 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 first quarter of financial year 2021-22. For the quarter, the company declared Net revenue of Rs. 1301.2 Crores, a growth of 117.6 % over the corresponding quarter of the previous year.

EBIDTA was at Rs. 187.1 Crores, a growth of 132.4 % over the same quarter of the previous year. PAT was at Rs 118.7 Crores, a growth of 177.8 % over the same quarter of the previous year.

Commenting on the results, **Mr. H. M. Bharuka, Vice Chairman and Managing Director, Kansai Nerolac Paints Ltd** said, "The quarter began on an extremely positive note. With the announcement of the lockdown across several states towards the end of April, demand was once again affected across both Decorative and Industrial in April and May. In June there was a revival in Decorative demand once the restrictions eased. Industrial demand continued to be impacted.

Continuing the trend of earlier quarters, raw material prices further hardened resulting in extremely high inflation coupled with tightness in supplies. Forex markets continued to be volatile. The company has partly increased prices in Decorative. In Industrial, also the company has increased prices and is making sustained effort to obtain price increases to offset the impact of inflation.

The company focused on selling a better product mix. It continued with the aggressive cost control program and judicious management of overheads. It is because of these steps that the drop in EBITDA has been contained.

Looking forward, with the vaccination program underway and a forecast of a good monsoon, demand should recover. Company would be aggressive in seeking price increases.

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, having a Net turnover of Rs. 4690 crores (FY 2020-21). 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 .